



**Mental Health
Australia**

Conflict of Interest Management Policy

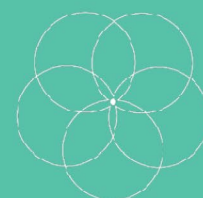
February 2020

**Mentally healthy people,
mentally healthy communities**

mhaustralia.org

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1 Preamble

1.1 Introduction

Consistent with The *Corporations Act* 2001, Mental Health Australia's Constitution, Code of Conduct and Conflict of Interest Management Policy, Board directors, committee members, and staff must declare any potential or actual conflicts of interest.

These declarations are monitored no less than quarterly for Board directors, committee members, and senior staff and annually for other staff, however it is the responsibility of the Board, committee members, and all staff to notify the relevant individuals (Company Secretary, CEO, Deputy CEO or manager) of any alterations outside of these formal review periods.

A register of Board directors', committee members' and staff members' interest and representations on behalf of Mental Health Australia is maintained and updated regularly.

1.2 Purpose

This policy is to help Mental Health Australia's Board, committee members, and staff members effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of Mental Health Australia and manage risk.

1.3 Scope

This policy applies to all Board directors, committee members, and staff of Mental Health Australia.

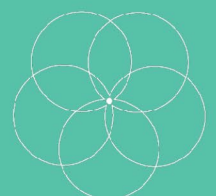
1.4 Acknowledgement

This policy has been developed using the adapted template and guidance provided by the Australian Charities and Not-for-profits Commission (ACNC).

1.5 Definition of conflicts of interest

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the organisation. Personal interests include direct interests, as well as those of family, friends, or other organisations a person may be involved with or have an interest in.¹

¹ *Conflict of Interest* webpage, acnc.gov.au: <https://www.acnc.gov.au/tools/templates/conflict-interest-policy>, Commonwealth of Australia 2018



It also includes a conflict between a Board or committee member or staff member's duty to Mental Health Australia and another duty they may have (for example, to another organisation). A conflict of interest may be actual, potential, or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of Mental Health Australia. Therefore these situations must be managed accordingly.

The *Corporations Act* outlines how Mental Health Australia will avoid perceptions and actual conflict arising from related party transactions.²

To support this, Mental Health Australia has a Conflict of Interest Policy and Interest Register which is addressed by the Board at each Board meeting (and the committees of the Board at their meetings). The staff registers will be reviewed by the Mental Health Australia executive at least quarterly.

2 Conflict of Interest Policy

This policy has been developed to address conflicts of interest affecting Mental Health Australia. Board directors, committee members, and staff members should seek to avoid conflicts of interest wherever possible. Full and prior disclosure of any conflict, or potential conflict, or the appearance of a potential conflict, must be made. Board and committee members must alert the Board, the Committee, and Company Secretary, and staff members must notify the CEO, Deputy CEO or their manager.

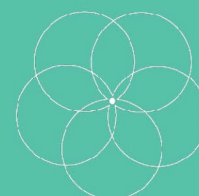
Potential for perceived conflicts of interest are common, and they do not need to present a problem to the organisation as long as they are openly and effectively managed.

It is the policy of Mental Health Australia, as well as a responsibility of the Board and its committees, and of staff, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to Mental Health Australia.

Mental Health Australia will manage conflicts of interest by requiring Board directors, committee members, and staff members 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

² For example, section 228 outlines who is a 'related party' for a public company; section 229 provides examples of financial benefits, *Corporations Act* 2001 (Cth)



2.1 Identification and disclosure of conflicts of interest as a Board Director

On appointment to the Board, each Director must complete and submit a declaration of interests and conflicts of interest to the Company Secretary.

Once an actual, potential or perceived conflict of interest is declared to the Board, the Board must decide whether the Board member should:

- Refrain from voting (this is a minimum);
- Refrain from participating in discussion;
- Withdraw from the meeting during discussion and voting; and
- Consider resigning from the Board.

Conflicts of interest that need to be declared may include, for example:

- A Board member's family business has submitted a tender to complete a piece of work, or take over the maintenance of the office, etc;
- A Board member's organisation has submitted an application for funding which is managed by the Board or a Board member, or that they have direct or indirect influence on;
- A Board member is engaged with an organisation or group that is applying for membership of Mental Health Australia; and
- A Board member is engaged with an organisation or group that has or may have an impact on the activities, funding, direction, etc. of Mental Health Australia.

The Company Secretary will maintain a current list of Board Directors Interests and Conflicts of Interests, to be presented and reviewed at each Board and Board Committee meeting.

A Conflict of Interest Register documents an actual, potential or perceived conflict of interest declared by a Board member. This includes potential areas where the conflict could arise and agreed actions to be taken to mitigate the risks.

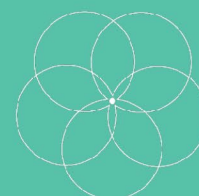
A Register of Mental Health Interest documents all mental health related Boards, committees, or working groups, Board directors are involved in and their capacity (e.g. Director, Member, CEO). Depending on the interest, other Directors will determine if a Director continues to participate in discussion, abstains from voting, or leaves the meeting.³

Key documents:

[Refer 3.1 Attachment A: Board Member Conflict of Interest Register](#)

[Refer 3.2 Attachment B: Register of Mental Health Interests](#)

³ Mental Health Australia Board Charter



2.2 Identification and disclosure of conflicts of interest as a committee member

On appointment to the Board committee, including external members of the Finance and Risk Management Committee (FARM), each member must complete and submit a declaration of interests and conflicts of interest to the Company Secretary.

Once an actual, potential or perceived conflict of interest is declared to the committee, the committee must decide whether the member should:

- Refrain from voting (this is a minimum);
- Refrain from participating in discussion;
- Withdraw from the meeting during discussion and voting; and
- Consider resigning from the committee.

Conflicts of interest that need to be declared may include, for example:

- A committee member's family business has submitted a tender to complete a piece of work, or take over the maintenance of the office, etc;
- A committee member's organisation has submitted an application for funding which is managed by the Board or a Board member, or that they have direct or indirect influence on;
- A committee member is engaged with an organisation or group that is applying for membership of Mental Health Australia; and
- A committee member is engaged with an organisation or group that has or may have an impact on the activities, funding, direction, etc. of Mental Health Australia.

The Company Secretary will maintain a current list of committee members' interests and conflicts of interests, to be presented and reviewed at each committee meeting.

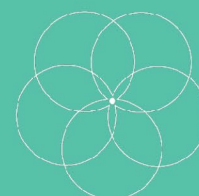
A Conflict of Interest Register documents an actual, potential or perceived conflict of interest declared by a committee member. This includes potential areas where the conflict could arise and agreed actions to be taken to mitigate the risks.

A Register of Mental Health Interest documents all mental health related Boards, committees, or working groups, committee members are involved in and their capacity (e.g. Director, Member, CEO). Depending on the interest, other committee members will determine if a member continues to participate in discussion, abstains from voting, or leaves the meeting.

Key documents:

[Refer 3.3 Attachment A: Committee Member Conflict of Interest Register](#)

[Refer 3.4 Attachment B: Committee Member Register of Mental Health Interests](#)



2.3 Identification and disclosure of conflicts of interest as a staff member

Mental Health Australia's staff members are required to complete a confidential disclosure statement upon appointment as part of the employment induction process. Following this, staff members are required to notify the CEO, Deputy CEO or their manager, as soon as they become aware that they may have an actual or potential conflict of interest and provide an updated disclosure statement.

Once an actual, potential or perceived conflict of interest is declared, the CEO or Deputy CEO must decide whether the staff member should:

- Request to be replaced on the conflicting body by another staff member;
- Be removed from direct management of the conflicting work eg. that particular project management or no longer manage that staff member (if in a relationship) etc;
- Consider whether their tenure on the conflicting body (eg. committee) and employment at Mental Health Australia can both continue; and
- Be requested to step down from the conflicting position.

Conflicts of interest that need to be declared may include, for example:

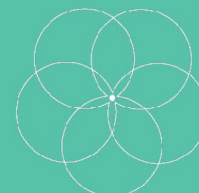
- A staff member's family business has submitted a tender to complete a piece of work, or take over the maintenance of the office, etc;⁴
- A staff member has commenced a relationship with another employee or Board director or other closely related party;
- An organisation that a staff member is associated with (eg. is on its governing body) has submitted an application for funding which is managed by Mental Health Australia, or that they have direct or indirect influence on (eg. are on the selection panel);
- A staff member is engaged with an organisation or group that is applying for membership of Mental Health Australia;⁵
- A staff member is engaged with an organisation or group that has or may have an impact on the activities, funding or direction of Mental Health Australia; and
- A staff member is engaged with an organisation or group with values in direct opposition to those of Mental Health Australia.

Any unresolved situation or disagreement in relation to decisions following a conflict of interest disclosure will be referred to the Board for review and final decision.

A Staff Member Conflict of Interest Register documents an actual, potential or perceived conflict of interest declared by a staff member to the CEO, Deputy CEO, or their manager. This includes potential areas where the conflict could arise and agreed actions to be taken to mitigate the risks.

⁴ This would not preclude the business applying for and being approved for the work, but should be recorded and decision-making kept at arm's length

⁵ This would not preclude the organisation applying for and being approved membership but should be recorded



A Register of Mental Health Australia Representation is also kept to document all Boards, committees, or working groups, staff members participate on as part of their role, representing Mental Health Australia.

Key documents:

[Refer 3.5 Attachment C: Staff Member Conflict of Interest Register](#)

[Refer 3.6 Attachment B: Register of Mental Health Australia Representations](#)

2.4 Remuneration for Committee participation as a Mental Health Australia staff member

In most cases, staff members sitting on committees or working groups are not paid for their service as it is considered part of their general employment duties with Mental Health Australia.

If a staff member is invited on to a committee as an individual for their own skill set (not linked to their position at Mental Health Australia) then payment can be accepted if approved by the CEO or Deputy CEO (or the Board if this relates to the CEO). If this is the case, the staff member must participate on this committee or group in their own time and take annual leave or agreed time in lieu to do so.

If a staff member is invited on to a committee because of their role at Mental Health Australia and remuneration is provided, those funds must be paid to Mental Health Australia to reimburse for time away from the office, and not the individual. These details need to be included on the appropriate interest register.

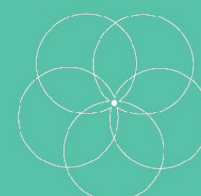
3 Attachments – Registers

All attachments/registers below are saved as separate documents and filed in accordance with Mental Health Australia’s Records Management Policy.

Please note, each Committee (in 3.3 and 3.4) has separately filed registers.

3.1 Attachment A: Board Member Conflict of Interest Register

| DATE | NAME | ROLE | POTENTIAL AREAS WHERE COI COULD ARISE (INCL ITEM#) | ACTION/S TAKEN TO MITIGATE THE RISKS | COMMENTS | APPROVED BY THE CHAIR |
|------|------|------|---|--------------------------------------|----------|-----------------------|
| | | | | | | |
| | | | | | | |



3.2 Attachment B: Board Director and Officer Mental Health Interest Register

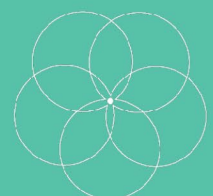
| BOARD DIRECTOR | BOARD/ COMMITTEE/ WORKING GROUP | CAPACITY |
|----------------|---------------------------------|----------|
| | | |
| | | |

3.3 Attachment C: Committee Member Conflict of Interest Register

| DATE | NAME | ROLE | POTENTIAL AREAS WHERE COI COULD ARISE (INCL ITEM#) | ACTION/S TAKEN TO MITIGATE THE RISKS | COMMENTS | APPROVED BY THE CHAIR |
|------|------|------|--|--------------------------------------|----------|-----------------------|
| | | | | | | |
| | | | | | | |

3.4 Attachment D: Committee Member and Officer Mental Health Interest Register

| BOARD DIRECTOR | BOARD/ COMMITTEE/ WORKING GROUP | CAPACITY |
|----------------|---------------------------------|----------|
| | | |
| | | |

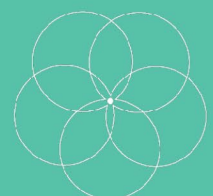


3.5 Attachment E: Staff Member Conflict of Interest Register

| DATE | NAME | ROLE | POTENTIAL AREAS WHERE COI COULD ARISE | ACTION/S TAKEN TO MITIGATE THE RISKS | COMMENTS | APPROVED BY THE CEO/ DEPUTY CEO |
|------|------|------|---------------------------------------|--------------------------------------|----------|---------------------------------|
| | | | | | | |
| | | | | | | |

3.6 Attachment F: Staff Member Register of Mental Health Australia Representations

| STAFF MEMBER | BOARD/ COMMITTEE/ WORKING GROUP | CAPACITY |
|--------------|---------------------------------|----------|
| | | |
| | | |



4 Supporting Documents

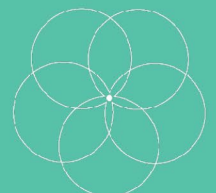
Mental Health Australia Ltd Constitution

Governance Manual

Contract Management and Procurement Guidelines

Code of Conduct

Board, FARM and Governance Committee Charters



5 Documentation & Approvals

5.1 Document location

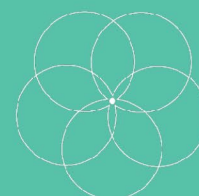
| Document Title | ECM Location |
|--|--------------|
| Conflict of Interest Management Policy | Word 20/1199 |

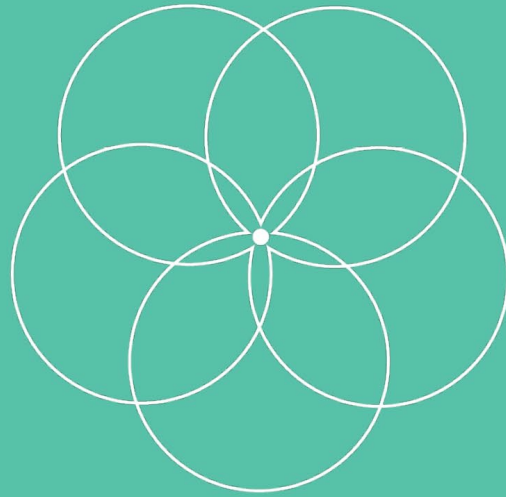
5.2 Document history

| Version | Date | Description | Author |
|---------|-----------|---|--------------------------------|
| 1 | 26/2/2020 | Draft policy to go to Governance Committee for review | Melanie Cantwell/ Kath Sequoia |
| 2 | 13/3/2020 | Policy reviewed and endorsed by Board | Melanie Cantwell/ Kath Sequoia |
| | | | |

5.3 Date for review

| Review period | Date for next review |
|---------------|----------------------|
| Biennial | March 2022 |





Mental Health Australia

Mentally healthy people,
mentally healthy communities

mhaustralia.org

Mental Health Australia is the peak independent national representative body of the mental health sector in Australia.

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