

Board members of major DELWP agencies

Your board's *Integrity framework* (consolidated code of conduct) should be consistent with this model policy. It replaces the *Code of conduct* model policy.

About the model policy

This model policy is for boards of the over 100 major agencies (e.g. large public entities) in the Department of Environment, Land, Water and Planning (DELWP) portfolio, including category 1 and 2 committees of management of Crown land reserves.¹

Policy requirement

Your board should have an *Integrity framework* (consolidated code of conduct) for board members.

The board's integrity framework should be consistent with the **DELWP model policy on *Integrity framework***, which replaces the *Code of conduct* model policy previously issued by DELWP. It incorporates:

- integrity obligations in the Public Administration Act 2004 (PAA)
- [Code of Conduct for Directors of Victorian Public Entities](#) (Directors' Code of Conduct)
- other public sector integrity obligations and good practice.

Even if these obligations are not legally binding on your agency, they are **basic good governance practice** for the boards of all DELWP agencies.^{2 3}

Purpose of your board's policy

The purpose of your board's integrity framework is to **consolidate** the key standards of conduct and accountabilities for board members into a single, easy to read policy.

¹ For small, 'category 3' committees of management, see www.delwp.vic.gov.au/committees.

² The requirement for the board to have a code of conduct is consistent with s 81(1)(e) of the PAA.

³ Almost all DELWP agencies are public entities and are therefore subject to the PAA and related codes and obligations (e.g. Directors' Code of Conduct). Most, except usually small 'category 3' committees of management of Crown land reserves, are bound by Divisions 2 and 3 of Part 5 of the PAA (s 79 to s 85), which apply to public entities established after 1 July 2005 OR included in an Order made by the Governor in Council under s 75(a) of the PAA and published in the Government Gazette (e.g. alpine resort management boards) OR whose establishing Act has been amended to make the agency subject to those provisions (e.g. CMAs and water corporations).

Adapting the model policy

If your agency's establishing Act (or terms of reference) contains additional or stronger requirements than the model policy, the model policy **must** be adapted to include them.

Terms of reference

If your agency is established by **Terms of reference**, adapt the model policy accordingly.

Terminology

The model policy uses generic terms. Your agency can substitute its own terms, for example:

- *board*: committee, panel, etc.
- *board member*: director, committee member, etc.

Advice from DELWP

If your agency intends to adapt the model policy, DELWP's relationship manager or team can be contacted for advice.

Further information

On Board

For further information see the [Integrity framework](#) support module on DELWP's governance website, **On Board** (www.delwp.vic.gov.au/onboard). It includes this model policy and an 'overview' guidance note for induction kits, plus direct links to the topic on the Victorian Public Sector Commission website.

DELWP relationship manager and team

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

Why have an integrity framework?

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

Answer

- Other integrity obligations also apply to your board, some of which are a higher source than the Directors' Code of Conduct – e.g. s 7, 8, 13A, 79, 80, 81, 82, and 85 of the PAA.
- The framework is a **consolidated code of conduct**. It incorporates the integrity standards that board members must comply with into a single, easy to read policy.
- Section 81 of the PAA requires boards to have a code of conduct.

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Integrity framework

(Consolidated code of conduct)

Board policy

1. Purpose and scope

This integrity framework consolidates the key standards of conduct and accountabilities that apply to board members, collectively and individually, into a single policy. The framework incorporates:

- integrity obligations and accountabilities in the Public Administration Act 2004 (PAA);
- the [Code of Conduct for Directors of Victorian Public Entities](#) ('Directors' Code of Conduct'); and
- other public sector integrity obligations and good practice.

2. Key principles

- **Obligations:** the board acts in accordance with its obligations and good public sector governance practice.
- **Public interest:** the board acts in the public interest. Board members comply with the required standards of integrity. They place the public interest above their own interests when carrying out their official duties.
- **Culture of integrity:** the board models and fosters a culture of integrity. Board members, employees and external stakeholders are supported to raise integrity issues.

The board's policy is consistent with the *Integrity framework model policy* published by the Department of Environment, Land, Water and Planning ('DELWP').¹

3. Overview

The public sector values in section 8 of the PAA are the cornerstone of the board's integrity framework. Other integrity obligations in or issued under the PAA, such as the Directors' Code of Conduct, flow from these values.

The framework also includes integrity obligations in applicable laws and regulations, such as any specific integrity obligations in the *[insert name of establishing Act]* ('the establishing Act'); government policy; directions, guidelines and/or statements of expectation *[include if applicable 'or obligations']* issued by the Minister or the Secretary of DELWP; the board's own policies; and any relevant policies and processes or other documentation of the agency.

A diagram of the board's integrity framework is set out in Appendix 2.

¹ The model policy is available from DELWP's governance website, On Board (www.delwp.vic.gov.au/onboard).

4. Public sector values

All board members have a fundamental obligation to comply with the public sector values in section 7 of the PAA and to incorporate these values into their decision-making. The values, which are responsiveness, integrity, impartiality, accountability, respect, leadership, and human rights, are set out in Appendix 1.

5. Directors' code of conduct

Board members must comply with the [Directors' Code of Conduct](#) issued under the PAA by the Victorian Public Sector Commission ('VPSC'). It includes integrity requirements that reinforce the public sector values and related obligations in the PAA, in particular:

- **individual board members** (s 79); and
- the **board collectively** (s 13A, 80, 81, 82, 85).

6. 'Duties of directors' (s 79)

Board members must act consistently with the 'duties of directors' (board members) in s 79 of the PAA. These duties expand on the public sector values, requiring board members to:

- **Performance of duties:** 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;
- **Confidentiality:** maintain confidentiality, even after their appointment expires or otherwise terminates;
- **Use of information:** avoid improperly using their position or any information acquired in their role as a board member to gain advantage for themselves or another person or to cause detriment to the agency; and
- **Elections:** if standing for election to parliament (federal, state or territory) or local council:
 - formally notify the board, for recording in the minutes; and
 - avoid using any resources of the agency in connection with their candidature.²

7. Board's collective integrity

The board must comply with its collective integrity obligations, including:

- **Functions and powers:** the board must ensure that all its actions and decisions are consistent with:
 - the functions and powers in the establishing Act; and
 - the agency's strategic plans, business plans, and related documents.³
- **Accountability to the Minister:** the board must act in accordance with its collective accountability to the Minister.⁴
- **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 that are in place to address those risks.⁵

² If standing for election, see DELWP's guidance note on this topic in the [Terms and Conditions of Appointment](#) support module on On Board (www.delwp.vic.gov.au/onboard).

³ Consistent with s 81(1)(a) of the PAA.

⁴ Consistent with s 85(1) of the PAA.

⁵ Consistent with s 81(1)(b) of the PAA.

- **Information to the 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.⁶
- **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.⁷

8. Establishing Act

Board members must comply with any integrity requirements specified in the establishing Act or any related regulations.

[For waste resource and recovery groups, CMAs, water corporations, and other agencies whose establishing Act specifies conflict of interest requirements insert: 'For details see the board's policy on Conflict of Interest'.]

9. Board policies

Board members must comply with the board's policies and procedures *[if applicable, insert: 'and the board charter']*. Of particular relevance are the board's integrity policies on:

- Conflict of interest
- Gifts, benefits and hospitality⁸
- Board meetings and decisions
- *[The board can choose to insert other policies with an integrity focus].*

The chair will ensure that up to date copies of all board policies (and other policies of the agency) are provided to, or readily accessible to, each board member.⁹ This includes ensuring that each new board member is aware of the board's policies and the importance of complying with them.

10. Employees and integrity

[Insert the following section if the agency has employees.]

Public sector employment principles

The board must treat the Chief Executive Officer ('CEO') and other employees of the agency in accordance with the public sector employment principles in section 8 of the PAA and related [employment standards](#)¹⁰ and must ensure that the CEO has mechanisms in place to apply and promote the principles and standards 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.

⁶ Consistent with s 13A and s 81(1)(c) of the PAA.

⁷ Consistent with s 82 of the PAA.

⁸ Incorporates the *Minimum accountabilities for the management of gifts, benefits and hospitality* issued by the VPSC.

⁹ Consistent with s 80 of the PAA.

¹⁰ Issued by the VPSC under s 62 of the PAA.

Code of Conduct for Victorian Public Sector Employees

The board must ensure that the CEO complies with the public sector values, the [Code of Conduct for Victorian Public Sector Employees](#), and related employee integrity obligations (e.g. in the agency's policies) and has mechanisms in place to:

- assist executives and other employees to understand that the agency is part of the Victorian public sector and that, as public sector employees, they must also comply with those obligations;
- promote compliance with employee integrity obligations, including providing each new employee with a copy of the [Code of Conduct for Victorian Public Sector Employees](#) as part of their induction; and
- ensure that employees understand that a breach of their integrity obligations may constitute misconduct.¹¹

Contracts for 'in house' contractors and consultants

Contracts for 'in house' contractors and consultants, including those engaged through an employment firm, must explicitly state that the person is bound by the [Code of Conduct for Victorian Public Sector Employees](#) and by the integrity (e.g. conflict of interest) and other relevant policies that apply to the agency's employees.¹²

11. Culture of integrity

Integrity processes and reporting

The board must ensure that the CEO has suitable processes in place to meet the agency's integrity and related reporting obligations, including the CEO's own obligation to report to the Independent Broad-based Anti-corruption Commission ('IBAC') any conduct that he or she suspects on reasonable grounds is corrupt.¹³

Speaking up

It is essential that board members, employees, and external stakeholders are supported to raise integrity issues, including queries and issues relating to their own conduct or that of others. The board will ensure that the CEO has processes in place to support this occurring.¹⁴

Decisive action will be taken against any person who discriminates against or victimises a person who speaks up in good faith about a possible breach of this policy.

¹¹ Consistent with section 7(2) of the PAA.

¹² This requirement applies to contracts with all contractors or consultants who:

- supervise employees of the agency;
- undertake work similar in nature to the work undertaken by employees of the agency at a premises or location generally regarded as a workplace of the agency; and/or
- use or have access to the agency's resources or information not normally accessible or available to the public.

¹³ Consistent with s 57 of the Independent Broad-based Anti-corruption Commission Act 2011.

¹⁴ If the matter involves corruption or serious misconduct, a person can choose to instead report the matter to IBAC as a protected disclosure. Making a 'complaint' to IBAC under the *Protected Disclosures Act 2012* gives legal protection to the person making it that their identity will remain confidential and they will be protected from reprisals.

12. Advice

A board member who is unsure of the application of this policy, or any integrity matter, should seek advice from the chair. The Secretary of DELWP can provide advice on integrity matters to the chair, or, if the chair's conduct is the subject of the query, to a board member.

13. Breach of this framework

A breach of a board member's integrity obligations may constitute misconduct and may result in the board member being removed from the board.¹⁵

14. Regular review of this framework

The board will review this integrity framework on an annual basis or more frequently, if required, to keep up-to-date with changes to laws, government policy, etc. The framework should be consistent with the most recent version of the DELWP model policy. This framework was **last reviewed on** *[insert]*.

15. Further information

For further information see the [Integrity framework](#) support module on DELWP's governance website, **On Board** (www.delwp.vic.gov.au/onboard).

¹⁵ Depending on the obligation breached and the nature and severity of the breach, it may also result in civil and/or criminal proceedings against the board member.

Appendix 1: Public sector values

The public sector values, as set out in s 7 of the Public Administration Act 2004, are:

- (a) **responsiveness** — public officials should demonstrate responsiveness by:
 - (i) providing frank, impartial and timely advice to the Government; and
 - (ii) providing high quality services to the Victorian community; and
 - (iii) identifying and promoting best practice;
- (b) **integrity** — public officials should demonstrate integrity by:
 - (i) being honest, open and transparent in their dealings; and
 - (ii) using powers responsibly; and
 - (iii) reporting improper conduct; and
 - (iv) avoiding any real or apparent conflicts of interest (see footnote);¹⁶ and
 - (v) striving to earn and sustain public trust of a high level;
- (c) **impartiality** — public officials should demonstrate impartiality by:
 - (i) making decisions and providing advice on merit and without bias, caprice, favouritism or self-interest; and
 - (ii) acting fairly by objectively considering all relevant facts and fair criteria; and
 - (iii) implementing Government policies and programs equitably;
- (d) **accountability** — public officials should demonstrate accountability by:
 - (i) working to clear objectives in a transparent manner; and
 - (ii) accepting responsibility for their decisions and actions; and
 - (iii) seeking to achieve best use of resources; and
 - (iv) submitting themselves to appropriate scrutiny;
- (e) **respect** — public officials should demonstrate respect for colleagues, other public officials and members of the Victorian community by:
 - (i) treating them fairly and objectively; and
 - (ii) ensuring freedom from discrimination, harassment and bullying; and
 - (iii) using their views to improve outcomes on an ongoing basis;
- (f) **leadership** — public officials should demonstrate leadership by actively implementing, promoting and supporting these values;
- (g) **human rights** — public officials should respect and promote the human rights set out in the Charter of Human Rights and Responsibilities by:
 - (i) making decisions and providing advice consistent with human rights; and
 - (ii) actively implementing, promoting and supporting human rights.

¹⁶ Where it is not possible to avoid a conflict of interest, it must be declared by the board member and managed by the board in accordance with its policy on Conflict of Interest.

Appendix 2: Diagram of the integrity framework

Integrity framework (consolidated code of conduct) for board members

