



Directors' Code of Conduct



PURPOSE

1. This Code of Conduct is intended to provide directors with guidance to assist in fulfilling their fiduciary duties and responsibilities, and to act ethically and responsibly. It describes the expected standard of conduct from directors of Hunter Water. The Code is not an exhaustive statement of directors' obligations.
2. This Code of Conduct is to be read in conjunction with, but operates in addition to, the Hunter Water Code of Conduct and Standard.

Directors' duties

3. Directors will:
 - a. act honestly, in good faith, and in the best interests of Hunter Water
 - b. use care, diligence and skill in fulfilling the functions of the office of director and in exercising the powers attached to that office
 - c. use the powers of office for a proper purpose
 - d. be independent in judgment and actions and avoid any conflicts of interests
 - e. not make improper use of information or their position
 - f. recognise the overarching responsibility and accountability directors have to the public and the State of New South Wales, the Shareholder Ministers, the employees, regulators, suppliers and other stakeholders of Hunter Water
 - g. undertake all reasonable enquiries to be satisfied as to the soundness of decisions taken by the Board of Directors (Board)
 - h. ensure that confidential information received in the course of directorial duties remains the property of Hunter Water and not disclose information or allow it to be disclosed, unless authorised by Hunter, or the discloser, or as required by law
 - i. not engage in conduct likely to bring discredit upon Hunter Water and endeavour to enhance the reputation of Hunter Water
 - j. recognise and act in accordance with the government sector core values of integrity, trust, service and accountability (outlined in Part 2 of *Government Sector Employment Act 2013* (NSW))
 - k. comply with the laws and regulations that apply to Hunter Water and its operations
 - l. comply, in good faith, with the spirit, as well as the letter of this Code
 - m. follow the additional requirements set out in this Code.

Embrace our values

4. Directors will role model Hunter Water's values in their decision making and interactions with each other, stakeholders and any meeting attendees.
5. Hunter Water's values are:
 - Wellbeing – we care for each other's wellbeing and that of our communities and our environment
 - Trust – we are honest, open and ethical, we care and act in the best interests of the communities we serve, we are capable and can be relied upon
 - Leading – we step up to face challenges, we take action and we are agile and resilient, we innovate and influence change

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- Learning – we enquire, listen, share and collaborate and have a thirst to better ourselves
- Inclusion – we recognise, value, respect and celebrate diversity and provide an environment in which everyone can contribute and achieve their potential.

Conflicts of interest

6. Directors are responsible for identifying, declaring, and managing all types of conflicts of interest.
7. Each director must complete a Declaration of Interests (Statement of Private Interests) upon appointment and annually and also when personal interests change. These interests are recorded in a Conflicts of Interest Register.
8. In addition, directors are required to:
 - a. advise the Board of any actual, potential or perceived conflicts of interest as soon as they arise
 - b. comply with the provisions of the *State Owned Corporations Act 1989* in relation to the disclosure of direct or indirect interests in matters being considered by the Board
 - c. advise the Chair of the Board of any related party transactions involving Hunter Water (other than personal domestic dealings with Hunter Water for the supply of water that are undertaken on a normal commercial basis).
9. Disclosed conflict of interest will be addressed as follows:
 - a. details of any actual, potential or perceived conflict of interest of a director will be minuted along with any necessary action to be taken
 - b. the Chair of the Board may determine that the director is not to be provided with Board papers or other material relating to the conflict (this determination may be recorded on the agenda, the relevant Board paper and/or the minutes as the Chair of the Board determines)
 - c. a director with a declared and material conflict of interest cannot vote on any resolution concerning the issue and may only remain in the meeting during any discussion with the approval of the non-involved directors, which will be minuted
 - d. the Chair of the Board will determine whether the discussion, outcome or resolution is to be shared with the director with a conflict of interest and if the information is not to be shared, the information will be redacted from that director's copy of the minutes.
10. The personal interests of a director must not be allowed to prevail over those of Hunter Water

Gifts and benefits

11. Directors must not accept gifts or benefits in their capacity as directors of Hunter Water that could place them under an actual or reasonably perceived financial or moral obligation to other organisations or to individuals. Even gifts and benefits of modest value can be used to cultivate, over time, a relationship where a Director may feel an obligation or loyalty to the giver.
12. Directors may accept invitations in their capacity as directors of Hunter Water to government and water industry seminars, conferences or events with the prior approval of the Chair of the Board or the Company Secretary.
13. Soliciting or accepting a gift or benefit as an actual inducement to make a decision, or to provide a favour, is not only inconsistent with this Code, but constitutes corrupt conduct under the *Independent Commission Against Corruption Act 1988* (ICAC Act) and may lead to criminal prosecution.

Lobbyists

14. The NSW Government has formulated a Lobbyists Code of Conduct which regulates contact between registered lobbyists and government officials including directors of state owned corporations (Premiers Memorandum M2019-02-NSW).
15. Directors must not knowingly meet with a third party lobbyist if they are not registered on the NSW Electoral Commission's Register of Lobbyists, which is available on their website: www.elections.nsw.gov.au. There is also a [Lobbyists Watch List](#) which includes details of any lobbyist whom the NSW Electoral Commission has determined to have contravened the Lobbyists Code of Conduct and any other lobbying laws. There are restrictions in place in relation to having contact with those lobbyists.

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Corrupt conduct

16. Directors are expected to report any actual or suspected corrupt conduct, including fraud, involving Hunter Water.
17. Reports are preferably made internally in the first instance and in writing to one of Hunter Water's Disclosure Officers listed below. Allegations of fraud or corruption involving the Managing Director are to be reported to the Chair of the Audit and Risk Committee.
18. Where a director wants to make a report protected under the *Public Interest Disclosures Act 1994*, this disclosure must be made in accordance with the requirements detailed in Hunter Water's Internal Reporting Standard.
19. Reports of fraud and corruption can also be made externally at any time to the Independent Commission Against Corruption (ICAC) or NSW police or, in very limited circumstances, a Member of Parliament or Journalist (see the ICAC Act).
20. Directors should be aware that the Managing Director is required pursuant to the ICAC Act to report any actual or suspected corruption to ICAC.
21. Hunter Waters' Disclosure Officers are as follows:

Public Interest Disclosure Role	Organisation Position
Principal Officer	Managing Director
Disclosures Coordinator	Group Manager Audit, Assurance and Management Systems
Disclosures Officer / Nominated Officer	A Senior HR Business Partner Executive Manager Governance and Assurance Executive Manager Finance and Business Performance Executive Manager People and Culture Manager Maintenance Contracts & Minor Works
Whistleblower Service	Deloitte www.whistleblower.deloitte.com.au

Review

22. The Board will review this Code and its performance against it annually, or more often as the Board determines.

Relevant documents

Document Type	Title
Policy	Commercial Policy Framework TPP17-10
Guidelines	NSW Government Boards and Committees Guidelines
	M2019-02-NSW Lobbyists Code of Conduct
Policy	Hunter Water Code of Conduct and Standard
Legislation	<i>The Independent Commission Against Corruption Act 1988</i> (NSW)
Legislation	Government Sector Employment Act 2013 (Part 2 Ethical framework for the government sector)

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Signed:

Darren Cleary
Managing Director

Approved by:	Board of Directors (on the recommendation of the Corporate Governance Committee)	Approved date:	29 Oct 2021
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