Conflict of Interest Policy

For Australian Small & Medium Enterprises

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Important Notice

This template is provided as a general guide only. Customise it to suit your specific business needs and industry requirements. Legal advice should be sought for complex situations.

1. Policy Statement

[Company Name] requires all employees to perform their duties with integrity and in the best interests of the organisation. Employees must avoid situations where their personal interests conflict, or could reasonably be perceived to conflict, with their professional responsibilities.

This policy provides guidance on identifying, disclosing, and managing conflicts of interest.

2. Purpose

The purpose of this policy is to:

- Protect the integrity and reputation of [Company Name]
- Ensure decisions are made in the best interests of the organisation
- Provide clear guidance on identifying conflicts of interest
- Establish a process for disclosure and management
- Promote transparency and ethical conduct

3. Scope

This policy applies to all employees, directors, contractors, and anyone acting on behalf of [Company Name]. It covers:

- Actual conflicts of interest
- Potential conflicts of interest
- Perceived conflicts of interest

4. What is a Conflict of Interest?

A conflict of interest exists when your personal interests, relationships, or activities could:

- Influence your judgment or decision-making
- Interfere with your ability to act in the organisation's best interests
- Create an appearance of impropriety or bias

- Compromise your objectivity or independence

4.1 Types of Conflicts

Actual conflict: A direct conflict currently exists between personal interests and professional duties.

Potential conflict: Personal interests could conflict with professional duties in the future.

Perceived conflict: Others could reasonably believe a conflict exists, even if it does not.

5. Examples of Conflicts

The following are examples of situations that may create conflicts of interest:

5.1 Financial Interests

- Having a financial interest in a supplier, customer, or competitor
- Owning shares in a company that does business with [Company Name]
- Receiving payments, fees, or commissions from external parties
- Having a second job that competes with or interferes with your role

5.2 Personal Relationships

- Supervising or being supervised by a family member or close friend
- Being in a romantic relationship with a colleague you report to or who reports to you
- Hiring, promoting, or awarding contracts to relatives or friends
- Making decisions that benefit family members' businesses

5.3 Outside Activities

- Serving on boards or committees of organisations that do business with [Company Name]
- Providing consulting services to competitors
- Political or community activities that could compromise objectivity
- Speaking publicly on matters that could conflict with company positions

5.4 Information and Opportunities

- Using confidential company information for personal gain
- Taking business opportunities that rightfully belong to the company
- Sharing proprietary information with external parties

6. Employee Obligations

All employees must:

- Act honestly and in the best interests of [Company Name]
- Identify and disclose any actual, potential, or perceived conflicts of interest
- Make disclosures promptly and in writing
- Remove themselves from decision-making where a conflict exists

- Comply with any management plan put in place
- Update disclosures if circumstances change
- Seek guidance if unsure whether a conflict exists

7. Disclosure Process

If you become aware of a conflict of interest:

- Disclose the conflict to your manager and/or HR in writing as soon as possible
- Provide full details of the nature of the conflict
- Do not participate in any related decisions until the conflict is assessed
- Work with management to develop an appropriate management plan

Disclosures will be treated confidentially to the extent possible.

8. Managing Conflicts

Once a conflict is disclosed, management will assess the situation and determine appropriate action. Options may include:

- Restricting involvement in relevant decisions
- Removing the employee from specific projects or duties
- Transferring the employee to a different role or team
- Implementing additional oversight or approval processes
- Requiring divestment of conflicting financial interests
- Adjusting reporting lines
- No action required (if conflict is minor and manageable)

The approach will depend on the nature and severity of the conflict.

9. Register of Interests

[Company Name] may maintain a register of disclosed conflicts of interest. This register:

- Records all disclosures and management actions
- Is reviewed periodically
- Helps identify patterns or systemic issues
- Is kept confidential

10. Responsibilities

Employees

- Identify and disclose conflicts promptly
- Comply with management plans
- Seek guidance when uncertain

Managers

- Create an environment where disclosures are welcomed
- Assess and manage disclosed conflicts appropriately
- Escalate complex situations to HR or senior management
- Monitor compliance with management plans

HR/Senior Management

- Provide guidance on policy interpretation
- Maintain the register of interests
- Review and update the policy
- Handle complex or serious conflicts

11. Consequences of Non-Compliance

Failure to disclose a conflict of interest, or failure to comply with a management plan, is a serious matter and may result in:

- Disciplinary action, up to and including termination
- Reversal of decisions made while conflicted
- Requirement to repay any financial benefit received
- Legal action in serious cases

12. Questions and Guidance

If you are unsure whether a situation creates a conflict of interest, or how to manage one, speak with your manager or HR. It is always better to disclose and seek guidance than to risk a breach of this policy.

13. Review

This policy will be reviewed annually or as required to ensure it remains effective.

Employee Acknowledgement

I acknowledge that I have read and understood [Company Name]'s Conflict of Interest Policy. I agree to disclose any actual, potential, or perceived conflicts of interest and to comply with any management plans put in place.

Employee Name: ______________________________

Signature: ______________________________

Date: _______________