

## Remuneration & Governance Committee Charter

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### 1 Version Control

Version	Date	Responsible	Comments on changes
1	June 2001	Senior Business Analysis	Initial Policy
2	March 2011	Executive Assistant	Incorporating Vic Water Guiding Principles for Remuneration Committees
3	December 2012	Executive Assistant	Incorporating Governance responsibilities. Change of name of Committee.
4	1 April 2013	Board Members	Review of Charter
5	19 April 2013	Board Members	Accepted Charter

### 2 Purpose of the Charter

The purpose of this Charter is to document the objectives, responsibilities and administration of the Remuneration and Governance Committee of Westernport Water.

### 3 Purpose and Objectives of the Committee

Westernport Region Water Corporation's ("the Corporation") Remuneration & Governance Committee ("the Committee") will assist the Corporation's Board ("the Board") in fulfilling its oversight responsibilities. The Committee will undertake oversight and make recommendations to the Board on matters pertaining to senior employee remuneration and succession and to general governance issues facing the Corporation.

Additionally, the Remuneration & Governance Committee will review the progress of the Enterprise Agreement.

### 4 Authority

The Board authorises the Committee, within the scope of its responsibilities to:

- Perform activities within its terms of reference;
- Seek any information it requires from:
  - Any employee (and all employees are directed to co-operate with any request made by the Committee)
  - External parties
- Obtain outside legal or other professional advice to assist in undertaking its oversight responsibilities
- Ensure the attendance of the Corporation's officers at meetings as appropriate,
- Present its findings and make recommendations to the Board.

The Committee has no executive power with respect to its findings and recommendations.

## **5 Organisation**

### **5.1 Membership**

- 5.1.1 Membership of this Committee is restricted to non-executive Directors of which there must be at least three (3).
- 5.1.2 The members of the Remuneration and Governance Committee should:
- Have no personal financial interest in the Committee's findings or recommendations to the Board.
  - Have a good knowledge of corporate governance practice relevant to executive remuneration and Board and Committee operation in the public sector.
  - Have a good understanding, enhanced as necessary by appropriate training or access to expert advice, of the areas of remuneration and governance committee business.
  - Become familiar with the executive remuneration guidelines issued by the State Services Authority through the Government Sector Remuneration Panel ("GSERP").
- 5.1.3 Members should preferably serve for a period of three (3) years, as knowledge and experience are important to ensure consistency and awareness of history and context.
- 5.1.4 A quorum for any meeting will be two (2) members.
- 5.1.5 The Board may appoint alternate members to Board committees in order to obtain a quorum for the committee meetings.
- 5.1.6 The Secretary of the Committee will be a Corporation Officer approved by the Board. The Secretary may not be a member of the Committee.
- 5.1.7 The Committee should have access to reliable – up-to-date information about remuneration and governance in public sector organisations and other companies/organisations in similar fields and should judge the implications carefully. This information may be provided by internal or external resources, and may be obtained with the approval of the MD or Board, if required.
- 5.1.8 The Chair of the Committee will be appointed by the Board from time to time, in accordance with governance regulations and codes of practice.
- 5.1.9 For each meeting, the Chair of the Committee will set the Committee's agenda, ensure that key issues are discussed and that there are no conflicts of interest of duty.

### **5.2 Attendance at Meetings**

- 5.2.1 The Committee may invite such other persons (eg. the Managing Director, General Manager Employee & Customer Relations etc) to its meetings as it deems necessary.
- 5.2.2 Meetings shall be held on an as needs basis but not less than twice a year. Meetings will be convened by the Chair of the Committee.
- 5.2.3 The agenda and supporting documentation should be delivered to the Committee members at least three (3) working days prior to each meeting.

### **5.3 Reporting**

The Minutes of each meeting shall be confirmed by Committee members. The business of each meeting will be reported by the Chair to the next meeting of the Board.

The Committee will ensure that its Charter is published on the Corporation's website.

## **6 Confidentiality**

- 6.1** Meetings will be conducted separate from Board business and based on the general concept of 'in-camera'.

Minutes will be prepared by the Committee Secretary, made accessible securely to Committee members. The minutes will be filed with appropriate security measures to protect the confidentiality of this information.

- 6.2** Appropriate access protocols will be established for all documents.
- 6.3** Staff supporting the Committee will be required to sign confidentiality agreements, where not expressly covered in contract of employment.

## **7 Areas of Responsibility**

The Committee is responsible for:

### **7.1 Managing Director's performance measurement**

Facilitating the Board's assessment of the Managing Director's performance and reporting to the Board with its recommendations.

This assessment may involve an external consultant in the establishment of a performance measurement system and/or in conducting the review process.

The review process may involve consultation with relevant external stakeholders.

### **7.2 Executive remuneration oversight**

Monitoring executive remuneration and employment contracts of the Managing Director and other appropriate Executive Managers for compliance, with guidelines issued by the State Services Authority through the GSERP.

Management of the Managing Director salary and bonus outcomes.

Ensuring that the Corporation offers a competitive remuneration package to attract and retain a Managing Director of high calibre to deliver the strategic directions set by the Board.

### **7.3 Enterprise Bargaining**

The oversight and tracking of the progress of the Enterprise Bargaining agreement.

### **7.4 Succession planning**

- 7.4.1 A Succession Plan will be developed by the Managing Director, in relation to the Executive Management Team and other key positions in accordance with the State Services Authority Succession Plan model. The Remuneration Committee will review this Succession Plan annually.

- 7.4.2 A Succession Plan will be developed for the Managing Director by the Committee and recommended to the Board. The Committee will review this Succession Plan annually.

- 7.4.3 A Succession Plan for Board membership will be developed by the Committee and recommended to the Board to enable considered advice to be provided to the Department or the Government, if required.

## **7.5 Governance**

- 7.5.1 The number and type of Board Committees will be reviewed by the Committee, which will make recommendations to the Board on the establishment, operation and membership of Board Committees.
- 7.5.2 The Committee may monitor governance developments in the wider business world and recommend improved governance practices where these will benefit Westernport Water.
- 7.5.3 The Committee will develop and recommend to the Board a policy on separation of duties between the Board and the Managing Director.
- 7.5.4 The Committee will promote and encourage a culture of professionalism and the highest levels of ethical behaviour within the Corporation.
- 7.5.5 The process for communicating the Corporation's Code of Conduct to staff, and monitoring compliance with the code will be determined by the Committee.
- 7.5.6 The Committee will provide a periodic review of the Board Charter.
- 7.5.7 The Committee will, as delegated by the Board, co-ordinate the process for the Board Performance Review.

## **7.6 Any Other Matters Referred By the Board**

- 7.6.1 Oversee special investigations as needed or as referred to it by the Board.

## **8 Performance & development**

The Committee's performance will be reviewed annually and reported to the Board.

- 8.1** Subsequent to the performance review of the Board, the Committee may recommend a program of Board development initiatives.

## **9 Charter Review**

The Committee will review its Charter three (3) yearly or earlier, should it be required. The outcomes from this review are to be recommended for approval by the Board and the outcome documented in the Board minutes.