



**Dealing with Conflict of Interest,
practice and procedures
in relation to The Interim Pyramid-Boort
Customer Reference Group**

1 General G-MW Policy

It is the responsibility of individual Reference Group members to avoid actual, potential and perceived conflicts of interest as this is fundamental to ensuring the highest levels of integrity and public trust in G-MW. In order to comply with this general policy, Reference Group members must:

- take reasonable steps to restrict the extent to which
 - a private interest
 - an interest in another business
 - a position on a corporate or community board or committee could compromise, or be seen to compromise, their impartiality when carrying out their official duties;
- abstain from involvement in official Reference Group decisions and actions that could reasonably be seen to be compromised by their private or other business or community interests and affiliations;
- avoid private action in which they could be seen to have an improper advantage from inside information they might have access to because of their Reference Group membership;
- not use their official position or government resources for private gain;
- ensure that there can be no perception that they have received an improper benefit that may influence the performance of their official Reference Group business; and

2 Definitions

The following definitions are fundamental to the application of the general policy

2.1 Conflict of Interest

Conflicts of interest in the context of the Reference Group are conflicts between official duties and private interests. These can be actual, potential or perceived.

- An **actual conflict of interest** is one where there is a real conflict between an individual's public duties and responsibilities, and their private or other interests.
- A **potential conflict of interest** arises where an individual has private or other interests that could conflict with their official duties.
- A **perceived conflict of interest** can exist where a third party could form the view that a Reference Group member's private or other interest could improperly influence the performance of their duties, now or in the future.

A conflict of interest can arise from avoiding personal losses, as well as gaining personal advantage — whether financial or otherwise.

2.2 Private interests

An 'interest' in this context means anything that can have an impact on an individual or group. The term 'private interests' includes not only the Reference Group's member's own personal, professional or business interests, but also the personal, professional or business interests of individuals or groups with whom they are closely associated. This can include relatives, friends or even rivals and enemies.

2.3 Pecuniary and non pecuniary interests

Private interests can be divided into two types: pecuniary and non-pecuniary.

- **Pecuniary interests** involve an actual, potential or perceived financial gain or loss. Money does not need to change hands for an interest to be pecuniary. People have a pecuniary interest if they (or a relative, or a close associate) own property, hold shares, have a position in a company bidding for government work, or receive benefits such as concessions, discounts, gifts or hospitality from a particular source.
- **Non-pecuniary interests** do not have a financial component. They may arise from personal, business or family relationships, or involvement in other boards or committees or groups and from sporting, social or cultural activities. They include any tendency toward favour or prejudice resulting from friendship, animosity, membership or other personal involvement with another person or group. If personal values are likely to impact on the proper performance of Reference Group member responsibilities, then these can also lead to a conflict of interest. Enmity as well as friendship can give rise to a conflict of interest.

2.4 Public duty

Reference Group members have a duty always to put the Reference Group interests above their private interests when carrying out their official duties. The Reference Group's interest can be defined as the interests of G-MW in servicing its customers.

Determining the public interest in a particular situation can be complex, even problematic, but on a practical, day-to-day level, Reference Group members can best fulfil their duty to put the public interest first by:

- carrying out their prescribed official Reference Group duties fully and effectively in accordance with the declared function of the Reference Group;
- carrying out their official duties in accordance with the rules of the Reference Group and code of conduct; and
- identifying any actual, potential or perceived conflicts of interest that they have and ensuring these are managed effectively.

Managing conflict of interest risks includes situations where Reference Group members perform more than one official role. This is particularly common in regional and rural settings due to the size of the communities. In such situations, transparency is vital.

2.5 Reasonable steps to manage conflict of interest.

Acting in a reasonable way means exercising sound judgement and taking a sensible approach. The 'reasonable person' test can be applied with regard to managing conflict of interest in the same way as it is applied to any other action or decision. That is, would another reasonable person make the same decision in light of the same facts and circumstances?

The proper management of conflicts of interest does not require the wholesale avoidance or relinquishment of private interests that might give rise to a conflict of interest issue. What it does require is the appropriate management of the interaction between private interests and Reference Group member duties or competing public duties.

There are a number of options available for managing conflict of interest. These range from simply disclosing relevant details, to relinquishing the private interest or stepping down from the public office. Commonly accepted procedures are:

- **Register:**
Register details of the existence of a possible or potential conflict of interest are formally advised and noted
- **Restrict**
Restrictions are placed on the Reference Group's member's involvement in the matter
- **Recruit**
Recruit a disinterested third party to oversee part or all of the process that deals with the matter
- **Remove**
Remove the Reference Group member from all participation in the matter
- **Relinquish**
Relinquish the private interest concerned
- **Resign**
The Reference Group member steps down from the position he/she holds on a temporary or permanent basis.

3 **Procedures for dealing with personal interests of Members**

- 3.1 A Reference Group member who has a personal interest in a matter must give
- a) an annual notice in writing (in the form of Attachment 3) to the Corporate Secretary, and
 - b) verbal notice at a meeting of the Reference Group of an interest arising at any time and not included in the annual notice.
- 3.2 The notice
- a) must give details of the nature and extent of the interest and the relation of the interest to the affairs of the Reference Group and those details must be recorded in the minutes, and
 - b) takes effect as soon as it is given.
- 3.3 Each annual notice remains valid until replaced by the next annual notice or the Reference Group members (in writing or verbally at a Reference Group meeting) are advised by the member that the member's interest included in an annual notice has ceased or altered in any other way.

- 3.4 A Reference Group member who has a personal interest in a matter that is being considered at a Reference Group meeting must not be present while the matter is being considered at the meeting or vote on the matter unless the Reference Group members who do not have a personal interest in the matter have passed a resolution that:
- (a) identifies the member, the nature and extent of the member's interest in the matter and its relation to the affairs of the Reference Group; and
 - (b) states that those Reference Group members are satisfied that the interest should not disqualify the member from voting or being present.
- 3.5 Where a Reference Group member has given notice of a conflict, that member will not receive Reference Group papers which deal with the matter he subject of the conflict.

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