

Conflict of Interest Policy - Policy Number 501

Edited May 2021

1. Purpose

To ensure Pacific Community Housing effectively identifies, discloses and manages any potential, actual, or perceived conflicts of interest in relation to the business decisions, operations, programs, services and dealings of the Company.

2. Scope

This policy applies to all Pacific Community Housing directors, employees (including staff engaged as contractors) and volunteers.

3. Definition of Conflict of Interest

A conflict of interest occurs when a person's personal interests' conflict with their responsibility to act in the best interests of the Company.

Personal interests include direct interests as well as those of family, friends or other organisations a person may be involved with, or in which the person has an interest.

A conflict of interest may be potential, actual, or perceived, and may be financial or non-financial.

A conflict of interest between personal interest and official duty (whether potential or actual) may arise, for example, from:

Other directorships or employment.

- Professional and business interests and associations.
- Financial interests in a matter the Company deals with or having friends or relatives with such interests. These could include real estate, shares, debts, gifts, business interests and investments.
- Personal relationships with people with whom the Company is dealing that go beyond the level of a professional working relationship.
- These situations present the risk that the person may make a decision based on, or affected by, these influences, rather than in the best interests of the Company.

4. Policy

It is the policy of Pacific Community Housing that conflicts of interest are to be avoided where possible, and that any such conflicts where they do arise, will be managed through a conflict of interest management framework which aims to:

- Avoid conflicts of interest where possible.
- Identify and disclose any conflicts of interest.
- Carefully manage any conflicts of interest.
- Respond to any breaches.

The conflict of interest management framework comprises of:

- This policy.
- The Director's Conflict of Interest Register.
- The Employee's Conflict of Interest Register.

5. Identification and Disclosure

To assist in identifying and managing conflicts of interest, directors and employees are required to:

- At the time of appointment – disclose in writing all relevant duties or interests which may give rise to any potential, actual or perceived conflict of interest by completing the Conflict of Interest (Directors) form which includes a Probity Check for directors or completing the Conflict of Interest (Employees) form for employees.
- On an ongoing basis – advise any change to previously made disclosures as soon as the director becomes aware of changes to relevant duties or interests which may give rise to a potential, actual or perceived conflict of interest by completing a new Conflict of Interest (Directors) form for directors or Conflict of Interest (Employees) form for employees.

Pacific Community Housing will actively monitor any changes to previously made disclosures, including by requesting confirmation at least annually from directors and employees that there have been no changes to previously made disclosures.

Directors are also to ensure that conflicts of interest are a standing item at every Board and Board committee meeting, and are to:

- State any conflicts of interest prior to the commencement of a meeting where they are known; and
- Where a director becomes aware of a conflict of interest, or potential conflict of interest during a Board meeting, immediately bring that conflict of interest to the attention of the Chair of the Board.

6. Managing Conflicts of Interest

Where a director or employee has declared a relevant interest or relevant duty that may give rise to a potential, actual or perceived conflict of interest:

- Where the disclosure is made prior to or during a Board or Board committee meeting the Board or the Board committee will consider whether the conflict can be managed in a manner that does not impact on the performance of the director's duties. – Where for example, the potential for a conflict of interest is perceived but not real, is minimal, or can be eliminated by full and proper disclosure, the Board may authorise the director to continue his or her duties.
- Where the conflict of interest can be managed by the director not taking part in Board or committee discussions or decisions involving the conflicted subject matter, the Board may require the director to absent himself or herself from the meeting room when any discussion or vote is taking place. Such occurrences will be recorded in the Board and Board committee meeting minutes.
- In some situations, the conflict of interest may require the director to consider whether it is appropriate for him or her to continue in his or her Board role, and whether he or she should resign from the Board or Board committee.
- Where the disclosure is made by an employee, he or she will not take part in any management decision making process relating to the interest or issue. The employee should consider divesting himself or herself of the relevant interest or duty or take such other action as is considered appropriate under the circumstances – in consultation with the Company Secretary.

7. Record Keeping

Appropriate records and registers of interest are to be maintained by the Company. For example:

- The minutes of all Board, Board Committee and other relevant Company meetings are to include details of each conflict of interest identified and the action taken to avoid or manage the conflict of interest.
- Conflicts of interest declared by an employee during the course of their work, for example regarding a particular business decision, operation or transaction, together with the action/s taken are also required to be recorded, for example in minutes of a meeting.

8. Registers

A Directors' Conflict of Interest Register will be maintained to record conflicts of interest involving directors.

An Employee's Conflict of Interest Register will be maintained to record conflicts of interest involving employees.

Both registers will be managed by the Secretary of Pacific Community Housing and are to include records of actions taken to ensure that the conflicts of interest are appropriately managed.

9. Reporting

Updates to the Directors' Conflict of Interest Register will be reported quarterly to the Board and as required in accordance with any related 3rd party transactions.

The Company Secretary will report any necessary updates of the Employee's Conflict of Interest Register to the CEO as required.

10. Compliance with this Policy

If the Board has reason to believe that a person subject to this policy has failed to comply with it, the Board, or their delegate, will investigate the circumstances.

If it is found that the person has failed to disclose a conflict of interest, appropriate action may be taken against that person, including seeking to terminate the relationship with the Pacific Community Housing.

11. Legislative Framework and Related Policies

- Pacific Community Housing - Business Plan 2020-2021
- Pacific Community Housing - Company Constitution
- NSW Affordable Housing Ministerial Guidelines 2020-2021