

Information Sheet Victorian Government – Board Appointments

Representation of women

It is Victorian Government policy that no less than 50 per cent of all new appointments to Victorian Government boards are women.

Diversity

Board appointments to Victorian Government entities as far as practicable, are expected to reflect the diversity of the Victorian community. Opportunities to appoint women, indigenous Australians, people with a disability, people from culturally and linguistically diverse backgrounds and lesbian, gay, bisexual, trans, gender diverse and intersex people are expected to be actively explored.

Probity checks

Probity checks are mandatory for all Board appointments to Victorian public sector entities. Probity checks provide the Government, entity and the public with confidence that appointees have a history of personal integrity, and a demonstrated capacity to manage their financial and business affairs.

Probity checks are provided to the appointing Minister to determine whether a nominated or preferred candidate:

- is or has been insolvent;
- has a police record;
- has been convicted of an indictable offence;
- has been convicted of fraud; or
- has been disqualified from acting as a director or acting in the management of a company.

Declaration of Private Interests

A Declaration of Private Interest is a mandatory requirement for all Board appointments to Victorian public sector entities. Appointments are contingent on nominated candidates completing a declaration to the satisfaction of the Responsible Minister.

The declaration is provided to the Minister to determine whether the candidate has any real or perceived conflicts of interest that could present a significant risk to the operation of the board.

Code of Conduct

Board members have a duty of care and diligence in exercising their powers and discharge of duties.

Each Board member and the Board collectively, in conducting the business of the Board, must comply with the legally binding Code of Conduct for Board members of Victorian Public Entities.

The Code encompasses:

- Public Sector Values
- Board Collective Behaviours
- Director Behaviours

Board members in the public sector are also expected to observe the statutory business judgement rule applied to private sector corporations. This rule provides that Board Members in making business judgements, must appropriately inform themselves about the relevant subject and ensure they are expressing that judgement in the best interests of the organisation they represent.

All Board members of Victorian public sector entities including ARBV are required to comply with their common law duties. Those main common law duties as follows are reflected in the Board Members Code of Conduct issued by the government:

- Duty to act bona fide (in good faith) in the interests of the organisation as a whole
- Duty not to act for an improper purpose
- Duties of care and diligence
- Duty to retain discretion
- Duty to avoid conflicts of interest
- Duty not to disclose confidential information
- Duty not to abuse corporate opportunities

A copy of the Code of Conduct for Directors can be found by visiting:

<https://vpsc.vic.gov.au/wp-content/uploads/2018/11/Code-of-Conduct-For-Directors-Easy-Read-version.pdf>

Conflict of Interests

A conflict of interest is where a Board member has private interests that could improperly influence, or be seen to influence, their decisions or actions in the performance of their public duties.

Conflicts may be actual, potential or perceived:

- Actual** conflict of interest: there is a real conflict between the Board member's public duties and private interests.
- Potential** conflict of interest: a Board member has private interests that could conflict with their public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.
- Perceived** conflict of interest: the public or a third party could form the view that a Board members private interests could improperly influence their decisions or actions, now or in the future.

Private interests can be financial or non-financial or a mixture of both.

A conflict of duty is a conflict of a Board member's public duty to act in the interests of the entity and duty to another organisation ("wearing two hats").

A copy of the Conflict of Interest & Duty Guide for Directors can be found by visiting:

<https://vpssc.vic.gov.au/wp-content/uploads/2018/11/Conflicts-of-interest-and-duty-A-guide-for-Directors-Easy-Read-version.pdf>

Board Remuneration

Board Members are entitled to receive the remuneration and allowances as determined by the Minister and Governor in Council at appointment.

As a guide, payment is made for the following:

- attendance at meetings, including official committee meetings of the board and other necessary activities;
- formal visits with industry representatives;
- Reimbursement for reasonable out-of-pocket expenses;
- Payment is not made for preparation time for meetings (as this is incorporated into the daily fee);
- Board members may be eligible for an Employer's superannuation contribution under the terms of the *Superannuation Guarantee (Administration) Act 1992* (Cth).

Term of appointment

Appointments to the ARBV Board may be for a term of up to two years in accordance with section 49 of the Architects Act 1991.

The expectation is that elected members would commence their appointed terms from end November 2019.

Time commitment

The Government has set a minimum attendance requirement for Board members being an expectation of attendance at 75 per cent of meetings.