

Terms and conditions of appointment

(2) Remuneration and expenses – VCC and RCBs

Guidance note for the Victorian Coastal Council and regional coastal boards

This guidance note is for use by board members of the Victorian Coastal Council (VCC) and Victoria's three regional coastal boards (RCBs).

The Department of Environment, Land, Water and Planning (DELWP) is responsible for the support and oversight of the VCC and RCBs on behalf of the Minister for Environment, Climate Change and Water.

Introduction

Under clause 3(1) of the Schedule to the *Coastal Management Act 1995* (the Act), members of the VCC and RCBs who are not full-time employees of the public service may receive remuneration and allowances as fixed by the Governor in Council.

The [Appointment and Remuneration Guidelines](#) issued by the Victorian Government are the basis for determining the level of remuneration for appointments. The Minister makes recommendations to the Governor in Council about the sessional fee, based on the remuneration bands contained in Schedules A to D of the Guidelines.

Under the Guidelines:

- the VCC is a Group B Band 1 (sessional) organisation
- RCBs are Group C Band 2 (sessional) organisations.

Rates payable

For the period 22 September 2015 to 30 June 2018, the Governor in Council has fixed remuneration and allowances for eligible members as:

- **VCC:** remuneration per sitting day for the chairperson is \$447 and for eligible members is \$357.
- **RCBs:** remuneration per sitting day for the chairperson is \$313 and for eligible members is \$205.
- **VCC and RCBs:** all members are entitled to be reimbursed for reasonable expenses incurred. The rate and conditions of reimbursement are set as consistent with those for DELWP employees.

The daily sitting fees fixed by the Governor in Council are the **maximum payable** under the Guidelines.

Payment of sessional fees

The Guidelines state that payment for official duties can be made for:

- attendance at meetings, including official committee meetings of the VCC/RCB and other necessary activities, such as group site visits
- formal visits with industry representatives
- in special circumstances **authorised by the minister**, days spent on additional work directly related to the business of the VCC/RCB, such as the preparation of reports formally commissioned for a meeting or for Government. If substantial blocks of time are involved, a separate rate should be negotiated.

When payment should not be made

It is important to note that payment should not be made for:

- individual research or reports (unless authorised by the Minister); or
- preparation time and travel time for meetings, as this is incorporated into the daily fee.

It is also important to note that the Victorian Government's default position is that any overpayments must be repaid.

Reimbursement of reasonable expenses

The Guidelines outline examples of what can be considered 'reasonable' out-of-pocket expenses:

'travelling, accommodation, meals and other incidental expenses associated with attendance at meetings, overnight absence from home or absence from the normal work location in the course of field duties'.

As previously noted, travel time is already incorporated into the sitting fees for the VCC and RCBs. However, certain travel expenses may be claimable.

Reimbursement of reasonable expenses must be consistent with the rates and conditions applicable to DELWP employees. For details, see DELWP's *Domestic Travel Policy* and *Vehicle Use Business Rule*, which are available from the VCC executive officer and RCB coordination managers.

'First principles' approach

The Guidelines set out the circumstances in which sitting fees can be paid. The VCC and RCBs should determine which of their activities fall within the broad categories provided in the Guidelines. In doing so, the VCC/RCB should have regard to:

- its statutory functions under the *Coastal Management Act*
- any strategic or business plan or work program for the VCC/RCB, including its annual budget
- Government policy;
- any directions, guidelines and/or statements of obligation or expectation issued by the Minister
- the duty of board members (directors) under s 79(1) of the *Public Administration Act 2004* (PAA) to act honestly; in good faith in the best interests of the entity; with integrity; in a financially responsible manner; with a reasonable degree of care, diligence and skill; and in compliance with the *Coastal Management Act*.

Note that under s 79(3) of the PAA a member must not use their position to gain advantage for themselves or another person or to cause detriment to the VCC/RCB.

(Please also note that this is not an exhaustive list. Other factors may need to be considered.)

Examples

Examples of where the 'first principles' approach should be applied are:

- **Attendance at conferences:** payment of sitting fees for attendance at conferences should be considered on a case by case basis to determine if it is a 'necessary activity'. Use the 'first principles' approach to determine if the member should be paid. Preferably, determine this prior to the member committing to attend the conference, so they know the situation in advance. In light of the VCC and RCB's functions and limited budgets, it is likely that there will be very limited circumstances in which individuals should receive sitting fees for attending conferences.
- **Meeting with Secretariat:** if the chair or an individual member meets with the Secretariat (VCC executive officer or RCB coordination manager), consider the form and content of the meeting to determine whether payment is applicable. If the meeting is pre-arranged with an agenda relating to the work of the VCC/RCB, payment for official duties will usually be reasonable. It is recommended that the VCC/RCB set criteria for when a meeting with the Secretariat is eligible for payment and record them in the minutes, for entry into the Business Guidelines.

In either of the above scenarios, if 'special circumstances' are applicable, the VCC/RCB may seek approval from the Minister for payment of sitting fees for the activity.

Financial delegation

The Guidelines do not cover the financial relationship between the DELWP and the VCC/RCB. However, the department currently allocates staff time (executive officer or coordination manager) and financial resources to the VCC/RCB.

Financial delegation responsibilities remain with DELWP. They are delegated to, and exercised by, the executive officer or coordination manager on behalf of DELWP, not the VCC/RCB.

The effectiveness of this arrangement relies on the VCC/RCB sharing responsibility for ensuring that their activities are carried out within the resource base provided by DELWP.

The VCC/RCB (not the chairperson alone) is able to make decisions relating to the use of the financial resources it has access to. The VCC/RCB is collectively accountable to the Minister for its decisions, which must be in line with:

- the VCC's/RCB's statutory functions under the *Coastal Management Act*
- the VCC's/RCB's strategic or business plan or work program
- the annual approved budget from DELWP
- Government policy
- any directions, guidelines and/or statements of obligation of expectation issued by the Minister
- the VCC's/RCB's *Meetings and Decisions Policy*, including ensuring that the decision is in the public interest and that it is valid
- the duties of members under the PAA and related Director's Code of Conduct.

In making its decision, the VCC/RCB must also ensure that it:

- acts in accordance with DELWP's financial policies
- is respectful of the responsibilities that the executive officer/coordination manager holds as DELWP's financial delegate. These responsibilities include:
 - only approving expenditure:
 - ✓ up to their delegated limit
 - ✓ within their functional area of responsibility
 - ✓ where there is clear purchase documentation and standard purchasing process has been followed including contract/tender requirements.
 - exercising their financial delegation in accordance with DELWP policy, including the *Financial Code of Conduct Policy*

- not being coerced by others, including management, in the exercise of their financial delegation
- not approving payments if there is an actual or perceived conflict of interest.

(Please note that this is not an exhaustive list and there may be other factors that need to be considered.)

6. Related Model Policies

- Meetings and Decision-making
- Code of Conduct
- Gifts, Benefits and Hospitality.

7. Further information

Model policies and guidance notes can be downloaded on DELWP's governance website, On Board (www.delwp.vic.gov.au/onboard). In particular, see the [Terms and Conditions of appointment](#) support module, in which this guidance note is located.

The *Appointment and Remuneration Guidelines* can be downloaded from the Department of Premier and Cabinet's website

(www.dpc.vic.gov.au/index.php/policies/governance/appointment-and-remuneration-guidelines).

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