



THE PERTH DIOCESAN TRUSTEES OTHER INTERESTS

Approved by The Perth Diocesan Trustees
Review Due

15 June 2006
overdue

CONFLICT OF INTEREST

1. From time to time a Trustee will have some potentially competing interest in a matter being considered by the PDT. This could arise in a variety of ways such as
 - (a) membership of a church body with an interest in the matter,
 - (b) membership of a firm advising the PDT,
 - (c) membership of a firm with a competing interest in the matter.
2. It will be obvious that the significance of the competing interest will vary considerably depending on the nature of the matter, the interest of the Trustee and the degree of involvement of the Trustee in the other interest.
3. Primarily, each Trustee should determine whether the competing interest is sufficiently significant to require special action on his part as in (b) below.
4. The following is intended to assist any Trustee with another interest to deal with the situation and to ensure that the PDT is aware of that interest when reaching a decision.
 - (a) On every occasion a matter is considered by the PDT any competing interest should be declared by every Trustee present.
 - (b) When declaring an interest, a Trustee should briefly identify its nature and indicate whether he proposes to participate normally, abstain either from debate or voting or both, or leave the meeting when a vote is taken or while the matter is considered.
 - (c) At any time while the matter is being considered, any other Trustee may raise for consideration the course of action proposed by the Trustee under (b). By resolution of the meeting the Trustee may be invited to take another course of action.
 - (d) Similarly, there may be raised for consideration whether a Trustee has an undeclared interest in a matter being considered and, by resolution of the meeting, the Trustee may be invited to take a course of action under (b).
 - (e) A Trustee who does not feel free to indicate the nature of a competing interest should leave the meeting while the matter is considered.

PECUNIARY BENEFIT

5. Each Trustee must declare any interest, including direct or indirect pecuniary interest, as soon as the conflict becomes apparent or in relation to a resolution before the PDT.
6. A Trustee who has a direct or indirect pecuniary interest in a contract or proposed contract that is being considered by a meeting of the PDT must not:
 - (a) Be present while the matter is being considered at the meeting; or
 - (b) Vote on the matter.

THE PERTH DIOCESAN TRUSTEES POLICY 21



7. Set out below are the guiding principles when fees/commercial transactions are to be with a Trustee or Trustee related entity:
- (a) No Trustee or related entity is to be paid a fee for being a Trustee.
 - (b) No Trustee, or related entity, is to be employed by the PDT because the person is a Trustee, ie being a Trustee does not give a right or expectation that a related entity will be used by the PDT.
 - (c) Where the PDT decides to use a Trustee related entity to provide services on a commercial basis, it is accepted that a fee will be paid but the PDT's expectation is that:
 - (i) the fee will be discounted for such services; and
 - (ii) the Trustee related entity will also provide services to the PDT on a pro bono basis in appropriate circumstances.
 - (d) In many cases in which Trustee related entities are used to provide services for the PDT, the commercial fee for that service is paid by a third party.
 - (e) The Trustee related entity cannot expect to be the sole provider of those services to the PDT.
 - (f) The appointment of the Trustee related entity will be reviewed annually and may involve expressions of interest being sought from other organisations.
 - (g) Trustees independent of the Trustee whose related entity provides the service will approve the review process, fees and service delivery.
 - (h) The provision of services by a Trustee related entity requires the prior approval of the PDT.
 - (i) Trustee/related entities will only be used to provide services in areas in which they have relevant expertise or knowledge subject to the above guidelines.
 - (j) In contentious or especially complex legal matters where the Trustee related entity has provided legal advice the PDT will instruct the Trustee related entity to brief independent counsel for an opinion on the PDT's potential liability or prospects of success on the matter.
 - (k) Where the Trustee related entity has given negligent advice (and the PDT relies upon that advice to its detriment) the PDT reserves its right to take action against the Trustee related entity for any loss suffered as a direct result of the PDT relying upon that advice.