



# Conflict of Interest Declarations and Disclosure of Relationships Policy

## Summary

This policy outlines how to manage actual or perceived conflicts of interest. Airways shall manage conflicts of interest in accordance with this policy.

**Approved by:** Airways' Executive Leadership Team

**Informed parties:** All Airways people

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## 1 Why we have this policy

All Airways people are expected to comply with all New Zealand laws and current best business practice while carrying out their duties for Airways. As part of that requirement, they need to be able to act in Airways' best interests without their personal relationships impacting on their ability to do so.

Airways people must be able to hold themselves to a high standard of honesty, integrity, and impartiality in undertaking their duties. One of the ways that Airways ensures that the integrity and impartiality of Airways people cannot be called into question is through the effective management of actual and potential conflicts of interest.

Airways shall manage conflicts of interest in accordance with this policy.

Airways people should:

- ▶ understand what a conflict of interest is and recognise that it has a broad definition;
- ▶ be aware of the different ways in which one can arise; and
- ▶ comply with the guidelines set out in this policy.

Airways will actively manage actual, potential, and perceived conflicts of interest to safeguard both our workers and our reputation. Sometimes conflicts of interest cannot be avoided and can arise without anyone being at fault. For conflicts (or potential conflicts) not to cause problems, they should be promptly disclosed to Airways, allowing for their proper management in accordance with this policy.

## 2 Who this policy applies to

This policy applies to all Airways People, which includes any Contractor or Supplier (see definitions in Section 7).

## 3 Conflict of interest overview

### 3.1 What is a conflict of interest?

A conflict of interest is defined in Section 7 below and can be:

- ▶ Actual: where the conflict already exists
- ▶ Potential: where the conflict is about to happen, or could happen
- ▶ Perceived: where other people might reasonably think that a person has been compromised.

A poorly managed 'perceived' conflict of interest can be just as damaging as a poorly managed 'actual' conflict of interest.

A conflict of interest can also be positive or negative. A person could be seen to favour or benefit someone or be against them and disadvantage them.

The key test to keep in mind is that there is a conflict of interest where:

- ▶ A person's duties or responsibilities to Airways could be affected by some other interest or duty that they may have.

Another way of considering whether a conflict of interest may exist is to ask:

- ▶ Does the person's other interest create or appear to create an incentive for them to act in a way that may not be in the best interests of Airways?

A conflict of interest can arise in a wide range of circumstances. It may be professional or personal. Airways people must be alert to situations where there are conflicts or potential and perceived conflicts arising from their other interests and their responsibilities to Airways. It is not the existence of the private interest alone that constitutes a conflict of interest. Other interests may, for example, include:

- ▶ holding a public office;
- ▶ being an employee, advisor, director, shareholder or partner of another business;
- ▶ having a relationship with or being a relative or close friend of someone who works for Airways, or an Airways supplier, customer or competitor (refer to the Procurement Policy);
- ▶ pursuing a business opportunity;
- ▶ being a member of a club, society, organisation or association;
- ▶ having a professional or legal obligation to someone else (such as being a trustee);
- ▶ owning a beneficial interest in a trust;
- ▶ owning or occupying a piece of land;
- ▶ owning shares or some other investment or asset;
- ▶ having received a gift, hospitality, or other benefit from someone (refer to the Gifts and Koha Policy);
- ▶ owing a debt to someone;
- ▶ being a relative or close friend of someone who has one of these interests (or who could otherwise be personally affected by a decision by Airways).

Typical examples where a conflict of interest may arise are:

- ▶ Close personal relationships between Airways people impacting on decision-making within the business;
- ▶ Transactions where both the company and Airways people (or their close relatives) are parties (or hold a direct or indirect interest); or
- ▶ Where Airways people have knowledge of confidential company information which could be used for personal benefit.

Guidance material to assist with assessing the existence of conflicts is available on the Te Kete Conflict of Interest page. If necessary, Airways will seek legal advice. Where there is doubt as to whether any situation classifies as a conflict situation, it should be treated as a conflict situation.

## 3.2 Disclosure of relationships

Airways recognises that close personal relationships may develop, or be pre-existing, between Airways' People and that applicants who are related to Airways people, may seek employment with the organisation.

However, it is professionally undesirable, and unacceptable, that close personal relationships should:

- ▶ impact on, or be perceived to impact on or influence, working practices;
- ▶ give rise to actual, potential, or perceived conflicts of interest or favouritism; or
- ▶ lead to disruption in the workplace.

Disruption to the workplace can be particularly acute when a close personal relationship is generally known to exist, but has not been disclosed and appropriately addressed.

This Policy aims to ensure that in these circumstances, Airways people are not open to allegations of, or do not commit, acts involving impropriety, favouritism, abuse of authority or conflict of interest. The procedure for handling the disclosure of relationships is the same as managing conflicts of interest.

### **3.3 Recruitment**

It is inappropriate for a person with whom an applicant is in a close personal relationship or a personal friend of an applicant to be involved in any recruitment process (including casual positions). Any conflict of interest situation on the part of a panel member must be declared immediately to the People & Capability Team. Any other declarations made during the recruitment or on boarding processes must be recorded on the Conflict of Interest Register.

### **3.4 Working together**

Airways people who embark on, or have a pre-existing, close personal relationships with other Airways people do need to be aware of their behaviour towards each other, particularly within the working environment and how this may impact others.

In many cases, any difficulties caused by such personal relationships should be resolved by informal resolution. However, in some cases, where a breach of the Code of Conduct or Airways policies occurs because of Airways people working together, it might be necessary for Airways to take disciplinary action, to transfer one or both individuals or to terminate a contractor or supplier relationship.

### **3.5 Line or contractor management**

Managers should not have line management or contract oversight responsibility for Airways people with whom they are having or have had a close personal relationship.

Further, no person who is involved, or has previously been involved, in a close personal relationship of any nature with any other person at Airways should be involved, directly or indirectly, in any:

- ▶ decisions involving a direct benefit, e.g. hiring or rehire, promotion, salary, work assignments or other working conditions;
- ▶ performance appraisals, promotions or performance management;

- ▶ disciplinary action or decisions relating to termination of employment;

in relation to the person with whom they have, or have had, a close personal relationship. This includes influencing matters at arm's length, for example, having 'informal' or 'off the record' discussions with others within Airways which may indirectly influence a decision-maker or a manager of that person.

If a close personal relationship develops while working together within a line or contract management relationship, Airways people are obliged to report this to their manager or the Airways employee responsible for the oversight of their contract, and/or the People & Capability Team; from there, alternative arrangements will be investigated.

## 4 Handling conflict of interest declarations and disclosure of relationships

### 4.1 Declaring conflicts of interest

It is the responsibility of all Airways people to report any actual or perceived conflict of interest and to disclose any close personal relationship that may result in allegations involving impropriety, favouritism, abuse of authority or conflict of interest. Please refer to section 3 for further guidance.

Employees should disclose any actual or potential conflict of interest or close personal relationships as soon as circumstances arise via the declaration form. Contractors and Suppliers should disclose any actual or potential conflict or close personal relationship as soon as circumstances arise via the same form (if they have access) or by informing the Airways employee responsible for oversight of their contract.

When a manager or employee responsible for a relevant contract is made aware of a possible conflict of interest, they should complete the form on the Conflicts of Interest Declarations & Disclosures page and consult with the People & Capability Team, **prior to taking any action.**

### 4.2 Conflicts arising in a meeting

If a matter posing a conflict or potential conflict of interest arises at a meeting, the conflicted individual shall declare to the meeting that they have an interest in the matter before that matter is discussed. They shall then withdraw from the meeting unless their manager or the Airways employee responsible for oversight of their contract (following disclosure of the conflict) approves their continued participation.

### 4.3 Handling Conflicts of Interest

When making decisions about conflicts of interest, Airways and Airways people shall be guided by the concepts of transparency, honesty, independence and good faith. While Airways people may have no intention of allowing personal interests to influence their behaviour with Airways, consideration must always be given to how an outside observer may reasonably perceive the situation. The perception of a conflict can be as damaging as an actual conflict.

When handling conflicts of interest, Airways people shall comply with any reasonable requests made by Airways to manage any potential or actual conflict of interest in accordance with this Policy. For further guidance on handling of conflicts of interest refer to the Conflict of Interest Management Process.

## **4.4 Conflict of Interest and Disclosure of Relationships Register**

Airways will keep and maintain a register of Airways people who have declared potential conflicts of interest or personal relationships. The register has appropriate security measures in place to protect any information disclosed via this process.

The register will be reported annually to the Executive Leadership Team and Board Audit and Finance and People and Culture Sub-Committees, on a confidential basis.

To promote Policy compliance and ensure the completeness of the register, reminders regarding the key requirements of this Policy will be published via Insite at least annually.

## **5 Supporting documentation**

### **5.1 Conflict of Interest Management Process**

Once a declaration has been received, the People & Capability Team will manage the process as outlined in the Conflict of Interest Management Process including:

- ▶ work with managers to ensure that conflicts are notified to the relevant Manager and appropriately managed;
- ▶ where necessary, clarify with affected individuals any questions that may need to be addressed concerning the matter;
- ▶ ensure that any serious conflicts are reported to the appropriate Executive Leadership Team member;
- ▶ advise affected individuals of the outcome and where necessary confirm what further steps need to be taken to avoid the conflict; and
- ▶ make a file note of the details and any decisions, and place this on the employee's personnel file or, in case of a Contractor or Supplier, attach it to the project file and/or contract.

In each case, Airways and the individual(s) concerned will need to consider what action (if any) is necessary to best avoid or mitigate any effects of the conflict of interest. There are many potential options for addressing a conflict of interest. These include:

- ▶ enquiring as to whether all affected parties will consent to the individual's continued involvement;
- ▶ imposing additional oversight or review over the individual(s);
- ▶ withdrawing from discussing a particular item of business at a meeting;
- ▶ excluding the individual(s) from a committee or working group dealing with the issue;
- ▶ re-assigning certain tasks or duties to another person;
- ▶ agreement or direction not to do something;
- ▶ withholding certain confidential information, or placing restrictions on access to information;

- ▶ transferring the individual (temporarily or permanently) to another position or project;
- ▶ requesting that the individual relinquishes the private interest;
- ▶ requiring the individual's resignation from the other position or entity;
- ▶ seeking a formal decision regarding the situation (e.g. from the Board or Executive); and
- ▶ taking no action.

In the management of conflicts Airways shall:

- ▶ aim to eliminate any conflict of interest which is potentially detrimental to Airways;
- ▶ be guided by the concepts of transparency, honesty, independence, and good faith; and
- ▶ consider how an outside observer may reasonably perceive the situation and take all reasonable steps to remove any possibility or perception of any role with Airways role being used for private benefit.

## 5.2 Other Relevant Policies and Documents

The following documents can be found on the [Policy Hub](#):

- ▶ Conflicts of Interest Management Process
- ▶ Code of Conduct Policy
- ▶ Contracting Policy
- ▶ Gifts and Koha Policy
- ▶ Whistleblower Policy & Whistleblower Procedure (Protected Disclosures Act 2000)
- ▶ Procurement Policy
- ▶ Delegated Financial Authority Policy
- ▶ Fraud and Corruption Prevention Policy

Guidance material, including the declaration form, on the [Conflicts of Interest Declarations & Disclosures page](#).

## 6 Failure to comply

Airways takes conflicts of interests seriously. A failure to disclose a conflict of interest or comply with this policy may result in disciplinary action up to and including summary termination of employment being taken against employees and/or the termination of a contractual relationship with a supplier or contractor.

All Airways people are strongly encouraged to be open, transparent, and honest in relation to matters which may amount to a conflict of interest. If unsure, they must always err on the side of caution and seek advice from the People & Capability team or their manager on whether the situation may be deemed to be a conflict of interest.



## 7 Definitions

Term	Definition
Airways people	Includes any Contractor, Employee and/or Supplier.
Close personal relationship	<p>A relationship between Airways people, including existing Airways people and those who seek to provide services to or be employed by Airways which is:</p> <ul style="list-style-type: none"> <li>▶ a consensual, romantic, and intimate relationship. For example, two employees who are dating are considered to be in a close personal relationship;</li> <li>▶ a close friendship, where the relationship is different from simply being friendly with a colleague in a normal working relationship. For example, if there could be a perceived influence over the other individual's role, roster, performance, or other aspect of their employment;</li> <li>▶ a relationship between spouses or de facto partners; and/or</li> <li>▶ a family relationship.</li> </ul>
Conflict of interest	Means where someone is, or could be perceived to be, compromised when their personal interests or obligations conflict with the responsibilities of their job or position. It means that their independence, objectivity, or impartiality can be called into question. It includes a close personal relationship between Airways people.
Contractor	Means an individual or a person employed by a company engaged under a Contract for Services by Airways.
Employee	Means any employee employed by Airways
Supplier	Individual or company that provides Airways, under contract, goods, and/or services.

## 8 Record and quality management

Under Airways Information and Records Management, NZ Archives General Disposal Authority and Airways Retention & Disposal Authority, the following specific records must be retained:

- ▶ Records created in accordance with this Policy must be retained in accordance with the Employment Relations Act 2000 and the Privacy Act 1993 or as otherwise required by law.