

## **Attachment A - Insert for Elected Members' Code of Conduct**

### **This section to amend existing text for 'PART 6 – GIFTS AND HOSPITALITY'**

Acceptance of gifts, favours or hospitality may be construed as a bribe or perceived as undue influence. The offer and receipt of gifts, including special occasion goodwill gifts (exceeding an estimated value of \$50) must be reported to the Registrar in the prescribed form within 20 working days of the acceptance of the gift. Working lunches and social occasions should be undertaken in an appropriate manner, giving consideration to any risk of perception of favouritism or influence.

### **This section to replace existing text for 'PART 8 – DISCLOSURE OF PECUNIARY AND OTHER INTERESTS'**

The law makes specific provision requiring elected members to disclose interests in order to manage conflicts of interest. Some interests will be pecuniary interests, ie involving some sort of direct or indirect financial advantage or disadvantage to an elected member, or to the member's spouse or partner. But just as important, family connections, kinship, friendship, membership of an association, society, company or trade union, trusteeship and many other kinds of relationships can also lead to conflicts of interest.

The existence of a pecuniary interest will almost always be a problem. For other interests, a conflict will exist only if a fair minded lay observer would reasonably think that the elected member might not bring an impartial mind to the decision concerned.

It is important to identify and manage conflicts. Failure to do so can give rise to bias or predetermination allegations, which create risks for the Council's decision-making as they are grounds for judicial review. Also, not complying with the strict regime for pecuniary interests in the Local Authorities (Members' Interests) Act 1968 can lead to conviction for an offence, and being removed from office. Failure to manage conflicts appropriately undermines the integrity and credibility of the Council, and is contrary to the principles and purpose of this Code.

Conflicts are most relevant to decision-making at Council and committee meetings. However, conflicts, and suggestions of bias and predetermination, should also be borne in mind at informal occasions and in other dealings generally.

### **Register of Members' Interests**

The Council operates a Register of Members' Interests to help identify possible conflicts. Members' obligations for the Register are set out in an appendix to this Code of Conduct. Use of the Register will not, however, identify all possible conflicts and does not remove the requirement to disclose conflicts of interest as matter arise.

### **Disclosure as matters arise**

Before the Council (or a committee) considers any agenda item, elected members must have disclosed any conflict preventing their participation in discussions and voting in relation to the matter, whether or not the conflict arises from an interest recorded in the Register of Members' Interests.

Where an elected member is aware of a possible interest, but is not certain that a conflict exists, it is good practice is to discuss the issue with the chief executive in the first instance. Raising the matter some time before the meeting will enable the chief executive, where appropriate, to obtain legal advice if needed. If in any instance the elected member and chief executive cannot resolve the matter between them, it will be put to the meeting before the agenda item concerned is discussed, and may be resolved by a vote of the majority of members that are present and voting, excluding the member with the possible conflict.

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## **Managing conflicts of interest**

Where a conflict exists, the elected member must:

- declare the existence of a conflict to the meeting (the member does not have to disclose the nature of the interest concerned, though if the interest is a pecuniary one, the law requires the member to disclose the fact that it is a pecuniary interest);
- abstain from discussion and voting (take no part in the consideration of the matter); and ensure the disclosure and abstention is recorded in the minutes.

In addition, it is good practice for the elected member to leave the room while the agenda item is being dealt with. (The alternative option of leaving the table and not discussing the item may nonetheless create the perception that a free and frank discussion of the matter was inhibited by the elected member's presence during the discussion.)

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## **Appendix: Register of Members' Interests**

### **Duty to make Return of Interests**

Every member must make a full and complete return of interests in each year as at 30 June and 20 December. In the case of members elected to the Council for the first time during the preceding 12 months, the disclosure is not required to include information that relates to the period before their election (e.g. payments received for services provided prior to being elected).

The member must provide the return to the Registrar by 31 July and 24 December in each year. Members must also advise as soon as practicable during the year if any new interests arise.

### **Contents of Return Relating to Members' Position as at Effective Date of Return**

The return must be made in the form prescribed. Every return of interests must contain the following information (or provide "NIL" where no such interest is held) as at the effective date of the return:

- (a) the name of each company or business entity of which the member, or a family member including spouse, partner and dependent children is a director or directly or indirectly holds or controls, alone or together, more than 10% of the voting rights and a description of the main business activities of each of those companies; and
- (b) if the member is employed, the name of each employer of the member and a description of the main business activities of each of those employers; and
- (c) if the member is self-employed, a description of the member's business activities; and
- (d) the name of each trading trust in which the member, or a family member including spouse, partner and dependent children has a beneficial interest (family trusts holding only assets such as the family home and non-investment assets need not be disclosed); and
- (e) the name of any company or other organisation with whom the elected member either provides service to or transacts business with where that company or organisation also provides goods or service to the Council; and
- (f) the family connections, friendships, membership of an association, society, company or trade union, trusteeship and many other kinds of relationships where those persons with whom the relationships exist provide goods or services to the Council;
- (g) membership, or membership by a family member, including spouse, partner and dependent children, or any offices held, in community organisations, for example clubs, environmental protection organisations, churches or charitable bodies; and
- (h) the location of each property in the district in which the member has an interest; and
- (i) The acceptance of any gift (other than gifts from immediate family members) over the value of \$50.

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- (j) A description of payments received by the member for activities or services in which the member is and was involved at the time of his or her election, but not including remuneration or allowances received from the Queenstown Lakes District Council for being an elected member of the Council

**Relationship Property Settlements and Debts Owed by Certain Family Members do not have to be disclosed**

A member does not have to disclose:

- (a) a relationship property settlement, whether the member is a debtor or creditor in respect of the settlement; or
- (b) the name of any debtor of the member or a description of the debt owed by that debtor if the debtor is the member's spouse, partner, or dependent child.

**Short-Term Debts for Supply of Goods or Services do not have to be disclosed**

A member does not have to disclose the name of any debtor or creditor of the member and a description of the debt owed by that debtor or to that creditor if the debt is for the supply of goods or services and payment is required:

- (a) within 90 days after the supply of the goods or services; or
- (b) because the supply of the goods or services is continuous and periodic invoices are rendered for the goods or services, within 90 days after the date of an invoice rendered for those goods or services.

**Actual Value, Amount, or Extent Not Required**

Nothing in this Schedule requires the disclosure of the actual value, amount, or extent of any asset, payment, interest, gift, contribution or debt.

**Maintenance of Register**

A Register of Members' Interests is to be maintained and updated on an ongoing basis, comprising all returns transmitted by elected members under this schedule. Additional interests declared during the course of the year will be added to the Register as they occur.

The registrar is the Chief Executive, or a person appointed by the Chief Executive. The registrar is responsible for:

- (a) compiling and maintaining the register;
- (b) providing advice and guidance to members in connection with their obligations.

The Register (or a fair and accurate summary of its contents) is to be available for public inspection by any party.