

SEPID Fact Sheet

The Senior Executive Private Interest Declaration (SEPID) online form comprises 10 questions. These questions are designed to provide the Secretary with oversight of private interests of staff mandated to comply with his SEPID Program. Here is a guide on why these 10 questions are asked.

1. Shareholdings

List any shareholdings that **you** own (\$ value NOT required). This includes those shareholdings held under a Self-Managed Superannuation Fund (SMSF).



Holding shares themselves are not problematic. However, sometimes the ownership of shares may create a potential or perceived conflict of interest from the **perspective of the public**.

Example: John Smith is a senior executive officer. John Smith holds shares in company ABC. Company ABC is tendering for consultancy work with DCJ and John Smith is a director in the procurement team. While there is nothing wrong with John Smith investing in Company ABC, his ownership of these shares may certainly create a potential or perceived conflict of interest given John Smith's position in the organisation.

2. Trusts/Nominee Companies

List any beneficial interest(s) in family or business trusts or nominee companies.

A **Trustee** is a person who takes responsibility for managing money or assets that have been set aside in a trust for the beneficiaries.

A **Nominee Company** is a company whose principal business is the holding of marketable securities as a trustee or nominee.

Example: John Smith is a director in the procurement team in DCJ. John's wife Jane, is the trustee for the Smith Family Trust which is made up of a number of shares. The majority of shares are banking and blue-chip mining shares. However, the trust also holds shares in ABC Pty. Ltd.

ABC Pty. Ltd. has provided consultancy services for DCJ in the past. John is not involved in the tendering process that determines which provider wins the consultancy work, however there could be a perceived or potential conflict of interest because of Jane's duties as the trustee of the Smith Family Trust.



3. Officeholders in companies including subsidiaries of companies that you are currently involved with (whether public or private)

List any positions **you** hold e.g. director, secretary, administrator, appointed liquidator, whether the positions are remunerated or not.



An Officeholder can be a company director who sits on a board and helps determine and implement the company's operating policies and procedures. Another example of an Officeholder is a Company Secretary which is a senior position held in a private or public organisation. The Company Secretary is responsible for the administration of the company's statutory and regulatory obligations.

Example: Jane Smith is a director at DCJ. Part of Jane's duties include that she sits on a steering committee which assesses and makes recommendations about DCJ funding to third-party disability services. Outside of her DCJ role, Jane also sits on the board of XYD Pty Ltd, a company that supports individuals with a disability to be active members of the community with government support/ funding. Jane does this in her own time and does not receive payment as a board member.

Even though Jane's contribution to XYD Pty. Ltd. is not remunerated, Jane has a duty to act in the best interests of both DCJ and XYD Pty. Ltd. There could be a potential or perceived risk that Jane's decision-making may be compromised because of unclear loyalties.

4. Proprietor (sole trader, business name, partnerships, etc.)

List any interests in businesses that **you** hold.

Recent statistics show that there were over two million small businesses registered in Australia. These businesses employed less than 19 people and accounted for 97% of all Australian businesses by employee size.

It is not uncommon for staff to have a side-business in addition to their "9 to 5" career. However, it is important that a side business does not appear to conflict with the employee's public duty.

Example: Jane Smith is a qualified lawyer and a director in DCJ's legal branch. Part of her duties within DCJ is to provide legal advice to the Commissioning division that manages breaches of non-government organisations (NGOs) funded contracts.

Jane's spouse, John is also a qualified lawyer and is the principal solicitor in a small law practice they run, ACE Legal. The law practice specialises in corporate advisory work with not-for-profit government funded organisations that deliver housing services in the community. Jane primarily does some administrative tasks to assist John with his workload on the weekend and is a named partner in ACE Legal for tax reasons.

It is important that Jane discloses her partnership in the law practice she and John run. Even though her role at ACE Legal is mainly to assist John, from the perspective of the public there is the risk of a potential and/or perceived conflict of interest because of the similarities in the legal work she does for DCJ and the work performed by ACE Legal.



5. Relatives

List any **relative(s)** (that you are aware of) working for DCJ or employed in an agency whose work activities are **regulated or funded** by DCJ or cluster.

In 1930 a Hungarian writer proposed what is now accepted as the theory of six degrees of separation. This theory has driven many of our famous social media platforms and it's little wonder that we find friends, school and university classmates, former colleagues or even relatives working at the same organisation that we do.

Staff need to be conscious that working alongside friends & relatives can lead to an actual, potential or perceived conflict of interest.

Example: Jane Smith is a director in the Commissioning division of DCJ. Jane's directorate assesses and awards funding for third-party government contracts.

Jane's nephew Jimmy recently graduated from university and managed to secure a job at a NGO that relies primarily on donations and government funding for its work in the community.

At a family barbeque, Jane learns that he is working for an organisation that receives funding from DCJ. While there is nothing improper about Jimmy working for an NGO, it may appear from the perspective of the public that this NGO could have received its funding due to the relationship between Jane and Jimmy.

Jane needs to declare this association when she returns to work to minimise the risk that DCJ is criticised for this potential or perceived conflict of interest.



6. Investment properties

List (including the full address) any real estate **investment** properties in NSW that **you or any person associated with you** own.



In 2018 it was estimated that 1.8 million Australians owned an investment property. It may seem strange that government agencies are concerned with its staff's investment properties.

But remember, as public servants we must always think about our private interests and whether these could be seen to influence our public duties.

Example: John Smith is a director in the Corrective Services division at DCJ. John and his wife have decided to take advantage of the favourable market conditions in NSW and purchase an investment property to shore-up their retirement. They purchase an investment property at 1 North Street, Peaceville in Sydney.

John doesn't know it but the NSW Government has coincidentally decided to purchase properties in Peaceville as part of a redevelopment project to meet the growing need for social housing. While John and his wife have made an investment decision honestly and in good faith, there may be a risk that the public perceive John's decision was improperly made and that John has gained a personal advantage from his position in an agency that makes social housing recommendations to government.

By declaring the investment property (and its specific location), an appropriate management strategy can be formulated. For example, the agency might restrict John's access to any information in relation to the redevelopment. This will help to mitigate any suggestion that John misused his position for personal gain.

7. Any other pecuniary and non-pecuniary interests

List any other financial or non-financial interests (that you are aware of and that has not been referred to elsewhere in this declaration) that **you or any person associated with you** hold. **NO \$ VALUE should be disclosed.**

You should **exclude**:

- personal credit cards
- cash held in personal bank accounts
- novated car leases
- employer superannuation guarantee contributions e.g. \$X in Aware Super.

Generally, these financial interests would not be perceived as interfering with your public duties.



You should include:

- investments
- liabilities
- income
- membership of associations
- future employment prospects or plans.

These financial interests could reasonably be perceived as potentially interfering with your public duties.

Example: Jane Smith is a director in the Information & Digital Services division at DCJ. The agency recently upgraded some of its software systems by commissioning a private sector IT company, 'SolveIT' to design and write the new software systems. Jane was involved in liaising with the team at SolveIT to implement the new systems into DCJ.

Jane is so impressed with SolveIT and the potential the company has to provide valuable solutions to government agencies, she decides to leave the agency and to take a role with SolveIT.

Jane has done nothing wrong. However, it may appear to the public that SolveIT may have improperly won the tender for the work with DCJ. Alternatively, it may be perceived that Jane misused her position to obtain a role with SolveIT.

Jane should declare her future plans to work with SolveIT so DCJ can manage the potential and perceived conflict of interest for future IT tenders.



8. Voluntary work

List any current **voluntary (unpaid)** membership of boards, committees, community groups etc.



Voluntary work is fantastic and people who selflessly give their time to support our local communities should be commended. However, it is always important to think about our associations outside of our work and how that may be perceived by the public.

Example: John Smith is a director in the Housing division at DCJ. The Housing division, amongst many other things, helps to place disadvantaged members of the community in social housing.

John is passionate about the need to make improvements to homelessness in NSW. So on the weekend, John volunteers for a group in his local community called 'End Homelessness Now'.

John's involvement in the group is principally to go out on Friday and Saturday nights and help feed the homeless and provide them with advice on how they can access social housing. However occasionally, End Homelessness Now lobbies the NSW Government to make specific funding decisions about social housing.

While John's intentions are community-focused, there could be a potential or perceived risk that John's decision making ability as a director in the Housing division could be compromised because of his involvement with End Homelessness Now. Considering the work he does for DCJ, it is essential that John and DCJ manages this potential and/or perceived conflict of interest.

9. Secondary Employment and Unpaid Work (SEUW)

Do you propose to undertake any secondary employment or unpaid work outside your official primary role within DCJ?

This question reminds declarants making a private interest declaration that all public servants engaged within DCJ are required to declare and obtain approval for any secondary employment prior to commencement.

Secondary employment also refers to any private/paid work undertaken outside of DCJ which may include, but not limited to:-

working for another employer, self-employment and owning, operating or being a director of a private business, being a trustee that operates a private business, being an elected Local Government Councillor or other Local Government official receiving a fee for sitting on a committee, NGO, board or other business related group, etc.

Unpaid work refers to any employment where no remuneration/payment is received e.g. assisting in a family business without receiving any remuneration, volunteering, serving as a non-paid member or sitting on a strata management committee, involvement in community sporting groups, etc.

For further information about the requirements of declaring and obtaining approval for secondary employment and/or unpaid work, you should visit the [Secondary Employment and Unpaid Work \(SEUW\)](#) DCJ intranet page.



10. Conflicts of Interest

Do you need to make a Conflicts of Interest (COI) Declaration? Yes/No

Conflicts of Interest (COI)

Declarants should always consider any actual, potential or perceived conflicts of interest that may exist in relation to their public duties and their private interests.



Declarants should always consider any actual, potential or perceived conflicts of interest that may exist in relation to their public duties and their private interests. Any actual, potential or perceived COI identified in making a SEPID declaration, should be declared in accordance with the COI policy and procedure.

For further information about the requirements of declaring a COI, you should visit the [COI](#) intranet page.

Gifts, Benefits & Bequests (GBB)



In the very few occasions where it may be inappropriate for staff to refuse a gift, benefit or bequest, staff need to remember their obligation to immediately declare the gift on the GBB register. Senior management are responsible for reviewing the circumstances around staff receiving gifts, including the actual, potential or perceived implications of the gift being accepted.

They should also consult with their teams on how to manage these situations going forward. Staff should never make a decision themselves about what to do with a gift or benefit that may have been accepted. The outcome or decision about how to manage the gift/benefit accepted is what is most important.

For further information about the requirements of declaring a GBB, you should visit the [GBB](#) intranet page.

If you have any questions about the SEPID form or about the program generally, we encourage you to visit the [SEPID](#) intranet page.

If you still have questions, please don't hesitate to contact the Business Ethics & Compliance Unit (BECU) at: PrivateInterestDeclarations@facs.nsw.gov.au

