

Conflict of Interest Policy

Purpose

To outline the department's policy for reporting and managing conflicts of interest that reinforces the Victorian public sector values of impartiality and integrity outlined in the Code of Conduct for Victorian Public Sector Employees and Public Sector Values and Employment Principles specified in the *Public Administration Act 2004 (Vic) (PA Act)*.

Policy rules

Conflict of interest

1. Employees and other workplace participants must:

- immediately disclose and report any [actual](#), [potential](#) or [perceived conflict of interest](#) to their manager when private interests may conflict with their public interests using the Conflict of Interest Declaration and Action Plan Form. **See:** [Different types of conflict of interest](#) for more information.

- declare any conflict of interest when participating in any procurement or contract negotiation process

Refer to: Purchasing Policy (in development)

- declare any conflict of interest when participating in a recruitment process and ensure the recruitment process is fair and transparent

Refer to: Recruitment and Selection Policy (in development)

- not use their position to obtain favour or to improperly influence any decision that may favourably impact themselves, a relative, friend or business acquaintance

- avoid accepting any offer of a gift, benefit or hospitality or those that could be perceived as a conflict of interest

Refer to: Gifts, Benefits and Hospitality (Receiving) Policy

- seek approval to engage in any other employment

Refer to: Outside Employment and Interests Policy.

Note: Employees and other workplace participants who do not declare private interests and are subsequently found to have an actual, potential or perceived conflict of interest may be subject to disciplinary action. **Refer to:** Appropriate Workplace Behaviour Policy and Fraud and Corruption Control Policy.

2. Managers must facilitate the compliance of those they supervise with the Conflict of Interest Policy.

3. The Secretary must promote the public sector values within the department, demonstrating integrity by avoiding real or apparent conflicts of interest.

Managing conflicts of interest

- #### 4. Appropriate management actions must be identified by the manager in the Conflict of Interest Declaration and Action Plan Form and implemented by the employee or other workplace participant. **See:** [Management action plan](#) for more information.

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5. In the situation where a direct work reporting relationship between a manager and family member exists, or will exist, and this cannot be avoided, any approval action with a financial outcome must be approved by the manager's immediate manager, including approvals of:
- financial expenditure and reimbursements, e.g. approvals via iExpenses and petty cash
 - purchasing card transactions
 - performance and progression outcomes
 - payment of bonuses
 - higher duties arrangements
 - training and other educational opportunities
 - performance management activities
 - recruitment and appointment decisions or changes to employment arrangements.

Annual declaration of private interests statement

6. The following employees and other workplace participants must complete the Declaration of Private Interests Form upon their appointment to a relevant position and **annually** thereafter:
- all Executive Officers and Principal Scientists
 - employees and other workplace participants holding a financial delegation of \$20,000 or more
 - authorised officers
 - any employee or other workplace participant occupying a position assessed by the Secretary as warranting a declaration on the basis of potential or perceived conflict of interest risk.
- Note:** Employees and other workplace participants who do not submit the Declaration of Private Interests Form will not be authorised to exercise a financial delegation.
7. If there is no conflict of interest at the time of completing the Declaration of Private Interests Form, but one arises subsequently, employees or other workplace participants must immediately inform their manager in writing and amend their Declaration of Private Interests Form accordingly.

Note: The source of authority for this policy can be found in the Policy Register.

Additional guidance

Different types of conflict of interest

There are three types of conflicts of interest that employees and other workplace participants should be aware of:

- potential conflict of interest
- perceived (or apparent) conflict of interest
- actual conflict of interest.

Conflicts of interest are also classified into [pecuniary](#) and [non-pecuniary interests](#), depending on whether there is a financial advantage involved.

Having a conflict of interest does not automatically exclude an employee or other workplace participant from making decisions. What is critical is that the actual, perceived or potential conflict of interest is **identified and disclosed** so that the issue can be appropriately managed.

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Examples of situations where conflicts may arise

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| <ul style="list-style-type: none">• Managing purchasing, procurement processes, tenders or contracts• Sponsorship from the private sector• Secondary employment to existing public duties• Personal relationships with colleagues or contractors• Offers of gifts or hospitality from the private sector• Managing family members• Non-financial private interests including loyalties, subjective or ideological biases, personal beliefs and predispositions, partisan affiliations, moral beliefs and aesthetic judgments, and enmity towards individuals or groups | <ul style="list-style-type: none">• Allocation of grants for community based services• Dealing with former public officials• Recruiting, selecting and appointing staff• Private interests including those of family members, friends and business associates• Financial private interests in a company with whom the employee or other workplace participant is conducting commercial business• Memberships of civic organisations and associations where role either interacts with the public, such as enforcement roles, or has the ability to influence public policy or legislation |
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Management action plan

The management action plan may include some or all the following actions, depending on the nature and extent of the conflict:

- ensuring all information surrounding the conflict has been disclosed and documented
- informing likely affected persons of the conflict and seeking their views, where relevant, as to whether they object
- strengthening the internal management arrangements
- consulting CPO Support for advice and direction regarding tenders
- reformulating the person's scope of work, or restricting access to certain information
- arrange for alternate reporting arrangements
- relinquish the interest that is causing the conflict
- removing the person from their existing duties, or transferring the person to other work
- close monitoring of the persons activities in relation to the conflict of interest
- take no further action because the conflict is minimal.

Note: There is a reasonable public expectation that where a conflict occurs it will be resolved in favour of the public interest rather than that of the employee concerned.

Supporting information

- Appropriate Workplace Behaviour Policy
- Fraud and Corruption Control Policy

Forms and templates

- Declarations of Private Interest
- [Conflict of Interest Declaration and Action Plan form](#)

Conflict of Interest Policy

Contact

- Integrity Unit:
Email: integrity@delwp.vic.gov.au; **Phone:** 9412 4183
- Protected Disclosure Coordinator 1800 903 877.

Terms used in this policy

The key terms that are underlined and used throughout this policy are defined in the Online Glossary.