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**FINANCE AND GOVERNANCE COMMITTEE SUPPLEMENTARY  
REPORTS**

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**FINANCE AND GOVERNANCE COMMITTEE NO. 1**

**11 JUNE 2024**

SUPPLEMENTARY REPORTS

9. **COUNCILLOR EXPENSES REIMBURSEMENT POLICY**

This is a report concerning a review of the Councillor Expenses Reimbursement and Administrative Support Policy and current superannuation rates for Councillors.

**RECOMMENDATION**

- A. That the revised Policy titled 'Councillor Expenses Reimbursement and Administrative Support Policy' as detailed in Attachment 1 be adopted, for commencement on 1 July 2024.
- B. That in accordance with s226 (3)(a) of the *Local Government Act 2009*, the rate of superannuation for Councillors be linked to the rate of superannuation payable to council employees, for commencement on 1 July 2024.

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*This matter has been determined to be of a significant nature and approval has been given to refer this report to the Finance and Governance Committee as a supplementary item.*

ITEM: 9

SUBJECT: COUNCILLOR EXPENSES REIMBURSEMENT POLICY

AUTHOR: MANAGER, EXECUTIVE SERVICES

DATE: 28 MAY 2024

### **EXECUTIVE SUMMARY**

This is a report concerning a review of the Councillor Expenses Reimbursement and Administrative Support Policy and current superannuation rates for Councillors.

### **RECOMMENDATION/S**

- A. That the revised Policy titled ‘Councillor Expenses Reimbursement and Administrative Support Policy’ as detailed in Attachment 1 be adopted, for commencement on 1 July 2024.**
- B. That in accordance with s226 (3)(a) of the *Local Government Act 2009*, the rate of superannuation for Councillors be linked to the rate of superannuation payable to council employees, for commencement on 1 July 2024.**

### **RELATED PARTIES**

Mayor and Councillors

### **IFUTURE THEME**

A Trusted and Leading Organisation

### **PURPOSE OF REPORT/BACKGROUND**

#### Councillor Expenses

The current Councillor Expenses Reimbursement and Administrative Support Policy has been in place since 2019 with some minor amendments made in 2021. This policy is required in accordance with s250 of the *Local Government Regulation 2012* (the Regulation). Section 250 (2) of the Regulation also states that the policy may be amended at any time.

A review of the policy content and provisions has been undertaken and several proposed changes have been identified. The primary focus of the changes is to amend how amounts for Councillor expenses are budgeted for and administered internally. A range of other amendments have been made to simplify provisions and improve clarity.

Substantive changes are limited to:

- i. Annual Expense Budgets – Permitting increased flexibility, accountability and reduced administrative burden for Councillors to expend or be reimbursed for legitimate business expenses in a way that better reflects the needs of representing and consulting with their community and the diversity of the four divisions.
- ii. Vehicle Allowance – The current amounts were set in 2019 and were considered reasonable at the time. The amounts have not changed since, however the cost of operating a motor vehicle has increased with purchase price, interest rates, fuel and insurance all going up. It is proposed that the amounts should be increased to align closer to industry rates and be reviewed biennially.
- iii. Legal and Insurance Cover – The proposed addition is not a material change as the listed insurance cover is already made available to councillors. As this policy is the document listing what support, facilities and equipment that is made available to elected representatives, it was deemed appropriate to include this detail for confirmation of Council and community transparency.

#### Councillor Superannuation

On 4 July 2000 Ipswich City Council Councillors made a unanimous resolution to be subject to PAYG tax withholding. Pursuant to this resolution and following the subsequent implementation of the Councillor Remuneration Policy at the time, Council commenced making superannuation contributions on behalf of each Councillor at a rate of 12% of their base salary. Under the legislative provision in place at the time, there was a limit on total contributions for Councillors of 12% of a Councillor's salary and, that amounts could also not exceed (or be less than) what was available to employees at the time (also 12%).

The arrangement is still in place and remains consistent with s226 of the *Local Government Act 2009* (the Act) with Councillors paid 12% superannuation. In recent years however and resulting from increases for employees as part of the Enterprise Bargaining Agreement (EBA), employees are now entitled to 12.5% superannuation.

The original decisions of council to implement super limited the amount to 12% mainly due to the specific legislative structure at the time, however it was clear in reviewing the briefings and reports at the time that the intent was to mirror the amount made available to a permanent council employee (currently 12.5% per the EBA).

#### **LEGAL IMPLICATIONS**

This report and its recommendations are consistent with the following legislative provisions:  
*Local Government Act 2009*  
*Local Government Regulation 2012*

## **POLICY IMPLICATIONS**

The proposed changes remain consistent with associated policies. A new procedure will be implemented following adoption and enactment of this policy at the start of the new financial year to manage the process for expenses.

## **RISK MANAGEMENT IMPLICATIONS**

The changes to the way in which Councillor expenses are managed will lead to improved efficiency and reduced administrative burden. The proposed changes will result in no reduction in transparency with transactional expense details still being available on the Transparency and Integrity Hub and summary reporting in the Annual Report in line with legislative requirements.

## **FINANCIAL/RESOURCE IMPLICATIONS**

Allocations for the minor increases in superannuation and transportation allowance have been included in the draft 2024-2025 budget.

## **COMMUNITY AND OTHER CONSULTATION**

Councillors and the Chief Executive Officer have been consulted on the general provisions of the changes being proposed within this report.

## **CONCLUSION**

Councillors should not be financially disadvantaged in undertaking their role in representing the community. The changes proposed within this report and the attached amended policy aim to keep expenses in line with community expectations while ensuring that current provisions are not eroded by inflation over time.

The proposal to amend the amount of superannuation payable to councillors includes future increases determined as part of an EBA agreement being also passed on to councillors in line with s226(3)(a) of the Act.



These changes are considered modest in nature and remain in line with the overall intent of the policy position.

## **HUMAN RIGHTS IMPLICATIONS**

<b>HUMAN RIGHTS IMPACTS</b>	
<b>OTHER DECISION</b>	
(a) What is the Act/Decision being made?	That the Councillor Expenses Reimbursement and Administrative Support Policy be amended and Superannuation for Councillors is amended to the same rate as available to Council employees

(b) What human rights are affected?	No human rights are affected by this decision.
(c) How are the human rights limited?	Not applicable
(d) Is there a good reason for limiting the relevant rights? Is the limitation fair and reasonable?	Not applicable
(e) Conclusion	The decision is consistent with human rights.

**ATTACHMENTS AND CONFIDENTIAL BACKGROUND PAPERS**

1.	Councillor Expenses Reimbursement and Administrative Support Policy - Track Changes <a href="#">↓</a> 
2.	Councillor Expenses Reimbursement and Administrative Support Policy - Clean Copy <a href="#">↓</a> 

Wade Wilson

**MANAGER, EXECUTIVE SERVICES**

I concur with the recommendations contained in this report.

Sonia Cooper

**CHIEF EXECUTIVE OFFICER**

*“Together, we proudly enhance the quality of life for our community”*

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# Councillor Expenses Reimbursement and Administrative Support Policy



Collaboration



Communication



Integrity



Efficiency



Leadership

<b>Version Control and Objective ID</b>	Version No: <u>67</u>	Objective ID: A7449418
<b>Adopted at Council Ordinary Meeting on</b>	<u>22 July 2021</u>	
<b>Date of Review</b>	1 April 20 <u>24</u>	

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IPSWICH CITY COUNCIL | Councillor Expenses Reimbursement and Administrative Support Policy

**1. Statement**

It is Council's responsibility to ensure that Councillors are not financially disadvantaged when carrying out their duties and responsibilities set out in s12 of the *Local Government Act 2009*. Council is also required to provide appropriate administrative support to allow the Councillors to fulfil the role and responsibilities of their position and to adequately represent the community.

~~The objectives of this policy are:~~

- ~~a) to provide set guidelines for expenditure and the reimbursement of legitimate business expenses incurred or to be incurred by a Councillor while carrying out their civic duties as elected representatives of their local communities;~~
- ~~b) to provide set guidelines for the provision of administrative support to assist Councillors fulfil their professional role for the community at an appropriate standard.~~

**2. Purpose and Principles**

~~Councillors are elected representatives of the community who take on the role to set the strategic direction of the City. It is Council's responsibility to ensure that Councillors are not financially disadvantaged when carrying out their duties and responsibilities requirements of their role and are fairly and reasonably compensated set out in s12 of the *Local Government Act 2009*. Council is also required to provide appropriate administrative support to allow the Councillors to fulfil the role and responsibilities of their position and to adequately represent the community.~~

To meet the requirements of section 250 of the *Local Government Regulation 2012*, Council is required to adopt an expenses reimbursement policy. The objectives of this policy are:

- a) to provide set guidelines for expenditure and reimbursement of legitimate business expenses incurred or to be incurred by a Councillor while carrying out their civic duties as elected representatives of their local communities;
- b) to provide set guidelines for the provision of administrative support to assist Councillors fulfil their professional role for the community at an appropriate standard.

The payment and/or reimbursement of expenses and provision of facilities for Councillors:

- a) is to be open and transparent, prudent, responsible, acceptable to the community and in accordance with statutory requirements;
- b) based on ensuring economy and efficiency; and
- c) subject to budget provisions.

Council's annual report must contain the particulars enacted by this policy and details of any expenses ~~reimbursed~~ under this policy.

**3. Strategic Plan Links**

This policy aligns with the following iFuture 2021-2026 Corporate Plan theme:

- A Trusted and Leading Organisation

**4. Regulatory Authority**

*Local Government Act 2009*

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*Public Sector Ethics Act 1994*

Local Government Regulation 2012

[Councillor Expenses Advance Authorisation Procedure](#)

**5. Human Rights Commitment**

Ipswich City Council (Council) has considered the human rights protected under the *Human Rights Act 2019 (Qld)* (the Act) when adopting and/or amending this policy. When applying this policy, Council will act and make decisions in a way that is compatible with human rights and give proper consideration to a human right relevant to the decision in accordance with the Act.

IPSWICH CITY COUNCIL | Councillor Expenses Reimbursement and Administrative Support Policy

**6. Scope**

This policy sets out specific guidelines for ~~expenditure and the~~ reimbursement of legitimate expenses incurred or to be incurred by a Councillor while carrying out Council business. It also deals with the provision of administrative support to enable Councillors to perform their duties with relative ease to discharge their duties and responsibilities as a Councillor.

This policy does not provide for salaries or any other form of remuneration to Councillors.

**7. Policy Exclusions**

- i. Spouses, partners and family members of Councillors are not entitled to reimbursement of expenses or to have access to facilities allocated to Councillors (This is not intended to exclude spousal attendance at events where it would be customary for the partner of the Mayor to attend or the Councillor deputising for the Mayor).
- ii. Council will not reimburse or provide funds, services or facilities solely or mainly for the purposes of advertising by, or the self-promotion of Councillors.
- iii. Councillors are not entitled to be reimbursed or provided with funds for the purchase of alcoholic beverages without the prior approval of the Chief Executive Officer.
- iv. No reimbursement is to be provided for expenses incurred during travel to internal meetings, informal policy discussions, party or political meetings between Councillors.

**8. Legislative Responsibilities**

The Local Government Regulation 2012, s252 states that “a local government cannot resolve under section 275 that a meeting at which a proposed expenses reimbursement policy is discussed (including its adoption or amendment) be closed”.

To ensure public accountability and transparency, Ipswich City Council will give public notice of any proposal to change the adopted Councillor Expenses Reimbursement and Administrative Support Policy.

**9. Expenses and Reimbursements**

Council will as part of its annual budget process, establish a separate budget for the payment or reimbursement of reasonable business expenses to Councillors.

~~9. ———~~

**9.1 Annual Expense Budget**

The Chief Executive Officer will be responsible for determining annual expense allocations for each Councillor in line with budgeted amounts and the appropriateness of payment of any requests for reimbursement.

Annual-Expenditure -may be authorised in advance or reimbursed as expenditurethe expense is incurred.

In making a determination as to the validity of a claim for reimbursement, Council must consider public perceptions to ensure that the process meets the community’s expectations concerning accountability and transparency. Requests for reimbursement of expenses will only be considered where it can be proven, by the provision of appropriate documentation, that the expense is a genuine council-related business expense incurred whilst undertaking

IPSWICH CITY COUNCIL | Councillor Expenses Reimbursement and Administrative Support Policy

~~official duties. Payment will be on the grounds that the incurring of this expense could not be avoided. Councillors incurring expenses should not gain personal funds as a result of their role servicing the community. The Chief Executive Officer will be responsible for determining the appropriateness of payment of any request for reimbursement.~~

~~9.1.1.1 Council Business Expenses Categories~~

~~Requests for reimbursement of expenses will only be considered where it can be proven, by the provision of appropriate documentation, that the expense is a genuine council-related business expense incurred whilst undertaking official duties. Payment will be on the grounds that the incurring of this expense could not be avoided. Councillors may request payment or reimbursement of reasonable expenses incurred, or to be incurred, for a permitted category at their discretion subject to transaction limits determined from time to time and a quarterly reconciliation process.~~

~~Where the Chief Executive Officer determines that an amount is excluded, does not meet the requirements of this policy, other policy of Council or is determined to not be a legitimate business expense, the Councillor must reimburse Council in a reasonable timeframe for all amounts not permitted.~~

~~Annexure A outlines the relevant categories and any limits applicable.~~

~~9.1.2 Expense Allocation Exemptions~~

~~Expenses associated with the following facilities and programs will be met from existing budgets and not included in the annual expense amounts. All amounts must still be recorded and allocated to individual Councillors in line with legislative and Council policy requirements.~~

- ~~i. LGAQ delegates~~
- ~~ii. Telecommunication expenses~~
- ~~iii. Professional Memberships where directly related to duties of the Councillor~~
- ~~iv. Mandatory training requirements~~
- ~~v. Induction or other activities~~
- ~~vi. Insurance deductible~~
- ~~vii. Personal Protective Equipment (PPE); and,~~
- ~~viii. Other business equipment or facilities deemed essential that are specifically provided for in Section 10 of this policy.~~

9.2 Professional Development

Councillors are encouraged to undertake relevant professional development and Council will organise and pay for all associated business costs (including registration, travel, accommodation, meals, etc) where the activity level is reasonable and the activity is associated with the Councillor's portfolio responsibilities or organised by a government agency or an industry body eg. LGAQ, ALGWA.















































