

## Statement of Conflict of Interest

*Habitat for Humanity Australia (HFHA) is committed to conducting our programs in a transparent and accountable manner, and as such works to ensure any conflict of interest, perceived or otherwise, arising from our programs, fundraising or any other activities, is identified, managed and resolved as quickly as possible.*

Habitat for Humanity Australia is a member of the Australian Council for International Development (ACFID) and adheres to the ACFID Code of Conduct, which defines minimum standards of governance, management and accountability of development for member non-government organisations (NGOs). Complaints relating to a breach of the ACFID Code of Conduct can be made to the ACFID Code of Conduct Committee

This statement applies to all HFHA staff, Board members, volunteers, and other individuals or companies who have been authorised to undertake activities for Habitat for Humanity Australia.

## Introduction

Conflicts of interest can arise when the interests or loyalties of Board members or employees are incompatible or in competition with the interests of Habitat for Humanity Australia.

The Habitat for Humanity Australia Board Charter Statement of Integrity requires all Board members to not take improper advantage of their position and to disclose conflicts of interest as they arise. Board members have a common law and legislative duty to act in the best interests of Habitat for Humanity Australia.

This statement is in place to guide Board members to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of HFHA and manage risk.

## How does conflict of interest arise at a governance level?

### Conflict of interest generally applies to:

A situation in which an employee or director has an incentive to act in a manner that may not

be consistent with the interests and objectives of HFHA; and/or a situation in which an employee's or director's loyalty to HFHA may be compromised by his or her relationship with another person or organisation.

**Board members, officers and employees of HFHA should avoid:**

Engaging in activities that could interfere with the discharge of their contractual and/or legal responsibility to HFHA or that might jeopardise HFHA's reputation or competitive business advantage;

Supplying goods or services to HFHA for profit other than, in the case of staff, as provided for in their employment contracts;

Allowing immediate family members of Directors and staff to enter into employment or voluntary service with the organisation unless the relationship is disclosed beforehand and it is agreed that their activities will be supervised by someone other than the relative, unless determined otherwise in consultation with and by approval of the CEO;

Engaging in a conflict of interest or an activity that gives the appearance of impropriety unless disclosed and registered in the Conflicts of Interest Register (see below). The following definitions are guidelines for evaluating whether or not a conflict of interest may exist.

Appearance of impropriety generally means a situation, relationship, or interest, irrespective of value or degree, which, to an objective observer, could or would reasonably create an impression that a conflict or a level of influence or involvement exists, when that impression is contrary or detrimental to the interests and objectives of HFHA.

In general a Board member, officer or employee must not without first disclosing and obtaining approval through the Conflicts of Interest Resolution process (see below):

Represent specific groups or parties whose interests may be competitive with or detrimental to the objectives of HFHA.

Purchase goods or services from or directly negotiate for a friend or relative to provide goods or services to HFHA for payment.

Be involved in the selection of a relative or friend as an employee.

Disclose any information they obtain from HFHA (such as correspondence/communications, board papers and other documents) to any third party unless doing so will further the interests and objectives of HFHA and only if permission is first obtained from the board or board chair; information obtained from HFHA must not be used for personal advantage of any kind.

Have significant interest or control or own a financial interest greater than 20% in a concern that does business with, or is a competitor of HFHA.

Accept gifts with retail value of more than \$50 AUD, loans, entertainment or other favours from any outside concern that does or is seeking to do business with, or is a competitor of HFHA. Gifts from host nations of a cultural or national significance that cannot be refused without causing offence, may remain the property of HFHA and must be reported to the CEO or Chair.

Represent the organisation in any transaction in which the person has the potential to realise personal monetary or other gain.

Use confidential HFHA information for personal profit or for the advantage of the employee or another to whom such information is provided.

Compete, directly or indirectly, with HFHA in purchasing or selling property, property rights, or interests' directly through operation or control or indirectly by virtue of an equity or financial interest.

Undertake or enter into any other activity, transaction or engagement that might be deemed after due consideration by the Board and CEO to be detrimental to the interests and objectives of HFHA.

HFHA expects that its employees will not solicit employment from its donors or collaborating bodies.

Employees or directors engaged in political or public advocacy activities are expected to do so as individuals and to ensure that the organisation's name is not used without its permission in a way which would seem to endorse the individual or the position taken.

### **How does Habitat for Humanity Australia deal with conflict of interest at a governance level?**

Habitat for Humanity avoid conflicts of interest where possible. All conflicts of interested are reported and managed by the Board.

### **Reporting conflicts of interest:**

Board members and employees with an actual or potential conflict of interest must disclose that situation and all relevant facts to the Board Chair (board members), sub-committee chair (sub-committee members) or supervisor (employees) as soon as possible and before any decisions are made regarding the situation that gives rise to the conflict concerns. Board members and staff also have a responsibility to report conflicts they may become aware of relating to other staff or board members. Reporting a conflict provides opportunity for the conflict to be resolved appropriately and adds transparency to the situation.

### **Resolving conflict of interest:**

#### **Conflict of interest may be resolved in the following ways:**

The person to whom the conflict or potential conflict is declared may determine that there is no material substance or concern and therefore no impact on the situation under consideration.

Restricting the person with the conflict from participation in decision making regarding the specific situation is an appropriate method where the conflict is not likely to arise frequently. Abstaining from voting or taking part in final decisions are examples of such restrictions.

Appointing an independent person to oversee all or part of the decision-making process is an appropriate method where the conflict is more significant and needs more proactive management but the person with the conflict has particular expertise and cannot be easily replaced.

Removing the person with the conflict from the process is appropriate where there is ongoing serious conflict of interest and restriction or recruitment is not practical or feasible.

The person with the conflict of interest may decide to relinquish the private or external interest that gives rise to the conflict, in favour of continuing with their full participation in HFHA activities.

### **Conflicts of Interest Register:**

All conflicts of interest must be recorded in the Conflicts of Interests Register. This Register is kept by the Company Secretary and helps demonstrate that the conflict has been declared and resolved.

The Company Secretary ensures that all conflicts of interest reported by Directors and Board sub-Committee Members that are recorded in the meeting minutes are also registered in the Conflict of Interests Register.

Each Head of Department is responsible for reporting conflicts of interest within their respective department. Conflicts of interest must be reported to the CEO and the CEO's decision with regard to determination of the conflict and resolution will be final.

The Conflicts of Interest register will include:

Name of the person with the conflict of interest

- Date on which the conflict of interest was reported
- Name of the person to whom the conflict of interest was reported
- Details of the conflict
- Details of resolution adopted – e.g. Immaterial-no action required; Restriction applied; Independent appointment made; Removal from process; Voluntary relinquishment