1. Purpose

This policy sets the standard for Newcastle Anglican workers and members of governance bodies to effectively avoid, identify, disclose, manage and document any actual, potential or perceived conflicts of interest to protect the integrity of Newcastle Anglican.

2. Background

Newcastle Anglican's strategic focus is to "deliver consistently accredited, financially sustainable, safe and quality services, education, and ministry, within an agreed risk framework, which engage and empower people, and that have a strong connection with our Anglican identity and purpose, and that have a positive impact".

In achieving our strategic vision and mission, expectations of behaviour are clarified through our values and core practices. Newcastle Anglican is committed to ensuring that objectivity and integrity are upheld by managing conflicts of interest in an ethical way.

3. Scope

This policy applies to all Newcastle Anglican workers and members of governance bodies.

Newcastle Anglican Churches (Ministry)	Samaritans	Anglican Care	Newcastle Anglican Schools	Newcastle Anglican Corporate
✓	✓	✓	✓	✓

4. Definitions

Financial benefit includes giving a financial benefit indirectly through an interposed entity; by making an informal agreement, oral agreement, or an agreement that has no binding force; and does not require the payment of money. Refer to the 'related party transaction' definition for examples.

Members of governance bodies includes all members of governance bodies within Newcastle Anglican including, but not limited to, the Synod and any Council, Boards and Committees with delegated governing authority.

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.

Related party is a person connected to Newcastle Anglican, such as a responsible person, including their spouses, de facto spouses, parents, children and siblings, or entities controlled by these persons. A person or entity is also a related party of Newcastle Anglican at a particular time if the person or entity was a related party at any time within the previous 6 months or is likely to become a related party at any time in the future. Refer to Accounting Standard AASB 124 for a full definition.

Related party transaction is a transfer of resources, services or obligations between Newcastle Anglican and a related party, under which a related party will obtain a financial benefit. Related party transactions can include purchases, sales and donations; receipt of goods, services or property; leases; transfers of property including intellectual property; loans; guarantees; and provision of workers on a paid or complementary basis. Refer to Accounting Standard AASB 124 for a full definition. The *Education Act 1990 (NSW)* (section 83C) requires payments to a related party to be at more than reasonable market value, required for the operation of the school, and reasonable, in order to retain NSW Government funding.

Responsible persons in Newcastle Anglican include members of governance bodies; school principals; and key management personnel, that is, those with authority and responsibility for planning, directing and controlling the activities directly or indirectly. Refer to the *Education Act 1990 (NSW)* and ACNC Governance Standard 5 for full definitions.

Secretary is the person responsible for maintaining governance practices, records and administration for a governance body.

Workers refers to all Newcastle Anglican workers, including Anglican Care, Samaritans and Newcastle Anglican Schools, Corporate and Ministry whether workers are full-time, part-time, permanent, temporary, casual or honorary, contractors, consultants and volunteers.

5. What is a Conflict of Interest?

A conflict of interest occurs when an individual's personal interests' conflict with their responsibility to act in the best interests of Newcastle Anglican, affecting their capacity to remain impartial.

A conflict of interest may be actual, potential or perceived and may be financial or non-financial. Examples include:

a) a Board member's duty to Newcastle Anglican conflicts with a duty that the individual has as a Board member of another organisation;

b) an appointment of a Newcastle Anglican worker, including voluntary appointments, for example, a directorship or outside employment; membership of any professional bodies, special interest groups or organisations; or research grants, consultancies and honorariums.

c) using information or voting on a Newcastle Anglican decision that could impact the worker's investment in companies, shareholdings and other private interests;

d) a Newcastle Anglican worker receives a request for information and is also named in the application, for example, a teacher at a school or a witness to an incident;

e) the family business of a Newcastle Anglican worker supplies goods or services to Newcastle Anglican. This is an example of a related party transaction. Related party transactions are a particular circumstance where a conflict of interest may be present;

f) participating in a Newcastle Anglican tender for goods and services where a relative or friend will be submitting a bid;

g) sale of a Newcastle Anglican asset to a worker without an equitable process;

h) involvement in the selection of a relative or friend as a Newcastle Anglican worker; and

i) family members who use Newcastle Anglican services.

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 Newcastle Anglican.

6. Policy Statement

Conflicts of interest will arise, and may not present a problem, as long as they are identified effectively, disclosed transparently, and managed appropriately.

All workers and members of governance bodies must comply with this policy by:

a) **avoiding** a conflict of interest where possible;

b) **identifying** a conflict of interest when it does arise;

c) **disclosing** any conflict of interest;

d) **managing** all conflicts of interest properly; and

e) **documenting** the conflict of interest.

6.1 Avoiding a Conflict of Interest

Workers and members of governance bodies must avoid ethical, legal, financial or other conflicts of interest where is it practical to do so. If they do arise, they must not conflict with their obligations to Newcastle Anglican.

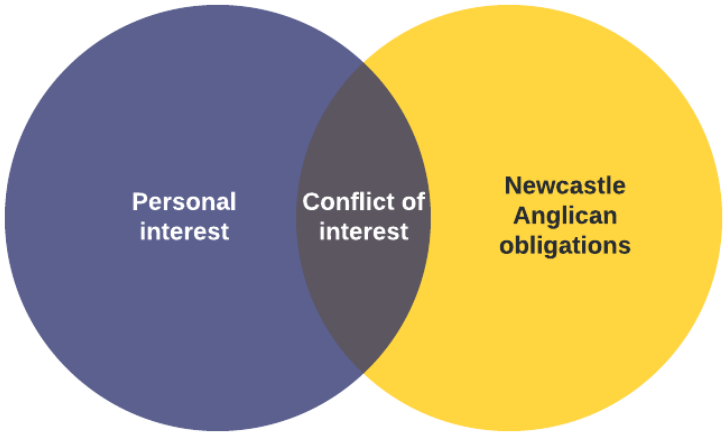
Responsible persons must act honesty and fairly in the best interests of Newcastle Anglican; not misuse their position; disclose conflicts of interest; and ensure Newcastle Anglican's financial affairs are managed responsibly in line with ACNC Governance Standard 5.

Members of governance bodies must avoid conflict of interests that arise during the course of the work of the governance body in line with the Newcastle Anglican Governance Model Code of Conduct. Members of governance bodies must withdraw from the oversight or management of any professional standards matters such as an allegation relating to abuse of a child or vulnerable person where there is a conflict of interest or where it may be perceived that there is a conflict of interest.

6.2 Identifying a Conflict of Interest

To identify whether a conflict of interest exists, workers and members of governance bodies should consider whether a reasonable person, properly informed about the nature of the personal interests, would believe that the individual might be influenced by personal interests when making decisions on behalf of Newcastle Anglican.

If uncertain of objectively assessing whether a conflict of interest exists, workers and members of governance bodies should err on the side of caution and make a disclosure.



6.3 Disclosing a Conflict of Interest

6.3.1 Workers

As soon as an actual, perceived or potential conflict of interest or related party transaction is identified, a worker must immediately disclose it using the *Conflicts of Interest and Related Party Disclosure Form* (the

Disclosure Form) to their manager and the relevant Executive Director or, for Ministry workers, to the Corporation Secretary and Registrar.

When responding to a request for information or a direct personal response under the National Redress Scheme, workers must immediately report any actual or perceived conflicts of interest to the Scheme and provide an alternate contact. For further information, please refer to the Scheme Conflict of Interest Fact Sheet.

6.3.2 Members of Governance Bodies

Members of governance bodies must make disclosures as follows:

a) **standing interests** at a member's first meeting and recorded on the Conflicts of Interest and Related Party Transactions Register (Register);

b) **specific interests** relating to the business of a particular meeting, at the commencement of the meeting and recorded in the minutes (per the information requirements for the *Register* as detailed in section 6.5);

c) **ad hoc disclosures** using the *Disclosure Form;* and

d) **annual disclosures** through the annual review of the *Register*.

6.4 Managing a Conflict of Interest

6.4.1 Workers

Once a conflict of interest or related party transaction has been disclosed, a strategy for managing the conflict of interest is to be agreed with the Manager and the relevant Executive Director or, for Ministry workers, with the Corporation Secretary and Registrar using the *Disclosure Form*.

6.4.2 Members of Governance Bodies

Once a member of a governance body discloses a conflict of interest or related party transaction, the secretary will refer the conflict of interest or related party transaction to the governance body for consideration. The governance body must decide whether the conflicted member should:

- leave the meeting while the matter is being discussed;
- remain in the meeting and not speak or vote on the matter; or
- retain full speaking and/or voting rights.

Members of governance bodies must leave the meeting while any professional standards matters are discussed such as an allegation relating to abuse of a child or vulnerable person where there is a conflict of interest or where it may be perceived that there is a conflict of interest.

The strategy to manage the conflict of interest requires the agreement of at least the majority of the governance body who are present and voting at the meeting, excluding any conflicted member/s.

Any actions and outcomes arising from the voting will be recorded by the secretary in the meeting minutes and in the *Register*.

6.4.3 Provisions Directly Affecting The Diocesan Council of the Diocese of Newcastle

Diocesan Council Members must manage conflicts of interest in line with clauses 30-34 of *The Diocese of Newcastle Council Constitution Ordinance 1929* (the Ordinance) as follows.

A Council Member must disclose the nature and extent of any actual or perceived material conflict of interest in a matter that is being considered at a Council meeting (or that is proposed in a Circular Resolution).

- to the other Council Members; or
- if all of the Council Members have the same conflict of interest, at the next general meeting, or at an earlier time if reasonable to do so.

The disclosure of a conflict of interest by a Council Member must be recorded in the minutes of the meeting.

A general notice given to the Council by a Council Member that the Council Member is an officer or member of or otherwise interested in any specified corporation or firm stating the nature and the extent of the Council Member's interest in that corporation or firm shall, in relation to any matter involving the Diocese and that corporation or firm after the giving of the notice, be a sufficient disclosure of the Council Member's interest, provided that the extent of the interest is no greater at the time of first consideration of the relevant matter by the Council than was stated in the notice.

Each Council Member who has a material personal interest in a matter that is being considered at a Council meeting must not, except as provided under clause 32 of the Ordinance:

- be present at the meeting while the matter is being discussed; or
- vote on the matter.

A Council Member may still be present and vote if:

- their interest arises because they are a Council Member, and the other Council Members have the same interest;
- their interest relates to an insurance contract that insures, or would insure, the Council Member against liabilities that the Council Member incurs as a Council Member (see clause 32 of the Ordinance);
- their interest relates to a payment by the Diocese under clause 38 of the Ordinance (indemnity), or any contract relating to an indemnity allowed under this Ordinance;
- their interest is limited to approving a recommendation of the Clergy Emoluments Board; or
- the Council Members who do not have a material personal interest in the matter pass a resolution that:
    - identifies the Council Member, the nature and extent of the Council Member's interest in the matter and how it relates to the affairs of Diocese; and
    - says that those Council Members are satisfied that the interest should not stop the Council Member from voting or being present.

6.4.4 Provisions Directly Affecting Newcastle Anglican Corporation Board

Newcastle Anglican Corporation Board Members may be present and vote in line with the *Newcastle Anglican Ordinance 2017* (clause 25.5) if:

- other Members have the same interest;
- the conflict of interest relates to an insurance contract that insures the Member;
- it relates to indemnity allowed under the Ordinance; or
- the Board is satisfied that the conflict should not preclude the Member.

Refer to the *Newcastle Anglican Ordinance 2017* for more detailed information.

6.5 Documenting a Conflict of Interest

The *Conflicts of Interest and Related Party Disclosure Form* must be completed by workers to disclose and to document a strategy for managing, conflicts of interest and related party disclosures.

The form may also be used by any member of a governance body or by a responsible person.

The *Conflicts of Interest and Related Party Transactions Register* records all conflicts of interest and related party transactions as follows:

- standing or particular conflict of interest or related party transaction;
- date of disclosure;
- worker/member of governance body name;
- worker position in the organisation/governance body;
- nature and extent of the conflict or relationship;
- description of transaction; and
- all steps taken to address the conflict.

The register will be:

a) tabled at governance meetings at the request of the Manager, Executive Director, Diocesan Executive Officer, Bishop or governance body with any new disclosures also recorded in the meeting minutes; and
b) reviewed and updated annually by all responsible persons.

The *Related Party Transactions Register* will be provided to the auditor and the Australian Charities and Not-for-profits Commission to meet Australian Accounting Standards requirements on related party transactions as required.

The Corporation Secretary and Registrar manages all processes involving *Disclosure Forms* and *Registers* and will consult with the Bishop as required.

7. Privacy

Conflicts of interest can involve disclosure of information that may be private in nature such as details about personal finances and relationships. While conflicts must be disclosed, and decision-makers provided all relevant facts, personal information will be kept confidential and will only be shared on a genuine need-to-know basis.

8. Compliance

The Corporation Secretary and Registrar is responsible for ensuring the system for identifying, disclosing and managing conflicts of interest is operating effectively and for reviewing this policy annually.

If an individual believes that a worker or member of a governance body has failed to comply with this policy, the Corporation Secretary and Registrar should be notified, and the circumstances will be investigated. The Bishop will determine any disciplinary action that may result from breaches of this policy.

Refer to the Integrity Assurance (Whistleblower) Policy for information on reporting wrongdoing.

9. Records Retention

All records of disclosures, registers and audit reports of conflicts of interest and related party transactions, on and from 1 September 2014, will be retained for a period of seven (7) years to meet NESA accreditation requirements for responsible persons.

10. Information and Assistance

For further information and assistance, please contact the Corporation Secretary and Registrar on email properofficer@samaritans.org.au

11. Legal and Policy Framework

11.1 Legislation

Australian Charities and Not-for-profits Commission Act 2012 (Cth)

Corporations Act 2001 (Cth)

Criminal Code Act 1995 (Cth)

Education Act 1990 (NSW)

National Redress Scheme for Institutional Child Sexual Abuse Act 2018 (Cth)

Newcastle Anglican Corporation Ordinance 2017

11.2 Standards

Australian Charities and Not-for-profits Commission Governance Standard 5 (ACNC)

NSW Government Education Standards Authority Registered and Accredited Individual Non-government Schools (NSW) Manual (NESA)

National Standards for Disability Services Practice indicator Standard 2 Provider Governance and Operational Management (National Quality system) and Standard 6 Service Management

11.3 Policy Documents

Newcastle Anglican Governance Model Code of Conduct

National Redress Scheme Conflict of Interest Fact Sheet

Newcastle Anglican Human Resources Policies and Procedures Manual for Outside Work provisions

Newcastle Anglican Integrity Assurance (Whistleblower) Policy

These policy documents are available in the Newcastle Anglican Policy Library.

Note: Should there be inconsistencies between policies, the Newcastle Anglican Policy provision shall prevail.

12. Risk Statement

If a worker or member of a governance body fails to declare a conflict of interest associated with their role, there may be a loss of public confidence and may expose Newcastle Anglican, the worker or the member of the governance body to legal and/or regulatory sanctions.

13. Policy Governance

Tier	1
Process Owner	Linda Wilson, Corporation Secretary and Registrar
Policy Owner	Linda Wilson, Corporation Secretary and Registrar
Policy Author	Samantha Brookes, Senior Policy Specialist
Policy Approver	Diocesan Council
Date of Approval	30/06/2022
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