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| Circular Details | 20-32 / 14 August 2020 / A708384 |
| Previous Circular | 19-25 – <i>Penalties available to councils for code of conduct breaches by councillors</i> |
| Who should read this | Mayors / Councillors / General Managers / Joint Organisation Executive Officers / Complaints Coordinators / Conduct Reviewers |
| Contact | Council Governance Team/ 02 4428 4100/ olg@olg.nsw.gov.au |
| Action required | Council to Implement |

Amendments to the Model Code of Conduct for Local Councils in NSW and Procedures

What's new or changing

- The *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW* (the Procedures) have been amended in response to the decision by the Supreme Court in the matter of *Cornish v Secretary, Department of Planning, Industry and Environment* [2019] NSWSC 1134.
- Amendments have also been made to the *Model Code of Conduct for Local Councils in NSW* (the Model Code of Conduct).
- The new Model Code of Conduct and Procedures have been prescribed under the *Local Government (General) Regulation 2005*.
- The new prescribed Model Code of Conduct and Procedures are available on the Office of Local Government's (OLG) website.

What this will mean for your council

- The new Model Code of Conduct and Procedures take effect immediately. This is because the amendments to the Procedures largely reflect existing practice following the Supreme Court's decision and the amendments to the Model Code of Conduct are minor in nature.
- Councils should adopt a code of conduct and procedures based on the prescribed Model Code of Conduct and Procedures as soon as possible.
- Councils' complaints coordinators should bring this circular to the attention of their council's conduct reviewers. Complaints coordinators should also inform conduct reviewers when the council has adopted a new code of conduct and procedures and provide copies.

Key points

Amendments to the Procedures

- Consistent with the Supreme Court's decision, councils have the following options when taking disciplinary action against councillors for breaches of their codes of conduct under the new Procedures:
 - that a councillor be formally censured for the breach under section 440G of the *Local Government Act 1993* (the Act), or

- that a councillor be formally censured for a breach under section 440G and the matter referred to OLG for further disciplinary action under the misconduct provisions of the Act.
- The process for censuring councillors for breaches of the code of conduct has been significantly strengthened to ensure councillors are made publicly accountable to their electors for their conduct. When censuring councillors, councils are required to specify in their resolution the grounds on which the councillor is being censured by disclosing the investigator's findings and determination and any other grounds that the council considers may be relevant or appropriate.
- Councillors may seek to avoid public censure for breaches of the code of conduct by voluntarily agreeing to undergo training or counselling, to apologise for their conduct or to give undertakings not to repeat their conduct before the investigator finalises their report to the council. Investigators can finalise their investigations without a report to the council where they consider these to be an appropriate outcome to the matter they are investigating. However, it will remain open to investigators to finalise their report and to recommend censure where they consider this is appropriate and warranted.
- The process for referral by councils of code of conduct breaches by councillors to OLG for further disciplinary action under the misconduct provisions of the Act has been streamlined. Investigators are required to consult with OLG before recommending the referral of matters to ensure the conduct in question is sufficiently serious to warrant disciplinary action for misconduct and that there is sufficient evidence of the breach to allow OLG to take further disciplinary action.
- Other amendments have been made to the Procedures to:
 - allow panels of conduct reviewers to be appointed without a resolution of the council, and
 - allow the referral of investigators' reports to OLG for action under the misconduct provisions of the Act where the council will not have a quorum to deal with the matter.

Amendments to the Model Code of Conduct

- The Model Code of Conduct has been amended to:
 - remove as a breach, failure to comply with a council resolution requiring action in relation to a code of conduct breach (because it is now redundant)
 - update the language used to describe the various heads of discrimination in clause 3.6 to reflect more contemporary standards
 - include in the definition of council committee and council committee members, members of audit, risk and improvement committees (ARICs) in anticipation of the commencement of the requirement for all councils to appoint an ARIC following the next local government elections.
- Amendments have also been made to the gifts and benefits provisions of the Model Code of Conduct in response to feedback from some councils. The amendments:
 - lift the \$50 cap on the value of gifts that may be accepted to \$100
 - clarify that items with a value of \$10 or less are not "gifts or benefits" for the purposes of the Model Code of Conduct and do not need to be disclosed

- clarify that benefits and facilities provided by councils (as opposed to third parties) to staff and councillors are not “gifts or benefits” for the purposes of the Model Code of Conduct, and
- remove the cap on the value of meals and refreshments that may be accepted by council officials in conjunction with the performance of their official duties.
- Councils are not obliged to amend their codes of conduct to lift the cap on the value of gifts that may be accepted if they do not wish to. It is open to councils to retain the existing \$50 cap or to impose another cap that is lower than \$100.

Where to go for further information

- For further information please contact the Council Governance Team on 02 4428 4100 or by email at olg@olg.nsw.gov.au.



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