



**Tasmanian
Community Fund**
Making a difference

TASMANIAN COMMUNITY FUND

CODE OF CONDUCT

TASMANIAN COMMUNITY FUND BOARD

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BACKGROUND

The *Tasmanian Community Fund Act 2005* (the Act), amongst other things, established the Tasmanian Community Fund (TCF) to make grants for worthwhile community purposes. The TCF is managed by a Board of up to six persons, appointed by the Governor. The Board has sole and absolute discretion to make grants for community purposes, subject to any conditions imposed by the Act.

A great deal of trust has been placed in the TCF Board to ensure that its activities are always in the best interests of the Tasmanian community and public funds are spent wisely. In order to demonstrate that the activities of the Board are conducted according to the highest standards, this Code of Conduct has been prepared governing the operations of all members of the TCF Board.

PERSONAL AND PROFESSIONAL BEHAVIOUR

Members of the Board will always:

- ◆ act according to the integrity and ethical standards of a Board with responsibility for substantial public monies;
- ◆ ensure that the funds available to the Board are managed in a manner that will ensure the return to the overall Tasmanian community is maximised;
- ◆ perform their duties diligently, with professionalism, objectivity and integrity;
- ◆ undertake any functions and responsibilities in an efficient, effective and economical manner;
- ◆ observe fairness and equity in any dealings with colleagues and members of the public;
- ◆ observe all Acts and other lawful directions that relate to their functions and responsibilities;
- ◆ avoid real or apparent conflict of interest in all matters relating to their functions and responsibilities;
- ◆ refrain from accepting any gifts or benefits arising from their official duties;
- ◆ refrain from using their official position to seek or obtain any financial or other advantage for themselves or others; and
- ◆ maintain confidentiality.

RESPONSIBILITY FOR PUBLIC MONIES

The TCF was established in order to ensure that the Tasmanian community is able to benefit directly from the sale of the Trust Bank. An amount equal to one half the savings in interest costs that will flow from the debt retirement as a result of the Trust Bank sale arrangements will be appropriated to the Fund in perpetuity. This amount will be a reserved-by-law appropriation and will not be subject to annual budget deliberation.

The TCF Board has an obligation to ensure that these substantial public funds are managed in a manner that will ensure the return to the overall Tasmanian community is maximised. Accordingly, any grants provided by the Board will only be approved for projects where a genuine community benefit can be demonstrated.

As required by the Act, the TCF Board will also manage the Fund so as to maximise the return earned on any money standing to the credit of the Fund having regard to the need to –

- (a) provide grants out of the Fund; and
- (b) exercise reasonable care and prudence so as to maintain the integrity of the Fund; and
- (c) conduct its operations in an efficient, effective and economical manner.

Accordingly, the Board will make every effort to minimise the administrative costs of the TCF Board so that the majority of the substantial public monies available to the Fund are available to be distributed to the Tasmanian community.

To ensure that the Board's activities are undertaken in an open and transparent manner, an annual report will be prepared at the end of each financial year for tabling in Parliament. This report will include:

- ◆ a report on the Board's operations during the financial year;
- ◆ an audited statement of the financial position of the Fund; and
- ◆ a statement of all grants made by the Board from the Fund during the financial year.

DUTY TO ACT HONESTLY

The Act requires the TCF Board, in performing its functions, to:

- ◆ act honestly in all matters concerning the Fund; and
- ◆ ensure that its functions and powers are performed and exercised in the best interests of the Tasmanian community.

This is consistent with a company director's common law fiduciary duty. "Fiduciary" duty has been defined by the High Court as the duty to act with fidelity and trust to another. That is, directors must act honestly, in good faith, and to the best of their ability in the interests of the company. A company director must not allow

conflicting interests or personal advantage to override the interests of the company. Members of the TCF Board will adopt such an approach in all their dealings.

LIABILITY OF MEMBERS

Members of the TCF Board are not personally liable for an honest act or omission in the performance of the purported performance of their functions. However, this does not apply to:

- ◆ wilful misconduct; or
- ◆ wilful neglect; or
- ◆ wilful failure to comply with the Act.

CONFLICT OF INTEREST

Schedule 1 of the Act requires any interests of members, pecuniary or otherwise, to be disclosed to the Board. Any disclosures must be recorded in the Minutes of the meeting and generally, a member who makes such a disclosure must not be present during any deliberation of the Board in relation to that matter.

While the Board is only required under the Act to disclose any personal interests and be absent from discussions in relation to these issues, a decision has been made by the Board to also declare the interests of any related parties. This includes a spouse or defacto spouse of a Board member, or a son or daughter of a Board member and a spouse or defacto spouse of such a person. The declaration of any interests associated with these related parties will generally not preclude members from discussions in relation to relevant matters although the interest will be recorded in the Minutes of the meeting.

Notices of any conflicts will be provided to the Secretary of the Board as soon as practicable after members are appointed or the interest arises or after facts relevant to the existence of a conflict come to the attention of the Board member.

The Governor may remove from office a member of the Board if they fail to disclose any interests as required by the Act. It is apparent from this that a failure to disclose any interests is a serious offence. Accordingly, all members will ensure that any interests, or potential interests, are disclosed in a timely manner. A register of this information will be kept and made available to the Fund's auditors.

ACCEPTANCE OF GIFTS AND BENEFITS

It is important to ensure that no conflict exists, or appears to exist, between the public duty of members of the Board and their private interests. Accordingly, members of the TCF Board will not accept gifts, other than token gifts. Token gifts include mementoes received at official functions and other gifts received as souvenirs or gifts of a courtesy or seasonal nature, provided they are of a minor value, for example, diaries, ties, pens and badges. Gifts that include the transfer of money or financial instruments, regardless of value, will not be accepted under any circumstances.

Sponsored travel, including the provision of transport, accommodation or living expenses, will also not be accepted.

Where Board Members receive invitations or tickets to entertainment, cultural or sporting events, the invitation should be declined unless:

- the invitation directly relates to a grant made to the organisation; or
- the event is to publicly thank or recognise the TCF's support; or
- the face value of the ticket is nil (ie a free event) and is open to the public

UNDERTAKINGS OF THE BOARD

The Act details the requirements for decisions being made by members of the Board. Generally, decisions are to be determined by a majority of votes of the members of the Board present and voting at a meeting of the Board called in accordance with the Act. Accordingly, no valid undertakings can be given by individual members of the Board outside meetings.

REMOVAL OF DIRECTORS

Under the Act, the Governor may remove from office a member of the Board if –

- (a) the Governor is satisfied that the member is unable to perform adequately or competently the duties of his or her office; or
- (b) the member fails to disclose an interest as detailed in the Act.

CONCLUSION

The Tasmanian community has the right to expect the highest integrity and competence from members of the TCF Board. It is also necessary to ensure that no opportunity arises for the appearance of misconduct. Accordingly, the TCF Board has set out the minimum standards of behaviour it sees as being appropriate for members of such a Board. It is considered that this Code, and all members' affirmation of the principles outlined in the Code, will demonstrate that the Board is committed to ensuring that the highest standards of behaviour are maintained by all members.