

# Committee Member Duties Series:

## What is a Conflict of Interest\*

A conflict of interest happens when your personal interests might affect - or appear to affect - your ability to make fair and honest decisions on behalf of the organisation you serve.

This doesn't just mean financial gain. Personal interests can include:

- The interests of your family or friends
- Businesses or groups you're involved with
- Other committees or organisations you work with

Having a conflict is not wrong — we are human and have personal and professional relationships. Not declaring and dealing with the conflict is what causes problems.

### Why Conflicts matter

Undisclosed or poorly managed conflicts can have huge impacts on staff morale, your organisation's reputation and even your personal reputation.

Conflicts might lead to unfair or biased decisions. Even worse, they can destroy trust between your Association and the community you serve.

### Tasmanian Law for Incorporated Associations

The Tasmanian legislation for Incorporated Associations says that if you are a Committee member and you have a financial interest in a matter being considered by the Committee, you must disclose it.

Further, if you vote on something you have a financial interest in, your vote won't count.

The Tasmanian legislation is otherwise silent about conflicts of interest. Meaning Committee Members look to the common law (sometimes called judge-made law) to understand their obligations.

Further obligations include the duty not to misuse your position or any information you have access to because you are a Committee Member.

### Types of Conflicts of Interest

Conflicts can be categorised into three main types which may help you with identifying if there is a conflict.

## Actual Conflict

Your personal interest is already affecting your decision.

*Example:* You are on the committee of a community garden group and are participating in selecting a contractor to build a new shed. One of the bidders is a business owned by a close family member. You should declare this and not participate in the selection process.

## Potential Conflict

There's no conflict now, but one could arise.

*Example:* You are on the committee of a community garden group, and the group wants to find a contractor to build a new shed. You know one of the bidders is a business owned by a close family member and so there is potential for you to be influenced by this relationship.

## Perceived Conflict

It might look like your decision is influenced — even if it's not.

*Example:* You help select suppliers for a community festival, and the committee awards a contract to a company where a friend works. This relationship may lead others to perceive your decision was designed to help your friend.

## How to Identify a Conflict

Ask yourself:

Would someone else — who knows the full situation — think I might be influenced by my personal interests when deciding for the association?

If yes (or even maybe), you should **declare the conflict**.