1 PURPOSE AND SCOPE

1.1 Purpose

ADFA is committed to operating in an open, transparent and ethical manner, and as such is committed to raising awareness of conflicts of interest, and addressing any real or perceived conflicts promptly and effectively.

The purpose of this policy is to ensure that conflicts of interest are prevented, where possible, and managed promptly and effectively when they are identified and assessed to be a conflict.

The following framework is designed to support ADFA to effectively identify, disclose, and manage any actual, potential, or perceived conflicts of interest. It supports ADFA to manage risk and safeguard the organisation’s reputation and the trust placed in it by stakeholders and the public. The policy also supports ADFA’s compliance with its legislative and statutory obligations, and good governance standards.

1.2 Scope

This policy applies to all ADFA board members, staff and volunteers, and contractors working with ADFA, collectively referred to as ADFA personnel.

For the purposes of this policy, conflicts of interest include related party transactions (refer to Section 5 below.)

2 LEGISLATIVE FRAMEWORKS AND STANDARDS

This policy is guided by the ADFA Constitution, particularly clause 9.3, 9.4, 9.5 Disclosure of Interests, and is consistent with the following legislation and standards:

- Corporations Act 2001 (Cth)
- Australian Securities Investment Commission (ASIC)
- Australian Charity and Not-for-profit Commission (ACNC) under their Standards 5: ‘Duties of Responsible Persons’,

3 POLICY STATEMENT

It is the policy of ADFA that ethical, legal, financial, or other conflicts of interest be avoided and that any such conflicts (where they do arise) are disclosed immediately.
ADFA personnel have an interest in a matter before ADFA if they (or a person closely associated with them\(^1\)) would, if the matter were decided in a particular manner, receive or have a reasonable expectation of receiving a direct or indirect benefit or suffer or have a reasonable expectation of suffering a direct or indirect detriment.

4 POLICY IN PRACTICE

4.1 Obligations

ADFA personnel are obliged to:

- disclose ethical, legal, financial or other conflicts of interest, whether actual, potential or perceived;
- remove themselves from decision-making with respect to any conflict of interest; and
- take action when a conflict of interest has arisen, or could perceptively arise, as soon as the conflict of interest is identified; and
- if they believe they may have a conflict of interest, complete a Conflict of Interest Disclosure Form (Annexure 1) for consideration by the Board. If there is doubt as to the materiality of the interest, the Chair will decide whether the conflict does or does not exist;
- record this in the minutes of the Board, and in the Conflicts of Interest and Related Party Transactions Register; and
- disclose related party transactions in the financial statements.

4.2 Interpretation

Where doubt exists as to nature of a perceived or potential conflict of interest, board members, staff or volunteers who have an interest in a matter before ADFA should make judgements on the basis of the overall spirit and intent of this policy. They may make confidential inquiries to the CEO or Chair of the Board concerning the application of this policy without fear of disclosure or repercussion. If they feel they have been disadvantaged as a result of this policy or believe this policy is not being adhered to, they should contact the CEO or the Chair of the Board.

4.3 Managing Risks of Conflict

Where ADFA personnel have an interest in a matter before ADFA and become aware of such a conflict, they must ensure that steps are taken to protect ADFA’s interests. Such steps might include ensuring that:

- they are not involved in decisions relating to the procurement of paid goods or services;
- they are not involved in decisions relating to employment, remuneration, disciplinary action, transfer, promotion or demotion;
- an event does not give rise to conflicts of interest in the workplace through management / supervisory issues; and
- the conflict of interest does not create disturbances or lead to favouritism or disadvantage to others.

4.4 Acceptance of Gifts or Benefits

- ADFA personnel may not solicit any gifts or benefits, or accept any gifts or benefits that might in any way appear to compromise or influence them in their official capacity. Where a gift or benefit has been offered (whether accepted or not) and the offer could constitute an attempt to induce favoured treatment, this should be reported. If in any doubt, guidance should be sought.

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\(^1\) A person is deemed to be closely associated if he/she is a spouse, de facto partner or relative, has received or might reasonably be expected to receive a fee, commission or other reward for providing professional or other services, is a proprietary company in which the person is a shareholder, or is a body corporate of which the person is a director or a member of the governing body.
If ADFA is engaged in a tender process, no gift, no matter how small or insignificant, should be accepted from the tenderers.

Gifts to the organisation of more than nominal value (e.g., a painting or a piece of equipment) are acceptable but should be disclosed to the Board.

4.5 Where Conflicts of Interest Have Occurred
ADFA personnel who become aware that a conflict of interest situation has occurred, or a person has failed to disclose a conflict of interest, must immediately report the incident to the CEO or Chair of the Board.

The Board must investigate and implement remedial action appropriate to the significance of the breach of policy.

4.6 Examples of Conflict of Interest Activities and Relationships
The following activities illustrate types of potential or actual conflicts of interest that must be avoided and/or disclosed. The list is not exhaustive and is provided as guidance only.

- **Conflicting duties**: participating in duties that may conflict with ADFA’s interests;
- **Self-benefit**: using one’s relationship with ADFA to promote one’s own interests or those of your family, including using confidential or privileged information gained in the course of that relationship, or employment at ADFA for personal benefit or gain;
- **Conflicting relationships**: a situation in which the relationship between a member of ADFA, assessor [or examiner] and a trainee may compromise an unbiased assessment;
- **Influence peddling**: soliciting benefits for yourself or your family from other organisations in exchange for using your influence to advance their interests with ADFA;
- **Business relationships**: approving grants or contracts with other organisations in which you or your family have a significant financial or other interest, particularly if you are in a position to influence major decisions, are responsible for review, negotiation and approval of grants or contracts, or otherwise direct ADFA’s business dealings;
- **Intellectual property**: unauthorised use of materials developed under the aegis of ADFA or potential conflicts relating to the development and use of such material;
- **Property transactions**: directly or indirectly leasing, renting, trading, or selling real estate or personal property to ADFA;
- **Use of ADFA property**: using or taking ADFA resources, including facilities, equipment, personnel and supplies, for private use or other unauthorised activities; and
- **Recording or reporting false information**: misrepresenting, withholding or falsifying relevant information required to be reported to external parties, or used internally for decision-making purposes, in order to derive personal benefits.

5 RELATED PARTIES AND RELATED PARTY TRANSACTIONS
This policy covers conflicts of interest and related party transactions. As such, the scope, intent and implementation of this policy therefore also applies to related party transactions, and as such must be disclosed.

The term ‘related party’ is defined by the Australian Accounting Standards Board (AASB) in AASB 124 Related Party Disclosures. The definition in AASB 124 (as set out in Section 6 below) refers to the following as related parties for a registered charity:

- a person that is connected to the charity, such as a Responsible Person (Board Member) or a close member of their family that has control or joint control of the charity;
- an organisation that is connected to the charity and has control or significant influence over the charity, such as a parent entity of the charity;
• an organisation that the charity has control or significant influence over, such as a subsidiary entity;
• any organisation and the charity that are members of the same group (for example, fellow subsidiaries);
• a member, or a close member of their family, of the key management personnel of the charity (the people with authority and responsibility for planning, directing and controlling the activities of the charity directly or indirectly); or
• an associate (an entity over which the charity has significant influence) or joint venture (a joint arrangement whereby the charity with another entity or other entities have joint control of the arrangements and have rights to the net assets of the arrangement).

6 DEFINITIONS

ACNC: Australian Charities and Not-for-profits Commission

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 charity. Personal interests include direct interests, as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder).

It also includes a conflict between a board member’s duty to ADFA and another duty that the board member has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial:

• **Actual:** involves a direct conflict between current duties and responsibilities and existing private interests
• **Potential:** arises where private interests could conflict with official duties.
• **Perceived:** conflict exists where it could be perceived, or appears, that private interests could improperly influence the performance of duties.

Related Party Transactions: A related party transaction is defined in AASB 124 as a transfer of resources, services or obligations between a charity and a related party regardless of whether a price is charged. Related party transactions can include:

• purchases, sales, donations
• receipt of goods, services or property
• leases
• transfers of property including intellectual property
• loans
• guarantees
• provision of employees on a paid or complementary basis.

7 RELATED POLICIES AND DOCUMENTS

- Constitution of ADFA Pty Ltd
- ADFA Codes of Conduct
- ADFA Policy – Financial Management
- ADFA Policy – Fraud and Corruption
- Conflict of Interest Disclosure Form (refer Annexure 1)

Established: August 2011
Reviewed: June 2012; October 2016; May 2020; January 2021, January 2022, March 2023

Note: ACNC requires annual review of this policy, following the Annual General Meeting.
ANNEXURE 1

DISCLOSURE OF CONFLICT OF INTEREST FORM

This form is to be completed by a Director, relative, staff, volunteer or member of the Board who has a real or perceived conflict of interest or a potential conflict of interest in undertaking ADFA obligations.

I, (insert full name)_____________________________________________________, hereby declare a:

□ Real  □ Potential  □ Perceived

□ Conflict of Interest  □ Conflict of Commitment  (Tick all relevant boxes)

Please provide a brief outline of the nature of the conflict (details may be included privately in a separate confidential envelope if appropriate).

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Please provide the arrangements proposed to resolve/manage the conflict.

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

I, (insert full name) _______________________________________________________ hereby agree to:

• update this disclosure throughout the period of my association with ADFA until such time as the conflict ceases to exist; and

• comply with any conditions or restrictions imposed by ADFA to manage, mitigate or eliminate any actual, potential or perceived conflict of interest and/or commitment.

Signed __________________________________________ Date: ___________________

ENDORSEMENT BY CHAIR OF THE BOARD

I, (insert full name) _______________________________________________________ have reviewed the disclosure and:

("tick relevant box)

□ believe that a plan to manage the conflict of interest is not required and that no further action is necessary in relation to this matter.

□ believe that the development of a conflict of interest plan will mitigate or remove the conflict of interest but will continue to monitor the situation.

□ cannot adequately resolve the conflict of interest with the person concerned and have referred the matter to an alternative agency for resolution.

Chair of Board Signature __________________________________________ Date: ___________________

□ Lodged in Conflicts of Interest and Related Party Transactions Register