



Premier & Cabinet
Division of Local Government

Your obligations as a councillor

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Summary

This Guide has been prepared to assist councillors to understand their responsibilities under the Model Code of Conduct for Local Councils in NSW (“the Model Code of Conduct”). It contains a summary of the ethical standards prescribed under the Model Code of Conduct that you should be aware of as a councillor.

Section 440 of the *Local Government Act 1993* (“the Act”) requires every council to adopt a code of conduct that incorporates the provisions of the Model Code.

All council officials must comply with the provisions of council’s code of conduct in carrying out their functions. It is the personal responsibility of council officials to comply with the standards in the code and regularly review their personal circumstances with this in mind.

Failure by a councillor to comply with the standards of conduct prescribed under the code constitutes misconduct for the purposes of the Act. The Act provides for a range of penalties that may be imposed on councillors for misconduct, including suspension or disqualification from civic office.

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1. Purpose of the code of conduct

The Model Code of Conduct sets the minimum requirements of conduct for council officials in carrying out their functions. The Model Code is prescribed by regulation.

The Model Code of Conduct has been developed to assist council officials to:

- understand the standards of conduct that are expected of them
- enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence
- act in a way that enhances public confidence in the integrity of local government.

2. General conduct obligations

General conduct

You must not conduct yourself in carrying out your functions in a manner that is likely to bring the council or holders of civic office into disrepute. Specifically, you must not act in a way that:

- contravenes the Act, associated regulations, council's relevant administrative requirements and policies
- is detrimental to the pursuit of the charter of a council
- is improper or unethical
- is an abuse of power or otherwise amounts to misconduct
- causes, comprises or involves intimidation, harassment or verbal abuse
- causes, comprises or involves discrimination, disadvantage or adverse treatment in relation to employment
- causes, comprises or involves prejudice in the provision of a service to the community.

You must act lawfully, honestly and exercise a reasonable degree of care and diligence in carrying out your functions under the Act or any other Act.

You must treat others with respect at all times.

Fairness and equity

You must consider issues consistently, promptly and fairly. You must deal with matters in accordance with established procedures, in a non-discriminatory manner.

You must take all relevant facts known to you, or that you should be reasonably aware of, into consideration and have regard to the particular merits of each case. You must not take irrelevant matters or circumstances into consideration when making decisions.

Harassment and discrimination

You must not harass, discriminate against, or support others who harass and discriminate against colleagues or members of the public. This includes, but is not limited to harassment and discrimination on the grounds of sex, pregnancy, age, race, responsibilities as a carer, marital status, disability, homosexuality, transgender grounds or if a person has an infectious disease.

Development decisions

You must ensure that development decisions are properly made and that parties involved in the development process are dealt with fairly. You must avoid any occasion for suspicion of improper conduct in the development assessment process.

In determining development applications, you must ensure that no action, statement or communication between yourself and applicants or objectors conveys any suggestion of willingness to provide improper concessions or preferential treatment.

Binding caucus votes

You must not participate in binding caucus votes in relation to matters to be considered at a council or committee meeting.

A binding caucus vote is a process whereby a group of councillors are compelled by a threat of disciplinary or other adverse action to comply with a predetermined position on a matter before the council or committee irrespective of the personal views of individual members of the group on the merits of the matter before the council or committee.

You are not prevented from discussing a matter before the council or committee prior to considering the matter in question at a council or committee meeting or from voluntarily holding a shared view with other councillors on the merits of a matter.

You may participate in a binding caucus vote on a decision to elect the Mayor or Deputy Mayor or to nominate a person to be a member of a council committee.

3. Conflict of interest

A conflict of interests exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your public duty.

You must avoid or appropriately manage any conflict of interests. The onus is on you to identify a conflict of interests and take the appropriate action to manage the conflict in favour of your public duty.

Any conflict of interests must be managed to uphold the probity of council decision-making. When considering whether or not you have a conflict of interests, it is always important to think about how others would view your situation.

Private interests can be of two types: pecuniary or non-pecuniary.

What is a pecuniary interest?

A pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person.

A person will also be taken to have a pecuniary interest in a matter if that person's spouse or de facto partner, or a relative of the person, or a partner or employer of the person, or a company or other body of which the person, or a nominee, partner or employer of the person is a member, has a pecuniary interest in the matter.

Disclosure of a pecuniary interest

Pecuniary interests are regulated by the Act. The Act requires that:

- councillors and designated persons lodge an initial and an annual written disclosure of interests that could potentially be in conflict with their public or professional duties
- councillors and members of council committees disclose an interest and the nature of that interest at a meeting, leave the meeting and be out of sight of the meeting and not participate in discussions or voting on the matter.

What is a non-pecuniary conflict of interests?

Non-pecuniary interests are private or personal interests the council official has that do not amount to a pecuniary interest. These commonly arise out of family, or personal relationships, or involvement in sporting, social or other cultural groups and associations and may include an interest of a financial nature.

Note: The political views of a councillor do not constitute a private interest.

Disclosure of a non-pecuniary conflict of interests

Where you have a non-pecuniary interest that conflicts with your public duty, you must disclose the interest fully and in writing (this could be in the minutes of a council

meeting), even if the conflict is not significant. You must do this as soon as practicable.

If a disclosure is made at a council or committee meeting, both the disclosure and the nature of the interest must be recorded in the minutes.

Managing significant non-pecuniary conflict of interests

How you manage a non-pecuniary conflict of interests will depend on whether or not it is significant.

As a general rule, a non-pecuniary conflict of interests will be significant where a matter does not raise a pecuniary interest but it involves:

- a relationship between a council official and another person that is particularly close, for example, parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child of the person or of the person's spouse, current or former spouse or partner, de facto or other person living in the same household
- other relationships that are particularly close, such as friendships and business relationships. Closeness is defined by the nature of the friendship or business relationship, the frequency of contact and the duration of the friendship or relationship
- an affiliation between the council official and an organisation, sporting body, club, corporation or association that is particularly strong.

As a councillor, if you have disclosed that a significant non-pecuniary conflict of interests exists, you must manage it in one of two ways:

- remove the source of the conflict, by relinquishing or divesting the interest that creates the conflict, or reallocating the conflicting duties to another council official
- have no involvement in the matter, by absenting yourself from and not taking part in any debate or voting on the issue.

A councillor who has disclosed that a significant non-pecuniary conflict of interests exists may participate in a decision to delegate council's decision-making role to council staff through the general manager, or appoint another person or body to make the decision in accordance with the law. This applies whether or not council would be deprived of a quorum if one or more councillors were to manage their conflict of interests by absenting themselves from consideration of a matter.

Managing less than significant non-pecuniary conflict of interests

If you determine that a non-pecuniary conflict of interests is less than significant and does not require further action, you must provide an explanation of why you consider that the conflict does not require further action in the circumstances.

Reportable political donations

Councillors should note that matters before council involving political or campaign donors may give rise to a non-pecuniary conflict of interests.

Where a councillor has received or knowingly benefitted from a reportable political donation made by a major political donor in the previous four years, where the major political donor has a matter before council, then the councillor must declare a non-pecuniary conflict of interests, disclose the nature of the interest, and absent themselves from consideration of the matter.

For these purposes:

- a “reportable political donation” is a “reportable political donation” for the purposes of section 86 of the *Election Funding, Expenditure and Disclosures Act 1981*,
- a “major political donor” is a “major political donor” for the purposes of section 84 of the *Election Funding, Expenditure and Disclosures Act 1981*.

Councillors should note that political donations below \$1,000, or political donations to a registered political party or group by which a councillor is endorsed, may still give rise to a non-pecuniary conflict of interests. Councillors should determine whether or not such conflicts are significant and take the appropriate action to manage them.

If a councillor has received or knowingly benefitted from a reportable political donation, that councillor is not prevented from participating in a decision to delegate council’s decision-making role to council staff through the general manager or appointing another person or body to make the decision in accordance with the law.

Loss of quorum as a result of compliance with Part 4 of the Code

Where a majority of councillors are precluded from consideration of a matter as a result of compliance with the above requirements, the council or committee must resolve to delegate consideration of the matter in question to another person.

Where a majority of councillors are precluded from consideration of a matter, and the matter in question concerns the exercise of a function that may not be delegated, the councillors may apply in writing to the Chief Executive to be exempted from complying with a requirement relating to the management of a non-pecuniary conflict of interests.

The Chief Executive will only exempt a councillor from complying with a requirement relating to the management of a non-pecuniary conflict of interests where:

- compliance by councillors with a requirement in relation to a matter will result in the loss of a quorum, and
- the matter relates to the exercise of a function of the council that may not be delegated.

Where the Chief Executive exempts a councillor from complying with such a requirement, the councillor must still disclose any interests they have in the matter the exemption applies to in accordance with the requirements of the code.

A councillor, who would otherwise be precluded from participating in the consideration of a matter because they have a non-pecuniary conflict of interests in the matter, is permitted to participate in consideration of the matter, if:

- the matter is a proposal relating to

- the making of a principal environmental planning instrument applying to the whole or a significant part of the council's area, or
- the amendment, alteration or repeal of an environmental planning instrument where the amendment, alteration or repeal applies to the whole or a significant part of the council's area, and
- the councillor declares any interest they have in the matter that would otherwise have precluded their participation in consideration of the matter.

Personal dealings with council

You may have reason to deal with your council in your personal capacity (for example, as a ratepayer, recipient of a council service or applicant for a consent granted by council). You must not expect or request preferential treatment in relation to any matter in which you have a private interest because of your position. You must avoid any action that could lead members of the public to believe that you are seeking preferential treatment.

4. Personal benefit

Gifts and benefits

You must avoid situations giving rise to the appearance that a person or body, through the provision of gifts, benefits or hospitality of any kind, is attempting to secure favourable treatment from you or from the council.

You must take all reasonable steps to ensure that your immediate family members do not receive gifts or benefits that give rise to the appearance of being an attempt to secure favourable treatment. Immediate family members ordinarily include parents, spouses, children and siblings.

Token gifts and benefits

Generally speaking, token gifts and benefits include:

- free or subsidised meals, beverages or refreshments provided in conjunction with:
 - the discussion of official business
 - council work related events such as training, education sessions, workshops
 - conferences
 - council functions or events
 - social functions organised by groups, such as council committees and community organisations
- invitations to and attendance at local social, cultural or sporting events
- gifts of single bottles of reasonably priced alcohol to individual council officials at end of year functions, public occasions or in recognition of work done (such as providing a lecture/training session/address)
- ties, scarves, coasters, tie pins, diaries, chocolates or flowers
- prizes of token value.

Gifts and benefits of value

Gifts and benefits that have more than a token value include, but are not limited to, tickets to major sporting events (such as state or international cricket matches or matches in other national sporting codes (including the NRL, AFL, FFA, NBL)), corporate hospitality at a corporate facility at major sporting events, discounted products for personal use, the frequent use of facilities such as gyms, use of holiday homes, free or discounted travel.

You must not:

- seek or accept a bribe or other improper inducement
- seek gifts or benefits of any kind
- accept any gift or benefit that may create a sense of obligation on your part or may be perceived to be intended or likely to influence you in carrying out your public duty

- accept any gift or benefit of more than token value
- accept an offer of cash or a cash-like gift, regardless of the amount.

A “cash-like gift” includes but is not limited to gift vouchers, credit cards, debit cards with credit on them, prepayments such as phone or internal credit, memberships or entitlements to discounts.

Where you receive a gift or benefit of more than token value that cannot reasonably be refused or returned, this must be disclosed promptly to the Mayor or the general manager. The recipient, Mayor or general manager must ensure that any gifts or benefits of more than token value that are received are recorded in a Gifts Register. The gift or benefit must be surrendered to council, unless the nature of the gift or benefit makes this impractical.

Improper and undue influence

You must not use your position to influence other council officials in the performance of their public or professional duties to obtain a private benefit for yourself or for somebody else. A councillor will not be in breach of this clause where they seek to influence other council officials through the appropriate exercise of their representative functions.

You must not take advantage (or seek to take advantage) of your status or position with or of functions you perform for council in order to obtain a private benefit for yourself or for any other person or body.

5. Relationship between council officials

Obligations of councillors

Each council is a body politic. The councillors are the governing body of the council. The governing body has the responsibility of directing and controlling the affairs of the council in accordance with the Act and is responsible for policy determinations, for example, those relating to workforce policy.

Councillors must not:

- direct council staff other than by giving appropriate direction to the general manager in the performance of council's functions by way of council or committee resolution, or by the Mayor
- in any public or private forum, direct or influence or attempt to direct or influence, any other member of the staff of the council or a delegate of the council in the exercise of the functions of the member or delegate
- contact a member of the staff of the council on council related business unless in accordance with the policy and procedures governing the interaction of councillors and council staff that have been authorised by the council and the general manager
- contact or issue instructions to any of council's contractors or tenderers, including council's legal advisers, unless by the Mayor or administrator exercising their power. (Note: This does not apply to council's external auditors or the Chair of council's audit committee who may be provided with any information by individual councillors reasonably necessary for the external auditor or audit committee to effectively perform their functions.)

Obligations during meetings

You must act in accordance with council's Code of Meeting Practice, if council has adopted one, and the *Local Government (General) Regulation 2005* during council and committee meetings.

You must show respect to the chair, other council officials and any members of the public present during council and committee meetings or other formal proceedings of the council.

Inappropriate interactions

You must not engage in any of the following inappropriate interactions:

- Councillors approaching staff and staff organisations to discuss individual or operational staff matters and not broader workforce policy issues.
- Councillors who have lodged a development application with council, discussing the matter with council staff in staff-only areas of the council.
- Councillors being overbearing or threatening to council staff.
- Councillors making personal attacks on council staff in a public forum.

- Councillors directing or pressuring council staff in the performance of their work, or recommendations they should make.
- Councillors attending on-site inspection meetings with lawyers and/or consultants engaged by council associated with current or proposed legal proceedings unless permitted to do so by council's general manager or, in the case of the Mayor, exercising their power under section 226 of the Act.

6. Access to information and council resources

Councillor access to information

The general manager and public officer are responsible for ensuring that members of the public, councillors can gain access to the documents available under the *Government Information (Public Access) Act 2009*.

The general manager must provide councillors with information sufficient to enable them to carry out their civic office functions.

Members of staff of council must provide full and timely information to councillors sufficient to enable them to carry out their civic office functions and in accordance with council procedures.

Members of staff of council who provide any information to a particular councillor in the performance of their civic duties must also make it available to any other councillor who requests it and in accordance with council procedures.

Councillors who have a private (as distinct from civic) interest in a document of council have the same rights of access as any member of the public.

Councillors to properly examine and consider information

Councillors must properly examine and consider all the information provided to them relating to matters that they are dealing with to enable them to make a decision on the matter in accordance with council's charter.

Refusal of access to documents

Where the general manager and public officer determine to refuse access to a document sought by a councillor they must act reasonably. In reaching this decision they must take into account whether or not the document sought is required for the councillor to perform their civic duty. The general manager or public officer must state the reasons for the decision if access is refused.

Use of certain council information

In regard to information obtained in your capacity as a council official, you must:

- only access council information needed for council business
- not use that council information for private purposes
- not seek or obtain, either directly or indirectly, any financial benefit or other improper advantage for yourself, or any other person or body, from any information to which you have by virtue of your office or position with council
- only release council information in accordance with established council policies and procedures and in compliance with relevant legislation.

Use and security of confidential information

You must maintain the integrity and security of confidential documents or information in your possession, or for which you are responsible.

In addition to your general obligations relating to the use of council information, you must:

- protect confidential information
- only release confidential information if you have authority to do so
- only use confidential information for the purpose it is intended to be used
- not use confidential information gained through your official position for the purpose of securing a private benefit for yourself or for any other person
- not use confidential information with the intention to cause harm or detriment to your council or any other person or body
- not disclose any information discussed during a confidential session of a council meeting.

Personal information

When dealing with personal information you must comply with:

- the Privacy and Personal Information Protection Act 1998
- the Health Records and Information Privacy Act 2002
- the Information Protection Principles and Health Privacy Principles
- council's privacy management plan
- the Privacy Code of Practice for Local Government

Use of council resources

You must use council resources ethically, effectively, efficiently and carefully in the course of your official duties, and must not use them for private purposes unless this use is lawfully authorised and proper payment is made where appropriate.

You must be scrupulous in your use of council property, including intellectual property, official services and facilities, and must not permit their misuse by any other person or body.

You must avoid any action or situation that could create the appearance that council property, official services or public facilities are being improperly used for your benefit or the benefit of any other person or body.

You must not use council resources, property or facilities for the purpose of assisting your election campaign or the election campaign of others unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for use of the resources, property or facility.

You must not use council letterhead, council crests and other information that could give the appearance it is official council material for:

- the purpose of assisting your election campaign or the election campaign of others, or

- for other non-official purposes.

You must not convert any property of the council to your own use unless properly authorised.

You must not use council's computer resources to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature.

Councillor access to council buildings

Councillors are entitled to have access to the council chamber, committee room, mayor's office (subject to availability), councillors' rooms, and public areas of council's buildings during normal business hours and for meetings. Councillors needing access to these facilities at other times must obtain authority from the general manager.

Councillors must not enter staff-only areas of council buildings without the approval of the general manager (or delegate) or as provided in the procedures governing the interaction of councillors and council staff.

Councillors must ensure that when they are within a staff area they avoid giving rise to the appearance that they may improperly influence council staff decisions.

7. Maintaining the integrity of the code

You must not conduct yourself in a manner that is likely to undermine confidence in the integrity of the code or its administration.

Complaints made for an improper purpose

You must not make a complaint or cause a complaint to be made under the code for an improper purpose.

A complaint is made for an improper purpose where it is trivial, frivolous, vexatious or not made in good faith, or where it otherwise lacks merit and has been made substantially for one or more of the following purposes:

- to intimidate or harass another council official
- to damage another council official's reputation
- to obtain a political advantage
- to influence a council official in the exercise of their official functions or to prevent or disrupt the exercise of those functions
- to influence the council in the exercise of its functions or to prevent or disrupt the exercise of those functions
- to avoid disciplinary action under the code
- to take reprisal action against a person for making a complaint under the code except as may be otherwise specifically permitted under the code
- to take reprisal action against a person for exercising a function prescribed under the procedures for the administration of the code except as may be otherwise specifically permitted under the code
- to prevent or disrupt the effective administration of the code.

Detrimental action

You must not take detrimental action or cause detrimental action to be taken against a person substantially in reprisal for;

- a complaint they have made under the code except as may be otherwise specifically permitted under the code.
- any function they have exercised under the code except as may be otherwise specifically permitted under the code.

Detrimental action is an action causing, comprising or involving any of the following:

- injury, damage or loss
- intimidation or harassment
- discrimination, disadvantage or adverse treatment in relation to employment
- dismissal from, or prejudice in, employment
- disciplinary proceedings.

Compliance with requirements under the code

You must not engage in conduct that is calculated to impede or disrupt the consideration of a matter under the code.

You must comply with a reasonable and lawful request made by a person exercising a function under the code.

You must comply with a practice ruling made by the Division of Local Government.

As a councillor, you must comply with any council resolution requiring you to take action as a result of a breach of the code.

Disclosure of information about the consideration of a matter under the code

You must report breaches of the code in accordance with the reporting requirements under the code.

You must not make allegations of suspected breaches of the code at council meetings or in other public forums.

You must not disclose information about the consideration of a matter under the code except for the purposes of seeking legal advice unless the disclosure is otherwise permitted under the code.

8. Definitions

The phrase, “the code” used in this Guide refers to the Model Code of Conduct and the procedures for the administration of the Model Code of Conduct prescribed under the Local Government (General) Regulation 2005.

Term	Definition
the Act	the <i>Local Government Act 1993</i>
Chief Executive	Chief Executive of the Division of Local Government, Department of Premier and Cabinet
committee	a council committee
conflict of interests	a conflict of interests exists where a reasonable and informed person would perceive that you could be influenced by a private interest when carrying out your public duty
council committee	a committee or group established by resolution of council
“council committee member”	a person other than a councillor or member of staff of a council who is a member of a council committee
council official	includes councillors, members of staff of council, administrators, council committee members, conduct reviewers and delegates of council
councillor	a person elected or appointed to civic office and includes a Mayor
designated person	see the definition in section 441 of the Act
election campaign	includes council, State and Federal election campaigns
personal information	information or an opinion about a person whose identity is apparent, or can be ascertained from the information or opinion