



THE  
**ROYAL SOCIETY**  
OF NEW SOUTH WALES  
ENRICHING LIVES THROUGH KNOWLEDGE SINCE 1821

## **CONFLICT OF INTEREST POLICY** **(approved November 2021)**

### **1 Purpose**

The purpose of this policy is to assist Councillors, Council and Branch Committee Members, Council-appointed Roles and employees of the Royal Society of New South Wales (the Society) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of the Society and to manage risk.

### **2 Objective**

The Royal Society of New South Wales Council, (the Council) aims to ensure that all Councillors, Council and Branch Committee Members, Council-appointed Roles and employees are aware of their obligation to disclose any conflicts of interest that they may have, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of the Society.

### **3 Scope**

This policy applies to Councillors, Council and Branch Committee Members, Council-appointed Roles and employees of the Society.

### **4 Definition of conflicts of interests**

A conflict of interest occurs when a person's personal interest conflicts with their responsibility to act in the best interest of the Society. To be 'material' a personal interest needs to be of a type that can give rise to a real conflict of interest. Personal interests do not give rise to a conflict of interest unless there is a real possibility of conflict and not simply a remote or theoretical possibility of conflict or a judgement made by a prejudiced individual.

Conflicts of Interest can be of two types:

#### **1. Pecuniary Interest**

Is an interest that a person may have in a matter because of a reasonable possibility of a financial benefit or disbenefit to them or another person with whom they are associated. It could include a business associate, spouse, de facto partner, or a relative or friend.

#### **2. Non-Pecuniary Interest**

Is an interest that a person may have in a matter because of a reasonable possibility of a non-financial benefit or disbenefit to them or another person with whom they are associated. It could include a business associate, spouse, de facto partner, or a relative or friend.

A material conflict of interest could arise where:

- A personal interest could lead a person to be influenced in the way they make decisions
- A personal interest could lead an unprejudiced person to think that the person could be influenced in the way they make decisions, and/or
- A person has knowledge that a family member, relative, friend, associate, or anybody else close to that person has an interest that could lead to them being influenced, or an unprejudiced person to think they could be influenced, in their decisions.

## **5. Policy**

This policy has been developed to address conflicts of interest affecting the Society. Conflicts of interest are common and do not need to present a problem to the Society as long as they are openly and effectively managed.

### **5.1 Responsibility of individuals**

It is the policy of the Society, as well as a responsibility of the Council, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (when they do arise) do not conflict with the obligations of responsible individuals to the Society.

The Society will manage conflicts of interest by requiring Councillors, Council and Branch Committee Members, Council-appointed Roles and employees to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches in consultation with two impartial Council members.

### **5.2 Responsibility of the Council**

The Council is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the Society
- monitoring compliance with this policy, and
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The Society must ensure that its Councillors, Council and Branch Committee Members, Council-appointed Roles and employees are aware of the Australian Council and Non-for-Profits Commission (ACNC) governance standards, particularly governance [standard 5](#), and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

This Policy will be reviewed annually by Council at which time all Council and Branch Committee Chairs will be asked to provide the Secretary with the minutes of any meeting

where a conflict of interest arose to identify any areas of improvement in the handling of conflicts of interest and the effectiveness of this Policy.

### **5.3 Identification and disclosure of conflicts of interest**

Item 1.3 of the standard Agenda template (as specified in the Society's Induction Manual) requests all Council and committee members to declare any conflict of interest with any item on the agenda.

The decisions made under item 6 below regarding whether a person has a material conflict and what to do about it must be recorded in the minutes of the meeting. All Council, Committee and Branch Meetings, Agendas and Minutes are in-confidence and any disclosures are therefore treated as such.

### **6 Action required to manage conflicts of interest**

Once the conflict of interest has been appropriately disclosed, the Council, Council Committee or Branch Committee (excluding the member(s) making the disclosure) must decide whether or not those conflicted member/s should:

- vote on the matter (this is a minimum),
- participate in any debate, or
- be present in the room/or virtually in the meeting during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent regular participation in discussions, Council must consider if it is appropriate for the person conflicted to resign from the Council, Council Committee or Branch Committee.

In deciding what approach to take, the Council, Council Committee or Branch Committee will consider:

- whether the conflict needs to be avoided or simply documented in the minutes of the meeting
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
- alternative options to avoid the conflict, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the Society.

The approval of any action requires the agreement of at least a majority of the Council, Council Committee or Branch Committee (excluding any conflicted member/s) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting.

### **7 Compliance**

It is expected that upon election or appointment to a role in the Society, all Councillors, Council and Branch Committee Members, Council-appointed Roles and employees of the Society will comply with this Policy for the duration of their tenure in the role.

For questions about compliance with this policy, contact the [Society Secretary](#).