

CONFLICT OF INTEREST – DIRECTORS

Purpose

The purpose of this policy is to describe the responsibilities of Industry Skills Australia's (ISA) Board Directors in relation to identifying, declaring and managing conflicts of interest that may impact decision-making in relation their duties as a Director of ISA's Board.

This policy is derived from:

- the *Corporations Act 2001* (Cth) ('the Act')
- *Australian Charities and Not-for-profits Commission Act 2012* (Cth)
- Industry Skills Australia Limited's Constitution.

Additionally, this policy reflects the requirements of:

- Jobs and Skills Council Stage 2 Grant Agreement with the Commonwealth
- the Jobs and Skills Councils Code of Conduct

in relation to ISA's performance as a Jobs and Skills Council.

Scope

This policy applies to all individuals appointed as Directors to ISA's Board in their/its capacity to make decisions that impact on the Company.

Conflicts of Interest

- Directors of ISA's Board have a duty to avoid conflicts of interest in the execution of their duties and statutory obligations and have duty to act in the best interests of ISA.
- ISA's Board has the responsibility to manage the risk associated with the potential for conflicts of interest to arise, and to create an environment that encourages Directors to assess the potential for conflict to arise and to declare any material conflicts.
- An individual may have material personal interest in, or association with other people, organisations or institutions outside of their role with ISA, that could create a conflict with their ability to act in the best interests of ISA, whether in relation to ISA in general or to its performance as a JSC.
- For examples of circumstances that might lead to a conflict, see [section 5.6 of the JSC Code of Conduct](#).
- An interest or association can be considered 'material' if it has a reasonable possibility of influencing or be reasonably seen to influence the decisions or actions of an individual. The interest must be of some substance or significance, and not of slight or low value.

Declaration and management

- Directors should declare any material personal interests or associations they may have:
 - on appointment
 - on an ongoing basis throughout their term.
- Declarations will be reviewed by the Board and assessed whether the conflict is actual, potential or perceived, or that there is no risk of conflict.
- Declarations, their assessment by the Board and any mitigation strategy to be applied, are recorded in a Conflict of Interest Register.
- If a Director is unsure if a personal interest or association is material to their role on ISA's Board, they should seek guidance from the Board Chair, who may refer the matter to the Board for input.
- Board Meetings have a standing agenda item for Directors to update their declarations.
- Directors who have a material interest in a matter being considered by the Board will generally not be able to vote on that matter but may submit their opinion on the matter in writing to the Chair.
- Directors should advise the Board when a previously made declaration changes or ceases.

Gifts, benefits and hospitality

As the receipt of gifts, benefits or hospitality can create risk of conflict of interest, Directors are permitted to accept gifts, benefits or hospitality in limited circumstances.

Gifts, benefits or hospitality of the value of \$50 or more, must be declared and details provided to the Board Chair, to be recorded on the Gifts, Benefits and Hospitality Register.

If it is a reasonable assumption that the gift, benefit or hospitality is being provided to secure a particular outcome, or to or influence the Board's decision-making on a particular issue, it should be declined.

Related Party Transactions

A Related Party Transaction is any transaction, arrangement, or relationship in which:

- the organisation is a participant, and
- any Related Party has a direct or indirect material interest.

For the purposes of this policy, a Related Party includes, but is not limited to:

- Board members, executives, officers, or employees of the organisation
- immediate family members (spouse, children, parents, or siblings) of the above individuals
- entities in which any of the above individuals hold a significant financial interest.

Any individual covered by this policy who is involved in a Related Party Transaction must disclose the nature of the transaction and their interest in writing to the Board prior to the transaction being executed. Such disclosures must include:

- the identity of the Related Party
- a description of the transaction, including any financial terms
- the nature of the individual's interest, including any direct or indirect benefit.

The Board's approval process should ensure that:

- the transaction is conducted at arm's length, with terms comparable to those available in the market for similar transactions
- any conflicts of interest are appropriately managed, and
- the transaction does not compromise the organisation's reputation, operations, or integrity.

Version control

Version no.	Description of update	Approval date	Next revision due
1.0	Approved for Stage 2 Grant Submission	14 April 2023	October 2023
2.0	Updated for November 2023 Board Meeting	30 November 2023	November 2024
3.0	Updated for November 2024 Board Meeting	28 November 2024	28 November 2025