



Council Expense Policy

Purpose

Council must adopt and maintain a Council Expense Policy under section 41 of the *Local Government Act 2020* (the Act). This policy gives effect to the requirements outlined in section 41(2) of the Act.

This policy supports Councillors and members of Delegated Committees to perform their role, as defined under the *Local Government Act 2020*. It ensures that expenses reasonably incurred in the performance of their role are reimbursed and that Councillors and members of Delegated Committees are supported to perform their duties without disadvantage.

The policy also provides guidance on:

- Entitlements,
- Processes for reimbursement, and
- Reporting requirements.

This policy ensures that the reimbursement of these expenses is in accordance with the Act and meets the Act's principles of:

- Public transparency;
- Achieving the best outcomes for the municipal community; and
- Ensuring the ongoing financial viability of the council.

Scope

This policy applies to all elected Councillors of Baw Baw Shire while holding the office of Councillor and to all members of delegated committees of Council.

Councillors and members of Delegated Committees will be reimbursed for out-of-pocket expenses that are bona fide expenses, have been reasonably incurred in the performance of the role of Councillor and are reasonably necessary for the Councillor and member of a Delegated Committee to perform their role.

Councillor duties are those performed by a Councillor as a necessary part of their role, in achieving the objectives of council. These duties may include (but are not limited to):

- Attendance at meetings of Council and its committees,
- Attendance at briefing sessions, workshops, civic events or functions convened by Council,
- Attendance at conferences, workshops and training programs related to the role of Councillor, Mayor or Deputy Mayor,
- Attendance at meetings, events or functions representing Council,
- All other duties in relation to constituents concerning council business including site meetings and inspections.

Definitions

ATO means Australian Taxation Office.

Carer is defined under section 4 of the *Carers Recognition Act 2012*.

Council means Baw Baw Shire Council.

Councillor means a current elected representative of Baw Baw Shire

Delegated Committee means a Delegated Committee as defined under section 63 of the *Local Government Act 2020*.

DELWP means Department of Environment, Land, Water and Planning.

Hospitality means refreshments, finger food or a meal of a reasonable and appropriate standard, not including alcohol, except where exemptions are made in this policy.

Refreshments means tea, coffee, non-alcoholic beverages, and a light meal such as may be considered suitable for morning tea.

Regulations means any regulation provided by the Minister for Local Government which relate directly or indirectly to this policy.

Legislative context

This policy relates to the *Local Government Act 2020* (the Act) and results directly from amendments incorporated when the Act received Royal Assent on 24 March 2020.

Specifically:

Section 40 Reimbursement of expenses of Councillors and members of a delegated committee

1. *A Council must reimburse a Councillor or a member of a Delegated Committee for out-of-pocket expenses which the Council is satisfied—
a) are bona fide expenses; and*

- b) have been reasonably incurred in the performance of the role of Councillor or member of a delegated committee; and*
 - c) are reasonably necessary for the Councillor or member of a Delegated Committee to perform that role.*
- 2. A Council must provide details of all reimbursements under this section to the Audit and Risk Committee.*

Section 41 Council expenses policy

- 1. A Council must adopt and maintain an expenses policy in relation to the reimbursement of out-of-pocket expenses for Councillors and members of delegated committees.*
- 2. A policy adopted by a Council under this section must—*
 - a) specify procedures to be followed in applying for reimbursement and in reimbursing expenses; and*
 - b) comply with any requirements prescribed by the regulations in relation to the reimbursement of expenses; and*
 - c) provide for the reimbursement of child care costs where the provision of child care is reasonably required for a Councillor or member of a Delegated Committee to perform their role; and*
 - d) have particular regard to expenses incurred by a Councillor who is a carer in a care relationship within the meaning of section 4 of the Carers Recognition Act 2012.*

Related Acts, policies and documents

The following Acts have relevance to this policy:

- *Carers Recognition Act 2012*
- *Charter of Human Rights and Responsibilities Act 2006*
- *Freedom of Information Act 1982*
- *Local Government Act 2020*
- *Privacy and Data Protection Act 2014*
- *Equal Opportunity Act 2010*
- *Gender Equity Bill 2020*

The following Baw Baw Shire Council Policies have relevance to this policy:

- Corporate Card Policy
- Governance Rules
- Information privacy policy

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- Public transparency policy
- Travel Policy
- Fleet Policy.

The following documents have relevance to this policy:

- Information Guide – Mayor and Councillor Entitlements – reimbursement of expenses and provision of resources and facilities support for Victorian Mayors and Councillors (DELWP)

Policy Detail

Allowances Mayor and Councillors

Section 39 of the Local Government Act 2020 provides the framework for payment of annual allowances to Mayors and Councillors. The allowance framework is determined in accordance with the Victorian Remuneration Tribunal under the Victorian Independent Remuneration Tribunal and Improving Parliamentary Standards Act 2019. In addition to the allowance, an amount equivalent to the superannuation guarantee contribution is payable. Councillor Allowances are taxable income and are paid monthly in advance.

Allowances Sacrifice

Councillors are entitled to have their Councillor allowances paid into their superannuation fund. Councillors must complete a Councillor Allowance Super Redirection Authority form for this to occur. Expense reimbursements cannot be paid directly into superannuation accounts.

Remote Area Travel Allowance

In accordance with Government policy, if a Councillor, including a Mayor, normally resides more than 50kms by shortest practicable road distance from the location or locations specified for the conduct of ordinary, special or committee meetings of the Council, or any municipal or community functions which have been authorised by Council resolution for the Councillor to attend, they must be paid an additional allowance of \$40 in respect of each day on which one or more meetings or authorised functions were actually attended by that Councillor, up to a maximum of \$5000 per annum.

Child Care and Carer expenses

Council will provide reimbursement of costs where the provision of childcare is reasonably required for a Councillor or member of a Delegated Committee to perform their role (s 41(2)(c)). This applies to the care of a dependent, while the Councillor or Delegated Committee member is undertaking their official duties; and may include expenses such as hourly fees and booking fees, if applicable.

Council will provide reimbursement of costs where the provision of carer services is reasonably required when a Councillor or Delegated Committee member who is a carer (see *Definitions*) incurs reasonable expenses in the performance of their duties (s 41(2)(d)).

Payments for carer and childcare services will not be made to a person who resides with the Councillor or Delegated Committee member; has any financial or pecuniary interest with the Councillor or Delegated Committee member; or has a relationship with the Councillor, Delegated Committee member or their partner.

Councillors with Disabilities

For any Councillor with a disability, Council will provide reasonable additional facilities and support in order to allow that Councillor to perform their civic duties

General Provisions

- Council will provide Business cards and Name badges for Councillors,
- Upon Request Council may provide general stationery,
- Council will provide High Visibility Vests for Councillors to use for onsite inspections during their term of office,
- Council will consider requests for provision of Personal Protective Equipment that may be required by Councillors, and
- Any requests for reimbursement of expenses not covered by this policy can be made in writing to the CEO.

Meeting Rooms

Meeting rooms at Council offices can be booked for use by Councillors to conduct meetings during and after office hours through the responsible support officer (currently the Administration Support Officer CEO and Mayor).

- Other venues owned and controlled by Council can be used (subject to availability) by Councillors for activities, meetings, interviews and other functions associated with the performance of their role as Councillors. The support officer will assist in the booking of these meeting rooms and venues.

Insurance

Councillors are covered by the following Council insurance policies on a 24-hour, 7-day a week basis, while performing eligible Council Business and discharging the duties of civic office:

- Council's workers compensation insurance,

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- Councillors and Officers Liability Insurance, and
- Travel insurance for interstate and international travel.

Council will pay the insurance policy excess in respect of any claim made against a Councillor arising from Eligible Council Business where any claim is accepted by Council's insurers, whether defended or not.

Legal Costs

Other than by specific Council resolution or in accordance with a Council policy, any legal expenses incurred by a Councillor shall be the responsibility of that Councillor.

Information and Communication Technology Expenses

Standard Equipment

Councillors will be provided with the following standard equipment to allow them to effectively carry out their duties:

- Mobile Phone with internet connectivity,
- Tablet or Laptop with internet connectivity, and
- Access to printing.

Council will take into consideration improvements in technology when updating the standard equipment on offer to ensure that the equipment provided meets the needs of the Council and is in line with the intent of the policy.

Costs and Usage

The usage and rental costs for these services will have predetermined caps.

Personal Use

It is recognised that for practical reasons, Councillors may make a reasonable number of non-Council business related calls and data usage access on the Council supplied equipment.

To assist Councillors to determine what is a reasonable level of usage for personal usage, the following factors may be considered:

- The nature of personal calls considered acceptable are those standard calls which Councillors could not for practical reasons due to location, movement or convenience make from a personal service;

- Mobile calls to information and service providers which incur a high per minute charge are not normally considered acceptable unless the nature of service is one which assists the Councillor in carrying out their role; and
- The data usage which would normally be regarded as reasonable and acceptable would be that which is included in the data usage allowance each month.

Additional Equipment

Any additions to the standard equipment suite provided is subject to CEO approval based on individual needs and circumstances in order to carry out Councillor duties and functions.

Loss or Damage

- Care must be taken in the custody and use of all Council equipment. Any loss or damage of equipment must be reported immediately to the Chief Information Officer, and
- Depending on the circumstances as to the loss or damage, Councillors may be asked to contribute to the replacement or repair of the equipment.

Provisions for the Mayor

Office and Administrative Support

Administration Support is available to the Mayor during normal office hours through the Chief Executive Office. The Mayor may be provided with other necessary assistance to enable the performance of the duties of the Civic Office.

Corporate Card

A Corporate Card with a transaction and daily limit set at no more than \$500 will be made available to the Mayor for use while discharging the functions of the Civic Office. Use of a Corporate Card will be in accordance with the Corporate Card Policy.

Vehicle

Council will provide at its cost to the Mayor a fully registered, insured, maintained and fuelled vehicle for use by the Mayor on official duties and for private use. The vehicle type and usage shall be in accordance with Council's Fleet Policy.

Professional Development

A professional development budget is allocated each year for attendance at conferences, workshops and the like. The Mayor and Councillors may attend professional development and training programs, conferences or meetings. The approval of any training, conference or

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meeting attendance will be based on its relevance to the role and professional development of the Councillor.

Councillors must firstly submit to the CEO details of the proposed expenditure, including:

- Course proposed,
- Estimate of costs, and
- Purpose of attendance.

Provided that these relate to the areas of local government activity, leadership or governance, in the context of the role of Councillor, or enhance the personal skills of the individual to undertake the role, programs that qualify for expenditure under this program include:

- Seminars and conferences,
- Undergraduate and post graduate studies,
- Short courses, and
- Study tours.

Attendance by any Councillor at any local, interstate or overseas meetings, conferences or training up to a total cost to Council of \$5,000 may be approved by the CEO. Attendance at conferences or training courses should be limited to 2-3 events per Councillor, per year.

Expenditure by a Councillor must not exceed \$5,000 in any given financial year, with the exception of approved Australian Institute of Company Directors (AICD) training.

Attendance by a Councillor at local, interstate or overseas meetings, conferences or training where the total cost exceeds \$5,000, or the total expenditure incurred by that Councillor in the financial year will exceed \$5,000, must be subject to approval by Council Resolution.

Councillors will be required to provide a report back to Council at the next available Council meeting following the attendance at Professional Development on the benefit to the individual Councillor and the Baw Baw Community.

A partner or guest may accompany a Councillor to conferences and functions where other attendees are generally accompanied by partners. The functions will generally involve luncheons and evening activities. Requests for payment for spouse/partner or additional guests at conferences or functions requires approval of the CEO. The payment of expenses for spouses, partners or accompanying persons for attendance at appropriate functions shall be limited specifically to the ticket and meal. Peripheral expenses such as grooming, special clothing and transport are not reimbursable.

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Travel and Transport

General Provisions

The following general provisions apply to this policy wherever appropriate to determine the amount of out of pocket expenses that will be reimbursed to Councillors:

- That travel must be undertaken by the shortest practical route,
- That any costs incurred in other than authorised Council business are not to be included in the calculation of any expenses to be reimbursed,
- Council will reimburse public transport costs incurred when undertaking Council business, (or make available a Myki card),
- Where travel is by flight, the standard form of travel will be economy class, and
- Any overseas travel must be approved by a resolution of Council.

Accommodation, Transport and Meals

Councillors attending approved conferences or seminars, or appointed by Council, or requested by the Chief Executive Officer to attend conferences and seminars may have all reasonable expenses for travelling, transport, accommodation (up to 4 star), registration fees, internet access charges, phone calls and meals relating to the conference/ seminar paid by the Council.

Accommodation, Flights and Meals will be in accordance with Council's Travel Policy. Bookings and payment for flights and accommodation will be made by the responsible support officer to the Mayor and Councillors.

Tax receipts are required for the reimbursement of meals. Consistent with the travel policy, alcoholic drinks will not be reimbursed by Council.

Council Vehicle Pool

If it is assessed as the most practical means to attend a location to conduct council related business, with CEO approval, a vehicle from the council motor vehicle pool may be provided for use by a Councillor or a group of Councillors.

Parking

Councillors can seek reimbursement of parking and toll charges by completing and attaching the appropriate receipt.

Private Vehicle Use

Councillors using their private vehicles to carry out official duties as a Councillor will be reimbursed at the motor car allowance rate determined by the Australian Tax Office for tax deduction purposes. Travel expense claims must be completed monthly on the approved platform and forwarded to Governance.

Travelling expenses will be paid to Councillors at the rate specified by the ATO, under the following circumstances:

- To attend ordinary and special Council meetings and meetings of committees of Council;
- To attend formal briefing sessions and civic or ceremonial functions convened by the Council or Mayor;
- To attend meetings scheduled by Council or the Mayor;
- To attend meetings necessary for the Councillor to exercise a delegation given by Council;
- To attend a meeting, function or other official role attended as a representative of the Council or Mayor;
- To attend meetings of a group, organisation or statutory authority to which the Councillor has been appointed Council delegate. The reimbursement by Council is to be diminished by however much the body pays travelling expenses directly;
- To attend to inspect a street, property or area (or to discuss with any person) any matter affecting or affected by the Council, and/or to attend to carry out activities in the capacity of a Councillor;
- To attend meetings of any Council appointed committee or any incorporated charity or community organisation, as a representative of the Council; and
- To attend meetings, or to participate in delegations or deputations to which the Councillor has been appointed as a representative by Council, the Chief Executive Officer or Mayor.

Public Transport

Council encourages a range of travel options conducive to the environment. Public transport can be a convenient and efficient form of travel for many council business events, particularly in the central business district of Melbourne. Public travel expenses incurred by Councillors in the course of official duties as Councillor will be reimbursed.

Taxi/Uber Fares

Where it is not possible or convenient to use public transport or a private motor vehicle, a taxi or Uber can be used by Councillors for travel required for their official duties as a Councillor. Travel of a private nature will not be reimbursed or paid by council.

Policy Procedures

Making a claim for reimbursement

- All claims must be made on the approved expense reimbursement form or the online platform which Council makes available;
- Original receipts must be attached for all claims (credit card eftpos receipts will not be accepted, an accompanying tax invoice must be included);
- In any case where a Councillor is unable to provide a receipt of costs incurred, a statutory declaration may be accepted by the CEO. Appropriate and sufficient reasoning for being unable to produce a receipt must be provided by the Councillor and it will be at the CEO's discretion whether a statutory declaration will be accepted;
- Where the provider of the goods or service is registered for GST a tax invoice must be obtained and provided (without this the GST component of the cost cannot be reimbursed); and
- Claims must be lodged with Governance within 7 days of the end of each month.

Reimbursements will be provided monthly by electronic funds transfer.

Monitoring and Review

A report of all Councillor and Delegated Committee member expenses will be provided at each Audit and Risk Committee meeting.

Council commits to monitoring processes and decision making to understand the overall success of the policy's implementation. Councillor expenses and allowances are included in Council's annual report. Additionally, Council will post regular details of Councillor expenses on its website throughout the year.

This policy will be reviewed once per Council Term and is not limited to further reviews within the Council Term. The policy does not require community engagement but is required to be adopted by formal Resolution of Council.

Approval date	19 August 2020
Approval authority	Council
Effective from	1 September 2020
Review term	Council term
Next review date	2024
Responsible position	Governance Manager
Responsible Director	Director Corporate and Community Services
Version	1