



Conflict of Interest Policy

Table of contents

1. Purpose	3
2 Scope of Policy	3
3. Definition of Conflict of Interest	3
4. Policy	5
4.1 RESPONSIBILITIES	5
4.2 IDENTIFICATION & DISCLOSURE OF CONFLICTS OF INTEREST	6
4.3 ONGOING OBLIGATION	6
5. Management of Conflict of Interest	7
5.1 WHAT SHOULD BE CONSIDERED WHEN DECIDING WHAT ACTION TO TAKE	7
6. Compliance with this policy	7
7. Contacts	8
8. Policy Review	8
9. Associated Policies	8
10. Policy Owner and Review Dates	8
Appendix A - Extract of clause 5 (Conflicts of Interest) of the DEWR JSC Code of Conduct	9

FSO Conflict of Interest Policy

1. Purpose

This is a policy of Digital Skills Organisation Limited (ACN 641 892 382), trading as “Future Skills Organisation” (“FSO”).

The purpose of this policy is to help FSO’s Directors, other Officers who fall within the meaning of “officer” under section 9 of the *Corporations Act 2001* (Cth) (“Other Officers”) and advisory committee members, employees, contractors, sub-contractors and agents (“Other Representatives”) to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of FSO and manage risk, including in compliance with the requirements of clause 5 (Conflicts of Interest) of the Jobs and Skills Council (“JSC”) Code of Conduct (“JSC Code of Conduct”) prepared by the Department of Employment and Workplace Relations (“DEWR”), an extract of which is set out in the Appendix to this policy.

FSO aims to ensure that FSO’s Directors, Other Officers and Other Representatives are aware of their obligations to disclose any conflicts of interest that they may have.

FSO’s workers must comply with this policy and with FSO’s Constitution and Board Charter to ensure they effectively manage those conflicts of interest as representatives of FSO.

2. Scope of Policy

This policy applies to all FSO Directors, Other Officers and Other Representatives.

Other Officers who fall within the meaning of “officer” under section 9 of the *Corporations Act 2001* (Cth) include a company secretary and a person:

- who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of a corporation;
- who has the capacity to affect significantly, a corporation’s financial standing; or
- in accordance with whose instructions or wishes the directors of a corporation are accustomed to act (excluding advice given by the person in the proper performance or functions attaching to the person’s professional capacity or their business relationship with the directors of a corporation).

3. Definition of Conflict of Interest

A conflict of interest occurs when a person’s personal interests conflict with their responsibility to act in the best interests of FSO. Personal interests include direct interests as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder). It also includes a conflict between the duty of a Director, an Other Officer or an Other Representative to FSO and another duty that the Director, Other Officer or Other Representative has (for example, to another organisation). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

An interest or association will be considered to give rise to a 'material' conflict if it has a reasonable possibility of influencing, or as reasonably being seen to influence, the decision or actions of the relevant individual. In order for the interest to be considered material it must be of some substance or significance, and not merely a slight or low value interest. (CoC5.4)

FSO Conflict of Interest Policy

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of FSO and must be managed accordingly.

FSO (as a JSC) must ensure that it does not have any actual, potential or perceived organisational conflict of interest with the objectives of the Jobs and Skills Council program. In accordance with clause 5.5 of the JSC Code of Conduct, an organisational conflict of interest will be deemed to exist if FSO is or becomes, or has or acquires an interest in, a:

- Registered Training Organisation (“RTO”);
- Group Training Organisation (“GTO”);
- Employment Services Provider (“ESP”) with an active caseload; or
- Australian Apprenticeship Support Network (“AASN”) provider.

This is not, however, an exhaustive list of the circumstances in which an organisational conflict of interest might arise.

Examples of when a conflict of interest might (depending on the specific circumstances) arise include, without limitation, instances where;

- Officer positions (Including directorships): an individual holds an officer position in any other organisations which could benefit from or have an interest in any matter relating to FSO. A person will be considered to hold an 'officer' position in an organisation if they are:
 - a director of an organisation, where the organisation is a corporation; or
 - a person holding a managerial position in the organisation who:
 - makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the organisation; or
 - has the capacity to significantly affect the organisation's financial standing.

The reference to 'organisations' here is intended to be understood broadly to apply to both body corporates (ie *Corporations Act 2001* (Cth) companies, incorporated associations, statutory body corporates) and unincorporated bodies (ie partnerships, unincorporated associations, unions).

- Shares / membership: an individual hold shares or membership in other organisations who could benefit from any or have an interest in any matter before FSO;
- Outside employment / contracting, consulting or advising: an individual engage in employment or contracting, consulting or advisory work outside of FSO with an organisation who could benefit from any matter before FSO;
- Family / friends / professional associations: an individual has family or close friends and professional associates who could benefit from any matter before FSO;
- Financial gain: an individual could make a personal financial gain from any matter before FSO. This would include, without limitation, by way of any direct payments or any contracts awarded by FSO;
- Gifts, benefits and hospitality: an individual has received any form of gifts, benefits or hospitality that could, or could be seen to, compromise the decision making of the individual; or

FSO Conflict of Interest Policy

- Registered training and other organisations: an individual has a close connection, association or relationship to an organisation which is an
 - RTO;
 - GTO;
 - ESP with an active caseload; and/or
 - AASN provider.

and the relevant organisation is involved in the delivery of, or has a direct interest in, a training package that falls within the responsibility of FSO. A conflict may also exist if an individual has a close connection, association or relationship to an organisation which owns a training product outside of a training package (i.e. owns an accredited course).

For the purposes of this example, an individual should identify if they have any connection, association or relationship to any organisation which may have subsidiaries or branches which may be classified as one of the types of organisations listed above.

4. Policy

This policy has been developed because conflicts of interest commonly arise, and do not need to present a problem to FSO if they are openly and effectively managed. It is the policy of FSO, as well as a responsibility of the Board, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with their obligations to FSO.

FSO will manage conflicts of interest by requiring FSO Directors, Other Officers and Other Representatives to:

- identify and disclose material personal interests or material person associations;
- avoid conflicts of interest where possible;
- identify and disclose any conflicts of interest;
- carefully manage any conflicts of interest; and
- follow this policy and respond to any breaches.

4.1 RESPONSIBILITIES

The Board is responsible for:

- exercising oversight of and ensuring no actual, potential or perceived conflicts of interest, or other unethical conduct, adversely impact the deliberations or recommendations of any of their advisory committees
- establishing a system for identifying, disclosing and managing conflicts of interest across FSO;
- monitoring compliance with this policy
- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

FSO Conflict of Interest Policy

This includes establishing a standing agenda item for each Board and advisory committee meeting to declare any conflict of interest, or make any updated or varied declarations. Any declarations made and decisions as to how the Board or advisory committee resolves to manage any declarations made are to be recorded in the meeting minutes.

FSO must ensure that its Directors, Other Officers and Other Representatives are aware of their obligations under the *Corporations Act 2001* (Cth) and the general law with respect to the disclosure of conflicts of interest, and that they disclose any actual or perceived conflicts of interest.

All Directors, Other Officers and Other Representatives must complete a Conflict of Interest form which documents the following:

- the name of the relevant individual or organisation;
- details of their role in relation to FSO;
- a record and description of any declared interests or associations, including details of how this interest or association relates to any actual or potential activities of FSO;
- the date of disclosure;
- an assessment of the integrity risks posed by the declared interest or association; and
- any steps taken to mitigate, manage or remove the conflict (if any), including identifying any follow up actions required.

FSO must provide to DEWR:

- notice of a declared conflict of interest immediately, if this presents a serious risk to the integrity of the decisions or actions of FSO or the integrity of the Jobs and Skills Councils Program, and detail the steps taken to mitigate, manage or remove this conflict; and;
- updated versions of FSO's conflict of interest register and gifts, benefits and hospitality register on:
 - a biannual basis, on dates as notified by DEWR; and
 - as soon as reasonably practicable following a request by DEWR

4.2 IDENTIFICATION & DISCLOSURE OF CONFLICTS OF INTEREST

Once an actual, potential or perceived conflict of interest is identified, it must be entered into FSO's Declaration of Interests Register by completing the Conflict of Interest form, as well as being raised with the Board. The Declaration of Interests Register must be maintained by the Company Secretary, and record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it). The Conflict of Interest form must also be completed on an annual basis by all Directors, Other Officers and Other Representatives.

4.3 ONGOING OBLIGATION

For the avoidance of doubt, the requirement to declare any conflicts of interest is a continuing obligation and any previous conflict of interest declarations made by an individual or organisation should be updated if any further conflict of interest arises after the date of any initial declaration.

FSO Conflict of Interest Policy

5. Management of Conflict of Interest

Where an actual, potential or perceived conflict of interest is identified, FSO must take appropriate steps to mitigate or manage the conflict, so that this does not undermine the actual or perceived integrity of FSOs decisions or actions, where it is reasonable and appropriate to do so; or where the conflict cannot be managed through other controls, remove the conflict of interest.

Once a conflict of interest has been appropriately disclosed, the Board (excluding any conflicted Directors, Other Officers or Other Representatives) must decide whether or not any conflicted Directors, Other Officers or Other Representatives should:

- vote on the matter to which the conflict relates (this is a minimum);
- participate in any debate on the matter to which the conflict relates; or
- be present in the room during any debate or voting on the matter to which the conflict relates.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a Director, Other Officer or Other Representative from regularly participating in discussions, it may be worth the Board considering whether it is appropriate for the person conflicted to resign as a Director, Other Officer or Other Representative.

5.1 WHAT SHOULD BE CONSIDERED WHEN DECIDING WHAT ACTION TO TAKE

In deciding what approach to take, the Board will need to consider:

- whether the conflict needs to be avoided or simply documented;
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making;
- alternative options to avoid the conflict; and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, FSO.

The approval of any action requires the agreement of at least a majority of the Board (excluding any conflicted Directors) who are present and voting at the meeting. The action and result of the voting will be recorded in the minutes of the meeting and in the Declaration of Interests Register.

6. Compliance with this policy

If the Board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If a person suspects that a Director, Other Officer or Other Representative has failed to disclose a conflict of interest, they must notify the Chair.

If it is found that a Director, Other Officer or Other Representative has failed to disclose a conflict of interest, the Board may take action against them. This may include seeking to terminate their relationship with FSO.

FSO Conflict of Interest Policy

7. Contacts

For questions about this policy, please contact the CEO, Director- Business Operations or the Company Secretary.

8. Policy Review

This Policy is subject to ongoing monitoring and review by FSO at its sole discretion and depending on the needs of the business.

9. Associated Policies

- FSO Gifts + Benefits Policy
- FSO Employee Handbook
- DEWR Code of Conduct

10. Policy Owner and Review Dates

This policy is owned by: Business Operations.

This Policy will be reviewed every 2 years if not sooner.

Board Approved	April 2023
Minor Updates	August 2023

Appendix A - Extract of clause 5 (Conflicts of Interest) of the DEWR JSC Code of Conduct

5. **CONFLICTS OF INTEREST**

- 5.1 Jobs and Skills Councils must develop, adopt and use best endeavours to ensure compliance with a conflict of interest policy setting out the processes for the identification and management of the conflicts of interest of their directors, advisory committee members, employees, contractors, subcontractors and agents.
- 5.2 A conflict of interest policy developed in accordance with clause 5.1 must, at a minimum, be consistent with the obligations regarding the identification and management of conflicts of interest set out in this Code of Conduct.
- 5.3 Jobs and Skills Councils must ensure that their directors, advisory committee members, employees, contractors, subcontractors and agents disclose any material personal interests or material personal associations that could give rise to an actual, potential or perceived conflict with their obligations to act in the best interests of the Jobs and Skills Council body or in line with the objectives of the Jobs and Skills Councils Program.
- 5.4 An interest or association will be considered to give rise to a 'material' conflict if it has a reasonable possibility of influencing, or as reasonably being seen to influence, the decision or actions of the relevant individual. In order for the interest to be considered material it must be of some substance or significance, and not merely a slight or low value interest.
- 5.5 A Jobs and Skills Council must ensure that it does not have any actual, potential or perceived organisational conflict of interest with the objectives of the Jobs and Skills Councils Program. An organisational conflict of interest will be deemed to exist if the Jobs and Skills Council is or becomes, or has or acquires an interest in, a:
 - (a) Registered Training Organisation (**RTO**);
 - (b) Group Training Organisation (**GTO**);
 - (c) Employment Services Provider (**ESP**) with an active caseload; or
 - (d) Australian Apprenticeship Support Network (**AASN**) provider.

FSO Conflict of Interest Policy

For the avoidance of doubt, this clause 5.5 is not an exhaustive list of the circumstances in which an organisational conflict of interest might arise.

5.6 Examples of when a conflict of interest *might* (depending on the specific circumstances) arise include, without limitation, instances where:

- (a) **Officer positions (Including directorships):** an individual holds an officer position in any other organisations which could benefit from or have an interest in any matter relating to the Jobs and Skills Council. A person will be considered to hold an 'officer' position in an organisation if they are:
- (i) a director of an organisation, where the organisation is a corporation; or
 - (ii) a person holding a managerial position in the organisation who:
 - (A) makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the organisation; or
 - (B) has the capacity to affect significantly the organisation's financial standing.

The reference to 'organisations' here is intended to be understood broadly to apply to both body corporates (i.e. *Corporations Act 2001* (Cth) companies, incorporated associations, statutory body corporates) and unincorporated bodies (i.e. partnerships, unincorporated associations, unions).

- (b) **Shares / membership:** an individual holds shares or membership in other organisations that could benefit from any or have an interest in any matter before the Jobs and Skills Council;
- (c) **Outside employment / contracting, consulting or advising:** an individual engages in employment or contracting, consulting or advisory work outside of the Jobs and Skills Council with an organisation who could benefit from any matter before the Jobs and Skills Council;
- (d) **Family / friends / professional associations:** an individual has family or close friends and professional associates who could benefit from any matter before the Jobs and Skills Council;
- (e) **Financial gain:** an individual could make a personal financial gain from any matter before the Jobs and Skills Council. This would include, without limitation, by way of any direct payments or any contracts awarded by a Jobs and Skills Council;
- (f) **Gifts, benefits and hospitality:** an individual has received any form of gifts, benefits or hospitality that could, or could be seen to, compromise the decision-making of the individual; or
- (g) **Registered training and other organisations:** an individual has a close connection, association or relationship to an organisation which is an:
 - (i) RTO;
 - (ii) GTO;
 - (iii) ESP with an active caseload; and/or
 - (iv) AASN provider,

FSO Conflict of Interest Policy

and the relevant organisation is involved in the delivery of, or has a direct interest in, a training package that falls within the responsibility of the Jobs and Skills Council. A conflict may also exist if an individual has a close connection, association or relationship to an organisation which owns a training product outside of a training package (i.e. owns an accredited course).

For the purposes of this example, an individual should identify if they have any connection, association or relationship to any organisation which may have:

- (i) subsidiaries; or
- (ii) branches,

which may be classified as one of the types of organisations listed above.

5.7 For the avoidance of doubt, the:

- (a) requirement to declare any conflicts of interest under this Code of Conduct is a continuing obligation; and
- (b) any previous conflict of interest declarations made by an individual or organisation should be updated if any further conflict of interest arises after the date of any initial declaration.

5.8 Where an actual, potential or perceived conflict of interest is identified, the Jobs and Skills Council must:

- (a) take appropriate steps to mitigate or manage the conflict, so that this does not undermine the actual or perceived integrity of the Jobs and Skills Council's decisions or actions, where it is reasonable and appropriate to do so; or
- (b) where the conflict cannot be managed through other controls, remove the conflict of interest.

5.9 If any interest or association identified by a director or advisory committee member is potentially material to the matters being considered by the board or the advisory committee (as the case may be):

- (a) whether this is a material conflict should be determined by a majority of non-conflicted directors or advisory committee members (as the case may be); and
- (b) the reasons for the decision should be recorded in the minutes.

5.10 If the interest is assessed as giving rise to a material conflict, the conflicted director or advisory committee member (as the case may be) must not:

- (a) be present while any matter which relates to their conflict of interest is being considered at the meeting; nor
- (b) vote on the matter.

However, the majority of non-conflicted directors or advisory committee members (as the case may be) may also determine by resolution that a conflicted director or advisory committee member may provide their views on the matter to the board or advisory committee in writing. The provision of any such written views must be recorded in the minutes.

FSO Conflict of Interest Policy

- 5.11 Jobs and Skills Council boards will be responsible for exercising oversight of and ensuring no actual, potential or perceived conflicts of interest, or other unethical conduct, adversely impact the deliberations or recommendations of any of their advisory committees.
- 5.12 A standing agenda item for each board meeting and advisory committee meeting should be the making of any conflict of interest declarations, or the making of any updated or varied declarations, by board directors and advisory committee members. Any declarations made and decisions as to how the board or advisory committee resolves to manage any declarations made are to be recorded in the meeting minutes.
- 5.13 Jobs and Skills Councils must maintain a register of interests or associations, which documents the following:
- (a) the name of the relevant individual or organisation;
 - (b) details of their role in relation to the Jobs and Skills Council;
 - (c) a record and description of any declared interests or associations, including details of how this interest or association relates to any actual or potential activities of the Jobs and Skills Council;
 - (d) the date of disclosure;
 - (e) an assessment of the integrity risks posed by the declared interest or association; and
 - (f) any steps taken to mitigate, manage or remove the conflict (if any), including identifying any follow up actions required.

For the purposes of maintaining this register, Jobs and Skills Councils are to use the form at **Attachment A**.

- 5.14 Jobs and Skills Councils must provide to the Department:
- (a) notice of a declared conflict of interest immediately, if this presents a serious risk to the integrity of the decisions or actions of a Jobs and Skills Council or the integrity of the Jobs and Skills Councils Program, and detail the steps taken to mitigate, manage or remove this conflict; and
 - (b) updated versions of the Jobs and Skills Council's conflict of interest register and gifts, benefits and hospitality register on:
 - (i) a biannual basis, on dates as notified by the Department; and
 - (ii) as soon as reasonably practicable following a request by the Department.
- 5.15 Jobs and Skills Councils must take any additional steps the Department reasonably requires to mitigate, manage, remove or otherwise deal with a conflict of interest.
- 5.16 If a Jobs and Skills Council proposes to enter into any related party transactions, being a transaction subject to Chapter 2E of the *Corporations Act 2001* (Cth), involving the use of funds provided under a Grant Agreement, the Jobs and Skills Council must obtain the Department's prior written and fully informed consent before entering into such an arrangement.

FSO Conflict of Interest Policy

- 5.17 In order to enable the Department to make a fully informed decision under clause 5.16, the Jobs and Skills Council must prior to entering into this transaction provide the Department with all material facts concerning the transaction, including:

- (a) the terms of the transaction;
- (b) information to assess whether those terms are arm's length terms; and
- (c) the business purpose of the transaction.

For the purposes of assessing whether the terms of a transaction are on an 'arm's length' basis, a Jobs and Skills Council body should identify:

- (a) whether there are other options available to the Jobs and Skills Council body;
- (b) whether the terms of the proposed transaction are fair to the Jobs and Skills Council and on the same basis that would apply if the transaction did not involve a related party;
- (c) whether the proposed transaction will or could be seen to impair the independence of a director, and any mitigation strategies implemented to manage this; and
- (d) the implications of the transaction on the Jobs and Skills Council body's financial position and performance.

The Department may request further information regarding any proposed related party transactions, as it sees fit. The Jobs and Skills Council must comply with any such requests.

- 5.18 Jobs and Skills Councils must ensure that any gifts, benefits and hospitality received by its directors, advisory committee members, employees, contractors, subcontractors and agents, in their capacity performing these roles, are:

- (a) declared by the recipient and a register of all such declarations is maintained, which documents:
 - (i) who the recipient of the gift, benefit or hospitality is;
 - (ii) who provided the gift, benefit or hospitality;
 - (iii) a description of the gift, benefit or hospitality and its value;
 - (iv) the circumstances in which the gift, benefit or hospitality was provided; and
 - (v) an assessment of whether the nature and/or circumstance in which this gift, benefit or hospitality was provided could give rise to an actual or perceived conflict of interest.

For the purposes of maintaining this register, Jobs and Skills Councils are to use the form at **Attachment B**;

- (b) not solicited or improperly encourage by the recipient; and
- (c) declined where acceptance could, or could reasonably be seen to, compromise the decision-making or actions of the recipient. Cash or cash-like equivalent gifts, benefits or hospitality must not be accepted in any circumstance.