

**ITEM 6. DRAFT COUNCILLORS' EXPENSES AND FACILITIES POLICY
2016/17 - PUBLIC EXHIBITION**

FILE NO: S048524

SUMMARY

In accordance with the *Local Government Act 1993* (the Act), Councillors are entitled to be provided with the necessary resources and facilities and for expenses to be reimbursed in order for them to perform the role and undertake the duties of a Councillor.

To facilitate this, Council is required to adopt a policy, known as the Councillors' Expenses and Facilities Policy (the Policy), for the payment of expenses incurred by, and the provision of facilities to, the Lord Mayor and Councillors. The Policy must be adopted within the first 12 months of the commencement of each four year term of a Council.

The adopted Policy must be consistent with the relevant provisions of the Act (s. 252 and 253) and *Local Government (General) Regulation 2005* (cl. 403). These provisions are further informed by the "*Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW*" (the OLG Guidelines) issued by the Office of Local Government (OLG) in 2009 (with various provisions within the Guidelines categorised as mandatory in accordance with s. 23A of the Act).

Consequential to the commencement of the new term of Council in September 2016, a review of the existing Policy has been undertaken. The following changes to the existing Policy are recommended:

- i. minor amendments and additions to clarify particular provisions and further strengthen Policy alignment with the Act, the Regulation and the OLG Guidelines;
- ii. an increase in the capped expenditure limits applicable to a number of expenditure categories contained in the Policy; and
- iii. minor restructuring and/or section consolidation intended to improve "readability" of the Policy.

The changes have been incorporated into the draft Policy at Attachment A. All recommended changes, excluding restructuring and section consolidation changes, are set-out in mark-up format. The balance of the draft Policy document, for the most part, remains the same as the Policy adopted last year. Consistent with the objectives of the OLG Guidelines, the draft Policy continues to provide an effective framework for the provision of:

- i. adequate and reasonable expenses and facilities to the Lord Mayor, Deputy Lord Mayor and Councillors to enable them to carry out their respective roles under the Act; and
- ii. expenses and facilities to all members of Council's governing body in a manner that is transparent and accountable, and meets the expectations of the local community.

Following consideration by Council, the draft Policy will be placed on public exhibition between Wednesday 26 October and Friday 25 November 2016. The draft Policy will be exhibited on the City's website and will also be available for inspection at the Town Hall House One Stop Shop and Neighbourhood Service Centres. Should any submissions be received, they will be summarised and reported to Council for consideration together with the final Policy recommended for adoption.

RECOMMENDATION

It is resolved that Council approve for public exhibition, for a period of at least 28 days, the draft Councillors' Expenses and Facilities Policy 2016/17, shown at Attachment A to the subject report.

ATTACHMENTS

Attachment A: Draft Councillors' Expenses and Facilities Policy 2016/17

BACKGROUND

1. Council is required to adopt a Policy for the payment of expenses incurred by, and the provision of facilities to, the Lord Mayor, Deputy Lord Mayor and Councillors within the first 12 months of each council term.
2. Council is required to review its Policy and publicly exhibit the proposed Policy, even if the Policy remains the same as the existing Policy.
3. The current version of the Policy has been in place since November 2015. Following a review of the Policy in accordance with the provisions of the *Local Government Act 1993* (the Act), *Local Government (General) Regulation 2005* and OLG Guidelines, some modifications and variations are recommended.
4. Council must give public notice of its Policy and allow at least 28 days for public submissions. Council must consider any submissions received and make any appropriate changes to the Policy.
5. Following consideration by Council, the draft Policy will be placed on public exhibition, with copies available for viewing on the City's website and for inspection at the One Stop Shop and Neighbourhood Service Centres. The exhibition period will commence on Wednesday 26 October and close on Friday 25 November 2016. If any submissions are received, they will be summarised and reported to Council for consideration together with the final Policy recommended for adoption.

KEY IMPLICATIONS

6. Expenditure under the Policy has been monitored since the introduction of expenditure caps in May 2007.
7. Amendments to the existing Policy, as summarised below and incorporated at Attachment A, are intended to:
 - (a) clarify a number of existing Policy provisions and strengthen the Policy's existing alignment with the Act, the Regulation and the OLG Guidelines;
 - (b) increase the capped expenditure limits applicable to a number of expenditure categories contained in the Policy; and
 - (c) improve "readability" of the Policy through minor restructuring and/or section consolidation.
8. The draft Policy at Attachment A is otherwise generally consistent with the existing Policy. The proposed key changes are as follows:
 - (a) Part 1 - INTRODUCTION - inclusion of a new Overview and Purpose to better reflect the Policy's framework and legislative context;
 - (b) Statement of Principles:
 - (i) amending the section title to Guiding Principles;
 - (ii) minor editorial changes;
 - (iii) updating of statistical information;

- (iv) moving existing general provisions applicable to the whole Policy to new clause 1.0, including new text to clarify that the Policy does not deal with annual fees paid to the Lord Mayor and Councillors; and
- (v) moving existing paragraphs containing general/interpretive Policy provisions to a new Part 2 - GENERAL POLICY PROVISIONS;
- (c) inclusion of a new Part 1 - Section 4 - LEGISLATIVE AND POLICY PROVISIONS - to summarise applicable legislative and other policy provisions under the Act, Local Government (General) Regulation 2005 and OLG Guidelines, including requirements under the City's Code of Conduct;
- (d) inclusion of a new Part 2 - GENERAL POLICY PROVISIONS - to consolidate all general/interpretative provisions contained in the existing Policy and include expanded reference to the application of the City's Code of Conduct when using Council resources.
- (e) deletion of existing clause 2.0 - RESPONSIBILITY AND ACCOUNTABILITY and the inclusion of similar provisions under new Part 5 – PAYMENT AND REIMBURSEMENT and new Part 6 - REPORTING AND REVIEW;
- (f) clause 4.1 - minor additions and amendments concerning the role of the Lord Mayor, reflective of recent changes to the Act and existing authorities contained in Council's adopted delegations, together with clarification regarding the relationship between the Policy and the City's annual budget process;
- (g) clause 5 - deletion of the existing clause as, under the OLG Guidelines, the Policy should not deal with annual fees, and inclusion of a new clause 5 combining all relevant Policy clauses and caps applicable to the Local Government NSW Annual Conference;
- (h) clause 6 - an increase in the annual limit for Carer Expenses from \$4,000 (the limit since 2012/13) to \$6,000, to take into account increases in carer costs since 2012/13 and proposed expansion of the circumstances in which carer related expanses may be claimed (eg, Local Government NSW Conference attendance and training, education or professional development course attendance);
- (i) clause 7 - an increase in the annual limit for mobile and communication device related expenses from \$4,000 (the limit since 2012/13) to \$5,000, to take into account increases in costs since 2012/13 and reflect the primacy of electronic methods of communication over paper-based communication, and to clarify that the annual capped expenditure entitlement for mobile and communications devices is intended to include their provision, ongoing usage/operating costs, and replacement costs (if required) during a Councillor's term of office;
- (j) clause 8 - amendments to existing subclauses to:
 - (i) clarify expenses the City will pay for or reimburse for interstate conferences;
 - (ii) provide additional guidance on accommodation standards; and

- (iii) cross-reference separate provisions in clause 12 that also apply to Interstate Conferences;
- (k) clause 9 - amendments to existing subclauses to:
 - (i) clarify expenses the City will pay for or reimburse;
 - (ii) increase the cost limit from \$200 to \$500 for conferences that Councillors may attend without approval of the Chief Executive Officer; and
 - (iii) cross-reference separate provisions in clause 12 that also apply to intrastate conferences;
- (l) clause 11 - amendments to:
 - (i) ensure consistency in cost limits and approval mechanisms between Intrastate Conferences and Non-Council Functions; and
 - (ii) increase the annual limit for Non-Council Function attendance from \$1,000 (the limit since expenditure caps were first adopted by Council in 2007) to \$2,000 to take into account increases in costs over the past nine years and better reflect community and stakeholder expectations regarding Councillor attendance at Non-Council Functions;
- (m) clause 16 - amendments to ensure consistency with the OLG Guidelines;
- (n) clause 17 - amendments to allow for the reimbursement of Opal Card expenses in place of bus and rail tickets for local transport and for the reimbursement of costs associated with other/new forms of local transport as may be approved by the Chief Executive Officer from time-to-time;
- (o) clause 19 - amendments to cater for digital newspaper subscription packages, which generally allow for unrestricted access across desktop, laptop, mobiles, iPads and also include free weekend or seven day delivery of hard copy newspapers;
- (p) clause 20.2 - an amendment to encourage the use of e-Christmas cards and clarify that postage costs for paper-based festive season cards are included in the \$1,500 annual expense limit;
- (q) Clause 27 - in recognition of the greater emphasis being placed by the OLG on the ongoing training, education and professional development needs of Councillors, an amendment to increase the aggregate budget from \$20,000 to \$50,000, together with other consequential amendments;
- (r) deletion of existing clauses 30.2, 30.3, 30.4 and the inclusion of similar provisions in new clauses 1.0 and 2.0 under new Part 2 - GENERAL POLICY PROVISIONS;
- (s) inclusion of a new Part 5 - PAYMENT AND REIMBURSEMENT to combine all existing clauses and include new detailed provisions regarding approval, reimbursement and payment arrangements under the Policy to better align with the OLG Guidelines; and

- (t) inclusion of existing clauses 2.4, 2.5 and 2.6 under a new Part 6 - REPORTING AND REVIEW.

BUDGET IMPLICATIONS

- 9. The 2016/17 Budget already adopted by Council includes funding for the ongoing provision of services and facilities to Councillors on a similar basis to last financial year. The limits applied to specific items of expenditure will be monitored to enable control of expenditure to avoid exceeding budget limits.

RELEVANT LEGISLATION

- 10. The Local Government Act 1993, particularly sections 252, 253 and 254.

CRITICAL DATES / TIME FRAMES

- 11. Council is required to review its Councillors' Expenses and Facilities Policy within the first 12 months of the current term of Council.

PUBLIC CONSULTATION

- 12. The draft Policy will be placed on public exhibition for a period of 28 days. Any submissions received during the exhibition period will be summarised and reported back to Council for consideration, together with the final Policy recommended for adoption.

MONICA BARONE

Chief Executive Officer

Leander Klohs, Executive Manager, Office of the CEO