

Authorising Body:	Practice, Policy, and Partnerships Committee
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Purpose

This guideline has been developed by the Royal Australian and New Zealand College of Psychiatrists (RANZCP) to advise on key issues regarding the relationship between the psychiatrist and commercial organisations within the health care industry. This guideline is also intended to help psychiatrists who have a financial interest in a treatment or management facility to identify, assess, and manage conflicts of interest, and highlight ethical judgements psychiatrists should reflect on when engaging with the healthcare industry and the treatment of patients.

Key messages

- The RANZCP acknowledges that psychiatrists hold a variety of views and opinions on engagement with commercial organisations within the health care industry and that judgement frequently depends on individual circumstances and the situation.
- It is necessary for psychiatrists to identify any actual or perceived conflict of interests which could influence, or could reasonably be seen to influence or affect their decision making, advice or behaviour when engaging with commercial organisations.
- It is necessary that psychiatrists who have a direct or indirect financial interest in a facility clinic, business, product or other entity to which they propose to refer a patient should declare that interest to the patient and if applicable, the responsible relatives/ carer.
- When a psychiatrist is funded by a commercial organisation to attend an event it should be clearly linked to education and that there is no loss of professional independence.
- The acceptance of gifts, non-service orientated items, and material not connected with education is not recommended.
- Any financial support from commercial organisations should be fully disclosed with the nature of industry engagement and any obligations associated with them declared openly to those who may have an interest in knowing, including the public.
- Psychiatrists are entitled to remuneration for services provided to industry as consultants, researchers, educators/teachers, and/or employees. In all cases the relationship should be transparent and publicly acknowledged.
- Where research and development is funded or part funded by industry, psychiatrists should minimise conflicts of interest and adhere to ethical principles embodied in national and international guidelines.
- In specific cases it may be helpful to discuss issues that arise with colleagues, institutional representatives, or an ethics committee before making a decision.

What are commercial organisations within the health care industry?

These guidelines refer to commercial organisations within the health care industry that encompass pharmaceutical companies, manufacturers of medical devices and other related organisations. The guidelines apply to other commercial organisations within the health care industry (e.g. private hospitals, residential care providers, independent medical examination companies).

Background

The RANZCP recognises that relationships with the health care industry are necessary. Furthermore, psychiatrists may have a direct or indirect financial interest in external health care facilities. If a psychiatrist refers a patient to a service or facility in which they have a financial interest, that relationship should be clearly disclosed to the patient to avoid concerns about a conflict of interest. These guidelines provide advice on understanding interactions that do not hinder patient care or have the potential to bias professional judgement. In addition, RANZCP's Code of Ethics and Code of Conduct detail appropriate ethical and professional practice expected of psychiatrists.

As that outlined in the [Medical Board of Australia Code of Conduct](#) and the Medical Council of New Zealand statement on [Doctors and health-related commercial organisations](#), conflicts of interest with the health care industry are common, however openness and transparency with the patient is paramount. Disclosing any financial and personal interests that may influence patient care is vital in managing conflicts and maintaining transparency and trust.

Identifying and declaring conflicts of interest

A conflict of interest is a set of circumstances that creates a risk that professional judgement or actions regarding a primary interest will be unduly influenced by a secondary interest (Field and Lo, 2009). *Primary interest* refers to the principal goals of the profession or activity, such as the protection of clients, the health of patients, the integrity of research, and duties under the law. *Secondary interest* includes personal benefit which may be of a financial or non-financial nature. These guidelines help psychiatrists understand which interactions are unlikely to affect patient care or influence professional judgement.

A financial interest refers to the possibility of financial or other material gain arising in connection with professional decision making. Most attention is given to financial interests in health care settings since they are relatively more identifiable and quantifiable.

Financial interests most likely to influence a psychiatrist include:

- Financial interests in a business including but not limited to shareholdings or board membership
- paid employment, including through consultancy, advisory board membership, commissioned fee-paid work, as a paid speaker or expert adviser
- a fellowship, research grant, or education grant
- participation in industry funded trials
- industry funded travel and attendance at conferences.

However non-financial interests are also important and can be powerful drivers of decision making. Non-financial interests include such motives as enhancement of career or professional recognition, status or fame, personal or family loyalties or other obligations arising out of personal belief systems, such as membership of religious and political groups, or social commitments.

It is necessary for psychiatrists to identify any actual or perceived conflict of interests which could influence or could reasonably be seen to influence or affect their decision making, advice or behaviour. Psychiatrists who have interests that might conflict with their professional

responsibilities must declare this to the patient and all relevant stakeholders and must take particular care that this interest does not influence their clinical practice.

Judgements about ethical decisions of this nature are fundamental to the practice and professionalism of psychiatrists. It is recognised that judgement on these matters may sometimes be difficult. In specific cases it may be helpful to discuss issues that arise with colleagues, institutional representatives, or an ethics committee. As a guide:

- The welfare and interests of patients are the primary concerns of psychiatrists.
- The welfare of patients take priority over commercial, financial, personal or other interests.
- In every organisational or practice setting a process should be established to ensure adequate responses to conflicts of interest.
- It is important to identify both financial and non-financial interests and to consider their potential for influencing decision making.
- Disclosure alone does not resolve conflicts of interest but is the first step in identifying and managing conflicts of interest.

If a psychiatrist has a financial interest in a facility, clinic, business, product or other entity to which they refer a patient to:

- The psychiatrist must declare that interest to the patient and if necessary, the responsible relatives/ carer, whether they personally treat the patient or not.
- The same applies if the psychiatrist's financial interest is indirect, for example through a family member or family trust.
- Having made the declaration, it should be noted in the psychiatrist's clinical notes.
- Any psychiatrist having a direct or indirect financial interest in a private facility should notify those funding agencies which would contribute to or provide rebates to the fees charged for example Health Insurance Commission, Private Insurance Funds, and others, if requested.

Relationships with the health care industry

The responsibilities of psychiatrists to their patients in relation to the health care industry include:

- to monitor and report any suspected adverse effects in such a way as to increase the profession's knowledge base
- to participate in post-marketing surveillance of new medications
- to keep up to date with scientific developments in their field, including information about new medications and medical devices, and changes to information about established ones
- to consider the implications of new technologies and pharmaceutical agents for the community as a whole and contribute to discussion about the most appropriate use of resources
- to engage directly in research into new treatments or into new applications of existing ones, or contribute to and/or support such research, where appropriate

In this context, relationships with industry are necessary and important, and psychiatrists need to make decisions about and review the nature and extent of such relationships. Examples and guidance of common relationships are provided in Ethical Guideline 05: Appendix (*link when available*).

References

Field, M.J. and Lo, B. eds., 2009. *Conflict of interest in medical research, education, and practice*. National Academies Press.

Medical Board of Australia. Good Medical Practice: A Code of Conduct for Doctors in Australia. 2020. Available at: <https://www.medicalboard.gov.au/codes-guidelines-policies/code-of-conduct.aspx> (accessed March 2025).

Medical Council of New Zealand: Commercial organisations - doctors' responsibilities. 2023. Available at <https://www.mcnz.org.nz/our-standards/current-standards/commercial-organisations-doctors-responsibilities/> (accessed March 2025).

Disclaimer

This information is intended to provide general guidance to practitioners, and should not be relied on as a substitute for proper assessment with respect to the merits of each case and the needs of the patient. The RANZCP endeavours to ensure that information is accurate and current at the time of preparation, but takes no responsibility for matters arising from changed circumstances, information or material that may have become subsequently available.

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