

# NSW TEACHERS FEDERATION CONFLICT OF INTEREST AND DISCLOSURE OF MATERIAL PERSONAL INTERESTS POLICY



**POLICY STATUS –  
NSW TEACHERS FEDERATION  
CONFLICT OF INTEREST AND DISCLOSURE OF  
MATERIAL PERSONAL INTERESTS POLICY**

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## 1. OVERVIEW

The NSW Teachers Federation (Federation) is committed to ensuring that conflicts of interests, where they arise, are dealt with in a transparent and ethical way.

Federation recognises that conflicts of interest are common, but it is the way they are dealt with that is important.

Proper processes will ensure that conflicts of interest do not impact on the integrity of our decision making.

## 2. PURPOSE

The purpose of this policy is to develop and implement practices around conflicts of interest to ensure that:

- The fees of members are protected from misuse.
- The reputation of Federation is protected and enhanced by internal practices.
- That the most appropriate goods and services are obtained, and the best people are employed in order for Federation to be able to further the interests of its members.
- Federation continues to meet its legal obligation in relation to disclosures required by the Fair Work (Registered Organisations) Act.

## 3. SCOPE

This policy applies to Officers, Executive members, and employees with delegated authority under the Federation's Delegation of Authority and Expenditure Policy.

## 4. DEFINITIONS

**Officer:** An Officer, for the purpose of this policy, is a person who holds one of the following Federation positions; President, Deputy President, Senior Vice President, General Secretary, and Deputy Secretary.

**Executive member:** A teacher member of Federation Executive elected by and from Federation Council as part of the Executive election cycle.

Employees with delegated authority are employees of Federation who, through Federation's Delegation of Authority and Expenditure Policy, have responsibility for making recommendations relating to financial decisions.

**Material personal interest:** A material personal interest relates to an interest, or 'stake' in the outcome of any particular decision or transaction, where the individual stands to gain a substantial benefit, or suffer a substantial loss, either directly or indirectly.

An interest need not be financial in order to be considered material. Any interest that has the capacity to influence an individual's decision-making process would be considered material, provided that the interest is of some substance or value.

To be considered 'personal', an interest must relate to that individual, either directly or indirectly through a relative.

**Conflict of interest:** A conflict of interest may arise in instances where the relevant Officer, Executive member or Manager is, could be, or is perceived by a reasonable person to be, influenced by a private interest when carrying out their Federation-related duties. A conflict of interest may be actual, perceived, or potential.

- An **actual** conflict of interest arises when an Officer, Executive member, or Manager (or relative of the Officer) is in a position to be influenced by their private interest(s) when performing their Federation role.
- A **perceived** conflict of interest arises when an Officer, Executive member, or Manager (or relative of the same) is in a position to appear to be influenced by their private interest(s) when performing their Federation role.

- A **potential** conflict of interest arises when an Officer, Executive member, or Manager (or relative of the same) is in a position where they may be influenced in the future by their private interest(s) when performing their Federation role.

**Relative** is a relative is a spouse/partner, parent, stepparent, child, stepchild, grandparent, grandchild, brother, or sister.

**Related party** is:

- Any entity (such as a business or organisation) controlled by Federation
- Any Officer, Executive member or Manager of Federation or their spouse/partner or relatives
- Any entity acting in concert with a related party on the understanding that parties will share or exchange financial benefits
- Any entity controlled by an Officer, Executive member or Manager of Federation or controlled by the Officer's spouse or relatives.

All entities that were previously considered 'related parties' in the preceding six months, or that are likely to become related parties in the near future, are also considered to be related parties.

## 5. DISCLOSURE OF INTERESTS

Officers, Executive members, and employees with delegated authority must complete a Disclosure of Remuneration and Material Interests on their election or re-election/appointment, when any additional interest arise, and whenever this policy is updated.

Federation will disclose all material personal interests of Officers, Executive members, or employees with delegated authority on the Register of Remuneration and Material Personal Interests (the Register).

Officers and Executive members who serve on a board or related party must disclose this on the Register. If the Officer or Executive member holds the position on the board or related party because of their position within the Federation or as a nominee of the Federation, and they are remunerated, the remuneration must be paid to the Federation and not the individual. The superannuation component of the remuneration is exempted as legally it must be paid to the individual.

The Register and Disclosure forms will be the responsibility of the General Secretary and its maintenance delegated to the Compliance and Operations Manager.

When engaged in decision making around Federation's finances or operations, the General Secretary will first undertake an assessment of the register of interests. In an instance where the General Secretary has declared a material personal interest that relates to that decision, the President will be responsible for the assessment.

The Register will be placed on the agenda as a standing item for all Executive meetings.

If an Officer, Executive member, or employee with delegated authority, becomes aware of a material personal interest that may impact on the affairs of Federation before a decision-making meeting it is their responsibility to declare this interest as soon as practicable by completing a new Disclosure.

## 6. DEALING WITH CONFLICTS OF INTEREST

All affected Officers, Executive members or employee with delegated authority who have declared a material personal interest that relates to the affairs of Federation must notify the General Secretary prior to any discussion relating to that conflict of interest.

The General Secretary will then undertake an assessment of the conflict of interest. If the conflict relates to the General Secretary, then the President should review the conflict, and make the decision about how to proceed.

If requested, the affected Officer, Executive member, or employee with delegated authority, must then absent themselves from any discussion and/or decision making in relation to that conflict of interest. This request will be noted in the meeting minutes.

The affected person can return to the meeting once the matter has been dealt with.

In instances where a conflict of interest is prolonged, or where it seriously affects the individual's ability to carry out their Federation-related duties, Federation reserves the right to request the individual relinquish their material personal interest.

If the individual refuses to do so, Federation may consider further action to mitigate the conflict of interest, including the individual step down from their position on a temporary or permanent basis, or removing that individual from their position in accordance with the registered rules of Federation or relevant employment instrument.

If in doubt, it is in the interest of Federation for the Officer, Executive member, or employee with delegated authority to declare any potential conflict of interest.

## **7. FAILURE TO DISCLOSE**

Where it is found that a material personal interest that results in a conflict of interest has not been declared, the General Secretary will be informed.

In instances where the failure to disclose is considered minor or accidental the Officer, Executive member or employee with delegated authority will be required to read and acknowledge this policy and complete a new Disclosure.

Where failure to disclose is not considered minor or accidental, the General Secretary will determine whether to issue a verbal or written warning in the first instance, with further disciplinary action being taken, if considered necessary, for second or subsequent failures to disclose.

In cases where the failure to disclose is proven to be deliberate, and/or results in fraudulent or corrupt behaviour, this will be considered by Federation to be an instance of serious misconduct and subject to the immediate consideration and application of termination of employment and/or charge under the Federation's rules as appropriate.

## ANNEXURE A - DISCLOSURE OF REMUNERATION AND MATERIAL INTERESTS

Name: \_\_\_\_\_

Position Held: \_\_\_\_\_

Officers, Executive members, and employees with delegated authority of the NSW Teachers Federation (Federation):

- are expected to carry out their duties in the interests of Federation.
- are not to act to damage the interests of Federation.
- are not to act with a conflict of interest.
- must complete this disclosure on their election/appointment or re-election; when any additional interest arises; and whenever the Conflict of Interest and Disclosure of Material Personal Interests Policy is updated.

A **material personal interest** means that the person has an interest which would benefit him or her and which could influence his or her decision making in Federation. For example, shares in a company that is tendering for a contract with Federation, or a relationship with someone applying for a job with Federation.

This includes interests of a relative of the Officer, Executive member, or employee with delegated authority. **Relative** is defined as a parent, stepparent, child, stepchild, grandparent, grandchild, brother or sister of the person and a spouse of the person, or a spouse of any of the relatives named above.

Only interests that could relate to the affairs of Federation and be part of the Officer, Executive Member, or employee with delegated authority decision making are material.

A **reasonable person test** applies, in that it is reasonable that you would know that the interest exists (eg. in the case of something a relative owns).

Federation requires Officers, Executive members, and employees with delegated authority of Federation to disclose:

1. The details of any material personal interest; and
2. Remuneration from boards and related parties.

### Remuneration from boards and related parties

You need to disclose if you sit on a Board or related party. Any payments you receive for sitting on a Board if you are sitting on that Board because you are there representing Federation must also be disclosed and the remuneration paid directly to the Federation. This does not include payments you receive from Federation or the AEU in reimbursement for expenses such as travel and accommodation.

Details of the Board should be included in this disclosure and a disclosure made to a meeting of Executive with details of remuneration every time a payment is made.

- I have read and understood the policy and guidance above.
- I declare that I have no remuneration or material personal interests to disclose; or
- I understand that I have remuneration or material personal interests to disclose, details of which are provided on the next page; and
- I understand that it is my responsibility to disclose any additional interests as they arise as soon as practicable.

Detail of remuneration or material personal interest	Organisation/business involved

**Signed:** \_\_\_\_\_ **Date:** \_\_\_\_\_