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Conflict of Interest

A guide supporting the *Australian Code for
the Responsible Conduct of Research*

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*Australian Code for the Responsible
Conduct of Research*

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1. Introduction

This guide complements the ***Australian Code for the Responsible Conduct of Research*** (the Code), which articulates the broad principles and responsibilities that underpin the responsible conduct of Australian research.

In particular, this guide is intended to assist institutions and researchers to adhere to Principle 3 of the Code: 'Transparency in declaring interests and reporting research methodology, data and findings', including the responsibility to 'disclose and manage conflicts of interest.'

This guide aims to assist institutions in developing and maintaining a conflict of interest policy that facilitates the identification and management of conflicts of interest. These policies are necessary in order to

- maintain the integrity and reliability of the conduct and outcomes of research
- mitigate the risks associated with the complex relationships between researchers and public and private organisations
- ensure public trust in individuals and organisations involved in research.

This guide also aims to assist individual researchers in understanding and applying best practice in identifying and disclosing interests and in managing any conflicts that may arise, or may be perceived to arise, from those interests.

The Code and this guide apply to all research conducted under the auspices of Australian institutions. These institutions vary in size, maturity, experience and organisational structure. They range from large and complex universities to small privately funded institutes. Accordingly, it is acknowledged that different institutional policies and processes are capable of fulfilling the aim of this guide and attempts have been made to ensure that there are appropriate options for flexibility in its application.

2. Disclosure of Interests

2.1 *What is a material interest?*

An institutional policy should specify that researchers must disclose all financial and other interests that are relevant to proposed or ongoing research to the institution. These are considered 'material interests'. The policy should also ensure disclosure of these interests to funding bodies, research participants and the public, where appropriate. This requirement applies to any interests that may affect, or be perceived to affect, the design, conduct, or reporting of research, or that might reasonably appear to be related to the researcher's institutional responsibilities.

Institutions may also have interests that are relevant to individual research projects or research programs that may merit disclosure to researchers, funding bodies, research participants or the public.

Material interests include both financial and non-financial interests. Financial interests are foremost in the public mind, but other interests may also be relevant, including personal, professional and institutional advantages.

Financial interests requiring disclosure include

- any payments received by the researcher (or immediate family members, i.e. a spouse or dependent children) that, from the perspective of an independent observer, may appear to be relevant to the current research being undertaken. This applies to monetary payments or equivalent in-kind benefits (for example air fares) received from any publically or non-publically traded entity
- any equity interest (e.g. stock, stock option, or other ownership interest) that is held by the researcher or the researcher's spouse or dependent children, excluding interests held as part of a superannuation or managed fund that is not managed by the relevant individual.

When disclosing or requiring the disclosure of interests, researchers and institutions should consider

- the significance or importance of any financial interests (so as to avoid exaggerating or minimising their potential as material interests)
- whether to apply a threshold (monetary value) to the requirement for disclosure of financial interests
- whether, in addition to any threshold, gifts or other payments made on a regular basis or with a particular source or character may give rise to the perception of conflict of interest.

Non-financial interests that require disclosure include

- any board membership (even if unpaid) or other affiliation to or association with an organisation or an activity that, in and of itself, could reasonably be perceived to constitute an interest that is in competition with the research being undertaken
- any affiliation to or association with any organisation or activity that confers a non-financial benefit that could reasonably be perceived as constituting an interest that is in competition with the research being undertaken
- any other influence that might reasonably be considered likely to affect the judgement of the individual, or lead to the perception, by others, that the judgement of the individual is compromised.

2.2 *What is conflict of interest?*

A conflict of interest exists where there is a divergence between the individual interests of a person and their professional responsibilities such that an independent observer might reasonably conclude that the professional actions of that person are unduly influenced by their own interests. The perception that a conflict of interest exists is also a serious matter and can raise concerns about the integrity of individuals or the management practices of the institution, potentially undermining community trust in research.

The design and conduct of research often requires consultation or expert advice. Particularly in Australia, the pool of experts in a research field can be so small that all the relevant individuals from whom a researcher might seek advice or guidance have some link with the design, sponsorship or conduct of the research project or with related research projects. Whether the necessary consultation or relationship gives rise to a conflict of interest is a determination made by the institution or other appropriate decision maker.

In making this determination, it should be recognised that some interests may be complementary or may constitute a mutuality of interest, rather than constituting a conflict of interest.

2.3 *Identifying and managing conflicts of interest.*

Conflicts of interest in research are common and it is important that they are properly identified and managed by the responsible parties. Institutions should have a policy in place that clearly sets out the process for identifying and managing conflicts of interest in research and who is responsible for each component of the process.

If a conflict of interest is identified, the responsible decision maker must determine what measures are most appropriate to manage that conflict of interest. These measures should be tailored to the individual circumstance and could include:

- avoiding the conflict of interest by prohibiting the researcher from engaging in the research or requiring that the researcher play a different or less central role in the research
- requiring the researcher to divest her/himself of financial or other interests and/or resign from the membership of entities whose interests could be affected by the research
- requiring the public disclosure of material interests (e.g. when presenting or publishing the research)
- removing the researcher from any deliberative decision regarding the merits of the research or any deliberative processes that relate to concerns regarding the ongoing conduct of the research.

3. Responsibilities of institutions

This section provides guidance on the responsibilities that institutions have in relation to disclosure of interests and identification and management of conflicts of interest.

The institution or other oversight or funding body must review all disclosed interests in order to identify potential, actual or perceived conflicts of interest.

3.1 *Design and promote institutional policy*

Institutions that conduct research must have a policy that is clearly written, readily accessible and available to all staff and interested parties.

The institutional policy must be consistent with this guide and should describe both the range of interests that may be material and the possibility of potential, actual and perceived conflict of interest. It should:

- (a) require that researchers disclose of all material interests to the institution
- (b) guide those involved in research in making appropriate disclosures of all material interests to research participants, other relevant parties and the public, and to funding bodies, where required
 - i. where relevant, disclosure may occur in confidence to a small group so long as this does not compromise appropriate management of any conflict of interest that is identified
- (c) describe the processes that are involved in the identification and management of conflicts of interest, including who is responsible and accountable for these processes
- (d) maintain a centralised record of interests in relation to current publicly funded research grants
- (e) require that a record be kept of how each identified conflict was managed, with appropriate consideration of confidentiality requirements

- (f) be reviewed regularly to take into account any relevant institutional experiences, newly accepted professional standards, community expectations or regulatory developments.

3.2 *Provide training for researchers*

Institutions must provide ongoing training and education that promotes and supports responsible research conduct and that assists researchers and those in other relevant roles to understand and comply with the institution's conflict of interest policy.

3.3 *Managing institutional interests*

It is good institutional practice to maintain a record of institutional interests that may be perceived to affect the design and dissemination of research carried out at that institution. If an institutional conflict of interest is identified, a determination must be made regarding the most appropriate measures for managing that conflict of interest.

In accordance with the principle of transparency and any public right to information, institutions are encouraged to respond to reasonable requests about the sponsorship of research and how any related competing interests or conflicts of interest were managed.

4. Responsibilities of researchers

Researchers must refer to and comply with their institutional policies. Additionally, researchers should:

- (a) maintain records of activities that may be relevant to the assessment of whether a conflict of interest exists (e.g. consultancies; membership of boards of directors, advisory groups, or committees; or receipt or delegation to receive funds, services or equipment from outside bodies to support research activities)
- (b) disclose any material interest in a timely fashion (i.e. as soon as it becomes apparent that the interest could constitute a potential, actual or perceived conflict of interest)¹
- (c) update any disclosures of interest as circumstances change, and at least annually during the period during which the research remains active.

5. Resolution of disputes

The institutional conflict of interest policy should include a description of a mechanism for the fair and timely resolution of disputes about any identification or management of a conflict of interest. The policy should include guidance on managing disputes involving researchers from multiple institutions and the circumstances (if any) when legal representation is appropriate.

In bringing a complaint or seeking resolution of a dispute regarding the identification or management of a conflict of interest, researchers must treat fellow researchers and others involved in the research fairly and with respect.

¹ In some circumstance, it may be necessary for a researcher to obtain a family member's consent to a required disclosure. This needs to occur in a manner that is consistent with the requirements of the Privacy Principles contained in the Privacy Act 1988.

Researchers should follow their institution's process to resolve any disputes that arise between them. The parties to the dispute should maintain records of agreements reached through direct dialogue or mediation.

6. Breaches of the Code

Institutions should investigate, assess and manage concerns or complaints related to conflict of interest that may constitute breaches of the Code in accordance with the *Guide to Managing and Investigating Potential Breaches of the Australian Code for the Responsible Conduct of Research* (the Investigation Guide).

7. Additional resources

- [ARC Conflict of Interest and Confidentiality Policy](#)

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