How to use this document

This information is written in an easy to read way. We use pictures to explain some ideas.

This document has been written by Victorian Public Sector Commission. When you see the word ‘we’, it means Victorian Public Sector Commission.

Some words are written in **bold**. We explain what these words mean. There is a list of these words on page 14.

This Easy Read document is a summary of our official document – *Conflicts of Interest and Duty: A Practical Guide for Directors of Public Entities*.

You will find the official document on our website at [www.vpsc.vic.gov.au](http://www.vpsc.vic.gov.au)

You can ask for help to read this document. A friend, family member or support person may be able to help you.
What’s in this document?

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This guide is for Directors of a Board to follow.

A Board is a group of people who watch what an organisation is doing.

This guide will help you understand:

- conflict of interests
- conflicts of duty
- how to work out if there is a conflict of interest or duty
- your obligations – things you need to do
- the Board’s obligations
- what happens if you don’t follow the rules
- How to work out if you can accept a gift.
What is a conflict of interest?

As a Director, you should always do what is best for your organisation or public entity.

A public entity is an organisation made by a government to help the people.

A conflict of interest is when a Director has their own interests that are different from the Board.

A conflict of interest may be:

- **actual** – it happened
- **potential** – something might turn into a conflict of interest
- **perceived** – it seems like a conflict of interest.
It is ok to have a conflict of interest, but you need to tell the Board, so they can decide how to manage it.

A Director’s own interests are called private interests.

A private interest can be:

- **direct** – something owned by you
- **indirect** – something owned by a family member or a close friend
- **financial** – you get money from it
- **non-financial** – personal relationships, or taking part in sporting, social or cultural activities.
What is a conflict of duty?

Directors need to make sure their job doesn’t clash with other jobs they do.

This is called a **conflict of duty**.

A conflict of duty can happen when a Director:

- works for the government
- is a Director for:
  - another public entity
  - another government organisation
  - a **non-government organisation** – organisations that are not part of the government.

If you think you have a conflict talk to the Board Chair.
Things you’re not allowed to accept

It’s important that the community feels like they can trust your public entity.

This means that you can’t:

- take bribes – when someone gives you money to change your decision
- be affected by gifts – something you get for free or very cheap.

Your public entity needs to have rules about when it’s ok and when it’s not ok to accept a gift.

You need to know when it’s ok to accept hospitality – when someone you meet treats you in a friendly way.
Hospitality can be when someone pays for your:

- meal at a restaurant
- travel
- stay at a hotel or motel.

You also need to know when it’s ok to accept benefits – good things you get from doing something.

Benefits could be when someone:

- invites you to a sports game
- offers you cheaper products or services
- offers you a new job.

If you receive a bribe, gift, benefit, or hospitality, let your Board Chair know.
How do you know if there is a conflict?

Sometimes it can be hard to work out if there is a conflict of interest or duty.

Here are some questions you can ask if you aren’t sure:

- Do I have a private interest that could cause a conflict of interest?
- Am I getting any benefits that could cause a conflict of interest?
- Will other people see my private interests or actions as a conflict of interest?
- Have I made any promises that could cause a conflict of interest?
- What would someone in the community think about it?
Areas where there could be a conflict between you and the Board are:

- money and contracts
- hiring people and giving them a job
- making important decisions.

If you think you may have a conflict talk to the Board Chair.
How do you manage a conflict?

When the Board finds out about a conflict of interest, they will decide what action to take.

These actions can include:

- not letting you take part in the matter
- asking someone to help manage the process
- asking you to give up the private interest that is causing the conflict of interest
- asking you to leave your job.
What do you need to do?

You need to tell someone on the Board if you:

- have a conflict of interest
- know about a conflict of interest.

There are rules you need to follow to make sure you don’t have a conflict of interest.

These rules include:

- the **Code of Conduct** – how a Director should behave
- laws your public entity must follow
- parts of the **Public Administration Act** (the Act), including:
  - the obligations of the Directors
  - the obligations of the Board
  - **public sector values** – ways a Director should think and act.

The Act is a law for public entities to follow.
Word list

Benefits
Good things you get from doing something.

Board
A Board is a group of people who watch what an organisation is doing.

Bribes
When someone gives you money to change your decision.

Code of Conduct
How a Director should behave.

Conflict of interest
When a Director has their own interests, which are different from the Board.
Actual conflict of interest
A conflict of interest that happened.

Perceived conflict of interest
Something that seems like a conflict of interest.

Potential conflict of interest
Something that might turn into a conflict of interest.

Direct private interest
Something owned by you.

Financial private interest
Something you get money from.
Gifts
A free or very cheap item or service.

Hospitality
When someone you meet treats you in a friendly way.

Indirect private interest
Something owned by a family member or a close friend.

Non-private interest
Personal relationships, or taking part in sporting, social or cultural activities.

Non-government organisation
Organisations that are not part of the government.
Obligations
Things you need to do.

Public Administration Act
The Act is a law for public entities to follow.

Public entity
An organisation made by a government to help the people.

Public sector values
Ways a Director should think and act.

Private interests
A private interest can be:

- direct – something owned by you
- indirect – something owned by a family member or a close friend
- financial – you get money from it
- non-financial – personal relationships, or taking part in sporting, social or cultural activities.
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