

Conflict of Interest Policy v3

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1. Legislation

Council manages member interests in adherence to Part 7.2 of the Northern Territory's *Local Government Act 2019* (LG Act):

- The requirements for submitting an annual return of interests (s110).
- The registration of all annual returns of interests (s111).
- What constitutes a conflict of interest (s114).
- The requirements for the disclosure of any conflicts (s115).
- The registration of all declared conflicts (s116).
- The publication of the register of annual returns of interest and the register of declared conflicts on Council's website (s117).

Council manages staff interests in adherence to Section 178 of the LG Act:

- The requirements for submitting an annual return of interests by the CEO and senior staff (s178(1)).
- The registration of all annual returns of interests (s178(5)).

2. Definitions

Associate is a person connected to another person if:

- a) They are in a close family relationship.
- b) They are in a partnership.
- c) One is a company and the other is a director or manager of the company.
- d) They are related companies.
- e) One is a private company and the other is a shareholder in the company.

Council means the MacDonnell Regional Council's administration.

The Council means the Councillors, President and Deputy President.

CEO means the Chief Executive Officer.

Member is any person sitting on *the Council* or a committee or local authority that it has established.

Senior Staff is the Chief Financial and Information Officer, Directors, Executive Managers and the Manager Finance.

Staff is any person who carries out work for Council including (but not limited to) employees, contractors, consultants or volunteers.

3. Statement

This policy provides the principles to:

- Ensure all members, staff and the CEO undertake their duties and responsibilities in a manner which places the public interest above their personal interests.
- Provide guidance to prevent situations where personal or financial interests could improperly influence official decisions.

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4. Policy

4.1 Principles

4.1.1 Respect for the Role

Conflicts of interest are identified, reported and managed in a way that allows Council to conduct its business with integrity, honesty and fairness.

4.1.2 Ensuring Legal Compliance

Promote transparency in Council business to ensure members, staff and the CEO operate in a way that aligns with legislation and regulation.

4.2 Conflict of Interest Classification

4.2.1 Conflict of Interest occurs when there is a clash between private interest (actual, perceived or potential) and public duty. It involves a lack of impartiality and is financial (pecuniary) or personal (non-pecuniary).

4.2.1.1 Actual Conflict of Interest occurs when personal interests directly interfere with public or official duties.

4.2.1.2 Perceived Conflict of Interest occurs when it could be perceived, or appears, that personal interest could impact public or official duties, whether or not this is the case.

4.2.1.3 Potential Conflict of Interest occurs where personal interests could conflict with public or official duties.

4.2.1.4 Pecuniary Interest is financial. It arises when a person, or someone close to them (relatives, partners and employers) could financially benefit or lose.

4.2.1.5 Non-Pecuniary Interest is personal and non-financial. It arises when family, kinship, friends and associates from community or social groups could benefit or lose.

4.2.2 A member has a **Conflict of Interest** in a question arising for decision by *the Council*, committee or local authority if they (or their associates) have any of the interests in **4.2.3.1** to **4.2.3.4** in how the question is decided.

4.2.3 The CEO or staff have a **Conflict of Interest** in the daily performance of their duties if they (or their associates) have any of the interests below:

4.2.3.1 Direct Interest means an interest that occurs when a person is likely to be directly affected if the matter is decided in a particular way.

Examples:

- **Your own company is tendering** to reseal a Council road.
- **You're negotiating a lease** for a kiosk at a Council pool.

4.2.3.2 Indirect Financial Interest means an interest that occurs when a person is likely to receive a benefit or incur a loss because another person has an interest.

Examples:

- **You hold shares** in a civil works company being considered for a drainage contract.
- **Your employer** (you have a paid job there) is seeking sponsorship for a festival.

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4.2.3.3 Indirect Interest by Close Association means an interest that occurs when an associate of a person has a direct or indirect interest, or a resident of the person's household has a direct interest.

Examples:

- **Your sister has lodged a legal claim** against Council and there is discussion as to whether to settle.
- **Someone who lives in your household** (e.g., partner, adult child) is tendering for a cleaning contract.

4.2.3.4 Indirect Interest Due to Conflicting Duties means an interest that occurs when a person is a director, partner, agent, trustee, manager, office holder or employee of a person or entity, including a non-profit body or association, that has a direct interest.

Examples:

- **You are a board member** of a local youth service that's seeking a donation/sponsorship.
- **You work for** a non-profit that is **tendering** for a parks maintenance contract.

4.3 Conflict of Interest Exclusions

4.3.1 An interest that the person shares with the public or a substantial section of the public is not a conflict.

4.3.2 An interest as an elector or ratepayer that the person shares with other electors or ratepayers is not a conflict.

4.3.3 An interest so remote or insignificant that it could not reasonably be regarded as likely to influence a decision is not a conflict.

4.3.4 An interest as a family member working with another family member is not a conflict if managed correctly. Council prefers that family members are not employed into positions where one may supervise the other. Where this is unavoidable, staff must maintain professional relationships with family members regarding their employment and position duties. Where a direct supervisor is a family member, this supervisor must refer all decisions regarding performance review/management, discipline, leave approvals and timesheets to their supervisor.

4.4 Disclosure of Interest

4.4.1 If a member has an interest, it must be disclosed in the Conflict of Interest Form to the CEO as soon as practicable and at the next meeting of *the Council*, committee or local authority.

4.4.1.1 When a member discloses an interest at a meeting, the disclosure is to be recorded in the meeting minutes.

4.4.1.2 The member must not be present at a meeting while a matter in which the member has a conflict of interest is under consideration.

4.4.1.3 The member must not participate in any decision in relation to the matter.

4.4.1.4 The member must not engage in behaviour that may influence the audit committee, council, council committee or local authority's consideration of or decision in relation to the matter.

4.4.1.5 The Minister may approve a member's participation in the consideration of the matter, or in the decision in relation to the matter in which the member has a conflict of interest.

4.5.2.4 It will be recorded on the Conflict of Interests Register (Members).

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- 4.4.2 If the CEO has an interest, it must be disclosed in the Conflict of Interest Form to the President as soon as practicable and to *the Council* at the next meeting.
- 4.4.3 If staff have an interest, they must disclose it in the Conflict of Interest Form to the CEO as soon as practicable.

4.5 Annual Interests Disclosure

- 4.5.1 Members will complete an Annual Return on Interests Form and submit it to the CEO.
 - 4.5.1.1 Within 60 days of the council member's election; and
 - 4.5.2.2 By no later than 30 September each year for the duration of the member's membership.
 - 4.5.3.3 If a member has submitted an annual return of interests after 31 March in a calendar year, the member is not required to submit another return before 30 September in that year.
 - 4.5.2.4 It will be recorded on the Annual Returns on Interests Register (Members).
- 4.5.2 Senior staff will complete an Annual Return on Interests Form and submit it to *the Council*.
 - 4.5.2.1 Within 14 days of the commencement of the employment.
 - 4.5.2.2 By no later than 30 September each year for the duration of employment.
 - 4.5.2.3 If a person has submitted an annual return of interests after 31 March in a calendar year, the person is not required to submit another return before 30 September in that year.
 - 4.5.2.4 It will be recorded on the Annual Returns on Interests Register (CEO and Senior Staff).

4.6 Responsibilities of the Chief Executive Officer

- 4.6.1 Review and recommend management strategies for all conflicts of interest.
- 4.6.3 Arrange investigations of possible conflicts of interest as required.

5. Breaches and Consequences

Action or behaviour that does not comply with any element of this policy can be found to have breached the Code of Conduct. Such action or behaviour must be referred to as 'suspected misconduct' until a decision is made that the action or behaviour amounts to a breach of the Code of Conduct.

If applicable, criminal proceedings will be brought against the offender.

6. Authority

The Council, 20 March 2026

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7. Owner

Office of the CEO, Governance and Strategy

8. Review Date

20 March 2029

9. Related Documents

Annual Return on Interests Form
Conflict of Interest Disclosure Form
Annual Returns on Interests Register (Members)
Annual Returns on Interests Register (CEO and Senior Staff)
Conflict of Interests Register (Members)