

BP8042 - Conflicts of Interest Policy

Policy Sponsor	Executive Manager People, Culture and Safety
Policy Author	Company Secretary and Manager Legal Services
Supporting Legislation and Documents	<i>Crime and Corruption Act 2001</i> (Qld) <i>Public Sector Ethics Act 1994</i> (Qld) <i>Corporations Act 2001</i> (Cth) <i>South-East Queensland Water (Distribution and Retail Restructuring) Act 2009</i> (Qld)
Documents Directly Related	BP8041 Governance Policy BP8036 Code of Conduct BP8049 Corporate Entertainment Policy OP8066 Fraud and Corruption Control Policy OP8067 Gifts and Benefits Policy

1. Policy Statement

A conflict between a public duty and a private interest is called a conflict of interest and must be resolved in favour of the public duty. All Unitywater Board Members, employees and contractors have a duty to ensure that the public interest is always put above their own personal or private business when carrying out Unitywater duties and activities. A conflict of interest may be an actual conflict of interest, a potential conflict of interest or a perceived conflict of interest.

All Board Members, employees and contractors of Unitywater must declare conflicts of interest in accordance with this Policy.

Board Members, employees and contractors of Unitywater who possess price sensitive information must not engage in insider trading.

2. Purpose and Objectives

Unitywater is committed to ensuring that:

- a. All potential conflicts of interest are identified and recorded;
- b. Conflicts of interest are avoided where possible; and
- c. Any conflicts which cannot be avoided, are appropriately managed in a transparent manner.

This Conflicts of Interest Policy sets out our expectations about the way in which conflicts of interest will be addressed and managed at Unitywater.

The purpose of this Policy is to provide all Unitywater staff with a clear understanding of the conduct expected of Unitywater staff in the identification and management of conflicts of

interests and that Unitywater staff who possess price sensitive information must not engage in insider trading.

This Policy is based on the Best Practice Guidance provided by the Queensland Integrity Commissioner and the New South Wales Independent Commission against Corruption in its Managing Conflicts of Interest in the Public Sector publications.

3. Policy Scope/Coverage

This Policy applies to all Unitywater staff including:

- a. Unitywater employees (both permanent, casual and fixed term contracted employees);
- b. Board members; and
- c. Contractors, consultants, volunteers, students, visitors or external labour hire engaged by or associated with Unitywater who are involved in any work for, on behalf of or as agents for Unitywater.

4. Roles and Responsibility

4.1. Unitywater Staff

All Unitywater staff are responsible for:

- a. Being aware of their obligation to avoid, where possible, conflicts of interest and to appropriately manage those conflicts of interest that cannot be avoided;
- b. Assessing their private and personal interests and determining whether they conflict or have the potential to conflict, with their Unitywater duties;
- c. Formally disclosing all conflicts of interests they may have in accordance with this policy;
- d. Being aware of their obligation to not engage in insider trading;
- e. Maintaining the confidentiality of price sensitive information; and
- f. Complying with all requirements of this Policy.

4.2. Senior Lawyer Governance and Compliance

The Senior Lawyer Governance and Compliance is responsible for:

- a. Maintaining Unitywater's Conflicts Register;
- b. Providing guidance to Unitywater staff as to the appropriate action to take when a conflict arises;
- c. Recording conflict disclosures made by Unitywater staff;
- d. Reviewing the suspected or actual insider trading activities and identify the appropriate response team, and actions as authorised by the CEO;
- e. Providing guidance to Unitywater staff as to the appropriate action to take when a conflict of interest arises upon staff becoming aware of price sensitive information; and
- f. Reviewing Unitywater's Conflicts of Interest Policy.

5. Making a Conflict of Interest Disclosure

5.1. Conflicts of Interest Declarations

All Unitywater Board Members and Executives must, upon appointment, complete a declaration identifying any private interests that could potentially lead to a conflict of interest arising. All Board Members and Executives must review and update their declaration each year.

In addition to the annual review, Board Members and Executives must update their declaration if there is a material change to their private interests during the year.

Any conflicts that arise in relation to any matters discussed by Board Members must also be notified and minuted at the relevant Board meeting. If an actual conflict arises in relation to a decision to be made by the Board, the conflicted Board Member must leave the meeting and not participate in the discussion and decision of that item.

This obligation to complete the annual declaration is in addition to, and not substitution for, the disclosure obligations which apply to all Unitywater staff.

5.2. Disclosure of Conflicts of Interest

A Unitywater staff member who has a private interest that may conflict with, or appear to conflict with, the performance of his or her duties as a Unitywater staff must disclose, in writing, the nature of the interest and conflict to the as soon as practicable after the conflict becomes known.

A Unitywater staff member with a private interest in a matter must not continue to take part in any decision making process related to the matter unless approval has been provided by the Company Secretary and Manager Legal Services. If approval is provided, the Unitywater staff member must comply with any conditions or requirements set out as a condition to the approval.

5.3. Breach of this Policy

Unitywater is committed to ensuring that conflicts of interest are identified and managed in a transparent manner. A breach of this policy may constitute a breach of Unitywater's Code of Conduct.

5.4. Unitywater Contacts

If a Unitywater staff member (other than the Senior Lawyer Governance and Compliance) is unsure as to whether there is a conflict of interest or as to whether an interest should be disclosed, they should contact the Senior Lawyer Governance and Compliance for advice.

If a Board Member or the Senior Lawyer Governance and Compliance is unsure as to whether there is a conflict of interest or as to whether an interest should be disclosed, he or she should raise the issue with the Company Secretary and Manager Legal Services who will advise on the appropriate steps to be taken.

6. Examples of Conflicts of Interest

The appearance of a conflict of interest can be as damaging to Unitywater as an actual conflict of interest. For this reason it is important that conflict of interest situations are avoided where possible. However, it is inevitable that conflicts of interest will occur. It is important that when a conflict of interest does arise, that the conflict is identified and the situation is managed in a transparent manner.

Pecuniary	Non-pecuniary
You have shares in a business which tenders for a contract with Unitywater.	Your child is a star player in a local sporting group which submits a grant application to your agency.
Your spouse owns a company in which you have no direct interest, which tenders for a contract with Unitywater.	One of your regular fishing buddies has submitted a tender to Unitywater and asks you to keep an eye on its progress.
You have a second job with a company which tenders for a contract with Unitywater.	An old enemy from schooldays who used to bully you is an applicant for a job with Unitywater.
You own property adjacent to a block of land which is the subject of an applicant to Unitywater for redevelopment.	You are the president of a local amateur operatic society which seeks sponsorship from Unitywater.
Your spouse is an applicant for a job with Unitywater.	You are in a voluntary organisation and in your spare time you draft a request for a concession on the water bill it pays to Unitywater.
You get confidential information about a Unitywater's contractor's business and rely on it to buy shares in the contractor.	You know some confidential information about a Unitywater's contractor and provide a tip to a friend to sell their shares in the contractor.

Reproduced from *Managing Conflicts of Interests in the Public Sector Toolkit*, p.41)

Example

Paul is a member of a Tender Review Committee overseeing a tender process for the supply of telephone and facsimile machines to Unitywater. Paul's brother-in-law is the Chief Executive Officer of Telephones R Us, a small local business specialising in corporate telecommunications programs that has tendered for the contract.

Due to Paul's relationship to the CEO of Telephones R Us, Paul has a potential conflict of interest. At this stage, Paul should be disclosing this conflict and seeking advice as to how to manage the potential conflict of interest.

As Paul only sees his brother-in-law occasionally, Paul does not believe that there is any form of conflict. Additionally, Paul is a highly experienced member of the tender review committee and is confident that he would not allow his personal relationships to impact on his professional obligations. As such, Paul does not disclose the relationship to anyone and remains on the tender review committee. The Tender Review Committee ultimately decides to award the contract to Telephone R Us.

At this stage, Paul has a perceived conflict of interest. This is because Paul's relationship to the CEO of Telephones R Us creates the appearance that he has a personal interest that may have improperly influenced the outcome of the procurement process. It is ultimately irrelevant whether Paul's private interest did in fact improperly influence him – it is enough that it has created the appearance that this relationship could have improperly influenced him.

When Paul goes home, his wife Mary informs him that Telephone R Us has just been awarded a lucrative contract to supply telecommunications equipment to Unitywater. Mary then tells Paul that when her brother first stated "Telephones R Us" she invested some money in the business in exchange for a 25% shareholding.

This is an actual conflict of interest. The conflict involves a pecuniary interest in that a party related to Paul (his wife) has obtained a financial benefit as a result of this transaction.

7. Definitions

Term	Meaning
Actual Conflict of Interest	An actual conflict of interest involves a direct conflict between the current duties and responsibilities of a Unitywater staff member and their existing private interests.
Board Member	Means a person appointed to the Unitywater Board in accordance with s.33 of the South-East Queensland Water (Distribution & Retail Restructuring) Act 2009.
Conflict of Interest	A 'conflict of interest' involves a conflict between the public duty and private interests of a Unitywater staff member in which the staff member has a private interest which could improperly influence the performance of their official duties and responsibilities.
Executive	The Chief Executive Officer (CEO) or a direct report to the CEO.
Insider trading	A person who possesses price sensitive information trading in securities of a company to which that information relates, or making available to another person that price sensitive information or related information where the other person will, or would be likely to, trade or facilitate the trading in the securities of a company to which that information relates.
Non-pecuniary interest	A non-pecuniary interest is a private interest that does not have a financial component. Non-pecuniary interests may arise from personal or family relationships, or from a person's involvement with a community or sporting organisation. They include any tendance toward favour or prejudice resulting from friendship, animosity, or other personal involvement with another person or group.
Pecuniary interest	A pecuniary interest involves an actual or potential financial gain. Pecuniary interests may result from Unitywater staff (or a related party) owning property, holding shares or a position in a company bidding for Unitywater work, accepting gifts or hospitality, or receiving an income from a second job. Money does not need to actually change hands for an interest to be pecuniary.
Perceived conflict of interest	A perceived conflict of interest (also known as an apparent conflict of interest) can exist where it could be perceived, or it appears, that a Unitywater staff's private interests could improperly influence the performance of their duties – whether or not this is in fact the case.
Potential conflict of interest	A potential conflict of interest arises where a public official has private interests that could conflict with their official duties in the future.
Price sensitive information	Information that is not generally available to investors, and if it were generally available, a reasonable person would expect it to have a material effect on the price or value of particular securities which are listed or quoted on a securities exchange, e.g. Australian Securities Exchange (ASX), National Stock Exchange (NSX).
Private interest	interests are those interests that can bring benefits or disadvantages to Unitywater staff as individuals or to others (such as family members) whom Unitywater staff may wish to benefit or disadvantage. Private interests are not limited to pecuniary interests or to interests that can bring direct personal gain or help avoid personal loss. They also include many social and professional activities and interests.
Public duty	The duty expected of all Unitywater staff to put the public interest above their own personal or private interests when they carry out official Unitywater duties.



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Term	Meaning
Public interest	Acting in the public interest means carrying out Unitywater's functions and duties in a fair and unbiased way and making decisions that are not affected by self-interest, private affiliations or the likelihood of personal gain or loss.
Securities	Equity or debt interests issued or managed by companies, including shares, debentures, options, units in a trust or fund and bonds.
Trading in securities	Buying or selling securities directly or indirectly, including through or in conjunction with related or associated parties like family members (e.g. parents, spouses, de facto partners and children), friends, companies, trusts, partnerships and self-managed superannuation funds.