

POLICY # 7.19

Conflict of Interest



August 2018



Aim / Objective:

To ensure that actual, potential or perceived conflicts of interest are identified, declared, managed and reviewed appropriately to maintain the public's confidence in the integrity of LandCorp. This Policy applies to all staff, Directors and internal contractors.

Policy Statement

This Charter documents the objectives, responsibilities, and administration of the Board of LandCorp and its relationship to the responsible Minister.

1. A conflict of interest arises where LandCorp's interests are actually, potentially or perceived to be in conflict with your private interests. Consequently your private interests can, or can be seen to, influence your decisions and actions while performing duties for LandCorp.
2. All employees, independent contractors and Board directors are responsible for identifying, declaring and managing any conflicts of interest and complying with actions required to manage the conflict of interest.
3. People managers are responsible for ensuring their employees are familiar with this policy and the procedures for identifying, declaring, managing and reviewing conflicts of interest, as well as for ensuring compliance with any instruction given to employees to manage the conflict of interest.


Identifying Conflicts of Interest

4. You are responsible for identifying whether or not there is a conflict of interest between your LandCorp duties and responsibilities, and your personal interests. As part of identifying a conflict, you are encouraged to seek advice from your manager or the Office of the CEO.
5. Examples of situations which could give rise to potential areas of conflict are provided at Attachment 1. These include:
 - Accepting gifts and/or hospitality;
 - Purchasing LandCorp land in a LandCorp project or entering into another type of transaction affecting LandCorp;
 - Your partner or immediate family member proposes to acquire land from LandCorp or enter into a transaction which may affect LandCorp;
 - Disclosing confidential information.

Declaring a Conflict of Interest

6. You are required to disclose any actual, potential or perceived conflicts of interest by completing the Conflict of Interest Declaration (Attachment 3) for submission to your General Manager and referral to the CEO (or Chairperson in the case of the CEO and Board members). An e-mail or memo containing the appropriate details about the nature of the interest would also be acceptable. You should also consider what measures should be put in place to ensure the conflict of interest does not impact on your ability to perform your role with impartiality and transparency.
7. Where you have doubt as to whether the interest should be disclosed, you should do so. It will not always be the case that the interest you disclose will be in conflict with LandCorp's interests or that LandCorp will require anything to be done to resolve the conflict.
8. The CEO approves all staff conflict of interest declarations and associated management arrangements. The Chairperson approves conflict of interest declarations and associated management arrangements for the CEO and Directors.

Objective ID: A55155		Approved by: Executive / Governance and Remuneration Committee	Date of Original Approval 07/12/01
Lead Division: Office of the CEO	Target Audience: Staff, Directors and Internal Contractors	Contact Person: Executive Officer	Date of Last Review: 19/07/2018

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9. From time to time, your interests and those of LandCorp may change. Your duty to disclose interests in accordance with this policy is ongoing for the duration of your employment.

Recording a Conflict of Interest

10. Declarations of Interest are captured in LandCorp's Declaration of Interests Register. Additionally, LandCorp also records potential situations where conflicts may arise in the Events, Invitations and Sponsorship Register and the Gift Register.

Managing and Reviewing Conflicts of Interest

11. The process for managing and reviewing conflicts of interest is at Attachment 2.
12. Failure to comply with this policy, and failure to comply with LandCorp's directions in these matters, constitutes serious misconduct and may lead to disciplinary action, including suspension or termination of your employment.

Related Policies and Practices:

- [LandCorp Code of Conduct](#)
- [Confidentiality \(7.17\)](#)
- [Accountable and Ethical Decision Making \(7.41\)](#)

Attachments:

- Identifying Conflicts of Interest
- Procedure for Managing and Reviewing Conflicts of Interest
- Conflict of Interest Declaration

Identifying Conflicts of Interest

Definitions

A 'conflict of interest' involves a conflict between an employee's duty to serve LandCorp's (and the public) interests, and their private interests. Conflicts of interest can be actual, potential or perceived.

Conflicts of interest can be of a financial nature (pecuniary) or of a non-financial nature (non-pecuniary).

Pecuniary interests involve an actual or potential financial gain or loss. Money does not need to change hands for an interest to be pecuniary. People have a pecuniary interest if they own property, hold shares, have a position on a company bidding for LandCorp work, or receive benefits (such as concessions, discounts, gifts or hospitality) from a particular source. This also applies where a person may have a close personal friend or relative with a pecuniary interest.

Non-pecuniary interests do not have a financial component. They may arise from personal or family relationships and include any tendency toward favour or prejudice resulting from friendship, animosity, or other personal involvement with another person or group.

IF IN DOUBT ABOUT WHETHER OR NOT TO DISCLOSE – ERR ON THE SIDE OF CAUTION AND DISCLOSE.

Examples

Actual Conflicts of Interest:

- An employee is taking part in the evaluation and selection of a supplier/contractor from a number of respondents. One of those respondents is operated by a spouse or other relative.
- An employee is invited to an event as part of their role by a private company that has current business dealings with LandCorp.
- An employee provides paid consulting services on the weekend in the same general field of endeavour in which they are employed, to a company that has direct dealings with LandCorp.
- An employee receives a gift basket by way of thanks from a consultant.

Potential Conflicts of Interest:

- Relationships between employees and other individuals who are in some way connected to the business dealings of LandCorp. This could include an employee's sibling who works for a consulting firm currently engaged in business dealings with LandCorp. The employee may work in an area of LandCorp that is either engaged with the consulting firm or is involved in the decision making processes connected with the firm's activities. In this instance, the conflict of interest may not be currently occurring, however, it could have the potential to occur sometime in the future.
- An employee (or partner or close family member) has a property portfolio or is considering some property development in proximity to a LandCorp project
- A close family member is proposing to enter into a transaction with, or which involve, LandCorp.



Perceived Conflicts of Interest:

- Relationships between employees and other individuals who are in some way connected to the business dealings of LandCorp can give rise to the perception of a conflict of interest because a third party might reasonably believe that the employee's relationship with the individual affects their ability to be impartial whilst representing LandCorp.
- An employee accepts an invitation to an industry event from a company that has dealings with LandCorp, even though they have no involvement in contractual or other negotiations with the company, and does not declare it to their manager or other senior officer.
- An employee's parent is employed by an IT supplier that is successful in winning a contract within LandCorp. While the employee had no role in awarding the contract, or its ongoing management, other suppliers who do not have that knowledge might reasonably assume that the employee had influence over the tender outcome.

The following are examples of some situations which could give rise to an actual, potential or perceived conflict of interest:

- **Receiving gifts/hospitality** such as invitations to industry or sporting events (refer to information below).
- **Outside employment**, including voluntary roles, appointments or directorships – particularly where that role or business deals directly with LandCorp.
- **Owning shares** or other interests in a company or business that does business with LandCorp.
- **Financial interests** (including shares) in companies dealing with LandCorp, or that are the subject of decisions/recommendations made by LandCorp, whether or not the employee is a decision maker.
- **Purchasing land** from LandCorp or otherwise entering into a transaction in which LandCorp is involved or affects LandCorp - (refer to information below);
- **Personal relationships** (primarily those living within your household) with someone who has direct business dealings with LandCorp; and
- **Memberships of boards/committees**, including political affiliations. Note: Employees have the right to be involved in public life, including participation in groups such as trade unions, interest groups or political parties. However, the exercise of this right should not interfere with an employee's ability to properly carry out their duties, and no LandCorp resources should be used for that purpose.

The 'First Steps' to assist in appropriate decision making may be to consider:

- Am I doing the right thing?
- How would others judge my actions?
- How could my actions impact on others?
- Should I discuss this with someone else?

When determining whether you may have a conflict of interest, there are a number of questions you should be asking yourself about the situation as outlined below. A yes to any of the questions below indicates a conflict of interest may exist and should be declared.

Public duty versus private interest
Do I have any significant ties, obligations, financial relationships and/or affiliations with organisations, clubs, groups or individuals who stand to gain or lose from this matter?
Do I or anyone associated with me, have a private business (or secondary employment) interest in this matter?
Do I have significant family or other relationships with clients, contractors or other people involved in the matter?
Does the matter relate to financial (pecuniary) interest as defined in legislation and regulations?
If there is a private interest, is it sufficiently influential on, or related to my position, so that it may lead to a conflict of interest?
Do I have doubts about my ability to act impartially in the public interest (ie to absolutely ensure that any private considerations do not affect my decisions/actions)?
Potentialities
Could I, or anyone associated with me, benefit now or in the future from my actions or decisions in relation to the matter?
Could I, or anyone associated with me, be detrimentally affected now or in the future by my actions or decisions in relation to this matter?
Have I received a benefit, gift, donation or hospitality (eg meals, drinks, tickets, etc) from someone who stands to gain or lose from a decision or action in relation to this matter?
Am I, or anyone associated with me (eg a relative, friend or associate) likely to gain or lose financially if the matter is resolved a certain way)?
Could the matter have an influence on my future employment opportunities?
Perceptions
Would it appear to a neutral or disinterested observer that my private interests were in conflict with my public duty?
Could a neutral or disinterested observer reasonably believe my private interests had influenced me?
Do I hold any private or professional views and biases that may lead others to conclude that I am not an appropriate person to deal with this?
Are there perception risks for LandCorp or myself if I remain involved?
Would I think it was wrong or improper if I saw someone else doing this?
Proportionality
If I am not involved, is there a better way to ensure impartiality, fairness and to protect the public interest?
Is my involvement illegal?
Is my involvement contrary to LandCorp's policies and procedures and/or those of the public sector?
Do I need to seek advice from someone who knows about these things or who is an objective party?
Public Scrutiny Test
Is the matter one of significant public interest? Is it controversial and likely to attract significant public attention?
Would I be unhappy if my private connection or association was made public? Would I feel ashamed if my private interest was exposed on the evening news or the front page of a newspaper?

Would I find it hard to defend and justify my actions and/or involvement if questioned publicly?

Could my involvement result in negative consequences for others, LandCorp or myself?

Promises and Obligations

Have I made any promises or commitments, been involved in or contributed privately to the matter?

Do I have a current or previous relationship with interested parties that would place me, or be seen to place me under an obligation?

Do I have affiliations past or present (eg political, union, profession, religious) that could place me under an obligation?

Accepting Gifts, Benefits and Hospitality

LandCorp values its stakeholder relationships and seeks to engage with the private sector and the focus is on ensuring an appropriate management framework for managing gifts and hospitality. The following information provides guidance regarding actions employees should take in declaring gifts and invitations received. Gifts in this context are defined as anything of value that is offered to you in the course of your work, apart from your normal employment entitlements. Examples include:

- hospitality such invitations and complimentary tickets to sporting, cultural, industry or other events, including the provision of food, beverages and entertainment at these events;
- monetary gifts include anything readily converted to cash such as cheques, money orders, travellers' cheques, direct deposits, gift cards, shares, betting slips and vouchers;
- non tangible items such as personal services, free or subsidised travel or accommodation, privileged access, promise of a special favour or advantage, entertainment or preferential treatment or tangible items of value; and
- modest gifts such as pens, diaries, and calendars.

LandCorp staff will from time to time receive gifts in connection with their official duties. Key points to note are:

- gifts given in your official capacity are considered the property of LandCorp unless otherwise approved by your Manager or the CEO.
- any gifts (including declined gifts) must be declared and recorded within one month in the Events, Invitations and Sponsorship Register or the Gift Register. These registers are administered by the Manager Marketing and Communications;
- modest gifts do not need to be registered unless the cumulative value of gifts offered from the same donor exceeds \$50 over time;
- fair market value should be used to assess the value of a gift;
- gifts should generally be surrendered to the Social Club to be shared across the organisation or donated to charity;
- in the case of gifts received during the festive Christmas and New Year season (ie. between 20 November – 6 January), all gifts are required to be registered and surrendered to the Social Club, regardless of the value, as there is a higher risk that gifts from a single entity will exceed the \$50 reportable threshold;

- in considering hospitality and entertainment expenditure acceptance of an invitation is appropriate in situations which further the conduct of official business or other legitimate organisational goals or promotes and supports LandCorp's priorities. Invitations and complimentary tickets (including from sponsorship arrangements) to lunches, functions and events may be accepted subject to the approval of your Manager.
- where significant or ongoing expenditure is involved, which may be seen as creating an obligation, invitations should be declined.
- it is suggested you register the outcomes of discussions arising from attendance to an occasion where hospitality has been accepted in the Customer Relationship Management system (CRM) within 72 hours; and
- monetary gifts should not be accepted.

No matter how small a gift is, accepting it may:

- signify taking a bribe or secret commission;
- cause a perception of undue influence;
- provoke a sense of obligation in the donor or the recipient;
- consciously or unconsciously influence decisions made by the organisation;
- benefit some individuals or organisations through influenced or unjust decisions, while unfairly disadvantaging others;
- result in the organisation incurring a Fringe Benefits Tax (FBT) liability on any benefits obtained by employees; and
- compromise the independence, impartiality or good name of the organisation.

Therefore, employees should dissuade the offer of gifts.

It is not appropriate to receive gifts or hospitality from a tenderer or an individual/organisation competing for LandCorp business. The receipt of gifts or hospitality in this context could be perceived as influencing buying or purchasing decisions.

The Executive will review invitations and event attendance, including attendance arising from sponsorship arrangements, at each Executive meeting and the Executive Officer will review CEO event attendance for potentially contentious invitations. The Executive will review the gift register quarterly.

Purchase of Land by Staff and Consultants

There is sensitivity and a need to transparently manage the land purchases or other dealings affecting LandCorp to circumvent suggestions of conflict of interest or improper conduct.

The Board has determined that Board members, staff and consultants should not be precluded from purchasing land within LandCorp projects subject to:

1. no discount or other incentives being providing that do not apply to the general public;
2. a Conflict of Interest declaration being provided to the CEO for all proposed purchases or other transactions at the time the CEO is requested to approve the transaction;
3. written approval from the CEO being received;
4. the Board being informed via a noting item from the CEO; and
5. the declaration being registered and filed as per standard procedure.

This requirement includes any dealings with LandCorp or any dealings which may affect LandCorp including but not limited to the following:

- a) purchase or lease of land from LandCorp; and
- b) acquiring land, or an interest in any land, which has been acquired from LandCorp by a third party and where LandCorp still has rights in respect of the land (for example a mortgage or option to repurchase) and includes acquiring an interest in the third party itself (for example by way of acquiring shares in a company being the third party).

A declaration of interest should be made if a dealing involves a current LandCorp project or even a completed landcorp project where LandCorp still has an interest.

For example, a staff member (or close relative of a staff member) may wish to buy an apartment from a developer on a site which the developer had purchased from LandCorp. Even if LandCorp no longer has a registered interest in the site, information about LandCorp's plans for future stages of the project area may not be publically known and could impact land/apartment values in the area. A declaration of interest would be required in this instance.

This requirement applies to Board members, staff, in-house consultants, and external consultants (as set out in agency or consultant's agreements).

The requirement for a conflict of interest declaration by a Board or staff member also applies when the staff member is aware that a close relative proposes to enter into a transaction covered under this section.

A close relative includes:

- a partner, parent, sibling and children; and
- a partner, parent sibling or child of any of the persons mentioned above.

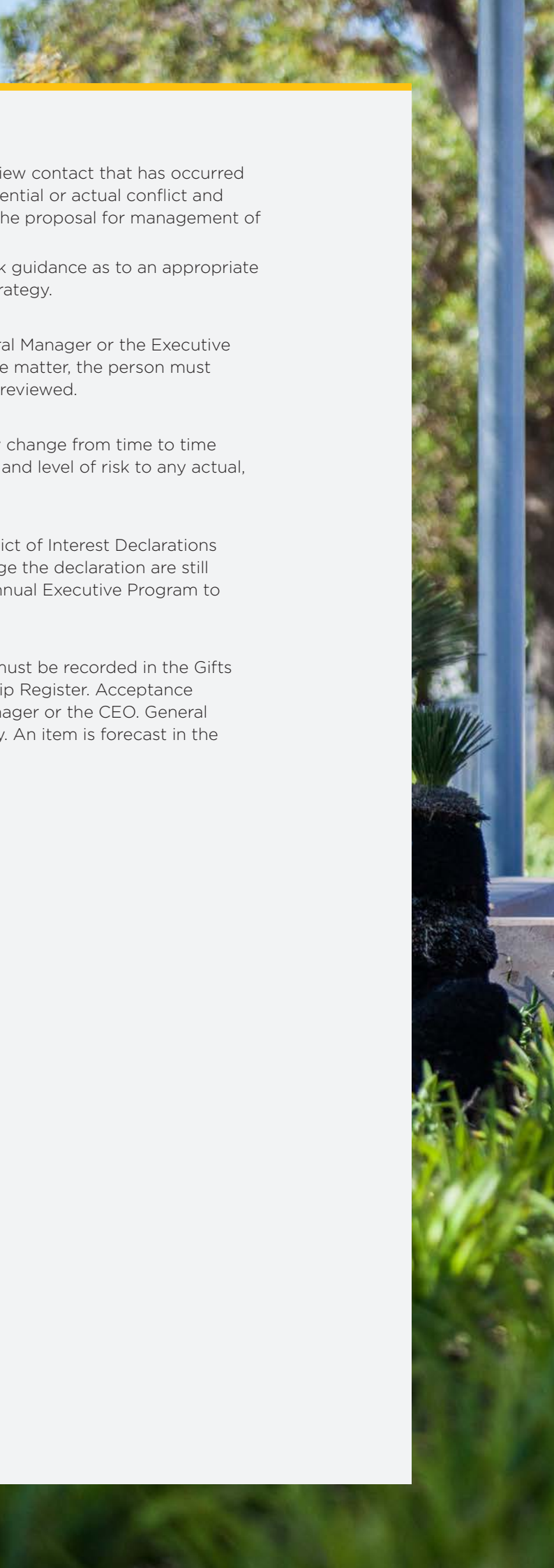
The requirement for a conflict of interest declaration applies where the Board or staff member or a close relative proposes to enter into the transaction by an indirect means including through a company, trust, agency, joint venture, self-managed superannuation fund or otherwise.

Confidential Information

Employees must never, without LandCorp's consent, disclose any information known to them through their employment with LandCorp, which is not usually available to the public, especially in the case where there is personal benefit, or a benefit to a business acquaintance, family member or personal friend.

Procedures for Managing and Reviewing Conflicts of Interest

1. The conflict of interest declaration and any minutes of discussions and decisions relating to the declaration will be filed/registered by the Office of the CEO.
2. A copy of the documentation must also be forwarded to Human Resources for filing on the individual's personal file.
3. The declaration will be assessed, and depending on the outcome, approval and/or directions from the CEO will be forwarded to the person involved.
4. An assessment of the declaration will consider the following factors when determining management options to reduce the conflict of interest.
 - 4.1 Register: Formerly declare the conflict. However, this may not necessarily resolve the conflict. From this point the person may be required to adopt one or more of the following strategies.
 - 4.2 Restrict: It may be required to limit the person's involvement in the situation. For example, the person may remove themselves from a decision-making process or take other reasonable measures from a conflict situation arising.
 - 4.3 Recruit: The person may seek the involvement of a third party who can oversee the situation. The person may ask someone to step into their role for a period of time, or the person may request someone reviews the integrity of the decision making process.
 - 4.4 Remove: The person may need to consider removing themselves altogether from the situation. This could mean that they remove themselves from a committee or undertake alternative duties.
 - 4.5 Relinquish: The person may be required to relinquish their personal interests eg. sell shares or relinquish membership of a company or association.
 - 4.6 Resign: If the conflict of interest cannot be resolved in any other way then the person may need to consider resigning from their position. LandCorp reserves the right to determine when such a case arises and may terminate your employment on the basis of conflict of interest.
5. Apart from the above options to manage a conflict, it may be that LandCorp may consider other processes depending on the circumstances. These other processes could include:
 - 5.1 requesting the person the subject of the conflict to provide a Statutory Declaration confirming that the person has not received any particular information not generally available or that the person has not discussed the matter with or had contact with a relevant person or persons within LandCorp dealing with a matter or that any specified conduct that could give rise to a conflict has not occurred;
 - 5.2 require that a person or his or her employer not within LandCorp gives a written acknowledgement and undertaking that there has not been any conduct that could give rise to a conflict or steps have or will be taken to ensure that any actual, perceived or potential conflict is appropriately managed;

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- 5.3 the appointment of an independent expert to review contact that has occurred and the proposed process for management a potential or actual conflict and report on the efficacy of what has occurred and the proposal for management of the conflict;
 - 5.4 liaising with the Public Sector Commission to seek guidance as to an appropriate management strategy or to review a proposed strategy.
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6. If the CEO (or a delegated officer - usually your General Manager or the Executive Officer), provides specific instructions in relation to the matter, the person must ensure the measures are put in place and periodically reviewed.
 7. Circumstances relating to the conflicts of interest may change from time to time and it is essential that all employees review the status and level of risk to any actual, potential and/or perceived conflicts of interest.
 8. General Managers are to review their employees Conflict of Interest Declarations annually to ensure the measures put in place to manage the declaration are still current. A Conflict of Interest item is forecast in the annual Executive Program to facilitate this review.
 9. Gifts (including hospitality such as event invitations) must be recorded in the Gifts Register and/or the Events, Invitations and Sponsorship Register. Acceptance or retention of all gifts must be approved by your Manager or the CEO. General Managers are to review the Registers at least quarterly. An item is forecast in the annual Executive Program to facilitate weekly review.

Conflicts of Interest Declaration

I, _____ (full name) declare that I have the following interest(s), which may be actually, potentially or perceived to be in conflict with my duties as an employee of LandCorp:

** Refer below for suggested supporting detail to be provided.*

The following measures are proposed to be put in place to manage the conflict of interest:

Officer making declaration:

_____ Date

General Manager

_____ Date

Chief Executive Officer

_____ Date

Supporting detail:

- **Gifts** – provider of gift, description of gift, market value of gift, to be retained or surrendered (Refer to Gift Register).
- **Hospitality** – type of event, cost of event (inc. food and beverage), company representative name, company name, date of invite, date of event, to be accepted or declined (Refer to Events, Invitations and Sponsorship Register).
- **Activities unconnected to LandCorp** – employment – paid, voluntary, employer's name, position held, duration of employment, hours to be worked each week; sporting/leisure – organisation name, position held, duration, hours.
- **Financial interests** – shares – trading name, market value of shares held; other business interests – detail relating to interest, financial body's name, monetary value of interest, trust name.
- **Non-financial interests** – relationships – individual's name, contractor's name, relationship to you, risks presented; memberships (eg. Boards/Committees) – company name, board or committee, position held, date elected and income period, meeting times during business hours, taking of leave while attending these activities.

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