

POLICY

Corporate Governance Statement

Policy name	Corporate Governance Statement
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Policy owner	Company Secretary
Policy type	Enterprise Policy and Governance
Policy Setting	Corporate Governance
Application	 Mission Australia Group comprising Mission Australia and its controlled entities: Mission Australia Housing, Mission Australia Housing (Victoria), Mission Australia Housing Partnership Limited, Mission Australia Housing Tasmania (Mission Australia Housing Entities); and as Trustee of the Sir David Martin Foundation

Mission Australia and its controlled entities

Corporate Governance

Mission Australia, inspired by Jesus Christ, exists to meet human need and to spread the knowledge of the love of God. Mission Australia has a vision of an Australia where all of us have a safe home and can thrive.

In conducting our affairs and services to end homelessness and ensure people and communities in need can thrive across Australia we are guided by the Mission Australia Values: Compassion, Integrity, Respect, Perseverance and Celebration.

The Mission Australia Group is committed to proper and effective corporate governance. We constantly seek to maximise efficiency and effectiveness of our operations, while continuing to place our clients at the centre of everything we do.

Each Mission Australia Group company, as a registered charity regulated by the Australian Charities and Not-for-profits Commission (ACNC), applies the ACNC Governance Standards.

The Mission Australia Board has overall responsibility for the financial performance of the Mission Australia Group and the achievement of its *Founding Purpose*. The Mission Australia Board recognises its role in overseeing the determination and implementation of policies and processes that reflect good corporate governance aligned with the ACNC Governance Standards, our contractual commitments and stakeholder expectations that together with our Values inform and guide the organisation.

In applying the ACNC Governance Standards we are guided by where practicable and relevant to do so, the Corporate Governance Standards by ACNC and the Not-For-Profit Governance Principles by Australian Institute of Company Directors (AICD Principles).

Governance Standard 1—Purpose and not-for-profit nature of a registered entity

(AICD Principle 1: Purpose & Strategy)

Mission Australia was established for the public charitable purpose of providing direct relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness of people in Australia. Since 1859, we've been standing alongside people in need across Australia, offering real hope that has lasting impact. Throughout our history our *Founding Purpose* as set out in our Constitution has remained central:

"Inspired by Jesus Christ, Mission Australia exists to meet human need and to spread the knowledge of the love of God without reference to denomination or any other distinction."

<u>Unpacking our Founding Purpose</u> is our charter of what it means for Mission Australia to be a Christian organisation.

We seek out others that share our vision, working alongside them to create a better future, of an Australia where everyone has a safe home and can thrive. Backed by our supporters, churches, partners and funders, we work together for the long-term wellbeing of anyone who needs us, reflecting our values of respect, compassion, integrity, perseverance and celebration.

We collaborate with the people we help to tackle the root causes of their challenges through providing access to safe, affordable homes and innovative, evidence-based support services.

Every day we deliver homelessness crisis and prevention services, provide social and affordable housing, assist struggling families and children, address mental health issues, fight substance dependencies, support people with disability and much more.

Mission Australia believes a person's circumstances shouldn't define their future and that given the right support, everyone can reach their full potential. That's why we stand together with Australians in need, until they can stand for themselves.

Mission Australia and its controlled entities

Mission Australia Housing Entities were founded by Mission Australia for the public charitable purposes of providing relief of poverty, sickness, destitution, helplessness and distress to people with low incomes by the provision of high quality housing solutions that enables Australians in need, to participate in their communities.

Governance Standard 2—Accountability to members

(Respect the right of members and other stakeholders and make timely and balanced disclosure)

(AICD Principle 7: Transparency and Accountability)

Mission Australia has members and other stakeholders. The Board is accountable to the members for the conduct of Mission Australia's affairs and the pursuit of our *Founding Purpose* and objectives as set out in the Constitution. Mission Australia is the sole member of Mission Australia Housing and Mission Australia Housing (Victoria), and Mission Australia Housing is the sole member of Mission Australia Housing Partnership Limited and Mission Australia Housing Tasmania.

Each year members of Mission Australia receive notice of the Annual General Meeting where the full financial report is presented to members together with an Annual Report and Directors are elected. The external auditor attends the meeting and is available to answer members' questions about the conduct of the audit, the status of internal controls and the preparation and content of the auditor's report. Outside of the Annual General Meeting members are able to raise matters of concern directly with the Chairman, the CEO, the CFO and Company Secretary. Our financial statements for the Mission Australia Group are prepared in accordance with Australian Accounting Standards and lodged with and publicly available at the ACNC, and our Annual Report is available on our website.

Mission Australia Group has many stakeholders, including our clients and their families, those we fund to provide services, our donors and benefactors, tenants, our staff and volunteers, the broader community, our suppliers and financiers and the government agencies that provide us with funds and regulate our operations. We adopt a consultative approach in dealing with our stakeholders. We are involved in not-for-profit forums, conduct research, receive feedback from forums and regular surveys, and ensure government at all levels is aware of our main concerns, achievements and remaining abreast of industry developments that affect us.

Mission Australia has more than 200 services that are required to comply with external service standards prescribed in funding deeds. For many of these, Mission Australia's compliance with the standards is independently audited as part of an accreditation process. In some cases, Mission Australia must achieve accreditation in order to gain a Licence to operate the service.

These standards require organisations to evidence good governance and a commitment to quality, including complaints management processes.

Mission Australia maintains a public website <u>www.missionaustralia.com.au</u> and through this website and other communication channels we communicate to the public and our other stakeholders about various activities, performance and services of the Mission Australia Group.

Governance Standard 3—Compliance with Australian laws

(Act ethically and responsibly)

(AICD Principle 9: Conduct and Compliance)

We recognise that as registered entities under the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act) the Mission Australia Group must comply with Australian laws. As a not-for-profit company limited by guarantee each Mission Australia Group company is registered under the Corporations Act 2001 which continues to apply but, in a form, modified by the ACNC Act. In accordance with the ACNC Act, the ACNC is the lead regulator and the ACNC Act is the main law

Mission Australia and its controlled entities

applicable to us in relation to corporate governance. Each Mission Australia Group company holds tax endorsements and concessions and are therefore also subject to the Income Tax Assessment Act administered by the Australian Taxation Office.

Each Mission Australia Group company has access to and is supported by the shared governance and management resources of Mission Australia, and each benefit from the Mission Australia Board Committees. As part of Mission Australia's commitment to good standards of corporate governance, Mission Australia Housing and Mission Australia Housing (Victoria) also seek to meet or exceed the National Community Housing Standards and to comply with the National Performance Standards.

All Directors have been briefed about their duties as "responsible entities" under the ACNC Act. The Board strives to lead by example when it comes to acting ethically and responsibly and specifically charges Management with the responsibility for creating a culture which promotes ethical and responsible behaviour. The Mission Australia Code of Conduct and our Values apply to the Boards, Management, staff and volunteers of Mission Australia Group. It specifies behavioural standards necessary to maintain confidence in Mission Australia's integrity and can be accessed at our website. Understanding the Code of Conduct and our Values is an integral part of induction programs for Directors and staff and are regularly reminded of the necessity to preserve these Values and expectations. All Board members, senior executives and staff are expected to comply with relevant laws and codes of conduct of relevant professional bodies, and to act with integrity, compassion and respect at all times when dealing with colleagues, clients and others involved in our mission.

The Mission Australia Group has adopted the Mission Australia ethics policy suite including a *Speak Up & Speak Out Statement, Whistle-blower Policy, Conflict of Interests Policy, Gifts and Benefits Policy* and a *Fraud Control and Corruption Prevention Policy*. Mission Australia is committed to creating a 'Speak Up & Speak Out' culture where honesty, integrity and openness is encouraged, and legitimate concerns can be raised. Through these policies we seek to uphold our good reputation and aim to safeguard our staff and our clients, many of whom are vulnerable. They are designed to reinforce a 'Speak Up & Speak Out'' culture in which honesty, integrity and business ethics are a part of everyday behaviour. Each of these policies and details of the Integrity Hotline, which is available to receive reports of possible wrongdoing and unethical practices, are displayed on our website.

The Statement of Enterprise Ethics sets out ethical expectations for people who work for Mission Australia Group as well as the ethical expectations for those working with us.

Support and protection for speaking up about wrongdoing is available to staff, volunteers, contractors, suppliers and clients. Commitment to protection is demonstrated through the *Whistleblower Policy* and the appointment of Whistle-blower Protection Officer who is independent of the area subject to any inquiry. We are committed to protecting and respecting the rights of any person who reports improper conduct in good faith. The *Conflict of Interests Policy* requires anyone with a conflict of interest to declare it and step outside the decision-making process. Conflicts of interests and conduct are also specifically mentioned in the Mission Australia Board Governance Charter. Processes are in place for the Mission Australia Group to manage related party transactions and third-party contestable transactions.

A *Fraud Control and Corruption Prevention Policy* addresses fraud and dishonesty prevention systems and procedures.

Pursuant to the *Modern Slavery Act 2018*, Mission Australia is committed to conducting activities in a fair, honest and consistent manner, and aims for a proactive stance on modern slavery. We will be seeking to fully comply with the requirements of the *Modern Slavery Act 2018* and are committed to proactively identifying and addressing Modern Slavery issues in our operations and supply chain. Mission Australia expects all suppliers to meet our Supplier Code of Conduct.

Mission Australia and its controlled entities

Mission Australia's **Modern Slavery Statement 2020** outlines the actions we have taken to identify and mitigate modern slavery risks in our operations and supply chain over the 2019/20 period:

- Our Short-Term Ambition Consistent with Mission Australia's values, including its strong
 public commitment to conducting activities in a fair, honest and consistent manner, we aim
 for a proactive stance on Modern Slavery. We are committed to proactively identifying and
 addressing Modern Slavery issues in its operations and supply chain and aims to undertake a
 phased approach to extend this commitment.
- Our Long-Term Ambition In developing a consistent approach to risk identification and
 management throughout Mission Australia's value chain, our long-term ambition is to
 extend aspects of its Modern Slavery reforms to other parties, such as donors and recipients.
 Modern Slavery will form part of Mission Australia's broader enterprise risk management
 framework. Mission Australia will look to leverage the opportunity from the Modern Slavery
 supply chain review and improvement activities to strengthen supply chain processes and
 controls in relation to enterprise risks.

Governance Standard 4—Suitability of responsible entities

(Structure the Board to add value, Remunerate fairly and responsibly)

(AICD Principle 2: Roles and Responsibilities)

(AICD Principle 3: Board Composition)

(AICD Principle 4: Board Effectiveness)

(AICD Principle 6: Performance)

Board composition

Each Board has an appropriate balance of skills, knowledge, experience and diversity to enable them individually and collectively to exercise their judgment to discharge their duties and responsibilities effectively. We acknowledge that our Directors are "responsible entities" under the ACNC Act and that they must not be persons disqualified from managing a corporation or disqualified by the ACNC from being a responsible entity.

The profile of each Mission Australia Director is available on our website and included in the Annual Report. The Mission Australia Board members, including the Chairman are Independent Non-Executive Directors elected by Mission Australia's members. Mission Australia's Constitution requires no less than 6 and no more than 12 Directors. There are usually 7 - 9 Directors. The Board Governance Charter requires the Board to assess whether each Director is sufficiently independent. Each Director supplies the Chairman with all the necessary, requested information that may be relevant to this assessment. The tenure of each director is generally nine years in accordance with Guidelines: Director's Rotation & Term Limits.

One third of Directors must retire at each Annual General Meeting with those longest in office selected by rotation. Those that are continuing and are eligible stand for re-election. No employee of Mission Australia, including the CEO, can be the Chairman or a Director on the Board of Mission Australia, although they may be Directors of controlled entities of Mission Australia.

Members of the Board receive a letter of appointment detailing the terms and conditions of their appointment and complete an induction program when first appointed. Board and Committee members' knowledge of Mission Australia is maintained by regular visits to Mission Australia offices and services, management presentations and through access to continuing education programs. The directors are invited to give feedback on their induction. The Board evaluates its own performance annually and conducts at least every 3 years an external review which also includes the Mission Australia Housing and Mission Australia Housing (Victoria) Board. The last external review of the

Mission Australia and its controlled entities

Mission Australia Board was conducted in 2018, and of Mission Australia Housing and Mission Australia Housing (Victoria) in 2019.

Board Chairman

The Board Chairman's role is articulated in the Board Governance Charter. The Chairman has primary responsibility for ensuring the integrity of Board processes. The role includes providing leadership, facilitating effective contribution of all Directors and promoting constructive and respectful relationships between Directors and between the Board and Management.

Board Committees

The Board has delegated some of its functions to Board Committees, details of which are available on our website:

- Board Audit and Risk Committee
- People, Culture and Remuneration Committee
- Service Impact Committee

Independent Advice

The Board Governance Charter enables the Board of Directors to seek independent professional advice at the expense of Mission Australia with the agreement of the Chairman.

Succession Planning

The People, Culture and Remuneration Committee assists the Board with Board succession planning including reviewing the composition of the Boards with the objectives that each Board is composed of Directors who have the skills and experience to fulfil their obligations with diligence and judgement. The Committee members are all Independent Non-Executive Directors. The Committee consults informally during the year and meets at least three times on a formal basis. The Board skills are reviewed annually.

The Committee maintains a list of appropriately qualified potential new directors and a recruitment consultant may be appointed from time to time to deepen the pool. The Board appoints candidates as members of Board level committees suitable to their experience.

The Potential Directors are shortlisted after rigorous screening process by the Committee who recommends them to the Board for appointment. The members are the final authority to appoint a director at the Annual General Meeting.

Remunerate fairly and responsibly

Non-executive Directors serve on a pro-bono basis and do not receive remuneration, although reasonable expenses incurred while carrying out their duties as directors may be reimbursed such as travel, accommodation and meals. There are no Executive Directors on the Board of Mission Australia.

The Board People, Culture and Remuneration Committee is responsible for recommendations to the Board regarding remuneration and other terms and conditions for the CEO and senior executives.

We recognise that people who work for Mission Australia usually demonstrate a high level of concern for the disadvantaged, have a strong social conscience and a passionate loyalty to clients. We strive to build practices which will attract, retain and motivate high quality senior executives and staff and to align their interests with the Mission Australia purpose.

Mission Australia has a dedicated team of chaplains motivated by our *Founding Purpose* to share God's love and meet human need. Chaplains support our staff through the significant challenges of working with some of Australia's most disadvantaged people. We offer appropriate pastoral care to Mission Australia staff and clients when requested, including referring people to other faiths if asked, and

Mission Australia and its controlled entities

understand that not everyone wants to engage with spiritual matters. We offer an employee assistance program, a free and confidential counselling service to improve health and wellbeing of our employees.

Diversity

Maintaining a diverse and inclusive workplace is important to Mission Australia. The principles of equal opportunity for women, and other groups in our community, are well aligned with our Values. Interview guides for potential new staff are designed to ensure all applicants are assessed on a level playing field, based on their competencies and not gender or background. A significant proportion (up to 75%) of our workforce is women in senior, middle management, administrative and clerical staff. 37.5% of the Board members are women. Our workforce diversity enables us to better understand and service our clients. We provide an inclusive workplace without discrimination, and we recognise the diversity of individuals and communities in which we work as set out in our *Diversity & Inclusion Policy*.

Our commitment to diversity and inclusion flows from our *Founding Purpose* to "meet human need and spread the knowledge of the Love of God" and is an operating principle in our 20-25 Strategy. We use Jesus' own example to help guide this; Jesus drew people from many different backgrounds into his life and mission and excluded no one.

Drawing our *Founding Purpose* and our 20-25 Strategy together means we serve on the basis of need, without discrimination, recognising and respecting diversity in individuals and communities. We commit to challenging bias and stereotypes. We know that we will better understand and serve our clients through a diverse workforce, and we welcome that diversity. To truly achieve our goal of an Australia where we all have a safe home and can thrive, we must recognise and celebrate the diversity of Australia and work towards a country where everyone feels welcome, included and safe. Our Diversity and Inclusion Strategy outlines how we will work towards that.

Mission Australia has a number of diversity specific plans that have been developed over a number of years to support the Reconciliation Action Plan (RAP) and funder contract requirements for new services (e.g. LAC). In addition, Mission Australia is required to report on gender diversity outcomes to meet the government requirements under the Workplace Gender Equality Agency (WGEA).

The <u>Diversity & Inclusion Policy (PDF, 235kB)</u> has been developed to provide an overarching approach and governance framework to meet these requirements and provide a workplace that is genuinely diverse and inclusive.

Governance Standard 5—Duties of responsible entities

(Solid foundations for management and oversight, Recognise and manage risk, Safeguard integrity in financial reporting)

(AICD Principle 6: Performance)

(AICD Principle 8: Stakeholder Engagement)

(AICD Principle 1: Purpose & Strategy)

(AICD Principle 10: Culture)

Foundations for management and oversight

The role of the Board is to ensure Mission Australia has in place a governance framework which ensures we are operating legally, ethically and responsibly in fulfilling our *Founding Purpose* and objectives.

Mission Australia and its controlled entities

The role of the Board is summarised in the Board Governance Charter which can be viewed at our website.

It includes:

- Defining and modelling organisational values that foster a culture in Mission Australia consistent with our *Founding Purpose*;
- Providing strategic guidance for the Mission Australia Group and effective oversight of management;
- Approving the strategy of Mission Australia Group in alignment with its purpose and periodically monitor and review the performance of the organisation against strategic directions;
- Establishing the functions reserved to the Board and those delegated to the CEO;
- Appointing the CEO, approving succession plans, monitoring and evaluating the performance of the CEO and determining the goals and objectives for the setting of senior management remuneration policies and practices;
- Monitoring financial results and the effectiveness of the risk-management system and overseeing policies governing the Mission Australia Group operations including those for social, environmental sustainability as well as ethics and transparency;
- Evaluating the Board's effectiveness and aspiring to excellence in corporate governance;
- Developing and maintaining a culture which promotes safety for the vulnerable people we serve and our employees; and
- Overseeing the reward and recognition framework that aligns with the organisation's purpose.

The Board oversees and monitors management's performance by:

- Selecting, appointing, guiding and monitoring the performance of the CEO;
- Approving Mission Australia's annual budget and financial statements;
- Formulating Mission Australia's strategic plan together with the CEO and executive management;
- Meeting twelve times a year:
 - five meetings are held at Mission Australia operational sites (including head office),
 to:
 - Monitor progress in achieving the strategic plan and performance against operating and capital budgets; and
 - Receive detailed financial and other reports and input from Management to verify Mission Australia's financial performance, viability, solvency and long and short-term sustainability;
 - o six meetings a year are held by teleconference and as otherwise required to discuss current matters; and
 - o Annually the Board meets to discuss Mission Australia Group strategy;

- Assigning responsibility to Board Committees to oversee particular aspects of Mission
 Australia's operations and administration in areas such as investment, finance, audit, risk,
 service evaluation and review, Board nominations and executive remuneration. Each Board
 Committee operates under approved charters that are reviewed and updated from time to
 time as required;
- Appointing or approving the appointment of directors to the Mission Australia Housing Entities responsible for providing and managing social and affordable housing, which may include Mission Australia independent non-executive directors, external independent non-executive directors with expertise and experience in property, construction and/or community housing and Executives. In the case of Mission Australia Housing and Mission Australia Housing (Victoria) there will always be a majority of independent non-executive directors, and the Chairman will be a Mission Australia independent non-executive director (other than the Mission Australia Chairman); and
- Monitoring internal control, health and safety, risk management, feedback and complaints, compliance and quality control frameworks and management information systems as well as reviewing delegations, policies and procedures;
- Reporting to stakeholders on a regular basis, including providing financial reports;
- Overseeing Mission Australia compliance with relevant legislation and regulations; and
- Advocating for Mission Australia whenever and wherever appropriate.

The Board delegates responsibility for Mission Australia's day-to-day operations and administration to the CEO and executive management. A schedule of delegated authority sets out staff decision-making responsibilities and financial contractual thresholds for appropriate levels throughout Mission Australia.

Safeguarding integrity in financial reporting

(AICD Principle 7: Transparency and Accountability)

A Board Audit and Risk Committee is established with at least three Non-Executive Directors who have accounting, risk, audit or related expertise. The other Board Directors, CEO, CFO and General Manager of Enterprise Risk and Assurance have a standing invitation to attend meetings but are not members of the Committee.

The Committee has a formal Charter with responsibility to assist the Board to fulfil its corporate governance responsibilities for the Mission Australia Group, particularly in relation to oversight of the:

- maintenance of an effective framework of risk management including compliance and internal controls;
- reliability and integrity of the financial statements and external financial communication;
- effectiveness of the external audit and internal assurance functions; and
- adequacy of Mission Australia's insurance coverage.

The Committee includes an annual agenda item for the selection and appointment of the external auditor and considers the rotation of external audit engagement partners.

Under its Charter, the Internal Assurance function reviews the effectiveness and efficiency of Mission Australia's operations and management control environment and works collaboratively with Management on potential improvements.

Recognising and managing risk

(AICD Principle 5: Risk Management)

Mission Australia is committed to an organisational culture that enables us to achieve our strategic objectives through appropriate management of risk. We also understand that commitment from all levels of the organisation is required to demonstrate behaviours which are consistent with a risk-conscious culture. All staff have a role to play, and are made aware of that role, in achieving our strategic objectives.

The Board has a number of responsibilities specifically relating to risk, including:

- monitoring the effectiveness of Mission Australia's risk management systems, including compliance with regulatory requirements;
- satisfying itself through reporting and oversight that appropriate internal and external control mechanisms are in place and are being implemented;
- approving Mission Australia's financial statements and monitoring financial performance against approved budget; and
- providing oversight and monitoring of workplace health and safety issues in the Mission Australia Group and considering appropriate WHS reports and information.

In fulfilling these responsibilities, the Board is assisted by the Board Audit and Risk Committee.

Mission Australia has identified its key strategic risks. These include:

- Delivering on our strategic objectives;
- Securing ongoing funding for our work; Complying with regulatory, funding and contractual obligations;
- Minimising impact of damage to credibility and reputation;
- Retaining high-quality skilled staff;
- Ensuring the safety of our staff and volunteers; and
- Ensuring the Mission Australia Group has the capacity to respond to social, economic and political change

In addition to the above, Mission Australia will not tolerate risk that infringes on our duty of care to the people in our services. Mission Australia has no willingness to accept risk relating to meeting service requirements that act to protect the people in our services, including children, young people, the elderly and the vulnerable.

The recognition and management of risk is undertaken under an Enterprise Risk and Assurance Framework and an *Enterprise Risk Management Policy* with architecture and protocols that are informed by the Australian Standard for Risk Management- Guidelines AS ISO 31000:2018.

We understand there will always be risk associated with the provision of human services and that the Risk Management Framework of the organisation is tailored accordingly. This framework applies across the group. Risks are identified and owned by the managers of the business in which those risks reside. Those managers are responsible for ensuring their risks are appropriately managed, reported and escalated.

Mission Australia has an internal assurance function which provides assurance to Management and the Mission Australia Board that controls are operating and effective. Internal Audits are completed

Mission Australia and its controlled entities

on the basis of assessed risk in the areas of finance, safety, information technology and compliance with contracts and regulations. All Mission Australia programs and services are in scope of internal audit including all structures (and controlled entities) of the Mission Australia Group.

Mission Australia is dedicated to social responsibility in the very nature of its activities and is conscious of its environmental impact. Responding to the impact of climate change on Australians in need is one of our operating principles that guide how we deliver our strategy. Mission Australia will promote social and environmental policies which minimise harm and promote wellbeing.

Governance Standard 6: Maintaining and Enhancing Public Trust and Confidence in the Australian Not-For-Profit Sector

(Ensuring that a registered charity's governance enables it to be accountable for its past conduct relating to institutional child sexual abuse)

(AICD Principle 1: Purpose & Strategy)

(AICD Principle 7: Transparency and Accountability)

(AICD Principle 9: Conduct and Compliance)

(AICD Principle 10: Culture)

National Redress Scheme

Mission Australia ensures that it is accountable for its past conduct relating to institutional child sexual abuse and supports Governance Standard 6.

Mission Australia voluntarily joined the National Redress Scheme for Institutional Child Sexual Abuse (the Scheme), in October 2020. The Scheme a recommendation of the Royal Commission into Institutional Responses to Child Sexual Abuse (The Royal Commission) seeks to acknowledge harm done to people who experienced institutional child sexual abuse.

The Scheme's principles of redress are consistent with Mission Australia's approach in engaging with survivors where we have (where appropriate) offered and provided financial redress, written and verbal apologies and other support (counselling). Joining the Scheme also demonstrates Mission Australia's commitment to be a child safe organisation.