

OFFICIAL

# GUIDE TO GOOD GOVERNANCE AND PORTFOLIO PERFORMANCE

JUNE 2025



Jobs, Skills,  
Industry  
and Regions

OFFICIAL

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## Secretary's Foreword

The Department of Jobs, Skills, Industry and Regions is committed to fostering economic development across Victoria.

Together with our 65 portfolio entities, we deliver policies and programs that support industries and businesses to grow, create jobs and opportunities, attract investment and visitors, and enrich communities around the state.

While our remit is broad, we are united by a shared focus on building a stronger economy and a better future for Victorians.

To achieve this, good governance is fundamental. It's a precondition for high performance and critical for upholding public trust in our work.

That's why I'm proud to introduce this updated *Guide to Good Governance and Portfolio Performance*.

This guide is a practical tool that helps the department and its entities to understand and meet our planning, financial management, performance, risk, governance and integrity requirements. It is a one-stop-shop for information and advice about the obligations the department and its entities hold under legislation and as part of department oversight arrangements.

The guide also sets out expectations for entity governance with clear and agreed roles, ensuring we get the balance right between oversight and independence. Collaboration is a key thread, made clear through the obligations the department and its entities hold to each other.

The guide is updated annually and, this year, includes contemporary advice to help the department and its entities identify and manage evolving risks in areas such as cyber security and integrity.

The department also provides support through a network of relationship managers assigned to each entity, serving as a single point of contact for all governance matters.

With these supports, we are well placed to demonstrate good governance and deliver on our promise to drive economic development and ensure Victoria is the best place to live, work, stay, experience, invest and study.



**Matt Carrick**

**Secretary  
Department of Jobs, Skills, Industry and Regions**

## 1 Purpose of this Guide

An essential element of good public administration is the existence of a governance framework, which clearly sets out the expectations of ministers and their departments when portfolio entities exercise their functions and powers.

Effective governance also relies on ministers, departments and entities working well together and departments providing support and guidance to entities in their portfolios. This requires clarity about respective roles and responsibilities and a shared understanding of how these roles will be undertaken.

Accordingly, the Department of Jobs, Skills, Industry and Regions (the department) has developed the Portfolio Governance Framework (governance framework) to apply to the department and its portfolio entities. The governance framework aims to:

- encourage better alignment of the portfolio's strategic priorities
- improve coordination and collaboration to enhance performance across the portfolio
- effectively identify and resolve risks and issues.

This *Guide to Good Governance and Portfolio Performance* (guide) sets the minimum standards for the governance framework for the department and its portfolio entities.

The guide also outlines the support and guidance that the department will provide to entities to support the achievement of portfolio objectives while meeting legislative, governance and public administration requirements.

The guide is not intended to substitute Whole-of-Victorian Government (WoVG) principles, guidelines, policies and circulars, or intended to be a substitute for entity compliance with Victorian and Australian legislation. The guide does not replace or supersede the enabling legislation of entities and in the event of a conflict, the latter will take precedence over the guide.

It is recognised that the guide does not cover all aspects of governance and that it will continually mature through annual reviews. Feedback on the guide is encouraged and will be routinely sought by the department. Any questions or comments on the contents of the guide should initially be directed to your nominated department relationship manager (RM).

## 2 Background

The department is committed to supportive and constructive behaviours that contribute to collaborative relationships between ministers, the department and portfolio entities.

This collaborative approach is reinforced by the *Public Administration Act 2004* (PAA), which outlines a department secretary's responsibilities in respect to entities and in turn the obligations of entities to the secretary (as head of the department). In 2014, the Parliament of Victoria passed legislation introducing a new section 13A of the PAA, which outlines a secretary's obligations in relation to portfolio entities. These obligations are:

- advising the minister on matters relating to the entity, including discharge of the entity's responsibilities under legislation
- working with the entity to assist with matters relating to public administration and governance
- providing guidance to the entity to assist with matters relating to public administration and governance obtaining information from the entity so the above tasks can be performed.

Section 13A of the PAA does not allow the secretary to direct or control an entity. Entities also have obligations under the PAA, which mirror those of the secretary, provided under section 81. For example, entities need to inform the minister and secretary of known major risks to the effective operation of the entity and provide the minister with relevant information on request.

In addition, the Standing Directions 2018 *under the Financial Management Act 1994* (FMA) outlines obligations of the department in relation to the financial management of entities. The Standing Directions 2018 require the department to:

- provide advice and support to entities in relation to financial management, performance, and sustainability (Direction 2.3.4 (a))
- support the responsible minister in the oversight of entities and the responsible minister's portfolio as a whole, including providing information to the responsible minister on entities' financial management, performance and sustainability (Direction 2.3.4 (b))
- provide information to the DTF accountable officer to support the government's delivery of sound financial management (Direction 2.3.4 (c)).<sup>1</sup>

Additional requirements under the 2018 updates to the Standing Directions strengthen the chief financial officer's (CFO) accountability to achieve whole-of-government financial objectives by requiring entity's CFOs to:

- support whole of government financial objectives and the principles of sound financial management (Direction 2.4.6.1 (a))
- support their portfolio ministers in relation to the financial management of their department or entity, including issues and risks that may have an impact on the relevant minister's portfolio or the financial performance and position of the state (Direction 2.4.6.1 (b))
- inform the CFO of their portfolio department of issues and risks that may have an impact on the financial performance and position of the state (Direction 2.4.6.3 (a))
- directly provide to their portfolio department factual financial information requested by the department to facilitate reporting and government decision making, within the time provided in the request (Direction 2.4.6.3 (b)).

### 3 Governance Framework Principles

The governance framework and guide are based on the following principles.

#### 3.1 Proportionality

Oversight and monitoring mechanisms should be commensurate with risk and should not create an undue administrative burden for either the department or entities.

#### 3.2 Clear expectations

The department's expectations for entity governance are to be clear and well-defined. The respective roles of entities and the department should be clear and agreed.

#### 3.3 Balancing independence and oversight

The department should balance the imperative for oversight and monitoring with entities' independence.

#### 3.4 Trust, cooperation, and collaboration

The department and entities must commit to maintaining collaborative dialogue and to sharing information in a timely and transparent manner.

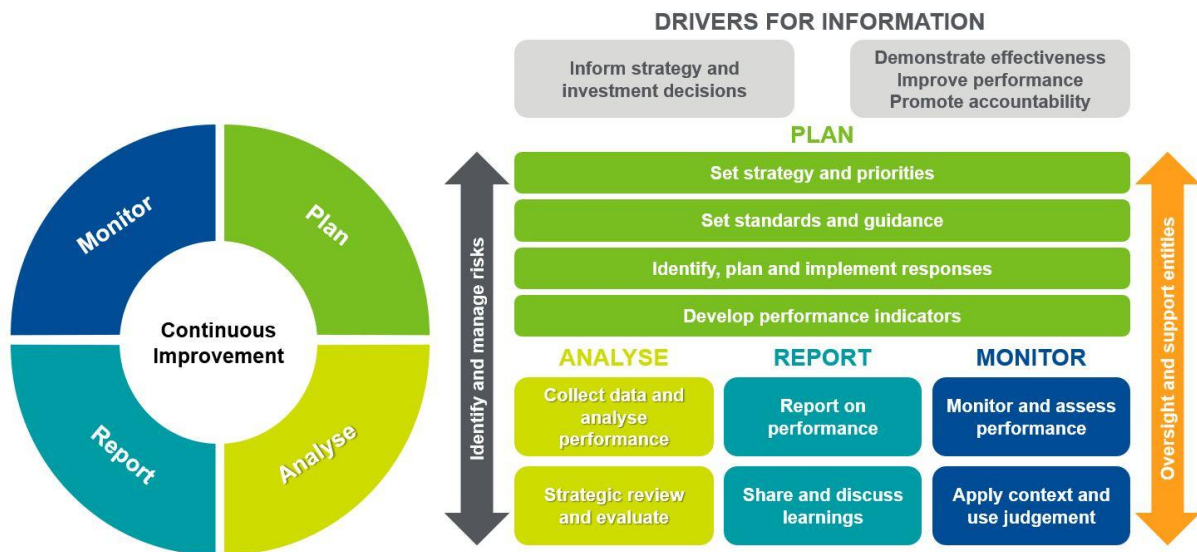
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<sup>1</sup> Sections 23C and 23D of the FMA set out principles of sound financial management.

## 4 Governance Framework Model

The governance framework captures a broad range of areas relating to planning and performance, financial sustainability and accountability applicable to the department and entities.

The governance framework has four key stages: plan, analyse, report and monitor, with elements of risk management, entity support and oversight embedded at each stage.



## 5 Key Governance Requirements

### 5.1 Planning

An effective planning framework is critical to ensuring entity alignment with government priorities and department objectives.

#### 5.1.1 Corporate and business planning

A corporate plan is often a primary planning document for an entity, setting out the medium-term strategic direction. According to the Resource Management Framework (RMF) (July 2024) definition, the medium term covers a rolling 4-year period. It represents an agreement between the entity's board (or equivalent) and the relevant minister. For some entities, corporate planning documentation may also be a legislative requirement.

Entities should develop or review their corporate plan annually. The duration of corporate plans may vary in accordance with the entity's enabling legislation, which may include annual business plans (or others), as stipulated by their legislative provisions. Entities may prepare an annual business plan, as legislatively required or as part of their general governance practices, in lieu of a corporate plan. These business plans should ensure that the entity is on track to deliver its medium-term strategy, as well as report on the progress of key strategic initiatives through the inclusion of achievable and measurable targets and milestones.

The corporate or business plan sets out vision and mission statements, the operating environment, strategic direction, objectives (including deliverables, performance targets and financial commitments and forecasts over the

corporate planning period), commentary on policy obligations performed on behalf of the government, identification of risks (including environmental risk such as climate change and asset risks), and strategies to manage operating costs and achieve operating efficiencies.

Where no explicit mandatory requirements apply, the Standing Directions 2018 under the FMA specifies public sector entity responsibilities to achieve high standards of public financial management and accountability.

When preparing corporate plans, entities should consult with their department RMs early. The collaboration between the department and entities should allow for transparent and constructive discussion on plans. Following a thorough analysis and review from the department, the minister may accept the plan in full or request certain amendments by an entity.

The department may review corporate or business plans prior to submission for ministerial approval. Entity decisions should then be consistent with the agreed strategic direction in the corporate or business plan.

Some entities need to meet the Department of Treasury and Finance's (DTF) requirements set out in the [Corporate Planning and Performance Reporting requirements for Government Business Enterprises](#) (October 2023). The department's [Portfolio Entity Corporate Planning Guidelines](#) specifies which entities the DTF requirements pertain to, as well as providing a more detailed overview of the standards and process.

### 5.1.2 Resource Management Framework

The Resource Management Framework (RMF) was effective from July 2019 and all departments are bound by the RMF in its entirety. Since 1 July 2024, an updated version of the RMF applies, incorporating changes to existing policies as directed by government (see pg. 5, [Changes to the RMF since the 2023-24 published version](#)). This version contains amendments made in June 2024.

The RMF helps Victorian Government departments understand and apply the legal and policy framework that underpins resource management, budgeting, service delivery, accountability and reporting processes.

All Victorian Government departments and specified entities listed in the RMF are required to apply the RMF under the [Standing Directions 2018 under the Financial Management Act 1994](#).

### 5.1.3 Budget formulation

Entities should prepare an annual budget that comprises of a detailed income statement, balance sheet and cash flow for the current financial year. The current financial year budget can be broken down by months. An annual budget should also be developed over the forecast period of the plan (i.e. years 2, 3 and 4).

The annual budget should be consistent with the corporate plan. Entities' budget processes will include:

- the income and key assumptions underpinning the income streams. These assumptions need to be realistic and based on corporate knowledge and trend analysis of actual performance over previous years.
- the expenditure and key assumptions underpinning the expenditure stream. These assumptions need to be rigorous, justifiable, tightly controlled, aligned to the corporate plan and based on and informed by corporate knowledge and trend analysis of actual performance over previous years.
- the key balance sheet, cash flow figures and key assumptions underpinning these items. These assumptions need to be based on and informed by corporate knowledge and trend analysis of actual performance over previous years.
- compliance with the FMA and the Standing Directions of the Minister for Finance (if required).

Entities will outline the following metrics in the corporate plan for the annual budget and following two forecast years (except for entities defined as small, which would only need to calculate the metrics on the annual budget):

- working capital (current assets / current liabilities)
- capex replacement (cash outflow for property plant and equipment / depreciation)
- revenue growth (current year revenue less last year revenue) as a percentage of last year's revenue
- labour growth (current year employee expenses as a percentage of current year revenue less last year's employee expenses as a percentage of last year's revenue).



Entities will seek feedback from the department before finalising and obtaining board approval.

#### 5.1.4 Policy proposals

The development of policy proposals should aim to leverage opportunities for collaboration across portfolios and sectors and for knowledge sharing and capability transfer.

The department will take the lead role in policy setting that require approval from ministers, while actively collaborating with relevant entities.

Entities will contribute to policy discussions, bringing evidence-based and expert perspectives regarding the potential effectiveness of policy options and implementation issues.

The department will support entities seeking legislative amendments that enhance their efficiency and effectiveness, particularly where minor amendments will progress more rapidly as part of a larger portfolio-wide bill.

#### 5.1.5 Budget and funding proposals

Entities are often at the front-end of policy implementation and their operations can be directly impacted by funding and budget decisions. The contribution of entities is therefore vital to generating the best policy and investment proposals and outcomes.

Entity proposals seeking additional budget or other funding need to be raised with the department, with as much advance notice as possible, to allow a coordinated approach across portfolios. Entities should consult with the department regarding any proposals to raise fees or charges, prior to submitting proposals for ministerial/government approval.

DTF requires public non-financial corporations (PNFCs) to provide business cases for capital expenditure for the Treasurer's (and therefore implicitly the minister's) approval before the project commences, as stipulated in DTF's *Corporate planning and performance reporting requirements*.

Entities should engage with the department when developing budget and funding proposals (including requests for Treasurer's Advance) that require DTF input and/or cabinet approval. The department will provide advice, support and coordinate the submission of proposals to DTF for cabinet consideration as and when required.

Entities will provide the department with the necessary information to acquit DTF requirements on investment management standards and investment lifecycle management (to conceptualise, prove, procure, implement and realise).

DTF's [High Value High Risk Framework](#) needs to be followed for budget-funded projects that are:

- considered high risk using DTF's risk-based assessment tool, the Project Profile Model (PPM). PPM is DTF's risk-based assessment tool used to determine whether a project should be subject to the high value high risk (HVHR) project assurance framework.
- considered medium risk using the PPM and have a total estimated investment (TEI) of between \$100 million and \$250 million
- considered low risk using the PPM but have a TEI over \$250 million
- identified by the government as warranting the rigour applied to HVHR investments.

#### 5.1.6 Procurement

The [Victorian Government Purchasing Board](#) (VGPB), established under the FMA, covers end-to-end procurement activity for non-construction goods and services from identifying needs, forward planning and market research through to contract management. The VGPB procurement policy framework recognises procurement as a core business function, using a complexity and risk-based model.

Adherence to the VGPB procurement policy framework ensures that the procurement process is undertaken with integrity, accountability and in the interests of achieving value for money. There are four broad directives or principles which underpin the VGPB procurement policy framework and form the basis on which entities should undertake procurement:

- **Value for Money:** The achievement of a desired procurement outcome at the best possible price, based on a balanced judgement of both financial and non-financial factors.
- **Probity:** Probity requires high standards of behaviour and actions in the conduct of the procurement process. Key elements of probity include equity, confidentiality, avoiding conflicts of interest, and ensuring confidence in the integrity of government procurement processes.
- **Accountability:** The VGPB framework requires that entities have an accountable officer capable of conducting procurement activities using appropriate capability to provide value for money outcomes. The accountable officer will establish the broader procurement governance framework and is accountable for implementation. An accountable officer will establish a chief procurement officer and an internal procurement unit where necessary.
- **Scalability:** Scalability is the relationship between the complexity of a procurement project and the capability of the entity to conduct it to achieve a good procurement outcome.

Specified department entities are required to comply with the VGPB framework; however, all entities are encouraged to align with the framework as a matter of best practice.

Entities should also consider procurement requirements that exist beyond the VGPB, such as relevant Australian Standards and requirements for public construction under the *Project Development and Construction Management Act 1994*. For further information and advice, contact your nominated department relationship manager.

#### 5.1.7 Service Level Agreements (SLA)

Service Level Agreements (SLA) may be required where the department provides services (i.e. legal support, finance, training, travel, or payroll) to entities.

SLAs formalise the agreement between the two parties and set out a minimum level of service along with service standards, targets, costings and terms of payment for those services.

SLAs assist corporate services managers in improving their service relationships and establishing shared arrangements, providing transparency and giving the service provider an opportunity to improve performance, and the customer an opportunity to review priorities. With this in mind, SLAs should incorporate a clear framework for introducing revisions or modifications during the course of the contract.

#### 5.1.8 Statement of Expectations (SOE)

The purpose of a Statement of Expectations (SOE) is to establish clear expectations of entity performance and improvement between responsible ministers and their entities.

SOEs are not a mandatory requirement. However, a well-developed SOE is an opportunity for ministers to provide greater clarity about government directions and objectives relevant to an entity, policies it is expected to observe in conducting its operations and performance targets it is expected to meet.

Where appropriate, the department will prepare a draft SOE, in consultation with the entity, for ministerial approval. Entities should have systems in place to ensure a periodic review of obligations under their SOEs or equivalent governing documents.

Regulatory entities are required to meet DTF's SOE Framework, and it is expected that only one SOE will be required. The requirements for regulatory entities are on the DTF website including the [Statement of Expectations Framework for Regulators](#) and [Towards Best Practice – a guide for regulators](#).

### 5.2 Analyse and Monitor

In line with the principles of good public administration and governance, the governance framework aims to ensure effective oversight of 'arm's-length' entities' activities and outcomes.

#### 5.2.1 Entity review

Consideration needs to be given to when and how entities are reviewed, to ensure that they run efficiently and effectively and that they remain relevant and appropriate.

The minimum expectations for entity reviews are outlined in the [Premier's Circular No. 2013/2: Creation and Review of Non-Departmental Entities](#). Under the requirements of the Circular, entities need to be reviewed within three years of their creation and every six years thereafter.

Reviews of entities will include the following four assessment factors at a minimum:

- Is there a role for government?
- What degree of autonomy from government or ministers is required?
- What is the appropriate form of the entity?
- Can the functions be performed by an existing entity?

Where appropriate, an external reviewer may be appointed to conduct an independent entity review. Entities should consult with their deputy secretary and the department's Corporate Services Group for advice in this regard.

In addition, the department may choose to conduct entity health assessments (if necessary) to assist entities facing challenges, with a tailored treatment plan that could provide additional support or have additional oversight and reporting arrangements.

### 5.2.2 Program evaluations

Entities are responsible for monitoring and evaluating programs and activities to generate evidence of effectiveness and contribute to continuous improvement in program design and implementation. The department's [Monitoring and Evaluation Policy and Standards](#) outlines the consistent minimum approach and expectations encouraged by entities.

The department's *Monitoring and Evaluation Policy and Standards* are in line with the DTF's [Resource Management Framework](#). DTF requires that all departments or entities seeking further funding for activities need to undertake a program evaluation.

## 5.3 Report

Robust performance management and reporting are critical to effectively measure the extent to which objectives are being achieved and services are effectively and efficiently delivered. This is necessary to ensure that public sector accountability requirements for entities are met.

Under section 13A of the *Public Administration Act 2004*, department secretaries need to advise ministers on matters relating to relevant portfolio entities, including in relation to an entity's performance (financial and non-financial, including risk). At the same time, the department is required to provide advice and support to entities on the discharge of their responsibilities.

The key to both entities and the department effectively fulfilling these responsibilities is clear and consists of streamlined performance management and reporting requirements between parliament, ministers, the department and entities.

### 5.3.1 Financial Management Act 1994 and Standing Directions 2018

Relevant portfolio entities must comply with the *Financial Management Act 1994* and the [Standing Directions 2018 under the FMA](#). DTF provides guidance to assist entities to determine whether they are subject to the Standing Directions.<sup>2</sup> Other entities are encouraged to apply the Standing Directions where this would enhance their financial accountability and control frameworks.

The Standing Directions support the FMA by specifying matters that need to be complied with by departments and entities to:

- implement and maintain appropriate financial management practices
- achieve a consistent standard of accountability and financial reporting

<sup>2</sup> 'Is your entity subject to the Standing Directions under the Financial Management Act?' Department of Treasury and Finance, [www.dtf.vic.gov.au](http://www.dtf.vic.gov.au)

Entities must report compliance with the FMA through DTF's Standing Directions 2018, in their annual report and to the minister and department in line with the Directions (see Direction 5.1, 5.2 and 5.3 for details). A copy of annual attestation should be provided to the department.

The Standing Direction 4.2.3 on *Asset Management Accountability Framework* and Standing Direction 3.7 on *Managing risk* are further detailed in sections 5.3.4 and 5.4 below.

### 5.3.2 Performance reports

Entities will report on their performance to the department at least annually, having regard to factors including:

- description of key achievements over the reporting period
- description of any current and emerging financial and operational risks and responses
- performance information showing the extent to which performance objectives are being met, based on evidence from entity indicators
- performance information showing the extent to which outputs are being met, based on evidence from entity output performance measures
- commentary explaining the key drivers behind any significant variation from targets

The department will work with entities to ensure performance reports provide sufficient content, detail and feedback to the entity on the use and contribution of performance reporting data towards the department's objectives.

### 5.3.3 Financial reports

Entities in the general government sector are required to provide monthly data feeds and commentary on variances between budget and actuals to the department's Finance, Investment and Procurement branch within the Corporate Services Group, in line with current department timeframes.

Entities, including both general government and PNFCs, will submit periodic reports to their relationship managers and relevant finance contacts in the department's Finance, Investment and Procurement branch on a periodic basis.

Financial reports should include:

- year-to-date financial performance against the approved budget, revised budget (where applicable) and estimated full year forecasts (including profit and loss statement, balance sheet and cash flow statements)<sup>3</sup>
- underlying assumptions that underpin the forecasts and details in relation to key factors affecting the financial performance (year-to-date and full year forecasts)
- description of any current and emerging risks that may have financial implications and responses (covering at least the next 12 months as a rolling forecast)
- explanations for any significant variations between budget and actuals
- strategies planned and implemented to address any significant variations
- performance information on any financial indicators (KPIs) and financial ratios, as appropriate against targets
- sign-off from the entity's accountable officer (usually the chief executive officer (CEO) or equivalent, or the board if the entity is a PNFC).

Entities are required to provide the department with the following on an annual basis:

a) An audited annual report which comprises the financial statements and review of operations:

- if required under the FMA or enabling legislation, entities need to submit their final annual report to the department for tabling in Parliament through the relevant minister. Prior to finalising the annual report, the entity needs to provide the department with the financial statements and draft report of operations for review and consultation

<sup>3</sup> Public Non-Financial Corporations are required to report against their approved Corporate Plan.

- the annual report needs to comply with the annual reporting requirements outlined in Section 45 of the FMA, subordinate reporting directions and other statutory reporting provisions.

b) End-of-year report which comprises:

- periodic financial reporting during the year
- entity's achievements against budget and the previous year
- the calculation of the following five metrics:
  - liquidity
  - working capital
  - capex replacement
  - revenue growth
  - labour growth.

Periodical financial reporting will include capital expenditure (both at an aggregate level and for key initiatives) and key financial and non-financial risks (current and emerging).

Entities need to submit periodic reporting by the following dates after period end:

- If monthly reporting – in line with current departmental timeframes after month end
- If quarterly reporting – in line with current departmental timeframes after quarter end
- If bi-annual reporting – in line with current departmental timeframes after the half year end
- If annual reporting – in line with current department timeframes after year end.

The last periodic report for a financial year will be replaced with an end-of-year report including a copy of the signed annual attestation statement against the requirements of the FMA.

### 5.3.4 Compliance with DTF's Asset Management and Accountability Framework (AMAF) and related attestation requirements

Entities utilise assets to deliver services to Victorians. The [AMAF](#) has a strong focus on continuously improving asset management and aims to support entities to implement effective asset management systems, processes and be accountable for their assets.

The AMAF details mandatory asset management requirements as well as general guidance for entities responsible for managing and overseeing assets (through devolved accountability). Mandatory requirements include developing asset management strategies, governance frameworks, performance standards and processes to regularly monitor asset performance and improve asset management. The requirements also include establishing systems and processes for identifying and addressing performance failures. Leadership and accountability form an integral part of AMAF.

AMAF is mandated through Standing Directions, requiring entities to assess annual compliance against the mandatory requirements.

For entities with their own board, the accountable officer (usually the entity CEO) is required to provide assurance to the chair of that board (the responsible body) that the entity complies with the requirements of the AMAF. The responsible bodies must, at least every three years from 2020-21, conduct a self-assessment of the level of asset management maturity within their entity and state this in their annual report.

## 5.4 Risk Management and Assurance

Risk management and assurance activities are essential components of good corporate governance for all portfolio entities.

### 5.4.1 Risk management

The PAA and FMA require portfolio entities to have effective and accountable risk management systems and strategies in place.

Management and the board are responsible for their organisation's governance, risk management and control processes. Internal auditors assist both management and the risk/audit committee by examining, evaluating, reporting, and recommending improvements on the adequacy, efficiency, and effectiveness of these processes.

All portfolio entities must have risk management frameworks that are consistent with *AS ISO 31000:2018 Risk Management – Guidelines*. They can consist of the following components:

- A risk management policy and plan that integrates with corporate planning
- Risk registers and profiles
- Business continuity and emergency management plans, which should include incident response, notification and escalation plans
- Information security and cybersecurity plans
- Compliance and quality systems
- A fraud and corruption control plan
- Tools, templates, and training

To ensure risks are being managed in a consistent way, some portfolio entities are required to comply with the mandatory requirements of the [Victorian Government Risk Management Framework](#) (VGRMF).

According to the VGRMF, entities must:

- maintain a risk register that records risks aligned to the delivery of their corporate plan (or strategic plan) and operations
- ensure that risks are reviewed in a timely and regular manner
- continually assess and manage the most significant risks in order to protect against loss and achieve objectives
- establish the context and identify; analyse; evaluate; treat; communicate and consult; and monitor and review their strategic and operational risks
- escalate strategic and operational risks to the department, as appropriate and as part of periodic reporting.

In the event of a significant risk or critical incident, all portfolios should inform the department through their relationship manager or at the relevant level within the department.

#### 5.4.2 Entity risk escalation criteria

The department and entities should adopt a *no surprises* approach to risk, issues or incident management.

This includes informing of incidents that may have significant impact on the operations of the business, substantive risks or issues raised through regular meetings, ongoing dialogue with the relationship manager, submission of annual business/corporate plans, letters to the minister, stakeholder consultations, parliamentary questions, media inquiries or governance committees.

Escalation criteria includes:

- where the risk or issue may require oversight or management at the department level or outside the entity's remit (e.g. some inter-entity and portfolio risks or issues)
- if the risk were to eventuate, it would materially impact on the department, portfolio minister, or state's reputation or financial position
- if the issue has had, or is having a material impact on the department, portfolio minister, or state's reputation or financial position
- an emerging risk that may become a key risk or could inform the department's forward planning.

Portfolio entities should provide continuous disclosure and inform the department as soon as they become aware of:

- significant variations to planned strategies and plans
- significant variations to the total estimated investment or timing of capital investments compared to plans
- a material variation (+/- 15 per cent or more) in forecast full year profit or cash flow from operating activities compared to plans



- significant variations in KPIs compared to plans, and/or
- any financial or non-financial (including reputational) developments which may materially impact the portfolio entity or the government.

Further, portfolio entities are required to inform the relevant minister as soon as they become aware of a material variation (+/- 15 per cent or more) to the total estimated investment of a major project approved by the minister.

Protocols for reporting and communicating risks and issues (including media protocols) to the department and minister will be documented and referenced in SOEs and other governing documents such as Service Agreements (SAs). Where an entity identifies a significant service or financial risk or issue (not already noted in their strategic risk register), they will communicate the risk to the relevant department contact and outline the mitigation strategy to the department as soon as practicable. Issues include trends, concerns or events which are known or are emerging major risks to the effective operation of the entity and of the risk management systems that it has in place to address those risks.

### 5.4.3 Reporting cybersecurity incidents to the department

Cyber threats and data breaches are increasing in frequency and complexity, posing significant risks to government operations and public trust. Under the Victorian Government's [Cyber Security Incident Management Plan](#) (CIMP), all impacted portfolio entities are required to promptly notify their relevant portfolio department of any cybersecurity incidents (see section 6.2.3.2 of the CIMP). To meet this requirement, any entity within the department's portfolio that experiences a cybersecurity incident should email [information.security@ecodev.vic.gov.au](mailto:information.security@ecodev.vic.gov.au). Prompt notification supports a coordinated response, helps limit potential damage, and ensures compliance with whole-of-government cybersecurity obligations.

The Cyber Incident Management Arrangements for Australian Governments (CIMA) define a cybersecurity incident as "a single or series of unwanted or unexpected events that impact the confidentiality, integrity or availability of a network or system or the information that it stores, processes or communicates". These incidents may involve unauthorised access, data breaches, malware attacks, denial-of-service attacks, phishing, or other activities that can disrupt the department's operations, damage its IT infrastructure, or result in data theft or loss.

### 5.4.4 Assurance activities

Assurance activities are designed to provide independent conclusions and a degree of confidence regarding the outcome of the evaluation or measurement of the subject matter against predetermined criteria.

The subject matter can take many forms such as:

- Corporate governance practices.
- Effectiveness and efficiency of operations.
- Systems, processes, people, and performance.
- Data reliability, completeness, integrity, and availability.
- Accreditation and certifications.
- Compliance with laws, regulations, and contracts.

Attestations, internal/external audits, accreditations, and surveys are some categories of assurance activities that entities may use to provide independent and reasonable assurance to their board, risk/audit committee and/or management that they are on track to achieve their objectives.

The entity's assurance framework may consist of:

- An assurance strategy and internal audit charter linked to organisational objectives.
- An assurance map detailing sources of all assurance activities.
- A risk-based assurance/audit plan outlining planned activities.
- Registers and reports to track implementation progress of recommendations.
- Key performance indicators of assurance activities.

### 5.4.5 Insurance

As required by Ministerial Standing Direction 3.7.1, entities need to ensure that they have appropriate insurances in place through the Victorian Managed Insurance Authority (VMIA) unless exempted by the responsible minister, or where the VMIA cannot offer insurance for a specific risk.

As part of the entities' compliance with the VGRMF, the level of insurance should be based on the entity's risk profile and tolerance, past claims and the availability and cost of insurance.

It is important that entities understand their insurable risk and consult with VMIA to determine an appropriate level of self-insurance or deductibles. Entities are responsible for managing and funding any self-insured and under-deductible losses.

## 5.5 Communication and Engagement

An essential element of good public administration and governance is a framework to facilitate effective communication and engagement between ministers, entities and departments. The Victorian Public Sector Commission (VPSC) released new guidance on [Establishing portfolio governance arrangements](#) to assist departments and portfolio entities build effective working relationships.

### 5.5.1 Roles and responsibilities of relationship managers

The department and its entities will nominate responsible contact officers to act as relationship managers (RM) and to provide a key point of contact to facilitate engagement and communications. Noting that there may be multiple points of contact between the entities and department, relationship managers should be kept informed of all dealings of a material nature between the department and entities.

Key functions of relationship managers:

- Departmental liaison and oversight of governance matters: Act as the primary liaison between the department and portfolio entities, providing ongoing oversight and support on governance, finance, performance and integrity matters. This includes ensuring entities' compliance with Victorian Government and DJSIR governance requirements as listed in this guide and other relevant legislation, regulations, policies and procedures. Additionally, actively influence entities and boards to adopt best practice in governance and encourage adherence to high standards of accountability and transparency.
- Collaboration on key governance processes: Work in close collaboration with Corporate Services on key governance processes including development and maintenance of entity profiles which may involve supporting the establishment of Terms of Reference, Statement of Expectations and Advisory Committees. Ensure timely updates to Corporate Services on any significant changes in portfolio composition, operations and any breaches of governance obligations, facilitating corrective actions where necessary.
- Board recruitment and compliance: Serve as the liaison for portfolio entities regarding their board recruitment processes. This includes consultation with chairs and the responsible ministers to ensure the recruitment process complies with legislative, Victorian Government, and departmental requirements, thereby promoting good governance practices at the board level.
- Risk Management and Monitoring: Lead the development, implementation, and monitoring of treatment actions for identified governance and operational risks, ensuring entities proactively address issues and mitigate risks to maintain good governance and performance.
- Preparation of high-level submissions and briefings: Prepare ministerial briefs, Cabinet submissions, and Governor in Council submissions on matters related to the portfolio entities and their boards, ensuring all information is aligned with government priorities, governance best practices, and reporting obligations.

#### 5.5.1.1 Roles and responsibilities of Corporate Services

The Financial, Investment and Procurement branch within Corporate Services will support relationship managers on matters of fiscal risk and cost pressures.

The Strategy, Performance and Governance branch within Corporate Services (including the Business Planning and Governance team and Government and Parliamentary Services team) will provide centralised support on matters related to portfolio governance for entities. This includes:

- Providing guidance on legislative, framework and policy compliance: Assisting in the interpretation and/or application of entities' obligations under the PAA, FMA, the Resource Management Framework (RMF),



Premier's Appointment and Remuneration Guidelines and Diversity on Victorian Boards Guidelines among others.

- Development and dissemination of resources: developing and distributing guidance materials, tools and templates to support entities in meeting their obligations (e.g. this guide to good governance, entity corporate planning guidelines).
- Serving as the central point of contact and advisory support for governance issues: Acting as the primary contact for relationship managers on complex portfolio governance matters requiring departmental impact analysis (e.g. establishment of new entities and relevant personnel appointments), while also providing advice on regular inquiries from the department and entities related to governance and compliance matters.
- Acting as an advocate and liaison for governance matters and initiatives: Advocating for portfolio entities' interests to ensure their representation on consultation forums, acting as the liaison for central agency requests, and facilitating the implementation of Whole of Victorian Government initiatives (e.g. Diversity on Boards).
- Delivering governance insights and performance review: Producing insights on portfolio entities' governance matters as requested by the Executive Board, delivering the Annual CEO Forum and cyclical performance reviews of entities.
- Imparting guidance on governance process and administration of board appointment: Provision of guidance on formal governance processes, including board appointments, managing candidate verifications and submissions for Cabinet and Governor in Council appointments, and oversight of third-party probity checks, including engagement with applicants on declarations of private interest and diversity requirements.
- Management of systems and database obligations: Administering eCabinet and eBriefings systems and ensuring the department meets its obligations in maintaining the GAPED database for entities

SPG will also facilitate regular RM forums to exchange experiences, share lessons learned, identify key risks and issues, and address governance-related matters, thereby supporting continuous improvement, information sharing and networking.

Regular and transparent engagement between entities and the relevant relationship managers in the department is required. The relevant departmental contact should visit the entity at least annually and where circumstances require it.

Entity-specific SAs, SLAs and ministerial SOEs may also prescribe the frequency and purpose of meetings.

As a minimum, such engagements should:

- ensure clarity of the respective roles and responsibilities of ministers, the department and entities
- discuss periodic reports submitted by entities, risks and issues under management, commercial transactions or ministerial submissions (amongst other things as deemed appropriate)
- be characterised by positive relationships, and manage escalation where different views exist
- agree clear guidelines and protocols about meetings between ministers, the department and entity representatives
- account for both entity independence and the need for department input and oversight
- be supported by timely and effective feedback with an intention to improve communication and transparency.

### 5.5.2 Consultation on ministerial briefs

The department and entities will collaborate with the designated relationship manager, ensuring comprehensive information for ministerial briefings is communicated, along with associated materials and event details.

The department will engage with entities during the initial drafting process, to seek relevant information or advice before providing an independent opinion/advice on the subject of the brief.

In relation to events, the entity may send an invitation directly to the minister, the minister's chief of staff and/or other ministerial staff, for their consideration to attend. However, in the organisation of these events, they are generally undertaken by the Strategic Communications team within the department. Typically, relationship managers receive requests from the minister's office to prepare event briefs, including details such as the event's purpose, timeline, budget, attendee information, running sheet, etc. Concurrently, the Strategic Communications team may ask relationship managers to review the potential media opportunities, which require Executive Director approval.

The department will provide a written briefing to an incoming minister, at the minister's request, on the entity's functions, operations and current issues soon after taking office.

In line with the department's responsibility to provide advice to the minister on entity operations and administration, the department may prepare a separate brief to the minister in connection with that meeting. Where appropriate, the department will provide a copy of the brief, or parts of it, to the entity, subject to the minister's approval.

### **5.5.3 Corresponding with the minister**

Formal letters sent to the minister by entities (i.e. seeking approval of a corporate plan or business plan) should be sent by the entity chair or CEO. A copy of the letter should also be sent to the relevant department group head or deputy secretary.

### **5.5.4 Meetings with the minister and ministerial staff**

Entities will invite the department's relevant senior executive to scheduled meetings with the minister, the minister's chief of staff and other ministerial staff, except where the meeting directly relates to regulatory decision-making and the entity considers there are issues of confidentiality or potential conflict of interest involved. In particular, the secretary, group head, or relevant deputy secretary should be invited to meetings between the minister or ministerial staff where the entity representative is the chair, a director of the board (board member) or CEO.

The department's attendance at meetings is subject to the agreement of the minister. Meetings can be arranged with the minister, but the relevant department contact officer for the entity is to be advised of the meeting date and time.

A list of attendees, agenda items and any other meeting briefing papers and attachments are to be provided to the minister and the department prior to the meeting (unless the meeting is deemed urgent).

Entity chairs or CEOs should meet with the minister or delegate at least annually. The frequency and timing of additional meetings is at the discretion of the minister. The department will attend these meetings, subject to the minister's approval and will provide support for entities in obtaining access and engagement with ministers.

### **5.5.5 Governance meetings and frequency**

The entity chair or CEO should meet with the department's secretary, deputy secretary or relevant senior executive at least annually. This may be in the form of an annual CEO forum, which provides a platform for portfolio entity CEOs and the department to discuss matters relating to entity oversight, including the discharge of entities' responsibilities under legislation. This forum may also extend invitations to external speakers, including representatives from the Department of Treasury and Finance, and other government organisations.

CFO forums are a platform for collaboration and connection between portfolio entity CFOs and the department. The intent of these forums is to address shared challenges and cultivate critical discussion. It also enables the department to provide information and advice and build a common understanding of financial reporting and compliance requirements. CFO Forums are held periodically and chaired by the department CFO. This forum also extends invitations to external speakers such as representatives from the Victorian Auditor-General's Office (VAGO) to discuss significant accounting developments, including amendments to Accounting Standards and audit approaches.

The department hosts a range of other forums throughout the year, attended by portfolio entity representatives at various executive levels. Each forum serves a distinct purpose, with a strong emphasis on corporate governance and networking.

Apart from the CEO and CFO forums, the secretary, deputy secretary or relevant senior executive may undertake annual visits to the entity.

## 5.6 Board Appointments, Induction, Meetings and Performance

An essential element of good public administration is sound board governance, including the recruitment, selection, appointment and remuneration of board members. The minimum requirements for board governance are set out in the [Premier's Circular No. 2015/2 Good Board Governance](#). The Government and Parliamentary Services team will provide guidance on entities' board appointment processes including submissions of applications for Cabinet and Governor in Council appointments. It will also manage third-party probity checks and the Declaration of Private Interests process.

### 5.6.1 Recruitment, selection, appointment and remuneration processes

The department and entities, where applicable, will support ministers in developing merit-based, inclusive, fair and transparent processes for board recruitment and selection. Promoting the full participation of diverse cohorts on boards brings diversity in skills and perspectives to strengthen the Victorian economy and the broader community. The Victorian Government strives to have public sector boards that are highly effective and reflective of our diverse community.

The department and entities are to follow the Victorian Public Service Commission's (VPSC) [Governance toolkit for recruitment and appointment to the board](#) for the recruitment and selection of board members. They are also to follow the Department of Premier and Cabinet's (DPC) [Appointment and Remuneration Guidelines](#) for the appointment and remuneration of board members.

### 5.6.2 Diversity on Victorian Government boards

The government has committed to meet WoVG representational targets to enhance diversity across Victorian Government boards. These targets, overseen internally by WoVG and monitored across departmental and portfolio levels, form an essential component of the WoVG reporting system. While attaining all targets across every board may not be viable, each individual board strives to meet all diversity targets.

Progress updates will draw upon board data from the Government Appointments and Public Entity Database (GAPED) and are verified by portfolio groups. Based on the information collected via GAPED, DPC plans on providing a report back to Cabinet in 2026 on how WoVG is progressing against its 7 diversity on boards targets, measured at extended periods of reporting, as outlined in Appendix B: Diversity cohorts on Victorian Government boards.

To validate the GAPED data and monitor its performance against WoVG targets, the department has recently developed its internal annual reporting mechanism, following the discontinuation of Annual Ministerial Diversity Plan (AMDP). This new mechanism will require the department and relevant portfolio entities to annually report on their performance against diversity targets and will include performance for the past year, projections for the coming year, and any related risks or challenges.

#### 5.6.2.1 Scope of diversity targets

All members of public boards will be counted towards targets, except non-government appointed members of university councils (see below). For example, the following members will be counted:

- Elected members
- Members nominated by a non-government organisation
- Ex-officio members (individuals that are automatically members of the entity by virtue of another position they hold).

Where an entity has nomination rights to a board, it should be encouraged to consider making nominations that reflect the government's ambition that Victorian Government boards reflect the communities they serve.

Non-government appointed members of university councils are not within the scope of the diversity targets. However, government-appointed members (i.e. those appointments made by the minister or the governor in council) of university councils are within the scope of the targets. Government appoints fewer than half the

members of university councils and university councils are 'exempt bodies' under the *Public Administration Act 2004* (Vic).

### 5.6.3 Board induction

The induction of board members is to be performed by the entity, with assistance from the department as required. Induction procedures should be conducted as quickly as practicable to allow new board members to participate fully.

Induction programs for board directors may be coordinated :

- On a case-by-case basis, the department sometimes manages the induction program for board members within their portfolio
- By the board's secretariat
- By public entity management or staff.

At a minimum, all board members should be provided with:

- VPSC's [Welcome to the Board – Director's Guide to Public Entity Governance](#)
- Code of Conduct – either that endorsed by the entity board, or the VPSC [Code of Conduct for Director of Victorian Public Entities](#)
- Conflict of Interest Policy and guidance – either material endorsed by the board and specific to the entity, or the VPSC [Conflict of Interest and Duty Guidance for Directors](#)
- relevant enabling legislation, Order in Council instruments, *Corporations Act 2001 (Cth)* constitution or constituting terms of reference
- all policies adopted by, or relevant to, the entity or the board of the entity
- an overview of the entity's current financial, strategic and operational position
- a description of the respective roles and relationships between the entity, department and minister, including the SOE
- a document outlining the roles and responsibilities of senior entity executives if applicable.

Portfolio entities need to ensure that re-appointed board members are issued with the latest induction documents. Once appointed to the board, each member is required to provide a declaration of private interests annually from their appointment start date, which is lodged with the chair. Further information on this declaration and conflict of interest can be found at Section [5.8.2](#).

### 5.6.4 Departmental attendance at entity board meetings

The department's representatives may be asked to attend entity board meetings (at the chair's discretion) to present or to observe.

It is desirable for a department representative, either senior executive or deputy secretary, to present at entity board meetings at least annually to provide the entity with portfolio context and an update on current issues. The department and entities will review and discuss annually whether it is appropriate for a department representative to attend board meetings annually or more regularly.

The above requirements do not apply if a department representative is formally appointed as a board member or there is a ministerial direction or expectation requiring a departmental representative to be an observer at board meetings.

The chair will determine any conditions on department representatives attending board meetings as observers. In all cases, department representatives will declare any conflicts of interest, only report any information gained to the appropriate senior executive, deputy secretary or the minister and not participate in the deliberations, votes or resolutions. The terms or conditions required of departmental representatives must not be in conflict with their obligations in their substantive role or as a Victorian public service employee or executive.

In some cases, department staff are appointed to a board as an *ex-officio* appointment. Ex-officio members are appointed as a requirement of holding another office or substantive position. In all cases, it is vital that there is a clear and shared understanding between the board and the departmental representative on their role, including

whether the representative's attendance extends to participation in board decisions, or if it is limited to observing, or presenting the department's perspective on specific matters.

### 5.6.5 Board performance

The PAA (s 81) requires boards to assess their performance. All boards must assess their collective performance as well as the performance of individual members (including the chair) annually. Boards should clearly outline the scope of performance assessment. They may consider setting KPIs related to contributions to board functions, effectiveness of meetings, stakeholder relationships, integrity, culture, risk management etc.

Chairs need to ensure that there are adequate procedures in place for assessing the performance of individual board members and dealing with underperformance. This can be a self-assessment led by the chair. Periodically, boards should consider engaging an independent corporate governance consultant to provide an independent assessment of performance. An independent assessment of performance should occur at least once every three years and more often for large or complex entities. To ensure objectivity and transparency, it is recommended that the performance of board chairs is assessed by independent governance consultants against set KPIs.

Assessments need to include observation, interviews, and surveys, but can also include an examination of board papers, minutes, policy manuals, governance charters and all operational aspects of the board, including its operational culture and relationship with the chair.

Boards can supplement annual assessments by reviewing the effectiveness of each board meeting. For example, a different board member at each meeting may observe proceedings, assess relevance of the agenda and quality of the papers, and then lead a discussion on such factors.

The outcomes of performance reviews of the board's performance and individual board members should be shared with the minister and the department. [Assessing public board performance](#) guide is available to help boards assess their performance and that of chairs and directors.

## 5.7 Occupational Health and Safety (OHS)

Entities need to be aware of and comply with the requirements of [the Occupational Health and Safety Act 2004 \(OHS Act\)](#) to ensure the health, safety, and wellbeing of all who are involved with or affected by its operations. Under the OHS Act, employers must provide and maintain a working environment for their employees, including contractors, that is safe and without risks to health, so far as reasonably practicable. In Section 5 of the OHS Act, health is defined as including psychological health.

There are five main principles that entities should adhere to in ensuring sound health and safety management:

- Employees, other persons at work and members of the public be given the highest level of protection against risks to their health and safety that is reasonably practicable in the circumstances.
- Persons who control or manage matters that give rise or may give rise to risks to health or safety are responsible for eliminating or reducing those risks so far as is reasonably practicable.
- Employers and self-employed persons should be proactive, and take all reasonably practicable measures, to ensure health and safety at workplaces and in the conduct of undertakings.
- Employers and employees should exchange information and ideas about risks to health and safety and measures that can be taken to eliminate or reduce those risks.
- Employees are entitled, and should be encouraged, to be represented in relation to health and safety issues including active consultation.

### 5.7.1 Management of OHS risk

Entities are to ensure OHS hazards within the workplace are identified and risks controlled and documented. This includes providing the required training, induction, processes and equipment to support the safety and wellbeing of employees and others under their management and control.

All safety and wellbeing hazards associated with work activities, processes, plant and substances under the management and control of entities must be identified and assessed to determine the level of risk. Risk control

measures must be put in place, recorded and monitored to ensure OHS risks are eliminated or minimised so far as is reasonably practicable.

It is important for entities to follow the 4 steps of risk management for physical and psychological safety:

- Identify the hazards/risks
- Assess the risks
- Control the risks
- Monitor/ review the controls to ensure risks are managed effectively.

It is the responsibility of entities to monitor developments in emerging OHS risks and treatment of those risks in relation to matters within their control at an organisational level.

### 5.7.2 Psychological Health in the workplace

Current proposed OHS Amendment (Psychological Health) Regulations seek to:

- Strengthen OHS legislation to address risks associated with workplace psychological health
- Promote the importance of psychological health and safety in the workplace, with an emphasis on prevention
- Require employers to identify and control risks to protect workers from mental injury arising from hazards including bullying, sexual harassment, occupational violence and aggression (OVA), workload and exposure to traumatic events
- Require certain employers to report data on complaints of bullying, sexual harassment and OVA to WorkSafe.

With an increased focus on psychological health in the workplace, entities should aim to develop and deepen awareness of the management and mitigation of the risk associated with psychosocial hazards, and to uplift associated skills with their executives, managers, and employees to equip them in meeting and managing their OHS legislative obligations.

### 5.7.3 OHS resources

- The [WorkSafe website](#) provides online resources for employers to better understand their OHS responsibilities and duties and how to manage hazards, risks and create safe environment.
- This includes a [WorkWell Toolkit](#) providing a step-by-step approach to prevent mental injuries and promote safe and mentally healthy workplaces.

## 5.8 Integrity

### 5.8.1 Integrity Overview

Section 7 of the [Public Administration Act 2004](#) identifies integrity as one of seven core public sector values and requires public officials to demonstrate integrity by:

- being honest, open and transparent in their dealings
- using powers responsibly
- reporting improper conduct
- avoiding any real or apparent conflicts of interest
- striving to earn and sustain public trust of a high level.

Integrity expectations and obligations should be embedded into relevant organisational policies and procedures, including recruitment and procurement. When implementing integrity policies, leadership behaviours and clear communication are critical.

It is also important to communicate the importance of integrity to key stakeholders, such as clients and current or prospective suppliers, including the requirements outlined in the [Supplier Code of Conduct](#), so that they are aware of their integrity obligations.



### 5.8.2 Conflict of Interest

The [VPSC Code of Conduct](#) (Code) requires public sector body heads to develop and implement procedures tailored to their own operating environment to support the effective declaration and management of conflicts of interest (COI). This would normally include maintaining a register which is used to record COI declarations for individual matters and projects such as procurement, recruitment, and promotional activities.

A COI exists if a public official has a private interest that could influence, or reasonably be seen to influence, how they perform their public duties.

A conflict can be:

Type of conflict	Definition
Actual	There is a conflict between your private interests and your public duties.
Potential	You have a private interest that could foreseeably conflict with your public duties in the future.
Perceived	It is reasonable for people to believe that your private interests could influence your public duties, now or in the future.

A conflict of duty (sometimes called a conflict of role) is a type of conflict of interest. It is a conflict between your public duties and your duty to another organisation or group.

Public officials must avoid conflicts wherever possible. They should ensure that their personal or financial interests (including the interests of family members, friends, and associates) do not influence and could not be perceived to influence them in the performance of their role. Public officials must declare and manage any COIs that cannot be avoided in accordance with their organisation's policies and procedures.

#### 5.8.2.1 Consensual Personal Relationships

Consensual personal relationships between employees of the same public sector organisation are permissible and private in nature.

However, they sometimes give rise to a conflict of interest. If this occurs, the conflict must be declared and managed in accordance with the organisation's conflict of interest policy.

Refer to the Victorian Public Sector Commission's (VPSC) guidance on [Managing consensual personal relationships](#) for further information.

#### 5.8.2.2 Specific reporting obligations for board members

Upon appointment to a board, each member must make a [Declaration of Private Interests](#) which is lodged with the board chair. The board chair should ensure that the information is recorded in a *Register of Interests* and that it is updated annually. If a board member's circumstances change, he or she needs to lodge an updated declaration (unless the change is already adequately recorded in the register as a result of a declaration made at a board meeting).

An up-to-date *Register of Interests* should be maintained which includes details of both the direct and indirect interests of each board member that may give rise to a conflict of interest. At the start of each board meeting, the board chair should ask whether members' interests as recorded in the register are complete and true. If there are no changes, this should be noted in the minutes. If there are changes, these should be recorded in the minutes and the *Register of Interests* should be updated.

Further information in relation to COI is available, including:

- [Conflict of interest guidance for organisations](#) issued by the Victorian Public Sector Commission
- [Integrity guide for new board directors](#) issued by the Victorian Public Sector Commission
- Consensual personal relationships guidance, issued by the Victorian Public Sector Commission
- [DJSIR Conflict of interest policy](#)

- Entity-specific legislation, role statements or ministerial/departmental SOEs.

### 5.8.3 Fraud and Corruption Mitigation

Entities need to be aware of and comply with the requirements of Standing Direction 3.5 Fraud, Corruption and Other Losses. This requires each entity to:

- take all reasonable steps to minimise and manage the risk of fraud, corruption and other losses; and
- establish a fraud, corruption and other losses prevention and management policy that is implemented across the entity.

The accountable officer in the organisation must:

- keep records of all actual and suspected fraud, corruption and other losses, including remedial actions planned and taken; and
- on request, provide their responsible minister, portfolio department or audit committee with a copy of records kept under Direction 3.5.2(a).

Where an entity is made aware of an actual or suspected significant or systemic fraud, corruption and other loss the accountable officer must:

- notify, as soon as is practicable, the responsible minister, audit committee, portfolio department and auditor-general of the incident and remedial action to be taken;
- ensure that the persons notified under Direction 3.5.3(a) are kept informed about the incident, including the outcome of investigations; and
- ensure that the entity takes appropriate action to mitigate against future fraud, corruption and other losses.

Further information in relation to fraud and corruption mitigation is available, including:

- [DJSIR Fraud and corruption control policy](#)
- [DJSIR Fraud and Corruption Control Plan and Procedures](#)
- [DJSIR Thefts and losses policy](#).

### 5.8.4 Gifts, Benefits and Hospitality

The [minimum accountabilities](#) for managing gifts, benefits and hospitality (GBH) in the Victorian Public Sector are binding under the [Instructions](#) supporting the [Standing Directions](#). Instruction 11 states that entities must develop policies and procedures that apply the [minimum accountabilities](#) set out in the VPSC [GBH policy guide](#). These are minimum requirements and entities may choose to adopt higher standards or processes that take into account the entity's role and functions.

It is important that staff (including contractors and board members) are aware of the standards expected of them when offered GBH and that they act in a way that meets community expectations. This includes ensuring that public sector employees are performing public duties without favoritism, bias, or for personal gain. When hospitality is provided by public sector bodies, they must ensure that public resources are being used responsibly.

#### 5.8.4.1 GBH reporting obligations

The [minimum accountabilities](#) require entities to report at least annually to their audit committee on the administration and quality control of their GBH policy, processes and register. This must include a copy of the internal register, analysis of the organisation's gifts, benefits and hospitality risks (including repeat offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements.

The GBH register is a record of declarable offers of gifts, benefits and hospitality. Each entity should have a designated person responsible for maintaining the register and ensuring it is regularly updated and published at least annually on the organisation's website (taking into consideration the relevant privacy legislation). The register forms the basis of risk-based monitoring and reporting and should record sufficient information for identifying trends and key risks. It also forms the basis for reporting to the organisation's audit committee.

Further information in relation to GBH is available, including:

- [GBH policy guide](#) issued by the Victorian Public Sector Commission



- [Minimum accountabilities for managing gifts, benefits and hospitality](#) issued by the Victorian Public Sector Commission
- [DJSIR Gifts, Benefits and Hospitality Policy](#).

### 5.8.5 Public Interest Disclosures

The [Public Interest Disclosures Act 2012](#) outlines the legislative framework which ensures that people who report improper conduct and corruption in the Victorian public sector (whistleblowers) can do so with the knowledge they will be protected.

A Public Interest Disclosure (PID) is a report about:

- 'improper conduct' by a public body or public officer (or a person trying to influence a public officer or public body)
- 'detrimental action' taken, or threatened to be taken, by a public body or public officer against a person in reprisal for them making a PID or cooperating with the investigation of a PID.

Improper conduct is broadly defined and varies in its nature and seriousness. It can include corrupt conduct and criminal offending, as well as dishonest or other serious professional misconduct, such as failing to declare a conflict of interest or misusing a corporate credit card.

Detrimental action is any action taken against a person for making a PID or cooperating with the investigation of a PID, such as intimidation, harassment, or adverse treatment in relation to the person's employment.

PIDs can be made by anyone, including public sector employees and members of the public, and can be made:

- in person (including by requesting a meeting outside the workplace)
- by phone or Teams (including by leaving a voicemail)
- in writing (including by post and email, but not by fax).

Disclosures may be made anonymously.

People who make PIDs receive various protections, including against detrimental action and civil or criminal liability for making the disclosure. It is also an offence to reveal a discloser's identity or information that may reveal their identity, as well as information about the content of their disclosure.

The department and its administrative offices are public bodies able to receive PIDs. All other entities are unable to receive PIDs and must direct anyone seeking to make a PID to the [Independent Broad-based Anti-corruption Commission](#) (IBAC).

#### 5.8.5.1 Entity requirements

Administrative offices must develop an internal procedure to facilitate the making, receipt and management of disclosures and protect people against detrimental action. This includes:

- maintaining a secure information management system for the receipt, storage, assessment and notification of PIDs, including an internal reporting structure that identifies the roles and responsibilities of staff in that structure
- establishing a secure process for receiving disclosures
- nominating staff who can receive disclosures (the PID Coordinator)
- establishing a secure means of notifying IBAC of assessable disclosures
- delivering education and training to select staff in the handling of disclosures
- delivering education and training to select staff on managing the welfare of those individuals associated with disclosures
- collecting and collating statistics on PIDs for annual reporting.

Administrative offices also need to appoint a PID Coordinator and include their details on their respective public websites. The department's PID Coordinator is:

John Lombard, Integrity Director

Phone: 0412 205 128

Email: [john.lombard@ecodev.vic.gov.au](mailto:john.lombard@ecodev.vic.gov.au)

All other entities should develop a brief PID procedure which should be posted to their respective public websites to advise their stakeholders of the need to direct any PID to IBAC.

Further information in relation to PIDs is available, including:

- [Public Interest Disclosures Act 2012](#)
- [Independent Broad-based Anti-corruption Commission Act 2011](#)
- [Guidelines for handling public interest disclosures](#) (IBAC).
- [Guidelines for public interest disclosure welfare management](#) (IBAC).
- [DJSIR Public Interest Disclosure Procedure](#).

### 5.8.6 Foreign interference

Foreign interference (FI) consists of activities carried out by, or on behalf of, a foreign actor, which are coercive, clandestine, deceptive or corrupting and are contrary to Australia's sovereignty, values and national interest. It is distinct from foreign influence, which, if it is open and transparent, is a normal and welcome aspect of international relations and diplomacy.

It is vital that we are aware of the risks to Victoria and engage with them in a mature manner to continue to maximise the benefits of being a globally connected, multicultural state. Thus, it is important to ensure that Victoria's response to foreign interference is reasonable, balanced and informed by an understanding of the broader risk context.

As the subject matter experts in understanding their broader business risk, it is the responsibility of Victorian Government departments and portfolio entities to determine how to incorporate consideration of foreign interference risks in their decision-making processes.

The Department of Premier and Cabinet has produced guidance for assessing foreign interference risks to Victoria for use by all department and entities. Please contact the department's Integrity Services Unit at [integrity@ecodev.vic.gov.au](mailto:integrity@ecodev.vic.gov.au) for a copy of the guidance or further advice.

More information is also available on the [Countering foreign interference](#) webpage on the Australian Government Department of Home Affairs website.

### 5.8.7 Child Safety

The table below provides an overview of Victoria's key child safety mechanisms and how they may apply to your entity.

Mechanism	Brief description	Key requirements for entities
<a href="#">Child Safe Standards (the Standards)</a>	<p>The Standards establish minimum requirements for preventing and responding to child abuse. They help organisations foster safe, inclusive and welcoming environments for children.</p> <p>Per the <i>Child Wellbeing and Safety Act 2005</i> (CWS Act), the Standards apply to various types of organisations, including:</p> <ul style="list-style-type: none"> <li>• government departments</li> <li>• applicable entities with public functions constituted by or under any Act.</li> </ul> <p>If your entity employs children or provides services or facilities for children, there is a high likelihood that it must comply with the Standards (see Schedule 1 of the CWS Act for more detail).</p>	<p>If your entity meets the criteria under the CWS Act, it must comply with the Standards by fostering a child-safe culture and developing relevant policies, procedures, processes and practices.</p> <p>Your entity must also ensure that any funding agreements for the delivery of child-related work with other Schedule 1 entities mandate their compliance with the Standards.</p> <p>See the <a href="#">online resources</a> from the Commission for Children and Young People (CCYP) for more detail.</p>
<a href="#">Reportable Conduct Scheme</a>	<p>The Reportable Conduct Scheme aims to improve how organisations manage allegations of child abuse involving their employees, including volunteers. It applies to allegations of emotional or psychological abuse, neglect, physical abuse, sexual abuse and/or sexual misconduct committed by an adult against, with, or in the presence of a child.</p> <p>Per the CWS Act, the Reportable Conduct Scheme applies to various types of organisations (see Schedules 3, 4 and 5), including:</p> <ul style="list-style-type: none"> <li>• government departments</li> <li>• other entities with public functions constituted by or under any Act.</li> </ul>	<p>If your entity meets the criteria under the CWS Act, it must have systems in place to:</p> <ul style="list-style-type: none"> <li>• prevent the commission of reportable conduct by staff</li> <li>• investigate and respond to reportable allegations</li> <li>• enable any person, including a staff member, to make a reportable allegation to your entity's head or the CCYP.</li> </ul> <p>See the <a href="#">online resources</a> from the CCYP for more detail.</p>
<a href="#">Compliance with the National Redress Scheme (NRS)</a>	<p>The NRS aims to 'recognise and alleviate' the impact of institutional child sexual abuse by offering support to survivors via 3 mechanisms:</p> <ul style="list-style-type: none"> <li>• financial compensation</li> <li>• access to counselling and psychological services</li> <li>• statements of acknowledgement from the responsible entities.</li> </ul>	<p>If your entity receives a Notice of Redress Liability or Request for Information from the NRS Operator, it must comply with the NRS Operator's requirements.</p>
<a href="#">Victorian Government Policy on Institutional Participation in the National Redress Scheme for Institutional Child Sexual Abuse (NRS Policy)</a>	<p>Per the NRS Policy, any institution that has received a Notice of Redress Liability, and is eligible to join the NRS, must do so as a condition of receiving Victorian Government funding. The NRS Policy applies to any situation where a non-government institution is receiving, or seeking to receive, Victorian Government funding.</p>	<p>Before funding a non-government institution, your entity must:</p> <ul style="list-style-type: none"> <li>• check whether the institution complies with the NRS Policy</li> <li>• ensure any funding agreement mandates the institution's compliance with the NRS Policy.</li> </ul>

### 5.8.8 Further information and guidance on integrity

#### 5.8.8.1 Further information – DJSIR

Further information on DJSIR's policies and procedures related to managing conflicts of interest, fraud and corruption control, gifts, benefits and hospitality, child safety or public interest disclosures can be obtained from the department's Integrity Services Unit ([integrity@ecodev.vic.gov.au](mailto:integrity@ecodev.vic.gov.au)).

#### *5.8.8.2 Further information – External Organisations*

Further information on public interest disclosures can be obtained from the IBAC on 1300 735 135, or [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au).

Further information on child safety can be obtained from the Commission for Children and Young People on 1300 782 978, or [www.ccyp.vic.gov.au](http://www.ccyp.vic.gov.au).

Further information on gifts, benefits and hospitality and conflicts of interest can be obtained from the Victorian Public Sector Commission at [info@vpvc.vic.gov.au](mailto:info@vpvc.vic.gov.au).

## APPENDIX A: Legislation

Entities need to ensure compliance with all relevant legislation, including, but not limited to:

- [Audit Act 1994](#)
- [Charter of Human Rights and Responsibilities Act 2006](#)
- [Child Wellbeing and Safety Act 2005 \(Vic\)](#)
- [Children Legislation Amendment \(Reportable Conduct\) Act 2017 \(Vic\)](#)
- [Corporations Act 2001\(Cth\)](#)
- [Disability Act 2006](#)
- [Financial Management Act 1994](#)
- [Freedom of Information Act 1982](#)
- [Independent Broad-based Anti-corruption Commission Act 2011](#)
- [Information Privacy Act 2000](#)
- [National Redress Scheme for Institutional Child Sexual Abuse Act 2018](#)
- [Ombudsman Act 1973](#)
- [Protected Disclosures Act 2012](#)
- [Project Development and Construction Management Act 1994](#)
- [Public Administration Act 2004](#)
- [Public Interest Disclosures Act 2012 \(Vic\)](#)
- [Public Records Act 1973](#)
- [State Owned Enterprises Act 1992](#)
- [Standing Directions 2018](#)

## APPENDIX B: Diversity cohorts on Victorian Government Boards

This section provides advice on specific cohort considerations in the recruitment and selection board appointment processes from a diversity perspective. It also recognises the importance of intersectionality, acknowledging that individuals may be part of more than one of the key cohorts listed in this appendix, which can shape unique experiences and barriers.

1. **Women on Boards** – The [Victorian Government's Women on Boards commitment](#) was first introduced in March 2015, with its scope subsequently expanded in 2018. The commitment was refreshed in 2021 and currently requires that:
  - 50 per cent of new appointments be women for boards that do not have at least 50 per cent women. Once a board has reached 50 per cent women, this balance is to be maintained.
  - Within a portfolio, 50 per cent of new chair appointments should be women. Once a portfolio has reached 50 per cent women, this balance is to be maintained.

The refreshed Women on Boards commitment applies to Victorian courts and all boards, except for the following:

- statutory offices or officers
- small Crown land committees of management
- small cemetery trusts; and
- school councils.

DJSIR portfolio entities must aim to achieve or maintain the target of 50 per cent of women on boards, including people who internally identify and/or publicly express as woman. This encompasses a range of gender expressions and identities, including cisgender, transgender, non-binary and gender conforming individuals who see themselves as woman. However, it is subject to the following considerations:

- boards that have less than 50 per cent women solely due to an uneven number of board members
- boards with a small number of members, where each person represents a large proportion of members and can significantly skew the gender balance
- circumstances in which enforcing the commitment would prevent appointments of gender diverse and non-binary people to public boards, particularly boards that have direct bearing or clear impacts on LGBTIQ+ Victorians
- circumstances in which enforcing the commitment would prevent appointments of Aboriginal people to public boards or undermine self-determination principles, particularly boards that have direct bearing or clear impacts on Aboriginal Victorians.

### Key considerations

- Review the gender composition of the board.
- Include gender diversity in your board's skills matrix.
- Use open and competitive recruitment whenever possible.
- Provide flexible working arrangements to encourage women to apply for the role.
- Engage a gender diverse assessment and interview panel.

For questions related to the Women on Boards commitment, contact DFFH at [diversityonboards@dffh.vic.gov.au](mailto:diversityonboards@dffh.vic.gov.au)

2. **Aboriginal people** – Around one per cent of people on Victorian Government boards identify as Aboriginal.

The Victorian Government is committed to self-determination as a guiding principle in Aboriginal affairs, which should reflect in the representation of Aboriginal people on government boards. Entities should ensure that Aboriginal people, including Torres Strait Islander people, are represented on both 'mainstream boards' and those with specific mandates for Aboriginal affairs. This is because all areas of policy impact Aboriginal Victorians.

DJSIR must aim to maintain or exceed its WoVG targets for Aboriginal representation through board recruitment. This can be achieved during the appropriate strategic board recruitment goal-setting phase between departmental relationship managers and their board chairpersons, and in consultation with the responsible minister.

#### Key considerations

- Avoid considering just Aboriginal people for Aboriginal specific boards.
- Ensure that your board is culturally safe and can support Aboriginal members.
- Include lived experience or professional experience and practical knowledge, whenever possible, rather than formal qualifications.
- Be flexible and do not rely solely on formal interview approaches.
- Provide support to applicants before the interview.
- Include an Aboriginal person on the selection panel.
- Appreciate that Aboriginal cultural protocols may differ between individuals, communities, and regions.

#### Additional information and useful links:

[Aboriginal Cultural Capability Toolkit by the Victorian Public Sector Commission.](#)

The Victorian Government's approach to Aboriginal affairs guided by the Victorian Aboriginal Affairs Framework 2018-2023 can be found here: <https://www.firstpeoplesrelations.vic.gov.au/how-governments-working-close-gap-aboriginal-affairs-framework>.

Information about the [Yoorrook Justice Commission](#) which is the first formal truth-telling process into injustices experienced by First Peoples in Victoria.

3. **Rural and regional communities** – Government decisions can affect rural and regional Victorians in unexpected ways, and it is important to ensure that these decisions and impacts do not unfairly disadvantage these communities, noting that nearly 1.6 million Victorians live in rural and regional communities.

According to the [Diversity on Victorian Government Boards Guidelines](#), entities with board members living in rural and regional Victoria are highly resourceful and can often call on extensive local networks to achieve tangible outcomes for their communities.

DJSIR must aim to maintain or exceed its WoVG targets of rural and regional representation through all board recruitment.

#### Key considerations

- Rural and regional communities are not homogenous, some communities experience poorer social, educational and health outcomes.
- Issues that affect cohorts can be intensified when geographical isolation is a factor.
- Word-of-mouth plays a key part in advertising and recruitment for opportunities in rural and regional Victoria.
- Reasonable adjustments, i.e. facilitating contact through virtual platforms, may be needed to accommodate regionally based candidates and members.

4. **Disability** – With over a million people with disabilities living in Victoria, around 20% of Victorians identify as having a disability.

DJSIR will contribute towards the WoVG targets for people within the disability cohort. Although highly recommended, there is no expectation that each ministerial portfolio must adopt these targets.

### Key considerations

- Candidates are not required to disclose their disability unless it is relevant to their ability to complete the inherent requirements of the role.
- Do not make assumptions. Always ask what support and adjustments people with disabilities need to perform at their best throughout the process, noting that most people will not require any supports or adjustments.
- Ensure all recruitment materials are available in an accessible format.
- Ensure interviews are conducted in accessible venues.
- Ensure that discussions are accessible, i.e. consider the language, speed and order of conversation to ensure that the candidate can fully participate.

### Additional information and useful links:

The [VPSC Disability Employment Toolkit](#) provides advice to public servants employing people with disability, which can also be applied to boards.

5. **Youth** – The government makes decisions that affect young people, and young people can bring valuable and fresh perspectives to improve decision making. According to the Diversity on Victorian Governments Board Guidelines, young people aged 12-25 make up approximately 18% of the Victorian population.

DJSIR will ensure that any relevant legal requirements (e.g. minimum working age, child safety requirements) are complied with prior to proposing the appointment of a person under the age of 18. For entities established under the *Corporations Act 2001* (Cth), board members **must** be at least the age of 18 years.

Where legal requirements for board membership result in a barrier to appointing young candidates, the board and its committee can consider the Observership Program, or alternative mechanisms to ensure the youth perspective is heard and captured, e.g. youth sub committees, guest speakers or consultations.

DJSIR will contribute towards the WoVG targets for the youth cohort. Although highly recommended, there is no expectation that each ministerial portfolio must adopt these targets.

### Key considerations

- Consider lived experience and practical knowledge as well as professional experience, and where possible, avoid mandatory qualifications.
  - Consider inviting a third-party observer of similar age to participate in interviewing young candidates.
  - Acknowledge the learning and development that may be required by older members of the board, in particular the chairperson, to support a young person's participation.
  - Create a vision or mission statement for the young person to understand the purpose and direction of the board, outlining the board's core values and goals.
  - Consider adjustments that need to be made to accommodate a young board member.
  - Consider offering the young person purposeful engagement opportunities, where they have real and valued roles that influence outcomes.
  - If a young person is under 18, ensure child safety standards and legislation has been considered.
6. **Culturally and linguistically diverse backgrounds (CALD)** – Cultural and linguistic diversity is broadly understood as a person who identifies with a culture or religion that is not predominantly represented in Australian society or speaks a language other than English at home. Currently, just under 50% of Victorians were born overseas or have at least one parent who was born overseas, and around 26% of Victorians speak a language other than English at home.

DJSIR boards have a strong representation of members who speak a language other than English at home. DJSIR is above the WoVG target, which may be due to the strong multicultural cohort characteristics of



Victorian boards in metropolitan areas, outer suburban communities and rural and regional Victorian communities.

#### Key considerations

- Be aware of bias and barriers to participation, e.g. lack of familiarity with formal interview processes can impact recruitment outcomes.
- Understand cultural protocols and their impact on behaviour and action.
- Non-verbal communications can vary significantly across cultures and may sometimes even have the opposite meaning. There are several cultural differences relating to physical proximity, physical contact, postures and gestures.
- Certain terminology or language can be misinterpreted or misrepresented.
- Avoid making assumptions about cultures, religions and ethnic groups and recognise that cultural communities are not homogenous.
- Consider lived experience and practical knowledge as well as professional experience, and where possible, avoid mandatory qualifications.
- Consider providing recruitment and other materials in a variety of languages and/or offering a plain English explanation or verbal overview.

#### Additional information and useful links:

Designing for Diversity, a blueprint for embedding responsiveness to diversity at the outset, at: <https://www2.health.vic.gov.au/about/populations/designing-for-diversity>.

Language services policy and guidelines, a support for departmental staff and funded organisations in the planning and provision of language services, including how to work with interpreting and translation services, at: <https://www.health.vic.gov.au/publications/language-services-policy>.

### 7. Lesbian, Gay, Bisexual, Transgender, Intersex, Queer and Other Sexually or Gender Diverse (LGBTIQ+)

According to the Diversity on Victorian Government Boards Guidelines, data regarding LGBTIQ+ status is scarce as members may not feel comfortable identifying as such for various reasons, including privacy, confidentiality and safety. The government has recommended amending the DPC Administrative Guidelines to include LGBTIQ+ status as a mandatory data field, noting that preferred candidates can always elect to state “prefer not to say”.

DJSIR will contribute towards the WoVG targets of the LGBTIQ+ target. While there is no mandatory requirement for each ministerial portfolio to adopt these targets, it is highly recommended.

#### Key considerations

- LGBTIQ+ people still face discrimination and stigma.
- Do not assume heterosexuality or gender. Recognise that gender, sex and sexuality are different concepts.
- Provide practical examples of your board's commitment to diversity and inclusion.
- Ensure that staff involved in the recruitment and appointment processes are trained in and demonstrate, inclusive practices.
- Demonstrate zero tolerance for homophobia, transphobia, biphobia and discrimination against people with an intersex variation.
- Be sensitive about disclosure.
- There is a significant level of diversity within and between LGBTIQ+ communities.

## APPENDIX C: Support and resources

An indicative outline of support and resources provided by DJSIR, other departments and integrity-related bodies is provided below.

Governance Element	Support and Resources
Planning	<ul style="list-style-type: none"> <li>• <a href="#"><i>Resource Management Framework for Victorian Government Departments</i></a>, Department of Treasury and Finance, <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a></li> <li>• DJSIR Portfolio Entity Corporate Planning Guidelines and template, <a href="#"><i>Portfolio Governance Framework</i></a></li> <li>• <a href="#"><i>Corporate planning and performance reporting requirements</i></a>, Department of Treasury and Finance</li> <li>• <a href="#"><i>Statement of Expectations Framework for Regulators</i></a>, Department of Treasury and Finance</li> <li>• <i>Practitioners Professionals Toolkit</i>, Department of Treasury and Finance, <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a></li> <li>• <a href="#"><i>Investment Lifecycle and High Value High Risk (HVHR) Guidelines</i></a>, Department of Treasury and Finance, <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a></li> <li>• <i>'Is your entity subject to the Standing Directions of the Minister for Finance?'</i> Department of Treasury and Finance, <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a></li> <li>• <a href="#"><i>Victorian Government Purchasing Board policies, guides and tools</i></a>, <a href="http://www.procurement.vic.gov.au">www.procurement.vic.gov.au</a></li> </ul>
Analyse and Monitor	<ul style="list-style-type: none"> <li>• <a href="#"><i>Premier's Circular No. 2013/2</i></a>, Creation and Review of Non-departmental Entities</li> <li>• DJSIR Monitoring and Evaluation Policy and standards</li> <li>• <a href="#"><i>Resource Management Framework for Victorian Government Departments</i></a>, Department of Treasury and Finance, <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a></li> </ul>
Reporting	<ul style="list-style-type: none"> <li>• <a href="#"><i>Standing Directions 2018 under the Financial Management Act 1994</i></a>, <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a></li> <li>• <a href="#"><i>Asset Management and Accountability Framework</i></a>, Department of Treasury and Finance, <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a></li> <li>• <a href="#"><i>Model Reports</i></a>, Department of Treasury and Finance, <a href="http://www.dtf.vic.gov.au">www.dtf.vic.gov.au</a></li> </ul>
Risk	<ul style="list-style-type: none"> <li>• <a href="#"><i>Victorian Risk Management Framework and Insurance Management Policy</i></a>, Department of Treasury and Finance</li> </ul>
Communication and Engagement	<ul style="list-style-type: none"> <li>• <a href="#"><i>Establishing portfolio governance arrangements</i></a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• Ministerial Briefing Template</li> <li>• Ministerial Correspondence Template</li> </ul>

Governance Element	Support and Resources
Board appointments and meetings	<ul style="list-style-type: none"> <li>• <a href="#">Premier's Circular No. 2015/2</a>, Good Board Governance</li> <li>• <a href="#">Recruitment and Appointment to the Board: A Governance Officer's Toolkit</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• <a href="#">Appointment and Remuneration Guidelines</a>, Department of Premier and Cabinet (DPC), <a href="http://www.dpc.vic.gov.au">www.dpc.vic.gov.au</a></li> <li>• <a href="#">Assessing public board performance</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• Women – <a href="#">Diversity on Victorian Government Boards Guidelines</a>, Department of Premier and Cabinet (DPC)</li> <li>• <a href="#">Aboriginal Cultural Capability Toolkit</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• <a href="#">Victorian Aboriginal Affairs Framework 2018-2023</a>, First Peoples State Relations, <a href="http://www.firstpeoplesrelations.vic.gov.au">www.firstpeoplesrelations.vic.gov.au</a></li> <li>• <a href="#">Yoorrook Justice Commission</a>, First People, <a href="http://www.yoorrookjusticecommission.org.au">www.yoorrookjusticecommission.org.au</a></li> <li>• <a href="#">VPSC Disability Employment Toolkit</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• <a href="#">Diversity on Victorian Government Boards Guidelines</a>, Department of Premier and Cabinet (DPC), <a href="http://www.dpc.vic.gov.au">www.dpc.vic.gov.au</a></li> <li>• <a href="#">Designing for Diversity</a>, Department of Health, <a href="http://www.health.vic.gov.au">www.health.vic.gov.au</a></li> <li>• <a href="#">Language services policy and guidelines</a>, Department of Health, <a href="http://www.health.vic.gov.au">www.health.vic.gov.au</a></li> <li>• <a href="#">Board appointment, remuneration and diversity guidance</a>, Department of Premier and Cabinet (DPC), <a href="http://www.dpc.vic.gov.au">www.dpc.vic.gov.au</a></li> <li>• <a href="#">Guide to public entity board governance</a>, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• <a href="#">Code of Conduct for Director of Victorian Public Entities</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• <a href="#">Conflict of Interest and Duty Guidance for Directors</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> </ul>

Governance Element	Support and Resources
Integrity	<ul style="list-style-type: none"> <li>• <a href="http://www.buyingfor.vic.gov.au">Supplier Code of Conduct</a>, Buying for Victoria, <a href="http://www.buyingfor.vic.gov.au">www.buyingfor.vic.gov.au</a></li> <li>• <a href="http://www.vpsc.vic.gov.au">Code of Conduct for Victorian Public Sector Employees</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• <a href="http://www.vpsc.vic.gov.au">Code of Conduct for Directors of Victorian Public Entities</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• <a href="http://www.vpsc.vic.gov.au">Conflict of interest guidance for organisations</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• Conflict of Interest Policy, Department of Jobs, Skills, Industry and Regions, <a href="http://www.djsir.vic.gov.au">www.djsir.vic.gov.au</a></li> <li>• <a href="http://www.vpsc.vic.gov.au">Integrity guide for new board directors</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• Fraud and Corruption Control Policy, Department of Jobs, Skills, Industry and Regions, <a href="http://www.djsir.vic.gov.au">www.djsir.vic.gov.au</a></li> <li>• Fraud and Corruption Control Plan and Procedures, Department of Jobs, Skills, Industry and Regions, <a href="http://www.djsir.vic.gov.au">www.djsir.vic.gov.au</a></li> <li>• Thefts and Losses Policy, Department of Jobs, Skills, Industry and Regions, <a href="http://www.djsir.vic.gov.au">www.djsir.vic.gov.au</a></li> <li>• <a href="http://www.vpsc.vic.gov.au">Gifts, Benefits and Hospitality Policy Guide</a>, Victorian Public Sector Commission, <a href="http://www.vpsc.vic.gov.au">www.vpsc.vic.gov.au</a></li> <li>• <a href="http://www.djsir.vic.gov.au">Gifts, Benefits and Hospitality Policy</a>, Department of Jobs, Skills, Industry and Regions, <a href="http://www.djsir.vic.gov.au">www.djsir.vic.gov.au</a></li> <li>• <a href="http://www.ibac.vic.gov.au">Guidelines for Handling Public Interest Disclosures</a>, Independent Broad-Based Anti-Corruption Commission, <a href="http://www.ibac.vic.gov.au">www.ibac.vic.gov.au</a></li> <li>• <a href="http://www.ibac.vic.gov.au">Guidelines for Public Interest Disclosure Welfare Management</a>, Independent Broad-Based Anti-Corruption Commission, <a href="http://www.ibac.vic.gov.au">www.ibac.vic.gov.au</a></li> <li>• Public Interest Disclosure Procedure, Department of Jobs, Skills, Industry and Regions, <a href="http://www.djsir.vic.gov.au">www.djsir.vic.gov.au</a></li> <li>• <a href="http://www.ccyp.vic.gov.au">Child Safe Standards</a>, Commission for Children and Young People, <a href="http://www.ccyp.vic.gov.au">www.ccyp.vic.gov.au</a></li> <li>• <a href="http://www.ccyp.vic.gov.au">Reportable Conduct Scheme</a>, Commission for Children and Young People, <a href="http://www.ccyp.vic.gov.au">www.ccyp.vic.gov.au</a></li> <li>• <a href="http://www.nationalredress.gov.au">National Redress Scheme</a>, <a href="http://www.nationalredress.gov.au">www.nationalredress.gov.au</a></li> <li>• <a href="http://www.justice.vic.gov.au">Victorian Funding Guideline for Services to Children</a>, Department of Justice and Community Safety, <a href="http://www.justice.vic.gov.au">www.justice.vic.gov.au</a></li> <li>• <a href="http://www.djsir.vic.gov.au">Child Safety at DJSIR</a>, Department of Jobs, Skills, Industry and Regions, <a href="http://www.djsir.vic.gov.au">www.djsir.vic.gov.au</a></li> </ul>

## APPENDIX D: Glossary

<b>Accountable officer</b>	<p>The accountable officer is the head of the entity.</p> <p>For most of the department's entities it is usually the chief executive officer.</p> <p>As per definition in the <i>Financial Management Act 1994</i> (Vic) s 3.</p>
<b>Administrative office</b>	<p>Administrative offices are a Victorian public service organisational form created under section 11 of the <i>Public Administration Act 2004</i>. They are typically established to undertake specific tasks and are formally related to a department and are part of the public service.</p> <p>Administrative offices have a degree of autonomy from their parent department.</p> <p>The premier employs the head of an administrative office.</p> <p>An example is the Victorian Skills Authority.</p>
<b>Entity</b>	<p>General term for the department's portfolio entities. Most entities operate at 'arm's length' from the department depending on their form and function. Has oversight by the same responsible minister as a portfolio within the department.</p>
<b>Annual report</b>	<p>A report of an entity's operations and financial statements, as per the <i>Financial Management Act 1994</i> (Vic) s 45, Corporations Act or establishing legislation.</p>
<b>Board</b>	<p>The board is a governing body of a portfolio entity. The role of the board is one of governance and strategy. The board is accountable to the minister responsible for the entity in the exercise of its functions.</p>
<b>Business plan</b>	<p>An annual document that sets out achievable and measurable targets to ensure the entity is on track to deliver the medium-term strategy as described in the entity's corporate plan.</p>
<b>Corporate plan</b>	<p>A document which outlines and formalises an organisation's method for achieving and measuring its strategic objectives over the medium term.</p>
<b>Corporate Services Group</b>	<p>A department group that provides strategic cross-portfolio advice and services to drive the performance of the department and portfolio entities.</p>
<b>Department</b>	<p>Refers to the Department of Jobs, Skills, Industry and Regions (DJSIR).</p>
<b>DTF</b>	<p>Department of Treasury and Finance</p>
<b>EBITDA</b>	<p>Earnings before interest, tax, depreciation and amortisation</p>
<b>End of year report</b>	<p>A financial report by the entity to the department which comprises of:</p> <ul style="list-style-type: none"> <li>periodic financial reporting during the year</li> <li>entity's achievements against budget and the previous year</li> <li>the calculation of the following five metrics:</li> <li>liquidity</li> <li>working capital</li> <li>capex replacement</li> <li>revenue growth</li> <li>labour growth.</li> </ul>

<b>Executive Board dashboard report</b>	A tool for the Executive Board to monitor and assess portfolio performance. The dashboard provides a system-wide view of performance and reporting against outcomes, outputs, inputs and emerging risks and issues. It also contains progress reports against treatment plans established for entities that received 'high' ratings.
<b>General government (GG)</b>	Includes all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. They typically provide products and services that are non-market in nature and/or are for the collective consumption of the community, and those which involve the transfer or redistribution of income financed mainly through taxes and other compulsory levies.
<b>Governance</b>	The processes and structures by which public entities are directed, controlled and held into account, to enable it to achieve its strategic goals and objectives.
<b>Governance Framework</b>	Abbreviated term for DJSIR's Governance Framework for Portfolio Performance, which comprises a range of tools and processes (e.g. the guide, health assessment and the Executive Board Dashboard) across a broad range of areas relating to planning and performance, financial sustainability and accountability applicable to the department and entities.
<b>Guide to Good Governance and Portfolio Performance (the Guide)</b>	A document outlining governance and performance requirements and expectations for all entities. The guide contains a set of requirements that apply to all entities along with the requirements that apply to specific entities only.
<b>Health assessment</b>	An assessment of each entity, which assesses a number of factors and metrics to identify, through an evidence-based process, where to target the department's oversight and support for entities.
<b>Independent Broad-based Anti-Corruption Commission (IBAC)</b>	As Victoria's anti-corruption entity, IBAC: <ul style="list-style-type: none"> <li>receives complaints and notifications of public sector corruption and police misconduct</li> <li>investigates and exposes corruption and police misconduct</li> <li>informs the public sector and community about the risks and impacts of corruption and police misconduct, and ways it can be prevented.</li> </ul>
<b>Industry Development Committee</b>	Refers to a form of a committee whose purpose is to promote the best interests of the industry it represents, improve competitiveness of the industry and provide services where appropriate.  Examples include the Murray Valley Wine Grape Industry Development Committee and the Victorian Strawberry Industry Development Committee.  As per the definition in the <i>Agricultural Industry Development Act 1990</i> (Vic) s 3.
<b>Inter-entity risk</b>	Risks shared by two or more entities that require coordinated management and may include systemic risks. The responsibility for managing an inter-entity risk is shared by all the relevant entities and will benefit from a coordinated response where one entity takes a lead role.
<b>Issue</b>	Refers to an immediate problem that needs to be solved or addressed.
<b>Head / Deputy Secretary</b>	The most senior executive of the portfolio group. In the context of the governance framework, they approve the health assessment and treatment plan on behalf of a portfolio group.
<b>MOU</b>	Memorandum of Understanding

<b>Minister</b>	The person appointed by the premier as the government official responsible for a particular portfolio, including oversight of entities under that portfolio. Primary functions of a minister in respect to an entity include directing an entity, appointing directors to the board, controlling or effecting its operations, and initiating a review of the entity's management systems, structures and processes.
<b>Portfolio</b>	Refers to a minister's area of responsibility and includes the acts that the minister administers, as well as the relevant entities in the portfolio, such as the department and portfolio entities.
<b>Procurement</b>	The acquisition, whether under formal contract or otherwise, of goods and/or services from third parties.
<b>Program evaluation</b>	A means by which a program is judged to determine its effectiveness, appropriateness and efficiency.
<b>Public Financial Corporation (PFC)</b>	<p>The PFC sector comprises entities engaged primarily in providing financial intermediation services or auxiliary financial services with one or more of the following characteristics:</p> <ul style="list-style-type: none"> <li>• they perform a central borrowing function;</li> <li>• they provide insurance services;</li> <li>• they accept call, term or savings deposits; or</li> <li>• they have the ability to incur liabilities and acquire financial assets in the market on their own account.</li> </ul>
<b>Public Non-Financial Corporation (PNFC)</b>	The primary function of entities in the PNFC sector is to provide goods and services in a competitive market that is non-regulatory and non-financial in nature. Such entities are financed mainly through sales to the consumer of these goods and services.
<b>Relationship managers</b>	Refers to the individuals from the department and entities who act as the key point of contact between the portfolio group and the relevant entity.
<b>Responsible body</b>	<p>In relation to an entity with a statutory board or equivalent governing body established by or under statute, that board or governing body; and</p> <p>in relation to an entity without a statutory board or equivalent governing body established by or under statute, that entity's accountable officer.</p>
<b>Risk</b>	Effect of uncertainty on objectives. An effect may be positive or negative. Objectives may be related to aspects such as financial, health and safety or environmental and may apply at strategic, operational, project or process related levels.
<b>Risk Management</b>	The combination of organisational systems, processes and culture which facilitate the identification, assessment, evaluation and treatment of risk to achieve an appropriate balance between realising opportunities and minimising losses in the pursuit of strategic objectives.
<b>Risk Management Framework</b>	Set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.



<b>Secretary</b>	<p>The head of a department responsible to their ministers for the general conduct and the effective, efficient and economical management of the functions and activities of the department and administrative offices in relation to the department.</p> <p>Secretaries are the principal portfolio advisers to the government. They provide advice on policy matters and assist ministers to maintain an awareness of operations within their portfolios, often acting as the interface between ministers, public entities, administrative offices and stakeholders. See 'public service body head' as per definition in the <i>Public Administration Act 2004</i> (Vic) s 4 and s 13.</p>
<b>Service Agreement (SA)</b>	Agreements (including Portfolio Service Agreements) between DJSIR and portfolio entities, or the relevant minister and portfolio entity/board that formalises the expectations on governance, planning and reporting.
<b>Service level agreement (SLA)</b>	A document that formalises an agreement between the department and an entity which defines the scope and governs the provision of services (such as information technology, legal services, human resources, etc.).
<b>Standing Directions</b>	Refers to the <i>Standing Directions under the Financial Management Act 1994</i> issued under section 8 of the <i>Financial Management Act 1994 (FMA)</i> , which sets the standard for financial management by Victorian Government entities.
<b>State owned enterprise</b>	<p>State owned enterprises are a public sector form of entity. They are established under the <i>State Owned Enterprises Act 1992</i>. There are four types:</p> <ul style="list-style-type: none"> <li>• <b>State body:</b> a general form of entity that does not have a specific purpose: rather the purpose, functions and powers of a state body are described in the Order which establishes the body.</li> <li>• <b>State business corporation:</b> an entity that in general has a commercial focus and has a skills-based board that operates its business as efficiently as possible.</li> <li>• <b>State owned company:</b> a <i>Corporations Act</i> company declared as a state owned company under the State Owned Enterprises Act. This is the most commercial structure available under the Act.</li> <li>• <b>Reorganising body:</b> a public entity can be declared to be a reorganising body in order to conduct or to facilitate a reorganisation of the entity. This type of state owned enterprise allows the governor in council to make changes to its constitution, governance arrangements and capital structure.</li> </ul>
<b>Statement of Expectations (SOE)</b>	A governing document setting out a minister's expectations of an entity, in areas such as relevant government objectives and performance targets.
<b>Statutory Office</b>	Statutory offices are a Victorian public sector organisational form. They are established under enabling legislation to carry out a set of functions with some autonomy from ministers and the department.
<b>Strategic plan</b>	A strategic plan is a document that sets out the entity's objectives, desired outcomes and strategic priorities.
<b>Treatment plan</b>	The treatment plan articulates the means and mechanisms to address issues and risks raised in the health assessment.
<b>Treatment rating</b>	The type of action to be taken in response to a health assessment rating. There are three types of actions: 'Accept', 'Monitor' or 'Escalate'.



<b>Unincorporated Joint Venture</b>	An unincorporated joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. They are established between two or more organisations usually for a specific project.
<b>Victorian Managed Insurance Authority (VMIA)</b>	Provides insurance and risk advice to the State Government of Victoria.
<b>Victorian Public Sector Commission (VPSC)</b>	<p>Responsible for enhancing the performance of the public sector by fostering the development of an efficient, integrated, and responsive public sector which is highly ethical, accountable and professional in the ways it delivers services to the Victorian community.</p> <p>The key functions of the VPSC are to:</p> <ul style="list-style-type: none"> <li>strengthen the efficiency, effectiveness, and capability of the public sector in order to meet existing and emerging needs and deliver high quality services; and</li> <li>maintain and advocate for public sector professionalism and integrity.</li> </ul>