

# *Destination***GIPPSLAND**

## Updated Package for Financial Members

14 May 2020

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**Proposed Amendments to the Constitution of Destination Gippsland Ltd. 14 May 2020**

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**Background**

In response to the wishes of Members for their CEOs to be appointed to the Board of Destination Gippsland, the current Board determined that the Constitution of Destination Gippsland required amendment. Subsequently the Board recommends a number of alterations which have been developed and discussed by the full Board of Directors including the GLGN representative and Bass Coast Shire CEO Director Ali Wastie.

The amendments are set out below, as well as notated in the attached (marked-up) version of the Constitution.

**Process**

It is proposed that LGA CEOs attend a *Special General Meeting* to vote on these amendments (by video conference) on Friday 19<sup>th</sup> June 2020. Immediately after that *Special General Meeting* (and assuming the amendments are passed), the Board will hold its scheduled meeting at which the LGA CEO's can be formally appointed to the Board of Directors.

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**Proposed Amendments**

**Definitions**

- Add CEO
- Add LGA and Local Government Authority
- Amend “member” to mean a Local Government Authority

**Clause 2.1**

Change the minimum of Directors from not less than 7, to not less than 6, excluding the CEOs of the LGA members. This ensures a balance between LGA CEOs and non-skills-based Directors.

**Clause 2.7**

Add sub-clause e). This clause allows for an LGA CEO Director to cease to be a Director of the company should they no longer hold the office of CEO with the member LGA

**Clause 2.8**

Amended to allow for the appointment of Alternate Directors for LGA CEO's for any period

**Clause 2.13**

Amended to clarify that Member LGAs and Observer organisations are responsible for the expenses of their employees serving or observing on the Board

**Clause 2.17**

Amended to allow the Board to determine the process by which appointments are made

**Clause 2.21**

Removed a clause dictating that at least two Directors must retire each year. The change allows for a smoother transition process and better continuity. The terms of Directors is set at 3 years, at which time the Director may re-nominate for appointment by the Members.

**Clause 3.2**

Added the power to delegate to a Chief Executive Officer

**Clause 5.4**

Amend quorum to be 50% of Directors.

**DESTINATION GIPPSLAND LTD**  
**NOTICE OF A**  
**SPECIAL GENERAL MEETING OF MEMBERS**  
**10am**  
**Friday 19<sup>th</sup> June 2020**  
**Zoom Video conference**

Join Zoom Meeting

<https://us02web.zoom.us/j/86595369416>

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**Resolution to adopt the revised Constitution:**

*That the amended version of the Constitution of Destination Gippsland Ltd. dated 14 May 2020 and signed by the secretary, be adopted in place of the previous Constitution adopted on 11 May 2016.*

(A copy of the revised Constitution as proposed dated 14 May 2020 is attached).

*By order of the board, Helen Rose, Company Secretary 14.5.20*

**Constitution of  
DESTINATION GIPPSLAND LTD  
A.C.N. 131 138 184**

14 May 2020

**Amendments – May 2020**

- Clause 1.5 – add definition of CEO
- Clause 1.5 – add definition of LGA
- Clause 1.5 – amend definition of “member” to mean Local Government Authority
- Clause 2.1 – amend the number of Directors to be the CEO’s of member LGAs plus not less than 6 non-member Directors
- Clause 2.7 – add sub-clause e) to note that a Director who is appointed as a consequence of being the CEO of a member LGA will cease to be Director when they cease to hold the CEO’s office with that LGA
- Clause 2.8 – amend to allow for the appointment of alternates for LGA CEO’s for any period
- Clause 2.13 – the expenses of LGA CEO Directors, and Observers, are to be met by their LGA or employer
- Clause 2.17 – Appointment of Directors shall be made by a process determined by the Board
- Clause 2.21 – remove the imperative for at least two Directors to retire each year (*this will be managed through the terms of Directors*)
- Clause 3.2 – add the power of delegation to the CEO
- Clause 5.4 – amend quorum to be 50% of Directors

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Copy of ASIC Certificate of Registration as a Company

**Certificate of Registration  
of a Company**

This is to certify that

**DESTINATION GIPPSLAND LTD**

**Australian Company Number 131 138 184**

is a registered company under the Corporations Act 2001 and  
is taken to be registered in Victoria.

The company **is limited by guarantee.**

The company is a **public** company.

The day of commencement of registration is  
**the sixteenth day of May 2008.**

Issued by the  
Australian Securities and Investments Commission  
on this sixteenth day of May, 2008.



Anthony Michael D'Aloisio  
Chairman

**CERTIFICATE**

**DESTINATION GIPPSLAND LTD**

**A.C.N. 131 138 184**

**CONSTITUTION**

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**1. Preliminary**

- 1.1. The Company is a public company limited by guarantee. Each Member undertakes to contribute \$10.00 (Ten Dollars) to the property of the Company if the Company is wound up at a time when that person is a Member, or within one year of the time that the person ceased to be a Member, for payment of the debts and liabilities of the Company contracted before that person ceased to be a Member, payment of costs charges and expenses of winding up the Company, and adjustment of the rights of contributories among themselves.
- 1.2. The objects of the Company are: *to provide leadership and to work in partnership with the tourism industry in Gippsland to drive the development of tourism infrastructure, tourism product, and marketing.*
- 1.3. The Company must not make any distribution to any Members, whether by way of dividend, surplus on winding up or otherwise. This Clause does not prevent the payment in good faith by the Company of reasonable remuneration to any Member for goods or services supplied by that Member to the Company in the ordinary course of business, the payment of interest at a reasonable rate on money borrowed by the Company from any Member, the payment of reasonable rent for premises leased to the Company by any Member, or the payment of any other reasonable amount of a similar character to those described in this Clause.
- 1.4. The replaceable rules in the Corporations Act do not apply to the Company.
- 1.5. In this Constitution:

**"Alternate Director"** means a person for the time being holding office as an alternate director of the Company under Clause 2.9.

**"Business Day"** means a day except a Saturday, Sunday, or public holiday in the jurisdiction under the Corporations Act which the Company is taken to be registered.

**"Cessation Event"** means:

- (a) if a Member is an individual, death, or bankruptcy of that Member, or that Member becoming of unsound mind or becoming a person whose property is liable to be dealt with under a law about mental health; or
- (b) if a Member is a body corporate, the deregistration of that Member.

**"CEO"** means the Chief Executive Officer.

**"Corporations Act"** means the Corporations Act, 2001 (Commonwealth), as modified or re-enacted from time to time, and where appropriate, includes any regulations issued under it.

**"Directors"** means the directors of the Company for the time being.

**"Expulsion Event"** means, in respect of a Member:

- (a) the Member has wilfully refused or neglected to comply with the provisions of this Constitution.
- (b) the conduct of the Member, in the opinion of the Directors, is unbecoming of the Member or prejudicial to the interests or reputation of the Company; or
- (c) the Member is, or any step is taken for the Member to become, an externally administered body corporate (whether or not the Member is a body corporate).

**"Legal Costs"** of a person means legal costs incurred by that person in defending an action for a Liability of that person.

**Commented [HR1]:** Definition added

**"LGA"** means Local Government Authority.

**Commented [HR2]:** Definition added

**"Liability"** of a person means any liability incurred by that person as an officer of the Company or a subsidiary of the Company.

**"Member"** means a Local Government Authority that is a member of the Company.

**Commented [HR3]:** Amended from a person to Local Government Authority as these are the members of the company

**"Personal Representative"** means the legal personal representative, executor, or administrator of the estate of a deceased person.

**"Register"** means the register of Members kept under the Corporations Act and, where appropriate, includes any branch register.

**"Relevant Officer"** means a person who is, or has been, an officer of the Company (including a Director or Secretary) or an officer of a subsidiary of the Company.

**"Secretary"** means a company secretary of the Company for the time being.

**1.6.** In this Constitution:

- (a) a reference to a meeting of Members includes a meeting of any class of Members.
- (b) a Member is taken to be present at a meeting of Members if the Member is present in person or by proxy, attorney or representative; and
- (c) a reference to a notice or document in writing includes a notice or document given by fax or another form of written communication.

**1.7.** In this Constitution, unless the context indicates a contrary intention, words importing the singular include the plural (and vice versa), words indicating a gender include every other gender, and the word **"person"** includes a corporation.

**1.8.** Unless the context indicates a contrary intention, an expression in a provision of this Constitution that deals with a matter dealt with by a provision of the Corporations Act has the same meaning as in that provision of the Corporations Act and an expression in a provision of this Constitution that is defined in section 9 of the Corporations Act has the same meaning as in that section.

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## **2. Directors**

**2.1.** The Company must have not less than 6 Directors excluding the CEOs of LGA members. ~~The Company in general meeting may by ordinary resolution alter the maximum or minimum number of Directors provided that the minimum is not less than 6 in addition to the LGA CEOs.~~

**Commented [HR4]:** Further amended 14 May at the request of members: Was not less than 7. Amended to be the LGA CEOs + 6 non-member Directors (sometimes known as Skills-based Directors)

**2.2.** If the number of Directors is below the minimum fixed by this Constitution, the Directors must not act except:

- (a) in emergencies.
- (b) for appointing one or more directors in order to make up a quorum for a meeting of Directors; or
- (c) to call and arrange to hold a meeting of Members.

**2.3.** The Company in general meeting may by ordinary resolution appoint any person as a Director, in accordance with the provisions of this Constitution.

**2.4.** A Director need not be a Member.

**2.5.** A Director may resign from office by giving the Company notice in writing.

**2.6.** Subject to the Corporations Act, the Company in general meeting may by ordinary resolution remove any Director, and if thought fit, appoint another person in place of that Director.



- 2.7. A Director ceases to be a Director if:
- (a) the Director becomes of unsound mind or a person whose property is liable to be dealt with under a law about mental health.
  - (b) the Director resigns or is removed under this Constitution.
  - (c) the Director becomes an insolvent under administration; or
  - (d) the Corporations Act so provides.
  - (e) In the case of a Director who is appointed as a consequence of being the CEO of a member LGA, ceases to hold that office with that LGA

**Commented [HR5]:** Sub-clause e) added to account for CEO's leaving their position with a member LGA

2.8. Appointment of Alternate Directors:

- (a) With the approval of a majority of the other Directors, a Director may appoint a person as an alternate director of that Director for any period. An Alternate Director need not be a Member.
- (b) In the case of a Director who is appointed as a consequence of being the CEO of a member LGA, they may appoint a person as an alternate director of that Director for any period.

**Commented [HR6]:** Sub-clause b) added 14 May at the request of members, allowing for the appointment of Alternates for LGA CEO's for any period

2.9. The appointing Director may terminate the appointment of his Alternate Director at any time. A notice of appointment, or termination of appointment, of an Alternate Director is effective only if the notice is in writing, the notice is signed by the Director who appointed that Alternate Director, and the Company is given a copy of the notice.

2.10. If the Director who appointed an Alternate Director is not present at a meeting of Directors, that Alternate Director may, subject to this Constitution and the Corporations Act, exercise all powers (except the power under Clause 2.8) that the appointing Director may exercise. However, an Alternate Director cannot exercise any powers of his appointing Director if that appointing Director ceases to be a Director.

2.11. Subject to Clause 2.13, the Company is not required to pay any remuneration to an Alternate Director.

2.12. The Company must not pay any fees to a Director for performing that person's duties and responsibilities as a Director. The Company must not pay any amount to a Director unless that payment has been approved by the Directors.

2.13. The Company must pay all reasonable travelling, accommodation and other expenses that a Director or Alternate Director properly incurs in attending meetings of Directors or any meetings of committees of Directors, in attending any meetings of Members, and in connection with the business of the Company, except in the case of LGA CEO Directors and Observers from Government Agencies – both of whose employers are expected to meet the expenses of their employees incurred in the course of attending meetings, and serving on the DGL Board.

**Commented [HR7]:** Amended to clarify that member LGAs and Observer Organisations will be responsible for the expenses of their employees serving or observing on the Board

The Board may agree to pay an annual allowance to cover these expenses except in the case of LGA CEO Directors and Observers from Government Agencies – both of whose employers are expected to meet the expenses of their employees incurred in the course of attending meetings, and serving on the DGL Board.

2.14. A Director may:

- (a) hold an office or place of profit (except as auditor) in the Company, on any terms as the Directors resolve (subject to Clause 2.12).
- (b) hold an office or otherwise be interested in any related body corporate of the Company or other body corporate in which the Company is interested; or
- (c) act, or the Director's firm may act, in any capacity for the Company (except as auditor) or any related body corporate of the Company or other body corporate in which the Company is interested,

and retain the benefits of doing so if the Director discloses in accordance with the Corporations Act the interest giving rise to those benefits.

- 2.15.** Subject to the Corporations Act, if a Director discloses the interest of the Director in accordance with the Corporations Act, the Director may:
- (a) contract or make an arrangement with the Company, or a related body corporate of the Company or a body corporate in which the Company is interested, in any matter in any capacity.
  - (b) be counted in a quorum for a meeting of Directors considering that contractor arrangement, and vote on whether the Company enters into the contract or arrangement, and on any matter that relates to the contractor arrangement.
  - (c) sign on behalf of the Company, or witness the fixing of the common seal of the Company (if any) to, any document in respect of the contract or arrangement; and
  - (d) retain the benefits under the contract or arrangement.
- 2.16.** The Directors may make interim Director appointments if the number of Directors falls below the threshold set out in clause 2.1. The interim appointments may be made by calling for nominations and following the process in clause 2.17 and 2.18 (modified as necessary to give efficacy to this clause) must be ratified by an ordinary resolution at the next meeting of Members. If the appointment is ratified at the general meeting, then that Director serves for the remainder of the term of the replaced Director.
- 2.17.** Appointment of Directors shall be made by a process determined by the Board and enacted by a Nominations Committee. The Nominations Committee will make recommendations to the Board.
- 2.18.** A sub-committee of 3 people, selected by the Chairman, will review nomination applications, including making all necessary enquiries and then make a recommendation to the Directors and the meeting of Members.
- 2.19.** The nomination for Director may be accepted by an ordinary resolution at the meeting of Members.
- 2.20.** Directors are appointed for terms of up to 3-years (effective from the date of the meeting of Members at which they were elected). Such terms are to be recommended by the Board.

**Commented [HR8]:** Amended from a public call for nominations with specific time frames, to allowing the Board to determine the process through a Nominations Committee

**Commented [HR9]:** Removed a clause dictating that at least two Directors must retire each year. In practice this became unworkable and led to a mis-match of Directors' terms. The change in intended to allow for a smoother transition process and better continuity. The terms of Directors is set at 3 years, at which time the Director may renominate for appointment by the Members.

### 3. Officers

- 3.1.** The Directors may appoint one or more of themselves to the office of managing director for any period and on any terms the Directors resolve (subject to Clause 2.13). Subject to any agreement between the Company and a managing director, the Directors may remove or dismiss a Director from the office of managing director at any time, with or without cause. The Directors may revoke or vary the appointment of a Director to the office of managing director or any power delegated to a managing director. A person ceases to hold the office of managing director if the person ceases to be a Director.
- 3.2.** The Directors may delegate any of their powers (including the power to delegate) to a managing director or the Chief Executive Officer. A managing director or CEO must exercise the powers delegated to him or her in accordance with any directions of the Directors. The exercise of a power by a managing director or CEO is as effective as if the Directors exercised the power.
- 3.3.** The Directors may appoint one or more Secretaries, for any period and on any terms (including as to remuneration) the Directors resolve. Subject to any agreement between the Company and a Secretary, the Directors may remove or dismiss a Secretary at any time, with or without cause. The Directors may revoke or vary the appointment of a Secretary.
- 3.4.** To the extent permitted by law, the Company may (by agreement or deed) indemnify each Relevant Officer against a Liability of that person and Legal Costs of that person. To the extent permitted by law, the Company may also make a payment (whether by way of advance, loan or otherwise) to a Relevant Officer in respect of Legal Costs of that person.
- 3.5.** To the extent permitted by law, the Company may pay, or agree to pay, a premium for a contract insuring a Relevant Officer against a Liability of that person and Legal Costs of that person.

**Commented [HR10]:** Added the power to delegate to a Chief Executive Officer

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#### **4. Powers of the company and directors**

- 4.1. The Company may exercise in any manner permitted by the Corporations Act any power which a public company limited by guarantee may exercise under the Corporations Act. The business of the Company is managed by or under the direction of the Directors. The Directors may exercise all the powers of the Company except any powers that the Corporations Act or this Constitution requires the Company to exercise in general meeting.
- 4.2. If the Company has a common seal, the Company may execute a document if that seal is fixed to the document and the fixing of that seal is witnessed by 2 Directors, a Director and a Secretary, or a Director and another person appointed by a resolution of the Directors for that purpose.
- 4.3. The Company may execute a document without a common seal if the document is signed by 2 Directors, a Director and a Secretary, or a Director and another person appointed by a resolution of the Directors for that purpose.
- 4.4. The Company may execute a document as a deed if the document is expressed to be executed as a deed and is executed in accordance with Clauses 4.2 or 4.3.
- 4.5. The Directors may resolve, generally or in a particular case, that any signature on certificates of Membership of the Company may be affixed by mechanical or other means.
- 4.6. Negotiable instruments may be signed, drawn, accepted, endorsed, or otherwise executed by or on behalf of the Company in the manner and by the persons as the Directors resolve.
- 4.7. The Directors may delegate any of their powers (including this power to delegate) to a committee of Directors, a Director, an employee of the Company, or any other person. The Directors may revoke or vary any power so delegated. A committee or delegate must exercise the powers delegated in accordance with any directions of the Directors. The exercise of a power by the committee or delegate is as effective as if the Directors exercised the power. Clauses 4.9 to 5.6 apply with the necessary changes to meetings of a committee of Directors.
- 4.8. The Directors may appoint any person to be attorney or agent of the Company for any purpose, for any period and on any terms (including as to remuneration) the Directors resolve. The Directors may delegate any of their powers (including the power to delegate) to an attorney or agent. The Directors may revoke or vary that appointment or any power delegated to an attorney or agent.
- 4.9. Any act done by a person as a Director or Secretary is effective even if the appointment of that person, or the continuance of that appointment, is invalid because the Company or that person did not comply with this Constitution or any provision of the Corporations Act. This Clause does not deal with the question whether an effective act by a person binds the Company in its dealings with other people or makes the Company liable to another person.

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#### **5. Meetings of directors**

- 5.1. The Directors may pass a resolution without a meeting of the Directors being held if a document containing the resolution is sent to all Directors and a majority of the Directors entitled to vote on the resolution sign that document containing a statement that they are in favour of the resolution set out in the document. Separate copies of that document may be used for signing by Directors if the wording of the resolution and the statement is identical in each copy.
- 5.2. The Directors may meet, adjourn, and otherwise regulate their meetings as they think fit. A meeting of Directors may be held using any technology consented to by a majority of the Directors. A Director may only withdraw that consent within a reasonable period of time before the meeting. Any Director may call a meeting of Directors at any time. On request of any Director, a Secretary of the Company must call a meeting of the Directors.

- 5.3. Reasonable notice of a meeting of Directors must be given to each Director and Alternate Director.
- 5.4. A quorum for a meeting of Directors must be present at all times during the meeting. Subject to the Corporations Act, a quorum for a meeting of Directors is, if the Directors have fixed a number for the quorum, that number of Directors, and in any other case, 50% of Directors entitled to vote on a resolution that may be proposed at that meeting. In determining whether a quorum for a meeting of Directors is present:
- (a) where a Director has appointed an Alternate Director, that Alternate Director is counted if the appointing Director is not present.
  - (b) where a person is present as Director and an Alternate Director for another Director, that person is counted separately provided that there is at least one other Director or Alternate Director present; and
  - (c) where a person is present as an Alternate Director for more than one Director, that person is counted separately for each appointment provided that there is at least one other Director or Alternate Director present.
- 5.5. If there are not enough persons to form a quorum for a meeting of Directors, one or more of the Directors (including those who have an interest in a matter being considered at that meeting) may call a general meeting and the general meeting may pass a resolution to deal with the matter.
- 5.6. The Directors may appoint a Director to the office of chairperson of Directors for any period they resolve, or if no period is specified, until that person ceases to be a Director. The Directors may remove a Director from the office of chairperson of Directors at any time.
- 5.7. The chairperson of Directors must (if present within 5 minutes after the time appointed for the holding of the meeting and willing to act) chair each meeting of Directors. If there is no chairperson of Directors, or the chairperson of Directors is not present within 5 minutes after the time appointed for the holding of a meeting of Directors or is present within that time but is not willing to chair all or part of that meeting, then the Directors present must elect one of themselves to chair all or part of the meeting of Directors.
- 5.8. A resolution of Directors is passed if more votes are cast in favour of the resolution than against it. Subject to Clause 2.16 and this Clause, each Director has one vote on a matter arising at a meeting of the Directors. In determining the number of votes a Director has on a matter arising at a meeting of Directors:
- (a) where a person is present as Director and an Alternate Director for another Director, that person has one vote as a Director and, subject to Clause 2.11, one vote as an Alternate Director; and
  - (b) where a person is present as an Alternate Director for more than one Director, that person has, subject to Clause 2.11, one vote for each appointment.
- 5.9. Subject to the Corporations Act, in case of an equality of votes on a resolution at a meeting of Directors, the chairperson of that meeting has a casting vote on that resolution in addition to any vote the chairperson has in his capacity as a Director in respect of that resolution.

**Commented [HR11]:** Amended quorum for a meeting of Directors from 4 Directors, to 50%

## 6. Meetings of members

- 6.1. While the Company has only one Member, the Company may pass a resolution by that Member signing a record in writing of that resolution.
- 6.2. Subject to the Corporations Act, the Directors may call a meeting of Members. The Directors must call and arrange to hold a general meeting on the request of Members, and the Members may call and arrange to hold a general meeting, as provided by the Corporations Act.
- 6.3. The Company must hold an annual general meeting if required by, and in accordance with, the Corporations Act.

- 6.4.** Subject to the Corporations Act, the Company must give not less than 21 days' notice of a meeting of Members. The Company may call an annual general meeting on shorter notice if all Members entitled to attend and vote at the annual general meeting agree beforehand. The Company may call a general meeting (not being an annual general meeting) on shorter notice if Members with at least 95% of the votes that may be cast at the meeting agree beforehand.
- 6.5.** Notice of a meeting of Members must be given to each Member, each Director, each Alternate Director, and any auditor of the Company.
- 6.6.** A notice of a meeting of Members must:
- (a) set out the place, date and time for the meeting (and if the meeting is to be held in 2 or more places, the technology that will be used to facilitate this);
  - (b) state the general nature of the business of the meeting; and
  - (c) set out or include any other information or documents specified by the Corporations Act.
- 6.7.** Subject to the Corporations Act, anything done (including the passing of a resolution) at a meeting of Members is not invalid if either or both:
- (a) a person does not receive notice of the meeting; or
  - (b) the Company accidentally does not give notice of the meeting to a person.
- 6.8.** A meeting of Members may be held in 2 or more places linked together by any technology that gives the Members as a whole in those places a reasonable opportunity to participate in proceedings, enables the chairperson to be aware of proceedings in each place, and enables the Members in each place to vote on a show of hands and on a poll.
- 6.9.** Each Member and any auditor of the Company are entitled to attend any meetings of Members. Subject to this Constitution, each Director is entitled to attend and speak at all meetings of Members.
- 6.10.** A quorum for a meeting of Members must be present at all times during the meeting. A quorum for a meeting of Members is 2 Members (or in the case of 1 Member, that member only) entitled to vote at that meeting. In determining whether a quorum for a meeting of Members is present:
- (a) where more than one proxy, attorney, or representative of a Member is present, only one of those persons is counted.
  - (b) where a person is present as a Member and as a proxy, attorney or representative of another Member, that person is counted separately for each appointment provided that there is at least one other Member present; and
  - (c) where a person is present as a proxy, attorney or representative for more than one Member, that person is counted separately for each appointment provided that there is at least one other Member present.
- 6.11.** If a quorum is not present within 15 minutes after the time appointed for a meeting of Members:
- (a) if the meeting was called by the Directors at the request of Members or was called by the Members, the meeting is dissolved; and
  - (b) any other meeting is adjourned to the date, time, and place as the Directors may by notice to the Members appoint, or failing any appointment, to the same day in the next week at the same time and place as the meeting adjourned.
- 6.12.** If a quorum is not present within 15 minutes after the time appointed for an adjourned meeting of Members, the meeting is dissolved.

- 6.13.** The chairperson of Directors must (if present within 15 minutes after the time appointed for the holding of the meeting and willing to act) chair each meeting of Members. If at a meeting of Members, there is no chairperson of Directors, or the chairperson of Directors is not present within 15 minutes after the time appointed for the holding of a meeting of Members, or is present within that time but is not willing to chair all or part of that meeting, the Members present must elect another person present and willing to act to chair all or part of that meeting.
- 6.14.** Subject to the Corporations Act, the chairperson of a meeting of Members is responsible for the general conduct of that meeting and for the procedures to be adopted at that meeting.
- 6.15.** Subject to the Corporations Act, a resolution is passed if more votes are cast in favour of the resolution by Members entitled to vote on the resolution than against the resolution. Unless a poll is requested in accordance with Clauses 6.17 and 6.18, a resolution put to the vote at a meeting of Members must be decided on a show of hands.
- 6.16.** A declaration by the chairperson of a meeting of Members that a resolution on a show of hands is passed, passed by a particular majority, or not passed, and a record of that declaration in the minutes of the meeting, is sufficient evidence of that fact, unless proved incorrect.
- 6.17.** A poll may be demanded on any resolution at a meeting of Members. A poll may be demanded by at least 5 Members present and entitled to vote on that resolution, one or more Members present, and who are together entitled to at least 5% of the votes that may be cast on that resolution on a poll, or the chairperson of that meeting. A poll may be demanded before a vote on that resolution is taken, or before or immediately after the results of the vote on that resolution on a show of hands are declared. A demand for a poll may be withdrawn.
- 6.18.** A poll demanded on a resolution at a meeting of Members for the election of a chairperson of that meeting or the adjournment of that meeting must be taken immediately. A poll demanded on any other resolution must be taken in the manner and at the time and place the chairperson directs. The result of a poll demanded on a resolution of a meeting of Members is a resolution of that meeting. A demand for a poll on a resolution of a meeting of Members does not prevent the continuance of that meeting or that meeting dealing with any other business.
- 6.19.** Subject to the Corporations Act, the chairperson may adjourn a meeting of Members to any day, time, and place, and must adjourn a meeting of Members if the Members present with a majority of votes that may be cast at that meeting agree or direct the chairperson to do so. The chairperson may adjourn that meeting to any day, time, and place. The Company is only required to give notice of a meeting of Members resumed from an adjourned meeting if the period of adjournment exceeds 21 days. Only business left unfinished is to be transacted at a meeting of Members resumed after an adjournment.
- 6.20.** Subject to the Corporations Act, the Directors may at any time postpone or cancel a meeting of Members by giving notice not less than 5 Business Days before the time at which the meeting was to be held to each person who is, at the date of the notice a Member, a Director or Alternate Director; or auditor of the Company. A general meeting called by the Directors at the request of Members or called by the Members must not be cancelled by the Directors without the consent of the Members who requested or called the meeting.
- 6.21.** Subject to this Constitution and any rights or restrictions attached to a class of Membership, at a meeting of Members, every Member present has one vote on a show of hands and on a poll.
- 6.22.** In the case of an equality of votes on a resolution at a meeting of Members, the chairperson of that meeting does not have a casting vote on that resolution either on a show of hands or on a poll.

- 6.23.** A Member present at a meeting of Members is not entitled to vote on any resolution if any fees or any other amount due and payable by that Member to the Company under this Constitution have not been paid, or where that vote is prohibited by the Corporations Act or an order of a court of competent jurisdiction. The Company must disregard any vote on a resolution purported to be cast by a Member present at a meeting of Members where that person is not entitled to vote on that resolution.
- 6.24.** The authority of a proxy or attorney for a Member to speak or vote at a meeting of Members is suspended while the Member is present in person at that meeting.
- 6.25.** An objection to the qualification of any person to vote at a meeting of Members may only be made at that meeting (or any resumed meeting if that meeting is adjourned), to the chairperson of that meeting. Any objection must be decided by the chairperson of the meeting of Members, whose decision, made in good faith, is final and conclusive.
- 6.26.** A Member, who is entitled to attend and cast a vote at a meeting of Members, may vote on a show of hands and on a poll:
- (a) in person or, if the Member is a body corporate, by its representative appointed in accordance with the Corporations Act; or
  - (b) by not more than one proxy or by not more than one attorney.
- 6.27.** A proxy, attorney, or representative of a Member need not be a Member. A Member may appoint a proxy, attorney, or representative for all or any number of meetings of Members, or a particular meeting of Members.
- 6.28.** An instrument appointing an attorney or representative must be in a form as the Directors may prescribe or accept. An instrument appointing a proxy is valid if it is signed by the Member making the appointment and contains the name and address of that Member, the name of the Company, the name of the proxy or the name of the office of the proxy, and the meetings of Members at which the proxy may be used. The chairperson of a meeting of Members may determine that an instrument appointing a proxy is valid even if it contains only some of this information.
- 6.29.** Subject to the Corporations Act, the decision of the chairperson of a meeting of Members as to the validity of an instrument appointing a proxy, attorney or representative is final and conclusive.
- 6.30.** If the name of the proxy or the name of the office of the proxy in a proxy form of a Member is not filled in, the proxy of that Member is the person specified by the Company in the form of proxy in the case the Member does not choose, or if no person is so specified, the chairperson of that meeting.
- 6.31.** A Member may specify the manner in which a proxy or attorney is to vote on a particular resolution at a meeting of Members. The appointment of a proxy or attorney by a Member may specify the proportion or number of the Member's votes that the proxy or attorney may exercise.
- 6.32.** Unless otherwise provided in the Corporations Act or in the appointment, a proxy or attorney may demand or join in demanding a poll on any resolution at a meeting of Members on which the proxy or attorney may vote.
- 6.33.** An appointment of proxy or attorney for a meeting of Members is effective only if the Company receives the appointment (and any authority under which the appointment was signed or a certified copy of the authority) before the time scheduled for commencement of that meeting (or any adjournment of that meeting).
- 6.34.** Unless the Company has received notice in writing of the matter before the time scheduled for the commencement of a meeting of Members, a vote cast at that meeting by a person appointed by a Member as a proxy, attorney or representative is, subject to this Constitution, valid even if, before the person votes there is a Transmission Event in respect of that Member, that Member revokes the appointment of that person or that Member revokes the authority under which the person was appointed by a third party.

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## 7. Members

- 7.1. Any person is eligible to apply to become a Member. Each applicant to become a Member must sign and deliver to the Company an application in the form which the Directors determine and pay any initial fee which the Directors determine. The Directors determine whether an applicant may become a Member. The Directors are not required to give any reason for the rejection of any application to become a Member.
- 7.2. If an application to become a Member is accepted, the Company must give written notice of the acceptance to the applicant and enter the applicant's name in the Register. If an application to become a Member is rejected, the Company must give written notice of the rejection to the applicant and refund in full the fee (if any) paid by the applicant.
- 7.3. The rights of being a Member are not transferable whether by operation of law or otherwise.
- 7.4. A person will cease to be a Member if the Member resigns in accordance with Clause 7.5, if the Member is expelled under Clause 7.6 or Clause 7.7 or if a Cessation Event occurs in respect of that Member. The estate of a deceased Member is not released from any liability in respect of that person being a Member.
- 7.5. A Member may resign as a Member by giving the Company notice in writing. Unless the notice provides otherwise, a resignation by a Member takes effect immediately on the giving of that notice to the Company.
- 7.6. Subject to Clause 7.8, the Directors may resolve to expel a Member if:
  - (a) an Expulsion Event occurs in respect of the Member; and
  - (b) the Company gives that Member at least 10 Business Days' notice in writing stating the Expulsion Event and that the Member is liable to be expelled and informing the Member of its right under Clause 7.8.
- 7.7. The Directors may resolve to expel a Member if the Member does not pay a fee payable by the Member pursuant to this Constitution within 20 Business Days after the due date for its payment.
- 7.8. Before the passing of any resolution under Clause 7.6, a Member is entitled to give the Directors, either orally or in writing, any explanation or defence of the Expulsion Event the Member may think fit.
- 7.9. Where a resolution is passed under Clause 7.6 or 7.7, the Company must give that Member notice in writing of the expulsion within 10 Business Days of the resolution.
- 7.10. A Member may by notice in writing to the Company within 10 Business Days of receipt of the notice referred to in Clause 7.9 request that a resolution under Clause 7.6 be reviewed by the Company at the next general meeting. If such a request is made, the Directors must propose at the next general meeting of the Company that a resolution be moved to confirm the expulsion of the Member concerned.
- 7.11. A resolution under Clause 7.6 takes effect:
  - (a) if the Member gives a notice under Clause 7.10, the date (if any) the resolution is confirmed by a general meeting of the Company; or
  - (b) if the Member does not give a notice under Clause 7.10, the date of the resolution.
- 7.12. A resolution under Clause 7.7 takes effect on the date of the resolution.
- 7.13. The Directors may reinstate an expelled Member on any terms and at any time as the Directors resolve, including a requirement that all amounts due but unpaid by the expelled Member are paid.



7.14. Subject to the Corporations Act and the terms of a particular class of Membership, the Company may vary or cancel rights attached to being a Member of that class, or convert a Member from one class to another, by special resolution of the Company and either:

- (a) a special resolution passed at a meeting of the Members included in that class; or
- (b) the written consent of Members who are entitled to at least 75% of the votes that maybe cast in respect of Membership of that class.

The provisions in this Constitution concerning meetings of Members (with the necessary changes) apply to a meeting held under Clause 97.14 (a).

7.15. The Company may issue to each Member, free of charge, one certificate evidencing that person as a Member.

7.16. The Company may issue a replacement certificate of being a Member if the Company receives and cancels the existing certificate, or the Company is satisfied that the existing certificate is lost or destroyed, and the Member pays any fee as the Directors resolve.

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## 8. Fees

8.1. The Directors may require the payment of fees or levies by Members in the amounts and at the times as the Directors resolve. The Directors may make fees payable for one or more Members for different amounts and at different times, and subject to the terms of Membership payable by instalments. The Directors may revoke or postpone fees or extend the time for payment of fees.

8.2. The Company must give Members at least 10 Business Days' notice of fees payable by Members. A notice of fees must be in writing and specify the amount of the fee, and the time and place of payment of the fee. A fee is not invalid if a Member does not receive notice of the fee.

8.3. A Member must pay to the Company the amount of each fee made on the Member at the times and places specified in the notice of the fee. If a fee is payable in one or more fixed amounts on one or more fixed dates, the Member must pay to the Company those amounts on those dates.

8.4. A Member must pay to the Company interest at the rate of 10% per annum on any amount referred to in Clause 8.3 which is not paid on or before the time appointed for its payment, from the time appointed for payment to the time of the actual payment, and expenses incurred by the Company because of the failure to pay or late payment of that amount. The Directors may waive payment of all or any part of an amount payable under this Clause 8.4

8.5. The Company may recover an amount due and payable under Clauses 8.3 and 8.4 from a Member by commencing legal action against the Member for all or part of the amount due.

8.6. The debt due in respect of an amount payable under Clauses 8.3 and 8.4 is sufficiently proved by evidence that the name of the Member sued is entered in the Register and there is a record in the minute books of the Company of the resolution requiring payment of the fee or the fixed amount referred to in Clause 8.3.

8.7. The Company may accept from any Member all or any part of fees payable before that amount is due and payable. The Company may pay interest at any rate the Directors resolve on the amount paid before it is due and payable (from the date of payment until and including the date the amount becomes actually payable) and the Company may repay the amount so paid to that Member.

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## 9. Notices and payments

- 9.1. The Company may give notice to a Member in person, by sending it by post to the address of the Member in the Register or the alternative address (if any) nominated by that Member, or by sending it to the fax number or electronic address (if any) nominated by that Member.
- 9.2. A notice of meeting sent by post to an address within Australia is taken to be given one Business Day after it is posted, or where to an address outside Australia, is taken to be given 5 Business Days after it is posted. Any other notice sent by post is taken to be given at the time of which the notice would be delivered in the ordinary course of post. A notice sent by fax is taken to be given on the Business Day it is sent, provided that the sender's transmission report shows that the whole notice was sent to the correct fax number.
- 9.3. The giving of a notice by post is sufficiently proved by evidence that the notice was addressed to the correct address of the recipient and was placed in the post.
- 9.4. The Directors may decide, generally or in a particular case, that a notice given by the Company be signed by mechanical or other means.
- 9.5. The Company may pay a person entitled to an amount payable in respect of Membership by crediting an account nominated in writing by that person, by cheque made payable to bearer, to the person entitled to the amount or any other person the person entitled directs in writing, or by any other manner as the Directors resolve. The Company may post a cheque under this Clause to the address in the Register of the Member or to any other address which that person directs in writing.

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## 10. Records

- 10.1. The Company must keep minute books in which it records within one month:
  - (a) proceedings and resolutions of meetings of Members.
  - (b) proceedings and resolutions of meetings of the Directors (including meetings of committees of Directors).
  - (c) resolutions passed by Members without a meeting; and
  - (d) resolutions passed by the Directors without a meeting.
- 10.2. The Company must ensure that minutes of a meeting are signed within a reasonable time after the meeting by the chairperson of that meeting or the chairperson of the next meeting. The Company must ensure that minutes of the passing of a resolution without a meeting are signed by a Director within a reasonable time after that resolution is passed. A minute recorded and signed in accordance with this Clause is evidence of the proceeding or resolution to which it relates, unless the contrary is proved.
- 10.3. The Company must establish and administer the Register in accordance with the Corporations Act. The Company may establish and administer a branch register of Members in accordance with the Corporations Act. The Company must allow inspection of the Register only as required by the Corporations Act. Unless proved incorrect, the Register is sufficient evidence of the matters shown in the Register.
- 10.4. The Company must keep the financial records required by the Corporations Act.
- 10.5. Unless authorised by a resolution of Directors or the Corporations Act, a Member is not entitled to inspect the books of the Company.
- 10.6.

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## 11. Accounts

- 11.1. The Board shall cause proper accounting and other records to be kept and shall distribute copies of every profit and loss account and balance sheet (including every document required by law to be attached thereto) accompanied by a copy of the Auditors report as required by the Law to every member.
- 11.2. The Board shall cause to be made out and laid before each Annual General Meeting a balance sheet and profit and loss account made up to the end of the Company's financial year but in no case shall that date be more than five months before the date of the meeting.
- 11.3. The Board shall from time to time determine at what times and places and under what conditions or regulations the accounting and other records of the Company shall be open to the inspection of members provided that all members shall have reasonable opportunity to inspect those records.

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## 12. Audit

A properly qualified Auditor or Auditors shall be appointed by the Board and his or her duties will be regulated in accordance with the Law.

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## 13. Winding up

- 13.1. On a winding up of the Company, the Members must determine one or more companies, associations or institutions whose constitution:
- (a) requires it to pursue only objects similar to those in Clause 1.2 and to apply its income in promoting those objects.
  - (b) prohibits it from making distributions to its members to at least the same extent as in Clause 1.3; and
  - (c) if a company, prohibits it from paying fees to its directors and requires its directors to approve all other payments the company makes to its directors,
- to whom the liquidator must give or transfer any surplus on winding up.
- 13.2. If the Members fail to make a determination under Clause 11.1 within 20 Business Days of the winding up of the Company, the liquidator must make an application to the Supreme Court in the jurisdiction the Company is taken to be registered to make that determination.

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The following person(s), being the person(s) who consented to become a subscriber of the Company in the application for the registration of the Company, agree to the terms of this Constitution.

**Name**

**Signature**

---

*(original signed by Glenn Patterson – copy overleaf)*

**Baw Baw Shire Council**

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**(Original) DATE:** 16<sup>th</sup> day of May 2008  
*(Original overleaf)*


**Copy of original signature page**

**(previously Clause 115) as signed by Glenn Patterson, CEO Baw Baw Shire Council**

## **Winding up**

115. On a winding up of the Company, the Members must determine one or more companies, associations or institutions whose constitution:
- (a) requires it to pursue only objects similar to those in Clause 2 and to apply its income in promoting those objects;
  - (b) prohibits it from making distributions to its members to at least the same extent as in Clause 3; and
  - (c) if a company, prohibits it from paying fees to its directors and requires its directors to approve all other payments the company makes to its directors,
- to whom the liquidator must give or transfer any surplus on winding up.
116. If the Members fail to make a determination under Clause 115 within 20 Business Days of the winding up of the Company, the liquidator must make an application to the Supreme Court in the jurisdiction the Company is taken to be registered to make that determination.

The following person(s), being the person(s) who consented to become a subscribers of the Company in the application for the registration of the Company, agree to the terms of this Constitution.

Name	Glenn Patterson	Signature	
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**Baw Baw Shire Council**

**DATE:** 16<sup>th</sup> day of May 2008



Helen Rose  
Company Secretary  
30.4.2020

**BOARD OF DIRECTORS  
CORPORATE GOVERNANCE CHARTER**

*As amended April 2020*

*Provided here for information only – this is an internal working document that does not require a formal vote by Members.*



## **BOARD OF DIRECTORS**

### **CORPORATE GOVERNANCE CHARTER**

*As amended April 2020*

#### **Revision History:**

First adopted by the Board July 2012 and subsequently updated:

- Sept 2013
- August 2016
- June 2018
- Nov 2018 (risks)
- Feb 2019 (risks)
- Sept 2019 (risks)
- January 2020 (risks)
- February 2020 (name of Finance Committee reverts to Audit, Finance, Governance, and Risk)
- April 2020 (add COVID-19 and Work from Home Policy, add Pandemics to the Risk Register)

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## **1. Glossary of Abbreviations**

AGM – Annual General Meeting

DGL – Destination Gippsland Ltd

CEO – Chief Executive Officer

AFGR - Audit, Finance, Governance, and Risk Committee

LGA – Local Government Authority

Non-member Directors – those Directors appointed to the Board who are not CEO's of member-LGAs

## **2. Introduction**

### **2.1. Background, Purpose, and Values of Destination Gippsland (DGL)**

Destination Gippsland's role is to lead, inspire, and influence positive outcomes through partnerships across the Gippsland tourism sector. In carrying out its responsibilities and exercising its powers, the Board recognises its overriding responsibility to:

- act with honesty, integrity, fairness, diligence, and in accordance with the law
- be responsive, and accountable
- provide leadership for the Gippsland tourism industry
- serve the interests of the Gippsland Tourism Industry in pursuing the objectives of DGL
- use the resources of the company economically, efficiently, effectively, with due propriety in accordance with statutory or other requirements.

### **2.2. Company Structure**

DGL is a company limited by guarantee – a public company formed on the principle of having the liability of its members limited to the respective amounts that the members undertake to contribute to the property of the company if it is wound up.

The members appoint the Board, and the Board appoints both the CEO and the Company Secretary. The CEO appoints staff within the confines of Board-approved budgets.

### **2.3. Financial Membership of the company**

Our members are the six Gippsland Local Government Councils: East Gippsland, Wellington Shire, Latrobe City, Baw Baw Shire, South Gippsland Shire, and Bass Coast Shire.

### **2.4. Constitution**

The Constitution is as revised at May 2016

### **2.5. Legislation**

The Board is mindful of the requirements of a range of state and commonwealth legislation and guidelines. In the event that our procedures are in conflict with Corporations Law, then Corporations law will have precedence.

### **3. Appointment to the Board of Directors and Committees**

#### **3.1. Appointment to the Board of Directors**

The Company must have not less than 7 Directors excluding the CEOs of LGA members. The Company in general meeting may by ordinary resolution alter the maximum or minimum number of Directors provided that the minimum is not less than 7 in addition to the LGA CEOs.

After a public call for nominations, a panel of three people selected by the Chairman will review applications for appointment and make recommendations to the members for decision. Recommendations for appointment are made based on the desirable mix of skills, and not on the basis of representation.

Directors may make interim appointments in accordance with the provisions of the constitution to fill casual vacancies; however, these appointees must stand for election by the members at the next AGM.

The Directors elect one of their number to serve as Chairman for a period that they agree.

Directors should not:

- within the last three years have been employed in an executive capacity by DGL
- within the last three years have been a principal of a material professional adviser or a material consultant to DGL
- be a significant supplier or customer of DGL or an officer or otherwise directly or indirectly associated with a significant supplier or customer (see section 3 below for material thresholds) except which the Director is the current CEO of a member Local Government Authority
- have a material contractual relationship with DGL
- have family ties or cross Directorships that may compromise independence

Please also refer to the *DGL Constitution as revised at May 2016*

#### **3.2. Chairman**

The Directors will appoint one of their number as Chairman of the Board, however for the avoidance of any perception of bias, member-Directors are not eligible to serve as Chairman of the Board. The Board may set an annual Honorarium for the Chairman.

#### **3.3. Terms of appointment for Directors**

Directors are appointed to the Board for terms of up to three years (less if appointed to fill a casual vacancy, in which case the Director stands until the next AGM), except where the Director is the current CEO of a member Local Government Authority, in which case the Director may hold their position as a Director of the Company whilst they are the CEO of the Member Local Government Authority.

An expression of interest and recruitment process will determine any changes to the Board appointments at the end of each term.

Appointment may be terminated according the rules of the company as set out in the Constitution.

Terms of appointments are to set in way that best serves Board continuity.

### **3.4. Expenses and Allowances for Directors**

Appointment to the Board is on a voluntary basis however reasonable expenses associated with attending meetings may be claimed via the Director's Expense claim form and in accordance with the Board of Director's Travel and Accommodation Expense Policy. Claims are to be authorised by a member of the Audit, Finance, Governance, and Risk Committee.

Alternatively, the Board may elect to offer Directors an annual allowance in lieu of individual expense claims to compensate them for out-of-pocket expenses incurred as a direct consequence of their service to the company except in the case of LGA CEO Directors and Observers from Government Agencies – both of whose employers are expected to meet the expenses of their employees incurred in the course of attending meetings, and serving on the DGL Board.

Chairmen of committees may be offered an extra \$500 for the extra travel and expenses incurred by them except in the case of Member- Directors. The allowance would be payable to those Directors who wish to claim, on submission of an invoice to DGL. The Board may alter the amount of, or withdraw altogether, any allowances by resolution.

Please also refer to: Schedule 3 – *Board of Directors Travel & Accommodation Expense Policy*

### **3.5. Appointment of Interim Directors**

In the event that numbers fall below that specified in the constitution, the Directors may make interim appointments to the Board subject to Section 2 of the Constitution. Recommendations for appointment to the Board will be made in accordance with clause 3.1 above considering the range and blend of skills, knowledge, and experience required by the Board.

### **3.6. Appointment to Committees and/or Reference Groups, Project Teams, and Forums**

The Board must have an Audit, Finance, Governance, and Risk Committee.

The Board may from time to time establish other Committees, Reference Groups, Project Team, and Forums to assist it in carrying out its responsibilities, and adopt charters setting out matters relevant to the composition, responsibilities, and administration of such groups, and other matters that the Board may consider appropriate

A Committee must include at least one Director nominated by the Board however there must be at least two Directors on the Audit, Finance, Governance, and Risk Committee.

Each Committee will be chaired by a Director. The Audit, Finance, Governance, and Risk Committee will not be chaired by the Chairman of the Board.

The company Auditor may attend any meeting of the Audit, Finance, Governance, and Risk Committee.

The Board may choose to make external appointments to Committees, Reference Groups, Project Teams, and Forums as it sees fit. External appointments to these groups may be made by the Board via an expression of interest process, taking into account both skills-based and representative considerations.

All Directors may attend any Committee meeting, Reference Group, Project Team, or forum and participation is encouraged.

## **4. Role, Duties and Responsibilities**

### **4.1. Directors and the Board as a whole**

#### **4.1.1. Role and focus**

The role of the Board is to provide leadership and advice for, and direction and supervision of the company's management. The Board provides the strategic direction of the company, and regularly measures progress of the company towards that strategic direction. The Board also ensures that best practice financial management, and governance policies and procedures are established and maintained, and provides oversight of financial management.

#### **4.1.2. Duties and Responsibilities**

Individual Directors should devote the necessary time to the tasks entrusted to them. The Directors report to the members and are bound by a set of duties established at common law and under the Corporations Act for office holders of corporations. These duties include:

- Acting with honesty, integrity, and in good faith in the best interests of the company
- Acting with due care, diligence, and skill
- Acting fairly and impartially with an absence of material personal interest
- Acting in a financially responsible manner
- Complying with existing legislation
- in a manner to advance the purpose for which DGL was established
- using the position and information appropriately

Directors must not:

- give information to any person acquired by reason of being a director, unless as part of the functions of a director or authorised to do so by law
- improperly use the information obtained by them by reason of holding a position as a director to:
  - gain an advantage for himself or herself or any other person; or
  - cause detriment to the entity

As the governing body for the company, the Board has specific responsibilities:

- set strategic directions, including mission and values
- development of the position requirements for the Chief Executive Officer (CEO)
- recruit and appoint the CEO and undertake an annual assessment of the CEO's performance
- oversee the company including its accountability systems, and supervise or direct management of the company
- establishment of and compliance with key policies, procedures, laws, regulations, and controls
- ensure Strategic Plans, Business Plans, and budgets are developed, implemented, and performance evaluated.
- approve operational and capital budgets, and regularly assess performance against those budgets
- develop and manage a Risk Management policy

- monitor the performance of the company against the indicators included in the plans and budget documents
- establish performance measures and annually assess the performance of Directors
- make recommendations to the members about the Appointment of an external Auditor
- ensure communication of strategy to all relevant stakeholders
- ensuring the company develops and maintains effective communication and relationships with members and stakeholders – operators, industry groups, and government.
- establish and periodically review governance requirements for the company
- establish the framework for the company to report to the Directors, and for the Board to report to members

The Board may not delegate its overall responsibility for the matters listed above, however, it may delegate to the CEO and/or senior managers the responsibility for the day-to-day activities in fulfilling the Board's responsibility.

Directors are encouraged to request information from the CEO and/or senior managers where they consider such information necessary to make informed decisions.

#### **4.2. The Chairman**

The Chairman's role is to:

- be the primary Board contact
- oversee the Board in the discharge of its role
- ensure the efficient company and conduct of the Board's functions and meetings
- ensure that all policies adopted by or relevant to DGL or the Board are provided to all director
- facilitate the effective contribution of all Directors
- guide and promote the ongoing effectiveness and development of the Board and individual Board members

Specific responsibilities include, but are not limited to:

- ensuring the scheduling of regular meetings of Directors sufficient to appropriately discharge its responsibilities, and for minutes to be accurately recorded. It is normal for the Board of Directors to meet at least five times per annum.
- scrutinising the agenda for potential conflicts of interest or duty, and ensure key and appropriate issues are discussed at Board meetings
- chairing all meetings of the Board and meetings of Members,
- facilitating the discussion and conduct of these meetings
- providing leadership to Directors and develop them as a cohesive team
- ensuring new Directors have an induction program
- ensuring Directors and the company take proper account of statutory and other requirements, and co-ordinate the input from Directors.
- ensuring there is a process to monitor and review Director participation and performance
- liaising and communicating with Directors, stakeholders, and government as necessary
- being responsible for the performance of the CEO, ensuring strategic and business plans put in place.

#### 4.3. Chief Executive Officer (CEO)

The Chief Executive Officer has day to day management of DGL under delegation from the Board and subject to their oversight and must consult the Board with respect to the matters specifically reserved to it or decisions of a strategic nature.

The CEO reports to the Board of Directors, primarily at Board meetings, Committee meetings, and through regular liaison with the Chairman.

The CEO has responsibility for utilising the resources of the company to achieve the most efficient and effective outcomes that comply with the policies and strategies set by the Board, consistent with the Strategic Plan, Business Plan, and budget.

Staff appointments are the responsibility of the CEO. Work schedules of staff are set by the CEO taking into account policies and strategic directions set by the Board.

##### **The CEO is responsible**

- within the Tourism Industry for:
  - providing leadership in the development of a sustainable tourism sector throughout Gippsland
  - representing DGL in a range of forums at a local, regional, state, and national level and with the media in consultation with the Chairman
  - facilitating investment attraction and infrastructure development
  - raising community awareness of the value of tourism
  - enhancing key products, industry skills, destinations, and attractions
  - enhancing market positioning for Gippsland
  - supporting and adding value to Local Government and Tourism Associations functions and cooperative activities
- within the company for:
  - working with the Board to build appropriate organisational culture and values
  - providing quality advice to the Board on all relevant issues, including performance and compliance of staff with policies, procedures, legislation, Management Plan, Business Plan, and external appointments to Committee and advisory groups
  - faithfully, diligently and with care and skill perform the duties and exercise the powers consistent with the position of a Chief Executive Officer of the company, and assigned by the Board
  - arranging for the Strategic Plan, the annual business plan, and budget; formulating and recommending business and financial strategies to implement these plans and achieve agreed performance targets
  - being accountable for directing the operations of DGL to achieve strategic, financial and operating objectives; and measuring the performance of the company and reporting outcomes to the Board
  - monitor the lodgement of appropriate statutory returns, financial statements, and registers by the Company Secretary ensuring those returns are in accordance with appropriate legislation.
  - co-ordinating Board and Committee meetings and minutes; conducting staff and stakeholder meetings as required/agreed
  - Implementing a Risk Management Policy; monitoring internal control processes to ensure compliance with relevant policies, statutes, and codes of practice; and reporting performance to the Board all relevant matters that is likely to fall within the Materiality Threshold

All reports to the Board must represent a true and fair view of the Company's financial condition and operational results.

The CEO is also responsible for appointing and, where appropriate, removing staff. The removal of the Financial Officer and the Company Secretary may only be done with the approval of the Board. The CEO is responsible for evaluating staff performance.

#### **4.4. The Company Secretary**

The Company Secretary supports the effectiveness of the Board by:

- monitoring that Board policy and procedures are followed
- coordinating the completion and despatch of Board agendas and briefing papers.
- Performing all statutory tasks and obligations dictated by the various acts of Parliament and local regulations.

The company secretary is responsible to the Board, through the chairman, on all governance matters.

#### **4.5. Financial Members**

The financial members of the company elect the Board and contribute an annual membership fee.

#### **4.6. Observers**

Stakeholders are represented at Board level through observers – Local Government through their Gippsland Local Government Network (GLGN) appointee, plus other groups as the Board see fit and these may change from time to time. Observers are not Board Directors, and do not, therefore, have voting rights – their role is one of communication, consultation, advice, advocacy, and support. Observers are, however, bound by a duty of care to the company when attending Board meetings, and must treat all materials and discussions as confidential.

#### **4.7. Committees, Reference Groups, Project Teams, and Forums**

The outcomes and information from Committee meetings, Reference Groups, Project Teams, or Forums will be communicated to the whole Board as the Board is responsible for making decisions and meeting the obligations dictated by this charter and Corporations Law (as amended).

Committees, Reference Groups, Project Teams, and Forums do not have authority to commit the company to expenditure or a course of action – their role is to advise and recommend. It is the responsibility of Directors to make final decisions in the best interests of the company, and for the Gippsland Tourism Industry.

##### **4.7.1. Audit, Finance, Governance, and Risk Committee**

The Audit, Finance, Governance, and Risk Committee assists the Board through reviewing:

- financial reports and other financial information
- establishing and monitoring the company's internal control systems across the accounting, finance, and IT disciplines
- the company's process for legal and regulatory compliance
- the company's auditing and reporting obligations generally

The Audit, Finance, Governance, and Risk Committee has authority to:

- Obtain any information it requires from management and employees or external parties.
- Obtain external legal or other expert advice where necessary and agreed by a majority of the Audit, Finance, Governance, and Risk Committee.

The complete description of role and responsibility is contained in the Schedule 1 - *Charter of the Audit, Finance, Governance, and Risk Committee*

## **5. Policies and Processes**

### **5.1. Policies & Procedures**

Wherever appropriate, responsibilities under the various legislation and good governance will be incorporated into the DGL policies and procedures.

It is the responsibility of Directors to ensure that appropriate policies and procedures are developed by the company. The Directors will periodically review policies to ensure currency as part of annual compliance.

The CEO is to ensure compliance with policies and procedures dictated by the Board of Directors and those external statutes, codes of practice and guidelines to which the company must comply.

For the full list of Policies and Procedures, please refer to Schedules 2 - 9

### **5.2. Human Resources**

The CEO has authority to hire staff or independent contractors as they see fit, providing all Board-approved budgetary constraints and liabilities have been properly considered.

Staff will be provided with a contract detailing the terms and conditions of their employment.

Independent contractors will be provided with a standard contract detailing the terms and conditions of their engagement as a contractor.

### **5.3. Provision of information**

The CEO is responsible for the provision of relevant and accurate accounting information including budgetary, financial, and regulatory reporting to the Board.

A financial statement will be provided to Directors at all meetings of the Board. This will include the company's cash position and a comparison of actual results to budgets (as previously set by the Board), with explanations for deviations and adjustments as necessary.

It is the role of the Board to apply diligence in scrutinising this information rather than accepting it at face value and the CEO will be responsive to requests for evidence-based information.

### **5.4. Communication with Stakeholders**

The Board is committed to maintaining an effective and meaningful interchange with all interested stakeholders with whom DGL and its staff interact.

Communication will be planned using appropriate internal procedures approved by the CEO from time to time.

The CEO or Chairman will generally undertake communication through the media as appropriate.



### **5.5. Strategic Plan**

Every three years, the Board will develop and implement a Strategic Plan for the company covering the subsequent three years.

### **5.6. Business Plan**

The CEO will initially present to the Audit, Finance, Governance, and Risk Committee for subsequent Board approval a Business Plan and budget on an annual basis. The Plan will outline the actions and corresponding budget amounts, and will align with the Strategic Plan and budget, as well as communicate the activities within the next financial year that contribute to the overall strategic direction.

### **5.7. Reporting schedule**

Audited Financials will be prepared at the end of each Financial Year. The Board will also review performance against the Business Plan and Strategic Plan at least every 12 months.

## **6. Conduct of Meetings of Directors**

### **6.1. Chairing of meetings of Directors**

If the Chairman is absent within 15 minutes of the commencement time of a scheduled meeting, or is unable to Chair the meeting, the Directors present at the meeting will appoint an Acting Chairman to chair that particular meeting. The person chairing the meeting has both their own director's vote and a casting vote.

### **6.2. Frequency of meetings of Directors**

The Board may meet, adjourn, and otherwise regulate their meetings as they think fit. Time will be set aside regularly to review progress and to discuss major issues.

### **6.3. Attendance and Participation**

Directors are expected to attend all meetings of the Board. Attendance at meetings is to be recorded, including duration of attendance at the meeting.

Attendance at Board and Committee meetings will be recorded and reported in the minutes of that meeting. Attendance at meetings may be in person, by telephone, video link or any other system of telecommunication agreed.

Directors and Committee members are encouraged to question, request any information, raise any issue, and fully canvass all aspects of a matter before them and cast their vote according to their judgment.

Directors and Committee members should support the letter and spirit of Board decisions and must keep confidential any discussions, deliberations, and decisions that have not been publicly disclosed.

#### **6.4. Quorum**

A quorum for a meeting of Directors is a majority of Directors entitled to vote on a resolution that may be proposed at that meeting.

A quorum at any of the Committee meetings is a majority of the members of that Committee, providing one member is a Board member.

#### **6.5. Conflicts of interest**

The Company will have Conflict of Interests Policy, and a Register of Interests and Potential Conflicts of Interest kept by the Company Secretary. The Register will be available as a reference during Board meetings.

Any member may request and be granted access to the Register of Interests & Potential Conflicts.

Members have a responsibility to keep this register up-to-date by advising the CEO and Company Secretary of any changed or new personal circumstance when it occurs.

The Conflict of Interests Policy must:

- Require Directors to make a full disclosure of the conflict of interest at meetings of the Board
- Require that disclosures be recorded in the minutes
- require the Board to determine whether that conflict of interest is material
- Enable the Board to
  - require the director who has a conflict of interest in a matter to be absent from the meeting while the Board is considering that matter or
  - prohibit the director from taking part in any decision of the Board on that matter.

Please also refer to Schedule 2 – *Board of Directors Conflicts of Interest Policy*

#### **6.6. Decision making**

Directors vote on all material issues with a clear opportunity to express all variances of opinion. Recording of dissent to a vote can be made by an individual Director with its reference in the minutes.

#### **6.7. Proxies**

Directors may not appoint Proxies, but can, with the approval of a majority of the other Directors, appoint a person as an alternate director for any period subject to the rules of the DGL Constitution.

Members may appoint a proxy, attorney, or representative to attend a Meeting of Members subject to the rules of the DGL Constitution.

#### **6.8. Agenda and meeting papers**

The agenda for meetings of the Board is to be circulated a week prior to that meeting acknowledging that from time to time particular issues warrant late distribution of papers relating to an individual issue.

The agenda and other meeting papers can be circulated by electronic or other means as agreed by Directors. Meetings can be held using technology when the majority of Directors agree.

Incomplete items will remain on the Meeting agenda until the Chairman directs that they be removed, or the matters have been resolved.

Directors have the right to raise issues not included on the agenda under “General Business” in the meeting.

The Chairman may alter the order of issues addressed from that proposed in the agenda.

Directors are expected to have regular access to broadband internet, email, and printing facilities to receive the agenda and meeting papers.

#### **6.9. Minutes**

Minutes of Board Meetings, Committees and Committee meetings are to be a true and balanced reflection of the discussion and decisions made. Minutes will be available to Board and/or Committee members within two weeks of the meeting.

Meetings and minutes of the Board will remain confidential and are not open to the public, or other people within the Member organisations. Minutes and any attendance documents are confidential business documents and for Directors only.

#### **6.10. Access of Directors to staff**

The primary contact between the Board and the DGL staff is generally via the CEO. The Board would usually direct queries or give instructions through the CEO rather than directly to individual staff. If circumstances arise where advice from a particular officer is required, then the Chairman or Board member would generally inform the CEO of the request as a matter of protocol.

#### **6.11. Staff Attendance at Board meetings**

Unless requested to the contrary, the CEO is expected to attend all Board meetings and Committee meetings. Attendance by other staff to Board or Committee meetings is at the discretion of the CEO or meeting Chairman, and typically will be solely for the duration of a topic relating to the work of that staff member.

The Board may at any time excuse the CEO from any discussion. The Audit, Finance, Governance, and Risk Committee may excuse the CEO from some parts of its meetings. The Audit, Finance, Governance, and Risk Committee reviews the CEO's performance and reports to the Board.

The Company Secretary or his/her Delegate must attend all meetings of Directors.

Whilst staff members might, from time to time, be requested to provide information to the Board, it should be remembered that the accepted channel of communication with the Board is via the CEO.

## **6.12. Induction of new Directors**

New Directors will be given a package of materials including, but not limited to: structures, Constitution, compliance and general information forms, contact lists, registers, policies, charters, plans (i.e. strategic, marketing), budgets, Annual Report, minutes as they become available. Documents may be supplied in a variety of formats including hard copy printed, electronic, email, or via website reference.

## **7. Code of Conduct**

### **7.1. Gifts and hospitality**

Board Directors and staff of DGL must take care to ensure ethical behaviour at all times and that actions and decisions are not influenced by personal considerations. This policy concerns the receipt of gifts, favours, entertainment, and services to ensure that a high standard of probity and accountability is maintained at all times.

As a rule of thumb, if you believe that you would be unable to explain the receipt of a gift or invitation publicly then it should not be accepted. Disclosure and transparency will assist in supporting integrity and open processes. Please also refer Schedule 4 - *Gifts and Hospitality Policy*.

### **7.2. Confidentiality**

In the course of their appointment, a Director may become aware of information relating to the business of DGL including but not limited to client lists, trade secrets, client details and pricing structures.

Confidential information, including client lists, trade secrets, pricing structures and any and all documents created by Directors and Employees in the course of their appointment remain the sole property of DGL. Directors may not, either during or after their term of office, without the prior consent of the DGL, directly or indirectly divulge to any person or use the confidential information for their own or another's benefit.

## **8. Risk Management**

DGL will have a Risk Management Plan through which it recognises and plans for a duty of care to:

- its consumers to portray a true and fair representation of Gippsland in all marketing efforts.
- its financial members to provide sound and accountable financial practices which protect its stakeholders.
- fairly treat its employees and provide a safe work environment.
- ensure impacts and probabilities remain manageable so that core business objectives can be achieved.

*Details are covered in Schedule 7 – Risk Management.*

## **9. Financial Management, Reporting and Internal Controls**

### **9.1. Annual Reporting**

The company will produce an Annual Report which includes—reports on activities & achievements.

### **9.2. Internal controls and delegations**

The company will develop procedures and policies as necessary, including a Purchasing Procedure, Delegations Policy including a list of Standing Delegations.

The Chief Executive Officer and at least one member of the Audit, Finance, Governance, and Risk Committee will regularly review the work of the Finance Officer, including all bank transactions.

Financial reports will be provided at all Board meetings, and meetings of the Audit, Finance, Governance, and Risk Committee, and will include performance against budgets, balance sheet, bank statements, and the register of purchases.

Please also refer to Schedules 6 & 7 – *Purchasing Procedure, and Delegations Policy*

### **9.3. Provision of Financial Information**

Financial reports will be provided to each Board meeting, including Profit & Loss, Budget comparison, Balance Sheet, Debtors, Creditors, and Purchases. It is the responsibility of CEO or the Financial Officer or the Company Secretary to fully answer Board questions regarding the financial reports. These interim reports are not open to the public.

### **9.4. Audit, Finance, Governance, and Risk Committee**

The Audit, Finance, Governance, and Risk Committee is governed by paragraph 4.7.1 above, and by its charter (Schedule 1). It also has responsibilities for Audit, Governance, and Risk Management. The Chief Executive Officer and at least one member of the Audit, Finance, Governance, and Risk Committee will regularly review the work of the Finance Officer, including all bank transactions.

Full Financial reports will be provided at all meetings of the Audit, Finance, Governance, and Risk Committee, and will include performance against budgets, balance sheets, bank statements, all purchases, debtors, and creditors.

## **10. Performance**

### **10.1. Performance of DGL as a company**

The company will review and report annually on:

- Performance against the Strategic Plan, and the Business Plan
- Activity and goals
- Financial performance

## **10.2. Performance of the Board and Individual Directors**

The Board must ensure that procedures are in place for:

- assessing the performance of individual Directors
- dealing with poor performance by Directors
- resolving disputes between Directors

The Board may undertake an annual performance evaluation of itself that:

- compares the performance of the Board with the requirements of its charter
- effects any improvements to the Board charter deemed necessary or desirable
- compares the performance of the Board to agreed performance indicators
- invites the views of senior management and stakeholders who deal with DGL
- is conducted in such manner as the Board deems appropriate.

Board self-evaluation survey tools may be used; individual Directors may each be assessed using a standard evaluation tool.

## **10.3. Performance of the CEO**

The Chairman and one other Board member will conduct an annual review of the CEO's performance against agreed performance standards as enunciated in the CEO's contract of employment, make recommendations to the Board on salary reviews, bonuses, and contract renewals after benchmarking industry standards where available.

## **11. Directors' and Officers' Indemnity**

DGL will take out appropriate insurance cover on behalf of Board members for civil damages for breach of duty, negligence or breach of trust but only if the members conduct does not constitute a wilful breach of duty or a contravention of sections 182 or 183 of the Corporations Act 2001. Insurance will be maintained for each member of the Board for at least 7 years after they cease to hold office.

## Schedules

### **Schedule 1 - Charter of the Audit, Finance, Governance, and Risk Committee**

#### **Purpose/Objectives**

As part of the DGL Board Charter it has established an Audit, Finance, Governance, and Risk Committee which also has responsibilities for Audit, Governance, and Risk Management. The Audit, Finance, Governance, and Risk Committee assists the organisation through reviewing:

- the financial reports and other financial information produced by DGL
- the organisation's internal control systems across the accounting, finance and IT disciplines
- the organisation's process for legal and regulatory compliance
- the organisation's auditing and reporting processes generally
- the organisation's exposure to risk and the management thereof.

#### **Authority**

The Directors of the Board authorise the Audit, Finance, Governance, and Risk Committee, within the scope of its responsibilities, to:

- Obtain any information it requires from management and employees or external parties.
- Obtain external legal or other expert advice where necessary following consultation with the Chairman of the Board.

#### **Membership**

The Audit, Finance, Governance, and Risk Committee will comprise at least two Directors and the Chairman of the Audit, Finance, Governance, and Risk Committee will be nominated by the Board and will be a DGL Director. A quorum for any meeting will be two members.

The Chief Executive Officer and Finance Officer will attend each Meeting by standing invitation but may be excused for particular discussions.

Each Member of the Committee should have a working knowledge of finance and accounting practices and be capable of making a valuable contribution to the Committee.

#### **Role and Responsibilities**

The Committee's role is to review:

- the financial reports and other financial information produced by the organisation
- the organisation's process for compliance with regulations, guidelines, and standards
- relevant to a statutory authority and body corporate
- appraise the effectiveness and governance aspects of DGL's internal financial and
- administrative controls, grant management process, project management controls,
- and other internal controls relating to accounting, finance, or IT
- current managerial systems and controls in consideration of the potential for fraud
- especially with regard to grant approvals and project management
- the organisation's auditing and reporting processes generally
- internal policies applicable to administration, finances, IT and audit; and
- monitor DGL's investment portfolio.

## **Meetings**

The Committee should meet at least four times annually. A schedule of activities will be developed by the Audit, Finance, Governance, and Risk Committee. The minutes of Committee Meetings will be distributed to all Members of the Board.

Full Financial reports will be provided at all meetings of the Audit, Finance, Governance, and Risk Committee, and will include performance against budgets, balance sheets, bank statements, all purchases, debtors, and creditors

## **Review**

The Audit, Finance, Governance, and Risk Committee will:

- review and assess this Charter periodically and adjust when required
- periodically review its schedule of activities
- review its own performance against this Charter

## **Fraud Control**

DGL seeks to minimise the opportunity for the misuse of its funds and resources through:

- The presentation of audited accounts
- Appropriate grant approval and program management procedures
- Active risk identification and assessment; and

In particular, controls will be established and monitored on:

- Investments
- Grant approvals
- Cheque signatories and Electronic Funds Transfer Authorities
- Use of credit cards



## **Schedule 2 – Board of Directors Conflict of Interest Policy**

From time to time, situations may arise where a DGL Board Director potentially has either a conflict of interest or duty in relation to matters to be discussed or decided at a DGL Meeting. Directors need to be alert to potential situations where they might have, or might be perceived to have, some incentive or obligation to act other than in the best interests of DGL.

### **Conflict of interest**

A conflict of interest or pecuniary interest situation is where a Director, or a relative or associate, has some form of financial or similar interest in the outcome of the relevant matter. For example, a conflict of interest might arise where:

- a Director holds shares in a company seeking to be a supplier of goods or services to DGL
- or a Director who acts as a panel member in the interview and selection process for staff or contracts are related or close personal friends of the candidates or tendering organisations.

*Note: not every financial interest should be regarded as giving rise to a conflict of interest. Only an interest that gives rise to a real possibility of divided loyalties should be of concern.*

### **Conflict of duty**

A conflict of duty refers to situations where a Director owes a duty to a third party in relation to the matter. Typically, this would arise as a result of a Director being an employee or director of a third party. Directors should keep in mind that they are appointed because of their experience and skills not in a representative capacity. Their duty is to act in the best interests of DGL and not to represent any other body, whether in the public sector or private sector.

### **Confidentiality**

Agenda papers and discussions during Meetings are to be treated as confidential. Accordingly, where it is determined that a Director has a Conflict in relation to a particular matter, all information provided on a confidential basis must be kept confidential and must not be used for the purposes of any other body. Directors may not use such information to further their own interests or the interest of any third party.

### **Process**

The process that Directors are expected to apply to meetings and potential conflicts are as follows:

- Directors should ensure that the Board is kept informed, on an ongoing basis, of all interests and positions that they hold that could give rise to a Conflict (whether a conflict of interest or duty). These will be noted on the register of interests.
- Directors are expected to notify the Board of positions that could give rise to a conflict
- Each Director should review the agenda before a meeting to determine whether or not any agenda item might give rise to a conflict. If they believe that it is possible that he or she might have a conflict, then they should either:
  - notify the Chairman in writing before the Meeting and discuss it with the Chairman; or
  - raise the potential Conflict at the Meeting before the agenda item is discussed.

Directors should err on the side of caution in disclosing potential conflicts and disclose potential conflicts (i.e. circumstances that another person might reasonably perceive to be a conflict) even if they do not believe that the relevant circumstances actually give rise to a conflict.

If a potential conflict is identified, it will be minuted, and usually the Director should not be present during the discussion of the relevant agenda item; and in every case the Director should not vote in relation to the relevant agenda item.

The Chairman may vary the application of this protocol where the Chairman regards it as appropriate. Any such variation will be minuted. For example, the Chairman might decide to permit a Director with a conflict to be present during the discussion of an agenda item because they have particular expertise in the relevant area.

Where the Chairman of the Board is subject to a material or perceived conflict of interest, the Chairman of the Finance Committee will preside over appropriate action, and any variation will be minuted.

This process is not intended to be exhaustive. Directors are expected to comply with the spirit of the protocol, as well as its actual provisions. Once a matter has been decided, each Director will comply with the decision of the Board, regardless of their particular individual viewpoint expressed during discussions.

### **Schedule 3 –Board of Directors Travel & Accommodation Policy**

DGL is a not-for-profit company. No fees will be payable to Directors for performing their duties. The company will, however, pay reasonable travelling and accommodation expenses that are incurred in attending company meetings or other meetings that a Director is required to attend on behalf of the company except in the case of LGA CEO Directors, and Observers from Government Agencies – both of whose employers are expected to meet the expenses of their employees incurred in the course of attending meetings, and serving on the DGL Board.

Alternatively, Directors may make one annual claim of \$1,500 to cover all out of pocket expense and travel. Sub-committee chairmen may claim an additional \$500 to cover the extra expense incurred by them except in the case of LGA CEO Directors and Observers from Government Agencies – both of whose employers are expected to meet the expenses of their employees incurred in the course of attending meetings, and serving on the DGL Board.

#### **Travelling**

Kilometres travelled to and from DGL Board meetings and other official DGL meetings in a personal vehicle can be reimbursed at a per-kilometre rate to be set by the Australian Taxation Office. The rate should be reviewed annually.

Other travelling expenses including car parking fees and public transport fares associated with DGL meetings can also be reimbursed.

#### **Accommodation**

Overnight accommodation in association with DGL meetings will be provided by DGL as required. As a guide, DGL meetings starting or finishing within an hour of normal business hours (9am – 5pm) and are held at least 200 kilometres from a Directors home would qualify for accommodation to be provided if requested. Meals associated with accommodation of this type would also be covered.

#### **Process**

Requests to meet accommodation costs, expense reimbursements, or allowance claims must be authorised by one member of the Audit, Finance, Governance, and Risk Committee.

#### **Payment**

If the Board has opted for an *Annual Allowance*, then this is paid once each financial year

## **Schedule 4 – Gifts and Hospitality Policy**

Board Directors and staff of DGL must take care to ensure ethical behaviour at all times and that actions and decisions are not influenced by personal considerations. This policy concerns the receipt of gifts, favours, entertainment, and services to ensure that a high standard of probity and accountability is maintained at all times. As a rule of thumb, if you believe that you would be unable to explain the receipt of a gift or invitation publicly then it should not be accepted. Disclosure and transparency will assist in supporting integrity and open processes.

### **Gifts**

Personal gifts (including services) from clients, operators, or stakeholders should not be accepted by DGL Directors or staff where the gift implies undue favour to the donor. All gifts above the value of \$100 must be declared to the Company Secretary and the CEO. The CEO will determine whether they are to be retained by DGL or the person. A Register of Gifts & Hospitality greater than \$100 will be maintained by the Company Secretary and reported to the Audit, Finance, Governance, and Risk Committee annually.

Under no circumstances are DGL Directors or staff to accept monetary gifts or loans.

### **Hospitality**

In the course of their role, DGL staff and Directors may be extended hospitality by industry or Government representatives. This may include, but is not limited to, the likes of meals, accommodation, event/function tickets, transport, parking passes, or other tourism services. DGL officers will not seek such hospitality, nor abuse it in terms of frequency or giving undue favour in professional activities to hosts. Such hospitality may be accepted when representing DGL and/or the region in an official capacity, and when the goods or services will primarily be for information exchange for the benefit of the organisation and its goals, or as product familiarisation at appropriate functions. It is acceptable for the employee to bring a partner to functions where such an invitation is normally extended to all guests.

Board Directors and employees will not accept hospitality from organisations that they know are in the process of negotiating tenders and service contracts with DGL; or if they are not representing DGL.

### **Travel and Accommodation**

Board Directors and employees may accept discounted travel and accommodation for business purposes. These discounts are to be provided on the clear understanding that they are not to solicit invitations for discounted or free travel or accommodation for personal use.

If Board Directors and employees are involved in the promotion or development of tourism products and/or infrastructure in Gippsland, operators may invite them to visit or use their operation free of charge or at a discounted rate. With the approval of the CEO it is acceptable to respond to such an invitation if there is a professional interest in seeing or working with that product. If an employee is invited as an individual and accompanied by the employee's family, the family must pay their way (except for accommodation). Undue favour must not be given to operators extending such invitations and discretion must be used as to which invitations are accepted.

DGL recognises that within the tourism and travel industries, particularly the retail and marketing areas, discounted personal travel and/or accommodation is available. DGL Directors and staff must be cautious in accepting such discounts, lest favours are expected by the operator concerned, or there is a perception by third parties that a favour is expected.

## Schedule 5 – Finance Policies and Procedures

### 1. Investment Strategy

#### Rationale

To invest funds in a manner which maximises interest return whilst maintaining a no/low risk profile, and which allows DGL to pay suppliers, staff, other creditors in a timely manner.

#### Where funds are held

All DGL cash is held with the National Australia Bank (NAB). We work with the NAB Business Banking team to facilitate our banking needs, and to ensure the best return on investment.

#### Types of accounts held

DGL has three types of bank accounts:

- 1. Cheque account**

Low fees; little or no interest; at call; balance kept at a minimum

- 2. Professional Funds account or similar interest bearing, at call account**

Higher interest; at call; sufficient cash to cover 60 days; funds transferred to the Cheque account as needed

- 3. Term Deposits**

No fees; highest interest available on investment date; varying sizes and lengths of term depending on the timing of receipts and projected cash requirements. Funds are accessible at no charge within the first 7 days of rollover, after which funds are available for a fee, with 31 days' notice (the size of which depends upon the deposit amount and market interest rates).

#### Term Deposit management

When significant funding is received, or a Term Deposit matures, an assessment is made of the likely cash requirements for the next 30 - 90 days considering fixed overheads, general expenses, major supplier payments, BAS returns, cash held in the Professional Funds account, and the maturity dates & size of existing term deposits. Funds are subsequently invested on terms which allow for outgoings and maximise interest return.

#### Level of Interest Income

The amount of interest earned in a financial year is a function of several factors:

- Amounts invested
- Prevailing interest rates on offer
- Length of investments (longer deposits attracting higher interest)
- Billing and receipt pattern (e.g. recurrent funding is invoiced and received in the first quarter of the FY, but major programme funding is often not received until November or December, whilst some grants arrive in the second half).
- Expenditure pattern

## 2. Purchasing Procedure

### Purpose

DGL's purchasing procedures have been established to guide informed purchasing decisions which represent value for money and are undertaken in a fair, transparent, and accountable manner.

### Operating Guidelines

These procedures have been developed to support informed decision making when purchasing goods or services on behalf of DGL by providing guidance on:

- the offer process (quoting & tendering requirements)
- the use for panels of preferred suppliers

### The Offer Process - Seeking offers

For goods or services, reasonable steps must be taken to obtain the minimum number of offers as required below. Additional offers may be sought where there is potential to obtain better value for money.

### Expenditure Range (excluding GST) Minimum requirements

Expenditure Range	Minimum Requirements
Up to \$2,000	Obtain 1 quote
\$2,001 to \$25,000	Obtain at least 1 written quote
\$25,001 to \$100,000	Obtain more than 1 written quote
Over \$100,000	Undertake tender process

### Documenting offers

All offers should be documented and filed. Where expenditure is estimated to be under \$2,000, a verbal quote is acceptable however details of the quote should also be documented and filed.

### Tender process

Whereas obtaining quotes from any one or more suppliers is ordinarily sufficient when seeking offers, a tender process involves the public advertisement of offers.

### Sourcing quotes

When seeking quotes, effort is to be made to routinely seek quotes from a variety of suppliers, even for low cost purchases or where suppliers seem limited, to test local pricing, and provide other businesses with the opportunity to present an offer for consideration.

### **Underestimated expenditure**

If all offers received are above the estimated expenditure range, (e.g., purchase estimated to be under \$25,000 however all quotes come in above \$25,000), the offer process is to recommence in accordance with the applicable purchasing threshold.

### **Exceptional Circumstances**

In exceptional circumstances, the CEO has authority to circumvent the Offer Process as described above. Factors which may be considered as exceptional circumstances include:

- matters of extreme urgency including public health, security or safety as a consequence of an unforeseen event or occurrence
- where no quotes were submitted following due process, or no quotes were submitted that conform to the essential requirements of the procurement,
- where the goods and services can only be supplied by a specialist supplier and no reasonable alternative or substitute goods or services exist having regard to the technical reasons
- for additional delivery of goods and services that are intended either as replacement parts, extensions, or continuing services for existing equipment, software, services or installations where a change in supplier would necessitate the procurement of goods and services that do not meet the requirements for interoperability or interchange ability
- where it is intended to procure a prototype of first good or service intended for a limited trial, or that is developed in the course of, and for, a particular contract for research, experiment, study or original development
- for the protection of patents, copyrights or other exclusive rights or proprietary information
- conditions including unsolicited innovative proposals
- where it is necessary to protect intellectual property
- as a result of a design contest, or the requirement is for works of art

The CEO will seek the approval of the chairman of the Audit, Finance, Governance, and Risk Committee, and failing him, one other member of the Audit, Finance, Governance, and Risk Committee before proceeding.

### **Panels of Preferred Suppliers**

DGL has approved the use of Panels of Preferred Suppliers, Contractors, or Consultants. Use of a panel member does not require obtaining further quotes or tenders, however there is discretion to still seek quotes from panel members to maximise value for money. If quotes are to be undertaken, the invitation to do so must be fairly spread across the panel members. Expressions of interest to be part of a Panel of Preferred Suppliers will be sought through a public process.

### **GST inclusive**

All prices quoted in these procedures are inclusive of Goods and Services Tax.

### **Payment Commitment and Purchase Orders**

Staff must follow delegated authorities and retain all records of quotes and financial commitments. Staff are expected to keep an up-to-date tracking sheet of all commitments they have made.

Immediately on agreement of price and supplier, all purchases over \$10,000 require a Purchase Order to be raised by the Finance Officer and recorded in the accounting system.

### **Standard Terms of Trade**

Our Terms of Trade are 30 days on receipt of a correct and proper Tax Invoice

## **3. Payment Procedures**

### **Invoices for Payment**

Invoices must be reviewed and approved by the appropriate staff member, paying attention to delegated authority levels. Proper Tax invoices are required:

- made out to Destination Gippsland Ltd
- quoting the supplier's Business Name, address, ABN, contact information,
- a unique invoice number
- details of the goods/services provided
- clearly stating the price, and GST included (if the supplier is GST registered).
- the supplier's bank details should also be quoted on the invoice as DGL pays by EFT.

Hard or electronic copies of invoices must be sent to the Finance Officer with budget information for allocation.

Our standard payment terms are 30 days on receipt of a correct and proper Tax Invoice.

### **Expenses**

DGL will, on receiving proper tax receipts, reimburse the CEO for other company-related expenses for which the CEO has paid using private funds (subject to established budgets).

Staff are not to be out of pocket in relation to their work with DGL. All travel related expenses must be in line with the travel policy. Appropriate work-related expenses will be reimbursed via the DGL Expense Reimbursement form which must include notes to explain the nature of, and reason for. the expense Tax receipts must be provided for all expenses. The CEO will approve staff expense reimbursements.

Receipts and a copy of the form must be sent to the Finance Officer.

CEO expense reimbursements must be approved by the chairman of the Audit, Finance, Governance, and Risk Committee, or a member of the Audit, Finance, Governance, and Risk Committee and be noted in the financial reports prepared for Board meetings.

### **Signing cheques and electronic payments**

Jointly any two signatories may authorise payments by signing cheques. Electronic payments may be made for supplier payments and staff salaries, providing the rules of Delegations and Approvals as above have been followed. The Financial Officer, Company Secretary, the CEO, the Chairman, and the Chairman of the Audit, Finance, Governance, and Risk Committee may access the bank accounts of DGL and be signatories to the accounts.



## 4. Income Generation Procedures

### Invoice Request/Generation

Staff managing buy-in from external parties to DGL activities must keep track of all buy in commitments and ensure written acceptance from the customer of their commitment to pay.

All prices must be quoted as including GST (noting the amount of GST included).

The staff in charge of the project should send a summary of all invoices to be generated to the Finance Officer, indicating the GST inclusive price, along with customer contact details.

Staff should follow up with the Finance Officer to ensure payments have been received, and work together to resolve any outstanding payments. Where possible, payment terms should be set to ensure payment prior to delivery of the benefit e.g. prior to printing of collateral or finalization of advertising.

### Terms of Trade

Unless otherwise arranged for prepayment, we expect to receive payment for our invoices within 30 days of issue to customers.

## 5. Insurances

The company will maintain appropriate insurance cover such as, but not limited to, Directors & Officer cover, Public & Products Liability insurance (minimum \$20mil), Contents insurance, and Workers Compensation.

## 6. Delegations and Approvals

### Delegations and Approvals - Chief Executive Officer

#### – Board-approved budgets

The DGL Board awards the CEO a delegation to expend funds according to Board-approved budgets without prior reference to the Board but bearing in mind the terms of this Purchasing Policy & Procedure document.

#### – Discretionary Delegation

Where not included in Board-approved budgets, the DGL Board awards the following delegations:

- Up to \$5,000 the CEO is delegated authority to commit and approve expenditure.
- Amounts between \$5,001 and \$20,000 require the approval of the Audit, Finance, Governance, and Risk Committee, and such approval may be given by email resolution.
- Amounts \$20,001 and above require approval of the Board, and such approval may be given by email resolution.

#### – Company Debit Card

The Board has approved the use of a company Debit Card which the CEO may only use for company purchases, following normal procedures and delegations. To be noted in the financial reports prepared for Board meetings.

Other cards may be issued to the Company Secretary and/or Manager-level staff as approved by the CEO. All cards are subject to the same standards, and staff are required to sign a copy of the Debit Card Holders Agreement.

*NB: these are not CREDIT cards, they are Debit Cards, limited by funds allocated to them, as approved by the CEO. Expenditure is subject to normal delegations, within approved budgets. Reviewed every month by the CEO and the Chairman of Finance.*

## Delegations and Approvals - other staff

The CEO may extend a delegation to officers as he/she sees fit, providing the parameters set out in this document are adhered to, and that annual totals for any budget section must not exceed Board-approved budgets. Standing Delegations are to be reviewed at least annually.

### Standing Delegations

Awarded providing the parameters set out in the Delegations Policy are adhered to, and that annual totals for any budget section must not exceed Board-approved budgets.

April 2018

Delegation give to	Details	Amount ex GST per purchase
CEO	All expenses according to Board-approved budgets. Discretionary amounts which are <u>outside</u> of Board-approved budgets: 1. CEO may approve alone up to \$5000 2. Between \$5,001 and \$20,000 - the Audit, Finance, Governance, and Risk Committee approval is required. Approval may be given by email resolution. 3. \$20,001 and above - Board approval is required. Approval may be given by email resolution	Per Board-approved budgets.
Marketing Manager	All expenses according to Board-approved budgets, up to \$5000 within areas of responsibility. \$5,001 and above according to Board-approved budgets requires approval from the CEO in accordance with his delegation	Up to \$5,000
Tourism Project Manager (or equivalent)	All expenses according to Board-approved budgets up to \$5000 within areas of responsibility. \$5,001 and above according to Board-approved budgets requires approval from the CEO in accordance with his delegation	Up to \$5000
Industry Executive (or equivalent)	All expenses according to Board-approved budgets up to \$2000 within areas of responsibility \$2001 and over according to Board-approved budgets requires approval from the CEO, or the Marketing Manager in accordance with their delegations	Up to \$2000
Admin & Finance Officer	Specific ongoing supplies and areas of responsibility and according to Board-approved budgets – power, phone, internet, brochure storage and distribution, Board meeting costs, ASIC returns BAS - lodge returns and make payments as necessary, advise CEO and Chairman of Audit, Finance, Governance, and Risk Committee. Regular payments (according to Board-approved budgets) connected with salary contracts - wages, vehicle allowances, super, PAYG - but excluding expense and per kilometre reimbursements which require approval from the CEO in accordance with his delegation	Up to \$1000  As liable  Per contracts, and agreed rates

### **Asset disposal and transfers**

The CEO may authorise the disposal or transfer of assets but must advise the Board, the Financial Officer, and the Company Secretary.

- An asset is a physical item that is owned by DGL and that has been treated as an asset per the Australian Accounting Standards, or has residual value at the end of its useful life
- assets include, but are not limited to, computer equipment, printers, telephones (mobile and landline) and office furnishings
- An asset should be disposed of when it ceases to function effectively, is superseded and must be replaced, and/or is defined by accounting standards as having zero bookvalue.
- Assets must be disposed of in one of the following ways:
  - Traded-in: When the assets is given to a supplier as a part payment for another asset.
  - Destroyed: Destroy or decommission the asset so that it can no longer be used for its intended purpose
  - Sold: Transparent bidding process facilitated via established online channels (i.e. eBay) with the minimum bid price set as the asset's residual value
- The method of disposal selected will be determined based on:
  - The residual value of the asset – the value of the asset at the end of its useful life; and
  - The greatest financial return that can be generated via the disposal of the asset, relative to the cost required to dispose of it (both financial and human resource).
  - If an asset has no value, then it will be destroyed or decommissioned
- Residual value will be market tested and evidence provided to support this estimate. Estimates cannot be based on the opinion of DGL staff.
- If an asset is sold online, then staff are permitted to enter the public bidding process and can purchase the asset if they make the highest bid (either equal to or higher than the residual value of the item and any other bids).
- The disposal of assets is to be approved and managed by the CEO and recorded on the asset register.

### **Bad Debts**

The CEO and Financial Officer must advise the Board of any bad or doubtful debts over \$2,000

### **Revenue acceptance**

The CEO may enter agreements to receive revenue (including grant applications) where the revenue is within approved business plans. Where revenue is not within approved business plans, no delegation is provided above \$1,000,000. Revenue acceptance means entering any agreement to accept any revenue, whether DGL is required to fulfil any obligations.

The CEO must ensure that contingent liabilities and risks are sufficiently considered prior to committing DGL to any agreement to receive revenue.

### **Funds management**

Jointly, any two delegates may authorise fund management activities for any amount, however authority may be delegated to the Financial Officer to manage funds in the best interest of the organisation, providing full reports are provided at each Board meeting. Funds management includes dealings involving the transfer of funds between bank accounts, investment of funds, payment of interest and redemptions, execution of financial instruments, and payments to government departments.

**Limitation**

Authority under this delegation does not empower any delegate to open or close any DGL bank accounts, which can only be done with approval by the Board, with exception of Term Deposits with company's banking institution. Term Deposits may be opened by the Finance Officer and one other signatory to ensure the best possible return on funds held with that institution, and at maturity must either be reinvested or rolled into an existing DGL bank account. Full reports must be made at each Board meeting.

Agreements relating to financial obligations greater than \$20,001 must be considered by the Board when outside of Board-approved budgets.

**Signing agreements**

Delegates may sign agreements up to their expenditure limits. Agreements are documented contracts or memoranda of understanding between two or more parties including DGL. In urgent situations, the Chairman and the Chief Executive may sign documents but must subsequently seek ratification from the Board.

**Conditions**

In determining expenditure limits, delegates must consider contingent liabilities such as indemnities. Standard approved corporate documents must be used as the form of agreement where possible. Any new documents or variations to standard documents must be approved by the Board.

**Termination of employment**

A decision to terminate the employment of an ongoing employee or fixed term employee prior to the contracted end date of the fixed term can only be authorised by the Chief Executive Officer or the Chairman.

## Schedule 6 - Our People

### 1. Occupational Health and Safety Policy

DGL strives to maintain the highest standards of honesty, integrity, respect, and fairness in all dealings.

Where these standards are not met, appropriate action may be taken. In cases where the breach involves serious misconduct, this may result in further action such as warnings and dismissal. In cases where a breach of the code involves a breach of any law, then the relevant government authorities or police will be notified.

We recognise the responsibility to provide and maintain a working environment that is, as far as practicable, safe and without risks to the health of employees, officers, contractors and visitors.

Employees of Destination Gippsland have a duty of care of their own health and safety and of others affected by their actions at work. They should comply with safety procedures and directions and report all incidents and hazards to the CEO.

Safety is everyone's business, and so all staff should participate in:

- identifying practices and conditions that could injure employees, clients, members of the public or the environment, and
- controlling such situations or removing the risk to safety. If unable to control such practices and conditions, report these to their manager

DGL expects a positive, proactive attitude and performance with respect to protecting health, safety and the environment by all employees, irrespective of their position.

#### Office Safety

Staff should take time on a regular basis to assess their own working environment and the wider office with regard to health and safety and report any concerns to the CEO to ensure a safe working environment is maintained.

Hazards may include, but limited to exits, security, kitchen, cabling and electrical, trip hazards, lifting, posture etc.

#### First Aid

A first aid kit is kept in the DGL office and should be checked and replenished by staff at least quarterly. Any staff with medical conditions (such as diabetes or allergies) must advise DGL at the time of commencement.

#### Emergency

Exits must not be blocked at any time.

Access to fire extinguishers must not be blocked at any time.

Staff safety is always a priority over company assets.

In the event of an emergency, staff should not hesitate to exit the building in a safe and orderly fashion, accounting for all staff in attendance at the time, and immediately call Emergency services on 000.

The emergency meeting point in the case of an office evacuation is the car park opposite the building.

## **Manual Handling Policy**

While Destination Gippsland staff will not often be dealing with large or awkward loads, occasional lifting may be required e.g. boxes of collateral and banners for trade shows and special events. Staff are reminded to:

- Always test the weight of any items (boxes of brochures) before you try to lift. If it feels too heavy to lift – it will be
- Bend your knees and not your back when lifting
- Make sure you have a good grip on the item to be carried
- Use a trolley whenever possible to carry boxes of brochures

Never lift or manually handle items larger or heavier than you can easily support. If you are in any doubt, do not hesitate to ask for help.

## **Incident Reporting**

Staff are encouraged to report any incidents, accidents or hazards that they may encounter or identify. In the event of an incident, staff must inform the CEO as soon as possible, and ensure all forms are forwarded to the Chief Executive for follow up.

If there is an immediate threat to health and safety, take the appropriate steps to temporarily address the problem.

- The first priority is medical attention. For a serious injury also call an ambulance.
- Any employee who is injured on the job, experiences a safety incident or a near miss, must report the incident to the CEO
- An Incident Report must be raised, detailing:
  - the employee's name and position
  - the time and date of injury
  - the exact location the injury/incident occurred
  - how the injury/incident happened
  - details of the injury/illness and the part/s of the body injured
  - the names of any witnesses
  - the name of the person entering details in the Register
  - the date the CEO was notified

Staff are covered by WorkSafe Insurance. If you injure yourself whilst on duty, notify a staff member immediately. You will be required to complete an Accident Insurance Report.

The CEO must report serious injuries to WorkSafe immediately.

## **General Conduct**

Staff and other DGL officers must not engage in any improper behaviour or activities whilst employed by Destination Gippsland. Destination Gippsland will not tolerate discrimination or harassment of any kind. Employees must not make improper or illegal use of Destination Gippsland equipment or internet access.

DGL maintains a smoke-free environment and smoking is not permitted on DGL property or in the offices at any time.

DGL will not tolerate harassment, bullying, or any other inappropriate behaviour.

Staff must not arrive for work affected by drugs and/or alcohol.

## **2. Travel**

### **Safe Driving, and general travel**

Everyone must feel healthy and safe when undertaking work-related travel on behalf of DGL. Caution should be exercised when driving long distances, taking care not to drive when tired.

Staff and other officers of DGL are encouraged to plan their work-related travel to allow for rest breaks, and, if necessary, arrange for overnight accommodation at DGL's expense. This should be discussed with the CEO prior to travelling.

Staff and other officers must not drive a vehicle in the course of their duties while their driving ability is impaired in any way, e.g. by illness, injury, fatigue, or medications.

### **Driver Safety**

Anyone required to drive on DGL business must hold a current, valid driving licence, and carry vehicle insurance.

Staff who need to drive as part of their DGL work, must immediately report DGL any suspension, loss of licence, licence restriction or change in circumstances, which may impact on or impair their ability to drive safely.

Only approved handsfree access is permitted for mobile phones whilst driving however everyone is strongly encouraged to pull over for calls to minimise distraction while driving.

Staff using their own vehicles for DGL work-related travel are strongly encouraged to carry a suitable First Aid kit, high visibility vest and signs, and torch.

### **Ice and Snow**

If travelling through alpine areas or areas prone to ice/snow, extreme caution must be exercised, and chains carried and fitted as appropriate. DGL will cover the cost of chain rental and fitting if staff do not own chains. Anyone uncomfortable with driving in alpine winter conditions they should discuss their travel needs with the CEO prior to visiting.

### **Fire Risk**

No work-related travel through high-risk areas of the region on Extreme or Code Red days may be undertaken. Staff needing to travel distances through high-risk areas to attend their place of work on an Extreme or Code Red day are not obligated to work from the office on those days.

### **General Driving Responsibilities**

All drivers are expected to take all appropriate laws, bylaws, and rules, and to take normal precautions when driving on DGL work-related trips.

Staff are personally responsible for any penalties incurred and for the payment of any fines or parking infringements sustained while driving at any time.

Whilst the use of "hands free kits" may allow the use of telecommunications equipment whilst driving, such events should be minimised to ensure that the driver's primary concentration is focused on driving.

## **Accidents**

In the event of a collision, breakdown, or other emergency, drivers should act in accordance with relevant Traffic Acts and Regulations.

Where an DGL employee has been injured in the course of their work for DGL, they must complete an Incident Report Form. An employee injured at work may submit a Workcover claim in relation to any time lost and/or medical expenses incurred in relation to the accident. NOTE: Under the Accident Compensation Act, a police report is a pre-requisite to making a Workcover claim involving a vehicle accident. The DGL's insurer will not consider a claim unless a copy of a police report is provided.

## **3. Staff Leave Policies and Procedures**

DGL strongly recommends that all staff take at least one significant period of annual leave in each calendar year. We will also encourage staff to plan their Annual Leave entitlements in order to reap the maximum benefit of their leisure time.

Annual leave entitlements accrue on fortnightly according the basis on employment – full time, or pro-rata for part-time employees.

Annual leave balances are reported on the employee's pay advice

Annual leave may accrue up to 18 months ordinary credit - any annual leave accrued in excess of this must be approved by the CEO (or in the case of the CEO, the Chairman).

The timing of taking annual leave is by mutual agreement between the employee and the CEO with consideration of workload to other team members.

All leave is requested in writing by submitting a Leave Application Form to the CEO. For leave of one week or less, forms should be submitted at least two weeks in advance of the first leave-day. For leave of more than one week, forms should be submitted four weeks in advance.

Leave may be taken in advance only with the permission of the CEO and will be deducted from your next accrued entitlement.

There is no minimum or maximum amount of annual leave that can be taken.

## **4. DGL COVID-19 Work-place Policy, including working from home**

### **Purpose**

The purpose of this policy is to outline the protocols for DGL staff during the COVID-19 pandemic. This policy aims to provide clear direction, however as the external environment is constantly changing, this policy is subject to review and change without notice.

### **General Information**

- COVID-19 first emerged out of China in January 2020, showing characteristics similar to SARS - a virus that impacts the respiratory system.
- On 11th March 2020, the World Health Organisation categorized COVID-19 as a pandemic, and as a result, state and federal governments have introduced compulsory measures to slow the spread of COVID-19.



## **Work Practices**

DGL practices a safe and healthy working environment at all times and to ensure the continued safety of our staff and stakeholders during the COVID-19 pandemic.

Since the outbreak of COVID-19 and the various emergency measures imposed by state and federal governments, all employees of DGL have agreed to work from home until such time it is safe and appropriate to return to DGL office spaces.

To enable DGL to operate successfully during this period, DGL employees are to be guided by the following principles.

## **Safety While Working from Home**

All staff must assess their home-working environment to ensure it is safe. When working from home, employees are responsible for ensuring their working environment is in keeping with company safety policies and procedures, and that they:

- Ensure there is adequate ventilation and airflow
- Ensure the area is free from excessive noise
- Don't overload electrical power outlets
- Use the correct tools for the job
- Maintain good housekeeping practices and immediately clean up all spills
- Be especially aware of recommended hygiene practices to deal with COVID-19
- Maintain physical distancing, and be aware of COVID-19 symptoms
- Have a current first aid kit and a working fire extinguisher
- Cease to use and immediately report to the CEO or your Manager any unsafe conditions (i.e. broken steps, chairs) faulty equipment, damaged electrical cords, sparking equipment, etc.
- Comply with our Drug and Alcohol policy during working hours.
- Report any work-related injuries or workplace incidents to the CEO or your Manager
- Notify the CEO or your Manager immediately of any changes to your work environment that may compromise safety and/or compliance with company policies.

## **Work Procedures**

- All DGL staff will continue to work agreed hours in line with their employment agreement unless otherwise specified or varied by mutual agreement
- DGL operates on the Office 365 platform allowing easy access to all team members regardless of location. Therefore, individuals must have access to a reliable internet connection and ensure DGL systems work on that network. In the event this is an issue, you must contact the CEO or your Manager ASAP to resolve the issue and put an alternative plan in place.
- Calendars must be managed and kept up-to-date at all times to reflect all appointments
- Staff and external stakeholder meetings are to be conducted via Zoom or phone. Microsoft Teams is used for informal discussions amongst the DGL team.
- Employees who have personal responsibilities such as child-care or elder-care will be expected to manage these responsibilities in a way that allows them to successfully meet their employment responsibilities. This includes staff dealing with school-at-home issues caused by COVID-19. Employees must discuss their work-plan with the CEO or their Manager to find a mutually agreeable solution.

- As a team, the CEO and all employees will ensure regular opportunities for communication and take all reasonable steps to ensure employees receive all relevant information concerning staff meetings, training and career development opportunities. The employee agrees to be contactable during the periods in which home based work is carried out and available for communication with the CEO and other employees as required.
- In the event you test positive for COVID-19, you will be subject to the recommended isolation period and DGL will require confirmation from your doctor it is safe for you to return to work.
- It is recommended that all workspaces (especially desks and common surfaces) are cleaned thoroughly and regularly wiped down desks with anti-bacterial wipes or spray and disposable towels.

### **Security When Working from Home**

You are required to ensure the same level of security and confidentiality of information/documents as if you were within the DGL offices. You are responsible for ensuring:

- Documents and DGL information are kept secure at all times
- You securely transport documents and information and don't leave them where they might be found by members of the public
- You agree to allow a member of our IT team to access your home-based work site to ensure security
- If pets or someone other than you damages equipment supplied by DGL, then you are responsible for reimbursing DGL for the repair or replacement of the equipment.
- All reasonable measures are undertaken to ensure other people do not overhear phone conversations.
- No non-DGL computer remotely accesses the DGL network. This is designed to minimise the risk of viruses, Trojans, Malware infecting the network.

## Schedule 7 – Risk Management

Destination Gippsland has a duty of care to its consumers to portray a true and fair representation of Gippsland in all marketing efforts. DGL has a duty of care to:

- its financial members to provide sound and accountable financial practices which protect its stakeholders.
- fairly treat its employees and provide a safe work environment.

DGL will proactively deal with risk to ensure impacts and probabilities remain manageable so that core business objectives can be achieved.

### 1. Internal Risks

#### **Fraud**

Any employee using DGL funds for personal gain e.g. the Finance Officer embezzling DGL funds, employees organising a famil or accommodation for friends or family etc.

#### **Failure to comply with financial regulations**

The organisation may fail to comply with regulations and standards such as generating annual Business Activity Statements, PAYG (tax), Superannuation and ASIC filing.

#### **Overspending project budgets**

Each budget line contributes to the overall cash position of the organisation. Overspending the budget (substantially) for several projects may significantly affect the overall financial and operation performance.

#### **Paying high or unreasonable costs**

Without first knowing the cost of a job/ project, the organisation may be paying more than a reasonable amount.

#### **Reputation of the organisation**

The reputation and integrity of the organisation may be at risk in the event of negative press coverage.

#### **Director's liability**

Directors and Officers Liability refers to lawsuits for alleged wrongful acts while acting in their capacity as directors and officers for the organisation. The risk may include:

- Criminal and regulatory investigations/ trials
- Civil and criminal actions brought against directors
- Management liabilities of the corporation as well as the personal liabilities for the directors and officers of the corporation.

#### **Staff performance**

Expertise and capability of staff to efficiently perform work duties.

#### **Organisational resources**

Capacity of the organisation to achieve core objectives. This may be affected by the number of staff members and resources available.

#### **Staff injury**

Staff may become injured in the workplace or by performing work-related duties e.g. electrical shock, injury caused by manual lifting, RSI, stress etc.

## **2. External Risks**

### **Economic environment**

Economic related issues include Global Financial Crisis, rising petrol prices, cheap international airfares, strength of Australian dollar etc, which may impact on visitation to Gippsland.

### **Competition**

Our competitors are other destinations with a focus on nature-based tourism such as the Grampians or Tasmania, and there is a potential threat of these regions increasing their market share which may result in reduced visitation to Gippsland.

### **Natural environment**

Risks to the natural environment may include natural disasters (bushfire, blue green algae, flood, drought etc) or other environmental issues such as Global Warming (and associated increased water level), pollution, water extraction from Gippsland waterways, alkalinity levels of the Gippsland Lakes etc.

### **Political environment**

State and local government support of the tourism industry more broadly.

### **Loss of support from industry**

A loss of interest by the Gippsland tourism industry in Destination Gippsland's marketing campaigns may result in a loss of financial support. It may also result in a reversion to parochial marketing.

### **Poor industry performance**

A low standard of service provided, or a lack of industry professionalism can impede service delivery and impact on visitor satisfaction.

### **Loss of recurrent funding**

Funding agreements for Destination Gippsland are currently made each three years from the six Gippsland shires, Parks Victoria, Tourism Victoria.

### **Social trends**

A number of social trends may affect visitation to Gippsland such as the Cocoon Effect (people staying at home more to pay off mortgages), increasing tendency for Australians to travel internationally, increasing leisure time spent online etc.

### **Loss of organisation's documentation and resources**

Due to theft or a computer/ IT malfunction, the organisation is at a risk of losing company documents and resources.

### **Theft/ robbery of office**

May result in loss of valuable equipment such as computers, photocopier, laptop and projector.

### 3. Risk Assessment

**Table 1 Risk Assessment Matrix**

Risk Impact				
Risk Probability		Low	Medium	High
		<b>1 POINT</b>	<b>1 POINT</b>	<b>2 POINTS</b>
	Low	<ul style="list-style-type: none"> <li>Loss of organisation's documentation and resources</li> <li>Staff performance</li> </ul>	<ul style="list-style-type: none"> <li>Overspending project budgets</li> <li>Paying high or unreasonable costs</li> <li>Staff injury</li> <li>Competitors increasing market share</li> </ul>	<ul style="list-style-type: none"> <li>Reputation of the organisation</li> <li>Organisational resources</li> <li>Director's liability</li> <li>Fraud</li> <li>Failure to comply with financial regulations</li> </ul>
	Medium	<b>2 POINTS</b> <ul style="list-style-type: none"> <li>Theft/ robbery of office</li> </ul>	<b>3 POINTS</b> <ul style="list-style-type: none"> <li>Loss of support from industry</li> <li>Political environment</li> <li>Poor industry performance</li> </ul>	<b>4 POINTS</b> <ul style="list-style-type: none"> <li>Loss of recurrent funding</li> </ul>
	High	<b>4 POINTS</b> <ul style="list-style-type: none"> <li>Social trends</li> </ul>	<b>5 POINTS</b> <ul style="list-style-type: none"> <li>Economic environment</li> </ul>	<b>6 POINTS</b> <ul style="list-style-type: none"> <li>Natural environment</li> <li>Pandemics affecting travel</li> </ul>

## 4. Risk Management

Table 2 Prioritised Risks and Management Strategies

Priority No.	Points	Risk	Management Strategies
1.	6	Natural environment – impact on DG and the wider Gippsland Tourism Industry	<ul style="list-style-type: none"> <li>• <i>Crisis Essentials Guide</i> (developed the former Tourism Victoria - now Visit Victoria) is the point of reference in the event of a disaster—See the <i>Plan Prepare Respond and Recover from an Emergency</i> page of the Destination Gippsland website <a href="http://crisis.destinationgippsland.com.au/">http://crisis.destinationgippsland.com.au/</a></li> <li>• The DGL Chief Executive is a member of the <i>State Bushfire Tourism Taskforce</i> ensuring understanding of response requirements. The CEO delegates to a secondary staff member to respond in his/her absence.</li> <li>• A flexible marketing plan ensures responsive activities</li> <li>• A <i>Gippsland Response and Recovery Group</i> is in place and will be called to action in the event of a natural disaster</li> <li>• Destination Gippsland is part of the <i>Regional Management Forum</i> alongside CFA and police, ensuring the organisation has close ties with emergency services</li> <li>• Strong industry structure (including close ties between government and industry) ensures a coordinated response within the region to environmental issues</li> <li>• The <i>Inspired by Gippsland</i> brand provides a clear message that the environment is the most significant asset of the region and should be recognised and appreciated. It was designed to strengthen perceptions of Gippsland's unspoiled natural beauty to be protected for the future</li> <li>• Publish crisis-specific newsletters, including on our website</li> <li>• Pandemics/epidemics (see below)</li> </ul>
2.	6	Pandemics or widespread epidemics	<ul style="list-style-type: none"> <li>• Response to the welfare of staff, Board and other close contacts. All staff are able to work from home for extended periods, and are provided with the necessary tools and information</li> <li>• Employee Assistance Programme in place</li> <li>• A variety of technological solutions are in place for continuing business operations, team, industry, and stakeholder communications (email, social media, Microsoft Teams, Zoom etc.).</li> <li>• Widespread outage of internet – all staff have access to mobile internet data allowances</li> <li>• IT company to re-check home networks to ensure security and privacy</li> <li>• An agile approach to all aspects of the DG operation to respond quickly to changing scenarios i.e. Travel bans, social distancing, industry business stress/closures, forward planning, financial impacts on DGL</li> </ul>

			<ul style="list-style-type: none"> <li>• Reputational Risk is assessed immediately with regards to external actions and communications with regard to visitors and stakeholders, and also with internal actions and communications with regard to the DG team</li> <li>• Risks to funding are assessed immediately and a staged plan for action put in place with regard to potential cost controls/halts/reductions, staffing, and communication with key funding partners</li> <li>• The company has funding reserves to withstand extended periods of shutdown</li> </ul>
Priority No.	Points	Risk	Management Strategies
3.	6	Fire or Flood impact on the DGL Offices	<ul style="list-style-type: none"> <li>• Contents insurance in-place</li> <li>• Critical files held in cloud-storage, plus hard-drive back-up, and on individual staff computers</li> <li>• Hard-copy and electronic financial files held off-site, and in cloud-storage</li> <li>• Staff are mobile and able to work off-site</li> </ul>
4.	5	Economic Environment	<ul style="list-style-type: none"> <li>• Industry Development programmes in place</li> <li>• Marketing to different market segments (domestic and international) helps protect against market changes</li> <li>• Flexible marketing strategy allows us to adapt to economic issues</li> <li>• Focus on improving visitor yield through dispersal strategies</li> <li>• We advertise value for money to suit all price points</li> </ul>
5.	4	Loss of recurrent funding	<ul style="list-style-type: none"> <li>• Industry structure of partnerships with councils and State Government means long term commitment.</li> <li>• There is an annual reporting process, Annual General Meeting and regular reporting (both directly and via the GLGN delegate)-to ensure financial members are kept up to date with Destination Gippsland achievements</li> <li>• A cooperative marketing approach with industry boosts funding</li> <li>• Regular review of funding from Visit Victoria, and regular contact with members to maintain relationships and reiterate effectiveness and value of DGL</li> </ul>
6.	4	Social trends	<ul style="list-style-type: none"> <li>• We have a flexible marketing program allowing us to be responsive to social change and adapt quickly</li> <li>• Focus on digital marketing and social media to respond to the shift to the 'Information Economy'</li> <li>• Industry development and training around social media issues</li> <li>• Diversification of key strengths protects us from market changes e.g. coastal, mountain/ alpine, food and wine, villages, national parks</li> </ul>

Priority No.	Points	Risk	Management Strategies
7.	4	Economic trends	<ul style="list-style-type: none"> <li>• Fluctuations in the Australian dollar (whether that be strong or weak) creates a shift in the flow of visitors. Marketing must remain flexible allowing us to shift focus when necessary</li> <li>• Cut-price airlines making it easier to travel overseas meaning DGL needs to encourage operators to also be flexible and creative in their offers</li> <li>• Fuel prices (both petrol and diesel) impact on Gippsland as we are “driving” destination with little public transport. Pricing is outside of DGL control</li> </ul>
8.	3	Loss of support from industry	<ul style="list-style-type: none"> <li>• We have an <i>Industry Communication Plan</i> which describes the ways we communicate with operators, regional and local tourism associations, local government, and the wider Victoria tourism industry including funding and industry bodies.</li> <li>• Regular newsletters to, and social media contact with, industry</li> <li>• Gippsland Tourism Managers’ meetings</li> <li>• Annual <i>Industry Sentiment Surveys</i> determine industry ‘s satisfaction with Destination Gippsland’s brand and marketing strategy</li> <li>• Regular <i>Tourism Industry Forums</i> ensures strong two-way communication with industry that leads to relevant programs</li> <li>• Industry engagement panel to engage with key operators</li> <li>• Personal contact and consultation with operators by DGL staff – face-to-face, phone, email, blogs, online resources etc.</li> </ul>
9.	3	Political environment	<ul style="list-style-type: none"> <li>• Destination Gippsland’s involvement in the <i>Gippsland Regional Management Partnership</i>, Visit Victoria and the six local Gippsland governments ensures close ties are established between the tourism industry and government</li> </ul>
10.	3	Poor industry performance	<ul style="list-style-type: none"> <li>• <i>Visitor Profile and Satisfaction Reports</i> are conducted by Tourism Research Australia (TRA)</li> <li>• Additional reports produced from data-mining the TRA information</li> <li>• Industry training programs offered via a variety of channels – online, and face -to-face</li> <li>• Dashboard Reporting to the DG Board includes many industry- based lead indicators</li> <li>• Industry training programs are regularly offered to operators e.g. <i>Ken Hore Tourism Industry Mentoring Program, Tourism Excellence, Crisis Management Sessions, Online Booking Seminars, Victorian Tourism Awards Program</i></li> <li>• Industry engagement panel to engage with key operators</li> </ul>



Priority No.	Points	Risk	Management Strategies
11.	2	Reputation of DG, and the Gippsland Tourism Industry	<ul style="list-style-type: none"> <li>• All of our marketing efforts portray a true and fair representation of Gippsland and can be demonstrated and proven through the maintenance of an activity log, ready for reference at short notice. We identify advocates via the Tourism Engagement Network who are willing to speak in support of DGL</li> <li>• We actively manage PR to influence the key messages disseminated about Gippsland</li> <li>• We hold Public and Product Liability Insurance</li> <li>• Annual Board recruitment process ensures high level skills-based Directors are appointed</li> <li>• Community and Industry engagement. We distribute a Monthly Industry newsletter and post regularly to our industry focused social media channels, conduct regular tourism forums/briefings for the industry – keeping industry up to date and informed about our activities.</li> <li>• We engage experienced and well-credentialed contactors/casual staff on a project-by-project basis</li> <li>• The Board increases activity on an as-needs basis (meeting, stakeholder engagement, strategic planning etc.</li> </ul>
12.	2	Organisational resources	<ul style="list-style-type: none"> <li>• Specific jobs are contracted to project managers where they cannot be adequately resourced in-house. We have experienced and well-credentialed contactors/casual staff who can be engaged on a project-by-project basis</li> <li>• Increase organizational resources for the recovery period. Establish a more visible and functional presence in the affected areas; have regard for the well-being of DGL personal during crisis and recovery.</li> <li>• Establish a communications plan within the Emergency Response plan, including triggers for commencement, responsible officers. Also include corporate PR and messaging</li> </ul>
13.	2	Liability	<ul style="list-style-type: none"> <li>• A Governance Charter is in place and continuously reviewed to ensure compliance with guidelines, regulations and standards, and oversight of financial and managerial controls, auditing and internal policies</li> <li>• We hold a suite of insurances: Public and Products Liability, Association I (which covers Directors and Officers), Workers Compensation, Contents, and Key-Man</li> </ul>
14.	2	Fraud	<p>The organisation's finances are externally audited annually</p> <p>Financial reports are reviewed at each meeting</p> <p>The Audit, Finance, Governance, and Risk Committee has access to view DGL bank accounts</p> <p>Continuous review of policies and procedures</p> <p>Debit card statements are review by Chairman of Audit, Finance, Governance, and Risk Committee</p>

Priority No.	Points	Risk	Management Strategies
15.	2	Failure to comply with financial regulations	<ul style="list-style-type: none"> <li>The organisation's finances are audited externally each year, ensuring that the financial statements: <ul style="list-style-type: none"> <li>Are in accordance with the Corporations Act 2001</li> <li>Comply with Australian Accounting Standards</li> <li>Give a true and fair view of the company's financial position</li> <li>Indicate that the company will be able to pay its debts</li> </ul> </li> <li>The Audit, Finance and Risk Management Committee has responsibility to ensure compliance with financial guidelines, regulations and standards, and oversee financial controls, auditing and internal policies</li> </ul>
16.	2	Theft/ robbery of office	<ul style="list-style-type: none"> <li>No cash or valuable items are stored in the office</li> <li>Computer records are backed up externally. Should a computer or laptop be stolen, office records would not be entirely lost</li> <li>The organisation is covered by Contents Insurance</li> </ul>
17.	1	Overspending project budgets	<ul style="list-style-type: none"> <li>A Purchasing Policy ensures that specific jobs are quoted, and the price is negotiated before committing to the job, allowing budgets to be maintained</li> <li>A Business Plan and Budget is devised for each financial year</li> <li>Each project has its own micro-budget. This must be approved by either the Chief Executive or the Marketing Manager before planned activity goes ahead</li> <li>The Audit, Finance and Risk Management Charter oversees financial controls</li> </ul>
18.	1	Paying high or unreasonable costs	<ul style="list-style-type: none"> <li>A <i>Purchasing Policy</i> is in place to ensure that specific jobs are quoted before commencing</li> <li>The Audit, Finance and Risk Management Committee oversees financial controls</li> <li>Policies such as the <i>Conflict of Interest</i> and the <i>Travel</i> are in place to ensure that expenses are reasonable</li> </ul>

Priority No.	Points	Risk	Management Strategies
19.	1	Staff injury	<ul style="list-style-type: none"> <li>• An OH&amp;S policy is in place outlining manual handling practices</li> <li>• Emergency contact numbers are displayed by each phone in the office</li> <li>• Emergency Evacuation and Procedure Plans are displayed within the office</li> <li>• Incident Reports are to be completed by staff members when an accident has occurred, or when a potential risk has been identified</li> <li>• Smoke detectors are installed, and fire extinguishers are located within the office and are routinely checked and tested by the local CFA</li> <li>• A first aid kit is located within the office, including an Instruction guide</li> <li>• All staff members are covered by WorkSafe Insurance (workers compensation)</li> </ul>
20.	1	Competitors increasing market share	<ul style="list-style-type: none"> <li>• We receive statistics (National Visitor Surveys) quarterly regarding visitation, occupancy rates and tourist expenditure. This allows us to measure how tourism in Gippsland is faring against our key competitors</li> <li>• Our competitive advantage is our pristine, untouched natural product. Our brand <i>Inspired by Gippsland</i> is about being inspired by the beauty of nature. This strategy was designed to differentiate us from our competitors by hero-ing the pristine and untouched qualities of the Gippsland's physical environment</li> <li>• By protecting our brand, and competitive advantage, we are reducing the risk of competition</li> <li>• Partnerships with competitors provides leverage e.g. via the Great Alpine Road, and Sydney Melbourne Touring</li> </ul>
21.	1	Loss of DG's documents and other resources	<ul style="list-style-type: none"> <li>• Individual computers have back-up software installed, and we operator a cloud system</li> <li>• We engage the services of an IT provider to monitor and manage IT issues</li> <li>• All industry information is kept on the corporate website</li> <li>• The organisation is covered by Contents Insurance</li> </ul>
22.	1	Staff performance	<ul style="list-style-type: none"> <li>• The recruitment process includes interviews and short listing of applicants so that the best employee is selected for the position</li> <li>• A trial period of 3 months applies to all Destination Gippsland employment positions</li> <li>• Appraisals are conducted annually to ensure that each employee is reaching performance targets</li> <li>• Employees are encouraged, and fully supported, in pursuing professional development opportunities including conferences, training programs and networking events</li> </ul>

## **Schedule 8 – Other Key Documents**

- DGL Company Constitution
- DGL Strategic Plan
- Annual Budget and Annual Business Plan
- Industry Communication Plan

## Schedule 9 – Signature and record of adoption

Originally adopted by the Audit, Finance, Governance, and Risk Committee 29th June 2012

Adopted by the Board via circular email resolution

Signed



Sheila O'Sullivan, Chairman

Dated: 29<sup>th</sup> June 2012

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Updated: 27<sup>th</sup> September 2013



Signed: Sheila O'Sullivan, Chairman

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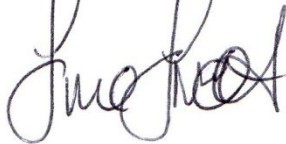
Updated: August 2016



Signed: Steve Hibbard, Chairman

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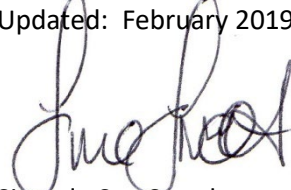
Updated: June 2018



Signed: Sue Smethurst, Chairman

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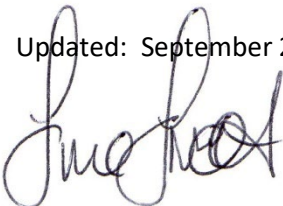
Updated: February 2019



Signed: Sue Smethurst, Chairman

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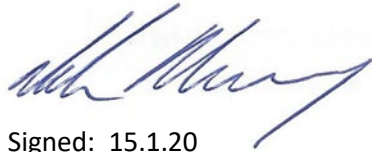
Updated: September 2019



Signed: Sue Smethurst, Chairman

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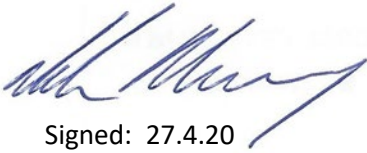
Updated: January 2020

A handwritten signature in blue ink, appearing to read 'M. Mung', is positioned above the 'Signed' text.

Signed: 15.1.20

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Updated: 27.4.20

A handwritten signature in blue ink, appearing to read 'M. Mung', is positioned above the 'Signed' text.

Signed: 27.4.20

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