
Governance Policy 2024-2027



Supporting women.
Defeating poverty.

Table of contents

1. Purpose of Policy	3
2. Scope	3
3. Policy details	3
4. Related Policies and Procedures	7
5. Supporting documents and references	7
6. Policy owner	8
8. Document control	8

1. Purpose of Policy

CARE Australia is a leading international aid organisation that works around the globe. CARE Australia supports women and girls, with a focus on saving lives, defeating poverty and achieving social justice. We work with local communities to provide women and girls with equal opportunities to earn an income, gain access to their fair share of resources, participate in decisions that affect their lives, and lead their communities through the increasing impacts of climate disasters and other crises.

CARE Australia is a member of the CARE International Confederation, and has Lead Member accountabilities for Country Offices in the region. As a member of CARE International, CARE Australia adheres to the CARE International Code and statutes. This policy outlines core principles of not-for-profit (NFP) governance¹, and the legislative, policy and governance environment that CARE Australia operates within to ensure compliance with its legal and ethical obligations in the delivery of its mission.

2. Scope

This policy applies to all CARE Australia staff, contractors, consultants, and volunteers, with specific responsibilities held by the Board of Directors and the Executive Team.

3. Policy details

The governing rules for the organisation are provided for in the CARE Australia Constitution (August 2009), developed with reference to the Corporations Act 2001 (Cth). CARE Australia also responds to the evolving legislative and policy context in which CARE Australia operates, and is directed by a Board of Directors who appoint the Chief Executive Officer (CEO).

3.1 Principles

This document references the Australian Institute of Company Directors (AICD) Not-for-profit Governance Principles, which have been developed to promote good governance in the not-for-profit (NFP) sector. These Principles are noted as a reference to support good governance, and are applied according to how the Board of CARE Australia deem appropriate to its own circumstance/s. See **Appendix 1 - Not-for-profit Governance Principles**.

3.2 Legislative and policy context

CARE Australia Constitution (2009)

The Constitution outlines rules and procedures for the governance and operation of the organisation pursuant to its mission, covering membership; general meetings and their

¹ Drawn from Australian Institute of Company Directors (AICD) Not-for-profit Governance Principles (April 2024)

proceedings; Directors powers and duties, indemnity and insurance, remuneration and expenses, and vacation of office; Conflict of interest; appointment of the Chief Executive and Company Secretary; recording, reporting of company documents and records, and auditing of annual financials; and winding up. Where there is any inconsistency between this document and the Constitution, the latter prevails. A copy of the Constitution is available on CARE Australia's website, at:

<https://www.care.org.au/wp-content/uploads/2019/10/CARE-Australia-constitution.pdf>

Conflict of Interest Policy

Pursuant to Section 10.1 of the Constitution, transactions involving Board members and member-related entities may occur in the ordinary course of CARE Australia's business. A standing agenda item at all Board meetings is the declaration of any actual, potential and perceived conflicts of interest, including those that have already occurred. Where any member has a material personal interest in a transaction or issue to be considered at a Board meeting, that member will not be present while the transaction or issue is being considered, and will not vote upon the transaction or issue.

The Directors will determine whether that member's personal interest in a transaction or issue is material based on financial, reputational and legal risks. The Directors have the discretion to determine whether a Director should be asked to resign from the Board if the transaction or issue is considered sufficiently material and ongoing to warrant this action.

Company structure

CARE Australia is a not for profit (NFP), charitable organisation, registered as a company limited by guarantee with the Australian Securities and Investments Commission (ASIC). CARE Australia does not operate for the profit or gain of its individual members, applicable to both while the organisation is operating, and when it winds up. CARE Australia is a registered charity per relevant legislation, the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (the ACNC Act) and the Charities Act 2013 (Cth) (Charities Act). Charities registered with the ACNC must have only charitable purposes that are for the public benefit as defined in the Charities Act 2013.

Some reporting obligations under the Corporations Act 2001 do not apply to companies limited by guarantee that are registered with the Australian Charities and Not-for-profit Commission (ACNC). CARE Australia reports to the ACNC on an annual basis to maintain its public record of appropriate charity governance, against five core minimum standards:

1. Purposes and not-for-profit nature;
2. Accountability to members;
3. Compliance with Australian law;
4. Suitability of responsible persons; and
5. Duties of responsible persons.

In addition to meeting the above obligations, the organisation must also observe all other applicable laws in Australia, and in the countries in which it operates, including relevant employment and health and safety laws.

Australian Council for International Development membership

CARE Australia is a financial member of the Australian Council for International Development (ACFID), the peak body for Australian non-government organisations (NGOs) involved in international development and humanitarian action. CARE Australia is signatory to the ACFID Code of Conduct, to which it reports annually against 9 quality principles and associated commitments.

Fundraising requirements

CARE Australia must comply with the provisions of the fundraising laws which apply in each of the Australian jurisdictions. The Charitable Fundraising Act 1991 (NSW) is considered the most rigorous of these laws and is referenced by CARE Australia as a general benchmark for CARE Australia's approach to fundraising activities. Six State jurisdictions (NSW, QLD, SA, VIC, ACT and WA) require registration in order to fundraise including the submission or availability of audited financial statements²

External stakeholders

CARE Australia is accountable to stakeholders who have a strong interest in the outcomes of the humanitarian aid and emergency relief provided by the organisation, including:

- The Australian Public;
- The Australian Government, principally through the Department of Foreign Affairs and Trade (DFAT);
- Other Governments (either directly or through other CARE International members);
- Multilateral Agencies including the UN, World Bank and European Commission;
- Commercial organisations;
- Civil society partners/organisations in the countries in which CARE Australia works;
- People and communities with whom CARE Australia works, and who receive support through humanitarian and development projects and initiatives;
- Major donors such as philanthropic individuals, trusts and foundations; and
- CARE Australia's staff and volunteers.

3.3 Board of Directors

CARE Australia operates under the guidance of a Board of Directors established by its Constitution and administered in accordance with the company structure. The Board understands its role and responsibilities, has in place appropriate governance structures, and

² SA and QLD require accounts to be audited and reports submitted. NSW requires accounts audited annually with certain exemptions. WA, ACT and VIC may request accounts to be audited. NT does not require registration.

meets regularly to ensure that it is well informed by Management with whom it has an open and frank relationship.

ACNC Governance Standard 5 outlines a requirement for the Board to:

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

The Board ensures compliance with relevant laws, codes of conduct and ethical standards; approves and monitors performance against organisational strategy and operational plans and budgets; appoints and monitors the performance of the CEO, and through him/her the performance of senior management; and, ensures appropriate succession arrangements are in place for the Board, and the CEO.

Board composition

The number of Board Directors is not fixed, but is determined by the Board when appointments are being considered to ensure that the necessary skills and experience are available. The Board only comprises non-executive directors. The range of skills and experience appropriate to the Board of CARE Australia includes strategic planning; governance; risk management; finance; legal; technology and cyber; international development programming, monitoring and evaluation; fundraising and human resources functions.

The Constitution outlines criteria for the appointment of Board Members. CARE Australia strives to achieve a Board which is both skills based and representative. In appointing Board members, a strong focus is placed on diversity including dimensions of race, ethnicity, gender, sexual orientation, socio-economic status, age, abilities, religious beliefs, political beliefs, or other ideologies. In selecting members, the Board aims for gender balance and seeks safeguarding expertise as desirable skills. CARE Australia ensures that Directors are not disqualified under the Corporations Act 2001 (Cth) by providing checks via ASIC, ACNC. CARE Australia provides an induction for Directors in accordance with ACFID guidelines.

Board Appointments

Appointments to and retirements from the Board are made in accordance with Section 8 of the Constitution.

Board Tenure

There is no maximum tenure for the terms of office of directors or the chair specified in the Constitution. However, the Board resolved in 2018 that:

- A Director (other than the Chair) will normally retire at the expiration of the Board meeting following the tenth anniversary of their appointment, unless otherwise requested by the Directors.
- The Directors will consider whether the Chair should continue in office after the third anniversary of appointment and the Chair will not continue in office beyond the fifth anniversary of appointment unless otherwise requested by the Directors.
- A Director on ceasing to be Chair will resign as a Director.

The Board may vary this protocol, either generally or on a case by case basis, at its discretion at any time.

Board Committees

Under Section 11.6 of the Constitution, the Board may establish Committees consisting of members of the Board and members external to the Board. Each Committee has a Board appointed Chair and acts within the Terms of Reference as approved by the Board. The CARE Australia Board currently operates with the following committee structure:

- Finance and Risk Committee
- Fundraising and Marketing Committee
- International Program and Operations Committee
- People Committee
- Governance and Nominations Committee (as required).

3.4 Chief Executive

The Board is responsible for the appointment and performance review of the Chief Executive Officer (CEO). The Board delegates to the Chief Executive all aspects of the operations and administration of the organisation subject to the decisions and directions of the Board, and guided by the Board approved Delegations Schedule. The Board determines the compensation (remuneration package) of the CEO who does not take part in the review of their own remuneration. The CEO determines the compensation for Executives appointments and other staff.

4. Related Policies and Procedures

- CARE Australia Constitution 2009
- CARE Australia Values and Code of Conduct - Board Directors' version 2021

5. Supporting documents and references

Legislation

- Corporations Act 2001 (Cth)

- Australian Charities and Not-for-profits Commission Act 2012 (Cth) (the ACNC Act)
- Charities Act 2013 (Cth) (Charities Act).

Other supporting documents

- Australian Charities and Not-for-profit Commission (ACNC) Governance Standards
- Australian Council for International Development Code of Conduct
- Australian Institute of Company Directors (AICD) Not-for-profit Governance Principles 2024

6. Policy owner

This Policy is owned and approved by the CARE Australia Board.

7. Document control

Review	Version control	Approved
Scheduled review	Version 2, 2024-27	June 2024

Appendix 1

Not-for-profit Governance Principles (AICD NFP Governance Principles, April 2024)

Principle 1 - Purpose, vision and strategy	The Board contributes to defining, documenting and realising the NFP's purpose, vision and strategy.
Principle 2 - Roles and responsibilities	The Board defines and documents roles and responsibilities; has visibility and oversight of the role of key third party service providers, is well-informed and makes sound decisions through comprehensive board reporting and engagement with management.
Principle 3 - Board composition and effectiveness	The Board maintains an appropriate mix of people that aligns with the NFP's purpose, vision and strategy, using a transparent selection process. Board evaluations, including on composition, effectiveness, and governance structures, are conducted periodically.
Principle 4 - Risk management	The Board oversees a risk culture that aligns with purpose, vision and strategy. Board decision-making is informed by a risk management framework that sets out an appropriate risk appetite, which is periodically reviewed.
Principle 5 - Performance and accountability	Directors oversee the performance of the NFP with a focus on its financial health and whether it is effective in achieving its purpose. The Board sets a tone of internal accountability and transparency. External accountability extends beyond annual reporting and the AGM to a focus on dynamic and proactive transparency and building trust and confidence with key stakeholders.
Principle 6 - Stakeholders	The Board considers stakeholder views as providing valuable insights and maintains open and transparent engagement with stakeholders to foster trust and goodwill towards the NFP.
Principle 7 - Sustainability	The purpose, vision and strategy should guide the organisation's approach to sustainability with the board overseeing a framework for evaluating the risks and opportunities related to sustainability. Given the broad set of sustainability considerations, boards should be clear on their approach to sustainability, especially when it comes to resource allocation.
Principle 8 - Organisational Culture	Directors lead by example in modelling the organisational culture they expect of employees and volunteers. Assessing and monitoring the organisational culture requires the Board to proactively obtain meaningful information on key elements of culture, including employee and volunteer satisfaction and compliance with relevant laws. The Board has a key role in promoting employee and volunteer recognition and meaning, including through ensuring sufficient resources are dedicated to recognition.