

Standard

Conflicts of Interest

MD-13-322

QUEENSLAND RAIL OFFICIAL

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2.1	15/01/2018	Whole document	Minor formatting changes including amendments to key responsibilities and reference to contact details and supporting documents
2.0	09/10/2014	Whole document	With changes to the Crime & Corruption Act some minor changes were needed and the opportunity was used to rationalise the COI Standard document and include a section on the special COI area of lobbyists not captured elsewhere in the Policy Centre.
1.0	27/05/2013	New	First release

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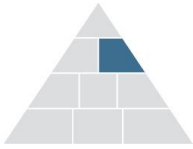
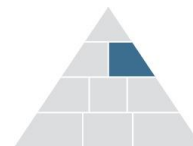


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1 Purpose and Scope

1.1 Purpose

A Conflict of Interest is a conflict between a person’s official duties to Queensland Rail and Private Interests which influence or may appear to influence the performance of those official duties.

A Conflict of Interest may be enough to undermine the public’s confidence in Queensland Rail, even where none actually exists or it has been resolved.

This Standard provides transparent procedures for identifying, disclosing and managing Conflicts of Interest which will enable Queensland Rail to:

- reduce the opportunity for improper conduct as set out in legislation
- deal more easily with unfounded accusations of bias
- demonstrate its commitment to good governance
- demonstrate it is performing in a fair and unbiased manner.

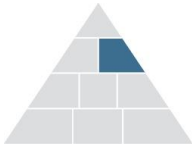
1.2 Scope

1.2.1 What is in scope

This Standard outlines Queensland Rail's requirements in relation to the disclosure of Private Interests of Directors, Employees, Contractors, Consultants and other parties, and the corresponding procedures that should be followed if a Conflict of Interest situation arises.

1.2.2 What is out of scope

It is acknowledged that everyone will have Private Interests. Where these interests do not have or could be perceived to have no impact on Queensland Rail, they are not within the scope of this Standard.



2 Requirements of this Standard

When acting for or on behalf of Queensland Rail, you should put the interests of Queensland Rail above your own Private Interests. You must acknowledge and manage any Actual, Perceived or Potential conflicts to ensure that they do not discredit, or conflict in any way with your obligations to Queensland Rail.

2.1 Features of a Conflict of Interest

A Conflict of Interest may have a number of features which need to be considered. These include, but are not limited to:

- **Types:** A conflict can be Actual, Perceived or Potential. An Actual Conflict of Interest involves a conflict between an employee's duties and responsibilities and the employee's private interests. A Perceived Conflict of Interest can exist where it could appear to others that your Private Interests could improperly influence the performance of your official duties and responsibilities, whether or not this is actually the case. A Potential Conflict of Interest arises where you have Private Interests that could in the future conflict with your official duties and responsibilities at Queensland Rail.
- **Nature:** The interest can be direct e.g. half owner of a business that is entering into a contract with Queensland Rail, or indirect e.g. where your spouse or other Family Members have a direct interest.
- **Duration:** A conflict does not end until the potential for gain or loss has been completely extinguished. This would mean that the opportunity (or risk) is completely closed - e.g. the job has been filled, the contract completed. There is usually a "cooling off period" after the end of a contract or transaction to ensure everything is working to the satisfaction of Queensland Rail. The period may vary depending on the circumstances.
- **Special conflicts:** These are conflicts (listed in 2.2.1) that Queensland Rail has identified as needing particular additional action.

2.2 Disclosure of Interests

Part of the procedure for dealing with and managing Conflicts of Interest is ensuring that appropriate disclosures are made in a timely manner to a relevant manager. These disclosures will then be considered and a determination made as to the appropriate course of action that should be taken to manage the Conflict of Interest.

Disclosure should include the nature and extent of the activity, a description of all parties involved, the potential financial interests, details of any Gifts or benefits involved and any other information which would be necessary to evaluate the disclosure.



For an employee, written authority should be obtained from your manager before any commitment or decision is made that might involve or be affected by the existence of a Conflict of Interest.

If there is any uncertainty as to whether a particular interest should be disclosed, then that person or business should disclose the matter.

In helping assess whether a relationship with an external company may constitute a Conflict of Interest, the Queensland Government QTenders website may be of assistance as it lists Queensland Rail opportunities that are upcoming, current or closed where the value of the contract or arrangement is over \$10,000. Details can be found at <https://www.hpw.qld.gov.au/qtenders/>.

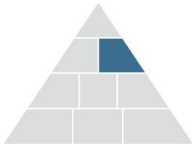
Other useful references include the Queensland Rail website and Queensland Rail Annual Report. It is important to note the above information is provided for guidance only and should not be the sole determinant in assessing whether a breach of this or any other standard has, or is likely to occur.

2.2.1 Special Conflict – Lobbyists

All new employees are to provide Legal Unit – Ethics/Integrity, within one month of taking up duty, a disclosure of employment as a Lobbyist in the previous two years that may have the potential to impact on their ability to properly and impartially discharge the duties of their role, and/or be an Actual or Perceived Conflict of Interest in relation to their role. Should it be determined that there is a Potential conflict, the employee is required to resolve the concerns in favour of the interest owed to Queensland Rail and must be resolved to the satisfaction of Queensland Rail management within 14 calendar days as failure to do so may result in a breach of this Standard and/or the Code of Conduct.

If in the course of your work you are approached by someone who is a Lobbyist seeking to conduct a Lobbyist activity, they must be listed on the Register of Lobbyists found in the Queensland Integrity Commissioner’s website, unless the lobbying activity is excluded under the Integrity Act. Contact with Lobbyists who are seeking to conduct a Lobbyist activity is to be reported to Legal Unit – Ethics/Integrity so as to be recorded in the Corporate Register.

Further information on lobbyists can be found on the Integrity Commissioner’s website.



2.2.2 Special Conflict – Working with Family Members

Generally, Queensland Rail will not allow employees to directly supervise a family member. This is however subject to operational considerations. Where a reasonable transition and adjustment can be made and the person agrees, and a position is available, person(s) affected may be relocated to another part of the business.

To avoid conflicts and ensure objectivity in situations where family members work in the same area, you need to make sure that job duties, overtime assignments, leave requests, higher grade, and job selection, are based on objective criteria and any pay decisions, and job performance (including discipline) evaluations are handled by an independent person.

In addition, conflicts can occur where family members accept positions with suppliers, customers and other stakeholders. These need to be reported and managed in accordance with the procedures outlined in 2.2.6 in this Standard.

2.2.3 Special Conflict – Material Procurement Activity

In addition to the requirements outlined in this Standard, participants in a Material Procurement Activity will be required to disclose any conflicts of interest during the course of their involvement in the process. The requirement will be managed by the Procurement representative if one is involved otherwise the highest level manager involved will be responsible. Evidence of this process can be captured in minutes or diary notes.

Although remaining responsible for declaring conflicts as and when they may arise, (as outlined in this Standard), employees whose role involves regular exposure to procurement activities are exempted from completing “nil” Conflict of Interest declarations relating to material procurement activity. This exemption is limited to:

- Chief Executive Officer
- ELT Members
- GM Strategy
- General Counsel
- Head of Procurement
- Procurement Officers
- Probity Advisor
- Other designations as identified by General Counsel

2.2.4 Disclosure by Directors

Under the *Queensland Rail Transit Authority Act 2013* and *Corporations Act 2001 (Cth)*, Directors of Queensland Rail are specifically required to disclose any Actual, Potential or Perceived Conflicts of Interest.

Directors will be required to sign a disclosure declaration upon appointment, declaring all relevant Private Interests. It is the duty of each Director to make ongoing disclosures of



material interests as soon as the Director becomes aware of his or her interest. An annual declaration via the Related Party Disclosure Questionnaire will also be required as part of the end of financial year audit process.

A standing notice of declared Director Interests is tabled at all Board and Committee meetings and any amendments recorded in the minutes of that meeting. Directors are required to disclose any changes to the standing notice of disclosure of interest as soon as practicable to the Chair and Company Secretary.

Unless the Directors decide otherwise, if an Actual, Potential or Perceived conflict situation exists, the conflicted Director will be excluded from all consideration of the matter by the Board including any segment of the Board papers or other documents containing reference to the matter. The minutes of the meeting must record the decision taken by the Board.

Where a disclosure of an interest is made by the Chair and it is decided the Chair is excluded from all consideration of the matter, the remaining Directors must appoint a temporary Chair while considering this matter.

The Company Secretary and Board Office will maintain a register of declared interests by Queensland Rail Directors, which will be made available as required by legislative or genuine business purpose.

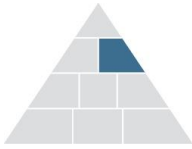
2.2.5 Disclosure by CEO, Executives and Employees

The CEO and Executive Leadership Team will be required to sign a disclosure declaration upon appointment, declaring all relevant Private Interests.

It is the duty of all executives, managers and employees to make ongoing disclosures of material interests and changes to existing disclosures as soon they become aware of his or her interest.

The CEO, Executive Leadership Team (ELT) and Senior Leadership Team (SLT) members are required to complete a declaration on an annual basis, along with relevant members of the General Leadership Team (GLT). This process is managed by the Ethics and Integrity Unit within Legal and Governance. Refer *Declaration of Conflicts of Interest MD-17-212* for further details.

Other areas within Queensland Rail may also need to complete declarations as determined by Management. Ultimately, all staff have an ongoing obligation to notify their manager and the Ethics and Integrity Unit of conflicts as and when they arise. Staff should not wait for the annual declaration process to notify the existence of a conflict.



Disclosures by the CEO are to be reported by the CEO to the Board. The Board shall review all information in relation to the disclosure and decide on appropriate action to be taken. The decision of the Board, including any associated action items must be documented in the minutes of the Board meeting.

Where the Board determines that a conflict situation exists, the CEO will be excluded from all consideration of the matter including any segment of the Board papers or other documents containing reference to the matter. Where under a particular policy, Queensland Rail allows the CEO discretion over employees, the Chair will be the appropriate person to exercise that discretion under any policy in relation to the CEO.

Disclosures by all other managers and staff will be required to be made to their manager who will determine the appropriate action to take in managing the conflict.

Disclosures and details from the CEO, Executive Management or employees will be captured in the organisation's Conflict of Interest Register. Management, in consultation with the Ethics and Integrity Unit who maintain the Register, will determine what disclosures need to be captured in the Register. The Register will be made available as required by legislative or genuine business purpose.

The Company Secretary and Board Office will also add the CEO disclosures to the register of declared interests by Queensland Rail Directors, which will be made available as required by legislative or genuine business purpose.

2.2.6 Disclosure by Suppliers and Other Stakeholders

When dealing with suppliers, applicants for employment, or other potential stakeholders, you should prior to entering into a business or employment relationship with them, seek that they formally declare any conflicts of interest which may impact their association with Queensland Rail.

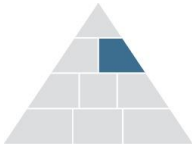
Relevant business areas are to develop processes to request this information and capture it. If the information relates to a Material Interest or Major contract or dealing then this and any actions taken is to be reported to the Ethics and Integrity Unit for capturing in the organisation's register.

Probity Advisors (internal and external) acting for Queensland Rail will maintain appropriate procedures to detect and manage conflicts of interest as part of the procurement process.



2.2.7 Disclosure to responsible Ministers

The Board will keep responsible Ministers apprised in a timely manner of Conflicts of Interest of a material nature that may arise where the Board considers that the nature of the conflict is sensitive or significant.



2.3 Managing Conflicts of Interest

Management Strategy	When most suitable	When least suitable
<p>Register <i>Where details of the existence of an actual, Perceived or Potential Conflict of Interest are formally registered.</i></p>	<ul style="list-style-type: none"> for very low-risk Conflicts of Interest and potential Conflicts of Interest where the act of transparency through recording the Conflict of Interest is sufficient 	<ul style="list-style-type: none"> the Conflict of Interest is more significant or of higher risk the potential or perceived effects of a Conflict of Interest on the proper performance of the relevant person require more proactive management
<p>Restrict <i>Where restrictions are placed on the relevant person's involvement in the matter.</i></p>	<ul style="list-style-type: none"> the relevant person can be effectively separated from parts of the activity or process the Conflict of Interest is not likely to arise frequently 	<ul style="list-style-type: none"> the conflict is likely to arise more frequently the relevant person is constantly unable to perform a number of their regular duties because of Conflict of Interest issues
<p>Recruit <i>Where a disinterested third party (e.g. probity adviser or probity auditor) is used to oversee part or all of the process that deals with the matter.</i></p>	<ul style="list-style-type: none"> it is not feasible or desirable for the relevant person to remove themselves from the decision-making process in small or isolated communities where the particular expertise of the relevant person is necessary and genuinely not easily replaced 	<ul style="list-style-type: none"> the conflict is serious and ongoing rendering ad hoc recruitment of others unworkable recruitment of a third party is not appropriate for the proper handling of the matter a suitable third party is unable to be sourced
<p>Remove <i>Where a relevant person chooses to be removed from the matter.</i></p>	<ul style="list-style-type: none"> for ongoing serious Conflicts of Interest where ad hoc restriction or recruitment of others is not appropriate 	<ul style="list-style-type: none"> the Conflict of Interest and its perceived or potential effects are of low risk or low significance the relevant person is prepared to relinquish the relevant Private Interest rather than radically change their work responsibilities or environment
<p>Relinquish <i>Where the relevant person relinquishes the Private Interest that is creating the conflict.</i></p>	<ul style="list-style-type: none"> the relevant person's commitment to public duty outweighs their attachment to their Private Interest 	<ul style="list-style-type: none"> the relevant person is unable or unwilling, for various reasons, to relinquish the relevant Private Interest
<p>Resign <i>Where the relevant person resigns from their position with the agency.</i></p>	<ul style="list-style-type: none"> no other options are workable the relevant person cannot or will not relinquish their conflicting Private Interest and changes to their work responsibilities or environment are not feasible the relevant person prefers this course as a matter of personal principle. 	<ul style="list-style-type: none"> the Conflict of Interest and its potential or perceived effects are of low risk or low significance other options exist that are workable for the relevant person and the agency.



2.4 Breaches of this Standard

Compliance with this Standard is a condition of employment or engagement with Queensland Rail. Breaches of this Standard will be treated as a breach of the Code of Conduct and may lead to disciplinary action up to and including termination.

All suspected and actual Corrupt Conduct must be reported to the Ethics and Integrity Unit who can be contacted on Ethics@qr.com.au or through the Ethics Hotline on 1800 723 515. The hotline is generally operated Monday to Friday and can be used where anonymity is preferred.

For further information contact;

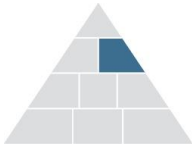
- Boardoffice@qr.com.au
- Ethics@qr.com.au

3 Responsibilities

The following establishes the unique accountabilities and responsibilities of the key internal stakeholders specific to this Standard.

3.1 Who does what?

Who	What
Company Secretary	Responsible for maintenance of the Register of Interests for Queensland Rail Directors.
Senior Manager Ethics and Integrity	Responsible for maintenance of the Organisation's Register of Interests (other than for Queensland Rail Directors) and enabling annual disclosures by the CEO, ELT, SLT and selected members of the GLT..
Procurement representative (or most senior manager in procurement activity)	Responsible for ensuring a Conflict of Interest declaration is completed by team members involved in a procurement activity.
Senior Manager People Services	Responsible for ensuring completion of initial disclosures by the CEO and ELT members upon appointment to Queensland Rail



4 Terms and definitions

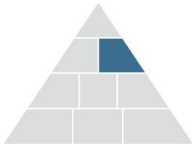
The following key terms and definitions are unique to this Standard. Please refer to the [Business Glossary](#) for other terms not included in this section.

Term	Definition	Source ¹
Conflict of Interest	A conflict of interest involves a conflict between an employee's duties and responsibilities and the employee's private interests. Conflicts can be actual, perceived or potential depending on the circumstances. A conflict of interest can arise from avoiding personal losses as well as gaining personal advantage – whether financial or otherwise.	Code of Conduct MD-10-62
Conflict of Interest Examples	<ul style="list-style-type: none"> • shareholdings in public and private companies; • family and business trusts and nominee companies; • bonds, debentures and like investments; • savings and investment accounts; • partnerships; • real estate; • directorships in or employment by a public or private company; • other assets; • other substantial sources of income; • other interests; • liabilities; • organisational memberships; • gifts or benefits 	Public Service Commission Directive 3/10 Declaration of Interests
Corrupt Conduct	Has the meaning given to it for the purposes of the Crime and Corruption Act 2001	Crime and Corruption Act 2001 (Qld)
Family Member	A "family member" includes any person you are in a relationship with (including but is not limited to) a spouse, partner, child, brother, sister, parent, stepchild, stepparent, as well as mother-, father-, son-, daughter-, brother-, or sister-in-law, and any other person living with you (except tenants).	
Gifts or benefits	Includes but not limited to: conference/seminar costs, gratuity, remuneration, allowance, discount, fee, subsidy, hospitality, travel, entertainment, alcohol, raffle tickets, scratch card, lotto/casket tickets, books, equipment, goods or other services received.	Code of Conduct MD-10-62
Interests	Refers to the realistic expectation that the employee or an associate directly or indirectly stand to gain a benefit or suffer a loss, depending on the outcome of an issue. Interests may be financial or non-financial.	
Lobbyist	"Lobbyist" is defined in Chapter 4, Part 1, section 41 of the <i>Integrity Act 2009</i>	Integrity Act (Qld) 2009

¹ Where left blank, Source is not applicable.



Term	Definition	Source ¹
Lobbying activity	Is contact with government representatives which attempts to influence State or local government decision-making such as the making or amendment of legislation, development of government policy, awarding of a government contract or allocation of funding (see section 42 of the Act for full definition).	Integrity Act (Qld) 2009
Major contracts or dealings	Includes but not limited to where: <ul style="list-style-type: none"> • Value or accumulated spend is \$10 million or more, or \$100,000 or more where an exemption from tendering requirements was granted under the Procurement Standard (MD-10-926), or • Sensitive e.g. the matter is likely to generate media interest, or be the subject of formal complaint to government, or • Length of dealing has been five or more years since Queensland Rail went to market. 	Trading in Securities MD-13-323
Material Interest	If the Private Interest is substantially affected by the outcome of a decision by Queensland Rail, the private interest is likely to be “material”.	
Material Procurement Activity	Comprises a request for quote process involving purchases over \$10,000 for which Group Procurement is involved. Other sensitive/controversial procurement activities may also be assessed to fall within this category.	
Perceived conflict of interest	A perceived or apparent Conflict of Interest can exist where it could appear to others, that your Private Interests could improperly influence the performance of your official duties and responsibilities, whether or not this is actually the case.	
Potential conflict of interest	A potential Conflict of Interest arises where you have Private Interests that could in the future conflict with your official duties and responsibilities at Queensland Rail.	
Private Interests	A Private Interest are those personal, professional or business interests that can benefit or disadvantage us as individuals, or others we may wish to benefit or disadvantage. They also include the personal, professional or business interests of individuals or groups we associate with (e.g. relatives, friends, non-profit associations).	



5 Appendices

Appendix 1 – Related documents

Legal, regulatory and other obligation sources

Jurisdiction	Title
Commonwealth	Corporations Act (Cth) 2001
State	Criminal Code Act (Qld) 1899 Crime and Corruption Act (Qld) 2001 Integrity Act (Qld) 2009 Public Interest Disclosure Act (Qld) 2010 Right to Information Act (Qld) 2009
Other (Voluntarily adopted by Queensland Rail)	Various Australian Standards, Codes of Practice, Memoranda of Understanding / Agreement and Government Policies are also applicable.

Queensland Rail documents

Document type	Document title
Policy	MD-10-67 Human Resources
Principle / Standard	MD-12-555 Values Principle MD-10-62 Code of Conduct Standard MD-13-323 Trading in Securities Standard
Strategy / Plan	N/A
Specification / Framework	N/A
Forms	MD-17-212 Declaration of Conflicts of Interest