



Australian Government

Australian Research Council

ARC CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY

DECEMBER 2013

December 2013 Update

The ARC updated this policy in December 2013. The update is a change in title only and has not changed any of the material content previously contained within the *ARC Guidelines for Disclosure of Interests and Confidentiality Obligations – Version 2009.1*.

Introduction

These guidelines, issued by the Australian Research Council (ARC) CEO, outline the confidentiality, code of conduct and conflict of interest obligations that apply to ARC committee members, reviewers/assessors and readers.

As a public research funding body, the ARC is required to maintain a high standard of professionalism and ethical conduct in its operations. It is essential that public confidence is maintained in the business of the ARC, and in particular in the integrity of the peer review process. The ARC selection, assessment and evaluation processes must be, and must be seen to be, operating fairly, effectively and impartially. Consequently, all people carrying out ARC business including, but not limited to, the ARC College of Experts, members of other ARC committees, the ARC readers and expert assessors or reviewers must:

- observe the Australian Public Service Values and Code of Conduct, which can be viewed at <http://www.apsc.gov.au/values/conductguidelines.htm>;
- act with integrity, objectivity, openness and honesty;
- be accountable for their decisions and actions;
- be subject to an appropriate level of scrutiny;
- provide assurances to the ARC that they will abide by the ARC confidentiality requirements; and
- disclose to it any conflicts of interest related to their official duties.

Australian National Audit Office Report

In 2006 the Australian National Audit Office released *ANAO Report No. 38 2005-06: The Australian Research Council's Management of Research Grants*. The report made specific recommendations that the ARC strengthen its processes for managing conflicts of interest for the ARC College of Experts and other ARC committee members. It recommended that the ARC do this by revising its Guidelines in line with better practice, including the *ANAO Better Practice Guide – Administration of Grants* by:

- reviewing conflict of interest declarations annually, as a way of maintaining compliance with conflict of interest principles;
- developing new protocols for a register of private interests, and establishing and regularly revising the register; and
- clearly identifying responsibility for managing and resolving conflict of interest matters and implementing a regular monitoring process.

The ARC accepted the ANAO recommendations, and they have been incorporated into these guidelines.

Confidentiality Obligations

All individuals who are involved in ARC business are obliged to preserve the principles of confidentiality outlined in this document.

The funding Proposals or information provided by applicants and others, and assessments provided by assessors or reviewers are given and received in confidence. The Proposals or information must be handled and treated as confidential material and must be used only for the purposes of ARC business. In order to preserve confidentiality, individuals should not discuss ARC business with any other parties at any stage, unless specifically authorised to do so by the ARC.

Furthermore, in order to comply with ethical standards, material contained in Proposals or information must only be used or disclosed for the purposes of ARC business. It is unethical and potentially unlawful for individuals to use for other purposes any intellectual property contained in Proposals or information provided to them by the ARC. To protect confidentiality, individuals must destroy all Proposals or information provided by the ARC once the purposes for which it was provided have been fulfilled.

In preparing advice for the Minister, the ARC consults widely and often enters into public consultation on issues relevant to its responsibilities. Once advice is developed it remains confidential unless released by the Minister.

Code of Conduct

The Report of the Committee of Inquiry: *Public Duty and Private Interest* (1979), known as the Bowen Report, sets out the principles that underpin obligations to disclose and manage conflicts. The report recommended a code of conduct, which was later endorsed by the Australian Government. Members of the ARC committees, and its assessors, reviewers and readers, are expected to observe this code of conduct which is set out at **Attachment 1**, are obliged to observe the protocols set out in the APS Values and Code of Conduct in practice mentioned above, and are obliged to ensure that they are familiar with these Values and Codes of Conduct.

Conflict of Interest

Conflicts of interest will arise from time to time. These guidelines are designed to ensure that all such conflicts are identified, disclosed and managed in a rigorous and transparent way that promotes public confidence in the integrity, legitimacy, impartiality and fairness of the ARC committees' decision-making processes.

A *conflict of interest* is a situation in which someone in a position of trust has competing professional or personal interests. Such competing interests could make it difficult for an individual to fulfil his or her duties impartially, and potentially could improperly influence the performance of their official duties and responsibilities.

An **apparent** (or perceived) conflict of interest exists where it appears that individual private interests could improperly influence the performance of their duties and responsibilities whether or not this is, in fact, the case. Individuals must be conscious that perceptions of conflict of interest may be as important as an actual conflict.

A **potential** conflict of interest arises where an individual has a private interest which is such that an actual conflict of interest would arise if the member were to become involved in relevant (that is conflicting) official duties and responsibilities in the future.

In the context of membership of ARC committees, sub-committees and/or external assessors or reviewers a conflict of interest (apparent or potential) may arise in the following situations (though this list is not exhaustive), where an individual:

- has a contractual or employment arrangement with a university, or any organisation that is involved in a current Proposal, or other documentation relating to any ARC business under his/her consideration;
- owns shares in, or controls a company or other organisation involved in any current application that is under his/her consideration, or in which he/she has direct involvement;
- is involved in any other ARC committee process where he/she may have a direct or indirect involvement in the matters being considered.

Note: A conflict of interest may also exist where a member's spouse or immediate family member has any of the interests or involvements listed above.

Disclosing Conflicts of Interest

These guidelines are designed to ensure that all such conflicts of interest are identified and addressed in a rigorous and transparent way. Individuals must consider the potential for conflict in all possible interests including:

- professional positions;
- membership of committees of other organisations;
- consultancies;
- boards of directors;
- advisory groups;
- family and personal relationships; or
- financial interests, including receiving recompense in the form of cash, services or equipment from outside bodies to support research activities.

At the time of accepting an appointment to undertake ARC business, an individual must complete and lodge a '*Statement of Private or Other Professional Interests*' of the financial and other private/professional interests of themselves and their immediate family/partner (to the extent to which they are aware of those interests) which may represent an apparent or potential conflict of interest (**Attachment 2**).

The obligation to disclose an actual, apparent or potential conflict of interest is ongoing. Where required by the ARC, individuals must provide a '*Statement of Private or Other Professional Interests*' to the ARC annually and to update that information as soon as

possible if there is any significant change to their or their immediate family/partner's private interests as they become aware of those changes (the term 'partner' may cover personal or business partners as appropriate). The private information in this Statement will be treated by the ARC as confidential and in accordance with the Information Privacy Principles set out in the *Privacy Act*. Individuals should familiarise themselves with the Privacy Principles outlined on the Office of the Privacy Commissioner website at <http://www.privacy.gov.au/publications/ipps.html> and the *Privacy Act* at <http://www.privacy.gov.au/act/npps/index.html>.

A person appointed to undertake ARC business must also complete and lodge a *Confidentiality Obligations and Conflict of Interest Declaration (Attachment 3)* and clearly state any conflicts of interest that may impact on their ability to undertake the role for which they have been selected.

An assessor or reader reviewing Proposals for the ARC National Competitive Grants Program schemes must agree to the *Confidentiality, Ethics and Conflict of Interest statement* embedded in the Grant Application Management System (GAMS) and the Research Management System (RMS) before their assignments are made known to them. Assessors and readers are asked to reaffirm this agreement annually.

When disclosing private interests or conflicts of interests an individual must provide sufficient detail to the ARC to enable an adequately informed decision to be made about identification of any conflict of interest. In daily ARC committee business, general conflicts of interest such as organisational or professional will be recorded by the ARC in a register and/or minutes of meetings and, in the case of selection meetings, will be entered into the ARC's IT system where they will be available for the information of staff in preparation for selection meetings, and will be displayed during selection meetings for the information of members. Conflicts of interest of a personal nature will be kept in a secure register within the ARC. Relevant staff will be notified that other conflict of interest information is held by the ARC for specific members or assessors. This information will be reviewed half-yearly by senior ARC staff to ensure the information is accurate and to determine its relevance to current ARC business, eg existing Proposals in relevant ARC schemes.

If an individual appointed to undertake ARC business has, or acquires, an interest, pecuniary or otherwise, that could conflict with the proper performance of his or her appointed functions, he or she must disclose to the ARC CEO, in writing, details of the nature of the interest to the ARC as soon as possible after the relevant facts come to the member's knowledge. In cases where a member declares a conflict of interest in relation to a matter under consideration by the ARC or one of its committees, the ARC CEO will determine the extent to which that member may be involved in discussion or decisions concerning that matter.

Levels of Conflicts of Interest

Merely declaring a conflict situation without taking further steps to resolve the situation is insufficient. It may be necessary to remove the committee member from any involvement in the matter causing the conflict and to recruit an impartial third party to oversee part or all of the processes involved in the matter. Again, these measures must be documented.

However, decision-making processes in research often need expert advice, and the pool of experts in a field can be so small that all the experts have some link with the matter under discussion. As a result, the ARC has developed a process to identify and categorise various levels of conflict of interest. The onus is on the individual in consultation with the ARC, to determine the degree of significance of the conflict:

Level 1 – high level of conflict of interest

An individual:

- Holds shares in, controls and/or is directly associated professionally with an organisation linked with the Proposal or information being considered;
- Is employed at the same organisation that submitted the Proposal or provided the information under consideration;
- Has accepted an appointment at the organisation that submitted the Proposal or provided the information under consideration;
- Was contracted or employed within the past two years at the same organisation, department, faculty or research centre that submitted the Proposal or provided the information under consideration;
- Has supervised the applicant for a PhD or other higher degree within the past 5 years, or in some cases beyond 5 years where, in their judgement, there still remains a strong, ongoing personal or professional tie;
- Has published with a researcher named in a Proposal or in the information under consideration within the past 5 years;
- Has ongoing collaboration with a researcher named in a Proposal or in the information under consideration;
- Holds an adjunct or honorary appointment in the department or research centre where the work is to be undertaken;
- Sustains enmity or positive long standing personal collaboration, positive or negative associations with former colleagues, or research students from the same laboratory or department;
- Stands to benefit in any material way.

The above are not in any order of priority.

A Level 1 conflict of interest is grounds for the individual to not have any connection with a Proposal or information under consideration where these associations exist. The individual with this level of conflict of interest will not take part in any decision-making relating to the Proposal or information under consideration, and will absent themselves from the room when the Proposal or information is being discussed. A Level 1 conflict of interest must be advised to the ARC as soon as possible after it becomes known. The ARC will note and monitor the ongoing relevance of this conflict of interest. This will also be recorded appropriately in the

ARC and if of a personal nature, will be recorded in a secure register within the ARC. These conflicts will be closely monitored by the ARC.

In some cases a person holding an adjunct position may be regarded as having a Level 1 conflict of interest regardless of where they are located within the organisation. This will depend on the substantive nature of their position and how closely involved the adjunct person is to mainstream activities within the organisation. If in doubt, committee members should advise the ARC of the specific circumstances of their adjunct position and a decision will be made as to the level of conflict.

Level 2 – medium level of significance

An individual:

- Holds an adjunct or honorary appointment(s) at an applicant or submitting organisation but not in the department/faculty where a Proposal or information under consideration originated or the work is to be undertaken;
- Was contracted or employed more than two years ago at the same organisation, department, faculty or research centre as the originating Proposal or information under consideration;
- Holds shares in, but is not associated professionally with, nor controls, an organisation linked with a Proposal or information under consideration. The proportion of shares held may be a factor in determining the specific level of conflict of interest.

The above are not in any order of priority.

Level 2 conflicts of interest, although not minor in nature, are not so material that they should deprive the ARC of the individual's expertise and knowledge. They must, however, be advised to the ARC which will note and monitor the ongoing relevance of this conflict of interest. This will also be recorded appropriately in the ARC and if of a personal nature, will be recorded in a secure register within the ARC. These conflicts will be monitored by the ARC.

Level 3 – low level of significance

An individual:

- Holds shares in a public company associated with a Proposal or information under consideration but has limited ability to influence the company, eg has received a general share allocation in a public company such as NRMA or AMP;
- Has an informal relationship with the company under consideration through an industry association or similar body.

Level 3 conflicts of interest generally are not so material that they could affect the member's ability to give full and unbiased consideration to the matter at hand. Nevertheless, this level of conflict must be advised to the ARC.

Summary

When invited to join an ARC committee or equivalent, the individual is responsible for reading and understanding this policy, reviewing current activities for actual, potential or apparent conflicts and bringing any possible conflicts of interest to the attention of the ARC, and disclosing in writing any actual, potential or apparent conflicts of interest as soon as they become apparent. The contact point in the ARC is email box ARC-COI@arc.gov.au.

CODE OF CONDUCT

Individuals should:

1. perform the duties of their position impartially, uninfluenced by fear or favour. They should not allow the pursuit of their private interest to interfere with the proper discharge of their public duties;
2. be frank and honest in official dealings with colleagues;
3. avoid situations in which their private interest, whether pecuniary or otherwise, conflicts or might reasonably be thought to conflict with their public duty;
4. not use information obtained in the course of official duties to gain directly or indirectly, a pecuniary or other advantage for themselves or for any other person;
5. not:
 - a. solicit or accept from any person any remuneration or benefit for the discharge of the duties of their office over and above the official remuneration;
 - b. solicit or accept any benefit, advantage or promise of future advantage, whether for themselves, their immediate family or any business concern or trust with which they are associated from persons who are in, or seek to be in, any contractual or special relationship with government;
 - c. accept any gift, hospitality or concessional travel offered in connection with the discharge of the duties of their office;
6. be scrupulous in their use of public property and services, and should not permit their misuse by other persons;
7. adhere to the ARC confidentiality requirements as outlined in these Guidelines.

**AUSTRALIAN RESEARCH COUNCIL
STATEMENT OF PRIVATE OR OTHER PROFESSIONAL INTERESTS**

Please provide to the ARC a Statement of Private or Other Professional Interests that could or be perceived to conflict with the proper performance of the terms of reference for ARC business This form is an example of the information required in your statement. Private information will be retained on the ARC’s Register of Private or Other Professional Interests and will be treated as confidential. While the ARC will seek updates of this information annually, you should inform the ARC if you acquire interests that could give rise to conflicts prior to the annual update. Other professional interests are not restricted to, but may include honorary or adjunct appointments.

Name of company/ organisation/ institution/ person	Location	Nature of/ relationship to company/ organisation/ institution/ person	Year established (if known)	Publicly listed/ Privately owned	Nature of your actual or potential conflict (including details of affiliation/ relationship)	Period of affiliation/ relationship

You may attach additional information if you wish.

NAME & TITLE:.....

INSTITUTION / ORGANISATION:.....

SIGNATURE:.....

DATE:.....

**AUSTRALIAN RESEARCH COUNCIL
CONFIDENTIALITY OBLIGATIONS AND CONFLICT OF INTEREST
DECLARATION**

I confirm that I have read the Australian Research Council (ARC) *Guidelines for Disclosure of Interests and Confidentiality Obligations*.

Other than where I have obtained the prior written approval of the ARC, I agree to maintain confidentiality concerning all information made available to me for the purposes of assisting with the business of the ARC.

I certify that I have provided to the ARC details of my private or other interests that could conflict with the proper performance of my official functions while carrying out the work of the ARC. The ARC will keep the details of my private interests confidential and it will be used only for the purposes of:

- maintaining the ARC Register of Private Interests; and
- managing conflict of interest matters.

In the event a (perceived, potential or actual) conflict of interest exists or arises, I agree that:

- I will identify and discuss that conflict of interest with the ARC ; and
- I will assist the ARC in the proper management of that conflict of interest as required, including absenting myself during any deliberation by the ARC on the relevant matter, and not taking part in any decision by the ARC on the matter.

I undertake to respond within 14 days to the ARC's requests for annual updates for the Register of Private Interests.

I shall advise the Director, Policy Coordination and Governance, Australian Research Council, should a situation arise, of which I am aware, where any further interest, pecuniary or otherwise, conflicts, or may reasonably be perceived to conflict, with my public duty.

NAME & TITLE:.....

**INSTITUTION /
ORGANISATION:**.....

SIGNATURE:.....

DATE:.....