Australian Government
Commonwealth Superannuation Corporation

Conflicts Management Policy Summary

Commonwealth
Superannuation
Corporation

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1. Purpose

CSC’s conflicts management policy and framework explains how CSC identifies, discloses, manages, monitors and avoids conflicts. This helps ensure decisions are made in a way that gives priority to the duties and interests of CSC’s customers.

2. Scope

The policy applies to all CSC directors, responsible persons and staff.
Responsible persons are those responsible for the management and oversight of CSC’s superannuation funds. This includes:

- CSC directors
- senior managers
- approved auditors appointed to conduct any CSC audit or audit of any of its entities
- actuaries appointed by CSC
- company secretary
- people who perform activities that could materially affect CSC’s business operations or financial standing.

3. Key Terms and Definitions

Terms & Definitions

Term	Definition
Interest	Any personal or professional interest, gift, payment or benefit, whether financial or non-financial, and whether held directly or indirectly
Duty	Any duty owed by CSC, or a responsible person of CSC, to customers or to any other person.
Relevant Duty	A duty that could significantly affect CSC’s, or a responsible person’s, ability to act in customers’ best interests
Relevant Interest	An interest, gift, payment or benefit that could significantly affect CSC’s, or the relevant person’s, ability to act in customers’ best interests
Actual conflict	A direct conflict between an individual’s responsibilities to CSC and its customers and a competing interest or duty, whether personal or involving a third party
Potential conflict	A situation where an individual’s interest or duty could conflict with responsibilities to CSC or its customers in the future
Perceived conflict	A situation where it could reasonably be perceived that a competing personal interest or duty could improperly influence the fulfilment of an individual’s responsibilities to CSC or its customers

4. How CSC manages conflicts

CSC manages conflicts through disclosure, management and monitoring tools, and avoidance where possible. Directors are asked to declare conflicts before appointment, update relevant interests and duties at each Board meeting, and declare and manage relevant interests as they arise. Staff are required to declare conflicts before commencing employment and on an ongoing basis, including gifts and other interests.

CSC also uses registers, policy statements and internal procedures to identify, manage and monitor actual, potential or perceived conflicts. Gifts and hospitality must not be offered or accepted where they create, or appear to create, an obligation, affect impartiality or inappropriately influence a decision involving CSC or its customers. Bribes, facilitation payments, inducements and commissions must not be accepted or provided under any circumstance.

5. Regulatory environment

CSC manages conflicts of interest in accordance with applicable legislative and regulatory requirements, including:

- Australian Prudential Regulation Authority (APRA) Prudential Standard SPS 521 *Conflicts of Interest*
- Australian Securities and Investments Commission (ASIC) Regulatory Guide 181
- *Corporations Act 2001*
- *Superannuation Industry (Supervision) Act 1993* (SIS Act)[1]
- *Public Governance, Performance and Accountability Act 2013*
- *Governance of Australian Government Superannuation Schemes Act 2011*

This Policy helps Directors, Responsible Persons, staff and service providers understand what those requirements mean in practice and supports CSC's broader Conflicts Management Framework.

Putting Customers First
Under superannuation law, CSC must always act in the best interests of its customers and beneficiaries. This means that when a conflict of interest arises, CSC must:

- put customers' interests ahead of other duties or interests
- continue to meet its obligations to customers, despite the conflict
- avoid situations where customers' interests are adversely affected, and
- comply with prudential standards on conflicts of interest.

6. Review

A comprehensive review that meets APRA's SPS 521 requirements will be conducted at least every three years. In addition, the People and Governance Committee will review the Conflicts Management Framework annually and report the outcome of that review to the Board.

[1] Outlined under section 52(2)(d). Section 52(4) of the SIS Act states that the obligations outlined under section 52(2)(d) override any conflicting obligations of a Director under Part 2D.1 of the Corporations Act and subdivision A of Division 3 of Part 2-2 of the PGPA Act (which deals with general duties of officials). Section 29 of this subdivision requires an official of a Commonwealth entity who has a material personal interest that relates to the affairs of the entity to disclose details of the interest