



Authorised by board on: 17 August 2017

Executive Director’s authorisation:

Effective date: 17 August 2017

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## 1. PURPOSE

To describe the behaviours expected by the FRDC of its directors and employees.

## 2. RESPONSIBILITY

Responsibility for this policy resides with the board.

## 3. DEFINITIONS AND ACRONYMS

Definitions - follow link to [Definitions](#)

Acronyms – follow link to [Acronyms and Abbreviations](#)

## 4. RISK CATEGORY

Strategic	Operational	Financial	ICT	People
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## 5. RELEVANT DOCUMENTATION

This section contains links to internally and externally facing documents – access to internally facing documents is restricted to FRDC employees.

Relevant documentation	Document location or web address
<b>Internal</b>	
All policies and procedures	<a href="#">Strategic Documents</a>
Employees	<a href="#">Employees</a>
<b>External</b>	
Board governance	<a href="#">FRDC website</a>
Public Governance, Performance and Accountability Act 2013 (PGPA)	<a href="#">PGPA Act</a>
Primary Industries Research and Development Act 1989 (PIRD)	<a href="#">PIRD Act</a>
Australian Institute of Company Directors' code of conduct	<a href="#">Code of Conduct</a>

## 6. PUBLICATION

This policy is to be made available on the FRDC website.

## 7. BACKGROUND

Directors and employees have developed and endorsed the following code of conduct as a cornerstone of the FRDC's corporate governance.

This code has been framed in light of:

1. division 3 – Officials of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*
2. Australian Institute of Company Directors' code of conduct
3. other contemporary guidelines for good corporate governance.

Doc ID NEMO-29-1841	Version: 2.0	<a href="http://frdc-sp13/FilePlan/StratMng/Policy Working Documents/Code of conduct policy.docx">http://frdc-sp13/FilePlan/StratMng/Policy Working Documents/Code of conduct policy.docx</a>	16:56:45	28-Aug-17	Page 2 of 7
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The code sets out broad principles of behaviour that are appropriate for the FRDC in view of organisational factors, rather than providing detailed rules for particular situations. The undertakings of the code of conduct (refer Attachment 1) are concise, making it easy to remember and therefore less likely to be overlooked — an important consideration, since infractions of good conduct in organisations are more often accidental than deliberate. The code is linked to the FRDC’s policy documents — part of its ISO-certified quality management system — with which directors and staff members are expected to keep themselves familiar.

Directors and employees who commit themselves to this code of conduct are subscribing to ethical values that they are committing to internalising in their everyday behaviour.

Although the code is consistent with those professed values, the code is distinguished as a statement of standards that must be explicitly adhered to, rather than merely be professed. When adherence is problematic, the circumstances must be reported.

**8. POLICY**

**8.1 The need for a code**

A code of conduct must influence behaviour well beyond the minimum standards required by legislation. An effective code enhances management standards, and helps to maintain the organisation’s integrity and reputation.

Ethical conduct is a non-negotiable obligation of directors and officers of statutory authorities, arising from the duties they owe to those financing the FRDC and to the FRDC’s wider stakeholders. It is an explicit and implicit imperative of legislation (including the PGPA Act), which is reinforced by criminal and civil penalties.

Australian National Audit Office has stated that bodies that operate under the PGPA Act should operate in a manner consistent with community expectations, decisions of the board, and relevant legislation. They have also stated that it is essential for the organisation’s guiding ethics and code of conduct to be clearly understood and followed by each member of the organisation, and to be communicated to all stakeholders.

In keeping with the above guidance, directors and employees are committed to demonstrating, through both their words and actions, an allegiance to the code. They accept responsibility for promoting high standards of ethics and integrity, recognising that the language, attitudes and actions of directors and employees affect the integrity, ethics, values and other aspects of the FRDC’s culture.

**8.2 The code’s alignment with the FRDC business environment**

A code of conduct must be appropriate to the organisation’s particular business environment. The FRDC’s mandate includes a national leadership role in the interests of both optimising returns on Australia’s investment in fishing and aquaculture in RD&E and marketing, and of wise use of the natural resources on which the industry, and the community, depend. A consequence of this mandate is that the people who

are the FRDC’s directors and employees have far more frequent and extensive contact with end-users of outputs, and with RD&E beneficiaries and other stakeholders, than would the employees of, say, a typical Australian Government portfolio department.

Further, in seeking to advance fishing and aquaculture, and fisheries natural resources, FRDC directors and employees also assume advocacy roles consistent with the its mission, albeit as even-handedly as practicable.

Most directors also have continuing business relationships with organisations and people in fishing and aquaculture. Some aspects of conduct, including those related to actual or potential conflict of interests, therefore centre on what is reasonable and appropriate to the interests of the FRDC — rather than being absolutes.

Conflicts of interests may not necessarily operate only at the individual level: the board as a whole may also have to resolve a potential conflict of interests affecting the FRDC. ANAO has previously provided the following example: “There will invariably be tensions between a director’s obligation to act in the best interests of the organisation and in the best interests of the government. For example, a commercial objective of improving returns may conflict with a policy that the government has enunciated. There can be no hard and fast rules in this situation. Where a potential conflict arises the board should inform the Minister of the potential conflict and seek appropriate advice (for example, legal, technical or financial) and document why it chose a particular course of action to resolve the issue.”

### **8.3 The important of a culture that supports ethical behaviour**

Directors and employees have built a culture of transparency, trust and candour that is well suited to the needs of a small organisation with a high output and limited overhead costs. This culture has resulted in large measure from a strong philosophical commitment to good corporate governance and from implementation of continual improvement as part of the FRDC’s quality management system. The FRDC is widely recognised, and highly valued, among stakeholders.

Research conducted into the performance of boards and senior management and the impact of this performance on an agencies outcomes suggest that failed boards and successful ones all pass the structural tests concerned with rules, procedures, committee composition and the like that would normally be applied to ascertain whether a board of directors was likely to do a good job. However, exemplary boards were distinguished from the others by being “robust, effective social systems”. They embodied respect, trust, candour and tolerance of open dissent; required directors to play a variety of roles; ensured individual accountability; and evaluated directors’ performance.

Given the close correlation between these findings and the corporate governance culture which the FRDC directors and employees have developed, the FRDC will continually seek to strengthen its corporate governance culture.

#### **8.4 Being seen to be ethical**

The code of conduct not only guides behaviour; it is also important in helping to encourage accurate perceptions of behaviour. Although actual adherence to the highest ethical standards is paramount, it is also important for the organisation and the individual to avoid ambiguous behaviour that may be perceived as unethical. This requirement to be seen to be ethical is not an obligation borne alone by the individual director or employee. The transparency of the FRDC's management processes goes a long way to counter such misconceptions. Nevertheless, the potential for behaviour to be misconstrued is ever-present.

#### **8.5 Reporting of ethical issue or non-compliance**

Situations sometimes arise in which it is not readily evident whether a particular course of action or conduct was reasonable and appropriate in the particular circumstances, especially when considered in retrospect. The FRDC's requirement in such instances is for the director or employee to discuss the circumstances with an appropriate person, usually the Chair, Executive Director or Business Development Manager.

#### **8.6 Consequences of failure to observe the code**

Breach of this policy would jeopardise good corporate governance, possibly to a serious degree.

When unethical conduct is proved to have occurred, remedial action may include counselling or re-training in the case of an unintentional, less serious breach; mediation; dismissal; or — in the case of an intentional, more serious breach — referral to the police or regulatory authorities.

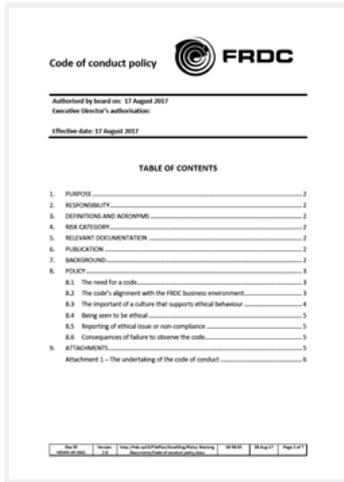
### **9. ATTACHMENTS**

<b>#</b>	<b>Description</b>
1	The undertakings of the code of conduct

## Attachment 1 – The undertaking of the code of conduct

<b>By directors and employees:</b>	
1	<p>In relation to the Fisheries Research and Development Corporation. I acknowledge my over-riding duty to act lawfully, loyally and carefully. In particular, I acknowledge:</p> <ul style="list-style-type: none"> <li>a) the requirement to act with honesty and integrity; and to exercise due care, diligence, and skill</li> <li>b) the requirement to use information appropriately; and the prohibition of improper use of inside information or position</li> <li>c) my duties established under common law, such as to: <ul style="list-style-type: none"> <li>• act in good faith and in the best interests of the FRDC</li> <li>• act fairly and impartially</li> <li>• exercise powers for the purposes for which they were conferred</li> <li>• avoid unreasonably fettering the future exercise of directors' powers</li> <li>• avoid or declare significant interests that may conflict with the interests of the FRDC.</li> </ul> </li> </ul>
2	<p>I recognise that although my primary responsibility is to the FRDC, I should also have appropriate regard for:</p> <ul style="list-style-type: none"> <li>a) those who invest in the FRDC; and</li> <li>b) the interests of all stakeholders.</li> </ul>
3	<p>I acknowledge that confidential information received by me in the course of my duties remains the property of the entity from which it was obtained. I also acknowledge that it would be improper to disclose that information, or allow it to be disclosed, unless disclosure has been authorised by that entity, or the person from whom the information was provided, or is required by the law. I acknowledge that these obligations continue beyond my term of engagement.</p>
4	<p>I will not engage in conduct, either in my professional or private life, likely to bring discredit on the FRDC; including in the online environment.</p>
5	<p>I will respect the views and practices of people with whom I have contact on FRDC business, and treat those people with dignity and goodwill.</p>
6	<p>I will keep myself familiar with the policies of the FRDC and will comply unfailingly with those policies relating to ethical conduct.</p>
7	<p>I acknowledge that I will not solicit or, as a general rule, accept, even indirectly, any gift (other than promotional materials), loan, unusual or expensive hospitality, concessional travel or other thing of significant monetary value that could put my independence of judgement under pressure, appear as a conflict of interest, or compromise my relationship with the FRDC. Where my refusal of a gift or hospitality would cause offence, for example, where a gift is offered by someone from a different cultural background, I will accept it graciously and refer the matter later to the FRDC (who will maintain a register of gifts to ensure the receipt and disposal of gifts is conducted in an open and transparent manner).</p>

8	I acknowledge my responsibility to report corrupt practice, breaches of the law and matters detrimental to the FRDC or its reputation.	
9	I acknowledge my obligation, at all times, to comply with the spirit as well as the letter of the law and this code.	
<b>By directors:</b>		
10	I acknowledge my obligation to be independent in judgement and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the board.	
Name	Signature	Date



# Code of conduct

Adobe Sign Document History

28/08/2017

Created:	28/08/2017
By:	Tanya Corcoran (Tanya.Corcoran@frdc.com.au)
Status:	Signed
Transaction ID:	CBJCHBCAABAAsDQHc5Y582CkVth5iT03UmYlqLvdTOK

## "Code of conduct" History

-  Document created by Tanya Corcoran (Tanya.Corcoran@frdc.com.au)  
28/08/2017 - 00:06:08 PDT- IP address: 180.200.129.230
-  Document emailed to Patrick Hone (PATRICK.HONE@FRDC.COM.AU) for signature  
28/08/2017 - 00:06:35 PDT
-  Document viewed by Patrick Hone (PATRICK.HONE@FRDC.COM.AU)  
28/08/2017 - 00:07:08 PDT- IP address: 180.200.129.230
-  Document e-signed by Patrick Hone (PATRICK.HONE@FRDC.COM.AU)  
Signature Date: 28/08/2017 - 00:08:13 PDT - Time Source: server- IP address: 180.200.129.230
-  Signed document emailed to Tanya Corcoran (Tanya.Corcoran@frdc.com.au) and Patrick Hone (PATRICK.HONE@FRDC.COM.AU)  
28/08/2017 - 00:08:13 PDT