

4.1 *Disclosure of Interest Guidelines*¹

In running its programs, the Board wishes to observe statutory requirements and generally applicable standards concerning the management, handling and recording of relevant interests. Accordingly the Board wishes to address indirect and direct pecuniary interests as the IR&D Act requires but also intends the scope of these guidelines to cover other personal or family interests.

The Board is conscious that perceptions of conflict of interest may be as important as actual conflicts. The following describes the procedures, based on the Code of Conduct adopted by the Board, that are to be followed.

Section 16 of the IR&D Act requires Board members to disclose at a meeting of the Board the nature of any direct or indirect pecuniary interest in matters considered or about to be considered by the Board. The IR&D Act requires such disclosures to be recorded in minutes of meetings. Under section 24 of the IR&D Act, this process also applies to members of the Board's Committees.

The Board has also adopted a process whereby Board and Committee members (upon appointment) prepare and lodge with the Secretariat a disclosure statement of known pecuniary (and other personal) interests of themselves and of their immediate family/spouse. The content of the statement is recorded, electronically, on the Register of Private Interests, held by the department.

In addition, the Board has established formal procedures for the handling of matters involving actual or potential disclosure of interest, which it requires all Board and Committee members to meet.

A member who has issues or concerns about potential conflict of interest matters may wish, prior to a relevant meeting, to discuss them with the departmental officer who is nominated to assist the Board with these matters.

To assist in maintaining a close focus on disclosure of interest issues, an early agenda item at each Board and Committee meeting should involve formal enquiry in relation to the disclosed interests of members and the determination of any potential conflicts.

In October 2014, the Board reviewed its Disclosure of Interest Guidelines and Principles and determined that these were robust and sound.

¹The Disclosure of Interest Guidelines were reviewed by the Australian Government Solicitor in June 2008. The review confirmed that no additional conflict of interest or procedural requirements are required as a result of Innovation and Science Australia's broadened scope of responsibilities.

4.1.1 Disclosure of Member Interests

Where a Board or Committee member is aware of an actual or a potential disclosure of interest, pecuniary or otherwise, the member must advise the meeting prior to that item being discussed. Where the interests of a member of his/her immediate family are involved, the member should disclose those interests, to the extent they are known to them. The member must then leave the room and this must be recorded in the minutes.

Members are required to refrain from discussing any aspects of applications with customers unless the application has been prepared by colleagues and the member has previously disclosed their interest to the Board.

The Board or Committee has an ability to decide, in the absence of the member, that where a conflict situation exists, the member concerned may nonetheless be present during discussion of the matter (and take part in the discussion) or even take part in the decision making. The decision on this could turn on whether the nature of the interest is determined to be material or immaterial (insignificant).

If the nature of the member's disclosed interest is judged as immaterial, the member may be invited back into the room to take part in the discussions and, if appropriate, the decision-making. If the nature of the member's disclosed interest is judged as material, there should be no further involvement of the member.

Occasion may arise where a member having a material disclosure has some technical knowledge, not available elsewhere, that could warrant an invitation back into the room simply to answer specific pre-determined question(s) in relation to the technology. This would be an exceptional circumstance. Upon providing comments to the questions, the member would again leave the room and take no part in the discussion or decision-making in relation to the item.

Under separate delegations and in accordance with the IR&D Act, prior to dispatch of meeting papers, a decision on a member's disclosure is made by the Chair of the Board or Chair of the Committee. Where the Chair of the Board or a Committee discloses an interest in a matter being considered or about to be considered by the Board or Committee, the employee of the Department of Industry and Science (the Department) from time to time performing or acting in the role of General Manager (responsible for Secretariat support to the Board) in AusIndustry, may determine that the Chair may be present during any deliberation of the Board with respect to that matter; or take part in any decision of the Board with respect to that matter (refer to instrument on page 31).

Where the Chair of the Board or a Committee is not present during any deliberation or decision of an item in a meeting, due to a conflict, the remaining members may elect a Chair to preside over the matter.

4.1.2 Recording a Disclosure of Interest

The Secretariat should endeavour to determine, with respect to a forthcoming meeting, whether any members are likely to disclose an interest about any matters on the draft agenda. To assist in this process, the Secretariat will provide to all

members prior to the distribution of papers, appropriate information on agenda items for which disclosures will be required. Members are requested to advise if they are likely to disclose an interest in relation to any of the items listed for consideration, and to disclose the nature of that interest. Papers relating to individual applications will not be forwarded to members until the Secretariat receives advice that they are unlikely to disclose an interest in relation to the items listed for consideration.

Where a member's disclosure is subsequently determined to be of a material nature, then that member will not receive reports or information in relation to the item under consideration.

The minutes of the meeting will record the member disclosing the interest; the nature of the interest (if it is judged material or immaterial by the Board or Committee) and if considered material, the time of the departure of member(s) from the room for the relevant discussion and the time of their return.

If the conflicted person is the Chair of the meeting, it should be noted who the acting Chair is for that part of the discussion.

Discussions regarding an item against which a member has disclosed an interest will be deleted from the member's copy of the minutes, unless the Board or Committee has decided that the nature of the interest is immaterial and that the member should be present during relevant discussion and decision making.

4.1.3 Matters which shall be referred to the Board for Determination

If a Committee has no quorum as a consequence of disclosures of interest of members, then the matter shall be referred to the Board for determination.

Where the Committee agrees that, because of disclosure of interest issues, the matter is of a particularly sensitive nature, that matter shall be referred to the Board for determination.

4.1.4 Independent Expert Assessments

Where a material disclosure of interest arises as a consequence of a direct link between a Board or Committee member and a matter/application being considered (i.e. specifically where a member holds an operational management role in an applicant company, or is, or has been a consultant to an applicant company, or is a member of the board of an applicant company), then that matter shall be referred to the Board for consideration. In such instances, an independent expert assessment of the matter will be undertaken to provide advice to the Board or Committee.

4.1.5 Requests from Applicant Companies for Limited Distribution of Papers

A request from an applicant company that a certain member not see the papers relating to that particular application is to be accepted, provided that the Board or Committee considers that the request is reasonable.

4.1.6 Determining if a Conflict Exists

When considering whether a material disclosure of interest exists, members should have regard to the following questions:

- Would the average member of the public, of ordinary intelligence, looking at the relevant facts and circumstances, think that there was a real (actual), and sensible possibility of conflict?
- With human nature being what it is, is there a danger that an average member of the public, of ordinary intelligence, may be swayed by this kind of personal interest rather than by duty?

4.2 *Principles for Determining Materiality in Relation to Disclosures of Direct or Indirect Pecuniary Interests*²

Set out below are the Board's principles for determining materiality in relation to disclosures of direct or indirect pecuniary interests. These principles are intended to provide guidance and ensure consistency with regard to the assessment of materiality in relation to these disclosures. These principles should be read in conjunction with the Board's Code of Conduct and Disclosure of Interest (DOI) Guidelines.

In particular, members should be conscious of the underlying issues contained in the DOI Guidelines, when determining if a potential conflict exists, for example:

- Would the average member of the public, of ordinary intelligence, looking at the relevant facts and circumstances, think that there was a real (actual), and sensible possibility of conflict?
- With human nature being what it is, is there a danger that an average member of the public, of ordinary intelligence, may be swayed by this kind of personal interest rather than by duty?

In providing these principles, it should be noted that they are intended as a guide only. The particular circumstances of the direct or indirect pecuniary interest disclosed must also be considered on a case by case basis. This may lead to a pecuniary interest normally classified as immaterial being determined as material in some instances or vice versa.

² Pursuant to subsection 21(3) of the IR&D Act, the delegation of power may be revoked by a resolution of the Board.

Assessing Materiality

A pecuniary interest is likely to be material if a direct link exists between a matter being considered and a member. This includes but is not limited to circumstances where:

- a member is a director or office-holder of a company under consideration;
- a member has a shareholding in a company under consideration;
- a member or his/her employer has an involvement in the matter under consideration;
- the member holds a senior position in a research organisation which has an interest in a matter under consideration;
- the company under consideration is a direct competitor of an entity in which a member holds shares, holds office or is employed;
- the employer of the member is an entity which is a shareholder/partner/parent company of the company under consideration; and/or
- the member or his/her employer has a current contractual relationship with the company under consideration.

A pecuniary interest is also likely to be material where a spouse or immediate family member has involvement in circumstances similar to those outlined above, and the member is aware of that involvement.

A pecuniary interest is likely to be immaterial where the interest of the member is insignificant and unlikely to influence the member. This includes but is not limited to circumstances where:

- the member has a past contractual relationship with the company under consideration;
- the member was employed by the company under consideration but not within the previous two years;
- the member has an informal relationship with the company under consideration through an industry association or similar body; and/or
- the member is a member of superannuation fund, the member is unable to exercise any control over the shareholdings and the fund holds shares in the company under consideration.

A toolkit has been prepared to provide practical assistance to members of Innovation and Science Australia and its Committees when making a Disclosure of Interest (see **Attachment A**).

Attachment A

DISCLOSURE OF INTEREST TOOLKIT

This Toolkit has been prepared to provide practical assistance to members of Innovation and Science Australia and its Committees when making a Disclosure of Interest (DOI).

1. AusIndustry Secretariat will provide DOI Statements and Declaration Forms to members PRIOR to each meeting.
2. Members review DOI Statements and complete DOI Declaration Forms with as much detail as possible, before signing the Declaration and returning to AusIndustry Secretariat.
3. AusIndustry Secretariat will review the declarations provided.
4. AusIndustry Secretariat will check the members ROPI database to ensure no interest has been overlooked or added. Where an interest has been overlooked or added, the Committee Manager will contact the member to clarify and confirm. The ROPI will be updated accordingly.
5. Using the DOI Framework and Principles, the AusIndustry Secretariat will make a recommendation of materiality.
6. The Chair of the relevant Board or Committee OR the Programme Delegate (*depending on relevant delegations*) will make the final decision on the determinations of materiality.
7. For matters where members have a material disclosure of interest, meeting papers related to that matter will not be provided to that member and there will be no further involvement of the member with the matter.
8. Members must disclose any additional interests discovered AFTER receiving meeting papers:
 - a. If the disclosure is made during a meeting, the member must leave the room while the board or committee determines the materiality of the disclosure.
 - b. The determination process will be followed and the member will be notified of the outcome.
 - c. If the disclosure is determined to be immaterial, the member may be invited to participate in the discussion and/or decision making.
 - d. If the disclosure is determined to be material, there will be no further involvement by the member with the matter and the member will be requested to destroy or return any papers relating to that matter.
9. During a meeting, any member with a material disclosure (conflict of interest) will be requested to leave the meeting during discussion of that matter and will not be permitted to make any decisions relating to the matter. However, if a member with a material conflict of interest has technical expertise, not available elsewhere, the member may be invited back into the room to answer specific, pre-determined questions in relation to the technology. After providing the information the member must leave the room and not participate in any discussion and/or decision making relating to the matter.
10. The AusIndustry Secretariat will record in the minutes of the meeting all disclosures of interests, the nature of each disclosure, the determination of materiality for each disclosure and the members departure from the meeting where the determination is material.

11. Copies of the meeting minutes to members with material disclosures of interest will have the related matter information redacted.

Another cause for a member to be excluded from consideration of a matter would be where (prior to the meeting) an applicant company requests limited distribution of their paper to a particular member or members, and the Board or Committee considers that the request is reasonable.

What does a full disclosure look like?

Example 1

Inadequate disclosure: *I have known Mr John Smith for 5 years.*
 Adequate disclosure: *I have known John Smith in a personal capacity for 5 years and occasionally attend social events but have no business dealings with him.*

Example 2

Inadequate disclosure: *As previously disclosed*
 Adequate disclosure: *I am a shareholder in ABCDE Limited. I have held these shares for 5 years.*

Example 3

Inadequate disclosure: *I was previously employed by ABCDE Limited.*
 Adequate disclosure: *I was an employee of ABCDE Limited from 2008 to 2011. My role involved providing financial, technical and administrative advice to the Board of Directors. I currently meet with some members of the Board in a social capacity approximately three times a year.*

DISCLOSURE OF INTEREST GLOSSARY

TERM	DESCRIPTION
Actual conflict of interest	See "Conflict of interest". The terms are interchangeable.
Bias	Prejudicial treatment, favouritism or partiality.
Conflict of interest	A conflict of interest involves a conflict between an Innovation and Science Australia or Committee member's responsibilities in serving the public interest and the member's private interests. A conflict of interest can arise from avoiding personal losses as well as gaining personal advantage – whether financial or otherwise.
Department	The Australian Government Department of Industry, Innovation and Science.
Disclosure of interest	Advice from a member of Innovation and Science Australia or its Committees to the Department in relation to a pecuniary or non-pecuniary interest in a matter to be considered for decision.

Disclosure of interest statement	A document provided by the Department to a member of Innovation and Science Australia or its Committees which lists an applicant's details including company name, address, Directors, other key personnel, collaborative partners, shareholders and any other parties involved in or to benefit from a project to be considered for decision.
Immaterial	An insignificant disclosure of interest in a matter to be considered for decision by Innovation and Science Australia or its Committees.
Innovation and Science Australia or its Committees	Innovation and Science Australia is an independent statutory body established under the <i>Industry Research and Development Act 1986</i> (IR&D Act) to assist with the administration and oversight of the Australian Government's industry innovation and venture capital programmes delivered by AusIndustry. A Committee of Innovation and Science Australia operates under delegation to help administer and provide expert advice on programmes that fall under Innovation and Science Australia's remit.
Material	A significant interest in a matter to be considered for decision by Innovation and Science Australia or its Committees.
Materiality	A determination made about a member's disclosure of interest.
Member	A person appointed by the Governor General as a Chair or Member of Innovation and Science Australia (the Board) or by the Minister as a Chair or Member of an Innovation and Science Australia Committees.
Non-pecuniary interest	A non-financial interest in a matter to be considered for decision by Innovation and Science Australia or its Committees.
Pecuniary interest	A financial interest, or a financial benefit or disadvantage, in a matter to be considered for decision by Innovation and Science Australia or its Committees.
Perceived conflict of interest	An interest in a matter to be considered for decision by Innovation and Science Australia or its Committees where it appears that a member's private interests could improperly influence the performance of their duties – whether or not this is in fact the case.
Potential conflict of interest	An interest in a matter to be considered for decision by Innovation and Science Australia or its Committees that may conflict with the member's responsibilities in the future.
Private interests	An interest that can bring benefits or disadvantages to a member or to others whom the member may wish to benefit or disadvantage. Private interests are not limited to pecuniary interests or to interests that can bring direct personal gain or help avoid personal loss.

	They also include many social and professional activities and interests.
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CONFLICTS OF INTEREST IN PERSONAL CIRCUMSTANCES

Your personal circumstances may impact on your role with Innovation and Science Australia and/or its Committees. Personal circumstances include your financial, social, family, business and professional activities and your personal relationships when undertaking those activities.

Tool 1

Checklist for identifying conflicts of interest in personal circumstances

The purpose of this tool is to assist you in identifying risks of a conflicts of interest arising from personal circumstances.

When reviewing a Disclosure of Interest Statement, consider whether you are aware of the following private interests that may give rise to a potential conflict of interest:

- Financial and economic interests (e.g. debts, assets or investments)
- Family or private business connections
- Secondary employment (e.g. contract or consultancy)
- Affiliations with for-profit and non-profit organisations, sporting bodies, clubs and associations
- Affiliations with political, trade union or professional organisations and other personal-capacity interests
- Obligations to professional, community, ethnic, family or religious groups in a personal or professional capacity or relationships to people living in the same household
- Enmity or competition with another person or group
- Significant family or other relationships with clients, contractors or other staff working in the same (or related) organisation
- Highly specialist skills in an area where demand for the skills frequently exceeds supply
- Future employment prospects or plans (i.e. post-separation employment).

IDENTIFYING TYPES OF CONFLICTS OF INTEREST

Actual, perceived or potential?

The following descriptions help explain the differences between the types of conflict.

Actual conflict of interest	Perceived conflict of interest	Potential conflict of interest
<p>A member</p> <p><i>is in a position to be influenced</i></p> <p>by their private interests when performing their role as a member of Innovation and Science Australia (the Board) or its Committees.</p>	<p>A member</p> <p><i>is in a position to appear to be influenced</i></p> <p>by their private interests when performing their role as a member of Innovation and Science Australia (the Board) or its Committees.</p>	<p>A member</p> <p><i>is in a position where they may be influenced in the future</i></p> <p>by their private interests when performing their role as a member of Innovation and Science Australia (or the Board) or its Committees.</p>

How they can arise

The following progressive scenario demonstrates how each of the above three different types of conflict of interest may come into play when you perform your role as a member of Innovation and Science Australia or its Committees.

Scenario	Type of conflict	Why this is so
<p>As part of you work outside of Innovation and Science Australia, you are a Director of a Venture Capital Entity and you are regularly approached from start-up companies for potential investment.</p> <p style="text-align: center;">↓</p>	No conflict	At this point in time there is no relevant private interest that may impact on carrying out your role as a member of Innovation and Science Australia or its Committees.
<p>A company you have invested in is considering putting in an application for a grant under an Innovation and Science Australia programme but you do not sit on the relevant assessment committee under Innovation and Science</p>	Potential conflict	Your private interests are currently not relevant to your role as a member of Innovation and Science Australia or its Committees but they could be in the future if the firm submits an application and/ or you are involved in the

Scenario	Type of conflict	Why this is so
Australia and have not been involved in preparing the application.		development of that application.
A representative of the company you have invested in has made an application to be considered by a committee under Innovation and Science Australia. You are not involved in assisting or assessing the matter.	Perceived conflict	Although you do not assist or assess the matter, a member of the public may consider your own private interests are relevant and may influence the decision made by the Innovation and Science Australia Committee.
The application comes to the Board of Innovation and Science Australia for recommendation to the Programme Delegate.	Actual conflict	As a member of Innovation and Science Australia or its Committees your own private interests are relevant to your role that could improperly influence your decision making. There is a pecuniary interest related to the benefit or lose by the decision made by Innovation and Science Australia.

Tool 2

Checklist for identifying if a conflict of interest exists

The purpose of this tool is to assist you to determine whether you may have an actual, perceived or potential conflict of interest with a matter to be considered at a Board or Committee meeting.

The test when considering the questions below is to ask yourself “Could this conflict with my role, as a member of Innovation and Science Australia or its Committees, to serve the public interest?”

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Would the average member of the public, of ordinary intelligence, looking at the relevant facts and circumstances, think that there was a real, sensible possibility of conflict?
<input type="checkbox"/>	<input type="checkbox"/>	With human nature being what it is, is there a danger that an average member of the public, of ordinary intelligence, may be swayed by this kind of personal interest rather than by duty?
<input type="checkbox"/>	<input type="checkbox"/>	Would I or anyone associated with me benefit from or be detrimentally affected by my proposed decision or action?
<input type="checkbox"/>	<input type="checkbox"/>	Could there be benefits for me in the future that could cast doubt on my objectivity?
<input type="checkbox"/>	<input type="checkbox"/>	Do I have a current or previous personal, professional or financial relationship or associated of any significant with an interested party?
<input type="checkbox"/>	<input type="checkbox"/>	Would my reputation or that of a relative, friend or associate stand to be enhanced or damaged because of the proposed decision or action?
<input type="checkbox"/>	<input type="checkbox"/>	Do I or a relative, friend or associate of theirs stand to gain or lose financially in some covert or unexpected way?
<input type="checkbox"/>	<input type="checkbox"/>	Do I hold any personal or professional views or biases that may lead others to reasonably conclude that I am not an appropriate person to deal with the matter?
<input type="checkbox"/>	<input type="checkbox"/>	Have I contributed in a private capacity in any way to the matter to be considered at the Innovation and Science Australia or Committee meeting?
<input type="checkbox"/>	<input type="checkbox"/>	Have I made any promises or commitments in relation to the matter?
<input type="checkbox"/>	<input type="checkbox"/>	Have I received a benefit or hospitality from someone who stands to gain or lose from my proposed decision or action?
<input type="checkbox"/>	<input type="checkbox"/>	Am I a member of an association, club or professional organisation or do I have particular ties and affiliations with organisations or individuals who stand to gain or lose by my proposed decision or action?
<input type="checkbox"/>	<input type="checkbox"/>	Could a decision in the matter to be considered at the Innovation and Science Australia or Committee meeting have an influence on any future employment opportunities outside my current employment?

Could there be any other benefits or factors that could cast doubts on my objectivity?

PECUNIARY AND NON-PECUNIARY INTERESTS

What is a pecuniary interest?

A pecuniary interest simply means a financial interest, or a financial benefit or disadvantage. An “indirect pecuniary interest” may be because an individual has a close relationship with someone that has a financial interest in the matter under consideration.

What is a non-pecuniary interest?

A non-pecuniary interest could be a bias or predisposition towards a certain outcome based on some personal or other interest.

Examples

Pecuniary interests	Non-pecuniary interests
You have shares in a family business which tenders for a contract related to a matter to be considered for decision by Innovation and Science Australia or a Committee	Your child is a star player in a local sporting group which is identified in a matter to be considered for decision by Innovation and Science Australia or a Committee
Your spouse owns a company, in which you have no direct interests, related to a matter to be considered for decision by Innovation and Science Australia or a Committee	A relative or friend has contacted you about a matter to be considered for decision by Innovation and Science Australia or a Committee
You have a second job with a company related to a matter to be considered for decision by Innovation and Science Australia or a Committee	You are friends with the CEO of a an organisation which will be affected by a matter to be considered for decision by Innovation and Science Australia or a Committee
You have a private business which may be affected by a decision made at an Innovation and Science Australia or Committee meeting	You have a close friend who is a competitor to an applicant company that may be affected by a decision made at an Innovation and Science Australia or Committee meeting

Tool 3

Checklist for determining a pecuniary or non-pecuniary interest

The purpose of this tool is to assist you to identify whether you have a pecuniary or non-pecuniary conflict of interest.

Yes	No	
<input type="checkbox"/>	<input type="checkbox"/>	Is there a realistic expectation that I will, directly or indirectly, gain a financial or other material benefit or suffer a financial or other material loss?
<input type="checkbox"/>	<input type="checkbox"/>	Will a decision in the matter to be considered at an Innovation and Science Australia or Committee meeting affect my earning capacity or financial situation?
<input type="checkbox"/>	<input type="checkbox"/>	Will a decision in the matter to be considered at an Innovation and Science Australia or Committee meeting have an impact on the value of any shares or property that I own?
<input type="checkbox"/>	<input type="checkbox"/>	Will a decision in the matter to be considered at an Innovation and Science Australia or Committee meeting have an affect on my employment or private business?
<input type="checkbox"/>	<input type="checkbox"/>	Do I have debts owing to a person who will be affected by a decision in the matter at an Innovation and Science Australia or Committee meeting?
<input type="checkbox"/>	<input type="checkbox"/>	Have I accepted hospitality, sponsored travel or other benefits from a person who will be affected by a decision in the matter at an Innovation and Science Australia or Committee meeting?
<input type="checkbox"/>	<input type="checkbox"/>	Is there a realistic expectation that someone in a personal or business relationship with you will directly or indirectly gain a financial or other material benefit, or suffer a financial or other material loss, as a result of a decision in the matter at an Innovation and Science Australia or Committee meeting?

HOW IS THE MATERIALITY OF YOUR DISCLOSURES OF INTEREST ASSESSED?

Upon receipt of your disclosures of interest a delegated officer of the Department will make a determination whether your interest is material or immaterial.

Set out below are the principles used by the Department as a guide for determining materiality. The particular circumstances of the direct or indirect pecuniary interest disclosed will also be considered on a case by case basis. This may lead to a pecuniary interest normally classified as immaterial being determined as material in some instances or vice versa.

A pecuniary interest is likely to be material if a direct link exists between a matter being considered and a member. This includes but is not limited to circumstances where:

- a member is a director or office-holder of a company under consideration;
- a member has a shareholding in a company under consideration;

- a member or his/her employer has an involvement in the matter under consideration;
- the member holds a senior position in a research organisation which has an interest in a matter under consideration;
- the company under consideration is a direct competitor of an entity in which a member holds shares, holds office or is employed;
- the employer of the member is an entity which is a shareholder/partner/parent company of the company under consideration; and/or
- the member or his/her employer has a current contractual relationship with the company under consideration.

A pecuniary interest is also likely to be material where a spouse or immediate family member has involvement in circumstances similar to those outlined above, and the member is aware of that involvement. A pecuniary interest is likely to be immaterial where the interest of the member is insignificant and unlikely to influence the member. This includes but is not limited to circumstances where:

- the member has a past contractual relationship with the company under consideration;
- the member was employed by the company under consideration but not within the previous two years;
- the member has an informal relationship with the company under consideration through an industry association or similar body; and/or
- the member is a member of superannuation fund, the member is unable to exercise any control over the shareholdings and the fund holds shares in the company under consideration.

A non-pecuniary interest is likely to be material if it involves a close family relationship, close friendship or business relationship, or a strong affiliation with an organisation related to a matter to be considered for decision by Innovation and Science Australia or its Committees.

A non-pecuniary interest is likely to be immaterial if the relationship is less significant and unlikely to influence the member when participating in the decision-making process of a matter to be considered by Innovation and Science Australia or its Committees.

HOW SHOULD YOU ASSESS THE MATERIALITY OF A MEMBER'S DOI AT AN INNOVATION AND SCIENCE AUSTRALIA OR COMMITTEE MEETING?

On occasion members may raise a disclosure of interest during an Innovation and Science Australia or Committee meeting. The member must then leave the room and the remaining non-conflicted members must make a decision on the materiality of the disclosure. Members should assess the materiality of a member's disclosure on a case by case basis and in accordance with Innovation and Science Australia's Disclosure of Interest Guidelines.

If the nature of the member's disclosed interest is judged as immaterial, the member may be invited back into the room to take part in the discussions and, if appropriate, the decision-making. If the nature of the member's disclosed interest is judged as material, the member should have no further involvement in the matter.

Occasion may arise where a member having a material disclosure has some technical knowledge, not available elsewhere, that could warrant an invitation back into the room simply to answer specific pre-determined question(s) in relation to the technology. This would be an exceptional circumstance. Upon providing comments to the questions, the member would again leave the room and take no part in the discussion or decision-making in relation to the item. The decision and process undertaken by the Board is captured in the meeting minutes.