

BCLN Board Handbook



Bass Coast
Landcare
Network

We acknowledge the Traditional Owners, the Bunurong and the Boon Wurrung, of the places in which we live, work and play. We recognise and respect the enduring relationship they have with their country, and we pay our respects to elders past, present and future.



Welcome from the Chair

Ric Oldham

Welcome new BCLN Board member.

Our Network continues to be one of the most successful Landcare organisations in Australia and remains true to our core purpose **“Educate, Grow, Feed”**.

Never has the importance of what we do been so relevant. As issues of food and water security, increased fire threat, storms and flood are happening in real time in our everyday lives, we are all experiencing the effects of a changing climate.

At Bass Coast Landcare Network, we are responding to these challenges, learning and teaching each other how to manage our land and our environment in the face of a changing climate. We hope that you are inspired by our actions as we continue to address future challenges together.

You are now a part of that future success and we welcome you.



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BACKGROUND AND HISTORY

The Bass Coast Landcare Network (BCLN) was formed in 2003 as an affiliation of the Landcare Groups in the region, enabling them to better position themselves for investment from government, local, state, federal and corporate programs. Sixty percent of the 1,400 rural properties in the Network area are involved in, and supported by, the BCLN.

Under the direction of the Groups and the Network Board, our Landcare Staff manage a variety of programs including:

- Education and Training - Engaging the next generation, supporting a community of practice
- Demonstrating Sustainable Agriculture - Providing pathways to resilient and profitable farming
- Natural Resource Management - Remnant vegetation protection and revegetation
- Pest Plant and Animal Control - Integrated management and control
- Works Crew - Assisting landholders in on ground works and offering traineeships
- Indigenous plant nursery - Volunteers growing local indigenous plants for Landcare projects
- The River Garden - A community trials, education, demonstration space and future food hub
- Practical Sustainability - Community action for sustainable farms and homes
- Capitalise on Carbon - Supporting landholders to generate income from sequestration
- Partnerships in Action - Engaging and delivering partnerships in the corporate and agency sector
- Ecosystem Services Delivery - Valuing biodiversity and providing consulting services

The Bass Coast Landcare Network falls in two Catchment Management Areas, West Gippsland and Port Phillip and Western Port. The top of the catchment is characterised by steep hills with slopes from 20 to 40 degrees whilst the lower catchment area is flat and prone to flooding and salinity. Within the catchment there are several small rural settlements surrounded by agricultural enterprises, such as dairying, beef cattle, sheep and vegetables, which support most of the population. Tourism, small rural allotments and extractive industries are other typical land uses within the catchment.

The Network has the twin focus of changing the understanding and the practices of landholders. In recent years the Network has conducted education and training programs for landholders and facilitated farmer discussion groups to highlight the issues of land management, best practice farming techniques and whole farm planning. In addition, the Network has been successful in gaining funds to support landholders and urban groups to complete works to improve their land. This includes re-vegetation, soil health, salinity control, sustainability, greenhouse reduction, wetland restoration, coastal rehabilitation, pest plant and animal control, improving water quality and monitoring biodiversity.

OUR CORE PURPOSE

Educate – Grow – Feed

OUR VISION

Our vision is to be a community engaged in supporting a productive, biodiverse landscape incorporating sustainable agricultural practices and innovative environmental enterprises.

OUR MISSION STATEMENT

To collaborate with our groups, the community and partners and to enable the delivery of innovative land and environmental management practices to support healthy and resilient communities and ecosystems.

OUR VALUES

The BCLN core values have been drawn from a consultative process between the Board and BCLN staff. They are not rules but represent guiding principles that we should test all decisions and actions against.

Excellence: To strive for high standards in everything we do to create the best outcomes for the community and future generations.

Respect: To maintain a respectful and professional attitude to embrace individuality and different viewpoints and values.

Teamwork: To create a healthy, cohesive and supportive work environment to ensure collaboration and cooperation are cornerstones of our organisation.

Optimism/Resilience: to continually adapt and evolve to change while remaining optimistic and confident in our values.

Integrity: To take pride in working professionally and honestly to achieve outcomes that reflect our values and enhance our reputation as a trustworthy organisation.

*As an organisation we value and support **biodiversity and the natural environment**.*



OUR STRATEGIES AND OBJECTIVES 2018-2025

To achieve our core purpose, six key strategies and their objectives have been identified. These strategies and objectives will guide the selection and focus of the activities undertaken by the Network. How the activities are to be managed will be outlined in an annual Operational Plan, compiled and reviewed in November each year for the coming year.

1. STRONG COMMUNITIES ENGAGED AND CONNECTED THROUGH LANDCARE

1.1 Increase volunteer activity by 50% by 2025

1.2 INCREASE NEW MEMBERSHIPS WITHIN LANDCARE GROUPS BY 20%

1.3 Engage 50 new landholders (average 5 per member group) in Landcare activities per year

1.4 Increase level of lobbying on Landcare issues by Landcare groups by 100%

1.5 Double funding from corporate sources by 2020

1.6 Raise awareness of BCLN within the philanthropic sector

1.7 Explore other commercial opportunities that align with principles of the network.

1.8 Develop an MOU with the Bunurong Land Council

2. GROW AND PROTECT A CONNECTED BIODIVERSE LANDSCAPE

2.1 Increase indigenous vegetation cover by 1.5 % per annum

2.2 Protect and enhance 40 ha of remnant vegetation per annum

2.3 Hold a minimum of 15 community planting days per annum

2.4 Increase works crew revenue by 25% by 2025

2.5 Facilitate 6 more traineeships by 2025

2.6 Establish 50 new Biolinks Projects by 2025

2.7 Increase woody weed eradication funding by 30% by 2025

2.8 Trial 3 new technologies in revegetation by 2025

3. LEAD AN INNOVATIVE SUSTAINABLE AGRICULTURAL COMMUNITY

3.1 50% of the agricultural community have implemented productive changed practice to become resilient to climate change

3.2 25% of agricultural properties have developed carbon-neutral action plans and implemented changed practice to become carbon neutral

3.3 75% of the agriculture community have developed approved farm biosecurity plans and have implemented changed practice

3.4 BCLN will have established a peer to peer mentoring program for 5 key sectors;

- Organic/regenerative horticulture
- Master Tree Grower/Multi-Storey farming.
- Grazing (beef and sheep)
- Zero emissions agriculture
- Mixed Farming

3.5 25% of the agricultural community will have developed drought proofing water plans and have become water stewards

4. CAPITALISE ON CARBON

4.1 Expand BCLN vehicle offset program to include flights, by 100% by 2025

4.2 Become a carbon neutral organisation by 2022

4.3 Train two staff members in carbon accounting by 2020

4.4 Develop an on-farm carbon sequestration and carbon reduction program by 2020

4.5 Develop a carbon consultancy prospectus by 2020

4.6 Develop carbon offsets programs by 2020

5. BEST PRACTICE GOVERNANCE AND SAFE, SKILFUL OPERATIONS

5.1 Maintain a quality board and management team which provide effective, accountable and strategic leadership and sound succession planning

5.2 Implement Professional development for staff to the minimum of 5% of salary

5.3 Maintain effective, nationally compatible systems across all key areas of operation.

5.4 Zero Harm, live a culture of safety

5.5 Develop plan for Network to become progressively less reliant on public funds in support of operational overheads and support self-sufficiency by 2025

5.6 Maintain strong cash reserves (>\$500K), high levels of secured work and an ongoing annual surplus (>5%).

5.7 Maintain high quality assets, infrastructure and equipment in priority locations.

6. DELIVER LEADING EDGE EXPERIENCES, EDUCATION AND TRAINING

6.1 Develop and market two new profitable environmental experiential activities per year

6.2 Increase by 10%, the number of students reached each year by the Environmental Detectives Program

6.3 Develop new environmental detective's activities per annum

6.4 Develop an integrated and accredited Landcare Training program for landholders by 2025

6.5 Establish a partnership with an Adult, Community and Further Education (ACFE) accredited centre to deliver accredited Landcare training

6.6 Increase landholder/farmer engagement in education by 50% by 2025

6.7 Engage 15% more volunteers in training, both as trainer and trainee

6.8 Establish 3 Educational Hubs in Gippsland by 2025



GOVERNANCE AND PLANNING

The BCLN Board has the ultimate responsibility for BCLN projects, funding and activities. It is assisted in fulfilling its responsibilities by the Network Coordinators and other Network managed staff. Specifically, its role is as follows:

BROAD AIMS

Pursue core purpose, mission statement of the Bass Coast Landcare Network.

Develop clear aims and objectives for the BCLN and provide leadership in their implementation.

Provide support to all member groups.

Coordinate the activities of member groups in relation to Network wide projects.



OVERALL OPERATIONS

Approve the strategic plan for the Network.

Delegate authority to staff and member groups appropriately.

Demonstrate Leadership.

Recommend the auditor's report be approved at the AGM.

Ensure effective communication between Landcare Groups and other stakeholders.

Establish ethical standards for the BCLN.

PERFORMANCE

Ensure the long-term viability of the BCLN.

Oversee the implementation of the strategic plan.

Ensure development of project proposals across the Network and seek funding in line with:

- Strategic directions and resources capabilities
- Member groups action plans, their needs and capacities to achieve stated outcomes
- Ensure proper disbursement of any funds received in line with funding agreements
- Monitor developments in the Landcare field and the operating environment



LEGAL CONFORMANCE

Understand and protect the financial position of the BCLN.

Require and monitor legal and regulatory compliance including adherence to the conditions of funding.

Approve annual accounts, annual reports and other public / sensitive reports.

GOVERNANCE

Governance refers to the processes, activities and relationships that make sure BCLN is effectively and properly run.

There is 'good governance' when charities have practices and procedures in place that help them to do their work effectively and openly, and when the roles and responsibilities of people in the charity are clearly understood. This includes the roles of board members and the roles of staff, volunteers and members.

Of course, good governance is more than the rules of BCLN and the individual behaviours of board members. It involves strong relationships between the members of your governing body and stakeholders and is much more about working as a collective than the individual responsibilities.

WHY IS GOOD GOVERNANCE IMPORTANT?

Good governance helps make sure that the day-to-day work of BCLN aligns with and contributes to achieving its purpose.

It is important that board members ask themselves a few questions:

- Why are we here?
- What are we doing?
- How are we doing it?

Asking these questions (and trying to answer them) helps charities to stay true to their vision and mission.

WHAT IS A CHARITY?

The word 'charity' means different things to different people.



People commonly understand charities to be organisations that exist to help others. Whether it is providing accommodation to people in need or teaching English to newly arrived migrants, charities are at the heart of the effort to make our communities safer, fairer and more vibrant places to live.

There is, however, a legal definition of charity. Charities must be not-for-profit, have a charitable purpose and be for the public benefit. Charities must meet this definition and the requirements of the ACNC Act before they can be registered as a charity with the ACNC.

BCLN'S BOARD

WHAT IS A GOVERNING BODY?

The governing body of BCLN is the group of individuals who together are ultimately responsible for overseeing its operations and making sure it is working towards achieving its charitable purpose.

For the purpose of this manual, we refer to the governing body as the 'board' and those on it as 'board members'.

Boards come in many shapes and sizes. Although the board are made up of a group of individuals, they only have the power to bind BCLN as a group, not as individual members – it is the board as a group that can make decisions, not individuals on their own. It takes teamwork.

WHAT IS THE ROLE OF THE BOARD?

The board is responsible for providing strategic leadership and direction to BCLN. It also bears ultimate legal responsibility.

The BCLN Board delegate some of their responsibilities to staff and / or volunteers. However, there are some things that are usually reserved for the board such as appointing the most senior staff members (for example, Executive General Manager), developing (or at least approving) a strategic plan, considering how organisational risks should be managed and calling meetings of the BCLN's members.

There are some common responsibilities:

- accountability – making sure BCLN meets its obligations, manages its finances and operates transparently
- strategy – setting BCLN's long-term goals and making sure it pursues its charitable purposes
- resourcing – securing funding and other resources to support the work of BCLN
- advocacy – representing BCLN to the community and to its members and stakeholders (with the Executive General Manager and staff)
- monitoring – making sure BCLN charity is run as required under its governing document and the law



WHAT IS A BOARD COMMITTEE?

A board committee is different from an operational management committee. A board committee is a group that is set up for a focus.

Board committees can be set up because it can be hard to organise all board members to meet (at least with enough time to consider matters in detail), or perhaps because it wants to draw

on the expertise of people not on the board for certain matters. Sometimes these are called sub-committees, standing committees or ad-hoc committees.

For example, BCLN board has appointed a finance committee that includes an independent person with accounting experience to ensure BCLN's financial position is looked at more closely and regularly than the board may be able to do. In this way, the committee provides the board with better information to help it make decisions, but *the board retains overall responsibility*.



These types of committees can be ongoing or project specific.

For example, a committee might be established to recruit and induct new board members or to oversee a particular project and may only operate for a limited period of time.

Committees may make *recommendations* to the board, but they generally do not make decisions for BCLN on their own behalf.

The board members should help BCLN to stay focused on its objectives, manage its finances effectively and comply with the legal, operational and ethical requirements.

PEOPLE ON BCLN'S BOARD

WHAT ARE BOARD MEMBERS?

Board members are the people who are either elected (usually by BCLN's member groups) or appointed by a voting process to be a member of the charity's governing body.

Just being appointed does not generally give you any individual authority to bind BCLN (for example to sign a contract on its behalf) – it is the board as a group that has this power

WHAT ARE 'OFFICERS' OF THE BOARD?

Although boards act as a group, some board members take on extra responsibilities.

For example, BCLN will appoint a chair, who will be responsible for running meetings and providing leadership to the board. BCLN also appoints a treasurer to be responsible for looking at the BCLN finances in more detail and to help provide them with information they need to make financial decisions.

Don't forget – all board members need to understand BCLN's financial position, not just the treasurer

CAN ANYONE ELSE ATTEND BOARD MEETINGS?

Not everyone who attends a board meeting is a member of the board. BCLN paid staff, the senior EGM, for example, is likely to attend board meetings (or at least part of them).

The EGM at BCLN is not a member of the Board and does not have a vote in board decisions.

BCLN also has a secretary whose role includes keeping a written record of board decisions (minutes) and other tasks that help board meetings run smoothly such as preparing agendas.

This is the person that notifies the regulator of any changes to the membership of the board,

the charity's rules and other changes.

Other staff, volunteers, consultants or your charity's auditor may attend board meetings if they are invited – perhaps to discuss a particular issue.

WHO CAN BE A BOARD MEMBER?



To be eligible to be a BCLN Board member you must be a member of a BCLN Member Group.

They must not be ineligible for membership of a Board under the Australian Securities and Investments Commission (ASIC) regulations. This includes if you have been disqualified from directing a company by AISC.

COMMON QUESTIONS ABOUT BOARD MEMBERS

CAN BOARD MEMBERS RESIGN?

Yes. Board members can resign at any time.

You will need to notify the chair and / or secretary in writing.

BCLN will notify the ACNC of the resignation and any other relevant government agencies.

Before resigning, consider what effect your resignation will have on BCLN before choosing to resign. Ideally, try to give a period of notice.

CAN BOARD MEMBERS BE PAID?

Generally, people on the board can be paid if the payment advances BCLN's charitable purpose and the payments are clearly authorised (such as by a meeting of BCLN's members).

Payment of reasonable expenses is different to payment for services. Board members can be reimbursed for reasonable expenses they paid while carrying out their duties as a board member.

CAN BOARD MEMBERS BE PERSONALLY LIABLE AS A BOARD MEMBER?

If you are complying with your legal duties, in most cases you will not be personally liable as a board member. However, this depends on the particular action and the type of charity you are on the board of.

For example, board members may be personally liable for criminal or serious misconduct, or legal action taken against an unincorporated charity.

Under the ACNC Act, board members of registered incorporated charities may be personally liable for deliberate actions or omissions that breach the ACNC Act if they have acted dishonestly, with gross negligence or are reckless.

CAN BOARD MEMBERS BE EMPLOYEES OF THEIR CHARITY?

BCLN's rules prohibit this, the board members cannot also be employees of BCLN.

HOW LONG DOES A TERM ON A BOARD LAST?

The terms of appointment for board members vary but officers of BCLN are appointed annually at the AGM and Member Group Representatives are appointed by the member group at will.

There is no maximum term on any positions.

CAN A BOARD MEMBER TELL A STAFF OR VOLUNTEER MEMBER WHAT TO DO?

Individual board members cannot direct staff or volunteer work unless the board member has been given authority to do so (such as by a decision of the board). Generally, the board can only direct BCLN's EGM as a collective, but individual board members may also be authorised by the board to do so.

It is important to be clear about the roles of staff members, volunteers and board members. Everyone should understand what their role is and how it fits with others within BCLN. This can help to avoid misunderstandings that can lead to disputes.

CAN A MEMBER TELL A BOARD MEMBER WHAT TO DO?

In most cases, no. Board members are independent and generally cannot be directed by any general member of BCLN.

CAN BOARDS DELEGATE THEIR RESPONSIBILITIES?

Some responsibilities of boards may be delegated to others, although this depends on BCLN's rules and any legislation that applies.

Remember, even if some responsibilities can be delegated, the board still bears ultimate legal responsibility for any decisions. As BCLN has paid staff the board delegates operational responsibilities to the EGM.

BCLN has set out in writing these delegations

CAN A BOARD MEMBER BE REMOVED?

BCLN has rules that set out if a board member can be removed before the end of their term of appointment and how. BCLN allows for a board member to be removed by a majority vote at a meeting of the members. BCLN's rules set out certain situations where a board member automatically stops being a board member.



For example, if the board member fails to attend a certain number of meetings throughout the year or becomes bankrupt.

The ACNC Act also gives the ACNC the power in certain serious and specific situations to suspend or remove board members of a registered charity and also to appoint an 'acting responsible entity' to act in the place of the removed board members.

ACNC will generally only take this step in exceptional circumstances.

BCLN'S GOVERNING DOCUMENT

BCLN's governing document, constitution, sets out the charity's powers, objects and processes. The constitution helps you make sure BCLN is run well and on track.

The rules of BCLN should be part of BCLN's operating and strategic life.

BCLN's has more than one document. This includes our mission statement, vision and strategic plans, setting out our purpose and strategic directions.

WHY ARE RULES IMPORTANT?

Rules are important because they help give some certainty about how your charity is run and establish procedures that everyone involved can rely on. Rules bind you (as a board member), BCLN and its members.

The public will be able to view the rules of all registered charities on the online ACNC Charity Register.

BCLN's rules will set out:

- that it is a not-for-profit
- its charitable purpose
- the powers of its board
- how to become a member and the rights and obligations of members
- how members of the board (and any office bearers such as a chair or treasurer) are elected or appointed
- how meetings of members and meetings of the board are called and held
- how authority is delegated to the board, staff or volunteers, and
- what will happen if it needs to be wound up



It is important that BCLN's rules accurately reflect how it operates. If the rules are not followed, BCLN will not be able to rely on them when there is uncertainty. Which is when you need them most!

HOW DO WE SHOW BCLN IS A NOT-FOR-PROFIT?

For BCLN to be considered a charity, it must be a not-for-profit. Generally, BCLN is a not-for-profit if it does not operate for the profit, personal gain or other benefit of particular people, such as its members, the people who run it or their friends or relatives. This applies both while the organisation is operating and if it winds up.

BCLN's rules are a good place to show that it is a not-for-profit. They contain clauses that prevent it from providing any private benefit to its members

WHAT IS PUBLIC BENEFIT?

Charities must be for the 'public benefit'. This means that they must benefit the general

community or a sufficient section of the community.

For example, an organisation will not be a charity if it exists only to make money for the members of its board – this is a private benefit.

Private benefit does not just have to be money – it could be a service or goods or anything else the charity provides.

People involved with a charity, such as its staff or volunteers can benefit from the work of the charity where this benefit is in line with the charity's charitable purpose (for example, the board members of a self-help group can still benefit from involvement with BCLN)



HOW DOES BCLN SHOW ITS CHARITABLE PURPOSE?

All charities must have a charitable purpose. BCLN's purpose is the reason it was set up, or what its activities work to achieve. This may also be referred to as BCLN's mission.

The rules are a good place to show the charitable purpose. Being able to show that BCLN has a charitable purpose is important when applying to register with the ACNC.

HOW DOES BCLN ADOPT OR CHANGE THE RULES?

If making changes to existing rules, BCLN will need to formally adopt them. BCLN has existing rules that set out how this must be done, additionally, as it is incorporated, the legislation that applies to BCLN also sets out requirements for adopting new rules.

As it is an incorporated association then the legislation of Victoria applies. Make sure you are familiar with these requirements before you start making any changes.

ACNC GOOD GOVERNANCE STANDARDS

GOVERNANCE STANDARD 1: NOT-FOR-PROFIT AND WORKING TOWARDS CHARITABLE PURPOSE

Governance Standard 1 requires BCLN to demonstrate that they:

- were set up as a not-for-profit with a charitable purpose, and
- run as a not-for-profit and work towards that charitable purpose.

It also requires BCLN to demonstrate that they can provide information to the public about their charitable purpose.

Purpose of this standard

To be registered with the ACNC, BCLN must be not-for-profit and have a charitable purpose.

This standard requires BCLN to remain not-for-profit and to work towards this purpose, which provides reassurance to the public that BCLN has good reasons to be entitled to the tax concessions and other benefits it receives.

Ways to meet this standard

Common steps BCLN can take to meet Governance Standard 1 are to:

- include charitable purpose and not-for-profit clauses in your Governing Documents

(such as BCLN's constitution). These are registered with the ACNC making them public.

- run BCLN as BCLN (by following its purpose and being a not-for-profit), and
- provide information about BCLN's purpose and how it meets it on a website or through social media.

Demonstrating BCLN is not-for-profit and has charitable purposes

BCLN can meet this part of the standard by including in Governing Documents our charitable purpose and a rule requiring BCLN to operate as a not-for-profit.

Operating as a not-for-profit and for its charitable purpose



BCLN must run as a not-for-profit and work towards the charitable purpose it was established to achieve in order to meet this part of the standard.

A not-for-profit is an organisation not operating for the profit, personal gain or other benefit of particular people. This can include people such as its members, the people who run it (its responsible persons) or their friends or relatives. BCLN must be not-for-profit both while operating and if it closes.

Practical steps you can take to help BCLN meet this part of the standard.

- set up processes that protect and control what happens to BCLN's donations or any profits it makes, so that these are only used for its charitable purpose. This includes having rules about who has access to money, and who decides how it is used.

Making information about your purposes available to the public

BCLN will generally meet this standard if a copy of governing documents contains clauses about its charitable purpose and they appear on the ACNC Register.

GOVERNANCE STANDARD 2: ACCOUNTABILITY TO MEMBERS

This standard requires BCLN to:

- take reasonable steps to be accountable to their members, and
- allow their members adequate opportunities to raise concerns about how BCLN is run.

Being accountable includes letting the members know about BCLN's activities and what the results of those activities are. It also includes allowing members to raise concerns and ask questions about how BCLN is run.



Purpose of this standard

BCLN's members are its 'owners' and form an important part of BCLN. Members are entitled to know how BCLN is acting and using its resources (finances and any assets) on their behalf.

This standard helps BCLN's members to understand BCLN's operations and also to raise any questions or concerns they may have about the way it is run. For example, members may want to know about BCLN's financial position, or what BCLN is focusing its future work on.

BCLN must be open and accountable to their members. This standard helps members to understand BCLN's operations and raise questions about its governance. It provides an important level of accountability for those who operate BCLN, both strategically and operationally.

Ways to meet this standard

Common steps BCLN can take to meet this standard are to:

- organise a meeting at least annually with your members (such as an annual general meeting) with opportunities for members to ask questions and vote on resolutions
- provide information to members on BCLN's activities and finances, and
- have clear processes for appointing Responsible Persons (such as board or committee members). This can include setting out the process in your Governing Documents (such as constitution).

These steps are in addition to what BCLN is required to report to the ACNC.

BCLN, as it has many clients and a significant reach may need to do more to meet this standard. For example, it should have more formal rules and processes on things such as:

- providing formal written notice of meetings and set periods of notice prior to meetings being held
- how items can be added to meetings for discussion or voting on (possibly requiring notice to be given before the meeting)
- providing an annual report to members, explaining BCLN's financial position, and

- nominating, appointing or electing responsible persons.

The steps that are reasonable depend on BCLN's specific circumstances.

GOVERNANCE STANDARD 3: COMPLIANCE WITH AUSTRALIAN LAWS

This requires BCLN to not act in a way that, under Commonwealth, state or territory law, could be dealt with as:

- an indictable offence (being a serious crime that is generally tried by a judge and a jury), or
- a breach of law that has a civil (not criminal) penalty of 60 penalty units (currently \$12,600) or more.

Purpose of this standard

Acting lawfully helps protect BCLN's assets, reputation and the people it works with. This standard does not impose a new burden on BCLN as it is already required to follow Australian laws.

The standard allows the ACNC to investigate potentially serious breaches of law.

Ways to meet this standard

You can take some simple steps to reduce the risk of BCLN breaching this standard. In most cases, common sense and good practice will reduce risk, such as:

- being familiar with the main areas of regulation for BCLN
- having some processes to protect BCLN's finances and assets, and
- having a process to ensure BCLN meets its legal obligations.



The extent and type of processes and controls that are reasonable for BCLN will vary depending on individual situations.

How the ACNC will approach this standard

The ACNC will not investigate every alleged breach of law by an organisation.

The ACNC will only investigate serious offences (for example, fraud, money laundering or terrorist financing) that are likely to affect public trust and confidence and where this is necessary to protect the assets of BCLN and the people it serves.

The ACNC will not investigate breaches of law or issues that other regulators or the police are better placed to handle. The ACNC will work with those agencies where appropriate.

GOVERNANCE STANDARD 4: SUITABILITY OF RESPONSIBLE PERSONS

This standard requires BCLN to take reasonable steps to be satisfied that its Responsible Persons (its board or committee members, or trustees) are not disqualified from:

- managing a corporation under the Corporations Act 2001 (Cth) (the Corporations Act), or

- being a Responsible Person by the ACNC Commissioner, within the previous 12 months.
- If BCLN is not satisfied, it must not appoint this person. If the person is already appointed, BCLN must take reasonable steps to remove them as a Responsible Person.
- The requirement to ensure that Responsible Persons are not disqualified from managing corporations applies even if BCLN is not a company.



Purpose of this standard

The members of BCLN's governing Board should ensure that it is well governed, responsibly managed and meeting its obligations under the law. Together, these people share responsibility for a BCLN's work. It is important that a BCLN's Responsible Persons are suitable for the responsibility they hold to BCLN and to the people it works with.

This standard makes sure that registered charities (including BCLN) are not

controlled by people who may pose a risk to the BCLN's financial position or the pursuit of its charitable work. For BCLN to operate effectively, it is important that their members, the people they serve, and the public have confidence in the suitability of their Responsible Persons.

Ways to meet this standard

Making sure Responsible Persons are not disqualified

BCLN will likely meet the first part of this standard if, for existing or potential Responsible Persons, it:

- understands how a person becomes disqualified
- does a search of the ASIC Disqualified Persons Register for that person
- does a search of the ACNC Register of Disqualified Persons for that person (the ACNC has not disqualified anyone at this time), and
- requires each of its Responsible Persons to sign a declaration confirming that they are not disqualified and that they understand what it means to be disqualified.
- If BCLN takes these above steps it will likely meet this part of the standard. However, if it suspects that a Responsible Person is disqualified, it must take further steps to be satisfied that the person is not disqualified.
- In searching these registers, consider whether a Responsible Person has been known by a different name.

Removing unsuitable Responsible Persons

- If any of your Responsible Persons are listed on one of these registers, refuses to sign a declaration or BCLN believes that they are disqualified, BCLN must take reasonable steps to remove them.
- BCLN should begin by asking the person to resign. If they refuse, follow the process in

your governing documents and under any legislation that applies to BCLN to remove them as a Responsible Person. BCLN may need to call a meeting of the board or committee and/or a general meeting of the members to remove them by a vote.

- If BCLN cannot remove the person (for example, if the members of a company limited by guarantee refuse to remove a director), please write to the ACNC and explain the situation. BCLN may also consider whether it is necessary to involve another regulator, for example the one that BCLN was incorporated by.
- If there are good reasons to keep the person, please contact ACNC as the ACNC Commissioner may give BCLN permission to do so.

GOVERNANCE STANDARD 5: DUTIES OF RESPONSIBLE PERSONS

This standard requires BCLN to take reasonable steps to make sure that the following duties apply to Responsible Persons and that they follow them. The duties can be summarised as follows:

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

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

Purpose of this standard

BCLN must make sure that its Responsible Persons are required to meet a set of legal duties. This ensures that they act in the best interest of BCLN and in a way that doesn't endanger its work. Responsible Persons have a responsibility to put the interests of BCLN above their own personal interests. Generally, they need to be careful and conscientious in their roles and act with standards of common sense and integrity.

The purpose of this standard is to give the public confidence that BCLN's Responsible Persons are managing BCLN well and meeting these duties.



Ways to meet this standard

Steps BCLN can take to meet this standard are to:

- bring these duties to the attention of Responsible Persons (such as providing them with a copy of this guidance or other resources) or outline their duties in a letter of appointment or by setting them out in a board or committee charter



- regularly provide information or training to Responsible Persons on their duties to refresh their knowledge (such as by advising of ACNC webinars on relevant topics, other training and development)
- encourage Responsible Persons to attend, prepare for, and participate at meetings
- have processes for the responsible management of money
- have processes in place to manage conflicts of interests, and
- ACT if your Responsible Persons are failing to meet their duties.

OTHER LAWS ON THE DUTIES OF RESPONSIBLE PERSONS

BCLN's Responsible Persons may already be subject to duties under other laws that apply to it. For example:

- equivalent duties exist in state or territory incorporated associations legislation – if BCLN and its Responsible Persons comply with these duties, BCLN will meet this standard

YOUR DUTIES AND RESPONSIBILITIES AS A BOARD MEMBER

As a board member, you have duties and responsibilities to BCLN. Even though most board members of charities are volunteers, you still have legal duties that you must meet to ensure BCLN is well-governed, as well as an important responsibility to put the interests of BCLN ahead of your own personal interests.

Generally, you need to be careful and conscientious in your role and act with common sense and integrity.

BCLN can, in some situations, be liable if you don't follow your duties.

In particular, one of the Governance Standards (Standard 5) requires BCLN take reasonable steps to make sure that their board members know and understand their more significant legal duties and that they carry out these duties. The more significant duties of board members of

registered charities are:

TO ACT WITH REASONABLE CARE AND DILIGENCE

As a board member, you must show a standard of care and diligence that a reasonable person would use if they were in your place. In practice, do your best to participate. Before meetings, read and try to understand any materials you have been given about topics the board will be considering. Try to turn up to meetings on time. If you are unable to attend a meeting, give reasonable notice and try to catch up afterwards.



If you have any questions about any of your board's business, always ask the other board members or staff and make sure to leave time for thinking about your decision. If you do not feel comfortable deciding on something, it may be worth asking for more time. You should feel confident to independently make decisions and not just follow the crowd. Sometimes you should request that your separate view be recorded in the minutes.

Ask yourself – would someone who was observing me think that I was being careful and conscientious in my duties?

TO ACT IN THE BEST INTEREST OF YOUR CHARITY AND FOR A PROPER CHARITABLE PURPOSE

When acting as a board member you must make decisions that are in the best interest of BCLN and to further its charitable purpose. If you are on the board as a representative or nominee of another organisation, you will generally have to make decisions that are in the best interest of BCLN (rather than, for example, the organisation that nominated you).

Ask yourself – is this decision in the best interest of my charity and does it further its charitable purpose?

NOT TO IMPROPERLY USE INFORMATION OR YOUR POSITION

Sometimes as a board member you will come across information that could be used for your personal or other interests. Any special knowledge that you gain as a board member must only be used for the benefit of BCLN and never to further personal or other interests.

For example, you might learn about the details of a tendering process or the private details of staff or clients. Keeping this information private is one of your responsibilities as a board member and this information must not be used except in the interests of BCLN.

Ask yourself – am I using information I have obtained as a board member for the benefit of my charity?

In your role as a board member you may also come across times where you could use your position for personal gain or to benefit someone else such as a family member or friend.

For example, using your position as a board member to get services for a friend or family member who otherwise isn't eligible

Ask yourself – am I using my position as a board member for the benefit of my own interests or the interests of my family or others I have a relationship with?