

FAQs on Councillor Expenses

How are Councillor expenses categorised?

The Local Government (Planning and Reporting) Regulations 2014 specify five categories of councillor expenses that every council in Victoria must include in their annual report.

Council has decided to add a sixth category to maximise transparency in councillor related expenditure.

1. **Travel expenses:** transactions under this category relate to flights for conferences, train fares, taxi/Uber fares, top ups of Myki cards and bus fares/bus hire.
2. **Car mileage expenses:** includes all reimbursed of expenses to councillors following the lodgement of evidence that private vehicles have been used for Council related business, expenses for the Mayoral vehicle (ie fuel card costs, servicing and maintenance) but excluding depreciation costs.
3. **Childcare (family care) expenses:** the cost of caring for children or infirmed family members while the Councillor attends Council related business as per the Councillor Support, Resources, Reimbursement and Reporting of Expenses Policy 2019.
4. **Information and communication technology expenses:** includes the reimbursement of telephone or communication expenses incurred through the use of private equipment, capital costs of purchasing hardware (such as smart phones) and the cost of monthly mobile phone usage/data plans billed directly by Council.
5. **Conference and training expenses:** Includes conference registration fees, meals, accommodation, car parking (including airport car parking) and any other legitimate costs incurred whilst at the event. Other incidental meals, tickets to dinners/events have also been included following advice from Council's Internal Auditors, AFS & Associates Pty Ltd.

This category also includes memberships for individual Councillors. Group training sessions coordinated by the CEO, including those undertaken as part of the Induction process after the 2016 General Election, have been equally apportioned to individual Councillors.

6. **Other expenses:** expenses that cannot be attributed to other expense categories defined by the Regulations e.g. printer cartridges.

Why do some councillors have higher expenses than others?

Section 3 of the Local Government Act 1989 states that the role of a council is to provide leadership and good governance for the municipality and local community.

Councillors require the support of the organisation, along with access to resources and facilities, to undertake their roles and responsibilities as set out by the Act.

Section 75A of the Act states that council must reimburse a councillor for out-of-pocket expenses if:

- The councillor applies in writing for reimbursement; and
- The councillor has demonstrated that the expenses were legitimately incurred whilst undertaking his or her duties as a councillor.

Councillors are entitled to claim expenses under the six specified categories if they incurred the cost while performing their duties as elected representatives of the community. The decision to claim or incur that cost is at the discretion of the councillor.

It is important to note expenses can vary between councillors for a variety of reasons, including a variation in required travel to perform their duties, the number of meetings and events attended by each councillor and the personal decision of each councillor in choosing to claim or not claim their entitlements. Mayoral expenses are often the highest given the role of the mayor as council's figurehead and chief community advocate.

What was the method Council used to calculate councillor expenses?

Unfortunately, the State legislation does not provide a methodology for calculating councillor expenses. Council has written to the Auditor General and the Minister for Local Government urging them to provide clear guidelines so that expenditure can be compared between councils across the state.

We reviewed how other councils across the north east in the preparation of our expense figures and identified that each had a different approach. For example, some included the expenses related to the mayoral car through an explanatory note while others did not include these expenses at all.

Given the lack of State guidance, Council created a methodology we believe reflects best practice. Our method was reviewed by Council's internal auditors, AFS and Associates Pty Ltd, and referred to VAGO for comment prior to being submitted to Council's Audit Committee for review at its extra ordinary meeting on 22 November 2019, where it was endorsed.

What guidelines and process do councillors need to follow in relation to reimbursements and reporting of expenses?

Council has recently adopted a detailed policy relating to councillor expenses, which can be found using the following link:

https://www.strathbogie.vic.gov.au/images/Plans_policies_Strategies_reports/Councillor_Support_Resources_Reimbursement_and_Reporting_of_Expenses_Policy.pdf

This policy states that reimbursement will not be approved without the required paperwork, including tax invoices and receipts. A 'double control' process has also been introduced, requiring approval of Councillor expenses by both the Chief Executive Officer and the Group Manager Corporate & Community.

Why do councillors get to claim costs when they receive an allowance?

State government legislation and guidance makes it very clear that the payment of allowances to councillors, which are allowances prescribed by the Minister for Local Government each year, is separate from the reimbursement of expenses incurred by councillors undertaking their duties under the Act.

How were these figures calculated? Who calculated them?

The figures were calculated by Council's Project Officer Corporate Governance using hard copy records, reviewing calendar entries for meetings/events and data from Council's finance and fleet systems. As stated above, the methodology has been reviewed by VAGO, Council's Internal Auditors and Council's Audit Committee.

A new report has been developed to extract this data from Council's systems to allow for future reporting of expenses on a quarterly basis, as per the new policy.