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State Owned Enterprises Act 1992

STATE OWNED ENTERPRISES (STATE BODY – CENITEX) ORDER 2008

Order in Council

The Governor in Council, acting under section 14 of the **State Owned Enterprises Act 1992**, makes the following Order.

1. Commencement

This Order comes into operation on the later of 1 July 2008 or the day on which it is published in the Government Gazette.

2. Definitions

(1) In this Order –

‘**Act**’ means the **State Owned Enterprises Act 1992**.

‘**Board**’ means board of directors established by clause 6.

‘**customer**’ means a public sector body identified in the Statement of Corporate Intent.

‘**ICT**’ means goods, services and property used for or in association with information and communications technology.

‘**Minister**’ means the relevant Minister designated in clause 3.

‘**Secretary**’ means the Secretary of the Department of Treasury and Finance.

‘**Statement of Corporate Intent**’ means the Statement of Corporate Intent identified in the Schedule as varied from time to time under clauses 4 and 6.

(2) In this Order ‘**Department**’, and ‘**public sector body**’ have the same meaning as in the **Public Administration Act 2004**.

3. Relevant Minister

The Minister for Finance, WorkCover and Transport Accident Commission is the relevant Minister.

4. Customers

(1) A customer must be a public sector body.

(2) A customer may be added to or removed from the Statement of Corporate Intent by the Minister on the recommendation of the board and the Secretary.

5. Cenitex

(1) There is established for the purposes of the Act a State Body by the name ‘Cenitex’.

(2) The particular purpose of establishing Cenitex is to provide or arrange for the provision of ICT to customers.

(3) The functions of Cenitex are to provide or arrange for the provision of ICT to customers.

(4) Subject to sub-clause 13(3), in exercising its functions Cenitex may do all things necessary or convenient to be done for, or in connection with, or as incidental to the performance of its functions.

(5) Cenitex is bound by all the policies and priorities of the Victorian Government in the same way and to same extent as a Department is bound, except to the extent that those policies and priorities are expressed to apply exclusively to Departments.

SPECIAL

6. Board of directors

- (1) There is a board of directors of Cenitex.
- (2) The board –
 - (a) is responsible for managing the affairs of Cenitex; and
 - (b) may exercise the powers of Cenitex.
- (3) The board is subject to the Statement of Corporate Intent.
- (4) The Statement of Corporate Intent can be varied by the board from time to time as agreed by the Minister on the recommendation of the Secretary.
- (5) A provision in any applicable law or in this Order prevails over the Statement of Corporate Intent to the extent of any inconsistency.

7. Directors

- (1) The board consists of not fewer than five and not more than eight directors.
- (2) The board must be comprised in such a way that as a whole it includes expertise in ICT, law, accounting, commerce and public administration.
- (3) Each director of Cenitex shall be appointed by the Governor in Council on the recommendation of the Minister and holds office for the term, not exceeding three years, specified in the instrument of his or her appointment.
- (4) A director is eligible for re-appointment.
- (5) The terms and conditions of appointment, including the remuneration, of a director are determined by the Minister.
- (6) In addition to any other manner in which a director may cease to hold office, a director is deemed to have vacated his or her office if he or she fails to attend three consecutive meetings of the board without the approval of the board.
- (7) An act or decision of the board is not invalid by reason only of a defect or irregularity in, or in connexion with, the appointment of a director, or of a vacancy in the office of the chairperson or of a director.

8. Chairperson

- (1) The Minister may appoint a director to be the chairperson of the board.
- (2) At the time of appointing a chairperson the Minister must determine the period of appointment, which may not exceed the remainder of the appointee's term as director.
- (3) A chairperson is eligible for reappointment.
- (4) In addition to section 80 of the **Public Administration Act 2004**, the role of the chairperson is to –
 - (a) convene meetings of the board;
 - (b) chair meetings of the board;
 - (c) ensure that the board is fulfilling its obligations including but not limited to its obligations as contained in the Statement of Corporate Intent and the corporate plan; and
 - (d) liaise with the Minister and the Secretary.

9. Acting Chairperson

- (1) The Minister may appoint a director to be the acting chairperson of the board.
- (2) At the time of appointing an acting chairperson the Minister must determine the period of appointment, which may not exceed the lesser of three months or the remainder of the appointee's term as director.
- (3) An acting chairperson is eligible for reappointment as such.

- (4) An acting chairperson has all the powers and functions of the chairperson, to the exclusion of the chairperson, during his or her period of appointment.

10. Proceedings of the board

- (1) The board must meet at least ten times each year.
- (2) Subject to this clause, the board may regulate its own proceedings.
- (3) Meetings of the board shall be held at the times and places determined by the board.
- (4) The chairperson may at any time convene a special meeting of the board and must do so when so requested by a simple majority of directors other than the chairperson.
- (5) Reasonable notice of each board meeting must be given to each director by email or by post.
- (6) Each notice must state the date, time and place (or places) of the board meeting and the technological means by which the meeting is to be conducted if it is not to be an entirely face to face meeting, and be accompanied by –
- (a) the agenda of the meeting;
- (b) any proposed resolutions; and
- (c) copies of any document that is a subject of the agenda.
- (7) An act or decision of the board is not invalid by reason of a defect or irregularity in, or in connexion with the giving or not giving notice of the meeting of the board.
- (8) The board may request any person to attend a meeting of the board.
- (9) If at a meeting of the board the chairperson is not present, the board may choose a director to chair the meeting.
- (10) A simple majority of the directors constitutes a quorum of the board.
- (11) A question arising at a meeting is to be determined by a majority of those directors present and voting on that question and, if voting is equal, the person chairing has a casting vote as well as a deliberative vote.
- (12) The board must ensure that minutes are kept of each of its meetings and retained as a permanent record.
- (13) The board may permit a director to participate in a particular meeting by—
- (a) telephone; or
- (b) closed-circuit television; or
- (c) any other means of electronic or instantaneous communication.
- (14) A director who participates in a meeting under sub-clause (13) is deemed to be present at the meeting.

11. Resolutions without meetings

- (1) If all of the directors for the time being see a document setting out a resolution and a majority of those directors sign a document containing a statement that they are in favour of a resolution in the terms set out in the document, a resolution in those terms is deemed to have been passed at a meeting of the board held on the day on which the document is signed, or, if the directors do not sign it on the same day, on the day on which the last director to sign signs the document.
- (2) If a resolution is deemed under sub-clause (1) to have been passed at a meeting of the board, each director of the board must be advised as soon as practicable and given a copy of the terms of the resolution.
- (3) For the purposes of sub-clause (1), two or more separate documents containing a statement in identical terms, each of which is signed by one or more directors of the board, are deemed to constitute one document.

12. Chief Executive Officer

- (1) The board may appoint a person who is not a director as the Chief Executive Officer of Cenitex.
- (2) The board determines the role and responsibilities and the terms and conditions of appointment of the Chief Executive Officer.

13. Corporate plan

- (1) Cenitex must prepare a corporate plan and must submit it to the Minister and the Treasurer on or before the date specified by them, or, if no such date is specified, at least two months before it intends to implement the corporate plan or any part of it.
- (2) A corporate plan must be in or to the effect of a form approved by the Minister and the Treasurer and must contain any information specified by them.
- (3) Cenitex may not –
 - (a) assign property in or provide as security any of the property or physical assets owned or provided by it, or
 - (b) invest or borrow funds, or
 - (c) engage in any other activity designated by the Minister and the Treasurer for the purposes of this sub-clause –except to that extent that that assignment, investment, borrowing or other activity is explicitly referred to in the corporate plan.
- (4) The Treasurer and the Minister each may make any comments on the corporate plan that he or she thinks fit and the board must have regard to any comments so made.
- (5) Cenitex may commence implementation of the corporate plan two months (or any shorter time allowed by the Minister together with the Treasurer) after submitting a corporate plan under sub-clause (1).
- (6) Cenitex must not make a major deviation from its corporate plan unless it has, at least two months (or any shorter time allowed by the Minister together with the Treasurer) before it intends to make the deviation, submitted to the Minister and the Treasurer details of the proposed deviation.
- (7) The corporate plan of Cenitex at any time is the plan submitted under sub-clause (1), as varied (if at all) following comments made under sub-clause (4) or as the result of any direction given to the board under section 16C of the Act, and as revised (if at all) by any deviation under sub-clause (6), at that time.

14. Board to give notice of significant events

If the board forms the opinion that matters have arisen –

- (a) that may prevent or significantly affect the achievement of the corporate plan; or
- (b) that may prevent or significantly affect the achievement of its agreed targets –

the board must immediately notify the Minister and the Treasurer of its opinions and the reasons for its opinions.

15. Reports to the Minister and the Treasurer

- (1) The Minister or the Treasurer, in either case after consultation with the other, may require the board to give the Minister or Treasurer, as the case requires, such information or reports as they require.
- (2) The board must comply with a requirement to provide information under this clause.

16. Directions

- (1) The board and each director must comply with a direction given by the Treasurer or the Minister under section 16C of the Act.

- (2) Cenitex must publish each direction given to the board under section 16C of the Act during a financial year in the Cenitex report of operations for that financial year under Part 7 of the **Financial Management Act 1994**.

Dated 16 July 2008

Responsible Minister

JOHN LENDERS MP

Treasurer

RYAN HEATH
Clerk of the Executive Council

SCHEDULE

Statement of Corporate Intent

Cenitex

STATEMENT OF CORPORATE INTENT

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1 OVERVIEW

Cenitex is the Victorian Government's Centre of Information Technology Excellence, established by Order in Council as a State body under the **State Owned Enterprise Act 1992**.

The function of Cenitex is to provide, or arrange for the provision of integrated, and reliable goods, services and property used for or in association with Information and Communications Technology (ICT) to customers (as identified in Appendix 1).

In carrying out its functions, Cenitex will:

- Create more integrated and standardised technology services;
- Improve the quality of those services;
- Reduce risks arising from under-investment and lack of scale;
- Realise operational productivity benefits from increased scale; and
- Minimise the cost and effort of deploying and upgrading information and communications technology across the whole of the Victorian Government.

Cenitex offers a portfolio of services built off a standard platform that is available to customers and provides enhanced value for money from economies of scale together with uniform processes and technical architecture.

The aim is to adopt best practice in terms of efficient business processes and governance arrangements across the Victorian Public Service as the foundation for enabling a strong customer-oriented and service-oriented culture.

2 VISION

The Cenitex vision is to:

- (a) provide or arrange for the provision of integrated and reliable ICT infrastructure and desktop shared services for the Victorian Government; and
- (b) provide efficient and excellent customer service and value.

The core principles are:

- Sharing and standardisation;
- Sustainability;
- Responsiveness;
- Equity and fairness;
- Transparency;
- Consistent technology architecture; and
- Quality and improvement.

The strategic priorities are:

- To take a whole of Victorian Government view of ICT and infrastructure;
- Develop and operate a professional business and operating model;
- Improve effectiveness of customer engagement;
- Develop robustness and consistency in supplier relationships;
- Develop maturity in core processes and frameworks;
- Develop a culture of customer service excellence and engagement; and
- Pro-actively deliver the whole of Victorian Government shared services agenda in relation to ICT.

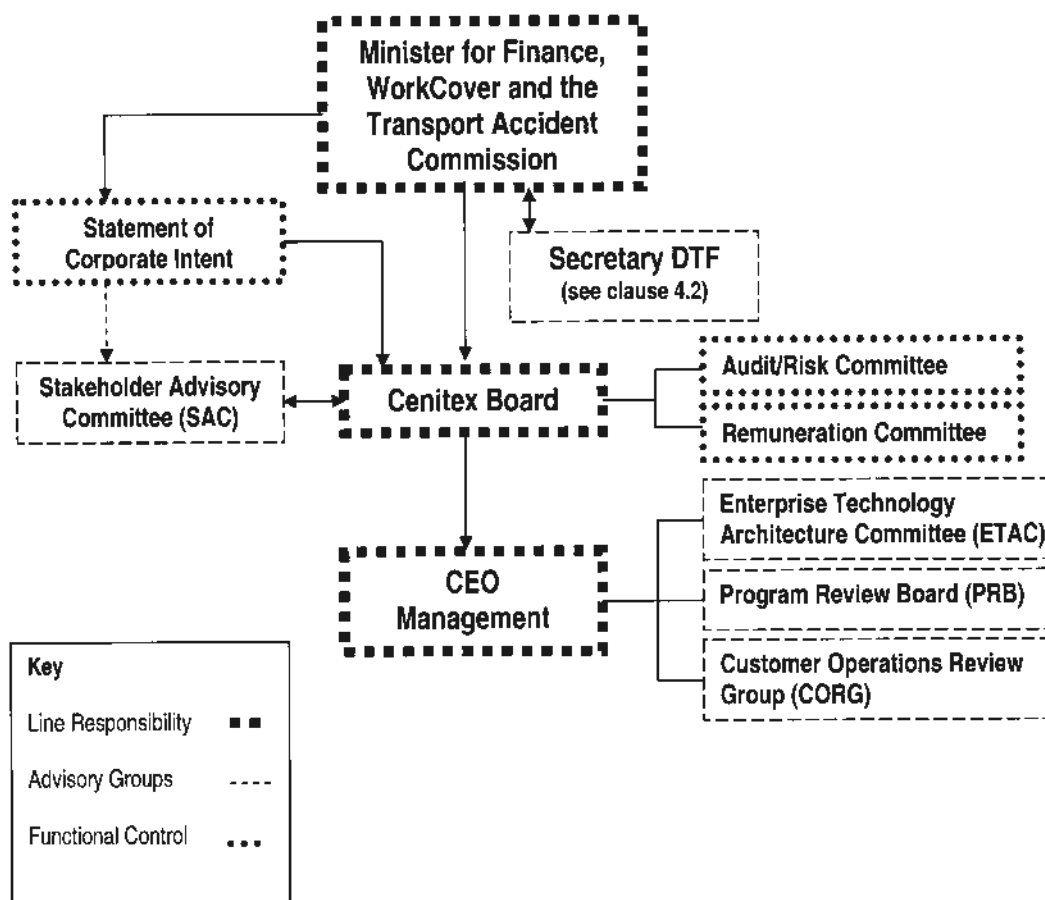
3 THE GOVERNANCE STRUCTURE

Everyone concerned with Cenitex's management, direction and operational efficiency will operate in conformity with a governance structure that ensures that the entity can be managed successfully. This is shown in the Cenitex governance structure below.

The governance structure outlines the assignment of line responsibility, functional control and advisory groups.

The service delivery and budgetary governance role is assigned to the Cenitex Board and the operational management responsibility is supported, in an advisory capacity, by other groups and forums comprising relevant departmental representation.

Cenitex governance structure:



4 DELINEATION OF RESPONSIBILITIES

4.1 Role and responsibilities of the Cenitex Board

The Cenitex Board roles and responsibilities are set out in clauses 6 to 11 and clauses 13 to 16 of the Order.

4.2 Relationship to the Minister

It is the responsibility of the Department of Treasury and Finance (DTF) to advise its Ministers in relation to all matters falling within the Ministers' areas of responsibility.

Responses (for example, to correspondence and Parliamentary questions) prepared for use by the Minister for Finance, WorkCover and the Transport Accident Commission will be prepared by Cenitex in consultation with DTF and submitted to the Minister through DTF.

Cenitex must identify to DTF every matter which will be the subject of a written or oral briefing to the Minister and liaise with DTF in relation to both the matter and the briefing.

4.3 Stakeholder Advisory Committee

The Stakeholder Advisory Committee (SAC) is the key forum for the customer departments identified in Appendix 1 to raise an issue of concern, or to initiate advice that may be considered by the Board and management.

As operational user issues are dealt with on a day-to-day basis through the CEO and the management team, the SAC is a reference group or user forum to which the Board and management may turn for advice from time to time.

As the governance model of Cenitex is based on providing commercially driven ICT services, the relationship with the customer departments needs to be based on sound contractual arrangements around service level agreements and memoranda of understanding, which are underpinned by service catalogues and transparent price lists.

Accordingly the SAC will be used to review and discuss collectively issues based on the arrangements referred to in the preceding paragraph. Cenitex management also needs to have a relationship process in place with each of the individual customer departments, outside of this committee.

The SAC should be made up of the appropriate senior customer official with responsibility in ICT (that is, the CIO), Cenitex's CEO and a Cenitex Board Director (as chair). The SAC should meet monthly unless agreed otherwise.

5 PLANNING FRAMEWORK AND CONTROL

5.1 Business Planning

5.1.1 The Board provides a three year Corporate Plan (incorporating a detailed annual Business Plan) annually to the Treasurer and the Minister.

5.1.2 The Corporate Plan can be amended to ensure that allocated resources are sufficient for the delivery of agreed outcomes as long as such amendments do not constitute a major deviation from the Corporate Plan to which clause 13(6) of the Order applies.

5.1.3 The content of the three year Corporate Plan will include:

- Objectives and performance indicators;
- Strategic priorities;
- Key assumptions;
- Organisational performance and culture plans; and
- Strategic risks.

5.1.4 The content of the annual Business Plan will include:

- Key performance measures and targets (SLAs and projects);
- Resource and capability plan;
- Operational risks and mitigating strategies;
- Major projects and investments; and
- Budgeted financial statements (quarterly periods).

5.2 Monitoring and Reporting

5.2.1 Cenitex shall comply with the provisions in Part 7 of the **Financial Management Act 1994**.

- 5.2.2 In addition to the requirements under the **Financial Management Act 1994** and any direction made, the Board will provide financial and performance reports quarterly to the Minister in an agreed format on Cenitex's performance and progress in meeting objectives and targets specified in the Corporate Plan or the annual Business Plan.

5.3 Regulatory Environment

- 5.3.1 The laws that apply to Cenitex include but are not limited to the **Public Administration Act 2004**, **Financial Management Act 1994**, **State Owned Enterprises Act 1992**, **Occupational Health and Safety Act 2004**, **Whistleblowers Protection Act 2001**, **Australian Workplace Relations Act 1996** (Cth), **Information Privacy Act 2000**, **Health Records Act 2001**, **Victorian Industry Participation Policy Act 2003**, **Freedom of Information Act 1992**, **Charter of Human Rights and Responsibilities Act 2006**.

6 FINANCIAL ARRANGEMENTS

6.1 Funding and capital injection

- 6.1.1 The Cenitex Board may:
- Determine the price to be charged for goods and services provided to their customers; and
 - Submit requests for additional funding to DTF.

6.2 Financial authorisations

- 6.2.1 The Board of Cenitex will establish and maintain authorisations covering the overall financial management of Cenitex, and will establish and maintain authorisations covering the creation of financial obligations (including contingent liabilities and obligations) on behalf of Cenitex.
- 6.2.2 The CEO may receive financial authorisations from the Board and is responsible to the Board for the effective use of resources in the procurement of supplies and services within any authorised limits applicable and subject to normal Government rules and the Victorian Government Purchasing Board supply policies and guidelines.
- 6.2.3 The CEO may engage external research or consultancy services which contribute to the development or evaluation of Cenitex's objectives or activities, in accordance with normal Government guidelines and within budget constraints.
- 6.2.4 The CEO may contract out the provision of core business or support services, subject to the 'Outsourcing and Contract Management Guidelines' issued by DTF and general Government policies.

7 ORGANISATIONAL ARRANGEMENTS

- 7.1 The Board is the public service body Head for the purposes of Part 3 of the **Public Administration Act 2004**, and any functions or powers exercised by the CEO (or any other staff member of Cenitex) in relation to employment matters are exercised by delegation from the Board or a delegate of the Board
- 7.2 If and to the extent so delegated by the Board, the CEO is responsible for developing and managing the organisational structure of Cenitex in accordance with the Corporate Plan.
- 7.3 Any changes to the number, status, or terms and conditions or employment of direct reports to the CEO are subject to the prior approval of the Board.
- 7.4 Staff are employed under the **Public Administration Act 2004**. In the exercise of its powers, the Board will be responsible for developing and implementing human resource management and policies suited to the business needs of Cenitex, in accordance with statutory requirements and any broad policy direction established by the Government.

8 REVIEW

- 8.1** This Statement of Corporate Intent will be reviewed annually by the Board and any proposed changes presented to the Minister for approval.
- 8.2** In addition, the Board may propose modifications to the Statement of Corporate Intent before the annual review if significant changes and circumstances make this necessary. Any such changes in the Statement of Corporate Intent require the approval of the Minister.

APPENDIX 1**Customer List**

The customers comprise –

- (1) the customer departments:
 - Department of Transport;
 - Department of Sustainability and Environment;
 - Department of Primary Industries;
 - Department of Planning and Community Development;
 - Department of Premier and Cabinet; and
 - Department of Treasury and Finance.
- (2) the following agencies and users of ICT:
 - Victorian Forests;
 - Metropolitan Waste Management Group;
 - Public Records Office Victoria;
 - Port of Hastings Corporation;
 - South Eastern Integrated Transport Authority;
 - Southern Cross Station Authority;
 - Transport Ticketing Authority;
 - Victorian Freight and Logistics Council;
 - Arts Victoria;
 - Office of the Governor;
 - Office of the Ombudsman;
 - State Services Authority;
 - Office of Chief Parliamentary Counsel;
 - Victorian Ministerial Offices; and
 - Past Premiers.

A public sector body not listed above may participate in Cenitex

For the purposes of the Victorian Government Electronic Messaging Service (VGEMS) only, each public sector body is a customer of Cenitex.

Public Administration Act 2004

DECLARATION OF CENITEX TO BE A DECLARED AUTHORITY

Order in Council

The Governor, pursuant to section 104 of the **Public Administration Act 2004**:

- (a) declares Cenitex to be a declared authority;
- (b) specifies the board of Cenitex as having the functions of a public service body Head in relation to Cenitex; and
- (c) specifies that all the provisions of the **Public Administration Act 2004** other than sections 10, 11, 12, 13, 14, 16, 17, 19 and 29 apply to Cenitex.

This Order is effective from the day on which it is published in the Government Gazette.

Dated 16 July 2008

Responsible Minister

HON JOHN BRUMBY MP

Premier of Victoria

RYAN HEATH
Clerk of the Executive Council

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