
Board Charter



**Food & Fibre
Gippsland**

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To be developed by the First Board .	

1.0 Introduction

The purpose of this Board Charter is to promote high standards of governance and to clarify the roles and responsibilities of the Board and Board members. For the purposes of this Charter, the 'Board' is the Food & Fibre Gippsland Inc (F&FG Inc) Board appointed under the terms of the Associations Incorporation Reform Act (2012), and in accordance with the strategic intent of the members and the requirements of the funding agreements with key stakeholders.

The Charter outlines:

- Food & Fibre Gippsland Inc purpose
- F&FG Inc Membership
- The establishing legislation and funding agreements that affect the structure, nature and operations of the Board
- The roles and responsibilities of the Board Chair, Board members and Committees and the CEO.
- Delegations and authorities and any conditions that apply.
- A code of conduct.

It is designed to be read in conjunction with the Model Rules (Associations Incorporation Reform Act, 2012).

The Board will review this Charter annually, to reflect any changes in legislation, funding agreements and recommended practice.

2.0 Purpose and Principles

Food & Fibre Gippsland will develop an integrated approach to all aspects of the sector for the entire Gippsland region. As part of this process, the entity will develop a strategic plan that will link to the development of the sector and meet the requirements of its stakeholders to grow and sustainably develop the sector for the long term. This activity will form an essential initial plank in the current funding plan for the new organisation. Food & Fibre Gippsland will reflect best-practice contemporary models in industry and regional development in order to deliver benefits for food & fibre businesses and the regional communities that depend on them.

2.1 Purpose:

The purpose of Food & Fibre Gippsland Inc (F&FG Inc) is to sustainably grow the food & fibre sectors in Gippsland.

F&FG Inc will:

- Develop and commit to a medium and long term strategic plan that provides a framework for the development and growth of F&FG sector providing an annual business plan according to the strategic plan
- Provide a single, unified voice for food & fibre in Gippsland
- Promote, develop, enhance and increase recognition of the regional food & fibre (agribusiness) sector and be recognised as the credible voice of the region's food & fibre sector.
- Drive alignment across initiatives to maximise impact
- Promote and support the food & fibre value chain in all sectors
- Create and enhance a strong food & fibre Gippsland brand
- Connect to related opportunities (e.g. tourism)
- Model and Promote Sustainability, Excellence, Collaboration and Fairness:

Sustainability: "supporting vibrant and enduring businesses and communities whilst protecting the environment for future generations"

Excellence: “striving for excellence in governance and operational processes, and supporting excellence across members”

Collaboration: “striving to achieve mutually beneficial outcomes for our businesses and community through collective effort, whilst respecting that there will sometimes be competitive tensions”

Fairness: “promoting fairness at all levels and to all parties - farmers, workers, processors, distributors, traders and consumers”.

Food & Fibre Gippsland is a not for profit organisation.

2.2 Principles

The following values/principles underpin the activities of F&FG:

- Operate as the Peak Industry Body, providing a strategic focus, setting the food & Fibre agenda for Gippsland and advocating for our members, the industry and our region and working with other bodies to advance the region.
- A Member-based Association- our member businesses pay an annual fee to be a member – having ‘skin in the game’ makes them more likely to commit to and support our work.
- Provide high value communication with members and other stakeholders
- Utilise Innovation Best Practice- *solving problems in unique ways to create shared value*. Ways of working such as those underpinning Clustering and Smart Specialisation will form the core of how we will operate and collaborate (Smart Specialisation is a place-based approach to innovation endorsed by the Latrobe Valley Authority)
- Be a Project Leader with a focus on collaborative growth, innovation and profitability of members is enhanced when cutting edge projects are delivered in the region

3.0 Membership

Membership is open to any organization or individual who applies and is approved for membership as provided in the Membership Policy. Membership is subject to the payment of an annual fee and levy. The membership policy, including fees, will be reviewed every year

More details can be found in F&FG 's membership policy, which can be found at www.foodandfibregippsland.com.au.

4.0 Compliance Framework

The relevant legislation and funding agreements set a broad framework for the structure, functions and operations of F&FG Inc. Compliance in relation to these matters is mandatory. Board members and any F&FG contractors/staff:

- must possess a sound working knowledge of the details of the legislation and agreements; and
- are bound by the code of conduct.

Obligations of F&FG are largely contained in the following:

- Associations Incorporation Reform Act (2012), and the model rules
- The purpose and principles as set out in this document
- Direct funding agreements as may apply from time to time
- Code of Conduct defined within this document.

At all times, members of the Board will act honestly, fairly and diligently in all respects, in accordance with the legislation applicable to F&FG and parameters defined by funding agreements entered into.

5.0 Board Structure and Board Appointment

The Board shall ensure that-:

- it represents the interests of the membership base
- board members possess a full range of skills and knowledge conducive to competent and effectively functioning Board
- it reflects the stake of other key funding organisations.

5.1 Membership

The Board membership shall comprise-:

1. up to 9, and no less than 5, members elected from the full membership base – ideally representing the diversity of the full membership base both in terms of size and product types

Upon the amalgamation of Agribusiness Gippsland Inc and East Gippsland Food Cluster Inc to become F&FG Inc, the **First Board** shall comprise 3 members of each entity's boards, as nominated by the respective board.

2. The board will have the power to co-opt ongoing members (which may entail a change in clause 1 above). The Board may also, at its discretion co-opt members for a specified period.
3. Up to 3 non-voting (non-decision making) board members nominated by key financial stakeholders. At this time this is deemed to be: 1 x RDV, nominated by RDV and 1 x LGA (Gippsland), nominated via the GLGN forum and 1 x LVA, nominated by the LVA Chief Executive – as agreed by the F&FG Inc. board. (for these purposes RDV means: The State Government of Victoria -Department of Economic Development, Jobs, Transport and Resources/Regional Development Victoria).

Appointments to the Board and Office Bearers (President/Vice President/Secretary/Treasurer are as outlined in the Associations Incorporation Act 'Model Rules'.

5.2 Variation to the Model Rules

The following may require the adoption of a set of "own rules" for the association, a change which requires General Meeting approval, and approval by Consumer Affairs Victoria. Until this decision is made, the following provides guidance:

- Until the first AGM of F&FG Inc it is proposed (subject to the relevant appointment process) that Board Member appointments may continue beyond the standard one-year period, and that when elected, Board Members are understood to be appointed for a 3-year term.
To ensure continuity of membership and corporate knowledge, appointments to the board will be understood to be 1, 2- and 3-year terms.
Should any vacancy occur during a term, the relevant appointment process (as defined above) will be followed to fill the vacancy.
- F&FG Inc will rename the position of President to Chair and Vice President to Deputy Chair.
- Office Bearers will be elected at the **First Board** Meeting of the association.

6.0 The Roles of The Board and Board Members

6.1 Role of the Board

The Board is responsible for the outcomes and deliverables of F&FG and is accountable for delivering against any funding agreements that support the work of the association.

In carrying out its responsibilities, the Board undertakes to serve the interests of F&FG members, state government, local government, employees, contractors, other stakeholders and the broader community honestly, fairly, diligently and in accordance with applicable laws.

The Board's responsibilities include:

- Setting the strategic goals, objectives and performance targets of F&FG in conjunction with management and financial stakeholders (Strategic Plan/Annual Business Plan/Project Plans)
- Ensuring resources are available to achieve these goals, including approving annual budgets and longer-term financial plans
- Appointing the Chief Executive Officer (CEO), setting CEO remuneration, assessing CEO performance annually and providing for CEO succession. This position may be filled by a contractor, or by directly employing a person.
- Reviewing the performance of F&FG
- Identifying and monitoring major risks as well as reviewing and ratifying systems of risk management and internal compliance and control
- Establishing and reviewing the Terms of Reference of all Committees of the Board and
- Ensuring appropriate delegation of authority (the Board cannot delegate responsibility).

The Board delegates to the Chief Executive Officer responsibility for managing the day-to-day operations of F&FG. The Chief Executive Officer consults with the Board Chair, in the first place, on matters that are sensitive, extraordinary, or of a strategic nature.

6.2 Role of Board Chair

The Chair is first servant to the Board. The Chair must provide leadership and promote Board cohesiveness and Board effectiveness. The Board expects the Chair to provide effective leadership in formulating the strategic direction for F&FG.

The Chair's responsibilities include:

- Chairing meetings of the Board and ensuring that the meetings are conducted competently and ethically
- Assisting the Board to develop good relationships with the Chief Executive Officer and with other key stakeholders and interested parties
- Assisting individual members to understand their role, responsibilities and accountabilities and to assist with their involvement in F&FG
- Ensuring the performance of the Board is assessed and reported annually
- In consultation with the Chief Executive Officer, establishing the agenda and chairing Board meetings
- On behalf of F&FG, being the spokesperson, or nominating an appropriate substitute, on policy matters (the CEO is the responsible spokesperson on operational matters)
- Regularly reviewing, with the CEO, progress on important initiatives and significant issues facing F&FG
- Ensuring the efficient organisation and conduct of the Board; and
- Ensuring an induction process for new Board members.

6.3 Role of the Board Member

Board Members, when representing F&FG, must act in the best interests of F&FG and its stakeholders as a whole. A Member shall, in good faith, behave in a manner that is consistent with generally accepted procedures for the conduct of meetings at all meetings of the Board.

Each member assumes responsibility for:

- Discharging their duties with honesty and good faith
- Acting with the level of skill, care and diligence expected of a Member of a not-for-profit incorporated organisation

- Participating in Board reviews
- Making reasonable enquiries to ensure that F&FG is operating efficiently, effectively and legally towards achieving its goals
- Complying with the spirit, as well as the letter, of the law and the principles of this Charter
- Not making improper use of information gained through their position as a Board member
- Not allowing personal interests, or the interest of any associated person or organisation, to conflict with the interests of F&FG
- Not engaging in conduct likely to bring discredit upon F&FG
- Being responsible collectively for Board decisions and supporting and adhering to all Board decisions
- Keeping confidential all Board information, discussions, deliberations and decisions except those released from confidentiality by the Board; and
- Not speaking on behalf of F&FG unless authorised to do so by the Chair.

6.4 Role of Board Committees

The Board forms and periodically reviews a number of standing Committees. These Committees assist the Board by reviewing and monitoring the strategic direction, special projects, audit processes and risk management controls, CEO remuneration and performance, and operations of F&FG.

6.5 “FIRST BOARD”:

The First Board of F&FG is expected to create the following Committees, namely:

- Risk and Finance Committee
- Nominations and Remuneration Committee
- Member and Stakeholder Communications and Engagement Committee

When formally constituted each Committee will have written Terms of Reference approved by the Board. (Sample Terms of Reference are available from each of F&FG’s preceding entities. Formal minutes of each Committee meeting will be prepared and circulated to each of the Board members together with a list of recommendations and/or other matters and issues for the consideration of the full Board at the next Board meeting. The CEO will normally provide executive support to the Committees and any Working Groups.

From time to time special working groups may be formed around projects that emerge from the Strategic Plan/Annual Business Plan/Project Plans. Such working groups will be open to all interested members. Such projects may give rise to commercial opportunities for members, and consideration may need to be given to their own independent governance arrangements. Such working groups may also need to consider the special needs of members who bring commercial opportunities that arise from their own individual business activity to the broader membership base. Such special requirements will be reflected in the project charter and submitted to the Board for approval.

6.6 Role of Chief Executive Officer

The Chief Executive Officer (CEO) is responsible for the day-to-day management of the affairs of F&FG in accordance with the general directions of the Board. The CEO acts under authority received from the Board.

The CEO is bound by the:

- Charter; and
- Roles and responsibilities outlined in the CEO position description
- Other F&FG Inc policies as they exist from time to time

In fulfilling his or her duties, the CEO:

- Reports directly to the Board through ensuring that the Board reports are developed in a timely and effective manner for review and approval
- Provides prompt and full information to the Board regarding the conduct of the business of F&FG
- Complies with directions given by the Board via Board motions
- Is the Board's spokesperson to the public and government for matters of an operational nature; and
- Will (with the Chair) arrange the induction of new Board members.

7.0 Board Operations

7.1 Handling Conflicts of Interest

Board members must take all reasonable steps to avoid actual, potential or perceived conflicts of interest with F&FG. A Conflict of Interest is deemed to arise when there is a divergence or inconsistency between an individual's personal/organisational interests and the interests of F&FG. This includes pecuniary or non-pecuniary interests held by themselves or members of their immediate family and should include instances where there is only a perception of conflict of interest. It is however noted that 'pecuniary interests' and 'non-pecuniary' interests are likely to regularly emerge given the purpose and membership of F&FG. Pecuniary interests are therefore not necessarily to be avoided but must be appropriately managed and declared in order to ensure that they are not, or do not become, 'conflicts of interest'.

A "pecuniary interest" is deemed to be an interest that a person or an organisation has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person/organisation or another person/organisation with whom the person/organisation is associated.

A 'non-pecuniary interest' is deemed to be an interest that a person or an organisation has in a matter because of a reasonable likelihood or expectation of an indirect or less tangible gain or loss to the person/organisation or another person/organisation with whom the person/organisation is associated.

All Board members are required to:

- Provide the Chief Executive Officer with an annual, written declaration of Register of Interests;
- At the commencement of any Board meeting, make those present aware of any potential conflicts of interest that might arise in the discussion and/or decision on a particular matter or agenda item before the Board and declare the potential conflict on the form 'Declaration of Pecuniary Interest: Notice of Disclosure of Pecuniary Interest by Board Member; and
- Bring to the Board's attention any potential undeclared conflict of interest involving another Board member.

Any declarations made prior to or at Board meetings will be included in the minutes and filed.

With respect to projects and project working groups, pecuniary and non-pecuniary interests of all members (and other stakeholders) are to be declared and noted as part of project documentation and considered in terms of 'risk management' and legislative compliance (i.e. Consumer and Competition Act 2010, etc).

8.0 Annual Board Calendar

To provide an even distribution of work over the year, the Board will adopt a rolling twelve-month Board calendar. The monthly calendar will include all regular Board meetings and major Board activities scheduled for the month in question.

9.0 Board Meetings

The Board meetings and agendas are fundamental governance processes. The Board meeting is critical, as it is the main opportunity for members to:

- Obtain and exchange information with the Chief Executive Officer;
- Obtain and exchange information with each other; and
- Make decisions.

9.1 Meeting Frequency

Unless otherwise agreed, the Board will meet at least bi-monthly. The meeting rhythm will be set by the board.

9.2 Annual General Meeting

An annual general meeting will be conducted which will be open to all members and stakeholders. The annual general meeting will include an annual report and the presentation of F&FG's financial statements. In accordance with the timing of appointments, the annual general meeting will also provide the forum for the nomination and election of members to the Board.

9.3 Meeting Quorum

In line with the Associations Incorporation Reform Act (2012), half plus one, of the elected Board members are required to be present to constitute a quorum.

9.4 Setting the Agenda

The Chair sets Board agendas in conjunction with the DEO. An agenda will be prepared for each Board and Committee meeting and forwarded to members one week in advance. The CEO is responsible for the preparation and circulation of Board papers. All papers must reach Board members within a reasonable time before the Board meeting. The Board will not accept the tabling of papers requiring consideration or decision at a Board meeting unless approved by the Chair.

Board members and the CEO may raise issues for inclusion on the agenda of Board meetings. Matters raised for discussion and decision by the Board must follow the following procedure:

- As part of the meeting papers, present a 'Matter for Discussion' paper outlining the nature of the issue to be discussed; and,
- With the agreement of the Board, have a 'Matter for Decision' paper prepared for decision at a subsequent Board meeting, including a recommended course of action.

9.5 Conduct of Meetings

With the agreement of the Board, the Chair will determine the degree of formality required at each meeting while maintaining appropriate decorum. As such, the Chair will:

- Ensure that all members are heard;
- Retain sufficient control to ensure that the authority of the Chair is recognised (This may require a degree of formality to be reintroduced when it is required to make progress);
- Take care that the decisions are properly understood; and
- Ensure that an agreed, minuted resolution records the conclusion of the decisions and debate.

The CEO will normally attend Board meetings to present reports or seek approvals within. However, part of some meetings may be taken up in private, in-camera session (with only the Board members present) to discuss management issues or matters of a particularly sensitive nature.

9.6 Meeting Minutes and Records

Minutes record all decisions made. Once authorised by the Board, all minutes are available by members on request, except those of a sensitive nature. F&FG maintains a record of Board minutes, submissions and papers and of other material presented to the Board; this material is accessible to Board members on request but, to non-Board members only with the agreement of the Board.

10.0 Board Performance

The Board reviews and evaluates its own performance and the performance of its Committees on an annual basis. During this review, the Board considers the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to F&FG. It is the obligation of all Board members to participate in the performance reviews of the Board.

11.0 Board Member Inductions

On appointment, Board members are given an induction covering what is expected of them as regards to committing time to F&FG activities, being a member of Committees and participating in their activities. Induction should include a briefing pack of materials setting out F&FG's activities, financial position and forward plans. New Board members will receive management briefings on strategic, financial and other matters. All Board members are encouraged to take appropriate governance training.

12.0 Sanction of Board Members

By majority, the Board may censure a Board member for breach of the Charter.

13.0 Code of Conduct

The purpose of the Code of Conduct is to promote high standards of governance, accountability, performance and respect for F&FG. It also ensures agreed and common understanding around codes of conduct for Board Members and Contractors/Employees.

1. Integrity
 - ✓ Being honest, open and transparent in their dealings
 - ✓ Using powers responsibly
 - ✓ Reporting improper conduct
 - ✓ Declaring any real or perceived conflicts of interest, and
 - ✓ Striving to earn and sustain stakeholder trust
2. Impartiality
 - ✓ Making decisions and providing advice on merit and without bias, caprice, favouritism, or self interest
 - ✓ Acting fairly by objectively considering all facts and criteria, and
3. Accountability
 - ✓ Working to clear objectives in a transparent manner,
 - ✓ Accepting responsibility for their decisions and actions
 - ✓ Seeking to achieve the best use of resources
 - ✓ Submitting themselves to appropriate scrutiny
4. Respect
 - ✓ Treating peers, employees and other members of the community fairly and objectively
 - ✓ Ensuring freedom from discrimination, harassment and bullying

- ✓ Using their views to improve outcomes on an ongoing basis
- 5. Leadership
 - ✓ Demonstrating leadership by actively implementing, promoting and supporting these values
- 6. Human rights
 - ✓ Making decisions and providing advice consistent with human rights
 - ✓ Actively implementing, promoting and supporting human rights
- 7. Social Responsibility
 - ✓ Making decisions and providing advice after full consideration of the impacts, needs and expectations of broader social and natural values

14.0 Terms of Reference - Board Committees

Refer to section 6.4 above:

14.1 "FIRST BOARD"

The First Board of F&FG is expected to create the following Committees, namely:

- Risk and Finance Committee
- Nominations and Remuneration Committee
- Member and Stakeholder Communications and Engagement Committee

When formally constituted each Committee will have written Terms of Reference approved by the Board. (Sample Terms of Reference are available from each of F&FG's preceding entities. Formal minutes of each Committee meeting will be prepared and circulated to each of the Board members together with a list of recommendations and/or other matters and issues for the consideration of the full Board at the next Board meeting. The CEO will normally provide executive support to the Committees and any Working Groups."