



Australian Government
Coal Mining Industry
(Long Service Leave Funding) Corporation

COALSL

Conflicts of Interest Policy

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1. Introduction

The Coal Mining Industry (Long Service Leave Funding) Corporation (Coal LSL) values the principles of transparency, accountability, honesty and integrity and is committed to ensuring its operations conform to the highest standards of administrative conduct to meet its obligations under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). While avoiding conflicts is generally preferable, in practice there may be some situations in which conflicts of interest cannot be wholly avoided and need to be managed in a way which will withstand external scrutiny and upholds the principles of this policy.

2. Policy purpose

The purpose of this policy is to ensure conflicts of interest are identified, reported and managed in a way that allows Coal LSL to conduct its operations with integrity, honesty and fairness. This policy promotes transparency in operations and ensures we operate in a way that aligns with our TORCH values¹, principles and the expectations of the public.

3. Policy scope

This policy applies to Coal LSL Officers staff members, contractors and service providers.

4. Legislation

The principles of disclosing conflicts of interest and maintaining confidentiality are also embodied in the PGPA Act.

Sections 25 to 29 of the PGPA Act impose certain duties upon Commonwealth “Officials”².

Under the PGPA Act Commonwealth Officials must:

- act with care and diligence
- act in good faith and for a proper purpose, including to manage or use public resources in an efficient, effective, economical and ethical manner
- not make improper use of inside information or their position to gain an advantage for themselves or another person, or cause detriment to the Commonwealth, Coal LSL or another person
- disclose any material personal interests.

5. Policy objectives

The objectives of this policy are to:

- ensure all Coal LSL Officers, staff members, contractors and service providers are aware of the expectations to perform their duties in a manner that places public interest above their personal interests

¹ Refers to our values around Trust, Open, Respect, Care and Honesty.

² For the purposes of the PGPA Act an “Official” of a Commonwealth entity includes Board members, employees and members of the entity.

- build public confidence by upholding the integrity and reputation of Coal LSL as an accountable and transparent organisation
- ensure compliance is achieved with applicable legislation relating to conflicts of interests.

6. Policy principles

The principles of the policy are:

- **Transparency** – promoting impartiality and fairness in our operations by taking a consistent and open approach to how conflicts of interests are identified, disclosed and managed in order to protect the public interest, build trust with our stakeholders and strengthen our role as a custodian and regulator.
- **Accountability** – being personally responsible for avoiding or identifying, disclosing and managing any material personal interests that could influence, or be perceived to influence, the performance of public duties.
- **Integrity** – maintaining credibility by always acting honestly and in alignment with our values.

7. What is a conflict of interest?

A conflict of interest exists when it is likely that an individual could be influenced, or is perceived to be influenced, by a material personal interest in carrying out their public duty.

Conflicts of interest can be classed into three different types:

- **Actual** – where a conflict exists between duties and personal interest.
- **Potential** – where personal interests are not currently but could come into direct conflict with duties.
- **Perceived** – where it could be perceived that personal interests are improperly influencing the performance of duties whether that is actually the case or not.

A personal interest can be financial (pecuniary) or non-financial, or a mixture of both. It can arise from a wide range of personal or professional/business-related sources.

8. Related part transactions

It is a requirement, pursuant to the Australian Accounting Standards AASB 124 Related Party Disclosures, that key management personnel disclose any related party transactions. These disclosures are managed through the Conflicts of Interest framework.

9. Responsibilities and delegations

9.1. The Board is responsible for:

- complying, and ensuring compliance with, all legislative obligations relating to conflicts of interest
- approving the Conflicts of Interest policy.

9.2. The Audit, Risk Management and Compliance Committee (ARCC) is responsible for:

- obtaining assurances from the business that a Conflicts of Interest framework is adequately

embedded into business operations and conflicts are appropriately disclosed and effectively managed

- reviewing proposed amendments to the Conflicts of Interest policy and recommending to the Board to approve amendments.

9.3. Directors and non-directors serving as appointed committee members are responsible for:

- regularly self-assessing whether they have a material personal interest and taking reasonable steps to avoid situations where such interests (or those of immediate family members) could conflict with their official duties
- disclosing details of any material personal interests³ that relate to the affairs of Coal LSL as they may arise
- disclosing any conflicts of interest that may exist in any matter being tabled at a committee meeting
- making annual disclosures of their material personal interest.

9.4. The Chair of the Board and Deputy Chair of the Board are responsible for:

- assessing any material personal interest disclosed by Directors and non-Directors serving as appointed committee members, in conjunction with the CEO, to determine whether the disclosed interest represents a conflict of interest
- ensuring an appropriate strategy for managing the conflict of interest is developed and recorded on the Conflicts of Interest register.

9.5. The Executive Leadership Group is responsible for:

- providing leadership by embracing and exhibiting the principles of this policy
- having oversight over the conflicts of interests disclosed by Officers and staff members and obtaining assurances that appropriate management strategies have been implemented
- making annual disclosure of their material personal interest.

9.6. The Senior Leadership Team and Business Leadership Group are responsible for:

- supporting and fostering a culture of accountability and transparency by ensuring Officers and staff are aware of their responsibilities to self-assess and disclose conflicts of interest, and, if in doubt, disclose
- monitoring changes in the operating environment that could lead to inherently higher risk activities/processes in which conflicts of interests may occur
- managing disclosed conflicts of interest, including:
 - ensuring appropriate strategies are implemented for managing these conflicts
 - ensuring these strategies are adhered to
- maintaining a working understanding of this policy and providing advice or directing Officers and staff to reliable sources of advice in connection with conflicts of interest
- promoting and monitoring compliance with our conflicts of interest disclosure obligations through:
 - incorporating conflicts of interest disclosures in operational processes, as appropriate
 - being alert to, and following up on, suspicions or indications that a conflict of interest has been concealed or mismanaged
- making annual disclosure of their material personal interest
- reporting any breaches with this policy to the Chief Governance Officer or Chief Executive Regulation.

³ As per section 29, Duty to disclose interests, of the *Public Governance, Performance and Accountability Act 2013*.

9.7. The GM Finance is responsible for:

- ensuring compliance with AASB 124 Related Party Disclosures
- assessing disclosed related party transactions (working with our External Auditors)
- disclosing any related party transactions in our Financial Statements, as appropriate.

9.8. The Executive Officer is responsible for:

- recording any conflicts of interest declared at Board and Subcommittee meetings in the minutes of the meeting, including any actions taken to manage the conflicts of interest
- recording any conflicts of interest declared at Board and Subcommittee meetings in the Conflicts of Interest register (as appropriate).

9.9. The Chief Executive Regulation is responsible for establishing and overseeing the conflicts of interest framework to ensure alignment with legislative obligations and organisational requirements.

9.10. The Chief Governance Officer is responsible for:

- establishing the policy and framework for conflicts of interest and leading the implementation and review of this framework to align with operational requirements
- ensuring that appropriate mechanisms are implemented for avoiding, disclosing, assessing and managing conflicts of interest
- maintaining the Conflicts of Interest Register, the Statement of Interest Registers and the Gifts and Benefits Register
- providing training to Officers and staff members on their responsibilities to self-assess and disclose material personal interests that could result in conflicts of interests
- providing guidance to all Coal LSL Officers and staff members on assessing, disclosing and managing their conflicts of interest matters
- developing and reviewing complementary operational documentation to support this policy
- providing assurance to the ARCC on the adequacy of the Conflicts of Interest framework and conflicts are appropriately disclosed and effectively managed
- reporting any material conflicts of interest to the Chief Executive Officer, including providing assurance on the plan to manage the conflict
- reporting matters pertaining to significant breaches of this policy to the Executive Leadership Team, ARCC and the Board
- undertaking a scheduled review of this policy.

9.11. Coal LSL Officers, staff members and contractors are responsible for:

- familiarising themselves and complying with the requirements of this policy and related Coal LSL policies
- behaving honestly and always acting with integrity
- regularly self-assessing whether they have a material personal interest that could result in a conflict and take reasonable steps to avoid situations where such interests could conflict with their official duties
- if a material personal interest is identified that could result in a conflict of interest, or uncertainty if a conflict of interest might exist, disclosing the material personal interest as soon as reasonably practicable
- complying with the management strategy developed resulting from a conflict of interest disclosure
- disclosing any known material personal interests, relationships or associations of their partner or spouse, immediate family members, close personal friends or associates, which

could reasonably be considered as influencing, or could be seen to influence, the decisions they are taking or the advice they are giving⁴

- accepting and disclosing gifts and benefits in alignment with the Gifts and Benefits Guideline.

9.12. Coal LSL service providers⁵ are responsible for:

- disclosing any conflicts of interests to Coal LSL as soon as reasonably practicable
- always acting with honesty and integrity.

10. Breach of policy

Breaches of the policy will be investigated. If a breach is established, appropriate action will be taken. Action may include disciplinary action, termination of employment or any other action deemed appropriate.

11. Review and reporting

The Board will be notified and updated on all significant breaches of this policy and the corresponding action undertaken.

This policy will be reviewed and updated at least every 2 years or more frequently, where there is a substantial change in the systems, functions, legislation or activities of Coal LSL that necessitates review.

12. Definitions

Coal LSL Officer – refers to a person who makes, or participates in making, decisions that affect the whole or a substantial part of the organisation or undertaking of Coal LSL and includes Directors and non-directors serving as appointed Board committee members.

Contractor – independent contractors provide agreed services under a contract for those services. They usually negotiate their own fees and working arrangements and can work for more than one client at a time.

Key Management Personnel⁶ – are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Material Personal Interest – refers to the interests that arise from an individual's private or non-work life that can bring financial or other material benefits or result in disadvantages to the public interest or to other people. Personal interests do not give rise to a conflict of interest unless there is a real or sensible possibility of conflict and not simply a remote or theoretical possibility of conflict. In addition, to be 'material', the nature and substance of the interest must have the capacity to impact

⁴ It is acknowledged that the obligation on employees to declare another individual's private personal interests, relationships or associations is limited by the extent to which the employee could be reasonably expected to be aware of those interests and the consent of the relevant individual to disclose their personal information.

⁵ Service providers who contract to Coal LSL will be required to comply with this policy.

⁶ Definition aligned with AASB 124 Related Party Disclosures.

on the ability of the person to honestly discharge their duties to the entity. A personal interest can arise from a wide range of personal or professional/business-related sources.

Non-pecuniary Interest – is an interest where there is no financial component, but may involve self-interest, personal or family relationships or other affiliations.

Official – as per Section 13 (2) of the PGPA, an official of a Commonwealth entity is an individual who is in, or forms part of, the entity. The entity in this case being Coal LSL.

Pecuniary Interest – is an interest where there is a reasonable likelihood or expectation of financial gain or loss.

Public Duty – extends beyond simply performing the tasks assigned to a public official and complying with policy and procedure. It means a power, authority, duty or function that is conferred on a person as the holder of public office. It includes a duty to serve the public interest, the agency and the public in an ethical manner.

Related Party Transaction – is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Service Provider – refers to any entity that provides goods or services to Coal LSL directly.

Significant breach of this policy – refers to when the assessment of a breach against Coal LSL's Risk Matrix results in a High or Extreme risk rating.

Staff member – refers to all Coal LSL employees, including full-time, part-time, fixed/maximum term and casual employees.

13. Essential supporting documents/framework elements

This policy is supported by:

- Conflicts of Interest Guideline
- Conflicts of Interest Declaration Form
- Conflicts of Interest Register
- Gifts and Benefits Guideline
- Code of Conduct.

14. References and related documents

- *Public Governance, Performance and Accountability Act 2013* ([PGPA Act](#))
- *Public Governance, Performance and Accountability Rule 2014* ([PGPA Rule](#))
- Coal LSL Employee Contract

15. Version history

Ver	Date	Ownership	Approved by	Changes made
1.	8 Sep 2020	Chief Governance Officer	ARCC/Board	Original.
2.	6 Dec 2022	Chief Governance Officer	ARCC/Board	Scheduled review.