



Conflict of Interest (Board) Policy

Purpose:	The purpose of this policy is to clarify guidelines to protect against potential conflicts of interest by directors of Darlingia Forest School Board, to observe legislation regarding conflict of interest, and to engage in school business activities in a fashion designed to avoid any conflict of interest or the appearance of impropriety.	
Scope:	The policy covers the types of activities which may constitute a conflict of interest, how a conflict of interest might be determined and the responsibilities of directors with regard to declaring conflicts of interest.	
Status:	APPROVED	Supersedes: Previous
Authorised by:	Board Chair	Date of Authorisation: April 2023
References:	<ul style="list-style-type: none"> ● <i>Education (Accreditation of Non-State Schools) Act 2017</i> ● ACNC Regulation 2013 ● <i>Corporations Act 2001</i> ● DFS Conflict of Interests Register ● Statement regarding prohibited arrangements 	
Policy Owner:	School Board	Next Review Date: April 2024

Policy

It is the policy of the Board of Darlingia Forest School that as best practice, all directors avoid any conflict of interest or the appearance of conflict of interest. However, the Board recognises that by the inherent nature of Darlingia - a newly established independent school in a small regional area, started by interested parents and community members, with a very specific philosophy and pedagogy, and which may require initial seed and maintenance funding in addition to Commonwealth and State funding - that conflicts of interest may occur in the procurement of goods, services, employment, or credit. As such, when a conflict of interest - whether actual, potential or perceived - is unavoidable, Darlingia will implement strict measures to minimise and manage these conflicts of interest appropriately.

Definitions

A conflict of interest may be defined as "any situation where a Board Member may be in (or may potentially be in) a position of being involved in a decision or action where they may not be perceived to be able to put the interests of the school first and foremost".

In deciding if there is a conflict of interest, a director should consider the following:

- the capacity for the interest to affect their decision-making;
- the importance of the interest to the director (not the School);
- the consequences or impact on the reputation of the School, of not declaring, or not appropriately discharging the perceived, actual, or potential conflict of interest;
- and how others may view these questions, as the test of materiality is not what the director believes but what a reasonable person would believe.

Legislation

Corporations Act 2001 – Directors are required by the Corporations Law to give notice of material personal interests in matters that relate to the affairs of their Company.

Australian Charities and Not-for-Profits Commission Regulation 2013 s45.25 Governance Standard 5 - (2) –

A registered entity must take reasonable steps to ensure that its responsible entities are subject to, and comply with, the following duties:

- to disclose perceived or actual material conflicts of interest of the responsible entity.

[Note: A perceived or actual material conflict of interest that must be disclosed includes a related party transaction.]

Education (Accreditation of Non-State Schools) Act 2017 s26 (2b) – allows that in assessing the suitability of a governing body, the Accreditation Board may have regard to:

- whether the governing body has appropriate guiding principles and procedures for identifying, declaring and dealing with any conflict of interest a director of the governing body may have relating to an aspect of the operation of the school.

Implementation

The Board has determined that Darlingia Forest School will:

1. Contract for goods, services, employment, and credit (i.e. a loan) in a manner that will avoid any actual, potential, or perceived conflict of interest, including the development and review of appropriate contracts stipulating the terms and conditions of procuring said goods, services, employment, and credit, or other similar arrangements.
2. Avoid conflict of interest in relation to employment of staff. The school may not employ a director except by a unanimous vote of the full board, excluding the director with the conflict of interest. The exception to this is the Chairperson, who to maintain impartiality in complaints proceedings and so forth, cannot be employed as a staff member for any reason. Additionally, the Chairperson ideally as best practice should not be a parent of a student enrolled at the School. When the terms of that Director's employment is being discussed and voted-on during a Board meeting, such as in relation to their wage, a promotion, or retention bonus, they are required to leave the discussion, and abstain from voting.
3. Avoid conflict of interest in relation to employment of staff. The school may not employ any staff member related by blood, adoption, fostering, or marriage to a director except by a unanimous vote of the full board, excluding the director with the conflict of interest. When the terms of that person's employment is being discussed and voted-on during a Board meeting, such as in relation to a promotion or retention bonus, the Director with the relevant conflict of interest is required to leave the discussion, and abstain from voting.
4. In instances where a director or staff member related by blood, adoption, fostering, or marriage to a director is procured to provide goods, services, employment, or credit (i.e. a loan), they will be fairly and reasonably remunerated, such as at the relevant award rate, a comparable salary in industries without set awards, or at a competitive interest rate no higher than contemporaneous bank interest rates, and so forth, as stated in Darlingia's 'Statement of Prohibited Arrangements'.
5. Require full disclosure from directors in situations where they, their relatives, partners or friends, may benefit financially, or in any other material way, from a decision made by the Board.
6. Enter any identified conflict of interest into the Darlingia Register of Interests.

In particular, directors of Darlingia Forest School may not:

- Apply the school's property either for their personal benefit or for the benefit of any other person without the authority of the full Board.
- Benefit financially, or in any other material way from the outcome of a decision made by the Board, in excess of fair remuneration for goods, services, employment, or credit loans.
- Cause any relative, partner or friend, or any organisation in which they have equity or of which they are an employee or a board member, to benefit from their position on the Board
- Make unauthorised use of confidential information belonging to the School
- Intentionally gain an advantage (directly or indirectly) for any person or causes detrimental to the school.

Conflicts Prior to Taking Office

A director with personal financial interest in a sale, lease, or contract with the school, which was entered before the director took office, and presents an actual or potential conflict of interest, shall immediately notify the Board Chair of such interest. It shall thereafter be the responsibility of the director to refrain from participating in any discussion or action relating to the sale, lease, or contract by the board.

Conflicts While in Office

If at any time a director believes that he or she may appear to be unable to maintain professional objectivity on any issue, because of a personal situation, employment, or other reasons, the member must notify the Board Chair and must not vote on the matter or be present when the matter is being considered by the Board. If a concern, complaint, or grievance emerges, which represents a perceived, actual, or potential conflict of interest for a director, the Board will follow the procedure outlined in Darlingia's relevant complaints policy to resolve the issue.

Determination as to Whether a Conflict of Interest Exists

The determination as to whether a conflict of interest exists is to be made by the Board Chairperson. Any director who has an actual, perceived or potential conflict of interest shall notify the Board Chairperson of such conflict immediately. The Board Chairperson shall then determine the appropriate course of action using the considerations outlined in this document's 'Definitions' section. If the determination as to whether a conflict of interest exists is in relation to the Board Chairperson, then the rest of the Board is instead responsible for determining whether a conflict of interest exists by unanimous decision, excluding any directors who may themselves have a conflict of interest in this decision. These determinations are to be documented appropriately in Board meeting minutes.

Sample Declaration of Conflict of Interest

Darlingia Forest School

ABN 86 634 480 890

Declaration of Conflict of Interest

I wish to declare the following personal interest that conflicts or may conflict with the discharge of my responsibilities as a director of Darlingia Forest School in a matter in which the organisation has an interest or which is under consideration by the School.

[Explain nature of conflict]

Signed: _____

Date: _____

Full Name of Director: _____

This declaration was tabled and minuted at the Darlingia Forest School meeting at

(place) _____ on (date) _____.

Course of action directed by the Board to resolve the conflict of interest:

[e.g., Director asked to leave the boardroom during matter related to the conflict]

Signed: _____

Date: _____

Chair: _____