

BOARD CONFLICT OF INTEREST & DUTY POLICY

ARV Corporate Policy

1. Statement

The purpose of this Policy is to ensure any real, potential or perceived conflicts of interest are managed by the Board of Alpine Resorts Victoria (ARV).

2. Scope

This Policy sets out the ARV Board's procedures for the declaration and management of conflicts of interest and applies to all Board members.

This Policy is based upon DEECAs model policy, which incorporates the generic model policy issued by the Victorian Public Sector Commission. The Policy also incorporates the additional elements from section 33 of the *Alpine Resort (Management) Act 1997* (ARM Act). Compliance with this Policy ensures compliance with the requirements of s 81(1)(f) of the *Public Administration Act 2004*.

3. Requirements

3.1. Policy Principles

The key policy principles are:

- **Obligations and good practice:** the Board acts in accordance with its obligations and with good governance practice.
- **Public interest:** the Board acts in the public interest at all times, collectively and individually. Conflicts of interest are avoided where possible. Where a conflict exists, it is declared and managed in the public interest.
- **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, and consistent with the Board's Integrity Framework and the Victorian Public Sector Commissioner's Directors' Code of Conduct.
- **Culture of integrity:** the Board fosters a culture of integrity. Board members are supported to raise their own conflicts of interest and to speak up if they believe another Board member may have an undeclared conflict.

3.2. Annual Declaration of Private Interests

Each Board member will make a Declaration of Private Interests using the [form](#) specified by DEECA. Declarations should be lodged with the Chairperson, who should ensure that:

- the information provided in relation to a Board member's interests is recorded in the Register of Interests.
- all information provided on the form is stored and used in accordance with the Privacy and Data Protection Act 2014 and the Public Records Act 1973.

Board members will make these Declarations:

- Upon appointment to the Board
- Annually
- Upon change of circumstance unless the change is already adequately recorded in the register as a result of a declaration made at a Board meeting.

3.3. Annual Related Party Information

Each Board member will complete and submit the AASB 124 Related Party information form annually (this is nominally Dec) to ARV's CFO for the purpose of internal checking, recording and possible disclosure in the Annual Report. This includes information related to close family members, which is explained further in Appendix One.

3.4. Register of Interests

A Register of Interests will be maintained which includes details of both the direct and indirect interests of each Board member that may give rise to a conflict of interest. The ARV Board Register of Interests is maintained by the ARV Executive Assistant (CEO & Board), supplied with each Board pack, and can be requested by Board member at any time.

3.4.1. Confirmation of Register at Start of Board Meeting

The Chairperson will ensure that the Register of Interests is present for reference at each Board meeting¹. At the start of the meeting, the Chairperson will ask for all Board members to state whether their interests as recorded in the register are complete and correct. If there are no changes, the minutes will note that 'all Board members present confirmed that their entries in the Register of Interests are complete and correct'. If any changes are declared, these will be recorded in the minutes for entry into the register.

3.4.2. Updating the Register

The Chairperson should ensure that the Register of Interests is current and includes:

- all interests declared in Declaration of Private Interests forms lodged by Board members; and
- any additional interests which have been declared and recorded in the minutes of a Board meeting.

¹ Like other documents produced by the board (e.g. minutes of board meetings), the register is a public record. However, this does not mean that it is automatically 'open to the public'. Unless the Board agrees, a member of the public who wants to see the register would need to lodge an application under the Freedom of Information Act.

3.5. Declaring Conflicts of Interests at the Start of the Meeting

In addition to checking whether the Register of Interests is complete and correct (see above), at the start of each Board meeting the Chairperson will ask if any Board member present has an interest (i.e., a private interest or a duty to another organisation) in respect to any item on the agenda. If a Board member has an interest it must be declared, including the nature of the interest and the conflict that results, or may result, from it. An interest must be declared even if it is already recorded in the Register of Interests.

A Board member who becomes aware during the meeting that they have an undeclared interest must declare it immediately.

A Board member who believes that another Board member may have an undeclared interest should raise this as a query, so as to enable the other Board member to declare the interest, if it exists.

To avoid doubt, Board members must declare, under section 33 of the ARM Act, as soon as possible after becoming aware of the potential conflict, any:

- direct or indirect pecuniary interest in a contract or other matter being dealt with by the Board
- conflict with the Board member's duties or interest arising, directly or indirectly, from holding an office or possessing property.

3.6. Mandated ARM Act Requirement

Under section 33 of the ARM Act, all declarations of:

- direct or indirect pecuniary interest in a contract or other matter being dealt with by the Board
- conflict with the Board member's duties or interest arising, directly or indirectly, from holding an office or possessing property.

Must be managed by:

- The Chairperson ensures the disclosure is recorded in the meeting minutes
- The person who has made the disclosure takes no further part in the discussion of, or vote on, the matter to which the disclosure relates.

If a Board member votes on a matter in contravention of the above, their vote must be disallowed.

The Board shall notify in writing the Minister responsible for the entity as soon as practicable after becoming aware of any breach of the ARM Act process and the action that it has undertaken to remedy the situation.

3.7. Options for Managing a Conflict of Interest

For all other conflicts of interest the Board will manage in the **public interest**. Depending on the conflict, options include:

- **Remove** – the Board member leaves the room and does not participate at all in the 'conflicted' matter.
- **Record** – details of the conflict of interest are recorded in the minutes. Monitoring occurs to check whether this remains the appropriate option.
- **Restrict** – the Board member's involvement in discussion and/or decision-making on the matter is restricted to the extent that matches the public interest. Monitoring occurs to check whether this remains the appropriate option.
- **Recruit** – an impartial third party is engaged to provide advice (e.g. a probity adviser, lawyer, or governance expert from the department or the Victorian Public Sector Commission).
- **Relinquish or resign** – the Board member relinquishes their private interest or steps down from their role with the other organisation on a temporary or permanent basis. Alternatively, the Board member resigns from the Board itself.

The process for determining which option is in the public interest is set out below (see items 3.8-3.10).

3.8. Is the Conflict Material?

When deciding how to manage a conflict of interest, the Board should first determine whether the conflict is **material** (serious). In determining materiality, the Board should take into account all the relevant factors and circumstances, including:

- the objectives and functions of the organization
- the matter that is to be discussed and determined by the Board
- the nature of the conflict (e.g., is it real, potential, or perceived?)
- the severity of the conflict, including:
 - the amount, scope, and likelihood of any expected benefit (e.g., is it a large benefit primarily to the Board member or a small benefit that thousands of people including the Board member should receive?); and
 - any other relevant circumstances (e.g., if the conflict relates to a Board member's partner working at an organisation about which the Board is to make a decision: is the partner currently working there as the CEO? Or did they leave a few years ago from a large organisation in which their work was not connected to the decision being made by the Board?);
- the **potential effect** of the conflict, including:
 - the extent to which the Board member's ability to make an impartial decision in the public interest could be compromised, or could reasonably be seen to be compromised; and
 - the overall likelihood that the conflict of interest may affect public confidence in the integrity of the Board and its decisions.

3.9. Managing Material Conflicts of Interest

3.9.1. Standard option

The Board's **standard procedure** for managing a material conflict of interest is to remove the Board member from all participation in the matter including not receiving Board papers in regard to the material conflict. The Board member will:

- leave the meeting at the start of the relevant agenda item and not return until the start of the next agenda item (Board minutes to reflect).
- not discuss the matter at all with any other Board member (either in the meeting or elsewhere); and
- not participate in any Board decision on the matter.

The **Chairperson should make certain** that the Board director does not receive any Board papers relevant to the material conflict.

The standard procedure should be followed unless the Board determines and records in the minute's clear reasons why it is not in the public interest.

3.9.2. Stronger option

If the public could reasonably form the view that a material conflict is of unacceptable frequency and/or duration then to maintain public confidence and protect the reputation of the organisation it may be necessary, in the public interest, for the Board member to:

- relinquish their private interest
- resign or stand down on a temporary basis from the other organisation to which they have a duty; or
- resign from the Board.

3.9.3. Lesser options

A lesser option (i.e., record, restrict or recruit) should not usually be in the public interest for managing a material conflict of interest. If the Board is unsure whether a lesser option is in the public interest it should err on the side of caution.

If the Board decides on a lesser option, then, in addition to minuting why it is in the public interest, careful monitoring should occur to make certain that the lesser option remains appropriate.

Examples of where a lesser option may be in the public interest, taking into account all the relevant circumstances, are:

- **Discussion:** If the Board member with the conflict of interest was appointed on the basis of their knowledge of the matter, it may be in the public interest for them to be present for part of the Board's discussions. (However, if an 'unconflicted' Board member is absent who also has this expertise, it should usually be in the public interest for discussion to occur at the next meeting instead.)
- **Decision:** If the recommended procedure of 'remove' would mean that there is no quorum for the decision even if all 'unconflicted' Board members are present, then a lesser option should be in the public interest². (However, if 'unconflicted' Board member(s) are absent then it should usually be in the public interest for the decision to be held over to the next Board meeting instead.)

3.10. Managing non-material conflicts of interest

For a non-material conflict of interest, there is more likelihood that a lesser option (i.e., record, restrict or recruit) will be in the public interest. In making its decision, the Board should take into account all relevant factors and circumstances - e.g. the lower the severity of the conflict, the more likely that a lesser option should be in the public interest.

If the Board decides on a lesser option then, in addition to minuting why it is in the public interest, careful monitoring should occur to ensure that it remains appropriate - e.g. the Board may initially decide to only 'record' the conflict but after monitoring may decide instead to 'restrict' the Board member by allowing them to participate in some aspects of the discussion but removing them from others and from all decision-making on the issue.

If the Board is unsure whether a lesser option is in the public interest, then it should err on the side of caution and decide on the standard procedure of remove (i.e. the Board member leaves the room and does not participate in any discussion or decision-making on the matter).

3.11. Recording in minutes

If a Board member declares a conflict of interest, the following information should be recorded in the minutes:

- a **description** of the interest and the conflict (the dollar value of a financial interest does not need to be included);
- whether the conflict is **material**;
- the **action** the Board has chosen to take to manage the conflict in the public interest;
- if a lesser option or stronger option is to be adopted, why it is in the public interest; and
- where the Board member leaves the room during discussion and/or decision-making on the 'conflicted' matter, the time that they leave and return and the item, or part of thereof, for which they were absent.

² If this is a common occurrence, DEECA should be notified.

3.12. Breach of this policy

In addition to breaches of the ARM Act, discussed above at section 3.6, a Board member who may have breached this policy must notify the Chairperson immediately:

- If the Chairperson is of the view that a breach has not occurred, the Board should determine at the next scheduled Board meeting, and record in the minutes, whether a breach has occurred.
- If the Chairperson is of the view that a breach has occurred, they should arrange for the Board to determine on an urgent basis, and record in the minutes, whether a breach has occurred.
- If a breach has occurred, the Chairperson should notify the Minister and the Secretary of DEECA in writing as soon as practicable, including whether the breach relates to a material conflict of interest³.

A Board member who believes that another Board member may have breached this policy but not yet notified the Chairperson should bring this to the attention of the Chairperson or should approach the other Board member, who should then notify the Chairperson⁴.

3.13. Obligations and good practice

The Board should act in accordance with its obligations and with good public sector governance practice, including:

- the establishing Act, being [Alpine Resorts \(Management\) Act 1997](#);
- the public sector values in [section 7](#) of the [Public Administration Act 2004](#) (PAA)⁵;
- the 'duties of directors' (Board members) in [section 79](#) of the PAA;
- the requirement in [section 81\(1\)\(f\)](#) of the PAA that certain processes be in place for dealing with conflicts of interest;
- the ARV Board Integrity Framework (Code of Conduct) Policy. Which is based on the Department of Energy, Environment, and Climate Action (DEECA) model policy and incorporates the Directors' Code of Conduct issued by the Victorian Public Sector Commission (VPSC);
- government policy;
- any directions, guidelines and/or statements of obligation or expectation issued by the Minister; and
- all other laws and obligations that bind the organisation.

Appendix Two contains a brief workflow diagram of how to apply this Policy.

³ Consistent with s 81(1)(b) and (f) of the *Public Administration Act 2004*.

⁴ Or if the matter concerns a possible breach by the Chairperson, to the attention of the deputy Chairperson.

⁵ The public sector values are: integrity, impartiality, accountability, respect, responsiveness, human rights, and leadership.

4. Responsibilities

- Board:
 - foster a culture of integrity and transparency
 - act in the public interest at all times
 - manage conflicts of interest
 - notify the Minister of any breach of the conflict of interest provisions in the ARM Act
 - determine if a conflict is material
- Board Members:
 - act in the public interest at all times
 - declare their own conflicts of interest, at the start of each Board meeting or otherwise at any time
 - speak up if they believe another Board member may have an undeclared conflict
 - make an annual Declaration of Private Interests
 - complete and submit the AASB 124 Related Party information form biannually
 - manage their conflicts of interest
 - advise the Chairperson if they have breached the conflict of interest policy
- Chairperson:
 - ensure the Register of Interests is:
 - maintained as accurate and complete
 - available and confirmed at each Board meeting
 - ensure each Board meeting has an agenda item for Board members to declare any conflicts of interest, and the Minutes record this
 - guide the Board to manage conflicts of interest
 - ensure that the Board Member does not receive any Board papers relevant to a material conflict
 - inform and document the Board, Minister and DEECA Secretary, as applicable, of any breach of this Policy
- CFO:
 - Use the AASB 124 Related Party information form for the purpose of internal checking, recording and possible disclosure in the Annual Report
- Executive Assistant (CEO & Board):
 - Maintains, on behalf of the Board, the Register of Interests.

5. Legislation

- Section 33 of the Alpine Resort (Management) Act 1997 (ARM Act).
- Section 81(1)(f) of the Public Administration Act 2004.

6. Related documents

- ARV Board Integrity Framework (Code of Conduct) Policy
- ARV Board (and Sub-Committee) Meeting and Decision Making Policy
- ARV Gifts, Benefits and Hospitality Policy

7. Definitions

7.1. Definitions of Conflict

7.1.1. Conflict of interest

A conflict of interest is a conflict between a Board member's:

- **public duty** to act in the best interests of the organisation; and
- their **private interests**.

7.1.2. Conflict of duty

A conflict of duty (also known as a conflict of role) is a type of conflict of interest that can occur even if a Board member does not have any private interest at stake. It is a conflict between a Board member's:

- **public duty** to act in the best interests of the organisation; and
- their duty to **another public sector or private organisation**. It exists due to the Board member's role with the other organisation (e.g., as a committee member, employee, volunteer, or organisation member).

7.1.3. Real, potential or perceived

A conflict of interest or duty exists whether it is:

- **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 Board member's performance of his/her duty to the organisation, now or in the future.

7.1.4. Direct or indirect

A private interest can be direct or indirect. A direct interest is held by the Board member. An indirect interest is held by a relative or close associate of the Board member, for example:

- an immediate family member (e.g., spouse, partner, child, parent, sibling);
- a regular household member (i.e., someone who normally resides with the Board member); or
- another close associate (e.g., friend, relative, business associate, rival, enemy).

7.1.5. Pecuniary interests

Include actual, potential, or perceived financial gain or loss. Money does not need to change hands. The interest exists if the Board member (or a relative or close associate):

- owns property
- holds shares, investments or other business interests (including registered business names)
- owns digital assets
- has a position in a company bidding for government work
- receives benefits such as concessions, discounts, gifts or hospitality from a particular source
- holds office in a corporation (public, private or trustee), incorporated association, or other entity; or
- has any other relevant financial interest, for example:
 - is entitled to receive income derived from a contract
 - is a beneficiary or trustee of a trust; or
 - is entitled to receive income from an office held for payment/reward or from a trade, vocation, or profession.

7.1.6. Non-pecuniary interests

May arise from personal or family relationships or from involvement in sporting, social, or cultural activities, etc. They include a tendency towards favour or prejudice resulting from friendship, animosity, or other personal involvement with another person or group. If personal values are likely to impact on the proper performance of public duty, this can also lead to a conflict of interest. Enmity as well as friendship can give rise to a conflict of interest.

7.2. Other Definitions

Board meetings, chairperson, and members – any reference to a Board meeting, the Board Chairperson, or Board member also refers to a Committee meeting, Committee chairperson or Committee member.

8. Approval, Implementation and Version Control

Version Number			
Document Reference:	ARV-CORP-BOARD-0001	Policy Custodian:	GM CS
Approved By:	FRAC	Approval Date:	23 Oct 2025
Last Amended:	Nov 2022	Next Review Date:	Oct 2027
Comments:			

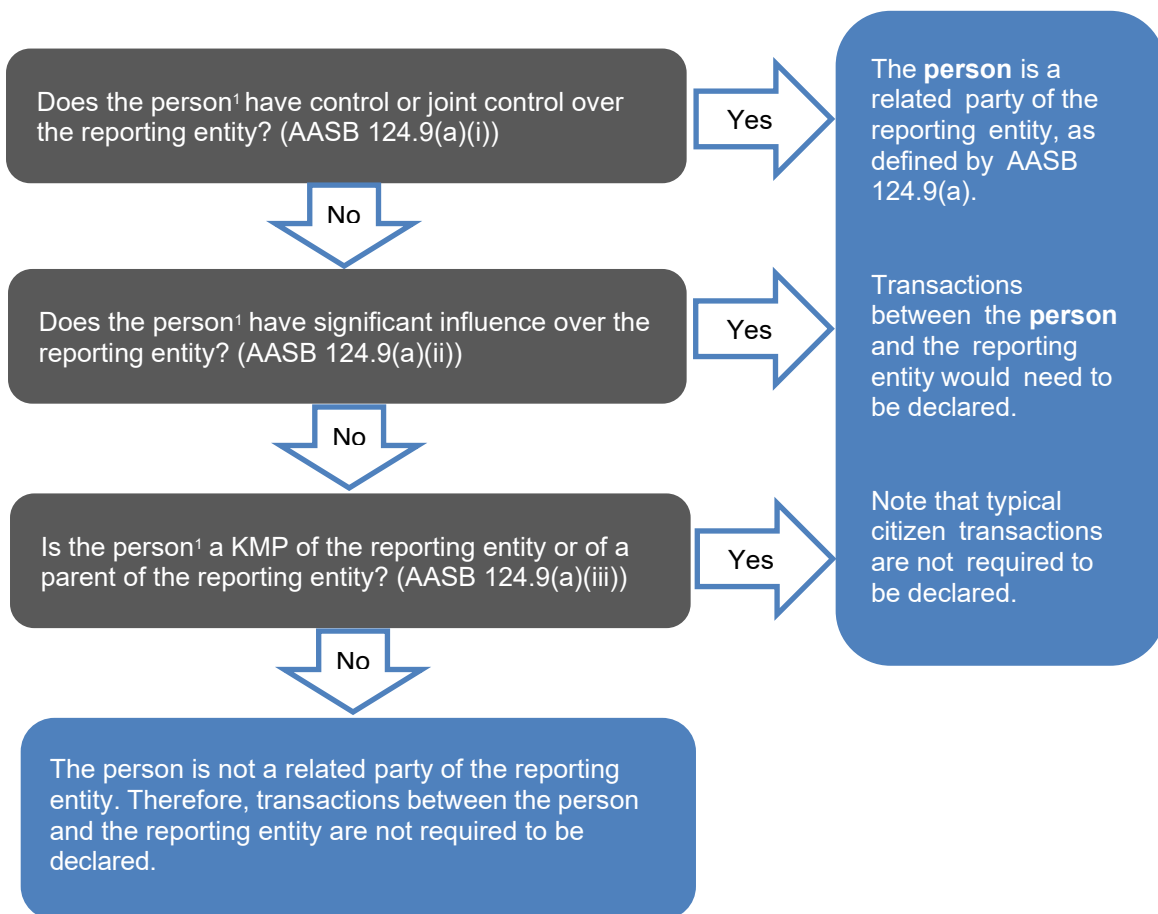
Appendix 1: Related Party Disclosures Flow Chart

This flow chart assists in identifying a related party person under AASB 124 *Related Party Disclosures* and will help in determining whether a person would be considered a related party of the reporting entity.

Key Management Personnel (KMP) Close Family Members:

Close family members are defined as those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity. This includes that person's children and spouse or domestic partner; children of that person's spouse or domestic partner' and dependents of that person or that person's spouse or domestic partner (AASB 124.9).

Note that regard must be given to other known family relationships outside the definition of 'close family member' in the event they may be expected to influence, or be influenced by, the KMP's decisions.



Appendix 2: Managing Conflicts in Meetings

- Board member identifies conflict of interest.
- Board member declares conflict.
- If it arises from:
 - A direct or indirect pecuniary interest in a contract or other matter being dealt with by the Board
 - Conflict with the Board member's duties or interest arising, directly or indirectly, from holding an office or possessing property.
- Outcome, as per 3.6 - remove, record and restrict
- If not, does the Board assess it as material as per guidance at 3.8
- Outcome:
 - Standard response - remove, record and restrict
 - Have flexibility for stronger or lesser options, by exception – must record why standard not more suitable, as per section 3.9
- If not, must be non-material.
- Outcome, as per 3.10:
 - Restrict (but not remove) or
Record