



BUSSELTON **WATER**

Board Charter

February 2024



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1. Role of the Board

The Board is the governing body of Busselton Water and works in partnership with management to provide strategic direction and ensure the successful operation of the organisation. The Board, at all times, acts in the best interests of Busselton Water. The Board ensures that management has sufficient resources for successful operation.

The Board's duties, functions, roles and responsibilities are governed by the *Water Corporations Act 1995 (WC Act)*, the *Government Trading Enterprise Act 2023 (GTE Act)* and common law as relevant. To the extent that the Board Charter (the Charter) is found to be inconsistent with the *WC Act* or *GTE Act* each of those other documents will prevail to the extent of that inconsistency.

The Board is accountable to the Portfolio Minister (the Minister) for their performance and the performance of Busselton Water. The Board oversees performance through effective monitoring and ensures compliance with reporting requirements as required by the relevant Acts.

2. Membership

Board membership is detailed in Part 3, Division 1 of the *GTE Act* and requirements for appointment to the Board are detailed in section 7 of the *WC Act*. In summary:

- i. The Board comprises not less than five (5) nor more than nine (9) members, which are appointed by the Government on the nomination of the Minister.
- ii. The Chief Executive Officer (CEO) may be appointed as a Managing Director on the Board.
- iii. The majority of Directors must ordinarily reside within Busselton Water's Operating Licence area.
- iv. Non-executive Directors are appointed for a three-year term. The terms of appointment are staggered such that one-third of the Directors retire each year, which ensures continuity of knowledge and experience on the Board. Retiring Directors are eligible for reappointment.

3. Authority

Subject to relevant legislation, *WC Act* and *GTE Act*, the Board may delegate its powers.

The Board Delegations Policy details those matters specifically reserved to the Board and those powers delegated to management.

4. Code of Conduct

Directors must comply with the Busselton Water Directors Code of Conduct and the Busselton Water Code of Conduct.

The Directors Code of Conduct will be reviewed annually and will be followed by all Board Members undertaking refresher training.

5. Responsibilities

5.1. The Board

The Board is collectively responsible for promoting the success of Busselton Water by directing and supervising its business to set the strategic direction to help Busselton Water achieve its purpose.

The Board will:

- i. Establish a governance framework, including a compliance framework to govern:
 - a. in accordance with the requirements of the *WC Act* and the *GTE Act* to meet Busselton Water's objectives under these Acts; and
 - b. taking into account the Statement of Expectations (SOE) and applicable laws and regulations.
- ii. Under direction from the Office of the Auditor General, oversee the approval of Busselton Water's annual financial statement to ensure:
 - a. the financial statement presents a true and fair view in all material respects of Busselton Water's financial position and operational results, and is in accordance with relevant accounting standards; and
 - b. the financial statement is founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to the financial reporting risks.
- iii. Establish a Risk Management Framework including:
 - a. developing a risk policy and risk appetite statements; and
 - b. overseeing risk strategy and performance.
- iv. Establish organisational performance indicators using relevant benchmarks to allow it to satisfy itself that Busselton Water is being properly managed.
- v. Play an active role in building a culture of integrity by modelling behaviours based on the Busselton Water values and the Directors and Busselton Water Codes of Conduct.
- vi. Appoint and/or remove the CEO and set the terms and conditions of appointment, with approval of the Minister, as provided by section 37 of the *GTE Act*.
- vii. Oversee the performance and remuneration of the CEO.
- viii. Operate within its statutory powers and policies.
- ix. Oversee the workplace health and safety of the organisation, ensuring adequate processes are implemented and maintained.
- x. Establish committees reporting to the Board, approve written Charters and appoint members for each of those committees.
- xi. Oversee reporting requirements to the Minister and ensure the Minister is reasonably kept informed of matters as required by the *GTE Act* and other matters of interest.
- xii. Participate in the development and implementation of Busselton Water's Communication and Engagement Plan.

5.2. Role of the Board Chair

As a Director, the Chair holds the same formal role and responsibilities as other Directors. However, the Chair also aims to ensure that the Board fulfils its role as expressed in this Charter. In this regard, the Chair:

- i. Adopts a leadership role in the conduct of the Board's responsibilities.
- ii. Manages the Board in the discharge of its duties, by ensuring that the Board is in a position to meet and does meet its responsibilities.
- iii. Facilitates effective communication within the Board and between the Board and management.
- iv. Facilitates the effective contribution of all Directors.
- v. Promotes constructive and respectful relationships between Directors and between the Board and management.

- vi. Acts as the principal point of contact between the Board and the CEO and maintains regular contact with the CEO to discuss matters of interest to the Board or other material developments.
- vii. Engages and communicates effectively with the Minister and other stakeholders.
- viii. Acts as a spokesperson for Busselton Water and carries out other ad hoc duties as appropriate on behalf of the Board, as agreed with the CEO.
- ix. Ensures the Board fulfils its governance obligations.

5.3. Duties of Directors

The Directors of the Board work together in the best interests of Busselton Water in an ethically responsible manner – providing insight, provoking action, and encouraging trust individually and together.

Directors have fiduciary duties under both statute and the common law which are summarised as the duties to:

- i. exercise care and diligence;
- ii. act in good faith in the best interests of Busselton Water;
- iii. act for proper purpose with regard to use of position and information;
- iv. act honestly at all times;
- v. not knowingly provide false or misleading information at any time;
- vi. avoid conflicts of interest;
- vii. prevent misappropriation of confidential information; and
- viii. not misuse their position of Director to gain, directly or indirectly, an advantage for themselves or someone else, or to the detriment of Busselton Water.

5.4. Role of the CEO

The CEO is responsible for the general administration, operational management, planning and leadership of Busselton Water in accordance with Board requirements and the approved Board Delegations Manual.

The CEO will:

- i. Advise the Board about Busselton Water's financial and operational performance on a regular basis.
- ii. Advise the Board immediately on any material matter likely to impact Busselton Water.
- iii. Maintain regular contact with the Chair to discuss matters of interest to the Board.
- iv. Ensure there is consultation with the Board on setting the vision, objectives and corporate strategies of Busselton Water.
- v. Conduct day-to-day business in accordance with the *WC Act* and *GTE Act* and any other policies or directions set by the Board.

The CEO will manage secretary functions which may be delegated to other Busselton Water employees subject to approval by the Board. These functions include:

- i. monitoring that Board and committee policy and procedures are followed;
- ii. maintaining statutory registers and attending to ASIC lodgements;
- iii. developing meeting agendas in conjunction with the relevant General Manager, CEO and Chair (as appropriate);
- iv. ensuring that Board or committee papers are available to Directors at least three (3) business days prior to the meeting;

- v. recording, maintaining and distributing the minutes of Directors meetings;
- vi. maintaining Busselton Water's Corporate Governance Framework;
- vii. maintaining the register of the Board Delegations Manual;
- viii. developing and maintaining information systems and processes to assist the Board in fulfilling its role;
- ix. preparing agendas, minutes, briefing papers and attending Board meetings;
- x. maintaining the Directors Code of Conduct and Board and committee charters; and
- xi. facilitating the induction and professional development of Directors.

5.5. Subcommittees

To assist the Board in undertaking its responsibilities, it may establish committees. The functions of these committees are described in a separate charter prepared for each committee. The minutes of the committees will be provided to and noted by the Board.

6. Board processes

6.1. Meetings

The Board shall meet as often as reasonably required but must meet at least six (6) times a year.

Directors will endeavour to attend Board meetings in person or online. Meetings may be held with all Directors' present in one location, linked together through technology or a combination of both. Members unable to attend a meeting must advise the Chair and Executive Assistant as soon as practicable and make all reasonable efforts to participate in the meeting by an alternative method.

The CEO and Executive Assistant to the CEO will attend all regular Board meetings however the Board may meet outside regular Board meetings without the CEO or other staff in attendance. Other persons will be invited to attend regular Board meetings at the discretion of the Chair and CEO.

A quorum for Board meetings is one-half of the number of Directors – one of whom must be the Chair or if the Chair is unavailable, the Deputy Chair. If no Deputy Chair has been appointed, the Chair may appoint another Director to chair the meeting, or alternatively, the Audit and Risk Committee Chair will act as the meeting chair.

Decisions at Board and committee meetings will generally be determined by consensus. If required, decisions will be agreed on a majority of votes cast by those attending the meeting. If the votes for and against are even, the proposed resolution is lost. The Chair of the meeting does not have a second/casting vote.

6.2. Minutes

All decisions will be formally recorded in the minutes of the meeting. The CEO or delegate will ensure minutes are prepared in draft form and provided to the Chair for review within five (5) working days of the meeting date. Once the Chair has approved the draft minutes for distribution, the Executive Assistant will circulate to all Directors.

Minutes are confirmed by the Board and signed by the Chair, at the following meeting. The Board may pass a resolution without a meeting being held, which may occur in the form of an email (circular resolution). Any resolutions passed in this way will be noted at the next Board meeting and recorded in the minutes of that meeting.

6.3. Reporting

The reporting responsibilities of the Board are outlined in Part 7 Accountability and Control, Division 1 of the *GTE Act*.

6.4. Board calendar and meeting schedule

The Board maintains an annual Board calendar and meeting schedule to ensure all key matters are included in agendas in a timely and appropriate way.

7. Board effectiveness

The Board will complete an annual performance evaluation of the Board and individual Directors to assess performance against the Board Charter, Directors Code of Conduct, legislation and other relevant goals. Outcomes of the evaluation process will guide Board and Director development.

7.1. Self-assessment

Evaluation of the Board and its committees will be conducted annually.

The Board will undertake self-assessment Board performance reviews collectively and individually based on criteria agreed by the Minister.

The *GTE Act* requires the Board to provide the Minister with an annual report of the assessment of its performance over the last year.

7.2. External review

An external review of Board performance is undertaken by an independent reviewer at least once every three (3) years. A report on the external review is provided to the Minister.

7.3. Skills matrix

Section 14(3) of the *GTE Act* states that a skills matrix must indicate the skills, qualifications and experience required of Busselton Water's Directors, individually and collectively.

The skills matrix will be reviewed when reviewing the Statement of Expectations to ensure Board skills remain relevant to achieve the strategic direction of Busselton Water.

The skills matrix may also be amended or replaced if other events occur, such as upcoming vacancies or resignations of Board Members, a material change in strategic direction, or new developments in best practice, whether identified ad-hoc or through formal review.

7.4. Director development

All Directors shall undertake appropriate induction training on appointment.

During their term, all Directors are encouraged to undertake continued self-development and participate in professional development.

All training and development, including attendance at conferences, is recorded in a Director Training and Development Register, which is reviewed annually. The register will also record any relevant notes for exit interviews conducted with retiring Directors.

Directors will be offered resources and training to address any specific skills gaps identified. This may include education concerning key developments in Busselton Water, in the water industry and the environment in which Busselton Water operates.

Busselton Water maintains a budget for reasonable Director development activities. Directors wishing to undertake training and development at Busselton Water's expense should discuss this with the Chair.

7.5. Director remuneration and expense reimbursement

Directors are entitled to reimbursement of all reasonable costs where a request for reimbursement of the cost is approved by the Chair.

The remuneration and allowances of each Director are determined by the Minister within the range determined by the Salaries and Allowances Tribunal under section 7D of the *Salaries and Allowances Act 1975*.

7.6. Appointment process

The Minister must, after consultation with the Board, appoint members to the Board. Where a vacancy occurs in the membership of the Board, the Board may recommend a candidate to the Minister.

Unless he or she resigns or is removed from office, a Director continues in office until his or her successor comes into office, even if the period for which he or she was appointed has expired.

The Board has established a Board Membership Process which is followed for all vacancies.

The Board Chair and CEO will deliver an appropriate and timely induction program to ensure new Directors can participate fully and actively in Board decision-making as soon as possible after appointment.

8. General

8.1. Conflicts of interest

Conflicts of interest are managed in accordance with the *GTE Act* and Directors Code of Conduct. Any Conflicts of interest are identified through a standing agenda item and are recorded in a Disclosure of Personal and Related Parties Interest Register.

If a Director becomes aware of any new or potential conflict of interest, it must be disclosed to the Chair and CEO as soon as practicable but certainly, before relevant papers are received, or a discussion occurs at a meeting in which the conflict is realised.

The Chair and CEO will review Board papers and limit access to those where a known conflict arises.

8.2. Independent advice

The Board as a whole, and individual Directors, have the right to access competent, independent advice regarding Busselton Water matters, at Busselton Water's expense.

8.3. Director protection

As a general rule, a Director has two key areas of protection - the right to information; and the ability to insure against specific risks of being a Director. The *GTE Act* also provides limited protection for Directors who have acted honestly in the discharge of their duties but have nonetheless been subject to a claim of breach of duty.

In addition, Busselton Water executes a deed of "indemnity, insurance and access" in favour of each Director individually.

Busselton Water will:

- i. provide each director with a copy of the Directors' and Officers' (D&O) insurance policy and any changes to that policy; and
- ii. maintain each Directors D&O insurance for seven (7) years from the date at which he or she ceases to be a Director.

Subject to the Directors deed of indemnity, insurance and access, each Director has the right of access to all records in the control of Busselton Water.

Each Director may obtain independent professional advice at Busselton Water's expense to assist the Director in the proper exercise of powers and discharge of duties as a Director or as a member of a committee.

8.4. Charter review

The Busselton Water Board will review the Board Charter annually.

METADATA

Responsible	CEO
BEF Category	Leadership
Scope	Describes how the Board discharges its functions, roles and responsibilities.
Definitions	
Related Documents/Links	<p><i>Water Corporations Act 1995</i></p> <p><i>Government Trading Enterprises Act 2023</i></p> <p><i>Corporations Act 2001</i></p> <p>AICD Guiding Principles of Good Governance (D14/8622)</p> <p>ASX Corporate Governance Principles and Recommendations (D14/8621)</p> <p>Busselton Water Audit and Risk Committee Charter</p> <p>Directors' and Officers' policy</p> <p>Board Membership Process (D23/15555)</p> <p>Director Development Program and Standard Action List (M4)</p> <p>Directors Code of Conduct</p> <p>Busselton Water Code of Conduct</p> <p><i>Public Interest Disclosure Act 2003 (WA)</i></p> <p>Public Disclosure Procedure (M21*)</p>
Last Review Date	20 November 2023

REVISION HISTORY

Revision Ref. No.	Board Resolution	Approved/ Amended/ Rescinded	Date	Detail changes made by Board
1	BW.96	Amended	17/11/2014	Minor amendments
2	BW.187	Amended	16/11/2015	Minor amendments
3	BW.271	Amended	21/11/2016	Minor amendments and inclusion of review and revision history tables
4	BW.371	Amended	20/11/2017	Edits to clauses 1, 2.5, 3.1, 4.2, 4.3, 4.6, 6.1, 6.2 and 6.6 to include new board report structure, references to related party interests and public interest disclosure.
5	BW.454	Amended	19/11/2018	Edits to clause 2.1 to include CEO as Director, minor edit 3.1 and amendment to Appendix A increasing the CEO

				delegation to \$200,000. Section 2.6 to be populated following induction workshop.
5	BW.556	Amended	18/11/2019	Minor edit to clause 2.1 to include MD title and addition of clause 4.2 meeting attendance including appendix B – Remote meeting attendance protocol.
6	BW.651	Amended	16/11/2020	Edits to clauses 2.1 (minor), 3.4 (Risk Appetite Statement), 4.3 (minor), and 5.4 (minor). New clause 6.7 (Fraud Control), Removed appendix B (now included in 4.2)
7	BW.724	Amended	15/11/2021	Edits to clauses 2.2 (minor), 2.5 (updated CEO position description), 3.4 (improved structure), 4.9 and 4.9 (new), 5.2 (included external review)
8	BW.795	Amended	21/11/2022	Edits to Clause 2.3 (minor), 3.1 (minor) 3.9 (minor) 4.2 (minor), 4.6.1 (new), 4.3 (Acknowledgement of country).
9	BW.886	Amended	19/02/2024	Full Review undertaken with major restructuring.