

BRANCH POLICY STATEMENT 1.03

CONFLICT OF INTEREST

1. INTRODUCTION

1.1 ADAVB is committed to acting at all times in a manner which maintains ethical standards, fairness and integrity. Individuals involved in Branch activities may bring expertise from a variety of backgrounds that benefit the Branch. However, such experience may on occasion cause the possibility of a conflict of interest to arise.

1.2 The purpose of this Branch Policy Statement is to:

- elaborate on the requirements of Members in accordance with the Branch Constitution;
- define what a conflict of interest is, and provide examples relevant to ADAVB and its operations; and
- provide a framework for handling conflicts of interest that complies with ADAVB's legal obligations and upholds its integrity and reputation.

2. THE ADAVB CONSTITUTION

2.1 The ADAVB Constitution includes Rule 99, which applies to Members of ADAVB and requires Members to disclose any material interests. Members should refer to and be familiar with the requirements of the Constitution.

2.2 The ADAVB By-Laws also incorporate the obligations contained in this policy.

3. SCOPE OF THE POLICY

3.1 This policy applies to ADAVB Personnel defined as:

- Members of the ADAVB when engaged in Branch Council, committee or representative activities on behalf of the Branch;
- consultants to the ADAVB;
- employees of the ADAVB; and

- other individuals involved in ADAVB activities.
- 3.2 All ADAVB Personnel have a responsibility to identify any conflict of interest and to resolve those situations as soon as they arise in accordance with this Policy.

4. STATUTORY OBLIGATIONS

- 4.1 ADAVB is governed by the *Associations Incorporation Reform Act 2012* (the **Associations Act**). The Associations Act requires that directors (Councillors) act in the best interests of the ADAVB and use independent judgment in all decision-making.
- 4.2 Councillors must disclose perceived conflicts of interest and refrain from voting on matters in which they have a material personal interest. The Associations Act and the Branch Constitution provide exceptions to this rule. Ensuring that the Councillor's leaving and returning to the meeting are minuted is good practice.
- 4.3 A material interest is anything that could affect decision-making on any given issue.

5. WHEN MAY A CONFLICT OF INTEREST OCCUR?

- 5.1 ADAVB Personnel have a duty to act in the best interest of ADAVB, and an 'interest' for this Branch Policy Statement means any matter that may affect the ADAVB or its personnel. The interest must be material, meaning reasonably significant to the person. Interests include personal interests such as business interests and professional interests.
- 5.2 It is also possible that ADAVB Personnel's duties to another organisation (for example, as a board member or employee) may give rise to an interest in that organisation. These interests can sometimes conflict with duties owed to the ADAVB and the ADAVB's interests.
- 5.3 There are many situations which may give rise to a conflict of interest. In broad terms, these can be divided into:

- **pecuniary interests, which involve financial gain or loss.**

The financial impact may be direct or indirect, actual or potential. Receiving a payment under a contract is an example of a pecuniary interest.

- **non-pecuniary interests, which do not involve a financial impact.**

This type of interest may arise because of friendship or enmity, affinity for, or prejudice against an issue or matter. An example of a non-pecuniary interest is being in a personal or professional relationship with a person.

- 5.4 ADAVB Personnel will have interests in many matters, and a conflict of interest may occur in any of the following but not restricted to circumstances:
- when a Member, or their immediate family or business interests, stands to gain financially from any business dealings, programs or services provided to or by the ADAVB,
 - when a Member offers a professional service to ADAVB, for example, as a consultant and/or
 - where ADAVB Personnel stand to gain personally or professionally from any insider knowledge used for personal or professional advantage.
- 5.5 A conflict of interest will arise whenever ADAVB Personnel have an interest in the outcome of a decision or matter that will also affect ADAVB.
- 5.6 A perceived conflict of interest is the same as an actual conflict of interest.
- 5.7 A perceived conflict of interest arises if a reasonable and independent third party could perceive there to be a conflict of interest. A perceived conflict of interest will undermine the integrity and standing of the ADAVB in the same way as an actual conflict of interest. It must be handled in the same way as set out in this Branch Policy Statement.
- 5.8 Therefore, even if the ADAVB Personnel concerned do not think that their interests conflict with those of the ADAVB, the fact that another reasonable and independent person perceives a conflict means that there may be a conflict of interest.

6. GIFTS, COMMISSIONS, CONSIDERATION OR OTHER FAVOURS

- 6.1 During their employment, ADAVB personnel must not accept or undertake to accept, either directly or indirectly, any gifts, commissions, consideration or other favours or benefits of a significant value whatsoever in connection to their work without prior consent of the ADAVB CEO or Council.
- 6.2 'Significant value' means all gifts, commissions, consideration or other favours with an estimated value exceeding \$150 and/or all gifts, commissions, consideration or other favours from a single person or organisation, the cumulative estimated value of which is greater than \$200 in any financial year.
- 6.3 ADAVB personnel are also expected to decline and report any offers of favoured treatment of family or friends.

7. PROCEDURE FOR MANAGING A CONFLICT OF INTEREST

The ADAVB places great importance on avoiding actual and perceived conflicts of interest and adopts the following principles and procedures to encourage a culture of disclosure:

- ADAVB Personnel must actively identify and avoid any actual or perceived conflict of interest.
- ADAVB will keep a Conflict of Interest Registers for Council and committee members, consultants and employees.
- Having a disclosure of Conflict of Interests at the beginning of each meeting.
- Any interest which may give rise to a conflict of interest must be declared as soon as practicable after the relevant facts come to the person's knowledge to the appropriate person or body.
- ADAVB Personnel who doubt whether they have an actual or perceived conflict of interest must also disclose the abovementioned conflict.
- ADAVB Personnel who have declared a conflict of interest must not take any action in relation to the matter which is the subject of the conflict.
- Where a Member has a material personal interest in a matter before a Branch meeting, the said Member must not be present during any deliberations on the matter, including any deliberations as to whether the Member has a conflict of interest. The said Member is not entitled to vote on the matter, which is the subject of the conflict, but may be allowed to participate in discussion at the discretion of the Meeting.
- If the conflict of interest continues, the ADAVB must consider whether information must be restricted so that information concerning the subject of the conflict does not reach the conflicted ADAVB Personnel. Consideration will also be given to how long this conflict continues and the Members' ongoing role or interest.

8. IMPLEMENTATION OF THIS BRANCH POLICY STATEMENT

- 8.1 If you have any questions about this Branch Policy Statement, please contact the Chief Executive Officer at the Branch Office on 8825 4600 or ceo@adavb.org.
- 8.2 If an investigation of an alleged infringement of this Branch's Policy Statement is required, it shall be conducted under the ADAVB's disputes and ethics processes. Employees who fail to disclose a conflict of interest may be subject to the Employee Disciplinary Process.

Branch Policy Statement Number	1.03
Adopted by Council	22 July 2013
Reviewed by Constitution and Policy Committee	22 February 2018 04 March 2021 12 September 2024
Amended by Council	26 March 2018
Reviewed by Council	21 October 2024
Relevant Rules	97 (Disputes and Ethical Complaints) 53 (voting at meetings),99 (Conflict of Interest)
Relevant By-Laws	3
See also	4.03 Employee Disciplinary Policy