

# Accountability and good governance as a public entity

## Good Governance Fact Sheet No. 3 for Committees of Management of Crown land reserves in Victoria

Crown land reserve committees of management incorporated through the *Crown Land (Reserves) Act 1978\** are Victorian public entities and committee members are subject to the *Public Administration Act 2004*.

### A Crown land committee of management is a public entity

Committees of management of a Crown land reserve(s) appointed and incorporated through the *Crown Land (Reserves) Act 1978* (CLRA) are among over 3,500 public entity boards/committees in Victoria.

Public entities are created by government to carry out a public function. As bodies operating at 'arm's length' from government, public entities perform their day-to-day functions with some autonomy from Ministers and government departments.

However, all public entities are accountable to a Minister of the government. Accountability to a Minister usually occurs through a government department. For CLRA Incorporated committees of management, accountability is to the Minister for Energy, Environment and Climate Change, through the Department of Environment, Land, Water and Planning (DELWP).

Other Victorian Government public entities include school councils, cemetery trusts, public hospitals, water corporations, alpine resorts and other advisory committees.

### Good governance definition for Victorian public entities

The definition of "good governance" for Victorian public entities is:

*Enabling our organisations to achieve their intended purpose efficiently and effectively, while meeting community expectations of transparency, accountability and participation .*

- *Achieving intended purpose efficiently and effectively*
- *Transparency*
- *Accountability*
- *Participation*

Source: Premier's Circular 2015/02.

The definition includes an emphasis on 'community expectations.' Good governance isn't just about what DELWP, or the government more broadly, expects of committees of management. Good governance is about what people and communities expect of committees and the achievement of public value in the management and operation of Crown land reserves.

### \*Note for Incorporated Associations and Companies Limited by Guarantee

Some committees of management of Crown land reserves are incorporated through means other than the CLRA, for example, Incorporated Associations or Companies Limited by Guarantee. Whilst still subject to legislative requirements of the CLRA for the administration of Crown land reserves, these groups are not subject to the *Public Administration Act 2004* as a public entity.

# Accountability and good governance as a public entity

## Public Administration Act 2004

The *Public Administration Act 2004* covers a range of matters relating to public sector governance in Victoria. Copies of the *Public Administration Act 2004* can be accessed free of charge at: <https://www.legislation.vic.gov.au/in-force/acts/public-administration-act-2004>

## Applicability of the Public Administration Act to different committees of management

Category 1\* committees of management are subject to the Public Administration Act in its entirety. Category 2\* and 3\* committees incorporated prior to 1 January 2006 are not currently subject to Divisions 2 and 3 of Part 5 (Sections 77-90) of the Public Administration Act.

However, it is recommended that all committees understand the “good practice” recommendations arising from Public Administration Act compliance. For example, for Section 81(1)(b) regarding risk management, DELWP expects all Category 2 and 3 Committees to implement “good practice” approaches in line with the Public Administration Act:

“81 Duties of entity (1) The board of a public entity must—  
(b) inform the Minister responsible for the public entity and the relevant Department Head of known major risks to the effective operation of the entity and of the risk management systems that it has in place to address those risks.”

\* See *Committee categories and types of reserves Fact Sheet* for information about committee categories.

## Code of Conduct for Directors\*\* of Victorian Public Entities

The Code of Conduct for Directors of Victorian Public Entities published by the Victorian Public Sector Commission (VPSC) is a key governance document for all committees of management. Much of the content for the VPSC Code of Conduct relates directly to the contents of the Public Administration Act.

\*\*Note: VPSC resources, including the Code of Conduct, refer to “Boards” and “Directors”. These descriptions apply to committees of management.

It is recommended that all committee of management members familiarise themselves with the VPSC Code of Conduct, including the details of behaviours expected under seven public sector values:

- Responsiveness
- Integrity
- Impartiality
- Accountability
- Respect
- Leadership
- Human Rights

The Code provides detailed guidance on topics such as:

- Best Interests of the Public Entity
- Proper Use of Position
- Fairness and Impartiality
- Honesty and Integrity
- Conflicts of Interest and Duty

In relation to the importance of the accountability of individual committee members, the Foreword to the Code notes: “As it is not possible to provide a detailed rule for every conceivable situation, public entities ultimately must rely on the accountability of individuals for their own actions and behaviour.”