

Changes to the Code of Conduct for Directors of Victorian Public Entities



**Victorian
Public Sector
Commission**

The code was reviewed in consultation with departmental governance experts, directors and the Australian Institute of Company Directors (AICD).

This is the third code of conduct the Victorian Public Sector Commission has issued. The other two are the employee and special bodies codes. Each has a similar introduction but this code describes the values in terms of the collective and individual responsibilities of directors. The code also applies to statutory office holders other than statutory office holders of special bodies.

The code now explicitly refers to the duties of boards and chairpersons in addition to the duties of directors (sections 79 – 82, 85 and 89 of the *Public Administration Act 2004*).

The code recognises the strengthened relationship between departments and public entities following amendment of the Act. It says the board should provide sufficient information for the department to advise the Minister on the public entity's activities (clause 2.1).

The code provides practical guidance to directors. Some of the material previously in the guidance notes has been included in the code. Additional guidance has been added to some sections including how to manage conflicts of interest and duty (clauses 2.5 and 3.12).

Table 1: Summary of the changes to the code

2006 Code	2016 Code
Title: Directors' Code of Conduct and Guidance Notes	Title: Code of Conduct for Directors of Victorian Public Entities

2006 Code

Instrument: Applies to directors

2016 Code

Instrument: Applies to directors and statutory office holders other than statutory office holders of special bodies

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Foreword

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Public sector values

About this code

- Where do board duties come from?
- Who issued the code of conduct?
- Why was the code issued?
- What does it mean for me?
- How can I be sure I am complying with the code?
- Where do I go for further information

Introduction

- Purpose of code
- Other available guidance
- Professional codes of conduct
- Breach of this code

NB: information about board responsibilities was previously included in the guidance notes.

Board

- Leadership and stewardship
- Board authority and delegation
- Best interest of the public entity
- Risk management and financial responsibility
- Conflicts of interest and duty



2006 Code

Directors' code of conduct

- Act with honesty and integrity
- Act in good faith in the best interest of the public entity
- Act fairly and impartially
- Use information appropriately
- Use your position appropriately
- Act in a financially responsible manner
- Exercise due care, diligence and skill
- Comply with establishing legislation
- Demonstrate leadership and stewardship

Guidance notes

2016 Code

Directors

- *Duties of the chairperson*
- Leadership and stewardship
- Complying with establishing legislation *and board policies*
- Care, diligence and skill
- Best interests of the public entity
- Proper use of position
- Proper use of information
- *Standing for election*
- Fairness and impartiality
- Financial responsibility
- Honesty and integrity
- Conflicts of interest *and duty*

NB: Some of this material has been included in the board and directors sections of the code

