
CONFLICT OF INTEREST POLICY

Version No: V4
Approved By: Board
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Westernport Region Water Corporation (Westernport Water) has an obligation under section 81(1)(f) of the *Public Administration Act 2004* to ensure that processes are in place to manage conflicts of interest.

1. Purpose

This Policy outlines Westernport Water's (WPW) (the Corporation) processes when dealing with any conflict of interest.

2. Scope

All employees, including Directors are required to comply with this Policy in all dealings with and on behalf of the Corporation.

The key principles underlying this policy are:

- Obligations and good practice – Westernport Water acts in accordance with good governance practice.
- Public interest – conflicts of interest are avoided where possible. Where a conflict exists, it is declared and managed in the public interest.
- Real, potential or perceived – a conflict exists whether it is real, potential or perceived.
- Transparent and accountable – the process for declaring and managing conflicts of interest is transparent, accountable and consistent.
- Culture of integrity – Westernport Water fosters a culture of integrity. Board members and employees are supported to raise their own conflicts of interest and speak up if they believe that another board member or employee may have an undeclared conflict.

3. Definitions

3.1. A 'conflict of interest' is a conflict between a board member or employee's public duty to act in the best interests of the Corporation and their private interests (financial or non-financial).

3.2. A conflict exists whether it is:

- **Real** – it currently exists;
- **Potential** – it may arise, as a real, sensible possibility of conflict; or
- **Perceived** – members of the public could reasonably form the view that a conflict exists, or could arise, that may improperly influence the person's performance of their duty to the Corporation, now or in the future.

3.3. An 'interest' can be **direct** (to the individual) or **indirect** (related/associated to the individual), **pecuniary** (involves money gain or loss) or **non-pecuniary** (involves positive or negative bias such as favours or enmity).

3.4. An 'interest' may also arise if a staff member or board director who has a prior relationship with a person who is involved in a recruitment or procurement process.

3.5. Reasonableness Test

Would a “reasonable person” consider the ‘interest’ (relationship, actions, motivation, etc.,) to pose a conflict? If the answer to this question is “yes” and regardless of any personal opinion the employee must take accountability under this policy.

4. Policy Application

4.1. Accountability

Employees have obligations to:

- Adhere to all Codes of Ethics, Codes of Conduct and standards of behaviour that apply to employees of the Corporation.
- Recognise that an employee's actions may reflect on the Corporation and the conduct must not be called into question.

4.2. Declaration and Management

4.2.1. In the case of any conflict of interest, as a minimum, all employees are required to:

- Alert the Corporation, through completion of a Declaration of Conflict of Interest form, to any matters in which the employee or any other employee or Director has, potentially has, or may be perceived to have, a conflict of interest; and
- Exclude the conflicted party from the deliberations and decisions on any matter where there is such a conflict; and/or
- Manage the conflict as per the management plan set out in the Declaration of Conflict of Interest form.

4.2.2. If there is any doubt as to whether a conflict arises, all board members and employees are encouraged to disclose such a conflict and seek further advice as to whether or not a conflict exists and how such a conflict should be managed if it does exist.

4.2.3. *Section 119 of the Water Act 1989* requires all Westernport Water employees (as appointed by the Managing Director) to seek permission from the Corporation before:

- Engaging in any external business; or
- Engaging in the private practice of any profession or trade; or
- Holding any office in any corporation, other than a municipal council; or
- Engaging in any employment other than that connected with the duties of office.

4.2.4. In addition to the requirements in 4.2.2 all staff members who seek to undertake any secondary employment whatsoever must complete the WPW Secondary Employment form.

4.2.5. All employees who are members of a recruitment panel or a procurement assessment panel for a procurement of an item greater than \$150,000 must complete a *Declaration of Conflict of Interest* form even if no conflict exists.

4.2.6. Employees who are members of recruitment panels and who have a prior working relationship in the same organisation with an applicant should disclose such a conflict. Where this situation arises the following should be considered:

4.2.6.1. Where the known parties have worked within the same organisation previously but have a purely professional relationship a perceived Conflict of Interest may exist and should be declared. This is no different to an employee interviewing an internal applicant for a position. The conflict should be declared and managed appropriately.

4.2.6.2. Where the known parties have worked in the same organisation and a degree of personal relationship exists (friendship, etc.) a potential or actual conflict of interest may exist depending on the closeness of the relationship. The conflict should be declared and managed appropriately which may include removal from the panel, inclusion of additional panel members, independent review of the process or any other management option.

It should be noted that neither of the scenarios in clause 4.2.6.1 or 4.2.6.2 requires a person to be automatically removed from a recruitment process however that may be an appropriate management option based on the nature of the conflict.

4.2.7. A *Declaration of Conflict of Interest* must be completed upon recognition and/or determination of any conflict of interest. In addition, directors and employees are required to complete a *Declaration of Private Interests* form annually.

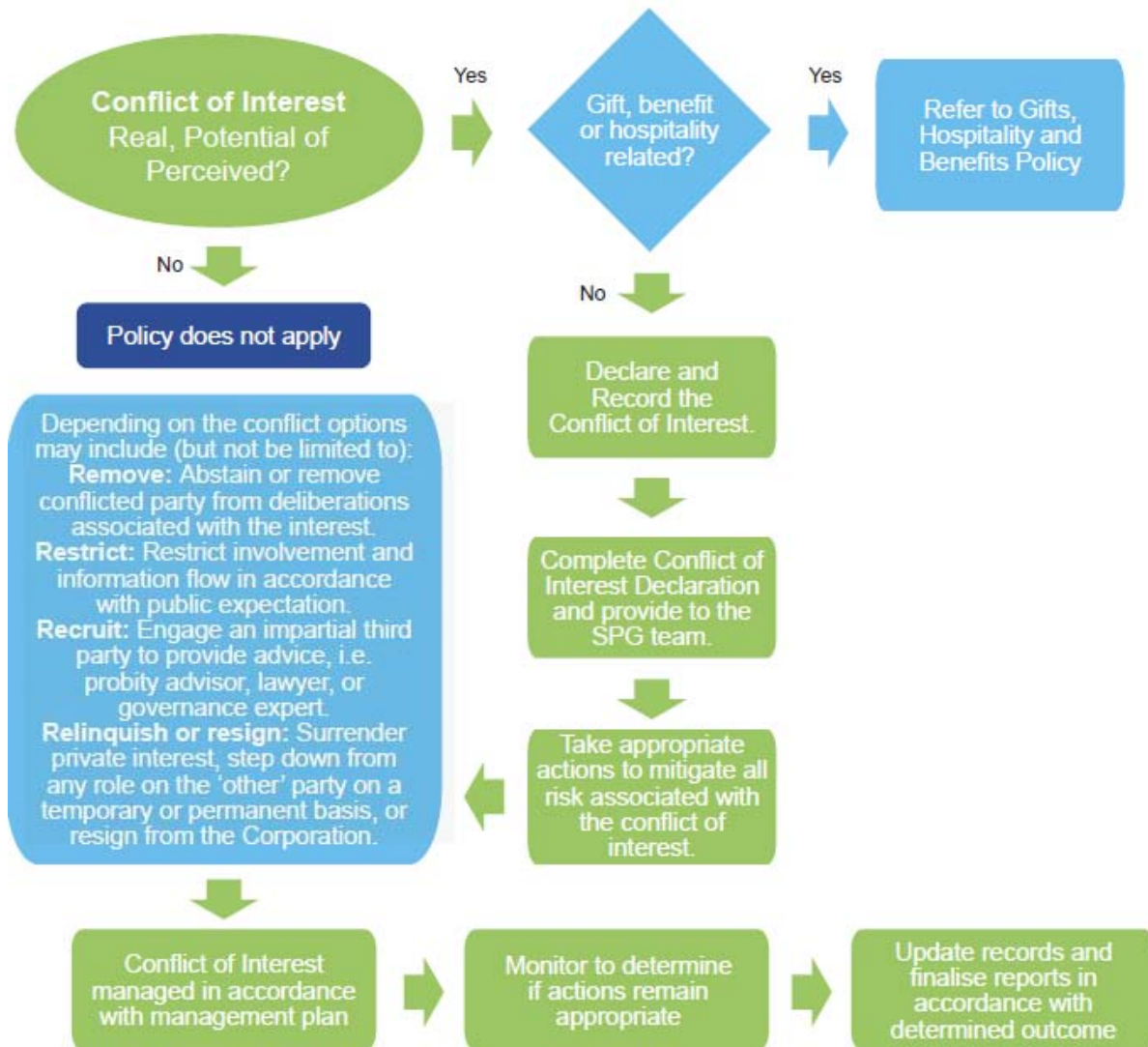
4.2.8. An up to date Register of Interests will be maintained by the Strategy, Performance and Governance Team and is presented to the Board as part of the standing conflict of interest item on the Board agenda.

4.2.9. All Declaration of Conflict of Interest forms are to be provided to the Strategy, Performance and Governance team in order for them to be listed on the Register of Interests.



4.3. Process

The following outlines the process for addressing any Conflict of Interest within the Corporation.



5. Options for managing a conflict of interest

Westernport Water Board members and employees will manage all conflicts of interest in the public interest. Depending upon the conflict, options include:

5.1 Remove – the board member / employee is removed from the conflicted matter and does not participate in any business related to that matter.

5.2 Restrict – the board member / employee's involvement in the matter / decision is restricted to the extent that it matches the public interest. Monitoring occurs to check whether this remains the most appropriate option.

5.3 Recruit – an impartial third party is engaged to provide advice (a probity advisor, lawyer or governance expert).

5.4 Relinquish or resign – the board member or employee relinquishes their private interest or removes themselves from their role at WPW on a permanent or temporary basis.

6. Responsible Officer

Policy Owner – Managing Director

Responsible Policy Officer – General Manager Corporate & People

7. Review Date

This Policy is to be reviewed every three years. This Policy will continue in operation until replaced by a subsequent version or rescinded.