



13.5 COUNCILLOR EXPENSES MONTHLY REPORTING – JUNE AND JULY 2021, AND RESPONSE TO COUNCIL RESOLUTION RELATING TO CHILDCARE PROVISIONS OF THE COUNCILLOR EXPENSES AND SUPPORT POLICY

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1. PURPOSE

- 1.1 To report to Council and the community on the expenses incurred by Councillors, in accordance with the Councillor Expenses and Support Policy for the months June and July 2021.
- 1.2 To respond to the decision of Council on 16 June 2021, which requested that officers undertake benchmarking against other Victorian Councils, on the childcare provisions in the Councillor Expenses and Support Policy and prepare a briefing paper to Councillors with any opportunities to increase the accessibility of childcare provisions in the Policy.

2. EXECUTIVE SUMMARY

- 2.1 The Local Government Act 2020 requires Council to maintain a policy in relation to the reimbursement of out-of-pocket expenses for councillors and members of delegated committees. Council endorsed its Councillor Expenses and Support Policy at the Council Meeting of 3 March 2021.
- 2.2 At that meeting Council also resolved to include in the policy a request that officers prepare a monthly report on Councillor allowances and expenses, to be published on Council's website and tabled at an ordinary Council meeting.
- 2.3 This report outlines the total amount of expenses and support provided to Councillors during the months of June and July 2021. Expenses and reimbursements are detailed by category of support. There was a delay in reporting the expenses for June as officers undertook the work requested by Council to explore opportunities to improve accessibility to childcare reimbursements under the Councillor Expenses and Support Policy. This report also informs Council on the outcomes of this work.

3. RECOMMENDATION

That Council:

- 3.1 Receives and notes the monthly Councillor expense report for June 2021 (attachment 1).
- 3.2 Receives and notes the monthly Councillor expense report for July 2021 (attachment 2).
- 3.3 Notes the benchmarking activity undertaken with other Councils, feedback received from Councillors and discussions held by the Audit and Risk Committee.



- 3.4 Amends the current Councillor Expenses and Support Policy (**Policy**) in the following ways:
- 3.4.1 Remove the mandatory requirement for the childcare / babysitting service provider to hold a current Working with Children’s Check (WWCC) and First Aid Certificate.
 - 3.4.2 Increase the age limit for childcare reimbursements claims from 13 years of age to 16 years of age.
 - 3.4.3 Remove the age limit for childcare for a child with a disability where the child requires assistance with daily living tasks.
- 3.5 Considers the following elements of the Councillor Expenses and Support Policy and resolves its preferred option/s.
- 3.6 Notes the following options with respect to timing requirement for claims:
- a. Option 1 - 30-days from the end of the month, except for the month of June, where claims must be submitted within 7 days.
 - b. Option 2 - 30 days from the date of service, except for the month of June, where claims must be submitted within 7 days.
- 3.6.1 Adopts Option[insert option].
- 3.7 Notes the following options with respect to invoices and receipts not containing an ABN:
- a. Option 1 - accept a receipt that does not contain an ABN, and provide an attestation of the expense through the reimbursement form;
 - b. Option 2 – not accept an invoice and receipt that does not contain an ABN
- 3.7.1 Adopts Option[insert option].
- 3.8 Notes the following options with respect to preparatory time:
- a. Option 1 – No inclusion of preparatory time
 - b. Option 2 – The inclusion of preparatory time to a maximum amount of 16 hours per month
 - c. Option 3 – Provide a maximum amount of 12 hours for the day of Council meetings and Assemblies of Council
- 3.8.1 Adopts Option[insert option].
- 3.9 Notes the following options for whether claims can be made retrospectively by Councillors from the commencement of this Council term, being 11 November 2020:
- a. Option 1 - No retrospective payments to be made
 - b. Option 2 - Allow retrospective claims for six weeks following this resolution of Council
- 3.9.1 Adopts Option[insert option].



- 3.10 Notes the following options available to change the childcare access provisions to include reimbursement of full day childcare if the Councillor has met the definition in clause 3 of the Councillor Expense and Support Policy:
- Option 1 - for at least meeting/s for the day being claimed
 - Option 2 - for at least hours for the day being claimed
 - Option 3 - makes no change to the current access provisions of the policy
- 3.10.1 Adopts Option[insert option].
- 3.11 Requests that the use of the Councillor Expenses and Support Policy forms a regular part of the Internal Audit & Compliance program, and asks the CEO to notify the Audit and Risk Committee of this request.
- 3.12 Requests that the CEO update the Councillor Expenses and Support Policy to reflect this resolution and publish for Councillors and the community at the earliest possible opportunity.

4. KEY POINTS/ISSUES

- 4.1 The Local Government Act 2020 (the Act) provides that councillors and members of delegated committees are entitled to be reimbursed for bona fide out-of-pocket expenses that have been reasonably incurred while performing their role, and that are reasonably necessary to perform their role.
- 4.2 The management of expenses is governed by the Councillor Expenses and Support Policy (the Policy), developed in accordance with the requirements of the Act and adopted by Council on 3 March 2021.
- 4.3 The Policy sets out the process for submitting requests for support and/or reimbursement. All requests are required to be assessed by officers prior to processing.
- 4.4 This report provides the monthly expenses incurred by Councillors for the months of June and July 2021.
- 4.5 In addition, this report fulfils the decision of Council on 16 June 2021 where Council requested that officers consult with the Audit and Risk Committee and undertake benchmarking against other Victorian Councils on the childcare provisions in the Councillor Expenses and Support Policy.
- 4.6 Following benchmarking of other inner metro Local Government Areas, an out of cycle meeting was scheduled with the Audit and Risk Committee. The key focus of discussions with the Audit and Risk Committee was to seek advice for Council on the best way to maximise the diversity of people standing for and participating in civic life, meeting Council's responsibilities with respect to the Gender Equality Act and ensuring appropriate use of ratepayer funds and compliance obligations. A briefing was also held with Councillors and feedback on the experiences of Council with the Policy were also taken into consideration.
- 4.7 Considering this benchmarking activity and feedback from the Audit and Risk Committee and Councillors the following are areas that Council could consider and if adopted may achieve the objective of increasing the accessibility of childcare provisions in the Policy.



4.7.1 Removal of Mandatory Requirements

The current policy requires childcare providers to hold a Working with Children Check (WWC) and Level 2 First Aid Certificate. The mandatory provision was incorporated into the updated policy as the City of Port Phillip has zero tolerance for child abuse and is committed to be a Child Safe organisation.

It was observed during the benchmarking exercise that no other Council that was researched set this mandatory requirement.

Feedback received from Councillors was this provision can limit childcare options, particularly if care is required at short notice. They also highlighted that parents are best placed to ensure that they have an appropriate carer for their child(ren).

The Audit and Risk Committee have considered this feedback and while they maintain this provision should be strongly encouraged, given it is a reimbursement, they are of the view that this does not need to be mandated as the onus resides with the Councillor to identify a suitable childcare provider / babysitting service in relation to their own child(ren).

4.7.2 Increase age limit for childcare reimbursements

The current policy outlines an age limit for childcare services up to 13 years. This provision was included into the updated policy to provide greater guidance for Councillors on what was an acceptable form of claim in response to an internal audit finding.

It was observed during the benchmarking exercise that majority of other local government area's policies that were reviewed make no mention of age requirements for reimbursement of care expenses, with the exception of one local government area that had an age limit of 16 years of age.

Feedback received from Councillors was that the City of Port Phillip can experience anywhere up to 40 hours per month in meetings and much of this is evening work, which can conclude as late as 10pm – 11pm. Councillors were of a view that this age limit could preclude some people in participating as Councillors as some families will require childcare for children aged 13-16 years particularly for commitments that conclude late into the evening.

The Audit and Risk Committee supported increasing the age limit from 13 years of age to 16 years of age, particularly considering the number of meetings that occur in the evening and the need to maximise diversity of people standing for and participating in civic life as well as the Gender Equality Act obligations.

4.7.3 Removal of age limit for children with a disability

The Policy currently limits reimbursement of any care for a child with a disability up to 18 years of age.

When undertaking benchmarking with the policies of other local government areas, the provision for reimbursement for a child with a disability could not be found.

The Audit and Risk committee recognised that the requirement for support for a child with a disability is often not age related, rather it is dependent on the



assistance required for daily living of tasks. They considered it would be reasonable to remove an age barrier.

Councillors supported the removal of an age limit for children with a diagnosed disability and recognised the principal of individuality and reliance on the assistance required as a preferred approach.

4.7.4 Timing requirement for a claim

The current policy requires Councillors to submit childcare claims within 14 days from the end of the calendar month in which the expense was incurred, excluding the month of June, where claims must be submitted within 7 days. This provision was included in the updated policy in response to an internal audit finding to improve the governance of claims management. Prior to this change there had been occasions where there was a delay in submitting claims. This also provided an opportunity to provide more timely reporting to Council and the community.

Benchmarking with other local government area's revealed there was a mixed approach to the timing required for claims to be submitted. Some councils required claims to be submitted monthly, bimonthly or quarterly.

Feedback was received from Councillors that the timing in this policy does not support a Councillor who may be juggling many demands; such as full-time work, family life along with their Councillor duties. Although Councillors were also very keen to ensure that any reimbursements were reported both in a timely and regular fashion to the community.

The Audit and Risk committee thought it reasonable to extend the timing required for a Councillor to seek reimbursement considering many Councillors are in full time employment and undertake their Councillor duties in their own time. Two options to address this issue include:

1. Increase the time required to submit claims to 30-days from the end of the calendar month that the expense was incurred.

Amending the Policy to accommodate this extension of time for reimbursement would enable Councillors to maintain a month end routine of submitting claims; as well as afford additional time.

Currently there is already an eight-week delay in reporting Councillor expenses due to internal processing. A change to increase the time allowed to submit a claim to 30 days from the end of the month would result in an additional two-week lag in reporting to the community.

2. Increase the time required to submit claims to 30 days from the date of service.

Under this option, Councillors would experience some timing relief for submitting claims, particularly for childcare that occurs towards the end of a calendar month, while still ensuring timely provision of information for claims management and reporting purposes.

However, to maintain this policy position would be onerous on both Councillors and officers.

Irrespective of which option is chosen, both would still enable regular and consistent reporting to the community.



4.7.5 Tax Invoice

The current Policy indicates that all claims made by Councillors must be accompanied by appropriate documentation, such as an original tax invoice, clearly identifying the expenditure incurred and include an official receipt for payment received. This provision was included in the updated policy in response to an internal audit finding to improve the governance of claims management.

It was observed during benchmarking with other local government areas that some afforded a more flexible approach to claims management and allowed for the option for a Councillor to complete a statutory declaration where an invoice is not available. It was also identified that another approach taken by a local government area included the option of escalating to the Chief Executive Officer for approval where an official invoice could not be provided.

Feedback from Councillors suggested that mandating tax invoices limits the choice of childcare providers by removing the option of smaller service providers, traditionally referred to as the 'person down the road'. These providers are often sought by parents as they have limited clients and are able to form strong relationships with the child.

The Audit and Risk committee recognised that the requirement for a tax invoice may limit a Councillor's ability to choose a smaller childcare provider that earns under the threshold required to hold an ABN. To expand the choice of childcare providers, while still ensuring appropriate compliance is maintained, the Audit and Risk Committee considered it reasonable to amend the Policy to enable Councillors to either provide a tax invoice or a receipt. In the case of a receipt, Councillors would need to make an attestation in relation to the provider and nature of the service.

4.7.6 Preparatory time

The current policy makes it clear what is considered to be Council Business and as a result is considered to be an acceptable claim. This provision was included in response to an internal audit finding to make it abundantly clear what was an acceptable claim. The definition is focussed predominantly on attendance at meetings and certain activities. The reason for this definition is that it is easier to independently assess and verify the claims either in a spot check manner or in response to particular concerns.

Councillors spend several hours each week reading and preparing for meetings. The time required depends on the size of the Council and the issues that arise. Vic Councils suggest that Councillor's should anticipate 10 to 20 hours a week to fulfil their Councillor activities.

The Local Government Act 2020 states that the Council expenses policy must-

Section 41 (2)(c) provide for the reimbursement of childcare costs where the provision of childcare is reasonably required for a Councillor or member of a delegated committee to perform their role

Considering the above, the inclusion of preparatory time was explored.

Benchmarking against other Councils provided no evidence of preparatory time being included in other local government areas.



Feedback from Councillors was mixed. Some Councillors supported the inclusion of preparatory time as a significant percentage of their time is spent reading and preparing for meetings. Council Meeting agendas can range in volume from under 100 pages to 2,300 pages (7 July 2021 meeting agenda). An analysis of agenda papers for the month of August provided an average of 263 pages per agenda.

Conversely, some Councillors were opposed to the inclusion of preparatory time and considered the Councillor's allowance could be used to cover these out of pocket costs.

The Audit and Risk committee considered that it would be reasonable to reimburse Councillors for childcare for the time they invest in preparing for meetings.

At a minimum Councillors participate in Ordinary Council Meetings, Councillors Briefings, Planning Committee Meetings and committee meetings where they have been appointed as a Councillor representative. While no time limit for preparatory work was determined, the Audit and Risk committee considered a percentage of the average hours of a Councillor time, perhaps around 20%, to be a reasonable provision to be included in the Policy.

The Audit and Risk committee opined that the provision of preparatory time supported the intention of various legislation such as Child Safety and Wellbeing Act, Occupational Health and Safety Act and the Gender Equality Act.

Being an inner metro Council, it is reasonable to assume that Port Phillip would be at the upper end of the time commitment suggested by Vic Councils. Therefore, Councillors could consider amending the Policy to include the provision of childcare for a set period of time for up to a maximum of 16 hours (being 20% of 80 hours) a month for preparatory work.

An amendment of this nature would need to be considered alongside of compliance requirements. Officers would not be able to verify whether the preparation time had occurred when approving claims, rather would need to exclusively on the Councillor declaration is an accurate record.

Alternatively, Council could consider limiting preparatory time for days when Council activities occur, e.g. Wednesdays. Under this option, the policy could be amended to allow for up to 12 hours of care when there is a Council meeting or Assemblies of Council. This would provide some recognition that there is attendance at meetings and preparatory work required while also providing officers with an ability to undertake a verification check that a Council meeting or Assemblies occurred on that day.

If either of these amendments to the Policy were supported by Council, officers would amend the Councillor Expense Reimbursement Form to record a Councillor's attestation that childcare was sought for the use of preparatory time.

4.7.7 Registered Care

The current Policy states that Councillors are eligible for reimbursement of centre care for registered childcare centres in Victoria. Centre care provides regular full-time or part-time childcare in places specially built or adapted for childcare and have typical operating hours of 7:00 am to 6:00 pm on weekdays.



Centre care charge a set fee for childcare, which is required to be paid irrespective of attendance. Charge for care is based on a daily rate and is unable to be pro-rated.

Centre Care is often an attractive option for parents as it is affordable and offers children a mix of education, care and recreational programs to suit children of different ages, promoting the education of social interactions.

Despite the provision for centre care in the Policy, it is unclear how this reimbursement should be assessed. Section three of the Policy defines 'official Councillor activity' for when a childcare claim can be made. It is limited to official meetings, meetings under the auspices of council, meetings where staff are present, ceremonial activities as well as where a Councillor can outline the purpose of Council business as long as there is a diary entry prior to the meeting occurring.

It is unclear if a Councillor only has 1 or 2 meetings on a given day whether a full day of centre care can be claimed.

Unfortunately, the benchmarking that was undertaken was unable to provide any comparison with other policies as they did not enter this level of detail.

Given centre care is not an opt in opt out service and payments cannot be prorated, officers recommend further clarifying this provision.

The Policy could be amended to be explicit that reimbursement of all-day childcare is available where a councillor has met the criteria under section 3 of the Policy that describes 'official business of council for at least one meeting (for the day being claimed) can seek reimbursement for centre care.

4.7.8 Governance

The current Councillor Expense & Support Policy has existing good-governance measures in place for the monitoring of claims. These include; completion of checklists by officers to confirm adequate evidence, regular monitoring of claims by the Manager Governance & Organisational Performance and monthly reporting to Council that includes the publication of all reimbursements on the City of Port Phillip website.

When undertaking benchmarking, Port Phillip's governance of claims was comparable with other local government areas. The only noticeable difference being the frequency of reporting to the community. Port Phillip reported claims monthly whereas other local government areas only reported quarterly.

Given previous areas of concern in relation to childcare reimbursements, to support any changes in the Policy, it is recommended that the monitoring of claims against the Councillor Allowances and Expenses features regularly on the Internal Audit & Compliance program.

4.7.9 Retrospective

During the review of this Policy, Council officers identified that there have been no claims made by Councillors for childcare reimbursement this Council term. Officers are aware from a desktop review that there are three Councillors who are eligible for childcare reimbursement.



Noting this observation, the Audit and Risk Committee recommend that any changes to the policy that increase accessibility of this provision should be retrospective from the commencement of this Council term, being 11 November 2020.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 A benchmarking exercise was conducted by Council officers against the policies of other local government areas. This review included the City of Melbourne, City of Glen Eira, City of Yarra and City of Bayside Council.
- 5.2 Councillors had provided general feedback during this term regarding the application of the policy. This feedback included that it is unclear how a registered day care claim would be assessed and whether a full day of care can be claimed if there were not a continuous stream of meetings as defined by clause three of the policy. In addition, there was some general feedback received regarding the short timing provided to Councillors to submit claims for reimbursement.
- 5.3 An out of cycle Audit and Risk Committee meeting was held on 4 August 2021 to table the findings of this benchmarking exercise and to consult with the committee on possible options for increasing accessibility of childcare reimbursements for Councillors.
- 5.4 On 25 August 2021, a briefing was held with Councillors to outline the outcomes of the Audit and Risk Committee.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 The provision of expenses and support to Councillors is governed by the Local Government Act, and Council's adopted policy.
- 6.2 Improvement to the accessibility of this expense category supports compliance with the Gender Equality Act, Occupational Health and Safety Act and Child Wellbeing and Safety Act.

7. FINANCIAL IMPACT

- 7.1 Provision of support and expenses for Councillors is managed within Council's approved operational budgets.

8. ENVIRONMENTAL IMPACT

- 8.1 There are no direct environmental impacts as a result of this report.

9. COMMUNITY IMPACT

- 9.1 This report provides to the community greater transparency and accountability by publicly disclosing expenses and support accessed by Councillors.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 Reporting on Councillor expenses delivers Strategic Direction 5 – Well Governed Port Phillip.

11. IMPLEMENTATION STRATEGY

- 11.1 Council reports to the community monthly on the expenses and reimbursements provided to Councillors.
- 11.2 Officers will publish monthly expense reports to Council's website once adopted.

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11.3 Any changes adopted will be updated and published on Council's website for transparency with the community.

12. OFFICER DIRECT OR INDIRECT INTEREST

12.1 The Councillor Expense and Support Policy also applies to members of the Audit and Risk Committee. Relevantly, it was noted in the minutes of the Audit and Risk meeting that no current member has any requirement for this expense category.

12.2 No officers involved in the preparation of this report have any direct or indirect interest in the matter

ATTACHMENTS

- 1. Councillor Expenses - June 2021**
- 2. Councillor Expenses - July 2021**
- 3. ARCO email**