



1. Purpose

- 1.1. The purpose of this policy is to help people involved with TLMA to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest. This provides transparency and allows TLMA to protect their integrity and manage risk.

2. Objective

- 2.1. The TLMA Board and staff aim to ensure that all parties are aware of their obligations 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 TLMA.

3. Scope

- 3.1. This policy applies to Board members (including sub-committee members), staff and volunteers of TLMA.
- 3.2. This policy reinforces and links to the specific conflict of interest provisions in the TLMA Constitution.
- 3.3. This policy applies to the Australian and overseas operations of TLMA.

4. Regulatory context

- 4.1. As a responsible person of a registered charity, Board members must comply with certain duties, including those which are set out in ACNC Governance Standard 5. The Board members also have certain obligations under the Corporations Act 2001 and the common law with respect to managing conflicts of interest.
- 4.2. ACNC External Conduct Standards imposes additional obligations to take reasonable steps to identify and document any perceived or actual material conflicts of interest for TLMA's employees, volunteers, third parties and Board members outside Australia.

5. Definition of Conflicts of Interests

- 5.1. A conflict of interest occurs when a person's personal interests' conflict with their responsibility to act in the best interests of TLMA.
- 5.2. 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 (for example, as a shareholder). See 5.7 and 5.8 for full definition of related party transactions
- 5.3. It also includes a conflict between a Board member's duty to TLMA and another duty that the Board member has (for example, to another charity).
- 5.4. A conflict of interest may be
 - a) Actual – you are being influenced
 - b) Potential – you could be influenced
 - c) Perceived – you could appear to be influenced

- 5.5. A conflict of interest may be financial or non-financial. A financial interest is one where you or someone close to you stands to benefit financially. A non-financial interest is where your personal opinions, values or beliefs may be in conflict with a proposed action of TLMA or decision of the Board
- 5.6. 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 TLMA and must be managed accordingly.
- 5.7. Related parties are defined by the Australian Accounting Standards Board (AASB) in AASB 124 *Related Party Disclosures*. The definition in AASB 124 refers to the following as related parties for a registered charity:
- a person that is connected to the charity, such as a Responsible Person or a close member of their family that has control or joint control of the charity
 - an organisation that is connected to the charity and has control or significant influence over the charity, such as a parent entity of the charity
 - an organisation that the charity has control or significant influence over, such as a subsidiary entity
 - any organisation and the charity that are members of the same group (for example, fellow subsidiaries)
 - a member, or a close member of their family, of the key management personnel of the charity (the people with authority and responsibility for planning, directing and controlling the activities of the charity directly or indirectly)
 - an associate (an entity over which the charity has significant influence) or joint venture (a joint arrangement whereby the charity with another entity or other entities have joint control of the arrangements and have rights to the net assets of the arrangement)
- 5.8. A related party transaction is a transfer of resources, services or obligations between a charity and a related party regardless of whether a price is charged.

Related party transactions can include:

- purchases, sales, donations
- receipt of goods, services or property
- leases
- transfers of property including intellectual property
- loans
- guarantees
- provision of employees on a paid or complementary basis

6. Policy

- 6.1. This policy has been developed because conflicts of interest are inevitable and because we aim to continue to engage in and derive benefit from related party transactions. Any issues arising from conflict of Interest or related party transactions do not need to present a problem to TLMA if they are openly and effectively managed.
- 6.2. TLMA will manage conflicts of interest by requiring Board members, staff and volunteers 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.

- 6.3. All volunteers, staff and Board members are responsible for making sure that they identify and disclose conflicts of interest.
- 6.4. The Board must make sure that conflicts of interest of Board members are properly managed.
- 6.5. Managers are responsible for telling the CEO about a conflict of interest for staff or volunteers who they supervise and making sure that the conflict is properly managed.
- 6.6. The Secretary is responsible for keeping and updating the Board Conflict of Interest Register.

7. The Board

Step 1 – Identify the Conflict

- 7.1. Each Board member must regularly consider whether any conflict of interest exists in relation to their role at TLMA. In order to identify a conflict, the Board member must understand the purpose of TLMA, and the Board member's duties to TLMA. These are set out in the TLMA Constitution.
- 7.2. The Board member must also think about what their own interests are, understand the interests of people closely connected to them and consider how these interests may influence them.

Step 2 - Disclose

- 7.3. Where you identify a conflict of interest, you must tell the other Board members about the conflict as soon as it is practical for you to do so. This involves fully explaining what the conflict is.
- 7.4. If the next Board meeting is soon, you can do this at that meeting.
- 7.5. The standing agenda for all Board meetings includes provision for declaring any conflicts of interest before dealing with any other agenda items. Each Board member must consider whether they have any conflict at that time and disclose one if they do.

Step 3 - Record

- 7.6. The Board minutes must record any conflict that is disclosed at a Board meeting and record how the conflict was managed. For example, the Minutes could record:

John Smith left the room. The Board discussed whether to hire Jane Smith as an office assistant on the same terms as the other office assistant. The Board voted and decided to offer Jane Smith the position on a trial basis. John Smith returned.

- 7.7. The Secretary is responsible for keeping and updating a Board Conflicts of Interests Register to record any conflicts disclosed by a Board member. This should be updated as soon as possible after any conflict has been declared. The register should be refreshed on appointment of a new director.

Step 4 - Manage

- 7.8. Where a Board member has a conflict of interest that Board member must not:

- a) take part in any Board discussion on that topic (either in the meeting or with other Board members before or after the Board meetings), unless expressly invited to do so by unanimous agreement by all other Board members present; and
- b) vote on that matter.

7.9. A Board member who believes another Board member has an undeclared conflict of interest should specify in writing to the Secretary the basis of this potential conflict and raise the matter with the other Board members.

8. Employees and Volunteers

- 8.1. The CEO is responsible to ensure that employees and volunteers understand how to identify and manage conflicts of interest, as well as their obligation to disclose conflicts of interest.
- 8.2. Employees and volunteers must tell their Manager if they have any conflict of interest.
- 8.3. Managers must tell the CEO about the conflict of interest and make sure that the conflict is properly managed.

9. Third Parties involved in overseas operations and activities

- 9.1. TLMA is required to take reasonable steps to identify and document perceived or actual conflicts of interest in third parties involved in operations and activities outside of Australia.
- 9.2. TLMA will consider what reasonable steps could be taken to ensure that conflicts of interest in third parties are disclosed and managed, with reference to:
 - a) whether the third party, its employees or volunteers are likely to have an interest that could result in a conflict;
 - b) likelihood of the third party identifying and documenting conflicts of interest in a way that would meet TLMA's legal requirements; and
 - c) the impact of an undisclosed or managed conflict of interest on decision making.
- 9.3. Reasonable steps to ensure a third party identifies and documents conflicts of interest may include:
 - a) imposing conflict of interest obligations on third parties through a Memorandum of Understanding or other agreement;
 - b) training third parties on conflicts of interest and how to identify, disclose and manage them;
 - c) providing a conflict of interest policy for the third party to adopt; and/or
 - d) asking for regular reporting of identified conflicts within the third party.

10. Confidentiality of disclosures

The confidentiality of the TLMA register and its contents should be maintained at all times in a secure, fireproof location. Access to the register is restricted to Board members for regular reviews. If access is requested, this is to be a formal request in writing to the Chairman with the decision on the access and release of information approved by the Board.

11. Compliance with this policy

- 11.1. If the Board or CEO has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.
- 11.2. If it is found that this person has failed to disclose a conflict of interest, the Board or the CEO may take action against them. This may include seeking to terminate their relationship with TLMA, including removal from the Board or the ceasing of employment.
- 11.3. If a person suspects that a Board member has failed to disclose a conflict of interest, they must discuss with the person in question, notify the Board through the Chairman or Deputy Chairman.
- 11.4. TLMA must ensure that its general-purpose financial statement complies with AASB 124 Related Party Disclosures.

12. Contacts

For questions about this policy, contact the Chair of the Board, Chair of the Human Resource & Governance Committee or the Chief Executive Officer of TLMA.

13. Related Documents, legislation and Resources

Conflict of Interest Statement

TLMA Constitution

[ACNC Related Party Transactions](#)

Australian Accounting Standards – Related Party Disclosures

14. Policy Review

This Policy will be reviewed in 5 years.

Revision History

Version	Date	Author	Summary
6.0	4 July 2017	Nerida Collard	New draft created for next revision
6.1	13 November 2019	Geraldine Toh	Updated with regards to related parties and related party transactions
6.2	20 January 2020	Nerida Collard	Updated in line with policy issued from Moores and removed references to National Council
6.3	4 February 2020	GRC	Amendments made at committee meeting
6.4	11 February 2020	Colin Martin	Amended item 6.1

Document Approval History

Version	Date	Approved by
1	22 April 2003	TLMA Board
2.1	16 April 2007	TLMA Board
3.1	11 August 2008	TLMA Board
4.1	3 September 2012	TLMA Board
5.1	26 June 2017	TLMA Board
6.4	24 February 2020	TLMA Board