

Public Hospital, Multi Purpose Service and Early Parenting Centres

Board Director Position Description

OFFICIAL

The board and the individual directors of a public hospital, multi purpose service or early parenting centre (collectively known as health services), have formal duties and responsibilities to the Minister for Health (the Minister), the Secretary of the Department of Health (the department) and the public.

Our Health Services

Public hospitals and **Multi purpose services** deliver health, mental health, aged care and community services in rural and regional Victoria that best meet local community need. They are an integral part of the Victorian health system which promotes and protects Victorians' health and wellbeing.

Early Parenting Centres are state wide early intervention and prevention health services. Their purpose is to provide parenting support to families during pregnancy and with children from birth to school age. They are part of a broader range of early intervention services which include Child FIRST, Integrated Family Services, and Cradle to Kinder. They are accredited health services specialising in parenting, infant health and early childhood development.

Equal Opportunity and Diversity

The department is committed to ensuring that health boards and committees reflect the rich diversity of the Victorian community.

The department encourages applications from women, people of all ages, Aboriginal and / or Torres Strait Islander people, people with disability, people from culturally and linguistically diverse backgrounds and from lesbian, gay, bisexual, trans, gender diverse, intersex and queer (LGBTIQ+) people. We will provide reasonable adjustments to the recruitment process upon request.

Legislative framework

The board is responsible for ensuring the health service is compliant with all relevant legislative law. For health services, the board's responsibilities are primarily derived from the *Health Services Act 1988 (Vic)*.

The *Health Services Act 1988 (Vic)* establishes the boards of Victoria's health services, and defines their duties, rights, and responsibilities. The board ensures the Minister, and the Secretary are advised about significant board decisions and are informed in a timely manner of any issues of public concern or risk that affect or may affect the healthservice.

Directors on the board of a public health entity are considered a public official under section 4 of the *Public Administration Act 2004 (Vic)*. As such directors are bound by the legislated requirements of the Victorian public sector values and the Directors' Code of Conduct.

The *Financial Management Act 1994 (Vic)* also applies to the financial administration of the health services relating to the accounting and reporting of public money and public property.

Role of the Board

The role of a health service board is to oversee the performance of its health service and ensure that it is meeting the policy and strategic objectives of the Minister and government of the day. The board is held to be ultimately responsible for all aspects of the health service's activities. This includes, among other things:

- setting the vision, strategy, and direction of the organisation, in line with Government priorities
- having ultimate accountability for the delivery of safe and quality care, including cultural safety
- leadership succession planning and performance management of the Chief Executive Officer
- overall oversight of the performance and delivery of key policy priorities
- ensuring the ongoing financial viability of the organisation.

The functions of the board are varied and cover accountability to stakeholders and leadership both internally and externally, now and into the longer term. Collectively, the board is responsible for creating a governance environment that acts in the best interests of the entity, the broader health system and its people.

Role of the directors

Board directors are an integral part of Victoria's health system, and our health services cannot operate without them. Appointed by the Minister with advice from the Selection Committee of each individual board, the department and Boards Ministerial Advisory Committee, directors are Australian citizens or permanent residents and preferably members of the Victorian public. Directors are selected for their capabilities, encompassing personal and professional attributes, skills, knowledge and experience, and which they will continue to develop while on the board.

Board directors are expected to:

- Commit to the delivery of safe, high quality, culturally safe, person-centred care – a genuine interest in the fundamental purpose of the organisation and its role in the health care service system.
- Have integrity and be accountable – dedication to fulfilling a director's duties and responsibilities, putting the organisation's interests before personal interests and acting ethically.
- Provide constructive challenge and oversight - the curiosity to ask questions and the courage to persist in asking, and to challenge management and fellow board directors where necessary.
- Use and interpret complex information – understanding the need for information on which to base decisions.
- Be aware of the Health Services Act 1988 (*Vic*) and other applicable legislation and regulations.
- Commit the time required to fully exercise the duties required of the position (approx. 8 hours per month to prepare for and attend board and committee meetings). Time is needed to:
 - Attend, as a minimum, 75 percent of the approximately 11 board meetings per year (these are usually held late afternoon or evening. Refer to the health service for details);
 - participate on standing and ad hoc committees of the board (there will be a minimum of two committees, dedicated to Quality and Safety and Finance and Audit);
 - review agenda items, papers and minutes if board and committee meetings; and
 - attend events where the health service requires representation.
- Develop a full understanding of the organisation's finances, scope of service, strategic context and legal framework.

- Adhere to the relevant obligations and duties set out in the Victorian Public Sector Commission's (VPSC) Directors' Code of Conduct¹ and the department's Director's Toolkit² (namely the 'conduct, ethics and fiduciary duties' and 'statutory duties' chapters).
- Undertake Board Induction training and any other professional development required to fully discharge their responsibilities.

Indemnification and remuneration

The health service indemnifies board directors so that they are not personally liable for anything done, or omitted to be done, **in good faith**, when carrying out their duties. Any liability resulting from an act or omission attaches instead to the health service.

Directors are also entitled to remuneration for their services as a director of a public hospital, multi purpose service or early parenting centre. Public hospitals, multi purpose services and early parenting centres have been classified as either Class C1 or A5 boards. The 2022-23 remuneration rates for C1 boards are \$246.52 per day for directors. If a director, who is eligible to receive remuneration, is elected as chairperson they will be remunerated at the rate of \$318.34 per day. The 2022-23 remuneration rates for A5 boards are \$7,796.61 per annum. If a director, who is eligible to receive remuneration, is elected as chairperson they will be remunerated at the rate of \$12,996.13 per annum.

Remuneration rates are reviewed annually and are published for each board on the department website³.

Key Selection Criteria

A board has collective responsibility for decision making and each director is equally responsible for decisions made. However, directors will have varying levels of diverse experience and knowledge which makes for better decisions.

Minimum individual capabilities

All applicants are required to demonstrate a basic knowledge and understanding of the following concepts that will equip them to perform the role of a director, which will be developed further if appointed:

1. Corporate governance – the role of the board, its relationship to management and the accountability mechanisms for the public health service, including the board's ultimate accountability to the Minister.
2. Clinical governance – mechanisms to ensure the delivery of safe, high quality, culturally safe services (noting that all new directors will be provided training in the Victorian Clinical Governance Framework).
3. Financial literacy – the ability to understand and interpret financial reports, including the audited financial statement in the organisation's Annual Report, to determine the financial health of the organisation.
4. Legal literacy – the ability to understand the legal framework within which a public health service board operates, including its primary obligations under the Health Services Act.

Board capabilities

Ideally, boards are required to cover all capabilities outlined below. The department has currently identified 13 capabilities which are grouped into two tiers:

- Tier 1 – necessary capabilities that a board requires to set the strategic priorities that a Victorian health board would be expected to address in the normal course of its duties; and

¹ Available from: <https://vpvc.vic.gov.au/resources/code-of-conduct-for-directors/>

² Available from: www.health.vic.gov.au/boards-and-governance/directors-toolkit

³ Available from: <https://www.health.vic.gov.au/boards-and-governance/board-remuneration-and-director-expenses>

- Tier 2 – important capabilities that are desirable for a board, and the extent of the requirement can be dependent on the strategic plans of the entity.

In ensuring these capabilities are present on the board, applicants are asked to nominate and provide supporting information on their three primary capabilities. Applicants will be on a spectrum of capability, with boards seeking applicants based on current gaps and future needs to manage succession planning. Applicants will also be able to indicate secondary capabilities. These are additional capabilities that an applicant will possess in addition to their three primary capabilities.

Applicants should demonstrate in their application the knowledge and experience they will bring to the role in the areas identified as their primary capabilities.

Tier 1 – Capabilities necessary for a board

1. Audit and risk management
2. Clinical governance
3. Corporate governance
4. Financial management and accounting
5. Law
6. Patient (user) experience and consumer engagement
7. Registered clinician
8. Strategic leadership / Executive management

Tier 2 – Capabilities important for a board

1. Asset management
2. Communications and stakeholder engagement
3. Community Services
4. Human resources management
5. ICT strategy and governance

Board Director Capability Framework

The department has developed the Board Director Capability Framework (the framework) to enable a more consistent definition of the capabilities currently identified for health service boards. Capabilities have three different levels of proficiency – foundational, proficient, and advanced.

Directors appointed to a board are preferred to be proficient in the capabilities they nominate as primary and are expected to attain the foundation capability level on all remaining capabilities within their first year after appointment.

The framework provides more information on the capabilities. The information supplied by applicants will be used to make an assessment.

For further information about the framework refer to <https://www.health.vic.gov.au/applying-for-board-director-positions>

Data and Privacy

When collecting and using personal information, the Department of Health acts in accordance with the Victorian Government Privacy Statement, and the *Privacy and Data Protection Act 2014 (Vic)* which contains the Information Privacy Principles (IPPs).

Individuals do not have to disclose any personal information if they do not want to, but it can help the board and the department to understand how people can be supported through the recruitment process and beyond.

The department invites all applicants, directors and chairs to tell us if they identify as Aboriginal and / or Torres Strait Islander, a person with disability, from a culturally or linguistically diverse background, LGBTIQ+ or a young person, aged 25 years old or less.

The department welcomes the opportunity to discuss support that can be provided with any person who identifies as any of the above through the recruitment process and/or post appointment. A discussion can be arranged by contacting healthservicegovernance@health.vic.gov.au.

If you would like help understanding this document or would like to receive it in another format please phone 03 9456 3724, using the National Relay Service 133 677 if required, or email healthservicegovernance@health.vic.gov.au

Authorised and published by the Victorian Government, 1 Treasury Place, Melbourne.

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Available at health.vic website <health.vic.gov.au/governance>