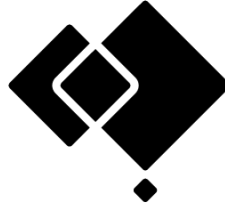




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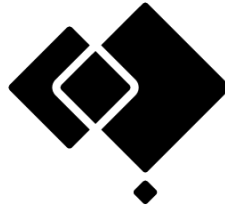
**Net Zero  
Economy  
Authority**

# **Conflict of Interest Policy**

2024



**Australian Government**



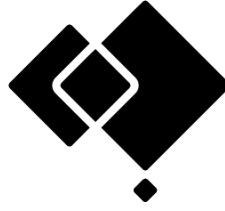
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**Australian Government**



**Net Zero  
Economy  
Authority**

Version	Date of Approval	Description of change(s)	Authorisation
1.0	December 2024	First edition	NZEA Board

## Purpose

1. This policy sets out the requirements that all Net Zero Economy Authority (Authority) officials, comprising Board members, the Chief Executive Officer, Authority employees and secondees must comply with to support the effective management of conflicts of interest in relation to their public duties, responsibilities, powers and functions.
2. The policy also applies (as indicated below) to third parties, such as contractors and consultants engaged by the Authority.
3. The policy reflects obligations on Authority officials pursuant to the *Net Zero Economy Act 2024*, the *Public Governance, Performance and Accountability Act 2013*, the *Public Service Act 1999* (PS Act) and the APS Code of Conduct.
  - a. The PGPA Act requires that officials of a Commonwealth entity disclose details of any material personal interests that relates to the affairs of the entity.
  - b. The APS Code of Conduct requires that all APS employees and Statutory Office Holders (which includes the Board and CEO) take reasonable steps to avoid any conflict of interest, real or apparent, in connection with their role.
    - Undisclosed real or apparent conflicts of interest may constitute a breach of the APS Code of Conduct. A breach of the Code of Conduct can result in one or more sanctions under section 15(1) of the PS Act, up to and including termination of employment. Criminal proceedings may also be initiated for more serious conflict of interest breaches.
  - c. Additionally, for Board members of the Authority and the CEO, failure to disclose material personal interests is potential grounds for termination of appointment under the NZEA Act (and PGPA Act, in the case of Board members).
4. This policy may be supplemented by other policies that establish more specific requirements for managing conflicts of interest in the context of particular activities, such as procurement, recruitment, and grants program delivery.
5. Officials of the Authority may also be required to disclose interests as a part of security clearance processes. These processes are distinct from conflict of interest management arrangements and are focused on suitability to access sensitive information.
6. Section A of this policy includes generally applicable requirements. Section B relates to Board members and the CEO specifically, and Section C to Authority employees, secondees, contractors, and consultants.

## PART A – GENERALLY APPLICABLE REQUIREMENTS

### Definitions used in this policy

7. A *conflict of interest* refers to an interest, relationship, situation or arrangement where an official's personal interests may actually, or be perceived to, compromise their public duties, responsibilities and/or powers.
8. A *real* conflict of interest occurs when an official's personal interests conflict with their public duties, and this improperly influences the performance of duties.
9. An *apparent* conflict of interest where it appears that an official's personal interests could improperly influence the performance of his or her duties but this is not in fact the case. The appearance of a conflict can be just as damaging to public confidence as a real conflict.
10. A *potential* conflict of interest is a situation where an official has a personal interest that could conflict, or be perceived to conflict, with their public duties (ie give rise to an actual or perceived conflict of interest). Refer to examples at **Attachment A**.
11. A *material personal interest* is a personal interest that can give rise to a real or apparent conflict of interest. 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. If no reasonable person could draw a connection between the official's personal interest and their duties, then the personal interest is not 'material'.
12. *Personal* (in the context of a 'personal interest') includes private and professional interests.
13. *Authority officials* comprise the Board members, the Chief Executive Officer, Authority employees and secondees.

### Principles and expectations applying to the management of conflicts of interest

14. Identifying and avoiding, or where this is not possible, disclosing and managing, material personal interests is a continuous obligation. This is intended to mitigate the risk of:
  - a. an official discharging a duty, responsibility, function or power in a way that is tainted by a direct or indirect personal interest, or
  - b. any perception of impropriety.
15. Officials are expected to take an open, proactive and transparent approach to the identification and disclosure of material personal interests, consistent with the highest standards of integrity, and err on the side of declaring all interests that could constitute material personal interests.

16. The [Department of Finance Resource Management Guidance 203](#) states:

*The overriding principle for a declaration of a material personal interest should be: if in doubt, declare the interest in accordance with the appropriate process. Taking this step should protect both the official and the Commonwealth entity.*

#### Support Available

17. The Governance and Legal Team of the Authority is available to provide support and advice on the requirements of this policy, and will maintain an arrangement with an external probity adviser.
18. The Governance and Legal Team will maintain an arrangement with an external probity adviser. This service will be available where there is a business case for seeking external advice or assurance on a conflict of interest matter. Access to the external probity adviser is managed by the Governance and Legal Team.
19. The [APSC Ethics Advisory Service](#) is also available to provide advice on ethical issues in an APS context. While the APSC Service cannot provide advice on specific elements of this Policy, it can assist with options, considerations, and strategies to help Authority officials work through ethical issues and dilemmas, and to assist them to make sound judgements and choices.

#### Consequences of non-compliance with this policy

20. Undisclosed real or apparent conflicts of interest may constitute a breach of the APS Code of Conduct. A breach of the Code of Conduct can result in one or more sanctions under section 15(1) of the *Public Service Act 1999*, up to and including termination of employment. Criminal proceedings may also be initiated for more serious conflict of interest breaches.
21. Additionally, for Board members of the Authority and the CEO, failure to disclose material personal interests is potential grounds for termination of appointment under the NZEA Act (and PGPA Act, in the case of Board members).

## PART B - BOARD MEMBERS AND THE CHIEF EXECUTIVE OFFICER

### Disclosure of interests

22. All Board members and the Chief Executive Officer (CEO) must disclose details of all material personal interests that relate to the affairs of the Authority.<sup>1</sup> Without limiting what must be disclosed, Board members and the CEO are expected to disclose:
- a. positions held at other companies or organisations, whether paid or not, and
  - b. interests of immediate family members where those interests influence, or could be seen to influence, the Board member/CEO's performance of their duties.
- Note:** 'Immediate family members' covers spouses and dependent children, and may also cover other relatives and close friends who live with the employee or with whom the Board member/CEO has a dependent relationship.
23. The disclosure by Board members and the CEO must include details of the nature and extent of the material personal interest.
24. Initial disclosures will be made as part of the appointment process. The Board Secretary will facilitate regular review and updating of disclosures.
- a. In the context of each meeting, Board members will be asked to review and affirm or update their declared interests.
25. Disclosures (including updates) must be made to the Minister responsible for the NZEA Act. The Board Secretary will coordinate this on behalf of the Board and CEO.
26. Board members and the CEO must update their disclosure statements whenever there is a change in material personal interests (including new interests, and a change in the nature or extent of an already declared interest).
27. The Minister may set terms and conditions of appointment, including in relation to the management of material personal interests.
28. In accordance with s43 of the NZEA Act, unless the Minister gives approval, the CEO must not engage in other paid employment, regardless of whether an actual or perceived conflict exists.
29. To support public confidence in the operations of the Board and Authority, the Board Secretary will facilitate publication of a register of interests of Board members and the CEO on the Authority's website.

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<sup>1</sup> Subsection 29(1) of the PGPA Act; and Statutory office holders under the PS Act are required to comply with the Australian Public Service (APS) Code of Conduct, which includes an obligation to *'take reasonable steps to avoid any conflict of interest (real or apparent) and disclose details of any material personal interest'*

## Disclosure of incidents that may give rise to conflict of interest issues

30. In addition to disclosing material personal interests, Board members and the CEO must report one-off incidents that may give rise to actual or perceived conflicts of interest, such as gifts, hospitality, sponsored travel, speaking fees, awards, or other material benefits received or offered to them that are:
  - a. offered in association with their role as board member or CEO, and
  - b. valued at over \$AUD100.00 (excluding GST).
31. Disclosure of such incidents should be made to the Board Secretary, who will ensure the incident is recorded by the Secretariat and managed in accordance with a Gifts and Benefits policy. Where appropriate, such incidents will be added to the member's/CEO's disclosed interests.

## Management of material personal interests

32. The Board Secretary will maintain a register of the material personal interests disclosed by Board members and the CEO, and any arrangements for the management of such interests that have been agreed by the Minister or Board. The register will be shared with all board members and the CEO.
33. In developing the agenda for each meeting (and for out of session business), the Board Secretary will:
  - a. make an assessment, based on the register of interests, on whether any Board members have a potential conflict of interest with any of the specific matters proposed for consideration by the Board, and
  - b. ask Board members to do the same – both in relation to their own interests, and to the material personal interests of other board members disclosed in the register of interests.
34. If any potential conflicts of interest are identified:
  - a. the issue will be drawn to the attention of the Board for consideration and resolution on handling (either at the meeting or prior), and
  - b. the Chair or CEO may withhold, from the Board member in question, Board papers and other information that might trigger the potential conflict of interest, until the matter has been considered by the Board.
35. If the Board determines that a Board member does have a material personal interest in a matter proposed for consideration by the Board (whether at a meeting or out of session), then the Board member must:
  - a. not be present when the Board is discussing or deliberating on the matter (including out of session proceedings), and



b. not take part in any Board decision / vote / resolution with respect to the matter.

unless:

c. the Board determines that the member in question may be present for the discussion and/or participate in a decision / vote / resolution on the matter, and the decision is recorded in the minutes, including the reason why, or

d. the responsible Minister has declared, in writing, that the member may be present and/or participate in a decision / vote / resolution on the matter on the grounds set out in the PGPA Rules, namely:

I. necessary to achieve a quorum; or

II. the matter needs to be dealt with urgently; or

III. there is a compelling reason for the matter being dealt with at the meeting.

36. The Board member with a potential conflict of interest may, at the Chair's discretion, participate in the Board's discussion of the matter, but may not participate in the decision of the Board on how the matter is to be managed.

37. If the Board Chair has a potential conflict of interest, the remaining Board members will appoint one of themselves to preside over the discussion and resolution of the issue.

38. The Board Secretary is responsible for ensuring Board resolutions on the management of conflicts of interests are recorded in the minutes of meetings, and in other official records where business is conducted out of session.

## PART C - ARRANGMENTS APPLYING TO AUTHORITY EMPLOYEES, SECONDEES AND THIRD PARTIES

### Disclosure of interests

39. All Authority employees, secondees to the Authority, and people working for the Authority under a labour hire arrangement (i.e. contractors and consultants), must disclose any material personal interests associated with the work of the Authority. This obligation will be implemented in the following ways:
- a. All SES employees of the Authority must complete a declaration of interest within 30 days of commencement and then update it annually.
  - b. Employees and secondees directly involved in the administration of a procurement, recruitment or grants process must complete a declaration of interests at the start of the process.
  - c. At the discretion of the responsible SES employee, employees involved in a project or workstream where proactive disclosure of interests is warranted must complete a declaration of interests – e.g. a project involving commercial transactions, a workstream involving regulatory/statutory responsibilities.
  - d. Employees involved in, or wishing to undertake, outside employment, whether paid or unpaid (see below) must complete a declaration of interests before commencing the outside employment.
  - e. In all other cases, employees, secondees and labour hire contractors have an obligation to disclose material personal interests if and when they arise, and can elect to proactively complete an annual declaration of interests.
40. Disclosures should include the interests of immediate family members where those interests influence, or could be seen to influence, the performance of duties. ‘Immediate family members’ covers spouses and dependent children, and may also cover other relatives and close friends who live with the person, or with whom the person has a dependent relationship.
41. Consultants and other external service providers engaged by the Authority may be required to complete a declaration of interests potentially relevant to the project or workstream they are contracted to undertake. The Governance and Legal Team can provide advice in this respect.
42. Declarations of interests must be made in the form provided by the Governance and Legal Team.
43. Approved declarations of interest must be provided to the Governance and Legal Team, which will:
- a. maintain a register of declared interests

- b. where appropriate, provide enterprise-level advice to the Authority Executive and CEO on the management of conflicts of interest, and
  - c. ensure disclosures are handled in accordance with the Australian Privacy Principles in the *Privacy Act 1988*. Declarations must be held securely in electronic document management systems with access limited on a need to know basis.
44. If a conflict of interest is identified and assessed as requiring management, the management arrangements will set out the details, the determination and appropriate strategies to be implemented to manage the interest, relative to the nature and seriousness of the conflict, in order to prevent any perception that the conflict influenced any relevant decision. This may involve:
- a. reassignment to other duties until the conflict of interest is resolved
  - b. separation barriers being established to manage or mitigate the conflict, or
  - c. excluding from further participation in specific Authority activities.

#### Reporting of gifts, hospitality and other benefits

45. All Authority employees, secondees and people working for the Authority under a labour hire arrangement must report one-off incidents that may give rise to actual or perceived conflicts of interest, such as gifts, hospitality, sponsored travel, speaking fees, awards, or other material benefits offered or received in association with their role.
- a. A Gifts and Benefits Policy will be established and maintained, providing details on requirements and processes.
46. Where practicable, any offer of a gift, hospitality etc should be discussed with the relevant EL2 or SES manager prior to accepting the offer.
47. Reporting must be made to the relevant EL2 or SES manager and the Governance and Legal Team, who may determine that a declaration of interest form should be completed.

#### Engaging in outside work

48. Authority employees who wish to engage in work outside of the Authority (paid or unpaid) must seek prior written approval from their Branch Manager before undertaking the work.
49. The request for approval must clearly identify the nature of work likely to be undertaken to enable an assessment of any actual, perceived or potential conflict of interest that the outside work has / may have with the employees duties and/or the Authority's business.
50. If the request is approved, a conflict of interest declaration must be completed, as set out above.

51. If the Branch Manager refuses the employee's request, or proposes conditions that the employee considers are not acceptable, the employee may request a review of the decision by the Chief Operating Officer. If the Branch Manager in question is the Chief Operating Officer, the issue will be handled by the CEO.

## Attachment A

### Examples of areas where material personal interests might arise

*Note: this list is provided to support officials to consider whether an interest should be disclosed. The existence or disclosure of an interest does not necessarily mean there is a conflict of interest. This policy encourages a pro-disclosure approach – that is, where there may be a material personal interest, officials are encouraged to disclose it, so that the potential for a conflict of interest can be considered, and if needed, managed.*

- Relationships with individuals known or suspected to be involved in criminal and/or illegal activity.
- Family or other relationships with clients, contractors or other staff working with the Authority or an applicant for a position with the Authority.
- An intimate relationship (e.g. a romantic or domestic relationship) with clients, contractors or other staff working with the Authority or an applicant for a position with the Authority.
- Current or prior employment with individuals or businesses engaged by the Authority.
- Real estate investments in areas/regions impacted by the work of the Authority.
- Shareholdings, business ownership or an interest in industries or business impacted by the work of the Authority.
- Lobby groups to government, including both membership and board positions.
- Involvement with the governing bodies of other government, non-government and not-for profit organisations (e.g. membership or association with related special interest groups).
- Trust or nominee company trustee, director or partnerships.
- Other significant sources of income.
- Paid, unpaid or voluntary outside employment that interacts or may interact with the functions of the Authority.
- Professional positions (including honorary or adjunct appointments).
- An interest in a business or undertaking that may be engaged by the Authority.
- Paid, unpaid or voluntary outside work including participation in and/or publishing journal articles and academic publications.
- Political activities.
- Other significant sources of income.
- Gifts, benefits and hospitality received or provided.