



ORDER OF AUSTRALIA ASSOCIATION

BOARD RENEWAL POLICY

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Authorisation

P.L. MORRALL AM, CSC
National Secretary



1. Introduction

1.1 Overview

Under our Constitution, the selection of Board Members is the prerogative of the Branches of the Order of Australia Association (in the case of Branch Nominated Directors) and Branch Nominated Directors (in the case of Non Branch Nominated Directors).¹ Yet if it is to be successful in governing the Association, the Board needs Directors with an appropriate mix of skills, knowledge, experience and perspective. The Association's policy and procedures must therefore coordinate Board renewal in order to ensure the selection of Directors who best meet the Association's needs.

1.2 Purpose

The purpose of this document is to provide policy and procedures for Board Renewal. This document expands on the broad requirements set out in the Association's Constitution and By-Laws.

1.2 Applicability

The policy and procedures outlined in this document apply to all members of the Association involved with the selection, nomination and election of Directors to the Board.

1.3 Legislative/Regulatory Requirements

- *Australian Charities and Not-for-profits Commission Act ACNC Governance Standard 4* – requires a charity to take reasonable steps to be satisfied that its Directors are not disqualified from managing a corporation under the *Corporations Act 2001* or disqualified from being a Director of a registered charity by the ACNC Commissioner, and remove any Director who does not meet these requirements.
- *ACNC Governance Standard 5* – requires a charity to take reasonable steps to make sure that its Directors are subject to, understand and carry out certain duties as set out in the Standard (see 1.5 Duties of a Director, below).
- *Corporations Act 2001* – the ACNC governance standards replace most requirements relating to Director duties under the *Corporations Act*. However, some criminal offences under this *Act* and similar duties under common law continue to apply.

¹ See the Constitution of the Order of Australia Association paragraph 14.



1.4 Definitions

Branch Nominated Director	A person nominated by a Branch to be a Director of the Association.
Fit and proper person	A person who meets the Association's fitness and propriety standards.
Insolvent	Unable to pay debts when they fall due.
Non Branch Nominated Director	A person elected by Branch Nominated Directors to be the National President, National Chairman, National Secretary, National Treasurer or National Membership Director.

1.5 Duties of Directors

In accordance with *ACNC Governance Standard 5*, the duties of a Director of the Association are:

- To act with reasonable care and diligence;
- To act honestly and fairly in the best interests of the Association and for its charitable purposes;
- Not to misuse their position or information they gain as a Director;
- To disclose conflicts of interest;
- To ensure that the financial affairs of the Association are managed responsibly; and
- Not to allow the Association to operate while it is insolvent.

Generally, the duties mean that Directors should act with standards of integrity and common sense.

2. Policy Statement

In electing its Directors, the Association will make every effort to ensure that its Board consists of Directors who are fit and proper persons with an appropriate mix of skills, knowledge, experience and perspective. The National Chairman has primary responsibility for this task.

All Directors must be members of the Association, 18 years of age or older and meet the Association's fit and proper person standards (as defined in section 4. Procedures, below). Directors must agree in writing to undertake their duties as Directors.

Without undermining the prerogative of Branch Committees to nominate Directors, the National Chairman may consult with Branch Chairmen to advise of any skills, knowledge, experience or perspective gaps on the Board.



The Association will not fund training of Directors, but will provide an induction package to assist Directors in becoming effective as quickly as possible.

3. Responsibilities

Board

The Board is responsible for:

- ensuring that an appropriate Board renewal policy is in place and appropriate compliance;
- conducting the induction process for new Directors; and
- Board succession planning.

Branch Committees

Branch Committees are responsible for electing and nominating Branch Nominated Directors, having first completed the fitness and propriety assessment described in the Procedures section below, and taken into account the National Chairman's views on any skills, knowledge, experience or perspective gaps on the Board.

Nomination Committee

The Nomination Committee is responsible for:

- advising and assisting the Board in fulfilling its responsibilities above;
- advising the Board on the nomination, election and removal of Directors;
- identifying potential candidates for Non Branch Nominated Directors; and
- forwarding nominations for Non Branch Nominated Directors to the Board for consideration, having first completed the fitness and propriety assessment described in the Procedures section below, and taken into account the particular skills required for the roles and the National Chairman's views on any skills, knowledge, experience or perspective gaps on the Board.

National Chairman

The National Chairman is responsible for:

- working through succession planning to build a Board that comprises Directors with an appropriate mix of skills, knowledge, experience and perspective; and
- contacting new Directors to welcome them to the Board, reiterate the duties of Directors and outline initial administrative arrangements.



National Secretary

The National Secretary is responsible for:

- notifying ACNC of the appointment and removal of Directors;
- maintaining records substantiating the fitness and propriety of Directors for a period of seven (7) years from the time they leave the Board; and
- overseeing the Association's induction arrangements for new Directors.

4. Procedures

4.1 Selection of Candidates

Potential candidates for nomination or election to the Board must be considered carefully before they are put forward.

In order to ensure the largest possible pool from which to select a candidate, nominations should be sought from the Branch membership (in the case of Branch Nominated Directors) or the wider Association membership (in the case of Non Branch Nominated Directors). The position description for the proposed role should be provided to potential candidates at this stage of the process (see Appendix 1).

On receipt of nominations, the Branch Committee or Nomination Committee as appropriate must form a view as to whether an individual being considered is a fit and proper person. In order to demonstrate fitness and propriety, the person must meet the standards set out below.

The Propriety Standard. The Association will consider the following factors:

- the person's character relative to the role of Director, including whether the person has demonstrated the necessary diligence, soundness of judgement, honesty, objectivity and integrity; and
- whether the person has breached a fiduciary responsibility, has a conflict of interest, has been substantially involved in the management of a business or company that has failed due in part to deficiencies in that management or is of bad repute in any business or community.

The Competency Standard. The Association will consider the person's competence and experience, including whether there are reasonable grounds to believe the person has the necessary skills, knowledge and experience to undertake the duties and responsibilities of a Director. The person must not have a personal representative or trustee appointed to administer his or her estate or property because of their mental capacity.

The Disqualified Person Standard. A 'disqualified person' may not be a Director of the Association. Grounds for automatic disqualification include a conviction in respect of a dishonesty offence and insolvency. In addition, ACNC may disqualify



an individual if satisfied that the individual is otherwise not a fit and proper person to be a Director.

Branch Committees (in the case of Branch Nominated Directors) and the Nomination Committee (in the case of Non Branch Nominated Directors) can satisfy themselves that the individual under consideration is a fit and proper person by:

- checking that the individual is a member of the Association and is 18 years of age or older;
- seeking, if considered appropriate, references from independent referees regarding the individual's character relative to the role of Director;
- making an assessment of the individual's skills, knowledge and experience against the duties at paragraph 1.5 above and the responsibilities and accountabilities at Appendix 1 ;
- confirming through the [ASIC Disqualified Persons Register](#) and the [ACNC Register of Disqualified Persons](#) that the individual has not been disqualified from acting as a Director; and
- requiring the individual to complete the statutory declaration at Appendix 2.

In further assessing potential Directors, the Association should have regard to factors such as the person's ability to meet the position description and the National Chairman's views on any skills, knowledge, experience or perspective gaps on the Board.

The Association requires all Directors to disclose any interests or relationships they have that may relate to the affairs of the Association. This includes the requirement for Directors to notify changes to their membership status, including when they cease to be a member of the Association.

In the case of Branch Nominated Directors, a Branch election process follows in accordance with the Association's By-laws.² The Branch then nominates the successful candidate to the Board, and that individual becomes a Director by virtue of that nomination.

In the case of Non Branch Nominated Directors, the Nomination Committee submits nominations to the National Secretary, and a Board election process follows in accordance with the Constitution.³

When lodging a nomination with the National Secretary, Branch Committees and the Nomination Committee must, as a minimum, certify that a check has been conducted and that the nominee is not disqualified from acting as a Director. In the case of Non Branch Nominated Directors, the Nomination Committee must forward a completed nomination form for each nominee (Appendix 3).

² See the By-laws of the Order of Australia Association, p 20.11.

³ See the Constitution of the Order of Australia Association, p 14 (d) (1).



Documentation for each fit and proper assessment must be retained for a period of seven (7) years after a Director leaves the Board.

Notwithstanding this emphasis on self-assessment in respect of fit and proper person requirements, ACNC has statutory powers under the *Act* to disqualify a person from being or acting as a Director of the Association.



4.2 Informing the Regulator

The National Secretary must notify ACNC of the appointment and removal of Directors. The following information must be provided to ACNC:

- given and family names;
- any other names the person is known by;
- date of birth;
- residential address;
- contact phone numbers and email address; and
- the position the person holds and the date he or she became a Director.

4.3 Induction

The National Chairman will contact new Directors on nomination (in the case of Branch Nominated Directors) or election (in the case of Non Branch Nominated Directors) to welcome them to the Board, reiterate the duties of Directors and outline initial administrative arrangements (Appendix 4). New Directors must then undertake a structured induction program to help them contribute quickly and appropriately. The Association's induction arrangements are set out at Appendix 5. Induction should be completed within three (3) months of nomination or election.

4.4 Training

The Association will not fund training of Directors. It is therefore the responsibility of Branch Committees and the Nomination Committee to ensure that persons being considered for nomination as Directors have the requisite competence. Once appointed or elected, it is the responsibility of individual Directors to ensure that they maintain the competencies necessary for their particular roles.

4.5 Succession Planning

The National Chairman is responsible to work through succession planning to build a Board that has an appropriate mix of skills, knowledge, experience and perspective for the effective conduct of its operations. While the nomination of Branch Nominated Directors is the prerogative of Branches, the National Chairman must work with Branch Chairman to sustain the overall mix of Directors, including by encouraging nominations from members with particular skills. Similarly, the National Chairman must ensure by effective communication with Association members that candidates put forward for election as Non Branch Nominated Directors complement the Board overall as well as bringing the skills required for their particular roles.



4.6 Removal and Vacation of Office of Directors

The general conditions under which a Director may be removed from office and under which the position of a Director shall become vacant are set out in the Constitution.⁴

5. Related Documents

This Policy is to be read in conjunction with:

- Constitution of the Order of Australia Association
- By-Laws of the Order of Australia Association
- G2 Board Charter (to be issued)
- G4 Board Operations (to be issued)
- A1 Record Management Policy (in draft)
- Nomination Committee Charter

Appendices:

1. Position Descriptions
2. Statutory Declaration for Directors of the Order of Australia Association
3. Nomination Form for Non Branch Nominated Directors
4. National Chairman's Letter to New Directors
5. Induction Arrangements for New Directors

⁴ See the Constitution of the Order of Australia Association paragraphs 14 (c) (iv), 14 (e) and 16.



Position Descriptions

Branch Nominated Director

Purpose of the Position

A Branch Nominated Director is a National Board Member.

Responsibilities

1. Member of the National Board
2. Reports to the Board Chairman
3. Regularly attends board meetings and important related meeting
4. Makes serious commitment to participate actively in Board/Committee work
5. Volunteers for and willingly accepts assignments and completes them thoroughly and on time
6. Stays informed about Committee matters, prepares well for meetings and reviews and comments on minutes and reports
7. Gets to know other Board members and builds a collegial working relationship that contributes to consensus
8. Is a partner with the Board in achieving the organisation's mission
9. Plays a leading role in effective representation of the Association and in fundraising activities
10. Performs other responsibilities assigned by the Board

Accountabilities

- a. Responsible representation of issues of importance to nominating Branch
- b. Support decisions that are in the best interests of the National organisation
- c. Represent the National Organisation position in all Board deliberations
- d. Ensure the financial viability of the organisation long term
- e. Ensure growth in the membership is a priority
- f. Increasing awareness of the Association and of the Order in the community
- g. Awareness of the needs of, and involvement with the members of the Association in all locations.



National Chairman

Purpose of the Position

The National Chairman is a Non Branch Nominated Director with the role of chairing the National Board.

Responsibilities

1. Member of the National Board
2. Serves as the Chief Volunteer of the organisation (not for profit only)
3. Is a partner with the Board in achieving the organisation's mission
4. Provides leadership to the Board of Directors in the setting of policy
5. Ensures the Executive are engaged with Branch counterparts
6. Chairs meetings of the Board after developing the agenda in consultation with all Directors
7. Encourages Board's role in strategic planning
8. In consultation with other Directors, appoints Chairmen of Committees
9. Serves *ex officio* as a member of committees of the Board and attends their meetings when appropriate
10. Guides the response of the Board, and the members of the Executive as appropriate, to issues confronting the organisation
11. Guides and mediates Board actions with respect to organisational priorities and governance concerns
12. Reviews with the National Deputy Chairman any issues of concern to the Board
13. Monitors financial planning and financial reports
14. Plays a leading role in effective representation of the Association and in fundraising activities
15. Conducts regular evaluation of the performance of the Board as a team and provides guidance and critique to directors on an individual basis
16. Evaluates annually the performance of the organisation in achieving its mission and goals
17. Performs other responsibilities assigned by the Board

Accountabilities

- a. A cohesive and mutually supportive Board
- b. Effective Board performance in the execution of Association strategies
- c. Succession planning to ensure continuity
- d. Exemplary governance, supported by an appropriate policy framework
- e. Increasing awareness of the Order and of the Association in the community
- f. Awareness of the needs of, and involvement with the member of the Association in all locations
- g. Anticipation of, and planning to meet challenges



Deputy National Chairman

Purpose of the Position

The Deputy National Chairman is a Non Branch Nominated Director with the role of assisting the National Chairman and as necessary deputising for the National Chairman, and interacting with Directors and the membership as a whole for the betterment of the Association.

Responsibilities

1. Member of the National Board
2. Reports to the Board Chairman
3. Works closely with the Chairman and other Executive members and Directors
4. Performs Chairman responsibilities when the Chairman cannot be available (See National Chairman position)
5. Is a partner with the Board in achieving the organisation's mission
6. Participates closely with the Chairman to develop and implement plans for effective management of the organisation
7. Plays a leading role in representation of the Association and promotion of the Order and in fundraising activities
8. Performs other responsibilities assigned by the Board.

Accountabilities

- a. To represent the National Organisation position in all Board deliberations
- b. Ongoing effective organisation development
- c. Ensure the financial viability of the organisation long term
- d. Ensure growth in the membership is a priority
- e. Increasing awareness of the Association and of the order in the community
- f. Awareness of the needs of, and involvement with the members of the Association in all locations



National Secretary

Purpose of the Position

The National Secretary is a Non Branch Nominated Director with the role of coordinating, administering and reporting Association administrative activities and interacting with Directors and the membership as a whole for the betterment of the Association.

Responsibilities

1. Act as the Company Secretary for ACNC administrative purposes
2. Ensure compliance with legal and regulatory requirements
3. Participate as a member of the Executive Committee in accordance with its approved Charter
4. In consultation with the National Chairman, coordinate the administration of Board meeting activities
5. In consultation with the National President, National Chairman and other designated Directors coordinate and administer arrangements necessary for the conduct of the Association's Annual General Meeting
6. As directed by the Board undertake such other administrative tasks as are necessary for the effective and efficient conduct of Association activities
7. Maintain a comprehensive system of accessible documentation on the affairs of the organisation
8. Provision of guidance on secretarial matters to Branch Secretaries

Accountabilities

- a. Regulatory requirements are met
- b. The AGM is conducted effectively
- c. Board meetings are arranged at appropriate times and locations
- d. Board agendas are set with appropriate input from Directors
- e. Briefing material for and minutes of meetings is provided in a timely manner
- f. Effective participation in Board deliberations
- g. Documentation is readily accessible
- h. Good relationship with Branch Committees



National Treasurer

Purpose of the Position

The National Treasurer is a Non Branch Nominated Director with the role of recording and reporting on the Association's finance and interacting with Directors and Branch Treasurers to enable accurate and compliant financial reporting.

Responsibilities

1. Member of National Board
2. Manages finances of the Organisation
3. Provides annual budget to board for members approval
4. Provides financial reports to the Board as required (Quarterly)
5. Ensures development and Board review of financial policies and procedures
6. Provide direction and advice to Branches on financial matters
7. Provide Financial recommendations to the Board as requested
8. Assist with advice and management of Audit and Risk Management issues

Accountabilities

- a. Represent the National Organisation position in all Board deliberations
- b. Ensure financial viability of the organisation by providing input in financial investment policies
- c. Timely advice of financial performance, required corrective actions and opportunities.
- d. Branch financial management complies with national requirements



National Membership Director

Purpose of the Position

The National Membership Director is a Non Branch Nominated Director with the role of coordinating, administering and reporting the Association's Membership, recording and interacting with Branch Membership Officers and the membership as a whole for the betterment of the Association

Responsibilities

1. Member of National Board
2. Reports to the Board Chairman
3. Acts as Membership secretary in relation to all aspects of recording the membership
4. Development and maintenance of a database platform to record all membership details
5. Enables via the database all branches to have up to date Membership lists for communication
6. Provide direction and advise to Branches on all Membership issues
7. Active marketing of the features and benefits of membership, both as a retention measure and to attract new awardees to join
8. Enable growth in membership numbers by having communication regarding Membership value
9. Provide Membership Reports to the Board as required (Quarterly)

Accountabilities

- a. Represent the National Organisation position in all Board deliberations
- b. A growing membership, with reducing loss rate
- c. Cost-effective employment of National Office staff member
- d. Branches have access to timely and appropriate membership information



STATUTORY DECLARATION FOR DIRECTORS OF THE ORDER OF AUSTRALIA ASSOCIATION

I,

(First name, last name and postnominals)

of

(Address)

make the following declaration under the *Statutory Declarations Act 1959*:

1. The following are the details of my date of birth, place of birth and occupation:

Date of Birth:

Place of Birth:

Occupation:

2. I am/am not a member of the Order of Australia Association.
(Delete as appropriate)

3. I am not, and have never been, a disqualified person.

4. Declaration of good character:

(Please answer yes or no to the following questions.
If "yes", you must attach relevant particulars.)

- a. Have you ever been refused membership of any professional body, business organisation or charity? YES/NO
- b. Have you been, or are you currently, subject to any proceedings that may lead to either a civil or criminal charge and/or conviction? YES/NO
- c. Have you had any judgement against you including findings in relation to fraud, misrepresentation or dishonesty in any civil proceedings? YES/NO
- d. Have you been subject to any professional indemnity claims in relation to professional practice or subject to any disciplinary action by any professional body, business organisation or charity? YES/NO
- e. Have you been removed from membership, or disciplined by, any professional body, business organisation or charity? YES/NO
- f. Have you been engaged in the management or served on the Board of any business organisation or charity that has had an external administrator appointed or that has been declared insolvent? YES/NO



5. I also declare that:
(strike out whichever text is not applicable):
- a. I do not hold any office or possess any property whereby duties or interests might create a conflict of interest with my duties as a Director of the Order of Australia Association; or
 - b. I hold the following offices/possess the following property whereby duties or interests might create a conflict of interest with my duties as a Director of the Order of Australia Association:

(List offices or property here or attach list)

6. I agree to:
- a. fulfill the duties of a Director as set out in the Association's G3 Board Renewal Policy;
 - b. comply with relevant laws and the requirements of all relevant regulatory authorities;
 - c. consent to the collection and use of information for the purpose of the Association's fitness and propriety assessment.
7. I undertake to notify the Directors of the Association immediately of any changes in the above statements.
8. I understand that I will automatically cease to be a Director of the Order of Australia Association if I become a disqualified person or if I am no longer a fit and proper person under the Association's G3 Board Renewal Policy.

I understand that a person who intentionally makes a false statement in a statutory declaration is guilty of an offence under section 11 of the *Statutory Declarations Act 1959*, and I believe that the statements in this declaration are true in every particular.

Signature:

Print name:

Declared at _____ on _____ of _____
(Place) (Day) (Month and Year)

Before me:

Signature:

Print name and
qualification:



A statutory declaration under the *Statutory Declarations Act 1959* may be made before–

(1) a person who is currently licensed or registered under a law to practise in one of the following occupations:

Chiropractor	Dentist	Legal Practitioner
Medical practitioner	Nurse	Optometrist
Patent attorney	Pharmacist	Physiotherapist
Psychologist	Trade marks attorney	Veterinary surgeon

(2) a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described); or

(3) a person who is in the following list:

Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public
Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955)

Bailiff

Bank officer with 5 or more continuous years of service

Building society officer with 5 or more years of continuous service

Chief executive officer of a Commonwealth court

Clerk of a court

Commissioner for Affidavits

Commissioner for Declarations

Credit union officer with 5 or more years of continuous service

Employee of the Australian Trade Commission who is:

(a) in a country or place outside Australia; and

(b) authorised under paragraph 3 (d) of the Consular Fees Act 1955; and (c) exercising his or her function in that place

Employee of the Commonwealth who is:

(a) in a country or place outside Australia; and

(b) authorised under paragraph 3

(c) of the Consular Fees Act 1955; and (c) exercising his or her function in that place

Fellow of the National Tax Accountants' Association

Finance company officer with 5 or more years of continuous service

Holder of a statutory office not specified in another item in this list

Judge of a court

Justice of the Peace

Magistrate

Marriage celebrant registered under Subdivision C of Division 1 of Part IV of the *Marriage Act 1961* Master of a court

Member of Chartered Secretaries Australia

Member of Engineers Australia, other than at the grade of student

Member of the Association of Taxation and Management Accountants

Member of the Australasian Institute of Mining and Metallurgy

Member of the Australian Defence Force who is:

(a) an officer; or

(b) a non-commissioned officer within the meaning of the *Defence Force Discipline Act 1982* with 5 or more years of continuous service;

or

(c) a warrant officer within the meaning of that Act

Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants

Member of:

(a) the Parliament of the Commonwealth; or

(b) the Parliament of a State; or

(c) a Territory legislature; or

(d) a local government authority of a State or Territory

Minister of religion registered under Subdivision A of Division 1 of Part IV of the *Marriage Act 1961*

Notary public

Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public

Permanent employee of:

(a) the Commonwealth or a Commonwealth authority; or

(b) a State or Territory or a State or Territory authority; or

(c) a local government authority;

with 5 or more years of continuous service who is not specified in another item in this list

Person before whom a statutory declaration may be made under the law of the State or Territory in which the declaration is made Police officer

Registrar, or Deputy Registrar, of a court

Senior Executive Service employee of:

(a) the Commonwealth or a Commonwealth authority; or

(b) a State or Territory or a State or Territory authority Sheriff

Sheriff's officer

Teacher employed on a full-time basis at a school or tertiary education institution



Nomination Form for Non Branch Nominated Directors

I, _____, being a financial member of The Order of
(Insert name of first member making nomination)
Australia Association Ltd, **DO HEREBY NOMINATE**

(Insert first name, last name and postnominals of person being nominated)

of _____
(Insert address of person being nominated)

for the position indicated below, for the year 20 ____ .
(Insert calendar year)

(Please place an X in the appropriate box)

- NATIONAL CHAIRMAN
- DEPUTY NATIONAL CHAIRMAN
- NATIONAL SECRETARY
- NATIONAL TREASURER
- NATIONAL MEMBERSHIP DIRECTOR

FIRST FINANCIAL MEMBER MAKING NOMINATION

Name:

Signature: _____ Date: ____ / ____ /20

SECOND FINANCIAL MEMBER MAKING NOMINATION

Name:

Signature: _____ Date: ____ / ____ /20

I agree to accept this nomination for _____
(Insert calendar year)

Signature of _____ Date: ____ / ____ /20
Member Nominated:

Received by National Secretary

Signature: _____ Date: ____ / ____ /



National Chairman's Letter to New Directors

Dear {insert name},

Congratulations on your {nomination/election} as a Director of the Order of Australia Association and welcome to the Board.

As you know, the primary objectives of the Order of Australia Association are to foster love of and pride in Australian citizenship and to uphold the high principles and prestige of the Order of Australia. The Association provides fellowship for its members and opportunities for them to continue to support the community.

Directors other than the National President and National Chairman are appointed for a one-year term. A Director may offer him/herself for re-appointment, but must be re-nominated by his/her Branch (in the case of Branch Nominated Directors) or re-elected by the Board (in the case of Non Branch Nominated Directors).

The maximum tenure for Directors other than the National Chairman is five (5) years, and the maximum cumulative tenure of a Director on the Board is 10 years.

A brief outline of the obligations and duties of a Director is set out below. This summary is not intended to describe comprehensively all the obligations and duties that the law may impose on Directors, nor is it intended to be legal advice.

Duties of Directors

The *Corporations Act*, the *ACNC Act* and common law impose duties and obligations on all company Directors. Directors who breach their duties may be personally liable for any losses, fined or, in more serious cases, face imprisonment.

Although the Association holds Director's insurance, this only provides cover for the financial liability of Directors in certain prescribed circumstances. The terms of the insurance policy and the *Acts* are such that Directors are not covered for all potential breaches of their duty.

Directors are in a fiduciary relationship with the Association and its members. This means that Directors are in a position of trust and power. The law imposes duties on Directors to ensure their loyalty to the Association. Some of the key duties are summarised below.



Duty to act in good faith in the best interests of the Association. You must always act honestly in the best interests of the Association as a whole when exercising your powers as a Director. In the main, the interests of the Association are the interests of its members as a whole, not necessarily the interests of any Branch or Regional Group.

Duty to act for a proper purpose. You must exercise your powers only for the purposes for which they were given – that is, in the best interests of the Association and furthering its charitable purposes. In particular, you must not exercise your powers for reasons that are primarily personal or otherwise inconsistent with your duties as a Director.

Duty to act with care and diligence. You must always act with the degree of care and diligence that a reasonable person in a like position would exercise. You will be deemed to have satisfied this duty so long as you make judgements in good faith for a proper purpose, do not have a material personal interest in the matter, inform yourself about the subject matter to the extent you reasonably believe appropriate, and rationally believe that the judgement is in the best interests of the Association. You may rely on the special knowledge or expertise of another Director, adviser or expert, as long as you make an independent assessment of that information or advice.

Duty to pay attention to the affairs of the Association. You must ensure that you devote appropriate time and attention to the affairs of the Association. Although much of the day-to-day management of the Association will be carried out by the Executive Committee, it is the duty of all Directors to ensure that the Association adopts appropriate policies and procedures and to review and assess the information and advice provided by the Executive Committee and external advisers. In addition, you must inform yourself of the financial affairs of the Association to the extent necessary to form an opinion on solvency. To satisfy these requirements with care and diligence, you should, amongst other things:

- make every attempt to attend all Board meetings and meeting of Board Committees to which you belong;
- read policies, issues papers and other documents relevant to enabling you to participate actively in those meetings; and
- participate actively in meetings having formed your own opinions.

Duty to avoid conflicts of interest. You must not allow your personal interests to interfere with the exercise of your duties as a Director. You must not improperly make use of your position or the information you receive when acting as a Director for the benefit of yourself or any other person. You must notify the Board if you have any material personal interest in any matter that relates to the affairs of the Association and must not participate in any Board decision on the matter without the full knowledge and approval of the Board.

The above information is provided to give you an overview of Board responsibilities and the commitment involved.



The Association does not provide funding for training of its Directors. It will therefore be your responsibility to ensure that you retain the necessary competency to fulfill your general duties as a Director and meet the requirements of your particular role.

As a practical matter, face-to-face Board meetings are generally held three or four times each year, with teleconferences in between. Board Committee meetings are scheduled as required by the respective Committee Chairmen. Face-to-face Board meetings are generally held in hotels adjacent to Sydney and Melbourne airports; one face-to-face meeting each year is held in the location of the and in conjunction with the National Conference and Annual General Meeting. You are expected to attend as many of these meetings and teleconferences as possible, and must advise the National Secretary in writing if you are unable to attend, including any proposed alternate or proxy arrangements. To emphasise an earlier point, there are considerable reading and analytical requirements in preparation for Board and Committee meetings.

Service as a Director of the Order of Australia Association is not remunerated, but under our Constitution and policies, Directors are entitled to reimbursement of fair and reasonable expenses. You should be very clear on our interpretation of what 'fair and reasonable' means; if you have any questions on this point you should seek advice from the National Secretary or the National Treasurer in the first instance.

I believe you will find service as a Director of the Association a very satisfying experience. It is a genuine opportunity to offer a much needed and valuable service to the members of the Association, and through them to the wider Australian community. I look forward to working with you towards these ends.

Yours sincerely,

{Insert name}

Chairman

The Order of Australia Association



Induction Arrangements for New Directors

Each new Director is to be issued with an Induction Pack, undertake the Association's Induction Program, and complete the attached Induction Checklist. The National Secretary is to retain a copy of the completed Checklist.

The Induction Pack will be compiled by the National Secretary and will typically include:

- Welcome letter from the National Chairman;
- Copies of, or links to the:
 - Constitution, By-Laws and Model Rules;
 - Policies;
 - Strategic Plan;
 - Annual Business Plan;
 - most recent Annual Report;
 - charters of the Board and any committees on which the new Director is to serve;
 - Minutes of the last three (3) Board meetings; and
 - Minutes of the last three meeting of any committees on which the new Director is to serve.

The Induction Program will, as a minimum, include:

- Meet with or speak by phone/Skype (or similar) with the National Chairman to clarify Board roles, committees, expectations, and strategic issues;
- Meet with or speak by phone/Skype (or similar) with the National Secretary to discuss arrangements for induction, Board meetings, administration and record keeping;
- Meet with or speak by phone/Skype (or similar) with the Chairman of any committees on which the new Director is to serve to clarify Committee responsibilities and expectations; and
- Training as necessary for access to the Association's approved records managements systems.



Induction Checklist

Director name:

Mobile:

Email:

Start date:

Document Familiarisation

- Constitution By-Laws Model Rules
- Policies Strategic Plan Annual Plan
- Annual Report Board/Committee Charters
- Minutes Last 3 Board Meetings Minutes Last 3 Committee meetings

Induction Program

Event	Date Completed
Meet with or speak by phone/Skype (or similar) with the National Chairman to clarify Board roles, committees, expectations, and strategic issues.	<input type="checkbox"/> / /20
Meet with or speak by phone/Skype (or similar) with the National Secretary to discuss arrangements for induction, Board meetings, administration and record keeping.	<input type="checkbox"/> / /20
Meet with or speak by phone/Skype (or similar) with the Chairman of any committees on which the new Director is to serve to clarify Committee responsibilities and expectations.	<input type="checkbox"/> / /20
Training as necessary for access to the Association's approved records managements systems.	<input type="checkbox"/> / /20

Declaration

I, _____ confirm that I have received and read the Induction Pack and completed the Induction Program. I am aware of my duties and responsibilities as a Director. I have discussed any uncertainties about my role with the National Chairman or National Secretary.

Director Signature:

Date:

Chairman Signature:

Date:

Received by National Secretary:

Date: