

**ITEM 5. COUNCILLORS' EXPENSES AND FACILITIES POLICY 2017 -
ADOPTION**

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).

Consistent with the objectives of the Guidelines, the 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.

The draft Policy 2017 (attached) was considered by Council and endorsed for public exhibition on 26 June 2017. The draft Policy was exhibited for a period of 28 days, available on Council's website and for inspection at the One Stop Shop and Neighbourhood Service Centres.

29 submissions were received during the public exhibition period and are summarised in Attachment B. A significant majority of the submissions supported the work of the Lord Mayor and Councillors and considered the Policy and its provisions to be appropriate, given the work of the City and its global city status. No changes are proposed to the draft Policy.

RECOMMENDATION

It is resolved that:

- (A) Council adopt the draft Councillors' Expenses and Facilities Policy 2017, shown at Attachment A to the subject report;

- (B) authority be delegated to the Chief Executive Officer to make amendments to the draft Councillors' Expenses and Facilities Policy 2017 in order to correct any minor drafting errors and finalise design.

ATTACHMENTS

Attachment A: Councillors' Expenses and Facilities Policy 2017

Attachment B: Response to Submissions Received - 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 twelve months of the four term of a Council.
2. The existing Policy has been in place since November 2015.
3. Following an extensive review process, key changes incorporated in the draft Policy proposed for adoption include:
 - (a) enhanced Guiding Principles and other contextual elements;
 - (b) clarification of assessment and approvals processes;
 - (c) incorporation of a formal dispute resolution process;
 - (d) clear separation of the provision of expenses and facilities into individual Parts and reordered 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.
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. The draft Policy was placed on public exhibition on 28 June 2017, with copies available for inspection at the One Stop Shop and Neighbourhood Service Centres and on the City's website. The exhibition period closed on 26 July 2017.
6. Advertisements indicating that the draft Policy was being exhibited were placed in The Sydney Morning Herald on 27 June 2016 and in a number of local newspapers during the period 27 to 29 June 2017, inclusive.
7. Twenty nine (29) submissions were received. A significant majority of the submissions supported the work of the Lord Mayor and Councillors and considered the Policy and its provisions to be appropriate, given the work of the City and its global city status. These submissions are summarised in Attachment B along with responses to matters raised. No changes are proposed to the Policy.

KEY IMPLICATIONS

8. Expenditure under the existing Policy has been monitored since the introduction of expenditure caps in May 2007.
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 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 Budget already adopted by Council includes provision for the ongoing provision of services and facilities to Councillors in accordance with the draft Policy. 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 has been placed on public exhibition for a period of 28 days. 29 submissions have been received.
15. The response to these submissions is available at Attachment B. No changes to the Policy are proposed.

MONICA BARONE

Chief Executive Officer

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