



Board Charter

Version No: 5
File No: INT13-02858
Resolution No: R/2014/07/348
Resolution Date: 28 July 2014
Revision Date: 28 July 2017

1. Version Control

Version	Date	Responsible	Comments on changes
1	16 December 2011	Board	Charter Adopted
2	01 March 2012	Executive Assistant	Amendments made as per new Board Members appointed October 2012
3	01 April 2012	Board	Reviewed updated Charter
4	19 April 2012	Board	Accepted updated Charter
5	18 July 2014	Chairman	Updated Board sub-committee name and additional clarification of the voting process.

2. Introduction

This Charter sets out the role, responsibilities and powers of the Board of Directors (the Board) of Westernport Region Water Corporation, trading as Westernport Water ("the Corporation" or "WPW").

Source: Westernport Water

Westernport Water is a body corporate with perpetual succession under powers conferred by the *Water Act 1989*, as amended by the *Water (Governance) Act 2006* and the *Water Amendment (Governance and Other Reforms) Act 2012*.

Source: Water Act 1989

3. Vision

Westernport Water is a sustainable enterprise providing quality products and services to the community. To achieve this vision Westernport Water's focus is to:

- Provide water and wastewater products and services, and advisory services, all of which are cost-effective for our customers and deliver triple-bottom-line results to our stakeholders.
- Value working in our region, which is a model for a self-sustainable community, balancing residential, agricultural, tourism and commercial needs.
- Support our environment by striving for carbon neutrality and providing a sustainable range of water products.
- Proudly engage our community and stakeholders and commit to the development and well-being of the staff.

Source: Westernport Water

4. Governance Framework

4.1 Legislative functions and obligations

The Water Act 1989 (as amended) provides Westernport Water with the necessary powers to perform its functions.

4.2 Essential Services Commission

The Water Industry Act has a significant statutory impact upon Westernport Water. Pursuant to this Act, the Essential Services Commission (ESC) regulates Westernport Water's prices and service standards. A key aspect of this regulatory framework is the development and approval of a Water Plan which details the services to be provided and proposed prices for each regulatory period.

Source: Part 1A Water Industry Act

4.3 Statement of Obligations

In accordance with the provisions of the Water Industry Act 1994, the Minister for Water, issued a Statement of Obligations (SoO) to Westernport Water which took effect from 16 September 2012. The SoO specifies obligations on a range of matters in relation to the performance of Westernport Water's functions and exercise of its powers. Compliance with the Statement of Obligations is subject to independent audits under the auspices of the Essential Services Commission.

Source: Section 41 Water Industry Act - Statement of Obligations

4.4 Other Legislative Obligations

There are a number of other important pieces of legislation that impact on the Corporation's activities, which include the Financial Management Act 1994, Environment Protection Act 1970, Health Act 1958, Safe Drinking Water Act 2003, Fluoride Act 1973 and the Occupational Health and Safety Act 2004 as well as relevant legislation listed in the Victorian Water Industry Association Legal Compliance and Information Manual.

5. Role of the Board

The Board of Westernport Water is accountable to the Minister for Water for ensuring the good governance of the Corporation.

The detailed responsibilities of the Board of Westernport Water are:

5.1 Strategy & Business Planning

- Set the broad strategy, objectives and performance targets for Westernport Water;
- Approve strategic plans, corporate plans, and key policies;
- Approve decisions related to strategic initiatives such as commercial ventures, significant acquisitions, internal restructures and disposals in excess of the approved authority limit of the Managing Director.

5.2 Performance Monitoring and Reporting

Monitor the Corporation's performance to ensure that it is achieving its strategic plans and objectives and that it is fulfilling its functions and government policy.

5.3 Risk Management

- Integrate risk management into Westernport Water's strategic planning process;
- Ensure that risks associated with the functions performed and services provided by the Corporation are identified, assessed, prioritized and managed;
- Ensure that Westernport water operates within the establishing legislation, within any delegations and within rules and procedures relating to the use of public funds;
- Evaluate whether management is setting the appropriate controls by communicating the importance of internal control and management of risk.

Source: Statement of Obligations

5.4 Work Health and Safety

The health and safety duty of the Board requires it to exercise due diligence to ensure compliance with its health and safety obligations. The Board must:

- Acquire and keep up-to-date knowledge of work health and safety matters;
- Gain an understanding of the nature of the operations of the business and generally of the hazards and risks associated with those operations;
- Ensure that the business has available for use and uses, appropriate resources and processes to eliminate or minimize risks to health and safety from work carried out as part of the conduct of the business;
- Ensure that the business has appropriate processes for receiving information regarding incidents, hazards and risks and responding in a timely way to that information;
- Ensure that the business has, and implements, processes for complying with any duty or obligation under this Act.

Source: Work Health & Safety Act 2011

5.5 Governance

- Oversee the management of Westernport Water by the Managing Director to ensure it is operating effectively, has a culture of compliance and best practice business performance in areas of financial, human resource, risk management, asset management and information management;
- Appoint the Managing Director in accordance with the Government Sector Executive Remuneration Panel guidelines and establish his/her performance measures and a succession plan;
- Establish and monitor governance arrangements for the entity, including reporting systems to meet the information needs of the Minister, Department, central agencies and the Board;
- Establish and review governance policies regularly;
- Foster a culture and set of values with reference to the duties and values detailed in the Public Administration Act 2004;
- Evaluate the performance of the Board, Westernport Water and the Managing Director;
- Periodically review and report to the Minister on the organisation's performance;
- Ensure that Westernport Water has policies in place to integrate sustainability principles and practices into all aspects of its business and to conduct its business as efficiently as possible consistent with commercial practice;

- Set an appropriate induction and ongoing professional development program for Directors.
- Approve the annual report
- Approve the annual budget

Responsibility for the day-to-day conduct of operations according to approved policies and strategies is delegated by the Board to the Managing Director.

6 Composition of the Board

- The Minister will appoint a minimum of two and a maximum of eight Directors (other than the Managing Director) for a term of up to four years, with each Director being eligible for reappointment.
- The Minister shall appoint a Chair of Directors.
- The Board shall appoint the Managing Director for a period of up to five years on such terms and conditions, including remuneration, consistent with the Government Sector Executive Remuneration Panel guidelines. The Managing Director shall be eligible for reappointment.
- The Board shall establish performance measures and a succession plan for the Managing Director.
- The Board shall elect a Deputy Chair from amongst its members. The Managing Director may not be elected Deputy Chair.
- The Deputy Chair shall preside at meetings and conduct official functions and events at which the Chair, for whatever reason, is not present.
- A Director may resign in writing to the Minister.

Source: Water Act 1989 S95-105

7 Acting Managing Director

The Board may appoint a person to be the Acting Managing Director in circumstances where a Managing Director has not been appointed, is absent, or is unable to perform the duties of a Managing Director. The Acting Managing Director does not become a director, Deputy Chair or Chair of the Corporation.

Source: Water Act 1989 S102

8 Responsibilities of Directors

Each Director, in conducting the business of the Board, must comply with the Victorian Public Sector Values and the Directors' Code of Conduct of the Public Sector Standards Commissioner.

8.1 Group decisions

Directors must not advocate individual positions ahead of decisions being made. The Board's responsibilities are collective and, once decisions are made, Directors also must not advocate a position contrary to the established decision.

Source: Public Administration Act 2004

9 Conflict of Interest

Directors are required to inform the Board of any conflicts or potential conflicts of interest they may have in relation to particular items of business. These conflicts of interest arise:

- Where a public officer has private interests that could conflict with their official duties in the future.
- Where a public officer has competing interests through more than one official role, or public duty.

In this respect a conflict of interest can be actual, potential or perceived. It may relate to circumstances where a Director is or could be directly influenced, or where it is perceived the Director might be influenced. Directors should ensure their personal or financial interests do not influence or interfere with the performance of their role and seek to ensure the interests of family members, friends or associates do not influence or could be perceived to influence their performance. Any Director who is unsure about a possible conflict of interest should discuss the matter with the Chair in the first instance.

Where a Conflict of Interest arises the Director must act in accordance with the Public Administration Act 2004.

10 Pecuniary interest

A Director is required to:

- submit an annual return about his/her other business and financial interests, to be entered into a register maintained by the Corporation;
- disclose a direct or indirect pecuniary interest in any matter coming before a meeting of the Board;

The Act and the by-laws to the Act in relation to disclosure of pecuniary interest by Board members do not apply in relation to a matter relating to a supply of goods or services to the director if the goods or services are, or are to be available to, members of the public on the same terms and conditions.

The Act also provides that a Director does not have a pecuniary interest in a matter only because:

- The person receives a service from Westernport Water in common with other customers;
- The person receives an allowance or payment under the Act where the maximum amount payable is fixed under the Act (e.g. Directors' remuneration).

Source: Water Act 1989 S109 & 110

11 Gifts and Hospitality

The Board must adhere to the principles and standards outlined in the Gifts and Hospitality policy applied to all Directors and employees of Westernport Water when responding to offers of gifts, benefits and hospitality.

Gifts and benefits of more than nominal value are required to be recorded on the Westernport Water Gifts Register.

Source: Westernport Water Policy. SSA Gifts, Benefits & Hospitality Policy Framework

12 Meetings

12.1 Frequency

The Board must hold at least one ordinary meeting every 3 months.

Source: Water Act 1989 S120(1)

12.2 Attendance

Directors should be prepared to make the necessary commitment to the organisation. There is a general expectation that members attend a minimum of 75 per cent of meetings and that they make a significant contribution to the organisation.

Source: S3.6 DPC Appointment & Remuneration Guidelines

12.3 Presiding

The Chair or, in his or her absence, the Deputy Chair or, in the absence of both the Chair and Deputy Chair, a member of the Board elected by the members present at the meeting, must preside at a meeting of the Board.

Source: Water Act 1989 S120(3)

12.4 Quorum

The quorum for a meeting of the Board is a majority of the members.

Source: Water Act 1989 S120(4)

12.5 Voting

Resolutions adopted by the Board will be in accordance with Section 120 of the *Water Act 1989*. In applying the Act, the Chair will first seek a consensus view to determine the outcome of a resolution. Only when there is no consensus will the votes of directors be formally counted. In this situation resolutions adopted by the Board will be made with a majority vote of members present and voting on the question provided a quorum of directors present.

Source: Westernport Water. Water Act 1989

The recording of a mover and seconder is not required.

Further to section 122A of the *Water Act 1989*, if the Board is required to determine a matter outside of a meeting, a resolution will only be deemed to have occurred when the chair has ruled that a majority of the members have so determined.

Source: Water Act 1989 S120(6)& 122A

12.6 Minutes and Records of Board meetings

Minutes must be kept of each meeting of the Board and those not Commercial in Confidence must be available for inspection by members of the public. *Source: DSE Governance Guidelines 2004*

The minutes must record:

- The names of the members present;
- The names of the members voting on any question in relation to which a division is called.

Source: Water Act 1989 S120(7)

Minutes of past meetings must be confirmed by the Board and signed as a true record by the Chair.

A complete set of Board papers, including copies of all documents tabled must be kept together as an enduring record of the Board Meeting. *Source: DSE "Meetings & Decision Making Model Policy"*

The Agenda and summary minutes must be uploaded to the corporation's website and available for inspection by members of the public. *Source: Ombudsman / Ministerial Direction*

13 Use of Technology

Directors may participate in a particular meeting by telephone, closed circuit television or other electronic means (that may be available at the time).

A Director who participates in a meeting by electronic means is deemed to be present at the meeting.

Source: Westernport Water. Water Act 1989 S120(9)

14 Proxies

The appointment of proxies to attend meetings is not provided for in the *Water Act 1989*.

15 Special Meetings

The Chair of the Board may at any time (and must, if requested by 2 members) call a special meeting of the Board.

A special meeting must not be held unless at least 2 days' notice has been given to each member of the Board.

If all members of the Board of Directors of a water corporation consent in writing, a special meeting may be held with less than 2 days' notice being provided to each member.

Notice of a special meeting must:

- Be in writing;
- Be served on each Director, by post or in person;
- Specify the time and place of the meeting and the reason for it.

A special meeting must deal only with business stated in the notice.

Source: Water Act 1989 S122

16 Resolutions without meetings

When a matter requiring decision before the next Board meeting is circulated electronically, Directors will receive a paper with a clear recommendation and date for reply. Directors are required to send approval / dissent to the Chair by email before the due date specified in the paper. The Chair will notify Directors by email of the results of the resolution.

At the following Board meeting, the resolution will be ratified in the Minutes.

Source: Westernport Water.

17 Powers of Delegation & Committees

17.1 What can be delegated

The Board may delegate any function, power or duty other than:

- This power of delegation;
- The power to make by-laws;
- Any other power that is prescribed for the purposes of section 122B of the *Water Act* 1989.

17.2 How

The Board may delegate by instrument under the Westernport Water seal.

17.3 To whom

The Board may delegate to:

- A Director or any other officer of Westernport Water, by name or to the holder of the office.
- To any committee established by Westernport Water under the *Water Act* 1989, the members of which are Directors or officers of the water corporation.
- With the consent of the Minister for Water, to any other person or body, including any committee established by Westernport Water under the *Water Act* 1989, the members of which are not members of the Board or officers of Westernport Water.

17.4 Committees

The Board may establish and maintain such committees from time to time and appoint one member as Chair to assist the Board in carrying out its responsibilities.

The Board has established the following Committees:

- Audit & Risk Committee;
- Remuneration & Governance Committee;
- Project Steering Committee.

Each Committee shall adopt a Board approved charter setting out matters relevant to the composition, responsibilities and administration of such committees, and other matters that the Board may consider appropriate.

These committees do not have any executive powers over their findings or recommendations.

Source: Water Act 1989 S122(B)

18 Chair Responsibilities

The key responsibilities of the Chair of the Board of Westernport Water are:

18.1 Leadership

- Ensure an effective Board with the necessary skills and capabilities;
- Develop the Board as a cohesive and effective team;
- Assist Board members' understanding of their role, responsibilities and accountability;
- Inform members about developments in Government policy, priorities and financial reporting;
- Set the Board's agenda and ensure key issues are discussed and there are no potential conflicts of interest or duty;
- Ensure interactive participation by all Board members;
- Arrange adequate support for members;
- Welcome new members and lead the process for their induction;
- Manage the evaluation of the performance of the Managing Director and the Board;
- Represent the Board to external parties as an official spokesperson for Westernport Water.

18.2 Relationship management

- Establish an effective and constructive working relationship with the Managing Director;
- Act as the key liaison point between the Board and Westernport Water senior management;
- Inform the Minister about significant issues and events;
- Deliver the corporate plan and annual report to the Minister;
- Actively encourage a strong relationship between the Board Committees and the Board.

19 Board Secretary

The key responsibilities of the Board Secretary are to:

- Support the effective and efficient operation of the Chair, Managing Director and the Board;
- Co-ordinate governance activities such as pecuniary interest returns and support Board performance reviews;
- Seek and locate appropriate advice and support on governance issues for the Chair, Managing Director and the Board;
- Record and keep accurate minutes of each Board and Committee meeting – either directly or through delegation;
- Act as a general liaison between the Board, the Managing Director and senior management;
- Facilitate the completeness, and timeliness of Board agendas and papers.

Source: Westernport Water. DSE Governance Guidelines 2004

20 Board Performance and Effectiveness

The Board has a number of procedures to ensure that its collective performance and effectiveness and the contribution of each Director continue to reflect best practice.

These include:

20.1 Induction of Directors

Newly appointed Directors will be briefed on key aspects of the business and provided the opportunity to inspect Westernport Water's facilities. Induction briefings will include an overview of the Westernport Water business, the water industry and the linkages with Government.

20.2 Director Training

Board members shall also be encouraged to participate in training sessions, workshops and conferences specifically designed to enhance their effectiveness as Westernport Water Board members.

20.3 Performance Evaluation

The Board evaluates its performance annually and a report of the collective performance of the Board will be prepared by the Chair and forwarded to the Minister in writing.

Source: Statement of Obligations

21 Expenses and Allowances

Directors are entitled to be reimbursed out of the Corporation's funds for reasonable travelling, accommodation and meal expenses incurred in carrying out functions and exercising powers under the Water Act 1989.

22 Insurance

Westernport Water maintains Directors and Officers Liability insurance cover. The amount of cover may be adjusted from time to time.

23 Access to Independent Professional Advice

With the knowledge and consent of the Chair, individual Directors may seek independent expert advice at the expense of Westernport Water as necessary to effectively discharge their responsibilities.

24 Access to the Executive Management Team

Directors have complete access to the Executive Management Team (direct reports to the Managing Director) in relation to issues for which they are accountable.

All such enquiries must be made with the knowledge and consent of the Managing Director.

25 Protocols for External Communications by the Board or a Director

The Chair and the Managing Director may make public statements and issue media releases relevant to the functions, performance or affairs of the Board or of Westernport Water.

26 Procedures if a Director does not comply with the principles and procedures set out in this Charter

The following protocol should apply where there is a question whether or not a Director has failed to comply with the principles and procedures set out in the Charter:

- 26.1 A Director who considers that another Director has breached this Charter may inform the Chair of the alleged breach.
- 26.2 A Director who considers that the Chair has breached this Charter may inform the Deputy Chair of the alleged breach.
- 26.3 The Chair or Deputy Chair must inform the Director of the allegation as soon as possible after it has been made.
- 26.4 The Chair or Deputy Chair must determine a process for investigating the allegation which will include:
 - (i) Inviting the Director against whom the allegation has been made to make written and/or oral submissions in response to the allegation; and
 - (ii) Consideration of the allegations and any written or oral submissions; and
 - (iii) Determining whether the Director has or has not breached any provision of this Charter.
- 26.5 At the completion of the process the Board will decide what action should be undertaken as a result of the outcome of the investigation, which in the case of a serious breach may include referring the matter to the Minister.

27 Review of the Charter

The Board will review this Charter at least once every three years to ensure it remains consistent with Westernport Water's vision and the Board's functions and powers. The Board may by resolution amend the Charter if required at any time.