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To: Consultation, LG
Subject: Managing conflict of interest of councillors - Submission

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Thank you for the opportunity to make a submission to this discussion paper.

I have served as a councillor for many years in NSW and was elected to Northern Midlands Council in 2022, I see a stark difference in the way Tasmanian Councillors manage conflicts of interest. The current Tasmania does not promote good governance through transparent and accountable processes. The issues raised in the proposed framework will go to addressing these deficiencies. There is a culture to not disclose conflicts of interest particularly if they are of a minor or non-significant nature.

I strongly support the need for councillors when declaring a conflict of interest to state the nature of the conflict and whether it is a pecuniary interest or non-pecuniary interest. This disclosure must be minuted including the nature of the interest. It should not be necessary to notify the General Manager after the decision is made to disclose a conflict of interest as it is too late as the decision has been made.

The framework will go a long way at giving public confidence and improve trust in local government. I am fully supportive of all Councillors disclosing all matters that they have a pecuniary interest in once elected to council and annually. This information should be accessible to all members of the public. As a councillor I do not know the interests of other councillors.

Disclosure of land ownership should only relate to property in the Council area. It is irrelevant to the public if property is owned elsewhere in Tasmania or on the mainland.

The obligations to disclose interests should also extend to “designated persons” such as General Managers and Senior Managers of council, as often they influence the decision of the council through their reports. It is a practice which would enhance the decision-making process. Often Council reports have an officer’s recommendation and Councillors should be aware if the Council report has been influenced by private interests.

In NSW, under clause 4.8 of the Model Code of Conduct, “designated persons” include:

- the general manager
- senior staff of councils for the purposes of section 332 of the *Local Government Act 1993*
- any other member of staff or delegate of the council who holds a position identified by the council as the position of a designated person because it involves the exercise of a function that could give rise to a conflict of interest, and
- a member of a committee of the council identified by the council as a committee whose members are designated persons because the functions of the committee involve the exercise of functions that could give rise to a conflict of interest.

The requirement to publish returns of interests is designed to operate as a transparency mechanism to ensure that key decision makers in councils appropriately disclose and manage pecuniary interests they may have in matters they are dealing with.

Positions or committee memberships involving the performance of low-level administrative or regulatory functions that carry limited or no discretion or financial delegations, should not be identified as positions of designated persons.

The types of positions or committee memberships that should be identified as designated persons are those that exercise functions or decision-making that involve the potential for significant risk to the council, including of damage to the council's reputation, where conflicts of interest are not disclosed and appropriately managed.

Regrettably no system is perfect and those wishing to hide their interests will find ways to avoid disclosure. I feel that some of the exemptions will be used to avoid disclosure of interest and the least amount of exemptions is preferred.

General Manager's must have an obligation to remind councillors that they know have a conflict of interest to remove themselves from the chamber. The Principal Officer should not be the General Manager as Councillors would be reluctant to seek advice particularly if the relationship with the General Manager is poor. The Office of Local Government should also have an officer who specialises in giving advice on conflicts of interests - so independent advice can be obtained.

I have found that training of Councillors on there requirements to disclose interests to be poor and I would hope that the Office of Local Government provide training as part of the new framework's implementation.

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