

A high-speed photograph of a water splash, showing multiple droplets and a central crown-like shape, set against a light blue background. The splash is positioned in the upper half of the page, above a solid blue gradient that covers the bottom half.

Board Charter



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<p>1 INTRODUCTION</p> <p>1.1. Western Region Water Corporation ('the Corporation') is a body corporate with perpetual succession established under the Water Act 1989 ('the Act') as amended</p> <p>1.2. The Board of Directors is appointed by the Minister for Water in consultation with the Treasurer.</p> <p>1.3. This Charter sets out the functions, powers and duties of the Board of Directors ('Board') of the Corporation.</p> <p>1.4. In carrying out the responsibilities and exercising the powers set out in the Charter, the Board will, at all times, recognise its overriding responsibility to act honestly, diligently and in accordance with the law.</p> <p>1.5. As a regulated monopoly with declared water and sewerage districts for its operations, the Corporation has additional obligations and responsibilities, given the essential nature of its business, to the continued health and well-being of the citizens, staff and customers using its services and of others living and working in its area of operations.</p>	<p>section 85 and Schedule 1A of the Act</p> <p>section 95(1) of the Act</p>
<p>2 LEGISLATIVE FUNCTIONS AND OBLIGATIONS</p> <p>2.1 The Corporation has the following powers, functions and duties under the provisions of the Act:</p> <p>a) provide, manage, operate and protect water supply systems, including the collection, storage, treatment, transfer and distribution of water;</p> <p>b) provide, manage and operate systems for the conveyance, treatment and disposal of sewage and, if the Corporation so decides, of trade waste;</p> <p>c) identify community needs relating to water supply and sewerage services and to plan for the future needs of the community relating to those services;</p> <p>d) develop and implement programs for the conservation and efficient use of water, and for the recycling and reuse of treated wastewater;</p> <p>e) strategic planning of the Corporation;</p> <p>f) manage the affairs of the Corporation;</p> <p>g) investigate, promote and conduct research into any matter related to its functions, powers and duties;</p> <p>h) educate the community about its functions;</p>	<p>section 163 of the Act</p> <p>section 173 of the Act</p> <p>sections 163 and 173 of the Act</p> <p>sections 163 and 173 of the Act</p> <p>section 95 of the Act</p> <p>section 95 of the Act</p> <p>section 92 of the Act</p> <p>section 92 of the Act</p>

SECTION	SOURCE
<p>i) integrate sustainability principles and practices into all aspects of its business;</p> <p>j) conduct its business as efficiently as possible consistent with commercial practice.</p>	<p>Act section 93 of the Act</p> <p>section 94 of the Act</p>
<p>2.2 The Act requires the following matters to be resolved by the Board – they cannot be delegated;</p> <ul style="list-style-type: none"> • Changing water and sewerage districts • Setting fees under a tariff or development tariff • Setting tariffs • Power to charge • Enabling payments to the Corporation by instalments • Charging interest on unpaid money. • 	<p>section 122Y s 259(4)-259(5) section 260 section 264(2) section 274(1A) section 281(2)(a) of the Act</p>
<p>3 STATEMENT OF OBLIGATIONS</p>	
<p>3.1 The Minister for Water, after consultation with the Treasurer, may make and issue a Statement of Obligations ('SoO') to the Corporation. The SoO specifies obligations on a range of matters in relation to the performance of the Corporation'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.</p>	<p>section 41 of the Water Industry Act 1994</p>
<p>3.2 The SoO specifically provides that:</p> <p>a) the Board of the Corporation is accountable to the Minister for ensuring the good governance of the Corporation and is obliged to:</p> <ul style="list-style-type: none"> • be responsible for the strategic planning of the Corporation and oversee the achievement of the strategic plan; • be responsible for the management of the affairs of the Corporation; • exercise the powers of the Corporation. <p>b) In accordance with any guidelines issued by the Minister the Corporation must annually review and report by 31 March 2017, and annually thereafter to the Minister and the Treasurer on the performance of the Board of the Corporation, including in relation to the Board's role and obligations in clause 3.2.a. The report is to include actions to improve the accountability of the Board with regards to its responsibilities as outlined in section 95(4) of the <i>Water Act 1989</i>.</p>	

<p>4 LIMITATION OF POWERS</p>	
<p>4.1 The Act provides some limitations on the powers of the Board.</p>	
<p>4.2 The powers of the Board are specifically limited by the following:</p>	
<p>a) The performance of the Corporation’s functions and exercising its powers are subject to any direction given by the Minister for Water;</p>	<p>sections 125 and 307 of the Act</p>
<p>b) Specifically, the approval of the Minister for Water is required to:</p>	
<ul style="list-style-type: none"> • assign water allocation under a bulk entitlement to another party 	<p>section 46(2) of the Act</p>
<ul style="list-style-type: none"> • transfer all or part of a bulk entitlement 	<p>section 46D(2) of the Act</p>
<ul style="list-style-type: none"> • transfer of a licence issued under section 67 of the Act 	<p>Section 74(3) of the Act</p>
<ul style="list-style-type: none"> • to dispose of any matter underground by means of a bore 	<p>Section 76 of the Act</p>
<ul style="list-style-type: none"> • carry on outside Victoria any business or activity (including the provision of consultancy and project management services) incidental to the Corporation’s functions 	<p>section 124(10) of the Act</p>
<ul style="list-style-type: none"> • form or participate in the formation of a commercial venture (corporation, trust, partnership) or hold or dispose of shares or debentures or other securities in a commercial venture 	<p>section 127 of the Act</p>
<ul style="list-style-type: none"> • apply, obtain and hold intellectual property rights, assign or grant licences or enter into agreements for the commercial exploitation of intellectual property rights 	<p>section 129 of the Act</p>
<ul style="list-style-type: none"> • abandon or decommission any of the Corporation’s major works; 	<p>section 139 of the Act</p>
<ul style="list-style-type: none"> • exercise of functions outside of the Corporation’s district 	<p>section 164 & 174 of the Act</p>
<ul style="list-style-type: none"> • make any variations to an adopted permanent water saving plan 	<p>section 170B(2) of the Act</p>
<p>c) The Treasurer of Victoria’s approval is required to exercise the Corporation’s powers to borrow or raise money, to issue debentures, to obtain financial accommodation or to incur a financial obligation;</p>	<p>Borrowing and Investment Powers Act 1987</p>
<p>d) Dividends payable by the Corporation are determined by the Treasurer after consultation with the Board and the Minister for Water;</p>	<p>section 122ZH of the Act</p>
<p>e) The Minister for Water’s and the Treasurer’s approvals are required for all capital projects exceeding \$20 million;</p>	<p>Letter from the Treasurer and the Minister for Water.</p>

<p>f) Approval for the purchase, sale or lease of land and buildings must comply with the State Government Policy and Instructions on the purchase, compulsory acquisition and sale of land;</p> <p>g) The maximum prices that can be charged for regulated services are set by the Essential Services Commission.</p>	<p>Government Land Monitor, Department of Infrastructure ESC Price Determination</p>
<p>5 ROLE OF THE BOARD</p>	
<p>5.1 The Board’s key responsibilities include:</p>	
<p>a) Approve submission of the corporate plan which includes a statement of corporate intent and a business plan and financial statements (as required by the Minister) to the Minister and Treasurer</p>	<p>section 247 of the Act</p>
<p>b) Approve the Price Submission ensuring it complies with the requirements of the SoO and the guidelines of the Essential Service Commission. ;</p>	<p>Statement of Obligations</p>
<p>c) Monitor the development and implementation of the Corporation’s policy framework;</p>	
<p>d) Monitor and assess management’s performance in achieving the strategies, performance objectives and budgets approved by the Board;</p>	
<p>e) Monitor compliance with regulatory requirements and ethical standards including regulatory reporting;</p>	
<p>f) Review the OH&S Strategy, Policy, actions and plans to ensure regulatory compliance and increase the Corporation’s safety culture maturity level;</p>	<p>Work, Health and Safety Act 2011</p>
<p>g) Approve and monitor implementation of risk management systems and internal compliance control;</p>	
<p>h) Approve transactions, expenditure or other matters in excess of the delegations made by the Board;</p>	<p>section 122B of the Act</p>
<p>i) Approve any changes to the delegations made by the Board;</p>	<p>section 122B of the Act</p>
<p>j) Approve the annual financial report and related regulatory statements and reports;</p>	<p>section 45 of the Financial Management Act 1994</p>
<p>k) Appoint or remove the Managing Director, including appointment of an Acting Managing Director. and review and assess the Managing Director’s performance at least twice per year and provide continuous feedback as appropriate;</p>	<p>sections 99, 102 and 103 of the Act</p>
<p>l) Ratify the appointment or removal of Executive Team members and annually review their performance;</p>	
<p>m) Appoint or remove the Company Secretary and annually review the performance of the Company Secretary;</p>	

<p>n) Review the Human Resources strategies, policies, actions and plans to develop the Corporation’s people including succession and development plans for Executive Team members;</p> <p>o) Review the adequacy and effectiveness of the remuneration strategies and policies and performance pay arrangements;</p> <p>p) Approve significant changes in the organisation’s structure;</p> <p>q) Undertake planning for vacancies in Board membership to ensure an appropriate mix of skills and experience.</p>	
<p>6 DELEGATIONS</p>	
<p>6.1 The Board may, by instrument under seal, delegate any of its powers, functions or duties (other than its power of delegation, the power to make by-laws or any other prescribed power) to:</p> <ul style="list-style-type: none"> • a Director or any other employee of the Corporation, by name or title • to any committee established by the Corporation, the members of which are Directors or employees of the Corporation • with the consent of the Minister for Water, to any other person or body, including any Committee established by the Corporation under the Act, the members of which are not members of the Board or Officers of the Corporation. <p>6.2 The delegations are to be reviewed by the Board on an annual basis.</p> <p>6.3 A delegation is revocable at any time by the Board and does not prevent the exercise of the power or function by the Board.</p>	<p>section 122B of the Act</p>
<p>7 BOARD STRUCTURE AND OPERATION</p>	
<p>7.1 The Minister, in consultation with the Treasurer, will appoint a minimum of two and a maximum of nine Directors (other than the Managing Director) for a term of up to four years, with each Director being eligible for reappointment.</p>	<p>sections 95 to 98 of the Act</p>
<p>7.2 The Minister, in consultation with the Treasurer, will appoint a Chairperson of the Board (‘the Chair’)</p>	<p>section 104(2) of the Act</p>
<p>7.3 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.</p>	<p>section 99 of the Act</p>
<p>7.4 The Board shall establish performance measures and a succession plan for the Managing Director.</p>	
<p>7.5 The Board shall elect a Deputy Chair from amongst its members. The Deputy Chair shall preside at meetings and exercise all the powers and perform the functions of the Chair when the Chair, for</p>	<p>section 105 of the Act</p>

<p>9.3. On an annual basis, the Board will review the Committee Structure and membership of Committees and the Chair of each Committee will provide a report to the Board on the Committees' compliance with its Terms of Reference and its performance.</p> <p>9.4 The Board will review, at least every three years, the Terms of Reference of Committees.</p> <p>9.5 The minutes of all Committee meetings will be circulated with the Board papers for the following Board meeting and the Chair of the Committee will highlight key issues, as appropriate, for the full Board.</p> <p>10 DIRECTORS' CODE OF CONDUCT</p> <p>10.1 A Director of the Corporation must:</p> <ul style="list-style-type: none"> a) adhere to the Code of Conduct for Directors of Public Entities issued by the Victorian Public Sector Commissioner b) uphold the public sector values of responsiveness, integrity, impartiality, accountability, respect, leadership and human rights c) uphold Western Water's values of people, integrity, respect, teamwork and excellence d) at all times in the exercise of the functions of his or her office act— <ul style="list-style-type: none"> • honestly; and • in good faith in the best interests of Western Water; and • with integrity; and • in a financially responsible manner; and • with a reasonable degree of care, diligence and skill; and • in compliance with the <i>Water Act 1989</i> and <i>Public Administration Act 2004</i>. <p>11 BOARD PERFORMANCE AND EFFECTIVENESS</p> <p>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.</p> <p>These include :</p> <p>11.1 Induction of Directors</p> <p>Newly appointed Directors will be briefed on key aspects of the business and provided the opportunity to inspect the Corporation's facilities and meet key members of the Executive Team. Induction briefings will include an overview of the Corporation's business, the water industry and the linkages with Government.</p>	<p>Code of Conduct issued by the Public Sector Standards Commissioner and Section 79 of the Public Administration Act</p>
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<p>11.2 Director Training and Development</p> <ul style="list-style-type: none"> • All Board Directors are encouraged to participate in training and development to enhance their effectiveness as Directors. • Board Directors shall be provided with appropriate training to enable them to fulfil their duties and obligations as Directors. • On an ongoing basis, Board Directors will be provided with opportunities to gain first-hand knowledge of developments in the water and sewerage industry. Board Directors shall be encouraged to attend conferences, meetings or courses which offer programs related to the work of the Corporation. Such attendance should also provide opportunities for Board Directors to meet their counterparts from other organisations in the industry and to gain first-hand knowledge of developments in the industry. • Board Directors shall also be encouraged to participate in training sessions, workshops and conferences specifically designed to enhance their effectiveness as the Corporation's Board Directors. • To share knowledge gained Board Directors will brief the Board on any training and development they undertake on behalf of the Corporation. 	
<p>11.3 Performance Evaluation</p> <p>In order to monitor the performance of the Board and individual directors, the following reviews will be undertaken:</p> <ol style="list-style-type: none"> a) Two yearly – Conduct an externally facilitated performance review of the Board. b) Alternate year to (a) – Interviews be conducted by an independent external person with each director to discuss their performance and the performance of the Board, management and the Corporation. c) Annually – Progress on the Board's performance to be measured against the Action Plan developed as part of the externally facilitated review. <p>The Board's Committees also undertake annual reviews of their own performance and report the results of these reviews to the Board.</p> <p>12 DIRECTORS' CONTACT PROTOCOL</p> <p>12.1 There are no restrictions or requirements on contact between Directors and the Managing Director and/or the Company Secretary.</p>	<p>Required by section 81(1)(d)(i) of the Public Administration Act.</p>

<p>12.2 Where Directors wish to contact employees:</p> <ul style="list-style-type: none"> Initial point of contact should be the Managing Director or Company Secretary. To ensure consistency and management of accurate information, Board Directors are only permitted to liaise directly with the Managing Director, General Managers, Company Secretary and Executive Assistant.; (If contact is required with other employees, it should be through the Managing Director or the Company Secretary); the Chair should be advised by e-mail (but not necessarily before the contact) on any issues of substance. <p>12.3 Directors (including the Managing Director) should also consider whether the matter should be raised at a subsequent Board meeting or whether all Directors should be briefed earlier via telephone or email.</p> <p>12.4 Where Executive Team members wish to contact a Director(s), the Managing Director or the Company Secretary should be advised prior to the contact.</p> <p>12.5 The circulation or provision of documents, reports and information to Directors is to be co-ordinated through the Corporate Secretary.</p> <p>13 INSURANCE</p> <p>Subject to approval from the Ministers for Water and Finance, Directors are to be indemnified for costs and expenses in defending criminal or civil proceedings, provided that:</p> <ol style="list-style-type: none"> the liabilities relate to Directorship with Western Water; the proceedings are not brought by Western Water; and judgement is given in favour of the Director; or the Director is acquitted; or proceedings are withdrawn before judgment; or relief is otherwise granted to the Director. <p>Western Water is to maintain cover for Directors' and Officers' Liability; and the cover, at a minimum, is to underpin the above indemnity granted to Directors.</p>	<p>section 116 of the Act</p>
<p>14 EXPENSES</p> <p>Directors are entitled to be reimbursed from the Corporation's funds for reasonable expenses incurred in the discharge of office, including travelling to and from meetings, undertaking training or making site visits.</p>	<p>section 118 of the Act</p>

<p>15 PROCEDURES IF A DIRECTOR DOES NOT COMPLY WITH THE PRINCIPLES AND PROCEDURES SET OUT IN THIS CHARTER</p> <p>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:</p> <p>15.1 A Director who considers that another Director has breached this Charter may inform the Chair of the alleged breach.</p> <p>15.2 A Director who considers that the Chair has breached this Charter may inform the Deputy Chair of the alleged breach</p> <p>15.3 The Chair or Deputy Chair must inform the Director of the allegation as soon as possible after it has been made.</p> <p>15.4 The Chair or Deputy Chair must determine a process for investigating the allegation which will include:</p> <ul style="list-style-type: none"> (i) inviting the Director against whom the allegation has been made to make written and/or oral submissions in response to the allegation; (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. <p>15.5 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.</p> <p>16 REVIEW OF THE CHARTER</p> <p>The Board will review this Charter at least once every three years, and may by resolution amend the Charter if required at any time.</p> <p>17 CORPORATE GOVERNANCE DOCUMENTS</p> <p>17.1 The following are key Corporate Governance Documents of the Corporation relevant to the operation of this Charter:</p> <ul style="list-style-type: none"> a) Code of Conduct for Directors of Victorian Public Entities b) Western Water Code of Conduct c) Terms of Reference of the Board’s Committees; d) Board Committee Procedural Rules e) Board Conflict of Interest Policy & Procedure 	<p>Required by section 81(1)(d) of the Public Administration Act</p>
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<ul style="list-style-type: none">f) Gifts Benefits and Hospitality Policyg) Corporate Governance Statement in the Annual Report;h) Instrument of Delegation including financial delegations;i) Statements of Obligations of the Corporation;j) Essential Services Commission Price Determinations;k) Guidance Material issued by the Victorian Public Sector Commissioner (http://vpssc.vic.gov.au/governance/)l) Guidance material issued by the Department of Environment, Land, Water and Planning (http://delwp.vic.gov.au/about-us/boards-and-governance)	
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