



Conflicts of interest in outside employment

All public sector employees need to be aware of the potential impacts of outside employment on their public sector role.

Introduction

It is usual for employees to have personal interests outside of their employment with the public sector. These interests can diversify the skills and experiences available to their organisation in positive ways.

However, it is important to declare and manage outside employment as an 'interest' so it doesn't negatively affect – or appear to negatively affect – our public sector roles and responsibilities.

What is 'outside employment'?

Outside employment occurs when an employee in the public sector holds an additional role, paid or unpaid, outside of their primary job. It is sometimes referred to as 'secondary employment'.

Outside employment is a particular risk when the additional job is related to the employee's role or specific duties.

A public sector employee's outside employment may involve:

- ▼ working in a different part of the Tasmanian public sector, or in another state or Commonwealth government organisation
- ▼ owning or operating a business
- ▼ being an employee of a corporation, company or firm
- ▼ private practice in any profession, occupation or trade
- ▼ self-employment, including consultancy services or being involved in a family business or trust, and
- ▼ volunteer work, including clubs and charities.

While outside employment, including volunteering, can be beneficial, it must not interfere with an employee's duties and obligations to their public organisation.

What are the risks?

Outside employment can potentially conflict with an employee's public duties or responsibilities. Examples include:

- ▼ performance issues, such as neglecting your public duties
- ▼ using public resources to support your outside employment
- ▼ favouring your outside employer when awarding contracts
- ▼ doing work for your outside employment during the hours you are being paid to do your public sector role
- ▼ bias in regulatory affairs, such as awarding licences, grants, contracts or tenders
- ▼ directing colleagues to perform tasks that benefit your outside employment
- ▼ using the knowledge attained from the public sector to further your outside employment or benefit your business

If a conflict of interest hasn't been declared, documented and managed, you may be accused of misconduct. The matter may even lead to legal action.

Outside employment with the private sector

Misconduct risks are higher when the outside employment involves the private sector, and even more so when the private sector employer:

- ▼ has or may have contractual dealings with a public organisation
- ▼ is in, or may be in, commercial competition with a public organisation, or
- ▼ has a regulatory relationship with a public organisation.

How to identify a conflict of interest relating to outside employment

As public officers, we need ensure that our private interests do not impact – and are not seen to impact – our ability to make decisions that deliver the best possible outcomes for the community. Ask yourself these questions:

- ▼ Is my outside work in any way related to my public sector role?
This could lead to competing obligations between your jobs.
- ▼ How much time do I need to spend on my second job?
Too many evenings doing late shifts could make you tired and ineffective at work. If you can't physically manage the demands of both jobs on your health and energy levels, you need to reconsider your choices.
- ▼ Am I doing any part of my outside job during regular working hours?
Your outside employment cannot overlap with your public work time. Your responsibility is to concentrate on your public role during those hours.



CASE STUDY

In 2020, the Integrity Commission investigated alleged conflicts of interest arising for two public officers working across the public and private sectors. The focus of the investigation was the establishment by one of the officers of a private business that provided services to their public organisation.

The allegations included the officers' failure to disclose and take reasonable steps to avoid conflicts of interest, influencing decisions that had potential to impact other service providers and the organisation's procurement of services from the business, and benefitting privately from their public sector duties.

Our investigation found that, once the private business was established, the public officers had a potential conflict of interest. However, while the organisation had satisfactory conflict of interest protocols, these had not been provided to the officers nor brought to their attention, and neither officer had identified, disclosed or taken steps to manage their potential conflicts.

We identified a number of systemic issues that amplified the misconduct risks and generated obstacles to our investigation, including: poor record keeping practices and rudimentary record keeping systems; unclear and undocumented decision-making and recruitment and procurement processes; and unclear supervision and management arrangements.

How to manage conflicts of interest relating to outside employment

If you are considering outside employment and think there may be a potential conflict of interest, speak to your manager or colleagues about handling your specific situation.

Remember that it is not wrong to have outside interests – misconduct risks emerge when they have potential to impact upon your public role, and are not dealt with honestly and transparently.

Ensure that you record any declaration and that your organisation endorses the management of the conflict.

Understand your responsibilities

There are many good strategies for dealing with outside employment, including:

- ▼ reviewing and understanding the relevant policies and procedures in your organisation about managing personal or private interests, including outside employment
- ▼ documenting the management strategies for managing any outside employment
- ▼ excluding yourself from parts of your job that overlap with your outside employment, and
- ▼ your employer limiting your access to some information or withholding certain information from you to avoid the perception of a conflict of interest.

Being open about outside employment will help your organisation identify any work areas or decisions at risk and to deal with any potential negative impacts.



The Commission can help

We are available to provide support and assistance with identifying, reporting, investigating, managing and preventing misconduct: prevention@integrity.tas.gov.au or 1300 720 289.

For more Misconduct Prevention resources go to www.integrity.tas.gov.au/resources.