

Conflict of Interests Policy Summary

Overview

This policy outlines LaunchVic's approach to identifying and managing conflicts of interests including:

- LaunchVic's expectations for managing conflicts of interest.
- Guidance for identifying conflicts of interest.
- Guidance for managing conflicts of interest.

LaunchVic is guided by the principles of the *Code of conduct for Victorian public sector employees* and has applied them to LaunchVic's specific circumstances.

Definitions of key terms used in this Policy are set out in **Attachment 1**.

Audience and Application

This policy applies to all staff, employees, secondees, contractors and consultants working with or undertaking activity for or on behalf of LaunchVic, or any LaunchVic Controlled Entity, including where such individuals are representing LaunchVic on any Investment Vehicle.

Relevant elements of this Policy also apply to suppliers, grant applicants, advisors and clients of LaunchVic.

Policy Principles

The following are the key principles for implementing this policy:

- **Obligations and good practice:** Staff act in accordance with their obligations (for details, see **Section 2** of this policy), apply good practice principles and incorporate the effective management of any conflicts of interest.
- **Public interest:** conflicts of interest are avoided where possible. Where a conflict exists, it is declared and managed in the public interest. In addition, staff will abstain from any decision-making process in which they could be compromised or appear to be compromised.
- **Real, potential or perceived:** a conflict of interest exists whether it is real, potential, or perceived.
- **Transparent and accountable:** the process for declaring and managing conflicts of interest is transparent, accountable.
- **Identify, declare and manage conflicts of interest effectively:** any conflicts of interest are reported as soon as they are identified, along with any associated management action.
- **Record:** the details of any conflicts of interests are recorded in the Company's conflict of interest register.
- **Culture of integrity:** LaunchVic fosters a culture of integrity.

In its decision-making, LaunchVic aims to operate efficiently, honestly and fairly.

Employees, contractors or representatives of LaunchVic will refresh their declarations of private interests annually and have an obligation to avoid any business interest, outside activity or relationship, financial or otherwise, which might:

- adversely affect or influence sound judgement;
- affect the performance of duties or services; or
- adversely affect LaunchVic's brand or reputation.

Individuals in LaunchVic have an obligation to avoid participating in, or influencing, LaunchVic's decision making where the individual has a conflict of interest with either their personal investments or activities or those of other organisations with which they are involved.

The provisions of this Policy also apply to decisions and actions regarding procurement and recruitment.

- Suppliers, and potential suppliers, have an obligation to not seek to place people working with LaunchVic in a conflict of interests situation.
- Persons covered by this Policy must not be directly involved in the recruitment or selection of an immediate family member or a close personal friend.

General Obligations

Conflicts of interest can be actual, perceived, or potential, and occur when a person working with LaunchVic can be influenced, or can be perceived to be influenced, by a personal interest in carrying out their duties or services for LaunchVic.

All conflicts of interest are managed in the public interest. Depending on the conflict, options include:

1. **Record/Register** – details of the conflict of interest are recorded and monitoring occurs to check whether this remains the appropriate option.
2. **Restrict** - restrictions are placed on the persons involvement in the matter, including limiting involvement in discussion and/or decision-making.
3. **Remove** – the person does not participate at all in the 'conflicted' matter and leaves the meeting when the matter is discussed.
4. **Recruit** – an impartial third party is engaged to provide advice and oversee part of, or all of, the process that deals with the matter (e.g. a probity adviser).
5. **Relinquish** or resign – the person relinquishes their private interest or steps down from their role with the other organisation, or with LaunchVic, on a temporary or permanent basis.

When deciding how to manage a conflict of interest, LaunchVic will first determine whether the conflict is material - taking into account all the relevant factors and circumstances, including:

- the **objectives** and **functions** of the organisation;
- the **matter** that is to be discussed and determined;
- the **nature** of the conflict (e.g. is it real, potential, or perceived?);
- the **severity** of the conflict; and
- the **potential effect** of the conflict.

Where a material conflict of interests exists, the person would generally be excluded from participating in the related decision-making, and the person would not be provided with the associated background material.

If the conflict of interests is non-material, the person may be included in the decision-making process, particularly if they have specific expertise that is required as part of the process.

Conflicts of Interest by Grant Recipients

Applicants for a grant, and current grant holders, must comply with the conflicts of interests elements of LaunchVic's Grants & Funding Policy.

Breaches of the Policy

Any behaviour that breaches this Policy will be managed through the applicable investigation and disciplinary processes. A proven breach by staff may result in disciplinary action, up to and including termination of employment.

Additionally, actions inconsistent with this Policy may constitute misconduct under the *Public Administration Act 2004*, which includes:

- breaches of the *Code of Conduct for Victorian Public Sector Employees of Special Bodies*, such as sections covering conflict of interest (section 3.7), public trust (section 3.9), gifts and benefits (section 4.2), and use of official information (section 3.4); and
- employees making improper use of their position.

A proven breach of this Policy by a supplier, grant applicant or grant recipient may result in termination of any supply or grant contracts and exclusion from consideration for grants or supply agreements.

Reporting Breaches of the Policy

Any Person who reasonably suspects an undisclosed conflict of interest is occurring must report the matter promptly to the appropriate authority (generally the LaunchVic CEO and Company Secretary).

If "Improper Conduct" (see the definition in the Whistleblower Policy) is suspected, a Public Interest Disclosure **must** be lodged with the Independent Broad-based Anti-corruption Commission (IBAC) as these matters cannot be dealt with internally by LaunchVic.

For matters that fall below the threshold of Improper Conduct, LaunchVic has appropriate internal reporting and management processes

Attachment 1

Definitions Relating to Conflicts of Interest

Term	Definition
<i>Real, potential or perceived</i>	<p>A conflict of interest exists whether it is:</p> <ul style="list-style-type: none"> • real – it currently exists; • potential – it may arise, given the circumstances; or • perceived – members of the public could reasonably form the view that a conflict exists, or could arise, that may improperly influence the staff member's performance of their duty to the organisation, now or in the future.
Private Interest	<p>A private interest can be direct or indirect. A direct interest is held by the staff member. An indirect interest is held by a relative or close associate of the staff member, for example:</p> <ul style="list-style-type: none"> • an immediate family member (e.g. spouse, partner, child, parent, sibling); • a regular household member (i.e. someone who normally resides with the staff member); or • another close associate (e.g. friend, relative, business associate, rival, competitor). <p>Private interests may be pecuniary (i.e. financial), which includes any actual, potential or perceived financial gain or loss. They may also be non-pecuniary, which includes any tendency toward favour or prejudice resulting from personal or family relationships, such as friendships, enemies, or sporting, cultural or social activities.</p>