



BOARD MEMBER EXPENSES AND FACILITIES POLICY

August 2018

Note:

This Board Member Expenses and Facilities Policy was developed using the template document provided as a suggested format for NEJOs in response to requests for guidance on better practice. The template has been prepared to be consistent with the *Local Government Act 1993* and *Local Government (General) Regulations 2005*. If there are any inconsistencies, the Act and Regulations take precedence.

The template document has been amended to suit the local needs and circumstances and includes maximum proposed expenditure limits for specific expenses and facilities. It is expected of NEJO-members to consider these limits within their own context and community expectations. NEJO may also wish to benchmark against similar NEJOs to determine these limits.

Once referred to Member Councils for their comment and adopted, the policy should be made publicly available on the NEJO website.

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Policy summary

This policy enables the reasonable and appropriate reimbursement of expenses and provision of facilities to **New England Joint Organisation (NEJO)** Board Members to help them undertake their civic duties.

It ensures accountability and transparency, and seeks to align Board Members' expenses and facilities with community expectations. Board Members must not obtain private or political benefit from any expense or facility provided under this policy.

The policy has been prepared in accordance with the *Local Government Act 1993* (the Act) and *Local Government (General) Regulation 2005* (the Regulation), and complies with the Office of Local Government's Guidelines for the payment of expenses and provision of facilities to Mayors and Councillors in NSW (which also apply to JO Chairpersons and Board Members).

The policy sets out the maximum amounts NEJO will pay for specific expenses and facilities. Expenses not explicitly addressed in this policy will not be paid or reimbursed.

The main expenses and facilities are summarised in the table below. All monetary amounts are exclusive of GST.

Expense or facility	Maximum amount	Frequency
General travel expenses	\$1,000 per Board Member \$2,000 for the Chairperson	Per year
Interstate, overseas and long distance intrastate travel expenses	\$2,000 total for all Board Members	Per year
Accommodation and meals	\$100 Meal Allowance per Board Member \$400 Accommodation (Capital City) \$200 Accommodation (Country Areas) (Accommodation for the night before or after the conference/meeting in line with the Policy Provisions)	Per day/night
Professional development	\$1,000 per Board Member	Per year
Conferences and seminars	\$2,000 per Board Member	Per year
Carer expenses	\$1,000 per Board Member who qualifies	Per year
Home office expenses	\$100 per Board Member	Per year
Number of staff supporting the Chair and Board Members	One (Interim) Executive Officer	Not relevant

Additional costs incurred by a Board Member in excess of these limits are considered a personal expense that is the responsibility of the Board Member.

Board Members must provide claims for reimbursement within three (3) months of an expense being incurred. Claims made after this time cannot be approved.

Detailed reports on the provision of expenses and facilities to Board Members will be publicly tabled at a NEJO meeting every six (6) months and published in full on NEJO's website. These reports will include expenditure summarised by individual Board Members and as a total for all Board Members.

It is the clear intent with this Policy to not allow for any "double dipping"; Board Members are not entitled to make a claim under NEJO's expenses policy where the claim has been covered under a Member Council's policy and vice versa.

Part A – Introduction

1. Introduction

- 1.1. The provision of expenses and facilities enables Board Members to fulfil their civic duties as the representatives of NEJO.
- 1.2. The community is entitled to know the extent of expenses paid to Board Members, as well as the facilities provided.
- 1.3. The purpose of this policy is to clearly state the facilities and support that are available to Board Members to assist them in fulfilling their civic duties.
- 1.4. The (Interim) Executive Officer is empowered to question or refuse a request for payment from a Board Member when it does not accord with this policy.

2. Policy objectives

- 2.1. The objectives of this policy are to:
 - enable the reasonable and appropriate reimbursement of expenses incurred by Board Members while undertaking their civic duties;
 - enable facilities of a reasonable and appropriate standard to be provided to Board Members to support them in undertaking their civic duties;
 - ensure accountability and transparency in reimbursement of expenses and provision of facilities to Board Members;
 - ensure facilities and expenses provided to Board Members meet community expectations;
 - support a diversity of representation;
 - fulfil the NEJO's statutory responsibilities.

3. Principles

- 3.1. NEJO commits to the following principles:
 - **Proper conduct:** Board Members and staff acting lawfully and honestly, exercising care and diligence in carrying out their functions;
 - **Reasonable expenses:** providing for Board Members to be reimbursed for expenses reasonably incurred as part of their role as Board Member;
 - **Participation and access:** enabling people from diverse backgrounds, underrepresented groups, those in carer roles and those with special needs to serve as a Board Member;
 - **Equity:** there must be equitable access to expenses and facilities for all Board Members;
 - **Appropriate use of resources:** providing clear direction on the appropriate use of NEJO resources in accordance with legal requirements and community expectations;
 - **Accountability and transparency:** clearly stating and reporting on the expenses and facilities provided to Board Members.

4. Private or political benefit

- 4.1. Board Members must not obtain private or political benefit from any expense or facility provided under this policy.
- 4.2. Private use of NEJO equipment and facilities by Board Members may occur from time to time. For example, telephoning home to advise that a NEJO meeting will run later than expected.
- 4.3. Such incidental private use does not require a compensatory payment back to NEJO.
- 4.4. Board Members should avoid obtaining any greater private benefit from NEJO than an incidental benefit. Where there are unavoidable circumstances and more substantial private use of NEJO facilities does occur, Board Members must reimburse the NEJO.

Part B – Expenses

5. General expenses

- 5.1. All expenses provided under this policy will be for a purpose specific to the functions of holding civic office. Allowances for general expenses are not permitted under this policy.
- 5.2. Expenses not explicitly addressed in this policy will not be paid or reimbursed.
- 5.3. It is the clear intent with this policy to not allow for any “double dipping”; Board Members are not entitled to make a claim under NEJO’s expenses policy where the claim has been covered under a Member Council’s policy and vice versa.

6. Specific expenses

General travel arrangements and expenses

- 6.1. All travel by Board Members should be undertaken using the most direct route and the most practicable and economical mode of transport.
- 6.2. Each Board Member may be reimbursed up to a total of \$1,000 per year, and the Chair may be reimbursed up to a total of \$2,000 per year, for travel expenses incurred while undertaking official business or professional development or attending approved conferences and seminars within NSW. This includes reimbursement:
 - for public transport fares;
 - for the use of a private vehicle or hire car;
 - for parking costs for NEJO and other meetings;
 - for tolls;
 - by Cabcharge card or equivalent;
 - for documented ride-share programs, such as Uber, where tax invoices can be issued.
- 6.3. Allowances for the use of a private vehicle will be reimbursed by kilometre at the rate contained in the Local Government (State) Award.
- 6.4. Board Members seeking to be reimbursed for use of a private vehicle must keep a log book recording the date, distance and purpose of travel being claimed. Copies of the relevant log book contents must be provided with the claim.

Interstate, overseas and long distance intrastate travel expenses

- 6.5. In accordance with Section 4, NEJO will scrutinise the value and need for Board Members to undertake overseas travel. NEJOs should avoid interstate, overseas and long distance intrastate trips unless direct and tangible benefits can be established for the NEJO and the local community.
- 6.6. Total interstate, overseas and long distance intrastate travel expenses for all Board Members will be capped at a maximum of \$2,000 per year. This amount will be set aside in NEJO’s annual budget.
- 6.7. Board Members seeking approval for any interstate and long distance intrastate travel must submit a case to, and obtain the approval of, the (Interim) Executive Officer prior to travel.
- 6.8. Board Members seeking approval for any overseas travel must submit a case to, and obtain the approval of, a full NEJO meeting prior to travel.
- 6.9. The case should include:

- objectives to be achieved in travel, including an explanation of how the travel aligns with current NEJO priorities and business, the community benefits which will accrue as a result, and its relevance to the exercise of the Board Member's civic duties;
 - who is to take part in the travel;
 - duration and itinerary of travel;
 - a detailed budget including a statement of any amounts expected to be reimbursed by the participant/s.
- 6.10. For interstate and long distance intrastate journeys by air of less than three (3) hours, the class of air travel is to be economy class.
- 6.11. For interstate journeys by air of more than three (3) hours, the class of air travel may be premium economy.
- 6.12. For international travel, the class of air travel is to be premium economy if available. Otherwise, the class of travel is to be economy.
- 6.13. Bookings for approved air travel are to be made through the office of the (Interim) Executive Officer.
- 6.14. For air travel that is reimbursed as NEJO business, Board Members will not accrue points from the airline's frequent flyer program. This is considered a private benefit.

Travel expenses not paid by NEJO

- 6.15. NEJO will not pay any traffic or parking fines or administrative charges for road toll accounts.

Accommodation and meals

- 6.16. In circumstances where it would introduce undue risk for a Board Member to travel to or from official business in the late evening or early morning, reimbursement of costs for accommodation and meals on the night before or after the meeting may be approved by the (Interim) Executive Officer. This includes where a meeting finishes later than 9.00pm or starts earlier than 7.00am and the Board Member lives more than 50 kilometres from the meeting location.
- 6.17. NEJO will reimburse costs for accommodation and meals while Board Members are undertaking prior approved travel or professional development outside the New England North West region.
- 6.18. The daily limits for accommodation and meal expenses within Australia are to be consistent with those set out in the Policy Summary on page three (3) of this document.
- 6.19. The daily limits for accommodation and meal expenses outside Australia are to be determined in advance by the (Interim) Executive Officer, being mindful of Clause 6.18.
- 6.20. Board Members will not be reimbursed for alcoholic beverages.

Refreshments for NEJO related meetings

- 6.21. Appropriate refreshments will be available for NEJO meetings, Board Member briefings, approved meetings and engagements, and official NEJO functions as approved by the (Interim) Executive Officer.
- 6.22. As an indicative guide for the standard of refreshments to be provided at NEJO related meetings, the (Interim) Executive Officer must be mindful of providing modest, but appetising and sufficient food and drinks – acknowledging the significant travel times of some of the members.

Professional development

- 6.23. NEJO will set aside \$1,000 per Board Member annually in its budget to facilitate professional development of Board Members through programs, training, education courses and membership of professional bodies.

- 6.24. In the first year of a new NEJO term, NEJO will provide a comprehensive induction program for all Board Members which considers any guidelines issued by the Office of Local Government (OLG). The cost of the induction program will be in addition to the ongoing professional development funding.
- 6.25. Annual membership of professional bodies will only be covered where the membership is relevant to the exercise of the Board Member's civic duties, the Board Member actively participates in the body and the cost of membership is likely to be fully offset by savings from attending events as a member.
- 6.26. Approval for professional development activities is subject to a prior written request to the (Interim) Executive Officer outlining the:
- details of the proposed professional development;
 - relevance to NEJO priorities and business;
 - relevance to the exercise of the Board Member's civic duties.
- 6.27. In assessing a Board Member request for a professional development activity, the (Interim) Executive Officer must consider the factors set out in Clause 6.26, as well as the cost of the professional development in relation to the Board Member's remaining budget.

Conferences and seminars

- 6.28. NEJO is committed to ensuring its Board Members are up to date with contemporary issues facing NEJO and the community, and Local Government in NSW.
- 6.29. NEJO will set aside a total amount of \$12,000 annually in its budget to facilitate Board Member attendance at conferences and seminars. This allocation is for all Board Members. The (Interim) Executive Officer will ensure that access to expenses relating to conferences and seminars is distributed equitably.
- 6.30. Approval to attend a conference or seminar is subject to a written request to the (Interim) Executive Officer. In assessing a Board Member request, the (Interim) Executive Officer must consider factors including the:
- relevance of the topics and presenters to current NEJO priorities and business and the exercise of the Board Member's civic duties;
 - cost of the conference or seminar in relation to the total remaining budget.
- 6.31. NEJO will meet the reasonable cost of registration fees, transportation and accommodation associated with attendance at conferences approved by the (Interim) Executive Officer. NEJO will also meet the reasonable cost of meals when they are not included in the conference fees. Reimbursement for accommodation and meals not included in the conference fees will be subject to Clauses 6.17-6.20.

Information and communications technology (ICT) expenses

- 6.32. NEJO WILL NOT provide or reimburse Board Members for expenses associated with appropriate ICT devices and services.
- 6.33. Reimbursements WILL NOT be made for communications devices and services used for Board Members to undertake their civic duties.

Special requirement and carer expenses

- 6.34. NEJO encourages wide participation and interest in civic office. It will seek to ensure NEJO premises and associated facilities are accessible, including provision for sight or hearing impaired Board Members and those with other disabilities.
- 6.35. Transportation provisions outlined in this policy will also assist Board Members who may be unable to drive a vehicle.
- 6.36. In addition to the provisions above, the (Interim) Executive Officer may authorise the provision of reasonable additional facilities and expenses in order to allow a Board Member with a disability to perform their civic duties.

- 6.37. Board Members who are the principal carer of a child or other elderly, disabled and/or sick immediate family member will be entitled to reimbursement of carer's expenses up to a maximum of \$1,000 per annum for attendance at official business, plus reasonable travel from the principal place of residence.
- 6.38. Child care expenses may be claimed for children up to and including the age of 16 years where the carer is not a relative.
- 6.39. In the event of caring for an adult person, Board Members will need to provide suitable evidence to the (Interim) Executive Officer that reimbursement is applicable. This may take the form of advice from a medical practitioner.

Home office expenses

- 6.40. Each Board Member may be reimbursed up to \$100 per year for costs associated with the maintenance of a home office, such as minor items of consumable stationery and printer ink cartridges.

7. Insurances

- 7.1. In accordance with Section 382 of the *Local Government Act 1993*, NEJO is insured against public liability and professional indemnity claims. Board Members are included as a named insured on this Policy.
- 7.2. Insurance protection is only provided if a claim arises out of or in connection with the Board Member's performance of his or her civic duties, or exercise of his or her functions as a Board Member. All insurances are subject to any limitations or conditions set out in the policies of insurance.
- 7.3. NEJO shall pay the insurance policy excess in respect of any claim accepted by NEJO's insurers, whether defended or not.
- 7.4. Appropriate travel insurances will be provided for any Board Members travelling on approved interstate and overseas travel on NEJO business.

8. Legal assistance

- 8.1. NEJO may, if requested, indemnify or reimburse the reasonable legal expenses of:
 - a Board Member defending an action arising from the performance in good faith of a function under the *Local Government Act 1993* provided that the outcome of the legal proceedings is favourable to the Board Member;
 - a Board Member defending an action in defamation, provided the statements complained of were made in good faith in the course of exercising a function under the Act and the outcome of the legal proceedings is favourable to the Board Member;
 - a Board Member for proceedings before an appropriate investigative or review body, provided the subject of the proceedings arises from the performance in good faith of a function under the Act and the matter has proceeded past any initial assessment phase to a formal investigation or review and the investigative or review body makes a finding substantially favourable to the Board Member.
- 8.2. In the case of a code of conduct complaint made against a Board Member, legal costs will only be made available where the matter has been referred by the (Interim) Executive Officer to a conduct reviewer and the conduct reviewer has commenced a formal investigation of the matter and makes a finding substantially favourable to the Board Member.
- 8.3. Legal expenses incurred in relation to proceedings arising out of the performance by a Board Member of his or her functions under the Act are distinguished from expenses incurred in relation to proceedings arising merely from something that a Board Member has

done during his or her term in office. For example, expenses arising from an investigation as to whether a Board Member acted corruptly would not be covered by this section.

8.4. NEJO will not meet the legal costs:

- of legal proceedings initiated by a Board Member under any circumstances;
- of a Board Member seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation;
- for legal proceedings that do not involve a Board Member performing their role as a Board Member.

8.5. Reimbursement of expenses for reasonable legal expenses must have NEJO approval by way of a resolution at a NEJO meeting prior to costs being incurred.

Part C – Facilities

9. General facilities for all Board Members

Facilities

- 9.1. NEJO will provide the following facilities to Board Members to assist them to effectively discharge their civic duties:
- personal protective equipment for use during site visits;
 - a name badge which may be worn at official functions, indicating that the wearer holds the office of a Board Member and/or Chairperson.
- 9.2. The provision of facilities will be of a standard deemed by the Executive Officer as appropriate for the purpose.

Stationery

- 9.3. NEJO will provide the following stationery to Board Members each year:
- letterhead, to be used only for correspondence associated with civic duties;
 - business cards;
 - up to \$300 worth of ordinary postage stamps for the Chairperson;
- 9.4. Stamps shall only be used to support the Chairperson's civic duties. The Chairperson's mail will only be posted using the stamps provided. Any stamps not used will not be carried over to the next year's allocation.

Administrative support

- 9.5. NEJO will provide administrative support to Board Members through the Executive Officer to assist them with their civic duties only.
- 9.6. The Executive Officer is expected to assist Board Members with civic duties only, and not assist with matters of personal or political interest.

10. Additional facilities for the Chair

- 10.1. In performing his or her civic duties, the Chair will be assisted by the Executive Officer.
- 10.2. The Executive Officer is expected to work on official business only, and not for matters of personal or political interest.

Part D – Processes

11. Approval, payment and reimbursement arrangements

- 11.1. Expenses should only be incurred by Board Members in accordance with the provisions of this policy.
- 11.2. Approval for incurring expenses, or for the reimbursement of such expenses, should be obtained before the expense is incurred.
- 11.3. Up to the maximum limits specified in this policy, approval for the following may be sought after the expense is incurred:
 - local travel relating to the conduct of official business;
 - carer costs;
- 11.4. Final approval for payments made under this policy will be granted by the Executive Officer or their delegate.

Direct payment

- 11.5. NEJO may approve and directly pay expenses. Requests for direct payment must be submitted to the Executive Officer for assessment against this policy using the prescribed form, with sufficient information and time to allow for the claim to be assessed and processed.

Reimbursement

- 11.6. All claims for reimbursement of expenses incurred must be made on the prescribed form, supported by appropriate receipts and/or tax invoices and be submitted to the Executive Officer.

Advance payment

- 11.7. NEJO may pay a cash advance for Board Members attending approved conferences, seminars or professional development.
- 11.8. The maximum value of a cash advance is \$100 per day of the conference, seminar or professional development to a maximum of \$300.
- 11.9. Requests for advance payment must be submitted to the (Interim) Executive Officer for assessment against this policy using the prescribed form with sufficient information and time to allow for the claim to be assessed and processed.
- 11.10. Board Members must fully reconcile all expenses against the cost of the advance within one (1) month of incurring the cost and/or returning home. This includes providing to NEJO:
 - a full reconciliation of all expenses including appropriate receipts and/or tax invoices;
 - reimbursement of any amount of the advance payment not spent in attending to official business or professional development.

Notification

- 11.11. If a claim is approved, NEJO will make payment directly or reimburse the Board Member through the (Interim) Executive Officer.
- 11.12. If a claim is refused, NEJO will inform the Board Member in writing that the claim has been refused and the reason for the refusal.

Reimbursement to NEJO

11.13. If NEJO has incurred an expense on behalf of a Board Member that exceeds a maximum limit, exceeds reasonable incidental private use or is not provided for in this policy:

- NEJO will invoice the Board Member for the expense;
- the Board Member will reimburse NEJO for that expense within 14 days of the invoice date.

11.14. If the Board Member cannot reimburse NEJO within 14 days of the invoice date, he/she is to submit a written explanation to the (Interim) Executive Officer who may wish to refer the matter to the Board for resolution.

Timeframe for reimbursement

11.15. Unless otherwise specified in this policy, Board Members must provide all claims for reimbursement within three (3) months of an expense being incurred. Claims made after this time cannot be approved.

12. Disputes

12.1. If a Board Member disputes a determination under this policy, the Board Member should discuss the matter with the (Interim) Executive Officer.

12.2. If the Board Member and the (Interim) Executive Officer cannot resolve the dispute, the Board Member may submit a notice of motion to a NEJO meeting seeking to have the dispute resolved.

13. Return or retention of facilities

13.1. All unexpended facilities or equipment supplied under this policy are to be relinquished immediately upon a Board Member ceasing to hold office or at the cessation of their civic duties.

13.2. Should a Board Member desire to keep any equipment allocated by NEJO, then this policy enables the Board Member to make application to the Executive Officer to purchase any such equipment. The Executive Officer will determine an agreed fair market price or written down value for the item of equipment.

13.3. The prices for all equipment purchased by Board Members under Clause 13.2 will be recorded in NEJO's annual report.

14. Publication

14.1. This policy will be published on NEJO's website.

15. Reporting

15.1. NEJO will report on the provision of expenses and facilities to Board Members as required in the Act and Regulations.

15.2. Detailed reports on the provision of expenses and facilities to Board Members will be publicly tabled at a NEJO meeting every six (6) months and published in full on NEJO's website. These reports will include expenditure summarised by individual Board Member and as a total for all Board Members.

16. Auditing

- 16.1. The operation of this policy, including claims made under the policy, will be included in NEJO's audit program and an audit undertaken at least every two (2) years.

17. Breaches

- 17.1. Suspected breaches of this policy are to be reported to the (Interim) Executive Officer.
- 17.2. Alleged breaches of this policy shall be dealt with by following the processes outlined for breaches of the Code of Conduct, as detailed in the Code and in the Procedures for the Administration of the Code.

PART E – Appendices

Appendix I: Related legislation, guidance and policies

Relevant legislation and guidance:

- *Local Government Act 1993*, Sections 252 and 253
- *Local Government (General) Regulation 2005*, Clauses 217 and 403
- Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW, 2009
- Local Government Circular 09-36 Guidelines for Payment of Expenses and Facilities
- Local Government Circular 05-08 legal assistance for Councillors and Council Employees.

Related NEJO policies:

- Code of Conduct
- Code of Meeting Practice

Appendix II: Definitions

The following definitions apply throughout this policy.

Term	Definition
accompanying person	Means a spouse, partner or de facto or other person who has a close personal relationship with or provides carer support to a Board Member
appropriate refreshments	Means food and beverages, excluding alcohol, provided by NEJO to support Board Members undertaking official business
Act	Means the <i>Local Government Act 1993</i> (NSW)
clause	Unless stated otherwise, a reference to a clause is a reference to a clause of this policy
Code of Conduct	Means the Code of Conduct adopted by NEJO or the Model Code if none is adopted
Board Member	Means a person elected or appointed to civic office as a member of the governing body of NEJO who is not suspended, including the Chair
Executive Officer	Means the Executive Officer or (Interim) Executive Officer of NEJO and includes their delegate or authorised representative
incidental personal use	Means use that is infrequent and brief and use that does not breach this policy or the Code of Conduct
long distance intrastate travel	Means travel to other parts of NSW of more than three (3) hours duration by private vehicle
maximum limit	Means the maximum limit for an expense or facility provided in the text and summarised in Appendix 1
NSW	New South Wales
official business	Means functions that the Board Members are required or invited to attend to fulfil their legislated role and responsibilities for NEJO or result in a direct benefit for NEJO and/or for the Joint Organisation Area, and includes: <ul style="list-style-type: none"> • meetings of NEJO and committees of the whole; • meetings of committees facilitated by NEJO; • civic receptions hosted or sponsored by NEJO; • meetings, functions, workshops and other events to which attendance by a Board Member has been requested or approved by NEJO.
professional development	Means a seminar, conference, training course or other development opportunity relevant to the role of a Board Member
Regulation	Means the <i>Local Government (General) Regulation 2005</i> (NSW)
year	Means the financial year, that is the 12 month period commencing on 1 July each year