



**AUSTRALIAN DENTAL ASSOCIATION VICTORIAN BRANCH INC.**

**BRANCH POLICY STATEMENT 1.03**

**CONFLICT OF INTEREST**

## **1. INTRODUCTION**

- 1.1 ADAVB is committed to acting at all times in a manner, which maintains ethical standards, fairness and integrity. Individuals involved in Branch activities may bring expertise from a variety of backgrounds that is to the benefit of the Branch. However, such experience may on occasion cause the possibility for conflict of interest to arise.
- 1.2 The purpose of this Branch Policy Statement is to:
- elaborate on the requirements of Members in accordance with the Branch Constitution;
  - define what a conflict of interest is, and provide examples relevant to ADAVB and its operations; and
  - provide a framework by which conflict of interests can be handled in a way that complies with ADAVB's legal obligations and upholds the integrity and reputation of ADAVB.

## **2. THE ADAVB CONSTITUTION**

- 2.1 The ADAVB Constitution includes Rule 109, which applies to Members of ADAVB and requires Members to disclose any material interests. Members should refer to and be familiar with the requirements of the Constitution.
- 2.2 The ADAVB By-Laws also incorporate the obligations contained in this policy.

## **3. SCOPE OF THE POLICY**

- 3.1 This policy applies to ADAVB Personnel defined as:
- Members of the ADAVB when engaged in Branch Council, committee or representational activities on behalf of the Branch;
  - consultants to the ADAVB;
  - employees of the ADAVB; and
  - other individuals involved in ADAVB activities.
- 3.2 All ADAVB Personnel have a responsibility to identify any conflict of interest and to take the necessary action to resolve those situations as soon as they arise in accordance with this Policy.

#### 4. STATUTORY OBLIGATIONS

- 4.1 ADAVB is governed by the *Associations Incorporation Reform Act 2012* (the **Associations Act**). The Associations Act requires that directors (Councillors) act in the best interests of the ADAVB, and must bring an independent judgement to bear on all decision making
- 4.2 Councillors must disclose perceived conflicts of interest and refrain from voting in relation to matters in which they have a material personal interest. There are exceptions to this rule in the Associations Act and the Branch Constitution. It is good practice to ensure that the Councillor's leaving and returning to the meeting is minuted.
- 4.3 A material interest is anything that could affect decision making on any given issue.

#### 5. WHEN MAY A CONFLICT OF INTEREST OCCUR?

- 5.1 ADAVB Personnel have a duty to act in the best interest of ADAVB and an 'interest' for the purposes of this Branch Policy Statement means any matter that may affect the ADAVB or its personnel. The interest must be material, meaning reasonably significant to the person. Interests include personal interests such as business interests and professional interests.
- 5.2 It is also possible that ADAVB Personnel's duties to another organisation (for example, as a board member or employee) may give rise to an interest in that organisation. These interests can sometimes come into conflict with duties owed to the ADAVB and the ADAVB's interests.
- 5.3 There are many situations which may give rise to a conflict of interest. In broad terms, these can be divided into:

- **pecuniary interests, which involve financial gain or loss.**

The financial impact may be direct or indirect and it may be actual or potential. An example of a pecuniary interest is receiving a payment under a contract.

- **non-pecuniary interests, which do not involve a financial impact.**

This type of interest may arise because of friendship or enmity, because of an affinity for, or prejudice against an issue or matter. An example of a non-pecuniary interest is being in a personal or professional relationship with a person.

- 5.4 ADAVB Personnel will have interests in many matters and a conflict of interest may occur in any of the following but not restricted to circumstances:
- when a Member, or his/her immediate family or business interests, stands to gain financially from any business dealings, programs or services provided to or by the ADAVB,
  - when a Member offers a professional service to ADAVB, for example, as a consultant, and
  - where ADAVB Personnel stand to gain personally or professionally from any insider knowledge that is used for personal or professional advantage.
- 5.5 A conflict of interest will arise whenever ADAVB Personnel have an interest in the outcome of a decision or matter that will also affect ADAVB.
- 5.6 A perceived conflict of interest is the same as an actual conflict of interest.
- 5.7 A perceived conflict of interest arises if a reasonable and independent third party could perceive there to be a conflict of interest. A perceived conflict of interest will undermine the integrity and standing of the ADAVB in the same way as an actual conflict of interest and must be handled in the same way as set out in this Branch Policy Statement.
- 5.8 Therefore, even if the ADAVB Personnel concerned does not think that their interests are in conflict with those of the ADAVB, the fact that another reasonable and independent person perceives there to be a conflict means that there may be a conflict of interest.

## **6. GIFTS, COMMISSIONS, CONSIDERATION OR OTHER FAVOURS**

- 6.1 During their employment, ADAVB personnel must not accept, or undertake to accept, either directly or indirectly, any gifts, commissions, consideration or other favours or benefits of a significant value whatsoever in connection to their work, without prior consent of the ADAVB CEO or Council.
- 6.2 'Significant value' means all gifts, commissions, consideration or other favours with an estimated value exceeding \$150 and/or all gifts, commissions, consideration or other favours from a single person or organisation, the cumulative estimated value of which is greater than \$200 in any financial year.
- 6.3 ADAVB personnel are also expected to decline and report any offers of favoured treatment of family or friends.

## **7. PROCEDURE FOR MANAGING A CONFLICT OF INTEREST**

The ADAVB places great importance on avoiding actual and perceived conflicts of interest and adopts the following principles and procedures to encourage a culture of disclosure:

- ADAVB Personnel must take steps to actively identify and avoid any actual or perceived conflict of interest.  
ADAVB will keep a Conflict of Interest Register for Council and committee members, consultants and employees.
- Having a disclosure of Conflict of Interests at the beginning of each meeting.
- Any interest which may give rise to a conflict of interest must be declared as soon as practicable after the relevant facts come to the person's knowledge to the appropriate person or body.
- ADAVB Personnel who are in doubt whether they have an actual or perceived conflict of interest must also disclose the conflict as above.
- ADAVB Personnel who have declared a conflict of interest must not take any action in relation to the matter which is subject of the conflict.
- Where a Member has a material personal interest, in a matter before a Branch meeting the said Member must not be present during any deliberations on the matter, including any deliberations as to whether the Member has a conflict of interest. The said Member is not entitled to vote on the matter, which is the subject of the conflict but may be allowed to participate in discussion at the discretion of the Meeting.
- If the conflict of interest is continuing, the ADAVB must consider whether information must be restricted so that information concerning the subject of the conflict does not come to the conflicted ADAVB Personnel. Consideration will also be given to how long this conflict continues and the Members' ongoing role or the interest at hand.

## **8. IMPLEMENTATION OF THIS BRANCH POLICY STATEMENT**

- 8.1 If you have any questions about this Branch Policy Statement, please contact the Chief Executive Officer at the Branch Office on 8825 4600 or [ceo@adavb.org](mailto:ceo@adavb.org).
- 8.2 In the event that an investigation is required into an alleged contravention of this Branch Policy Statement it shall be conducted under the ADAVB's disputes and ethics processes. Employees, who fail to disclose a conflict of interest may be subject to the Employee Disciplinary Process.

<b>Branch Policy Statement Number</b>	<b>1.03</b>
<b>Adopted by Council</b>	<b>22 July 2013</b>
<b>Reviewed by Constitution and Policy Committee</b>	<b>22 February 2018</b>
<b>Amended by Council</b>	<b>26 March 2018</b>
<b>Relevant Rules</b>	<b>107, 108, 109</b>
<b>Relevant By-Laws</b>	<b>3</b>
<b>See also</b>	<b>4.03 Employee Disciplinary Policy</b>