



## Notice of Extraordinary Meeting

An Extraordinary Meeting of Ballina Shire Council will be held in the Ballina Shire Council Chambers, 40 Cherry Street Ballina on **Wednesday 6 September 2017 commencing at 5.00 pm.**

### Business

1. Acknowledgement of Country
2. Apologies
3. Declarations of Interest
4. Deputations
5. General Manager's Group Report
  - 5.1 Policy – Councillor Expenses and Facilities - Adoption

A handwritten signature in black ink, appearing to read 'Paul Hickey', with a horizontal line underneath.

Paul Hickey  
**General Manager**

## **Deputations to Council – Guidelines**

Deputations by members of the public may be made at Council meetings on matters included in the business paper. Deputations are limited to one speaker in the affirmative and one speaker in opposition. Requests to speak must be lodged in writing or by phone with the General Manager by noon on the day preceding the meeting. Deputations are given five minutes to address Council.

Any documents tabled or given to Councillors during the meeting become Council documents and access may be given to members of the public in accordance with the requirements of the Government Information (Public Access) Act 2009.

The use of powerpoint presentations and overhead projectors is permitted as part of the deputation, provided that the speaker has made prior arrangements with the General Manager's Office at the time of booking their deputation. The setup time for equipment is to be included in the total time of five minutes allocated for the deputation.

## Table of Contents

1.	Acknowledgement of Country .....	1
2.	Apologies.....	1
3.	Declarations of Interest.....	1
4.	Deputations .....	1
5.	General Manager's Group Reports .....	2
5.1	Policy - Councillor Expenses and Facilities - Adoption	2



1. Acknowledgement of Country
  2. Apologies
  3. Declarations of Interest
  4. Deputations
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**1. Acknowledgement of Country**

In opening the meeting the Mayor provided an Acknowledgement of Country by reading the following statement on behalf of Council:

I would like to respectfully acknowledge past and present Bundjalung peoples who are the traditional custodians of the land on which this meeting takes place.

**2. Apologies**

**3. Declarations of Interest**

**4. Deputations**

## **5.1 Policy - Councillor Expenses and Facilities - Adoption**

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### **5. General Manager's Group Reports**

#### **5.1 Policy - Councillor Expenses and Facilities - Adoption**

**Delivery Program**      Communications

**Objective**              To adopt the Councillor Expenses and Facilities Policy.

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#### **Background**

The Local Government Act (LGA), Division 5 (clauses 248 to 254A) outlines information in respect to how the payment of fees, expenses and the provision of facilities to councillors is managed.

Of particular relevance is clause 252 (1) which states as follows:

*(1) Within the first 12 months of each term of a council, the council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor (if there is one) and the other councillors in relation to discharging the functions of civic office.*

Council considered a report reviewing the existing policy at the July 2017 Ordinary meeting and resolved as follows:

- 1. That Council approves the exhibition of the amended Councillor Expenses and Facilities Policy, as per attachment five to this report, for a minimum period of 28 days.*
- 2. That Council authorises the General Manager to convene an Extraordinary meeting for the adoption of this policy and to meet the requirements of Section 252 (1) of the Local Government Act, following the exhibition period.*

This report responds to that resolution.

#### **Key Issues**

- Ensuring the policy is equitable, fair and transparent

#### **Information**

The policy as exhibited is included as an attachment to this report. As per the July 2017 Ordinary meeting report the objectives of having a Councillor expenses policy include:

- a) ensuring that no person is disadvantaged and incurring additional private expenses by performing their role as a Councillor - the policy should ensure a Councillor is reasonably reimbursed for activities they are required to perform as a Councillor

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

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- b) ensuring fairness and equity in the operation of the policy – all Councillors should be treated fairly and equally with no Councillor being disadvantaged over another in the application of the policy
- c) the policy should reflect community standards in respect to the provision of facilities and the reimbursement of expenses.

### Legal / Resource / Financial Implications

Budgets are provided to support Councillors based on the expenses policy, with the 2017/18 financial plan including the following estimates:

Item	Estimate (\$)
Mayoral Allowance	45,000
Councillor Allowance Fees	184,000
Meeting Expenses	17,000
Councillor Stationery and Equipment	7,000
Civic Functions	7,000
Councillor Telephones	12,000
Insurance Civic Activities	34,500
Mayor Travelling	12,000
Councillor Travelling	10,000
Conferences and Training	30,000

### Consultation

Section 253 of the LGA states as follows:

*Requirements before policy concerning expenses and facilities can be adopted or amended:*

- 1) *A council must give public notice of its intention to adopt or amend a policy for the payment of expenses or provision of facilities allowing at least 28 days for the making of public submissions.*
- 2) *Before adopting or amending the policy, the council must consider any submissions made within the time allowed for submissions and make any appropriate changes to the draft policy or amendment.*
- 3) *Despite subsections (1) and (2), a council need not give public notice of a proposed amendment to its policy for the payment of expenses or provision of facilities if the council is of the opinion that the proposed amendment is not substantial.*
- 4) *A council must comply with this section when proposing to adopt a policy in accordance with section 252 (1) even if the council proposes to adopt a policy that is the same as its existing policy.*

As at the time of preparing this report the exhibition period is still open. To date no submissions have been received. If any submissions are received they will be tabled at this meeting.

### **Options**

The options are to adopt the policy as exhibited or with any minor changes as per section 253 (3) of the LGA.

There was one inconsistency in the exhibited policy in that the policy summary section had an allowance of \$100 for postage stamps however clause 9.4 stated nil. Council has not provided postage stamps for Councillors therefore the intention was to have both figures as nil. This also results in clause 9.5 being amended.

As these are only minor changes it is recommended that Council adopt the policy, as exhibited, subject to minor changes to ensure that the postage stamp allowance is nil

### **RECOMMENDATION**

That Council adopts the Councillor Expenses and Facilities Policy, as exhibited, as per attachment one to this report, subject to the minor amendment that ensures that any reference to the postage stamp allowance for Councillors is nil.

### **Attachment(s)**

1. Policy (New) - Councillor Expenses and Facilities (based on OLG template) - as exhibited



## 5.1 Policy - Councillor Expenses and Facilities - Adoption

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**POLICY NAME:** COUNCILLOR EXPENSES AND FACILITIES

**POLICY REF:** C04

**MEETING ADOPTED:** 25 August 2016  
Resolution No. 250816/21

**POLICY HISTORY:** 270815/19; 250914/14; 260913/28; 280313/17; 281112/20



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### TABLE OF CONTENTS

<b>POLICY SUMMARY .....</b>	<b>1</b>
<b>PART A – INTRODUCTION.....</b>	<b>3</b>
1. Introduction.....	3
2. Policy Objectives .....	3
3. Principles.....	3
4. Private or political benefit.....	4
<b>PART B – EXPENSES.....</b>	<b>5</b>
5. General expenses .....	5
6. Specific Expenses .....	5
General travel arrangements and expenses .....	5
Interstate, overseas and long distance intrastate travel expenses .....	5
Travel expenses not paid by Council .....	6
Accommodation and meals .....	7
Refreshments for council related meetings .....	7
Professional development .....	7
Conferences and seminars.....	8
Information and communications technology (ICT) expenses.....	8
Special requirement and carer expenses.....	8
Home office expenses .....	9
7. Insurances.....	9
8. Legal assistance.....	9
<b>PART C – FACILITIES.....</b>	<b>11</b>
9. General facilities for all councillors.....	11
Facilities .....	11
Stationery .....	11
Administrative support.....	11
10. Additional facilities for the mayor .....	12

<b>PART D – PROCESSES</b> .....	<b>13</b>
11. Approval, payment and reimbursement arrangements .....	13
Direct payment .....	13
Reimbursement .....	13
Advance payment.....	13
Notification.....	13
Reimbursement to council .....	14
Timeframe for reimbursement .....	14
12. Disputes .....	14
13. Return or retention of facilities .....	14
14. Publication.....	14
15. Reporting.....	14
16. Auditing .....	14
17. Breaches .....	15
<b>PART E – APPENDICES</b> .....	<b>16</b>
Appendix I: Related legislation, guidance and policies .....	16
Appendix II: Definitions.....	17
Appendix III: Australian Taxation Office Reasonable Travel Allowances .....	19

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

### POLICY SUMMARY

This policy enables the reasonable and appropriate reimbursement of expenses and provision of facilities to councillors to help them undertake their civic duties. It ensures accountability and transparency, and seeks to align councillor expenses and facilities with community expectations. Councillors 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.

The policy sets out the maximum amounts council 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	\$3,000 per councillor \$6,000 for the mayor	Per year
Interstate, overseas and long distance intrastate travel expenses	Included in general travel expenses	Per year
Accommodation and meals	As per the Australian Taxation Office reasonable travel allowances, adjusted annually, based on the top salary threshold. Refer to Appendix III	Per meal/night
Professional development	\$5,000 per councillor inclusive of travel expenses	Per year
Conferences and seminars		Per year
ICT expenses	\$80 per councillor, excluding hardware provided by Council, as determined by the general manager	Per month
Carer expenses	\$2,000 per councillor	Per year
Home office expenses	\$1,000 per councillor	Per year
Postage stamps	\$100 per councillor	Per year
Christmas or festive cards	Nil per councillor \$100 for the mayor	Per year
Access to facilities in a Councillor common room	Provided to all councillors	Not relevant
Council vehicle and fuel card	Provided to the mayor	Not relevant
Reserved parking space at Council offices	Provided to the mayor	Not relevant
Furnished office	Provided to the mayor	Not relevant
Number of exclusive staff supporting Mayor and Councillors	Provided to the mayor and councillors	Not relevant
Joint Regional Planning Panel	\$600 per councillor	Per meeting

## **5.1 Policy - Councillor Expenses and Facilities - Adoption**

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

Councillors must provide claims for reimbursement within three months of an expense being incurred. Claims made after this time cannot be approved.

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

### PART A – INTRODUCTION

#### 1. Introduction

- 1.1. The provision of expenses and facilities enables councillors to fulfil their civic duties as the elected representatives of Ballina Shire Council.
- 1.2. The community is entitled to know the extent of expenses paid to councillors, 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 councillors to assist them in fulfilling their civic duties.
- 1.4. Council staff are empowered to question or refuse a request for payment from a councillor when it does not accord with this policy.
- 1.5. Expenses and facilities provided by this policy are in addition to fees paid to councillors. The minimum and maximum fees a council may pay each councillor are set by the Local Government Remuneration Tribunal as per Section 241 of the Act and reviewed annually. Council must adopt its annual fees within this set range.

#### 2. Policy Objectives

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

#### 3. Principles

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

### 4. Private or political benefit

- 4.1 Councillors must not obtain private or political benefit from any expense or facility provided under this policy.
- 4.2 Private use of council equipment and facilities by councillors may occur from time to time. For example, telephoning home to advise that a council meeting will run later than expected.
- 4.3 Such incidental private use does not require a compensatory payment back to council.
- 4.4 Councillors should avoid obtaining any greater private benefit from Council than an incidental benefit. Where there are unavoidable circumstances and more substantial private use of council facilities does occur, councillors must reimburse the council.
- 4.5 Campaigns for re-election are considered to be a political benefit. The following are examples of what is considered to be a political interest during a re-election campaign:
  - production of election material
  - use of council resources and equipment for campaigning
  - use of official council letterhead, publications, websites or services for political benefit
  - fundraising activities of political parties or individuals, including political fundraising events.

### **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.

#### **6. Specific Expenses**

##### **General travel arrangements and expenses**

- 6.1 All travel by councillors should be undertaken using the most direct route and the most practicable and economical mode of transport.
- 6.2 Each councillor may be reimbursed up to a total of \$3,000 per year, and the mayor may be reimbursed up to a total of \$6,000 per year, for travel expenses incurred while undertaking official business. This includes reimbursement:
  - for public transport fares
  - for the use of a private vehicle or hire car
  - for parking costs for Council and other meetings
  - for tolls
  - by Cabcharge card or equivalent
  - for documented ride-share programs, such as Uber, where tax invoices can be issued.
  - for entry fees or cover charges
  - where a partner or accompanying person could reasonably be expected to attend, Council will meet their reasonable expenses such as the entry fee or cover charge.

The general manager, in consultation with the mayor, shall prepare a weekly list of approved meetings / events / functions for which travel by councillors may be reimbursed. Councillors who wish an event to be included on this list should forward details to the general manager a minimum of one week in advance.

The general travel arrangements and expenses limits of \$3,000 and \$6,000 are separate to the \$5,000 limits as per Clauses 6.24 and 6.30.

- 6.3 Allowances for the use of a private vehicle will be reimbursed by kilometre at the rate determined by the Australian Taxation Office.
- 6.4 Councillors seeking to be reimbursed for use of a private vehicle must submit a claim to Council that records the date, distance and purpose of travel being claimed. The claim must be in the form provided by the General Manger for all travel expenses incurred.

##### **Interstate, overseas and long distance intrastate travel expenses**

- 6.5 Given Council's location near an interstate border, travel to south-east Queensland will be considered as general travel. Arrangements and expenses for this travel will be governed by Clauses 6.1-6.4.
- 6.6 In accordance with Section 4, Council will scrutinise the value and need for councillors to undertake overseas travel. Councils should avoid interstate, overseas and long distance intrastate trips unless direct and tangible benefits can be

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

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established for the council and the local community. This includes travel to sister and friendship cities.

- 6.7 Total interstate, overseas and long distance intrastate travel expenses for all councillors will be capped at a maximum of \$3,000 per year, per councillor, which is inclusive of the \$3,000 councillor allowance and \$6,000 for the mayor in Clause 6.2. This means a total of \$3,000 per councillor and \$6,000 for the mayor is available per annum for general travel and other expenses.
- 6.8 Councillors seeking approval for any interstate and long distance intrastate travel must submit a case to, and obtain the approval of, the general manager prior to travel.
- 6.9 Councillors seeking approval for any overseas travel must submit a case to, and obtain the approval of, a full council meeting prior to travel.
- 6.10 The case should include:
- objectives to be achieved in travel, including an explanation of how the travel aligns with current council priorities and business, the community benefits which will accrue as a result, and its relevance to the exercise of the councillor'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.
- 6.11 For interstate and long distance intrastate journeys by air of less than three hours, the class of air travel is to be economy class.
- 6.12 For interstate journeys by air of more than three hours, the class of air travel may be premium economy.
- 6.13 For international travel, the class of air travel is to be premium economy if available. Otherwise, the class of travel is to be economy.
- 6.14 Bookings for approved air travel are to be made through the general manager's office.
- 6.15 For air travel that is reimbursed as council business, councillors will not accrue points from the airline's frequent flyer program. This is considered a private benefit.

### **Travel expenses not paid by Council**

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



### Accommodation and meals

- 6.17 In circumstances where it would introduce undue risk for a councillor 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 general manager. This includes where a meeting finishes later than 9.00pm or starts earlier than 7.00am and the councillor lives more than 50 kilometres from the meeting location.
- 6.18 Council will reimburse costs for accommodation and meals while councillors are attending approved professional development activities and conferences.
- 6.19 The daily limits for accommodation and meal expenses within Australia are to be consistent with those set out by the Australian Taxation Office in their annual Taxation Determination in respect to reasonable travel allowances, as adjusted annually.
- 6.20 The daily limits for accommodation and meal expenses outside Australia are to be determined in advance by the elected council, being mindful of Clause 6.19.
- 6.21 Councillors will not be reimbursed for alcoholic beverages.

### Refreshments for council related meetings

- 6.22 Appropriate refreshments will be available for council meetings, council committee meetings, councillor briefings, approved meetings and engagements, and official council functions as approved by the general manager.
- 6.23 As an indicative guide for the standard of refreshments to be provided at council related meetings, the general manager must be mindful of Part B Monetary Rates of the NSW Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009, as adjusted annually.

### Professional development

- 6.24 Council will allow a total of \$5,000 (which includes funding provided for professional development, conferences and seminars as per point 6.30) per councillor annually to facilitate professional development of councillors through programs, training, education courses and membership of professional bodies.
- 6.25 In the first year of a new council term, Council will provide a comprehensive induction program for all councillors, as determined by the general manager, 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.
- 6.26 Annual membership of professional bodies will only be covered where the membership is relevant to the exercise of the councillor's civic duties, the councillor actively participates in the body and the cost of membership is likely to be fully offset by savings from attending events as a member.
- 6.27 Approval for professional development activities is subject to a prior written request to the general manager outlining the:
- details of the proposed professional development
  - relevance to council priorities and business
  - relevance to the exercise of the councillor's civic duties.
- 6.28 In assessing a councillor request for a professional development activity, the general manager must consider the factors set out in Clause 6.27, as well as the cost of the professional development in relation to the councillor's remaining budget.

### Conferences and seminars

- 6.29 Council is committed to ensuring its councillors are up to date with contemporary issues facing council and the community, and local government in NSW.
- 6.30 Council will allow \$5,000 (which includes funding provided for professional development, conferences and seminars as per point 6.24) per councillor annually to facilitate councillor attendance at conferences and seminars.
- 6.31 Approval to attend a conference or seminar is subject to a written request to the general manager. In assessing a councillor request, the general manager must consider factors including the:
- relevance of the topics and presenters to current council priorities and business and the exercise of the councillor's civic duties
  - cost of the conference or seminar in relation to the total remaining allowance per Councillor.
- 6.32 Council will meet the reasonable cost of registration fees, transportation and accommodation associated with attendance at conferences approved by the general manager. Council 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 6.18-6.21.

### Information and communications technology (ICT) expenses

- 6.33 Council will provide or reimburse councillors for expenses associated with appropriate ICT devices and services up to a limit of \$80 per month annum for each councillor. This may include mobile phones and tablets, mobile phone and tablet services and data, and home internet costs.
- 6.34 Reimbursements will be made only for communications devices and services used for councillors to undertake their civic duties, such as:
- receiving and reading council business papers
  - relevant phone calls and correspondence
  - diary and appointment management.
- 6.35 Councillors may seek reimbursement for applications on their mobile electronic communication device that are directly related to their duties as a councillor, within the maximum limit.

### Special requirement and carer expenses

- 6.36 Council encourages wide participation and interest in civic office. It will seek to ensure council premises and associated facilities are accessible, including provision for sight or hearing impaired councillors and those with other disabilities.
- 6.37 Transportation provisions outlined in this policy will also assist councillors who may be unable to drive a vehicle.
- 6.38 In addition to the provisions above, the general manager may authorise the provision of reasonable additional facilities and expenses in order to allow a councillor with a disability to perform their civic duties.
- 6.39 Councillors 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 \$2,000 per annum for attendance at official business, plus reasonable travel from the principal place of residence.
- 6.40 Child care expenses may be claimed for children up to and including the age of 16 years where the carer is not a relative.

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

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6.41 In the event of caring for an adult person, councillors will need to provide suitable evidence to the general manager that reimbursement is applicable. This may take the form of advice from a medical practitioner.

### Home office expenses

6.42 Each councillor may be reimbursed up to \$1,000 per year for costs associated with the maintenance of a home office, such as minor items of consumable stationery and printer ink cartridges.

6.43 The general manager is entitled to authorise council staff to attend a councillor's residence to assist in resolving a council related matter. However this approval can only be given in the following circumstances:

- the councillor must declare that the matter is directly related to council business; and
- the general manager has assessed that the issue can be resolved relatively quickly; and
- there will be no additional expense incurred by council in providing that assistance; and
- the work environment must be considered safe from work health and safety perspective; and
- the general manager is of the opinion that the use of the council staff resource is the quickest and most effective method to resolve the matter.

## 7. Insurances

7.1 In accordance with Section 382 of the Local Government Act, Council is insured against public liability and professional indemnity claims. Councillors 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 councillor's performance of his or her civic duties, or exercise of his or her functions as a councillor. All insurances are subject to any limitations or conditions set out in the policies of insurance.

7.3 Council shall pay the insurance policy excess in respect of any claim accepted by council's insurers, whether defended or not.

7.4 Appropriate travel insurances will be provided for any councillors travelling on approved interstate and overseas travel on council business.

## 8. Legal assistance

- 8.1 Council may, if requested, indemnify or reimburse the reasonable legal expenses of:
- a councillor defending an action arising from the performance in good faith of a function under the Local Government Act provided that the outcome of the legal proceedings is favourable to the councillor
  - a councillor 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 councillor
  - a councillor 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 councillor.

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

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- 8.2 In the case of a code of conduct complaint made against a councillor, legal costs will only be made available where the matter has been referred by the general manager to a conduct reviewer and the conduct reviewer has commenced a formal investigation of the matter and makes a finding substantially favourable to the councillor.
- 8.3 Legal expenses incurred in relation to proceedings arising out of the performance by a councillor of his or her functions under the Act are distinguished from expenses incurred in relation to proceedings arising merely from something that a councillor has done during his or her term in office. For example, expenses arising from an investigation as to whether a councillor acted corruptly would not be covered by this section.
- 8.4 Council will not meet the legal costs:
- of legal proceedings initiated by a councillor under any circumstances
  - of a councillor 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 councillor performing their role as a councillor.
- 8.5 Reimbursement of expenses for reasonable legal expenses must have Council approval by way of a resolution at a council meeting prior to costs being incurred.

### **PART C – FACILITIES**

#### **9. General facilities for all councillors**

##### **Facilities**

- 9.1 Council will provide the following facilities to councillors to assist them to effectively discharge their civic duties:
- a councillor meeting room appropriately furnished to include telephone, computer terminal and pigeon holes and appropriate refreshments
  - a smart phone (1GB limit per month) including a suitable hands free device for the Councillor's private vehicle (one only)
  - tablet technology (ie IPAD or similar with a 3GB limit per month)
  - installation of one home telephone line
  - a laser multi-function centre device that allows scanning, copying, printing, telephone and answering machine (excluding facsimile)
  - access to shared car parking spaces while attending council offices on official business
  - 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 councillor and/or mayor or deputy mayor
  - a council blazer
  - Northern Star newspaper delivered to their home each day or made available at a mutually convenient point should a home delivery service not be available, or an on-line subscription to the Northern Star, whichever method is chosen.
- 9.2 Councillors may book meeting rooms for official business in a specified council building at no cost. Rooms may be booked through a specified officer in the mayor's office or other specified staff member.
- 9.3 The provision of facilities will be of a standard deemed by the general manager as appropriate for the purpose.

##### **Stationery**

- 9.4 Council will provide the following stationery to councillors each year:
- letterhead, to be used only for correspondence associated with civic duties
  - business cards
  - Nil for ordinary postage stamps
  - Nil for Christmas or festive cards per year for councillors and up to \$100 for the mayor.
- 9.5 As per Section 4, stamps shall only be used to support a councillor's civic duties. Councillor 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**

- 9.6 Council will provide administrative support to councillors to assist them with their civic duties only. Administrative support may be provided by staff in the mayor's office or by a member of council's administrative staff as arranged by the general manager or their delegate.
- 9.7 As per Section 4, council staff are expected to assist councillors with civic duties only, and not assist with matters of personal or political interest, including campaigning.

### 10. Additional facilities for the mayor

- 10.1. Council will provide to the mayor a maintained vehicle to a similar standard of other council vehicles, with a fuel card. The vehicle will be supplied for use on business, professional development and attendance at the mayor's office.
- 10.2. The mayor must keep a log book setting out the date, distance and purpose of all travel, when requested by the general manager. This must include any travel for private benefit.
- 10.3. The mayor must make a monetary contribution to cover the cost of any private travel either through the direct payment of fuel or calculated on a per kilometre basis by the rate set by the Australian Taxation Office.
- 10.4. A parking space at council's offices will be reserved for the mayor's council-issued vehicle for use on official business, professional development and attendance at the mayor's office.
- 10.5. Council will provide the mayor with a furnished office incorporating a computer configured to council's standard operating environment, telephone and meeting space.
- 10.6. In performing his or her civic duties, the mayor will be assisted by a small number of staff providing administrative and secretarial support, as determined by the general manager.
- 10.7. The number of exclusive staff provided to support the mayor and councillors will not exceed 0.2 full time equivalents.
- 10.8. As per Section 4, staff in the mayor's office are expected to work on official business only, and not for matters of personal or political interest, including campaigning.
- 10.9. Council will provide the mayor an additional home telephone line, and rental thereon, if requested.
- 10.10. Council will provide the mayor with an annual Qantas Club Membership.

### **PART D – PROCESSES**

#### **11. Approval, payment and reimbursement arrangements**

- 11.1 Expenses should only be incurred by councillors 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
  - ICT expenditure.
- 11.4 Final approval for payments made under this policy will be granted by the general manager or their delegate.

#### **Direct payment**

- 11.5 Council may approve and directly pay expenses. Requests for direct payment must be submitted to the general manager 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 general manager.

#### **Advance payment**

- 11.7 Council may pay a cash advance for councillors 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 \$400.
- 11.9 Requests for advance payment must be submitted to the general manager 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 Councillors must fully reconcile all expenses against the cost of the advance within one month of incurring the cost and/or returning home. This includes providing to council:
- 11.11 a full reconciliation of all expenses including appropriate receipts and/or tax invoices
- 11.12 reimbursement of any amount of the advance payment not spent in attending to official business or professional development.

#### **Notification**

- 11.13 If a claim is approved, council will make payment directly or reimburse the councillor through accounts payable.
- 11.14 If a claim is refused, council will inform the councillor in writing that the claim has been refused and the reason for the refusal.

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

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### Reimbursement to council

- 11.15 If council has incurred an expense on behalf of a councillor that exceeds a maximum limit, exceeds reasonable incidental private use or is not provided for in this policy:
- 11.16 council will invoice the councillor for the expense
- 11.17 the councillor will reimburse council for that expense within 14 days of the invoice date.
- 11.18 If the councillor cannot reimburse council within 14 days of the invoice date, they are to submit a written explanation to the general manager. The general manager may elect to deduct the amount from the councillor's allowance.

### Timeframe for reimbursement

- 11.19 Unless otherwise specified in this policy, councillors must provide all claims for reimbursement within three months of an expense being incurred. Claims made after this time cannot be approved.

## 12. Disputes

- 12.1 If a councillor disputes a determination under this policy, the councillor should discuss the matter with the general manager.
- 12.2 If the councillor and the general manager cannot resolve the dispute, the councillor may submit a notice of motion to a council 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 councillor or mayor ceasing to hold office or at the cessation of their civic duties.
- 13.2 Should a councillor desire to keep any equipment allocated by council, then this policy enables the councillor to make application to the general manager to purchase any such equipment. The general manager 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 councillors under Clause 13.2 will be recorded in Council's annual report.

## 14. Publication

- 14.1 This policy will be published on council's website.

## 15. Reporting

- 15.1 Council will report on the provision of expenses and facilities to councillors as required in the Act and Regulations.
- 15.2 Detailed reports on the provision of expenses and facilities to councillors will be publicly tabled at a council meeting every six months and published in full on council's website. These reports will include expenditure summarised by individual councillor and as a total for all councillors.

## 16. Auditing

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



**17. Breaches**

- 17.1 Suspected breaches of this policy are to be reported to the general manager.
- 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 Council policies:**

- Code of Conduct
- Councillor Training and Development Policy

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

### 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 councillor
appropriate refreshments	Means food and beverages provided by council to support councillors 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 Council or the Model Code if none is adopted
Councillor	Means a person elected or appointed to civic office as a member of the governing body of council who is not suspended, including the mayor
General Manager	Means the general manager of Council 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 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 mayor or councillors are required or invited to attend to fulfil their legislated role and responsibilities for council or result in a direct benefit for council and/or for the local government area, and includes: <ul style="list-style-type: none"> <li>• meetings of council and committees of the whole</li> <li>• meetings of committees facilitated by council</li> <li>• civic receptions hosted or sponsored by council</li> <li>• council co-ordinated events (i.e. Australia day, Citizenship ceremonies)</li> <li>• meetings where a councillor is the appointed council delegate (excluding organisations where travel expenses are paid such as Rous County Council) / representative to an external organisation</li> <li>• civic functions and meetings where asked by the mayor to represent council</li> <li>• meetings with council staff</li> <li>• meetings at the Council Chambers with constituents and</li> <li>• meetings, functions, workshops and other events to which attendance by a councillor has been requested or approved by council</li> </ul>

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

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professional development	Means a seminar, conference, training course or other development opportunity relevant to the role of a councillor or the mayor
Regulation	Means the Local Government (General) Regulation 2005 (NSW)
year	Means the financial year, that is the 12 month period commencing on 1 July each year

### Appendix III: Australian Taxation Office Reasonable Travel Allowances



Australian Government  
Australian Taxation Office

Taxation Determination  
**TD 2017/19**

Page status: **legally binding**

Page 1 of 13

## Taxation Determination

**Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the 2017-18 income year?**

**0: This publication provides you with the following level of protection:**

This publication (excluding appendixes) is a public ruling for the purposes of the *Taxation Administration Act 1953*.

A public ruling is an expression of the Commissioner's opinion about the way in which a relevant provision applies, or would apply, to entities generally or to a class of entities in relation to a particular scheme or a class of schemes.

If you rely on this determination, the Commissioner must apply the law to you in the way set out in the determination (unless the Commissioner is satisfied that the determination is incorrect and disadvantages you, in which case the law may be applied to you in a way that is more favourable for you – provided the Commissioner is not prevented from doing so by a time limit imposed by the law). You will be protected from having to pay any underpaid tax, penalty or interest in respect of the matters covered by this determination if it turns out that it does not correctly state how the relevant provision applies to you.

### Ruling

1. This Determination sets out the amounts that the Commissioner considers are reasonable (reasonable amounts) for the substantiation exception<sup>1</sup> in Subdivision 900-B of the *Income Tax Assessment Act 1997* (ITAA 1997)<sup>2</sup> for the 2017-18 income year in relation to claims made by employees for:

- (a) overtime meal expenses – for food and drink when working overtime;
- (b) domestic travel expenses – for accommodation, food and drink, and incidentals when travelling away from home overnight for work (particular reasonable amounts are given for employee truck drivers, office holders covered by the Remuneration Tribunal and Federal Members of Parliament)
- (c) overseas travel expenses – for food and drink, and incidentals when travelling overseas for work.

2. The approach outlined can only be used where you receive an allowance to cover the particular expenses you are claiming – for example, you received an accommodation allowance and are claiming accommodation expenses. This Determination is not relevant to you where you do not receive an allowance to cover your expenses.

<sup>1</sup> This Determination should be read together with Taxation Ruling TR 2004/6 (*Income tax: substantiation exception for reasonable travel and overtime meal allowance expenses*) which explains the substantiation exception and the way in which these expenses are able to be claimed.

<sup>2</sup> All legislative references in this Determination are to this Act, unless otherwise specified.

Taxation Determination

### TD 2017/19

Page 2 of 13

Status: **legally binding**

3. The reasonable amounts only provide the maximum amount you can claim without being required to substantiate your expenditure (refer to paragraph 33 of TR 2004/6). If you rely on the reasonable amounts and the ATO checks your income tax return, you will still be required to show:

- you spent the money in performing your work duties (for example, in travelling away from home overnight on a work trip)
- how you worked out your claim (for example, you kept a diary)
- you spent the money yourself (for example, using your credit card statement or other banking records) and were not reimbursed (for example, a letter from your employer), and
- you correctly declared your allowance as income in your tax return.

#### Reasonable amount for overtime meal expenses

4. For the 2017-18 income year the reasonable amount for overtime meal expenses is \$30.05.

#### Example 1

5. *Samantha works for the local government. She is asked to work overtime one night to complete an urgent task. Samantha works her 8 hour day followed by 4 hours of overtime. Samantha receives an overtime meal allowance of \$14.98 pursuant to her agreement which is shown on her payment summary. During the overtime Samantha takes a rest break to get a meal and returns to continue her overtime. Samantha spends \$20 on her meal.*

6. *Because Samantha has spent less than the reasonable amount for overtime meal expenses, she can claim a deduction for the \$20 she spends and she is not required to substantiate the expenditure (for example, get and keep the receipt for the meal).*

7. *If Samantha's tax return is checked by the ATO she may be asked to explain her claim for deduction. To do this, Samantha would show that she worked overtime, that she was paid an overtime meal allowance under an industrial instrument, that she correctly declared this allowance as income in her tax return, and that she costed her meal at \$20 based on the cost of the curry and drink she purchased from a nearby Thai restaurant.*

8. *If Samantha had spent more than the reasonable amount and wanted to claim the higher amount that she spent, she would need to get and keep the receipt for the meal.*

9. *If Samantha's overtime meal allowance was not shown on her payment summary and she fully spent the allowance, she can choose to leave it out of her tax return and not claim a deduction for the meal she purchases when working overtime.*

#### Reasonable amounts for domestic travel expenses

10. The following reasonable amounts do not apply to employee truck drivers<sup>3</sup>, office holders covered by the Remuneration Tribunal<sup>4</sup>, or Federal Members of Parliament.<sup>5</sup>

<sup>3</sup> See paragraphs 23 to 30 for the rates for truck drivers.

<sup>4</sup> Paragraphs 66 to 69 of TR 2004/6 says claims made by office holders covered by the Remuneration Tribunal are considered to be reasonable amounts if they do not exceed the rate of allowances set by the Remuneration Tribunal for that office holder.

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

Taxation Determination

**TD 2017/19**

Status: **legally binding**

Page 3 of 13

11. Reasonable amounts are provided for 3 salary levels. Salary excludes any allowances received. Use Table 1 if your salary is \$119,650 and below. Use Table 2 if your salary is between \$119,651 and \$212,950. Use Table 3 if your salary is \$212,951 or more.

12. Reasonable amounts are given for:

- accommodation at daily rates (for domestic travel only)
- meals (showing breakfast, lunch and dinner), and
- expenses incidental to travel.

13. These amounts are shown for the following travel destinations:

- each Australian State and Territory capital city (see Tables 1 to 3)
- certain specified high cost regional and country centres (see Table 4 for individual amounts)
- other specified regional and country centres (a common amount is given for locations listed in Table 5), and
- all other regional and country centres (a common amount is given for all locations not listed in Tables 4 or 5).

14. The reasonable amount for accommodation applies only for short stays in commercial establishments like hotels, motels and serviced apartments. If a different type of accommodation is used (for example, a hostel or caravan park), the reasonable amount cannot be used even if you receive an allowance.

15. The reasonable amount for meals depends on the period and time of travel. That is, the reasonable amounts only apply to meals (that is breakfast, lunch, dinner) that fall within the time of day from the commencement of your travel to the end of your travel that is covered by the allowance. For example, if you leave at 10am on Monday and return home at 3pm on Tuesday you can apply the reasonable amounts for lunch and dinner on Monday and breakfast and lunch on Tuesday.

16. The reasonable amount for incidentals applies in full to each day of travel covered by the allowance, without the need to apportion for any part day travel on the first and last day.

17. The reasonable amounts for domestic travel expenses, according to salary levels and destinations, for the 2017-18 income year are shown in Tables 1 to 5 as follows:

Place	Accomm. (\$)	Food and drink (\$) breakfast 27.05 lunch 30.45 dinner 51.85 (total 109.35)	Incidentals (\$)	Daily total (\$)
Adelaide	157	as above	19.35	286.70
Brisbane	205	as above	19.35	333.70
Canberra	168	as above	19.35	296.70
Darwin	216	as above	19.35	344.70

<sup>6</sup> Paragraphs 70 and 71 of TR 2004/6 says travel allowances paid to Federal Members of Parliament and Federal Parliamentary Secretaries, under the arrangements that commenced on 14 April 1998, are considered reasonable amounts for the recipients of those allowances. This includes the Capital City and Canberra travel allowance rates for domestic travel, having regard to the circumstances under which those allowances are paid.

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

Taxation Determination

**TD 2017/19**

Page 4 of 13

Status: **legally binding**

Place	Accomm. (\$)	Food and drink (\$) breakfast 27.05 lunch 30.45 dinner 51.85 (total 109.35)	Incidentals (\$)	Daily total (\$)
Hobart	138	as above	19.35	266.70
Melbourne	173	as above	19.35	301.70
Perth	203	as above	19.35	331.70
Sydney	185	as above	19.35	313.70
High cost country centres	see Table 4	as above	19.35	variable
Tier 2 country centres (see Table 5)	134	breakfast 24.25 lunch 27.65 dinner 47.70	19.35	252.95
Other country centres	110	breakfast 24.25 lunch 27.65 dinner 47.70	19.35	228.95

Place	Accomm. (\$)	Food and drink (\$) breakfast 29.45 lunch 41.70 dinner 58.35 (total 129.50)	Incidentals (\$)	Daily total (\$)
Adelaide	208	as above	27.65	365.15
Brisbane	257	as above	27.65	414.15
Canberra	246	as above	27.65	403.15
Darwin	287	as above	27.65	444.15
Hobart	184	as above	27.65	341.15
Melbourne	228	as above	27.65	385.15
Perth	245	as above	27.65	402.15
Sydney	247	as above	27.65	404.15
High cost country centres	see Table 4	as above	27.65	variable
Tier 2 country centres (see Table 5)	152	breakfast 27.05 lunch 27.65 dinner 53.90	27.65	288.25
Other country centres	134	breakfast 27.05 lunch 27.65 dinner 53.90	27.65	270.25



## 5.1 Policy - Councillor Expenses and Facilities - Adoption

Taxation Determination

**TD 2017/19**

Status: **legally binding**

Page 5 of 13

Place	Accomm. (\$)	Food and drink (\$) breakfast 34.75 lunch 49.20 dinner 68.85 (total 152.80)	Incidentals (\$)	Daily total (\$)
Adelaide	209	as above	27.65	389.45
Brisbane	257	as above	27.65	437.45
Canberra	246	as above	27.65	426.45
Darwin	287	as above	27.65	467.45
Hobart	195	as above	27.65	375.45
Melbourne	265	as above	27.65	445.45
Perth	265	as above	27.65	445.45
Sydney	265	as above	27.65	445.45
All country centres	\$195, or the relevant amount in Table 4 if higher	as above	27.65	variable

Country centre	\$	Country centre	\$
Albany (WA)	179	Horsham (VIC)	142
Alice Springs (NT)	150	Jabiru (NT)	216
Bordertown (SA)	140	Kalgoorlie (WA)	159
Bourke (NSW)	165	Karratha (WA)	250
Bright (VIC)	156	Katherine (NT)	138
Broome (WA)	260	Kununurra (WA)	195
Bunbury (WA)	155	Mackay (QLD)	161
Burnie (TAS)	160	Maitland (NSW)	152
Cairns (QLD)	153	Mount Isa (QLD)	160
Carnarvon (WA)	151	Mudgee (NSW)	135
Castlemaine (VIC)	146	Newcastle (NSW)	165
Chinchilla (QLD)	143	Newman (WA)	195
Christmas Island (WA)	180	Norfolk Island (NSW)	240
Cocos (Keeling) Islands (WA)	285	Northam (WA)	140
Colac (VIC)	138	Orange (NSW)	155
Dalby (QLD)	150	Port Hedland (WA)	200
Dampier (WA)	175	Port Lincoln (SA)	170
Derby (WA)	190	Port Macquarie (NSW)	152
Devonport (TAS)	145	Port Pirie (SA)	150
Emerald (QLD)	156	Roma (QLD)	139
Esperance (WA)	141	Thursday Island (QLD)	200
Exmouth (WA)	220	Townsville (QLD)	143
Geraldton (WA)	175	Wagga Wagga (NSW)	144

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

Taxation Determination

**TD 2017/19**

Page 6 of 13

Status: **legally binding**

Country centre	\$	Country centre	\$
Gladstone (QLD)	155	Weipa (QLD)	138
Gold Coast (QLD)	200	Whyalla (SA)	145
Gosford (NSW)	140	Wilpena Pound (SA)	181
Halls Creek (WA)	170	Wollongong (NSW)	149
Hervey Bay (QLD)	157	Wonthaggi (VIC)	138
Horn Island (QLD)	200	Yulara (NT)	300

Country centre	Country centre
Albury (NSW)	Kingaroy (QLD)
Ararat (VIC)	Launceston (TAS)
Armidale (NSW)	Lismore (NSW)
Ayr (QLD)	Mildura (VIC)
Bairnsdale (VIC)	Mount Gambier (SA)
Ballarat (VIC)	Muswellbrook (NSW)
Bathurst (NSW)	Naracoorte (SA)
Bega (NSW)	Nowra (NSW)
Benalla (VIC)	Port Augusta (SA)
Bendigo (VIC)	Portland (VIC)
Broken Hill (NSW)	Queanbeyan (NSW)
Bundaberg (QLD)	Queenstown (TAS)
Ceduna (SA)	Renmark (SA)
Charters Towers (QLD)	Rockhampton (QLD)
Coffs Harbour (NSW)	Sale (VIC)
Cooma (NSW)	Seymour (VIC)
Dubbo (NSW)	Shepparton (VIC)
Echuca (VIC)	Swan Hill (VIC)
Geelong (VIC)	Tamworth (NSW)
Goulburn (NSW)	Tennant Creek (NT)
Griffith (NSW)	Toowoomba (QLD)
Gunnedah (NSW)	Tumut (NSW)
Hamilton (VIC)	Wangaratta (VIC)
Innisfail (QLD)	Warrnambool (VIC)
Kadina (SA)	Wodonga (VIC)

**Example 2:**

18. Michelle is an accountant earning \$120,000 a year. As part of her duties, she is required to travel to and work in Sale for 4 days/3 nights each month. Michelle's employer pays for her accommodation directly and gives her a meal and incidental allowance of \$80 per day for the 4 days of travel. This allowance is shown on her payment summary.

*Michelle's usual pattern is to eat 3 times a day, spending \$20 on breakfast, \$25 on lunch and \$40 on dinner (that is, a total of \$85 per day). Michelle calculates the daily reasonable amount for meals and incidentals as follows:*

- *Table 2 applies because Michelle's salary is between \$119,651 and \$212,950*
- *Salé is listed as a Tier 2 country in Table 5*
- *Table 2 provides reasonable amounts for Tier 2 country centres as \$108.60 per day for meals and \$27.65 per day for incidentals (that is a total of \$136.25 per day).*

19. *Because Michelle has spent less than the reasonable amount on meals and incidentals, she can claim a deduction for the \$85 per day that she spends and she is not required to substantiate the expenditure (for example, get and keep all of the receipts for the meals and incidentals). Michelle cannot claim anything for accommodation because her employer paid for it.*

20. *If Michelle's tax return is checked by the ATO she may be asked to explain her claim for deduction. To do this Michelle would show she travelled to and worked in Salé for 4 days each month, that she received an allowance for the meals and incidentals for each day she travelled, that she correctly declared this allowance as income in her tax return, and that she typically spent \$85 a day on meals and incidental expenses (for example, by reference to diary entries, bank records and receipts that she kept for some of the trips).*

21. *If Michelle had spent more than the reasonable amount on meals and incidentals and wanted to claim the higher amount that she spent, she would need to get and keep all of the receipts.*

22. *If Michelle's meal and incidental allowance was not shown on her payment summary and she fully spent the allowance, she can choose to leave it out of her tax return and not claim any deductions for the meals and incidentals that she purchases whilst travelling and working in Salé.*

### **Reasonable amount for domestic travel expenses for employee truck drivers<sup>6</sup>**

23. *Employee truck drivers who do not receive a travel allowance and truck drivers who are owner-drivers must substantiate all travel expenses with written evidence (refer to paragraphs 76 to 80 of TR 2004/6).*

24. *For the 2017-18 income year the reasonable amount for travel expenses (excluding accommodation) of employee truck drivers who have received a travel allowance and who are required to sleep (take their major rest break) away from home is \$55.30 per day.*

25. *Employee truck drivers who receive a travel allowance and spend less than the reasonable amount on food and drink they consume while travelling do not have to keep detailed written evidence of expenditure (for example, all of the receipts). On review or audit, employee truck drivers will be required to show how they calculated the amount they claimed, including evidence that they travelled for work on the relevant days and were required to sleep or take their major rest break away from home. They will also be required to show that they received a travel allowance for the relevant days, and correctly returned this allowance as income in their tax return.*

<sup>6</sup> For further information on truck drivers refer to paragraphs 72 to 75 of TR 2004/6 and to TR 95/18 *Income tax: employee truck drivers allowances, reimbursements and work-related deductions*.

Taxation Determination

### TD 2017/19

Page 8 of 13

Status: **legally binding**

26. If an employee truck driver wants to claim more than the reasonable amount, the whole claim must be substantiated with written evidence, not just the amount in excess of the reasonable amount.

27. All accommodation expenses incurred by employee truck drivers as part of work-related travel must be substantiated with written evidence (refer to paragraph 72 of TR 2004/6).

#### **Example 3:**

28. *Kevin is required to travel regularly from Melbourne to Adelaide and sleep away from home in his truck cab, then return home to Melbourne the next day. Kevin is paid a travel allowance of \$40 per day for such trips. Kevin's usual pattern is to stop and eat four times at road houses over the two days. Kevin usually has a meal, a coffee and buys a drink for the road, and spends between \$25 and \$40 for each meal. In the 2017-18 income year, Kevin's records show that he made this trip 100 times, received an allowance of \$8,000, and spent \$14,000 on food and drink he consumed when travelling.*

29. *When completing his tax return, Kevin must correctly declare the travel allowance as income in his tax return. Because Kevin calculated that he spent more than the reasonable amount on food and drink when travelling, he has 2 choices, as follows:*

- *Kevin can claim \$14,000 as a travel expense if he got and kept all of his receipts for the food and drink he purchased and consumed when travelling; or*
- *Kevin can rely on the reasonable amount and claim \$11,060 ( $\$55.30 \times 200$  days) as a travel expense. If Kevin relies on the reasonable amount and his tax return is checked by the ATO, Kevin will be asked to show he travelled this route 100 times, that he received a travel allowance from his employer for the 200 days that he was required to travel, that he correctly declared this allowance as income in his tax return and that he typically spent \$55 or more a day on food and drink when making this trip (for example, by reference to diary entries, bank records and receipts that he kept for some of the trips).*

30. *If Kevin's travel allowance was not shown on his payment summary and he fully spent the allowance, he can choose to leave it out of his tax return and not claim any deductions for the meals and drinks he buys when travelling from Melbourne to Adelaide.*

#### **Reasonable amounts for overseas travel expenses**

31. If you are travelling overseas and are away from your usual residence for 6 or more nights in a row, you must still keep travel records even if you rely on the reasonable amounts and don't have to substantiate your expenses. Travel records may include ticketing information, diary entries or other information setting out the nature of your travel, the day and time it began, how long it lasted and where you travelled.

32. Reasonable amounts are provided for 3 salary levels. Salary excludes any allowances received. Use Table 6 if your salary is \$119,650 and below. Use Table 7 if your salary is between \$119,651 and \$212,950. Use Table 8 if your salary is \$212,951 or more.

33. Reasonable amounts are given for:

- meals (showing breakfast, lunch and dinner), and
- expenses incidental to travel.



Any expenditure on accommodation overseas must be fully substantiated.

34. Reasonable amounts are shown for cost groups to which a country has been allocated. Table 9 sets out the cost group to which a country has been allocated.

35. If you travel to a country that is not shown in Table 9, use the reasonable amount for Cost Group 1 in the Table relevant to your salary range.

36. If you travel to two or more countries in the same day, use the cost group of the country that is in the higher cost group in determining the reasonable amount for that day.

37. The reasonable amount for incidentals applies in full to each day of travel covered by the allowance, without the need to apportion for any part day travel on the first and last day.

38. The reasonable amounts for overseas travel expenses per day according to salary levels and cost groups for the 2017-18 income year are shown in Tables 6 to 9 as follows:

Cost Group	Meals	Incidentals	Total
1	\$60	\$25	\$85
2	\$95	\$30	\$125
3	\$130	\$35	\$165
4	\$150	\$35	\$185
5	\$200	\$40	\$240
6	\$240	\$45	\$285

Cost Group	Meals	Incidentals	Total
1	\$75	\$25	\$100
2	\$110	\$35	\$145
3	\$150	\$40	\$190
4	\$170	\$45	\$215
5	\$240	\$50	\$290
6	\$295	\$50	\$345

Cost Group	Meals	Incidentals	Total
1	\$95	\$30	\$125
2	\$140	\$40	\$180
3	\$185	\$45	\$230
4	\$215	\$50	\$265
5	\$295	\$60	\$355
6	\$340	\$60	\$400

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

Taxation Determination

**TD 2017/19**

Page 10 of 13

Status: **legally binding**

Country	Cost Group	Country	Cost Group
Albania	2	El Salvador	3
Algeria	3	Eritrea	3
Angola	6	Estonia	3
Antigua and Barbuda	5	Ethiopia	3
Argentina	3	Fiji	3
Armenia	3	Finland	5
Austria	5	France	5
Azerbaijan	3	French Polynesia	5
Bahamas	6	Gabon	5
Bahrain	5	Gambia	2
Bangladesh	4	Georgia	3
Barbados	5	Germany	5
Belarus	2	Ghana	4
Belgium	5	Gibraltar	4
Bermuda	6	Greece	4
Bolivia	2	Guatemala	3
Bosnia	2	Guyana	3
Brazil	4	Hong Kong	5
Brunei	2	Hungary	3
Bulgaria	2	Iceland	5
Burkina Faso	3	India	3
Cambodia	3	Indonesia	3
Cameroon	3	Iran	3
Canada	4	Ireland	5
Chile	3	Israel	5
China	5	Italy	5
Colombia	3	Jamaica	4
Congo Democratic Republic	4	Japan	5
Cook Islands	4	Jordan	5
Costa Rica	3	Kazakhstan	3
Cote D'Ivoire	5	Kenya	4
Croatia	3	Korea	6
Cuba	3	Kosovo	2
Cyprus	4	Kuwait	5
Czech Republic	3	Kyrgyzstan	2
Denmark	6	Laos	3
Dominican Republic	4	Latvia	3
East Timor	3	Lebanon	5
Ecuador	4	Lithuania	3
Egypt	3	Luxembourg	5

## 5.1 Policy - Councillor Expenses and Facilities - Adoption

Taxation Determination

**TD 2017/19**

Status: **legally binding**

Page 11 of 13

**Table 9: Table of countries continued**

Country	Cost Group	Country	Cost Group
Macau	5	Saint Lucia	4
Macedonia	2	Saint Vincent	3
Malawi	2	Samoa	5
Malaysia	3	Saudi Arabia	4
Mali	4	Senegal	4
Malta	3	Serbia	2
Mauritius	3	Sierra Leone	3
Mexico	3	Singapore	5
Monaco	6	Slovakia	3
Morocco	3	Slovenia	3
Mozambique	3	Solomon Islands	4
Myanmar	3	South Africa	2
Namibia	2	Spain	4
Nepal	2	Sri Lanka	3
Netherlands	5	Sudan	3
New Caledonia	5	Surinam	2
New Zealand	4	Sweden	5
Nicaragua	3	Switzerland	6
Nigeria	5	Taiwan	5
Norway	6	Tanzania	3
Oman	5	Thailand	4
Pakistan	2	Tonga	3
Panama	3	Trinidad and Tobago	5
Papua New Guinea	4	Tunisia	2
Paraguay	2	Turkey	3
Peru	4	Uganda	3
Philippines	3	Ukraine	2
Poland	3	United Arab Emirates	5
Portugal	3	United Kingdom	5
Puerto Rico	5	United States of America	5
Qatar	5	Uruguay	3
Romania	3	Vanuatu	5
Russia	5	Vietnam	3
Rwanda	3	Zambia	3

Taxation Determination

### TD 2017/19

Page 12 of 13

Status: **legally binding**

#### **Example 4:**

39. *Toby travels to China on business for two weeks and is paid a travel allowance of \$500 per day (made up of \$250 for meals and incidentals and \$250 for accommodation). Toby's annual salary is \$191,000. Toby usually spends \$250 per day on meals and incidentals and \$300 per night on accommodation when travelling in China. Toby calculates the daily reasonable amount for his overseas travel as follows:*

- *Table 7 applies because Toby's salary is between \$119,651 and \$212,950.*
- *Table 9 lists China as Cost Group 5.*
- *Table 7 provides reasonable amounts for meals and incidental expenses for Cost Group 5 as \$240 per day for meals and \$50 per day for incidentals (that is a total of \$290 per day).*

40. *Because Toby has spent less than the reasonable amount on meals and incidentals, he can claim a deduction for the \$250 per day that he spends and he is not required to substantiate the expenditure (for example, get and keep all of the receipts for the meals and incidentals). Because he has spent more than 6 nights away in a row, Toby must keep travel records for the 2 weeks he is in China. Toby can claim a deduction for the \$300 per day he spends on accommodation but he must fully substantiate this expenditure (by getting and keeping a receipt or other documentary evidence of the expenditure).*

41. *If Toby's tax return is checked by the ATO, he may be asked to explain his claim for deduction. To do this, Toby would show he travelled to China for work, that he received an allowance for the meals and incidentals for each day he travelled, that he correctly declared this allowance as income in his tax return, and that he typically spent \$250 a day on meals and incidental expenses (for example, by reference to diary entries, bank records and some receipts that he kept).*

42. *If Toby's travel allowances were not shown on his payment summary and he fully spent the allowance, he can choose to leave them out of his tax return and not claim any deductions for the meals and incidentals he purchases when travelling and working in China.*

#### **Date of effect**

43. This Determination applies to the 2017-18 income year only. However, the Determination will not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of issue of the Determination (see paragraphs 75 to 76 of TR 2006/10).

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Commissioner of Taxation  
3 July 2017

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Taxation Determination

## TD 2017/19

Page status: **not legally binding**

Page 13 of 13

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### References

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*Previous draft:*

Not previously issued as a draft

*Previous Rulings/Determinations:*

TD 2012/17; TD 2013/16; TD 2014/19;  
TD 2015/14; TD 2016/13

*Related Rulings/Determinations:*

TR 95/18; TR 2004/6; TR 2006/10

*Legislative references:*

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