

## **GOVERNANCE POLICY: Board Composition, Development and Performance**

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### **1. Number of Directors**

The composition of the Board is determined in accordance with the Company's Constitution, which requires that the Board includes Directors from across Australia and is comprised of not less than three (3) and not more than nine (9) Directors. The Board is to include up to eight (8) Directors (Graduate) residing in Australia and up to two (2) Directors (Independent), provided that the total number of Directors does not exceed nine (9).

There will be no more than two (2) Directors (Graduate) on the Board from any one (1) Allied Health discipline.

So long as the total number of Directors does not exceed nine (9), the Board may appoint a person as a Director (Independent) at any time where the Board considers it necessary or desirable to provide additional specific skills and experience to the Board.

### **2. Types of Board Members**

The Directors of the Company are those persons appointed or elected as Directors in accordance with Articles 39, 40 and 41 of the IAHA Constitution.

A Director (Graduate) must be a Full Member – Allied Health Graduate as defined by the IAHA Constitution.

A Director (Independent) does not need to be a Member, as defined by the IAHA Constitution, or be from an Allied Health discipline per Article 39(d).

### **3. Appointment of Directors**

A person becomes a Director:

- where a Director retires or otherwise ceases to be a Director, when the Company, by resolution at a meeting of Members, fills the vacancy;
- where the Company, by resolution at a meeting of Members, otherwise appoints a person as a Director; or
- where the Board appoints a Director (Independent) under Article 39(d) of the IAHA Constitution or appoints a Director to fill a vacancy under Article 41.

Allied Health Graduate Full Members may nominate to stand for election as a Director of the Company at an AGM or General Meeting where the business of the meeting includes the election of Directors. However, that Member is not eligible to be appointed as a Director at any meeting of Members unless a nomination signed by the Member accompanied by his or her consent to act as a Director is given to the Secretary at least 10 Business Days before the meeting.

If the number of nominations received by the Secretary, from persons eligible to be appointed as Directors under the IAHA Constitution, exceeds the number of vacancies to be filled, a ballot must be held for the election of one or more Directors to fill the vacancy(ies).

The Director nomination and ballot process must be conducted in such manner as the Board may direct from time to time (see Attachment A **BY LAWS FOR THE NOMINATION AND ELECTION OF IAHA DIRECTORS**). The outcome of the ballot process will be announced by the chairperson of the meeting and confirmed by resolution of the Members

### **Board may appoint a Director to fill a vacancy:**

Where a Director retires or otherwise ceases to be a Director prior to the time at which that person would have been required to retire, the Board may appoint a person to fill the vacancy, provided that the person appointed to fill the vacancy meets the eligibility requirements that apply under the IAHA Constitution in relation to the Company's appointment of a person to that position per Article 41.

A person appointed by the Board to fill a vacancy holds office until the end of the AGM next following their appointment and is eligible for reappointment at that AGM.

### **Term of Office:**

Directors (Graduate) will be elected on rotation for a two (2) year term so that, to the extent practicable, the appointment of half of the Directors (Graduate) expire each year.

A Director (Graduate) must retire from office at the end of the second AGM following that Director's last appointment and is eligible for reappointment.

A Director (Independent) will be appointed for a term of two (2) years and will be eligible for reappointment at the end of that term.

Subject to the requirements of the Corporations Act, the Board may, on application of a Director, grant that Director leave of absence from the Board, for a period determined by the Board.

### **Appointment of officers Article 57:**

The Board must elect the following officers where a vacancy in that office arises:

- Chair;
- Deputy Chair; and
- Secretary.

If the number of nominations exceeds the number of vacancies to be filled, a ballot must be held.

The ballot for the appointment of officers must be conducted in such manner as the Board may decide.

The ballot for the appointment of officers must be conducted in such manner as the Board may direct.

All nominees for the Chair or Deputy Chair Positions must be a Director (Graduate. Directors (Independent) are not eligible to be elected as the Chair or Deputy Chair of the Board.

### **Vacation of Office Article 43:**

A person ceases to be a Director if the person:

- fails to attend three (3) consecutive Board meetings without the consent of the Board;
- resigns by notice in writing to the Company;
- ceases to be a Full Member of the Company (other than for Directors (Independent));
- retires pursuant to Article 42 and is not re-elected;
- is removed from office pursuant to the Corporations Act;
- is an employee (whether full-time or part-time) of the Company or of any related body corporate of the Company and ceases to be an employee of the Company or of a related body corporate of the Company;
- becomes an insolvent under administration;
- becomes of unsound mind or a person whose property is liable to be dealt with pursuant to a law about mental health; or
- is not permitted to be a director, or to manage a corporation, pursuant to the Corporations Act.

### **Director Competencies:**

Director Competencies include:

- understanding of contemporary issues and dynamics of the Indigenous health sector in which IAHA operates – that is Aboriginal and Torres Strait Islander health and particularly the contribution of the allied health professions to health and wellbeing
- add value to the current and emerging strategic requirements for IAHA
- effectively review the performance of IAHA
- ability to differentiate between governance and management functions and awareness of when board discussion and activities drift into operational matters/issues
- ability to prioritise the interests of IAHA

Personal attributes include:

- Interpersonal relationship and negotiation skills
- Capacity for fostering good interrelationships in a boardroom setting
- Good communication skills
- Commitment to professionalism

Further information for Directors can be found in the Constitution at Article 45 Interests of Directors, Article 46 Composition of the Board, Article 47 General Powers.

**Other skills, knowledge and/or experience that is preferred and will contribute significantly to the Company is:**

- business development or management
- financial management
- risk management

- board and/or company governance and compliance
- strategic thinking and planning
- Indigenous leadership

### **New Director Induction:**

The Board recognises that a proper induction of new Directors significantly enhances their knowledge and proficiency and therefore benefits both IAHA and the new appointee.

The IAHA Board Members will be provided with an **induction package** which outlines the Board's governance processes and their roles and responsibilities whilst serving as a Board Member.

The following information will be conveyed to the new Director as part of the Director Induction Program:

- A formal letter of appointment that details
  - Terms of appointment and tenure
  - Access to information
  - Insurance coverage
- A copy of key documents including
  - Governance Charter
  - IAHA Constitution
  - Annual Board Calendar
  - Recent Board minutes and papers (last 2 x meetings)
  - Recent Annual Report
  - IAHA's current Strategic Plan
  - Organisation's financial structure and reporting format
  - Administrative policies and procedures for Directors' travel, reimbursement of expenses etc
- An opportunity to discuss with the CEO or Chairperson
  - The organisation's financial structure and reporting format
  - Administrative policies and procedures for Directors' travel, out-of-pocket expenses etc.
  - Any other important operating information
- Introductory governance course annually for Directors, including finance report and financial training with the Company Accountant

### **Insurance:**

IAHA arranges professional indemnity insurance to cover all activities of the Company.

IAHA indemnifies its Directors and Office Bearers for all that is legally permitted and IAHA seeks appropriate insurance cover where possible for all potential liabilities flowing from the indemnities. Each Director is required to sign an IAHA Deed of Indemnity document at the first induction meeting.

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## BY LAWS FOR THE NOMINATION AND ELECTION OF IAHA DIRECTORS

### 1. Purpose

These By Laws provide the process for the nomination and election of IAHA Directors by IAHA's Members at an AGM or other General Meeting.

These By Laws do not apply to the appointment of a Director by the Board to fill a casual vacancy until the next AGM.

### 2. Application

These By Laws apply to all AGMs and General Meetings where the notice of meeting indicates that the business includes the election of Directors.

### 3. Definitions

**AGM** means the annual general meeting of the Company as required by the Corporations Act.

**Associate Member** means a person or organisation referred to in Articles 7(c) and 7(d).

**Attending Member** means, in relation to a meeting of Members, a Member attending the meeting (including through the use of technology), in person or by proxy, by attorney or, where the Member is a body corporate, by Corporate Representative.

**Board** means the Directors of the Company from time to time.

**Business Day** means a day except a Saturday, Sunday or public holiday in the state or territory in which the Company is taken to be registered for the purposes of the Corporations Act.

**Chair** means the inaugural Chair of the Company or any person subsequently appointed to that office in accordance with Article 57.

**Corporate Representative** means a person authorised in accordance with the Corporations Act (or a corresponding previous law) by a Member which is a body corporate to act as its representative at a meeting of Members.

**Director** means a person who is, for the time being, a director of the Company and includes a Director (Graduate) and Director (Independent) which have the meanings given in Articles 39(b) and 39 (d) of the Constitution.

**Full Member** means an Indigenous Allied Health graduate (Graduate Member) or Indigenous Allied Health student (Student Member) referred to in Articles 7(a) and 7(b).

**General Meeting** means a meeting of Members other than the AGM.

**Member** means a person whose name is entered in the Register as a member of the Company.

**Register** means the register of Members kept pursuant to the Corporations Act and, where appropriate, includes any branch register.

**Secretary** means a person appointed as, or to perform the duties of, secretary of the Company for the time being.

### 4. Background

Article 39 of IAHA's Constitution provides that:

- the number of Directors will not be less than three (3) and not more than nine (9);
- Allied Health Graduate Full members may be appointed as a Director (Graduate), provided always that the appointment is in accordance with Article 40.

- The Company intends that the Board, to the extent possible, includes Directors from across Australia and that the Board specifically includes:
  - a. up to eight (8) Directors (Graduate) residing in Australia; and
  - b. up to two (2) Directors (Independent), provided that the total number of Directors does not exceed nine (9);
- the Board may appoint a person as a Director (Independent) at any time where the Board considers it necessary or desirable to provide additional specific skills and experience to the Board. To be eligible for appointment as a Director (Independent), the person need not be a Member nor be from an Allied Health discipline; and
- Notwithstanding any other provisions of these Articles, there will be no more than two (2) Directors (Graduate) on the Board from any one (1) Allied Health discipline,

Article 40 of IAHA's Constitution provides that:

In respect to Article 40(a)(i) and (ii), Allied Health Graduate Full Members may nominate to stand for election as a Director of the Company at an AGM or General Meeting where the business of the meeting includes the election of Directors.

However, that Member is not eligible to be appointed as a Director at any meeting of Members unless a nomination signed by the Member accompanied by his or her consent to act as a Director is given to the Secretary at least 10 Business Days before the meeting.

Despite any other Article in the Constitution, if the number of nominations received by the Secretary under Article 40(b), from persons eligible to be appointed as Directors under this Constitution, exceeds the number of vacancies to be filled, a ballot must be held for the election of one or more Directors to fill the vacancy(ies). The Director nomination and ballot process must be conducted in such manner as the Board may direct from time to time. The outcome of the ballot process will be announced by the chairperson of the meeting and confirmed by resolution of the Members.

These By Laws are the Board's direction on how the nomination and ballot process shall be conducted.

## **Eligibility and Nomination**

Eligibility to stand for election as a Director:

To be eligible to stand for election as a Director and be appointed as a Director at any meeting of Members where the notice of meeting indicates business relating to the election of Directors, a person must:

- be a Graduate Member in accordance with Article 9(c)(v) of the IAHA Constitution and must have their name entered in the Register of Members in accordance with Articles 9(a) and 11(b);
- have given a nomination signed by the Member, accompanied by his or her consent to act as a Director, to the Secretary at least 10 Business Days before the meeting;
- not be bankrupt or an insolvent under administration;
- not be disqualified from:
  - managing a corporation under the Corporations Act 2001 (Cth);
  - being a responsible person by the ACNC Commissioner, within the previous 12 months; or

- managing an Indigenous corporation under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth).

In addition, the Board has the discretion to reject a nomination to be a Director where, in the reasonable opinion of the Board, the candidate is not a fit and proper person to hold the office due to:

- a criminal record;
- a failure to have applied for, and obtained, a working with vulnerable people check and registration in a relevant State or Territory and/or an unwillingness to do so; or
- a finding of professional misconduct or failure to meet a professional standard, or deregistration from (or inability to practice in) a health profession.

Note: ACNC's Governance Standard 4 requires IAHA to take reasonable steps to be satisfied that its responsible persons (that is, its board members) are not disqualified from managing corporations. If IAHA is not satisfied, it must not appoint the person.

In conducting due diligence prior to accepting a nomination to be a Director, IAHA will search as follows:

- ASIC's Banned and Disqualified Register;
- ACNC's Register of Disqualified Persons;
- the Office of the Registrar of Indigenous Corporations Register of Disqualified Officers; and
- any professional registration or standards association or board (to the extent considered relevant).

### **Election Notice:**

The Secretary shall circulate a notice to IAHA Members indicating any and all Director vacancies at least 6 weeks prior to the AGM or General Meeting where the business of the meeting includes the election of Directors (Election Notice).

A vacancy exists where a Director has retired (for example, in accordance with Article 42(c)) or otherwise ceases to be a director (in accordance with Articles 43, 44 or the Corporations Act).

### **Director Nominations:**

An eligible Full Member may nominate for the role of Director by providing a nomination signed by the Member to the Secretary at any time after the Election Notice has been issued and **at least 10 Business Days before the meeting.**

The Director nomination and consent form must include the candidate's:

- consent to act as a Director; and
- declaration confirming:
  - that they are not disqualified to act as a director or responsible person of a corporation or company;
  - that they understand what it means to be disqualified; and
  - other matters prescribed by the Board in the Director nomination and consent form.

### **Statement of candidates:**

A person nominating as a Director may provide a statement either written or by video, presenting his or her case to Members for election to the position of Director. Where a virtual general meeting is held, candidates may provide a recorded video statement and a written statement is not required.

This statement should be provided to the Secretary along with the candidate's nomination or at any time following that nomination but **prior to 10 Business Days** before the meeting. Upon receipt of a statement from an eligible candidate, the Secretary will arrange for the statement to be promptly posted on the Members-only section of the IAHA website for Members to be able to access prior to voting at the Director election. The statement will not be posted if it contains any defamatory content or other content deemed inappropriate by the Secretary.

### **The statement should include (but is not limited to):**

- the nominee's qualifications attributes and expertise;
- an explanation of the nominee's understanding of IAHA's objects, stakeholders and operating environment;
- an explanation of the nominee's vision and priorities for IAHA;
- an explanation of the nominee's skills, knowledge and/or experience and how the nominee would propose to add value to overall strategic direction and governance of the Company; and
- an explanation of how the nominee will work as team and contribute to the future of the Company.

Director rotation and tenure is in accordance with Article 42.

## **Elections**

### **Requirement for a ballot process:**

Article 40 provides that if the number of nominations for Director received by the Secretary under Article 40(c) exceeds the number of vacancies to be filled, a ballot must be held for the election of one or more Directors to fill the vacancy (ies).

If there are fewer (or the same number of) nominations than vacancies, then the election of each candidate will be put to the vote under Article 30, as a separate resolution for each candidate.

The following rules apply to the conduct of a ballot:

### **Returning Officer to conduct election:**

- The Chair of the meeting is to appoint an independent Returning Officer to conduct the Director ballot.
- The Returning Officer is to appoint two scrutineers (not Members) to assist with the tally of votes. Where a virtual general meeting is held, the online voting service provider is responsible for tallying the votes and the Returning Officer is not required to appoint scrutineers.
- In the case of any dispute as to the conduct or scrutiny of the ballot, the decision of the Returning Officer shall be final.



## **Ballots:**

All Attending Members shall, prior to attending the meeting and on confirmation of their voting eligibility, be given the ballot papers validated with a distinguishing mark which they must use to cast a vote at the election of Directors.

Each ballot paper shall contain the names of those candidates that have formally nominated for the position in accordance with Article 40(b).

The ballot papers shall be prepared by the Secretary and are to:

- show the position(s) being contested;
- show the names of the candidates contesting each position (in the order drawn by lot);
- distinguish names from each other where a similarity in the names of two or more candidates is likely to cause confusion;
- give the candidates preferred use of name where possible. For example, candidate may prefer Bill for William or Jim for James but nicknames are not acceptable; and
- provide clear and concise direction as to the manner in which the vote is to be recorded.

Where a virtual general meeting is held, the ballot will be conducted electronically using an electronic voting system that addresses the requirements set out below for a preferential ballot approach.

## **Candidates may address meeting:**

### **Each candidate will address the meeting for up to five (5) minutes prior to the ballot.**

The Returning Officer shall determine by lot the order in which the candidates for each position will be heard by the meeting. No other candidate shall be present while a candidate is being heard.

Where a virtual general meeting is held, each candidate's recorded video statement will be played at the AGM to all attending Members, prior to the ballot being conducted. A candidate may (but is not required to) record an updated recording for the AGM - that is, if the Member wishes change any aspect of their case for election. If so, this updated recorded statement must be provided to IAHA at least 24 hours prior to the AGM. Noting that statements are pre-recorded, there is no requirement for other candidates to leave the meeting while a candidate's statement is played.

## **Preferential ballot system to apply:**

The ballots for the available number of Director (Graduate) positions will be conducted as a "secret ballot" using a "preferential voting system", where each Member voting indicates the order of preference for candidates by placing "1" next to their first choice, "2" next to their second choice, and so on. Where the outcomes of an election would result in more than two (2) Directors on the Board from any one (1) Allied Health discipline, the following process applies:

- only two (2) Director (Graduates) on the Board may be from any one (1) Allied Health discipline; and
- the Director(s) to be appointed from the election (if any) are those first elected under the preferential voting system.

### **Informal voting:**

Ballot papers (whether hard copy or electronic) that:

- do not allocate a number to all listed candidates (although a voter may choose to not allocate a number to one candidate, in which case that candidate is treated as the voter's last preference); or
- are marked or completed so as to be indistinguishable as to the intent of the vote,

will be deemed informal and will not be included in the voting tally. The decision of the Returning Officer as to informal votes shall be final.

### **Tallying votes:**

Once all votes are cast, the Returning Officer (or, for a virtual general meeting, the online voting service provider) shall tally the formal votes as follows:

#### **Where only 1 candidate is to be elected:**

Where only one candidate is to be elected, the formal votes will be counted as follows:

- an absolute majority is 50% + 1 of the total formal votes cast;
- the formal votes are counted according to the first preferences given by voters (primary vote);
- a candidate that receives an absolute majority of the primary vote is elected;
- if no candidate receives an absolute majority of the primary vote, then subsequent preferences are distributed as follows:
- the candidate who receives the smallest number of first preferences is eliminated from the count;
- the votes initially received by the eliminated candidate are allocated to the remaining candidates accord to the second preference of those who gave their first preference to the now eliminated candidate - this number is now added to the number of first preferences obtained by the remaining candidates;
- if as a result, a remaining candidate now has an absolute majority that person is elected;
- if not, the same process is applied in respect of the candidate who has the smallest aggregate of the primary vote plus allocated preferences, and so on, until a candidate has an absolute majority.

#### **Where 2 or more candidates are to be elected:**

Where 2 or more candidates are to be elected, the formal votes will be counted as follows:

- an absolute majority is 50% + 1 of the total formal votes cast;
- the formal votes are counted according to the first preferences given by voters (primary vote);
- a candidate that receives an absolute majority of the primary vote is elected;
- if no candidate receives an absolute majority of the primary vote, then subsequent preferences are distributed as follows:
- the candidate who receives the smallest number of first preferences is eliminated from the count but only for the purposes of the immediate count and this candidate is not excluded from the contest;

- the votes initially received by the eliminated candidate are allocated to the remaining candidates accord to the second preference of those who gave their first preference to the now eliminated candidate - this number is now added to the number of first preferences obtained by the remaining candidates;
- if as a result, a remaining candidate now has an absolute majority that person is elected;
- if not, the same process is applied in respect of the candidate who has the smallest aggregate of the primary vote plus allocated preferences, and so on, until a candidate has an absolute majority.
- to ascertain the next successful candidate, all candidates (other than the successful candidate) are brought into consideration again, including those eliminated in the first count and the following process applies:
  - to the number of first preferences obtained by each of the remaining candidates is now added a distribution of the second preferences of those voters who gave their first preferences to the successful candidate;
  - if this does not produce an absolute majority for a candidate, the candidate with the lowest aggregate number is eliminated and preferences are distributed, and so on, until the next successful candidate is elected;

This process continues until the required number of Directors are elected (in each case all candidates, other than the successful candidates, are brought into consideration again, including those eliminated in the earlier counts).

**Election outcomes:**

The Returning Officer will notify the election outcomes to the Chair of the meeting.

The outcome of the ballot process will be announced by the Chair of the meeting and confirmed by resolution of the Members.

**DEVELOPED BY:**

**Clayton Utz**

Effective Date:  
 Endorsed by the Board on:  
 Re-endorsed by the Board on:  
 Re-endorsed by the Board on:

27 July 2013  
 26 July 2013  
 29 July 2019  
 1st September 2020



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Nicole Turner

Signed by Board Chair

1 September 2020