

# Code of conduct

## (2) An overview

### Guidance note for boards of major DELWP agencies

This guidance note is for use by boards of the over 100 **major public entities** and other statutory boards, committees, councils, panels, etc. in the Department of Environment, Land, Water and Planning (DELWP) portfolio, including large (category 1 and 2) committees of management of Crown land reserves.

For small (category 3) committees of management go to [www.delwp.vic.gov.au/committees](http://www.delwp.vic.gov.au/committees).

## Overview

The Victorian public sector has strict requirements in relation to integrity. As a board member, you must:

- act in the **public interest** (the best interests of the agency) at all times in your role
- comply with your board's **Code of conduct** policy.

## Your agency's policy

Consistent with s 81(1)(e) of the *Public Administration Act 2004* ('PAA'), your board should have a Code of Conduct policy.

Your board's policy should be a **consolidated statement** of the key standards of conduct, accountabilities and responsibilities for board members.

It should incorporate:

- the standards of conduct and accountabilities in the PAA for board members, individually and collectively
- [Code of Conduct for Directors of Victorian Public Entities](#) ('Directors Code of Conduct')
- good public sector governance practice.

DELWP offers a **model policy**. Your board's policy should be consistent with the DELWP model policy.

### Why have a policy?

The Victorian Public Sector Commission has issued the Directors' Code of Conduct. Why have a board policy?

### Answer

- Other 'conduct' obligations also bind your agency, some of which are a higher source than the Directors' Code of Conduct – e.g. the PAA (ss 79, 80, 82, 85, etc.).
- Your agency's policy is a consolidated statement of these obligations (a 'one stop shop' for the standards you must uphold).
- Section 81 of the PAA requires your agency to have a code of conduct.

### Directors' Code of conduct

You must comply with the [Directors' Code of Conduct](#), which reflects the standards of conduct established by law and good governance practice, in particular, established by the PAA in relation to:

- **individual** board members (s 79 - below)
- the **board collectively** (s 81, 82, 85 – next column).<sup>1 2</sup>

The Directors' Code of Conduct also promotes adherence to the public sector values of integrity, impartiality, accountability, respect, responsiveness, human rights, and leadership in s 7 of the PAA.

### Duties of directors (s 79 PAA)

The PAA sets standards of conduct for board members. It is essential that you comply with these standards, which are contained in the 'duties of directors' (board members) in s 79 of the PAA. You must:

- act honestly, in good faith in the best interests of the agency, with integrity, in a financially responsible manner, with a reasonable degree of care, diligence and skill, and in compliance with the establishing Act and any subordinate instrument;
- maintain confidentiality, *even after your appointment expires or otherwise terminates*;
- avoid improperly using your position or any information that you acquire in your role as a board member to gain advantage for yourself or another person or to cause detriment to the agency; and
- if standing for election to parliament (federal, state or territory) or local council:
  - notify the board, for recording in the minutes
  - avoid using any resources of the agency in connection with your candidature.<sup>3</sup>

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<sup>1</sup> The Directors' Code applies to board members (directors) of all Victorian public entities.

<sup>2</sup> The chair's role involves additional requirements, such as providing board members with ready access to the board's policies, etc. - s 80 of the PAA.

<sup>3</sup> If standing for election, see DELWP's guidance note on this topic, in the *Public Administration Act* support module.

### Collective accountabilities

The board must comply with its collective accountabilities and responsibilities, including:

- **Accountability to the minister**

The board must act in accordance with its collective accountability to the Minister.<sup>4</sup>

- **Functions and powers**

The board must ensure that all of its actions and decisions are consistent with the functions and powers in the establishing Act and with the agency's strategic plans, business plans, and related documents.<sup>5</sup>

- **Major risks**

The board must inform the minister and the Secretary of DELWP of all known major risks (existing and emerging) to the effective operation of the agency and of the management systems in place to address those risks.<sup>6</sup>

- **Information to Minister and Secretary**

Unless prohibited by law, the board must provide any information relating to the agency or its operations that the minister or Secretary of DELWP requests.<sup>7</sup>

- **Loans**

The board must not make loans, directly or indirectly, to any board member or relative of a board member, or provide a loan guarantee or security for them.<sup>8</sup>

### Establishing Act

You must comply with any conduct requirements specified in your agency's establishing Act.

### Board policies

You must comply with the board's policies and procedures.

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<sup>4</sup> Consistent with s 85(1) of the PAA.

<sup>5</sup> Consistent with s 81(1)(a) of the PAA.

<sup>6</sup> Consistent with s 81(1)(b) of the PAA.

<sup>7</sup> Consistent with s 13A and s 81(1)(c) of the PAA.

<sup>8</sup> Consistent with s 82 of the PAA.

### Employment principles

If your agency has a Chief Executive Officer ('CEO') and/or other employees, the board must treat them in accordance with the **public sector employment principles** in s 8 of the PAA and related [standards](#), and must ensure that the CEO has mechanisms in place to apply these principles throughout the agency.

The applicable principles are:

- (a) employment decisions must be based on merit;
- (b) employees must be treated fairly and reasonably;
- (c) there must be equal opportunity employment;
- (ca) Victoria's Charter of Human Rights and Responsibilities must be upheld; and
- (d) employees must have a reasonable avenue of redress against unfair or unreasonable treatment.

The board must also ensure that the CEO complies with the [Code of Conduct for Victorian Public Sector Employees](#), and that he/she has mechanisms in place to ensure that all other employees comply with that Code.

### Culture of integrity

To foster a culture of integrity, it is essential that board members, employees, and external stakeholders are supported to raise integrity issues.

Your board must take decisive action against any person who discriminates against or victimises a person who speaks up in good faith about a possible breach of Code of conduct policy.

### Further information

On Board ([www.delwp.vic.gov.au/onboard](http://www.delwp.vic.gov.au/onboard)), in particular, the [Code of conduct](#) support module.

DELWP also offers support to its agencies through DELWP divisions and regional offices. Please contact your agency's usual DELWP relationship manager or team or phone the Customer Service Centre on 136 186.

This document is available from the internet at [www.delwp.vic.gov.au/onboard](http://www.delwp.vic.gov.au/onboard)

For more information contact the DELWP Customer Service Centre 136 186

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