

CONFLICT OF INTEREST POLICY (DIRECTORS)

Purpose

The purpose of this policy is to provide the Manufacturing Industry Skills Alliance (the Manufacturing Alliance) Board, with guidance to prevent Conflicts of Interest where possible and if not possible, to deal with them in an ethical, responsible manner, ensure they are disclosed and to mitigate any associated risks.

This policy operates in accordance with the *Department of Employment and Workplace Relations (DEWR) Jobs and Skills Councils Code of Conduct (Code of Conduct)*.

Scope

This policy applies to all Board Directors.

Procedures for disclosing and managing conflicts of interest for Advisory Committees are outlined in the *Conflict of Interest Policy (Advisory Committee) and for employees of the Manufacturing Industry Skills Alliance (Manufacturing Alliance) in the Conflict of Interest (Employees) Policy*.

This policy operates in conjunction with, and has been developed in the context of, the *JSC Code of Conduct*, which is referenced throughout the policy.

Definitions

Conflict of Interest	A situation where a person's interests or loyalties are, might be, or may be perceived to be in conflict with their responsibility to act in the best interests of the organisation.
Material Conflict of Interest	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. (DEWR 2023: clause 5.4)

Policy Statement

The Manufacturing Alliance commits to using its best endeavours to ensure compliance with managing and mitigating conflicts of interest of the directors, in accordance with this policy and associated processes with alignment to the JSC Code of Conduct.

All directors are required to disclose any material personal interest or association that could give rise to an actual, potential, or perceived conflict with their obligations to act in the best interest of the Manufacturing Alliance.

Conflict of interest will be dealt with appropriately and transparently to ensure outcomes and decisions made by the Board meet the needs of the industry or sector as a whole.

Responsibilities

The Manufacturing Alliance Board is responsible for:

- Establishing a system for identifying, disclosing, and managing conflicts of interest and monitoring compliance with this policy.
- Establishing a culture of transparent and honest reporting of conflicts of interest within the Board; and
- Reviewing this policy on an annual basis to ensure that the policy is operating effectively.

Types of conflicts of interest

The JSC Code of Conduct details examples of when a conflict of interest might arise, including but not limited to instances involving where an individual holds a position in another organisation which could benefit from, or have an interest in, any matter relating to the Manufacturing Alliance. See Clause 5.6. of the JSC Code of Conduct for further detail.

A conflict of interest exists whether it is:

- **real** – it currently exists;
- **potential** – it may arise, given the circumstances; or
- **perceived** – members of the public could reasonably form the view that a conflict exists, or could arise, that may improperly influence the Director's performance of his/her duty to the Manufacturing Alliance, now or in the future.

Procedures for identifying and disclosing conflicts of interest

Register of Interests or Associations

The Manufacturing Alliance will maintain a Register of Interests or Associations which will document, for any person subject to this policy:

- the name of the relevant individual or organisation
- details of their role in relation to the Manufacturing Alliance
- 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
- 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 (DEWR 2023: Clause 5.13).

The form of the Register will be consistent with the requirements of the JSC Code of Conduct.

Depending on the context, the responsibility for ensuring that interests are disclosed lies with the Chair of the Board and each Board Committee. The Chair is responsible for ensuring the Register is kept current and available for examination, with the support of the Company Secretary. The Register of Interests and Associations is required to be provided to DEWR:

- a. Immediately when notice is declared of a conflict of interest that presents a serious risk to the integrity, jobs, or actions of the JSC with details of the steps taken to mitigate, manage or remove the conflict.
- b. On a biannual basis or on dates notified or as soon as reasonably practicable following a request by the Department.

The Company Secretary must record in the Board minutes any declaration made or any standing notice or changes to that notice provided to the Board.

The Register of Interests and Associations is required to be published on the Manufacturing Alliance's website.

Procedures for mitigating, managing or removing conflicts

If any interest or association identified by a Director is *potentially material* to the matters being considered by the Board, a majority of non-conflicted members should determine whether it constitutes a *material conflict*. The reasons for decision should be recorded in the minutes (DEWR 2023: Clause 5.9).

If the interest is assessed as giving rise to a *material* conflict, the conflicted director must not be present while any matter which relates to their conflict of interest is being considered at the meeting; nor vote on the matter.

However, the majority of non-conflicted Directors may also determine by resolution that a conflicted Director may provide their views on the matter to the Board in writing. The provision of any such written views must be recorded in the minutes (DEWR 2023: Clause 5.10).

Options for managing a conflict of interest

Where an actual, potential or perceived conflict of interest is identified, the Manufacturing Alliance must take appropriate steps to mitigate or manage the conflict, so that this does not undermine the actual or perceived integrity of its 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 (DEWR 2023: Clause 5.8).

Subject to the requirements above for managing *material* conflicts of interest, if a Director is faced with an actual or potential conflict of interest in relation to a particular matter being considered by the Board, the necessary action will be determined by the Chair and may include a combination of the following:

- **Inform** - The conflicted member fully and frankly informs the Board about the circumstances giving rise to the conflict.
- **Remove** – the member with the conflict leaves the room and does not participate at all in the ‘conflicted’ matter.
- **Record** – details of the conflict of interest are recorded in the minutes. Monitoring occurs to check whether this remains the appropriate option.
- **Restrict** – the member’s involvement in discussion and/or the provision of advice. Monitoring occurs to check whether this remains the appropriate option.
- **Recruit** – an impartial third party is engaged to provide advice.
- **Relinquish or resign** – the member relinquishes their private interest or steps down from their role with the other organisation on a temporary or permanent basis. Alternatively, the member resigns from the Board itself.

Related party transactions

If the Manufacturing Alliance 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 Manufacturing Alliance must obtain the prior written and fully informed consent before entering into such an arrangement. (DEWR 2023: Clause 5.16-5.17)

Relevant policies and templates

- *Department of Employment and Workplace Relations Jobs and Skills Councils Code of Conduct*
- *Department of Education and Workplace Relations Training Package Organising Framework*
- *Conflict of interest Policy (Advisory Committee)*
- *Conflict of Interest Policy (Employees)*
- *Conflict of Interest Register template*
- *Gifts, Benefits and Hospitality Register template*
- *Standing Committee Terms of Reference*

Approved by the Board on 08 May 2025