

New Zealand Arboriculture Association

Policy Title: Conflict of Interest

Enquiries to: President, New Zealand Arboricultural Association

Date of Issue: 29 March 2005

1 Purpose

The ensure that the New Zealand Arboricultural Association (NZAA) Executive Committee members (Exec) meet their legal obligations under the legislation, and that members do not engage in activities which would conflict with their ability to carry out their responsibility for NZAA.

2 Background

The NZAA is a trust and must comply with current legislation in regard to members interest. In addition, as a professional industry body, the NZAA wishes to define what it regards as “conflict of interest” in regard to members having other employment. This policy applies to members and Executive Committee members of NZAA.

3 Statutory Obligation

This policy is intended to provide a guideline to conflict of interest

4 Policy

4.1 Executive Committee (Exec)

4.1.1 Context

Conflicts of interest should be viewed within an ethical context of good faith, honesty and impartiality.

- Good Faith: members of NZAA have an obligation to act at all times in good faith and in the best interests of the NZAA.
- Honesty: members of NZAA have an obligation to act honestly at all times in relation to all matters concerning the NZAA.
- Impartiality: members of NZAA must observe the principles of fairness and impartiality in all official dealings. No individual or organization with which NZAA members or officers are involved may be given improper preferential treatment – whether by access to goods and services, or access to information, or anything similar.

4.1.2 Definition

A conflict of interest arises where a prospective or existing Exec member has an interest which conflicts (or might conflict, or might be perceived to conflict) with the interests of the NZAA. The key question to ask when considering whether an interest might create conflict is:

Does the interest create an incentive for the Exec member to act in a way, which may not be in the best interests of the NZAA?

If the answer is 'yes', a conflict of interest exists. The existence of the incentive is sufficient to create a conflict. Whether or not the appointee would actually act on the incentive is irrelevant.

4.1.3 Types of conflicts of interest

A conflict of interest may take a number of forms. It may be financial or non-financial. It may be direct or indirect. It may be professional or family-related. A conflict of interest may arise from:

- Directorships or other employment
- Interests in business enterprises or professional practices;
- Share ownership;
- Beneficial interests in trusts;
- Existing professional or personal associations with the NZAA, or with other professional bodies;
- Professional associations or relationships with other organisations;
- Personal associations with other groups or organisations; or
- Family relationships

A conflict of interest may be more perceived than actual. Perception is a very important factor in the public sector; the processes of the NZAA must be fair and ethical, and must be very clearly seen to be so.

4.1.4 Members are disqualified from office if they, their spouse, or their company, have a concern or interest in contracts entered into by the NZAA under which payments by the NZAA exceed \$25,000 including GST in total in any financial year.

4.1.5 Members who perceive there may be a conflict are to advise the NZAA President.

4.2 Members

4.2.1 It is the responsibility of members to notify the NZAA President of activities that may result in a conflict of interest with their personality for the NZAA. Such activities would include:

- Purchase of materials/services from a close family member
- Purchase of materials/services from an organisation owned or partly owned by self or a close family member;
- Employment, which reduced ability to carry out responsibility for the NZAA physically or emotionally.

5 Process

5.1 Executive Committee

5.1.1 Key elements of systems for recording and managing conflicts of interests are:

- Discussion with the NZAA President should a member be uncertain whether the potential for conflict of interest exists.

- A ‘conflicts of interest’ policy including procedures to deal with conflict of interest matters (or potential conflicts)
- A ‘conflict of interest’ register updated regularly (every 6-12 months)
- Regular agenda item to ascertain at Exec meetings whether any member has a potential conflict related to any specific agenda item.
- Recording of any potential conflict of interest in the NZAA minutes and the process by which it will be managed (if management possible-see below)

5.1.2 Conflicts of Interest Register

The register should include information that will help the NZAA, when considering matters, to determine if any Exec members have a conflict of interest that needs to be managed in that matter.

The NZAA Secretary will maintain a register containing the following information in relation to each member:

- The member’s name and the name of the member’s partner
- A description of any companies or partnerships in which the member or his or her spouse/de facto partner have an interest.
- A description of the business that the member and his or her spouse/de facto partner engage in (if application). For example, the member may be a builder, working as a sole trader or a member might own the local supermarket, from which the NZAA buys all its supplies.

The Exec should update its register as often as it considers it needs to keep the register accurate – every 6-12 months.

5.1.3 Mechanisms for Avoiding or Managing the Risk of Conflicts of Interest

Many conflicts of interest fall into the “manageable” category. If a candidate is otherwise suitable, there will often be mechanisms available to avoid or minimise any risk to the decision-making integrity of the NZAA. The main methods of dealing with conflict of interest are:

- **Divestment:** the appointee agrees that, in addition to declaring the interest, he or she will not participate in any vote on related issues. The abstention should be noted on each occasion in the minutes.
- **Abstaining from voting:** the appointee agrees that, in addition to declaring the interest, he or she will not participate in any vote on related issues. The abstention should be noted on each occasion.
- **Withdrawing from discussion:** the appointee agrees that, in addition to declaring the interest and abstaining from voting when related issues arise for discussion and/or decision at NZAA meetings, he or she will withdraw from the meeting for the duration of the item. The withdrawal should be noted on each occasion in the minutes.
- **Non-receipt of relevant information:** the appointee agrees that, in addition to declaring an interest and withdrawing from the discussion and the vote, that he or she should not be given any information (i.e. Exec meeting papers, written or oral briefings, etc.) relating to the interest by the NZAA.

- Agreement not to act: the appointee agrees not to participate in any other NZAA action concerning the interest (e.g. signing documents that relate to the interest on behalf of the NZAA)
- Confidentiality agreements: the appointee agrees not to pass confidential information relating to the NZAA to professional or personal associates outside the ambit of NZAA business. Confidentiality agreements should be entered into with new appointees as a matter of standard practice. Confidentiality agreements with often help to minimise the risk of conflicts of interest.
- Declarations of interest: the appointee retains the interest, but agrees to declare it when related issues arise for discussion and/or decision at Exec meetings (see later section on processes for identifying and managing conflicts of interest)

These methods of managing a conflict of interest may be used singly or in combination, depending on the nature and extent of the conflict of interest that is being considered.

Not all conflicts of interest will be clear-cut in terms of how they are and how (or if) they can be managed. In considering these issues, those involved should take into account the nature and extent of the conflict and any relevant legislative provisions and err on the side of caution.

5.2 Staff

- 5.2.1 Potential staff conflicts of interest will, in the first case, be discussed by the President with the member to obtain a resolution which is acceptable to both parties.
- 5.2.2 Should a resolution not be achieved, the President shall make the final decision. In the event that this is not possible, then the matter will be referred to the association's solicitor for opinion.

Signed Exec Member

Print Name

Witness Signature

Print Name