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ARGYLE COMMUNITY HOUSING LTD

CONFLICTS OF INTEREST POLICY

Argyle Community Housing Ltd
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1. PURPOSE

- 1.1 The Board of Argyle Community Housing Ltd (**Argyle Housing** or the **Company**) is committed to maintaining a high standard of integrity and good corporate governance, and:
- a) has a **Code of Ethics and Conduct** that sets standards of conduct and behaviour required by Argyle Housing Staff, and also sets out the principles and values of Argyle Housing, and incorporates measures to manage conflicts of interests and to make policy and business decisions within an ethical framework; and
 - b) operates in accordance with a governance framework that is consistent with (to the extent relevant) the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations (4th Edition)*.
- 1.2 This policy forms part of Argyle Housing's governance framework and sets out the governance arrangements and controls that Argyle Housing has in place to address any actual, perceived or potential conflicts.
- 1.3 This policy provides all Argyle Housing directors, employees, volunteers, and contractors engaged by Argyle, (together, **Argyle Housing Staff**), with direction and guidance to identify, report, manage and resolve any actual, perceived or potential conflicts of interest. Conflicts of interest must be managed according to this policy, which will enable Argyle Housing to (a) provide fair and impartial services to its tenants and the communities in which it operates; (b) to maintain public confidence in Argyle Housing; and (c) to effectively deal with any allegations of bias and/or misconduct. This policy is to be read in conjunction with Argyle Housing's Code of Ethics and Conduct.

2. INTRODUCTION

- 2.1 There is a shared responsibility between individuals and Argyle Housing Managers and Team Leaders to manage all reported conflicts of interest. Conflicts of interest require open and honest consultation by all parties involved so they can be recorded and managed adequately and effectively.
- 2.2 The risks associated with conflicts of interest cannot always be eliminated. Management strategies are intended to minimise the risks to an acceptable level and to provide ongoing monitoring of all conflicts of interest declarations. Conflicts of interest can be unavoidable and their existence may not necessarily be misconduct on the part of the individual involved. Management action should only be considered where an individual:
- a) fails to identify a conflict (where they are reasonably expected to so identify);
 - b) fails to avoid a conflict that could have been avoided;
 - c) fails to report an unavoidable conflict;
 - d) took action on a conflict to benefit their personal or private interests;
 - e) fails to cooperate in the management of a conflict; or
 - f) fails to comply with policy.

3. DEFINITIONS

3.1 What is a Conflict of Interest?

- a) Conflicts of interest occur when the personal or private interests of Argyle Housing Staff interferes with, or influences, or appears to interfere with, or influence their duties and responsibilities.
- b) A conflict of interest can involve gaining a personal advantage as well as avoiding or minimising personal disadvantage. That is, a conflict of interest may allow you to avoid a loss, expense, or something else that has a negative impact on your personal or private interests. Where a conflict of interest arises, you are required to put Argyle Housing's interest before your personal or private interests.

3.2 Argyle's Interests

- a) As Argyle Housing Staff, you have a duty to always put the organisation's interests above your own personal or private interests when carrying out your duties and responsibilities, or when a conflict that is related to your employment arises.
- b) Acting in Argyle Housing's interest means you must carry out duties and responsibilities for the benefit of Argyle Housing, in a fair and unbiased way, and make decisions that are not affected by self-interest, personal values, private opinions, private affiliations or the likelihood of personal gain or loss. To ensure your actions are always in Argyle Housing's interest, you are required to maintain an awareness and knowledge of legislation and Argyle Housing's values, policies and procedures.

3.3 Personal or Private Interest

- a) Personal or private interest is broadly defined as anything personal in your private life that impacts on you. It is only relevant to this policy, where there is a connection to your duties. Personal and private interests can include your social, community, professional and business interests and those of the people and groups with which you associate (including friends, relatives, associations / businesses, community groups, rivals and enemies).
- b) It is only those personal and private interests that conflict (or can be perceived, or have the potential to conflict) with your official duties and responsibilities that need to be declared and managed.

3.4 Personal and private interests that may give rise to a conflict of interest are often broken into two groups, financial and non-financial:

- a) **Financial interests** involve any situation where there is the potential for you or your associates to benefit financially. Financial interests do not necessarily involve an exchange of money. Financial interests also exist where a person (relative or associate) owns property, holds shares or has a position in a company which interacts or may interact with Argyle Housing (and where your decisions may benefit them).
- b) **Non-Financial interests** do not have a financial component. A non-financial interest can involve personal or family relationships, or involvement in social, political, religious, sporting or cultural activities that could influence, or be perceived to influence, your judgment or decisions as Argyle Housing Staff.
- c) Personal opinions, prejudices and attitudes can also represent a non-financial interest. If you are unable to set these aside in the conduct of your duty, then these can lead to a conflict of interest. Even when you can set them aside, such personal viewpoints might be seen to be a conflict of interest by others.

3.5 Duties and Responsibilities

These include what you are required to do in your job, as well what is required by Argyle Housing as outlined in its Values and Vision, as set out in its Code of Ethics and Conduct and other policies and guidelines

4. TYPES OF CONFLICTS OF INTEREST

4.1 There are three main types of conflicts of interest: actual, perceived and potential. Each of these present the same personal and organisational risks and therefore need to be managed appropriately. If you are unsure if a conflict exists, you should discuss the matter with your Argyle Housing Manager or Team Leader.

- a) **Actual** conflict of interest is where a conflict exists between your duties and/or responsibilities and your private interests e.g. but not limited to, a Maintenance Officer owning an external handyman services company and providing maintenance services to an Argyle Housing property. This is an actual conflict and is not permitted.

- b) **Perceived** conflict of interest is where it could be seen by others that your personal and private interests could improperly interfere with, or influence you, in the performance of your duties or responsibilities, whether or not this is in fact the case e.g. but not limited to, a spouse of a Tenancy Officer working in a local Real Estate agency to whom Argyle Housing has a working Memorandum of Understanding. This is a perceived conflict and needs to be avoided wherever possible. If unavoidable, this perceived conflict must be appropriately declared, recorded and monitored to ensure it does not become an actual conflict of interest.
- c) **Potential** conflict of interest is where your personal and private interests have the capacity to develop into a conflict in the future.

4.2 Specific types of conflict of interest

- a) Political affiliations and interests must always be undertaken in a strictly private capacity and must not conflict with the primary duty of all Argyle Housing Staff to serve the communities in which Argyle Housing operates, in an impartial and politically neutral manner.
- b) All Argyle Housing Staff have the same right to freedom of political expression and association as other members of the community. However, you must not exercise your right to political expression and association in such a way that you knowingly place yourself in a position that creates, or is likely to create, a conflict of interest with your position as Argyle Housing Staff, or where such comment may be interpreted as that of Argyle Housing.

5. EXAMPLES OF CONFLICTS OF INTEREST

5.1 The range and extent of Argyle Housing's activity, individual roles of Argyle Housing Staff and the significant diversity among the personal and private interests of Argyle Housing Staff, makes it impossible to list every potential conflict of interest. Some well-known situations which are subject to policies and guidelines include:

- a) receipt of gifts and benefits;
- b) secondary employment;
- c) media comment;
- d) public comment;
- e) endorsements;
- f) sponsorships;
- g) release of information;
- h) source management;
- i) character references;
- j) use of resources;
- k) procurement;
- l) recruitment;
- m) investigation; and
- n) declarable association

6. EMPLOYEE RESPONSIBILITIES

6.1 Individual Responsibilities - to deal with conflicts of interest effectively, you must be able to:

- a) identify the conflict;
- b) avoid the conflict (where practical);
- c) report the conflict;
- d) cooperate in the management of the conflict; and
- e) monitor the conflict with your Manager or Team Leader.

- 6.2 In each of these stages, there is a responsibility on the respective Argyle Housing Staff (as the person with the conflict of interest), to take appropriate action to deal with the conflict. A failure by the respective Argyle Housing Staff to act appropriately on a conflict of interest, is a breach of this policy and the Argyle Housing Code of Ethics and Conduct, may result in disciplinary action, including possible dismissal from Argyle Housing.
- 6.3 **Identify Conflict**
- a) Perceived and potential conflicts of interest are often characterised by other people's opinions or perceptions. If a conflict of interest has not been identified and managed, the perceptions of others can cast doubt on the integrity of individuals and Argyle Housing, even if there has not been misconduct. Such situations are more difficult to manage in crisis (for example, where there is high media interest).
 - b) To identify conflicts of interest, ask the following questions:
 - i) Could a member of the public reasonably consider/perceive a conflict in the circumstances?
 - ii) Given my personal and private interests, could my involvement cast doubt on my integrity/duties/decision making or impact in any way on the reputation of Argyle Housing?
 - iii) Could my decision appear to have been biased in favour of another person?
 - iv) If I participate, would I be happy if other Argyle Housing Staff and the public became aware of my involvement and any associations/connections I have?
 - v) Could I justify my actions if they were criticised in the media?
 - vi) Do I benefit, or appear to benefit, personally or on behalf of others from my decisions or actions?
- 6.4 **Assessing your Situation:** In assessing whether you have a personal and private interest that conflicts with your work obligation, there are a number of factors about your personal and private interests you need to consider. These aspects include whether you have:
- a) financial and economic interests, such as debts or assets;
 - b) an interest in a family or private business;
 - c) a secondary employment commitment;
 - d) associations with, or obligations to, for profit and not-for-profit organisations, sporting bodies, clubs and associations in a personal or professional capacity or through relationships with people living in the same household;
 - e) associations with, or obligations to, political, trade union or professional organisations or other groups and individuals in a personal or professional capacity or through relationships with people living in the same household;
 - f) associations with, or obligations to, professional, community, ethnic, family or religious groups in a personal or professional capacity or through relationships with people living in the same household;
 - g) dislike of, or competition with, another individual or group; or
 - h) significant family or other relationships with clients, contractors or other employees working in the same (or related) organisation or industry.
- 6.5 **Avoid the Conflict:** It is the respective Argyle Housing Staff's responsibility to avoid conflicts of interest where possible. If a conflict of interest has been identified and the respective Argyle Housing Staff has avoided it, the respective Argyle Housing Staff must record the details of the conflict by using the **Conflict of Interest Form** found on CompliSpace. The respective Argyle Housing Staff must then advise their Manager or Team Leader within two business days of identifying the conflict, who will inform the Human Resources Officer, and the CEO, who will record the declared conflict in the **Conflicts of Interest Register**. The respective Argyle Housing Staff is required to protect Argyle Housing's interest by taking reasonable steps to identify and avoid any conflicts of interest (actual, potential or perceived) in connection with their employment.

6.6 Report the Conflict

- a) Where a conflict of interest cannot be avoided, the respective Argyle Housing Staff must report the conflict in writing using the Conflict of Interest Form found on CompliSpace. This completed form is to be then forwarded within two business days of identifying the conflict, to the respective Argyle Housing Staff's Manager or Team Leader who will forward it to the Human Resources Officer, with a copy provided to the CEO.
- b) If it is an emergency and it is not practical to report the conflict in writing, the respective Argyle Housing Staff is to orally report the conflict of interest to their Manager or Team Leader. The Manager or Team Leader is to then complete the Conflict of Interest Form on the Employee's behalf and forward it to the Human Resources Officer and the CEO, within two business days of receiving the oral notification.

6.7 **Manage the Conflict:** The respective Argyle Housing Staff's Manager or Team Leader should work with the respective Argyle Housing Staff to identify and implement an appropriate management strategy (or strategies) for dealing with the conflict and the respective Argyle Housing Staff is required to cooperate in the strategy. A failure to comply will be considered as misconduct.

6.8 **Monitor the Conflict:** Monitoring the conflict is essential to ensure that any changes are accounted for and dealt with. Even if a conflict of interest has already been reported and it is deemed to be resolved, the respective Argyle Housing Staff might find circumstances where the conflict arises again or affects the respective Argyle Housing Staff in another way. If there are any changes or the conflict arises again, the respective Argyle Housing Staff must report the conflict again to ensure that it is resolved appropriately.

6.9 Where the personal and private interest is irreconcilable with the respective Argyle Housing Staff's role within Argyle Housing and the respective Argyle Housing Staff refuses to cooperate in resolving the conflict, the respective Argyle Housing Staff should be advised that their decision will be viewed as making the respective Argyle Housing Staff / employer relationship untenable. The respective Argyle Housing Staff should also be advised that disciplinary action processes will commence.

6.10 Argyle expects all Argyle Housing Staff to relinquish any personal and private interest that leads to a conflict of interest, if it cannot be managed cooperatively, effectively and appropriately through other means. Failure to do so may lead to disciplinary action, including termination from Argyle Housing if a suitable compromise that serves Argyle Housing's interests cannot be reached.

6.11 Argyle Housing's Human Resources Officer will regularly monitor and update accordingly, the Conflict of Interest Register which will be reported to the Board on a quarterly basis.

7. MATTERS SPECIFIC TO ARGYLE HOUSING DIRECTORS AND OFFICERS

7.1 Corporations Act

- a) The general law rule that directors must not promote their own personal interests ahead of Argyle Housing, has been reinforced by s181 of the Corporations Act 2001 (Cth) (**Corporations Act**). This section also extends the obligation to include officers of Argyle Housing.
- b) The Corporations Act provides an officer is a person who:
 - i) makes decisions that affect the whole or a substantial part of the business,
 - ii) has the capacity to affect significantly the corporation's financial standing, or
 - iii) in accordance with whose instructions or wishes the directors are accustomed to act (excluding advice given by a person in the proper performance of functions attaching to the person's professional capacity or their business relationship with the director).
- c) Section 181 of the Corporations Act states:
"A director or other officer of a corporation must exercise their powers and discharge their duties:
 - (a) in good faith in the best interests of the corporation; and*
 - (b) for a proper purpose".*

- d) In addition to reinforcing the general law in s181, the Corporations Act:
 - i) requires directors to disclose material personal interests to other directors (s191);
 - ii) regulates voting by directors regarding material personal interests; and
 - iii) establishes additional obligations on directors that supplement a director's duty to avoid conflicts of interest including:
 - A. s182, which prohibits directors and officers from improperly using their position;
 - B. s183, which prohibits directors and officers from improperly using inside information; and
 - C. s184, which creates a criminal offence if a director or officer uses their position dishonestly or recklessly in such a way that they, or someone else, may gain an advantage or that detriment may be caused to Argyle Housing.
- e) Disclosing a material personal interest to the Board and following the appropriate voting procedures established under the Corporations Act, does not in every situation release directors or officers of their conflict of interest obligations. In certain circumstances, a director or officer, will be required to take positive action to ensure that they are acting in good faith and in the best interests of Argyle Housing.

7.2 What is a Material Personal Interest?

- a) There is no legal definition of what constitutes a material personal interest. In general terms, Argyle Housing considers that a matter may be material where the personal interests of a director or officer could interfere with, or could reasonably be perceived to interfere with, the exercise of a director's or officer's unfettered and independent judgement.
- b) Whilst each circumstance must be dealt with on its own merits, the personal interests of a director or officer, and those of associated persons, must not be allowed to take precedence over those of Argyle Housing generally.

7.3 **When must disclosure be made?** Subject to the exemptions listed below, a director or officer of Argyle Housing must disclose a material personal interest in a matter that relates to the affairs of Argyle Housing as soon as practicable, after the director or officer becomes aware of their interest in the matter. All declared interests are recorded in the **Register of Director's Interests**, which is tabled at each meeting of the Board for confirmation by each director and noting by the Board.

7.4 **Exemptions from giving a Disclosure Notice:** A director or officer does not need to give notice of a material personal interest if:

- a) the interest arises because the director or officer is a member of Argyle Housing and the interest is held in common with other directors or officers; or
- b) the interest arises in relation to a director's or officer's remuneration as a director or officer of Argyle Housing; or
- c) the interest relates to a contract Argyle Housing is proposing to enter into that is subject to Argyle Housing Members' consent and will not obligate Argyle Housing if not approved by Members; or
- d) the interest arises merely because the director or officer is a guarantor or has given an indemnity or security for a loan to Argyle Housing, or the director or officer has a right of subrogation in relation to the guarantee or indemnity; or
- e) the interest relates to a contract insuring the director or officer against liabilities the director or officer incurs as an officer of Argyle Housing; or
- f) the interest relates to any payment by Argyle Housing or a related body corporate in respect of an indemnity permitted under s199A of the Corporations Act or any contract relating to such an indemnity; or

- g) the interest is in a contract or proposed contract with a related body corporate and arises merely because the director or officer is a director or officer of the body corporate; or
- h) the director has given a standing notice in accordance with s192 of the Corporations Act of the nature and extent of the interest and the notice is still effective in relation to the interest; or
- i) the director or officer has already given notice of the nature and extent of the interest and its relation to the affairs of Argyle Housing and all of the following are satisfied:
 - i) in the event a new director has joined the Board, notice has been given to the new director;
 - ii) the nature or extent of the interest has not materially increased above that disclosed in the notice; and
 - iii) the company is a private company and the other directors are aware of the nature and extent of the interest and its relation to the affairs of the company.

8. OUR PROCEDURES FOR DEALING WITH CONFLICTS

8.1 Notification of Personal Conflict

- a) A director or officer must disclose a material personal interest by providing written notice of the interest to a Board meeting or by providing written notice to each director individually. The disclosure must specify the nature and extent of the interest and its relation to the affairs of Argyle Housing.
- b) Where notice is provided to a Board meeting, it should be delivered to the Company Secretary prior to the Board meeting so that it may be included in Board Papers and the other directors can be made aware of the circumstances surrounding a director's or officer's interests.

8.2 Conduct of Board Meetings

- a) Under s194 of the Corporations Act, a director who has a material personal interest in a transaction may vote on the transaction (or matters that relate to the transaction) at Board meetings and retain the benefit of the transaction as long as the director has:
 - i) disclosed the nature and extent of the interest and its relations to the affairs of Argyle Housing as noted above; and
 - ii) made the necessary disclosures before the transaction has been entered into by Argyle Housing.
- b) Where a director has provided written notice of a material personal interest, the nature of the interest shall be entered into the Register of **Directors' Interests**.
- c) At any Board meeting where an issue relating to the conflict is considered, the Chairperson will ensure that:
 - i) all other directors are fully informed with respect to the nature of the material personal interest; and
 - ii) details of the disclosure are recorded in the minutes of the meeting.

9. OUR COMMITMENT TO TRAINING

- 9.1 Argyle Housing is committed to ensuring that all Argyle Housing Staff are fully informed of their obligations under this policy, and training is part of Argyle Housing's mandatory training requirements.

10. REVIEW OF POLICY

- 10.1 Unless the Argyle Housing Board determines otherwise, this Policy will be reviewed biennially.

11. APPROVED AND ADOPTED

- 11.1 This Policy was approved and adopted by the Board on 24 June 2020.

Version Control

Version No	Date	Revised By	Description	Board approved
2.0	2013	Company Secretary	Review	26 August 2014
3.0	June 2015	Company Secretary	Review	25 August 2015
4.0	July 2016	Company Secretary	Review	27 September 2016
5.0	August 2017	Company Secretary	Review	22 August 2017
6.0	May 2018	Company Secretary	Move to a Biennial Review	26 June 2018
7.0	August 2019	Company Secretary	Include clear definitions and relevant examples of what are potential, perceived, and actual	27 August 2019
8.0	September 2019	Company Secretary	Reviewed for consistency with the NSW Registrar's Guidance Note, <i>Conflicts of Interests Management in the Community Housing Sector - July 2019</i> . <i>Former COI Procedure has been merged with the COI Policy</i>	24 September 2019
9.0	May 2020	Company Secretary	Biennial Review	24 June 2020