

**ITEM 4. REVISED DRAFT COUNCILLORS' EXPENSES AND FACILITIES
POLICY 2017 – 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 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).

Following the commencement of the new term of Council in September 2016, a review of the Policy was undertaken. Council endorsed the draft Policy for public exhibition on 24 October 2016. The draft Policy was exhibited for 28 days from 26 October until 25 November 2016. Two submissions were received, one generally positive about the draft Policy and one which referred to matters not related to the draft Policy.

The Minister for Local Government then referred the City's draft Councillors' Expenses and Facilities Policy to the OLG for review. The City has worked with the OLG to further strengthen Policy alignment with the Act, the Regulation and the Guidelines. Additionally, the City has undertaken further restructuring and reformatting intended to improve the "readability" and accessibility of the Policy.

As a result of these review and restructuring processes, the key changes incorporated into the revised draft Policy (as shown at Attachment A) include:

- enhanced Guiding Principles and other contextual elements;
- clarification of assessment and approvals processes;
- incorporation of a formal dispute resolution process;
- clear separation of the provision of expenses and facilities into individual Parts and reordered in some instances; and
- clarification of clauses related to the provision of additional facilities and expenses for the Lord Mayor and Deputy Lord Mayor.

The revised draft Policy does not propose the introduction of any new expense categories or facilities. However, for clarity, it does specify separate postage and Christmas/festive card limits for Councillors/the Lord Mayor and more clearly states the support services (including staffing) made available to the Lord Mayor.

Consistent with the objectives of the Guidelines, the revised draft Policy continues to provide an effective framework for the provision of:

- 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
- 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 final review by the OLG, the revised draft Policy is now ready for consideration by Council (with no further refinements having been suggested by the OLG).

As the revised draft Policy contains new content related to the processes for the administration of the Policy, and clarifies a number of clauses, the revised draft Policy is recommended to be placed on public exhibition, following consideration by Council.

The revised 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 revised draft Councillors' Expenses and Facilities Policy 2017, shown at Attachment A to the subject report.

ATTACHMENTS

Attachment A: Revised Draft Councillors' Expenses and Facilities Policy 2017

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 Office of Local Government (OLG) Guidelines, and endorsement by Council, a revised draft was publicly exhibited from 26 October until 25 November 2016. Two submissions were received; the first generally supportive of the draft Policy and the second referred to matters not related to the Policy.
4. Following the public exhibition period, the Minister for Local Government referred the City's draft Policy to the OLG for review. The City has worked with the OLG to further strengthen Policy alignment with the Act, the Regulation and the Guidelines. Additionally, the City has undertaken further restructuring and reformatting intended to improve "readability" and accessibility of the Policy.
5. As a result of these review and restructuring processes, the key changes to the revised draft Policy include:
 - (a) enhanced Guiding Principles and other contextual elements;
 - (b) clarification of assessment and approvals processes;
 - (c) incorporation of a formal process for dispute resolution;
 - (d) clear separation of the provision of expenses and facilities into individual Parts and reordering in some instances; and
 - (e) clarification of clauses related to the provision of additional facilities and expenses for the Lord Mayor and Deputy Lord Mayor.
6. Following final review by the OLG, the revised draft Policy is now ready for consideration by Council (with no further refinements having been suggested by the OLG).
7. As the revised draft Policy contains new content related to the processes for the administration of the Policy, and clarifies a number of clauses, the draft Policy is recommended to be placed on public exhibition. 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.
8. 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. 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

9. 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 internal processes related to the administration of the Policy;
 - (b) strengthen the Policy's alignment with the Act, the Regulation and the Guidelines; and
 - (c) improve "readability" and accessibility of the Policy through minor restructuring and/or section consolidation.

10. The revised draft Policy at Attachment A is otherwise generally consistent with the draft Policy exhibited in late 2016. The proposed key changes are as follows:
 - (a) Part 1 - INTRODUCTION – revised Guiding Principles setting the context and scale of the City as a global city, and introducing principles of participation, equity and access;
 - (b) updated references to Annual Fees to reflect the recent determination by the Local Government Remuneration Tribunal;
 - (c) Part 3 – PAYMENT OF EXPENSES – inclusion of an introduction with a definition of expenses and setting principles for the provision of facilities to Councillors;
 - (d) inclusion of a new clause 12.0 related to Gifts and Benefits both received and given by Councillors;
 - (e) inclusion in clause 16 of limits for the Lord Mayor in relation to postage and Christmas/Festive season cards;
 - (f) consolidation of travel related clauses to one section of the Policy (clauses 21 to 24), with inclusion of general provisions related to travel, and clarification on use of Cabcharge cards;
 - (g) Part 4 – PROVISION OF FACILITIES – inclusion of an introduction defining facilities and setting principles for the provision of facilities;
 - (h) inclusion of references to software and office equipment in clause 31.0 Office Accommodation and Equipment and deletion of previous clause Other Equipment and Facilities;
 - (i) inclusion of Refreshments for Council Related Meetings and Room Use in Part 4 - Provision of Facilities, see clauses 32 and 33, rather than Part 3 - Payment of Expenses;
 - (j) inclusion of clause under Room Use clarifying responsibility for costs such as catering, audio visual equipment or other meeting requirements;
 - (k) clarification of additional expenses and facilities available to the Deputy Lord Mayor and Lord Mayor, including staffing - reflective of the additional authorities and scope of responsibilities of the Lord Mayor of the City of Sydney. (clauses 25, 26, 35 and 36);

- (l) Part 5 – PAYMENT AND REIMBURSEMENT – revision of clause 38 related to assessment and approval processes;
- (m) inclusion of clause 41.1 related to expenses billed directly to Council which may need to be reimbursed to the City;
- (n) inclusion of an explicit Dispute Resolution Procedure at clause 42; and
- (o) Part 6 – ACCOUNTABILITY AND TRANSPARENCY – clarification of administrative and budget oversight framework, financial accountability and statutory reporting requirements.

BUDGET IMPLICATIONS

11. The draft 2017/18 Budget, publicly exhibited and to be considered 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

12. *The Local Government Act 1993*, particularly sections 252, 253 and 254.

CRITICAL DATES / TIME FRAMES

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

PUBLIC CONSULTATION

14. 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

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