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|   | Governance e-alertNo. 3 – April 2016 |  |

#  Welcome

Welcome to the 3rd edition of the Department of Environment, Land, Water and Planning's (DELWP's) governance e-alerts. I am writing to you as Acting Secretary whilst Adam Fennessy takes a break.

As foreshadowed in Adam’s most recent governance e-alert, the Victorian Public Sector Commission (VPSC) has now released an update to the *Code of Conduct for Directors of Victorian Public Entities*, effective as of 29 March 2016.

You may recently have received an email from Ms Belinda Clark, VPSC Commissioner, providing a [link to the new Code](http://vpsc.vic.gov.au/directors-code-of-conduct/?utm_medium=email&utm_campaign=Code%20of%20Conduct%20for%20Directors&utm_content=Code%20of%20Conduct%20for%20Directors+CID_fdd1b51e8df16069a44403c7f45b2a48&utm_source=Campaign%20Monitor%20Email&utm_term=Find%20out%20more%20about%20the%20code). Such is the importance of the new Code that l am also writing to ensure that you are aware of its release and to urge you to familiarise yourself with its requirements as soon as possible. This is of particular importance if you are a board member of one of DELWP’s portfolio agencies or your role involves providing support to board members.

The release of the new Code is a timely reminder that every board member has a binding duty to uphold the standards of integrity and conduct which are the basis of its requirements. By modelling the values and behaviours contained in the Code, board members will also be helping to fulfil the stewardship role of their board. This is essential for ensuring that their organisation’s culture, and the actions of its people, reflect the public sector values.

I commend the new Code to you and urge your organisation to ensure that a copy of it is distributed to all current board members and is included in the [induction kit](http://www.depi.vic.gov.au/about-us/boards-and-governance/on-board-governance-guides-and-resources/induction-and-continuing-education) of all future board members.

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Some of the key changes to the *Code of Conduct for Directors of Victorian Public Entities* include that:

* In addition to being binding on board members of public entities, the new Code is now also binding on the holders of statutory office (e.g. members of ministerial advisory committees appointed under statute).
* The new Code includes a range of obligations not previously in the Code, some of which reflect/expand upon requirements in the *Public Administration Act 2004* (PAA). Some new obligations apply to the board as a whole, others apply to board members individually or to the chair. Examples of obligations which are new to the Code include the need to ensure that:
* Information is provided by the board to DELWP, when requested, consistent with section 13A the *Public Administration Act 2004* (PAA).
* Certain board policies are in place, consistent with section 81 of the PAA. (Please note that your board’s policies should be consistent with the DELWP [model policies](http://www.depi.vic.gov.au/about-us/boards-and-governance/on-board-governance-guides-and-resources/model-policies/_nocache) on these topics.)
* Certain processes should be in place to ensure that conflicts of interest are declared and managed in the public interest – e.g. ‘If the board determines that a conflict is material, it makes sure that affected Directors do not participate in the matter at all’. DELWP’s model policy on [Conflict of Interest](http://www.depi.vic.gov.au/about-us/boards-and-governance/on-board-governance-guides-and-resources/conflict-of-interest) satisfies these obligations.
* The board must inform the minister (and the Secretary of DELWP) of known major risks to the effective operation of the agency and of the processes in place to address those risks, consistent with section 81 of the PAA.
* Board members must ‘comply with any government policies and priorities or any ministerial directions’ that affect the agency.
* Board members ‘vote to record their disagreement if they do not believe the financial implications (of a proposed decision) are sufficiently clear or a Board resolution has financial implications that they consider imprudent.’
* Board members ‘speak up when a decision or advice is being considered that may be detrimental to the public interest and vote to record their view’.
* The new Code stresses that ‘a failure to behave in the ways described in the Code may be considered misconduct and in the most serious cases may lead to suspension of removal from office’.

Please note that the above are examples only of some of the changes to the Code. Whilst the new Code is consistent with the previous version, it is a complete revision and has considerably more content and obligations. It is essential for all board members to [read it in full](http://vpsc.vic.gov.au/directors-code-of-conduct/?utm_medium=email&utm_campaign=Code%20of%20Conduct%20for%20Directors&utm_content=Code%20of%20Conduct%20for%20Directors+CID_fdd1b51e8df16069a44403c7f45b2a48&utm_source=Campaign%20Monitor%20Email&utm_term=Find%20out%20more%20about%20the%20code).

#  Governance help for DELWP agencies

DELWP’s governance website, On Board, is a ‘one stop shop’ for resources (e.g. model policies, guidance notes, links) for board members of portfolio agencies. A guidance note in the [induction and education](http://www.depi.vic.gov.au/about-us/boards-and-governance/on-board-governance-guides-and-resources/induction-and-continuing-education) support module contains an up to date list of these resources, or visit the [Governance guides and resources](http://www.depi.vic.gov.au/about-us/boards-and-governance/on-board-governance-guides-and-resources/_recache) page. DELWP agencies are also supported through our divisions and regional offices. If you are a member of a DELWP agency and have a governance query, please contact your agency’s usualrelationship manager or team, or speak to our Customer Service Centre on 136 186.

# \\internal.vic.gov.au\DEPI\HomeDirs1\DO20\Desktop\Docklands.jpg Other interested readers?

If you know someone who may be interested in receiving DELWP governance e-alerts, please forward this email to them. Interested readers can [subscribe to receive e-alerts](http://eepurl.com/bfeumr). Board members, executives and staff of DELWP agencies and DELWP governance staff are particularly encouraged to subscribe.

Regards,

Kathryn Anderson

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**Previous e-alerts:** see the [e-alert support module](http://www.depi.vic.gov.au/about-us/boards-and-governance/on-board-governance-guides-and-resources/e-alerts-and-news) on DELWP’s governance website, On Board.

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* Victorian Public Sector Commission's [e-news](http://vpsc.vic.gov.au/about-vpsc/subscribe-to-enews/) and [governance insights](http://vpsc.vic.gov.au/resources/governance-insights/)
* Victorian Ombudsman's [media alerts](https://www.ombudsman.vic.gov.au/Media/Register-for-Media-Alerts)
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