

RESOURCE RECOVERY GIPPSLAND BOARD CHARTER OF CORPORATE GOVERNANCE

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1 Purpose of this Charter

The purpose of this charter is to specify how the Resource Recovery Gippsland Board will ensure that Resource Recovery Gippsland's objectives and functions are fulfilled effectively, in accordance with its governance framework and good public-sector governance practice.

Resource Recovery Gippsland is a public body and a public entity subject to Division 2AA of the Environment Protection Act 1970 (EP Act), the Financial Management Act 1994 (FMA), the Public Administration Act 2004 (PAA) and ministerial directions, guidelines, and statements of expectation (if any). Resource Recovery Gippsland reports to the Minister for Energy, Environment and Climate Change (Minister) and the Department of Environment, Land, Water and Planning (DELWP).

The Board is responsible for the governance of the entity. This charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

2 Objectives of Resource Recovery Gippsland

In accordance with Section 49G of the EP Act the objectives of Resource Recovery Gippsland are to:

- (a) undertake waste and resource recovery infrastructure planning to meet the future needs of the Gippsland region while minimising the environmental and public health impacts of waste and resource recovery infrastructure
- (b) facilitate efficient procurement of waste and resource recovery infrastructure and services for its waste and resource recovery region through the collective procurement of waste management facilities and waste and resource recovery services in the region
- (c) integrate regional and local knowledge into State-wide waste and resource recovery market development strategies
- (d) educate businesses and communities within its waste and resource recovery region to reduce waste going to landfill by using waste and resource recovery infrastructure and services efficiently
- (e) ensure the Gippsland Waste and Resource Recovery Implementation Plan (Implementation Plan) and programs are informed by local government, business and community and inform State-wide waste and resource recovery planning and programs.

In seeking to achieve its objectives, a Waste and Resource Recovery Group must collaborate with councils, Sustainability Victoria (SV), the Environment Protection Authority (EPA), industry, business and the community.

Resource Recovery Gippsland is prohibited from:

- (a) owning or operating a waste management facility
- (b) holding a planning permit, or
- (c) entering into contracts for the procurement of waste management facilities or waste and resource recovery services, unless the contract is jointly entered into with a procurer under that contract.

3 Role and responsibilities of the Board

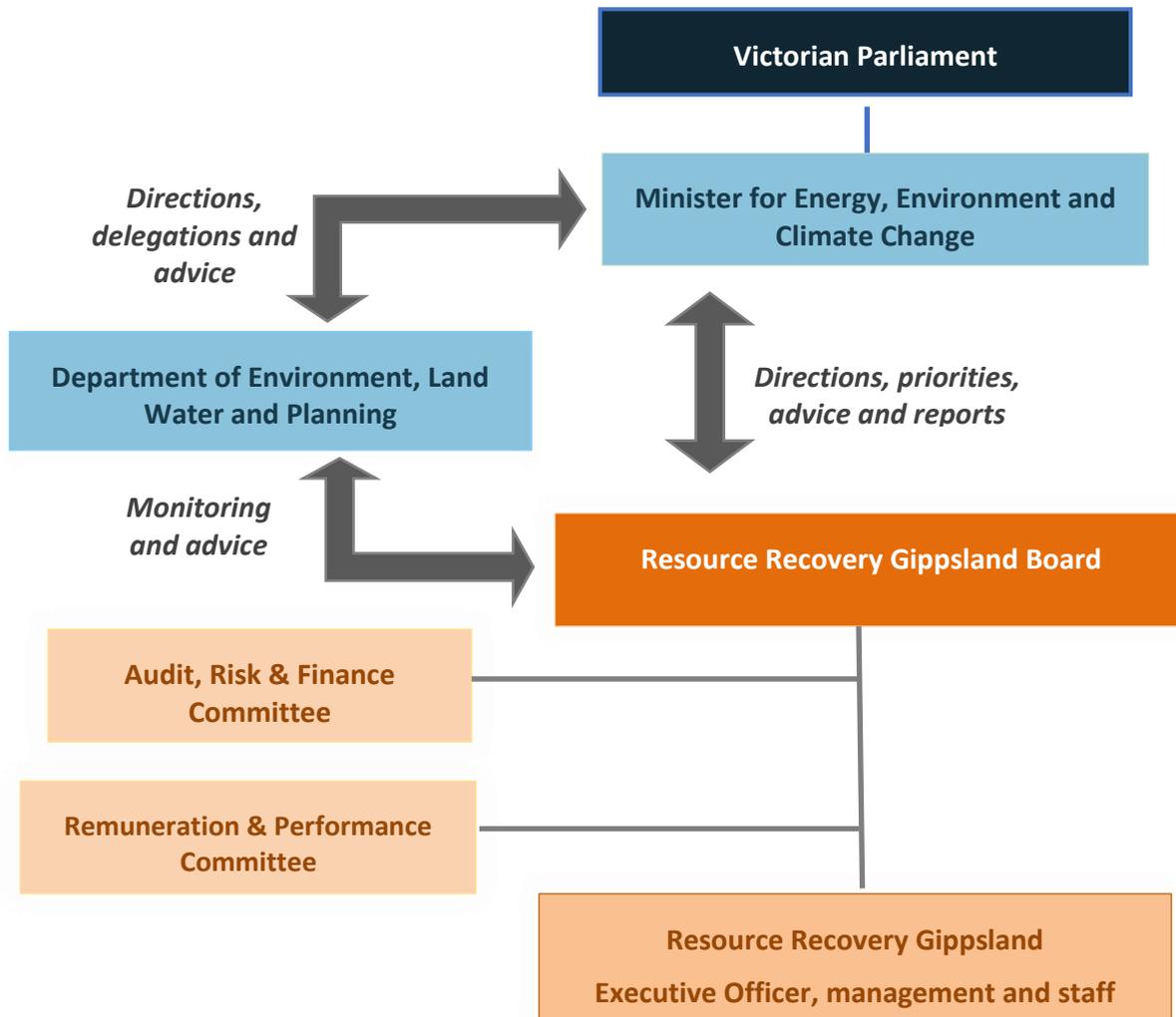
3.1 Role

As a formal governing Board, the objectives of the Board are to provide leadership, and to determine and to monitor through oversight of:

- (a) Resource Recovery Gippsland's long-term strategic Implementation Plan and its annual business plan
- (b) policies governing the operations of Resource Recovery Gippsland and the conduct of its Executive Officer (EO)
- (c) powers and functions of Board committees, and other committees as may be established.

- (d) annual progress and performance of Resource Recovery Gippsland in implementing its annual business plan and the Implementation Plan, and
- (e) compliance with all legislative requirements and any information requested in relation to Resource Recovery Gippsland and its operations by the Minister and Secretary of DELWP.

3.2 Resource Recovery Gippsland’s Governance Framework



3.3 Board Responsibilities

The Board is responsible for the management of the Resource Recovery Gippsland’s affairs including:

- (a) setting the desired culture for the organisation consistent with public sector values and employment principles as prescribed by the PAA and act as a role model of the desired culture
- (b) appointing (when necessary) the deputy chair
- (c) establishing and determining the powers and functions of Board committees, and other committees established by the Board
- (d) appointing, overseeing and when necessary replacing the EO
- (e) approving the appointment and when necessary replacement of other senior executives
- (f) reviewing and approving the Implementation Plan and ensuring it is consistent with State Government policy
- (g) reviewing and approving the annual business plan, including the annual financial budget

- (h) reviewing and approving all policies necessary to ensure strong governance over finances, operations and legislative compliance. All policies should be reviewed in accordance with the Policy Review Schedule as agreed by the Board.
- (i) overseeing and monitoring organisational performance and the achievement of the annual business plan and long-term Implementation Plan
- (j) monitoring financial performance against forecast and prior periods, including approval of the annual financial report, and the liaison with external auditors by the Audit, Risk and Finance Committee
- (k) approving major capital expenditure
- (l) overseeing the integrity of the accounting and corporate reporting systems, including the independence of the external auditor and any internal audit function
- (m) setting the risk appetite(s) within which the Board expects management to operate
- (n) ensuring that an appropriate risk management framework is embedded, including ensuring all material risks (existing and emerging) are identified and appropriate control, monitoring, and reporting mechanisms are in place
- (o) ensuring compliance with the EP Act, responding to Ministerial directions and Statement of Expectations (if applicable), complying with any procurement guidelines issued by the Treasurer and approving all information provided to the Minister and Secretary of DELWP
- (p) informing the Minister and Secretary of DELWP of any known major risks that may prevent, or significantly affect, the achievement of the annual business plan or Implementation Plan, and of the risk management systems that it has in place to address those risks
- (q) provide accurate financial reports and other information to the Minister and Secretary of DELWP as required by law
- (r) approving the succession plan and remuneration, and regularly assessing the performance of the EO
- (s) engaging with stakeholders including the Minister, Secretary of DELWP, regional councils (Bass Coast Shire Council, Baw Baw Shire Council, East Gippsland Shire Council, Latrobe City Council, South Gippsland Shire Council, and Wellington Shire Council) SV, the EPA, industry, business, and the community
- (t) monitoring the effectiveness of the governance framework and practices including assessing the performance of the board itself (collective and individual).

3.4 Chair Responsibilities

The Chair is a director appointed by the Minister. The Chair is responsible for:

- (a) leading the Board in reviewing and discussing Board matters
- (b) chairing Board meetings, including setting the Board annual work program, setting the agenda for Board meetings and ensuring that adequate time is available for discussion of all agenda items (in particular, strategic issues)
- (c) ensuring the efficient organisation and conduct of the Board's function
- (d) briefing all directors in relation to issues arising at Board meetings and any meetings with major stakeholders such as the Minister and the Secretary of DELWP
- (e) acting as official spokesperson and key relationship-builder for Resource Recovery Gippsland, including informing the Minister of any major risks, issues or events affecting Resource Recovery Gippsland
- (f) facilitating effective contribution by all directors and monitoring Board performance

- (g) ensuring that the skills of the Board such as experience and knowledge relating to local government, financial management, contract management, risk management, environmental policy, waste management and materials efficiency are drawn upon to best effect in undertaking its functions and achieving its objectives. In cooperation with the DELWP, ensure the renewal of directors is undertaken with consideration of desired skills, experience and knowledge (expertise).
- (h) promoting constructive and respectful relations between Board members and between the Board and management
- (i) ensuring that directors meet separately on a regular basis to consider, among other things, senior executive performance and financial issues with the external auditor
- (j) ensuring that the Implementation Plan, annual business plan, and annual report are submitted according to requirements, and
- (k) establishing and overseeing the Board performance review which informs professional development plan for directors to enhance or hone skill sets to benefit the operation of the Board as a whole.

3.5 Deputy Chair Responsibilities

The Board may decide to appoint a deputy chair. Where this occurs, the role of the deputy chair includes assisting the chair to fulfil the duties of the chair (as requested) and undertaking the role of chair in periods when the chair is absent.

4 Membership

4.1 Composition and size

The Board of Resource Recovery Gippsland consists of eight directors appointed by the Governor in Council on the recommendation of the Minister, including:

- (a) four directors nominated to the Minister by the region's Local Government Waste Forum, and
- (b) four other persons who, in the opinion of the minister, have expertise that will assist Resource Recovery Gippsland to carry out its functions and achieve its objectives.

Consistent with the EP Act, the Minister must attempt to ensure that collectively the directors have expertise relating to local government, financial management, contract management, risk management, environmental policy, waste management and materials efficiency.

The Board's expertise matrix is to be maintained to ensure there are an appropriate balance of expertise on the Board during periods of renewal.

A person cannot be nominated, or may be removed if appointed, if:

- (a) they become insolvent under administration
- (b) convicted of an indictable offence or is imprisoned for any offence, or
- (c) they fail to comply with section 49N of the EP Act (disclosure of pecuniary interests).

4.2 Term of appointment

A director holds office for the period not more than four years and on the terms and conditions determined by the Governor in Council. These are specified in the Instrument of Appointment setting out the terms, conditions and remuneration of their appointment. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

Directors may be re-appointed by the Governor in Council.

Directors must resign from office by delivering a signed letter of resignation to the Governor in Council sent with a covering letter to the Executive Director of DELWP's Environment Policy Division.

A director may be removed from office at any time by the Governor in Council.

4.3 Expected behaviour and disclosure of interests

Directors must at all times act in accordance with legal and statutory requirements and discharge all their duties as directors in accordance with the Code of Conduct for Directors of Public Sector Entities. Furthermore, in accordance with the Board's Code of Conduct, Directors must:

- (a) discharge their duties in good faith and in the best interests of Resource Recovery Gippsland and for a proper purpose
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director, including applying an independent and enquiring mind to their responsibilities
- (c) avoid conflicts of interest. Where a potential conflict, or a perceived potential conflict exists, the director is required to make a full disclosure at meetings of the Board or as soon as becoming aware of the potential conflict and must not take any part in the discussion of, or vote on, the matter to which the conflict relates. Such disclosure is to be recorded in the minutes of the Board meeting.
- (d) not make improper use of information gained through their position as a director
- (e) not take improper advantage of their position as a director, and
- (f) not accept or make gifts offers or solicit gifts, for themselves or associates, and must report any attempt to bribe or influence them.

4.4 Indemnification of Directors

Resource Recovery Gippsland will indemnify and insure directors from liabilities incurred in the performance of their role, other than for liabilities arising from wilful breach of duty or for misuse of their position as directors.

5 Powers and delegations of authority

In order to properly fulfil their obligations, directors have a right to sufficient information to enable them to properly discharge their duties.

The Board may delegate any function, duty or power (other than the Board's power to delegate) that is conferred on Resource Recovery Gippsland by or under the EP Act, the PAA, or any other Act. Delegations may be made to the chair, a director, a committee, the EO, or any other employee.

All decisions to delegate will be clearly minuted.

The Board will ensure that the delegations policy nominates appropriate delegations for:

- signing contracts
- leasing vehicles, and
- authorising bank transactions.

5.1 Delegation to committees

Standing sub-committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committee. The committee charters, delegations and composition of each committee are reviewed in accordance with the governance review schedule by the Board.

The currently standing committees are the:

- Audit, Risk and Finance Committee, and
- Remuneration and Performance Committee.

The Board may establish other committees from time to time to consider other matters of special importance. Directors are entitled to attend committee meetings and receive committee papers; however, it is expected that a director will inform the committee Chair of attendance in advance of the meeting.

Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

5.2 Delegation to EO and management

The Board has delegated to the EO the authority to manage the day to day affairs of Resource Recovery Gippsland within the risk appetite(s) set by the Board, and the authority to control the affairs in relation to all matters other than those responsibilities reserved to itself in this charter. The EO is accountable to the Board and will regularly communicate through the Chair on the status of operations.

The EO has authority to sub-delegate to the management team.

6 Board Process

6.1 Meetings

All Board meetings will be conducted in accordance with Section 49M of the EP Act. Decision-making will be made in accordance with Sections 49M to 49O of the EP Act. As such a matter cannot be decided at a meeting unless a majority of the directors appointed for the time being are present.

All directors are expected to attend all meetings of the Board. The Board shall hold at least five (5) ordinary meetings annually according to the approved annual work program. For each meeting, an agenda, with supporting papers, will be circulated at least five business days in advance, to provide Board members with reasonable time to fully prepare for the meeting.

Special meetings may also be held where the Chair provides each director with at least 48 hours written notice of a special meeting by circular motion, inclusive of agenda and supporting papers. Minutes of the special meeting to be issued at least five days prior to the next ordinary meeting.

Directors are committed to collective decision making but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their expertise when discussing matters at Board meetings.

Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

All directors will:

- fully prepare for Board meetings by reviewing minutes, agendas and relevant documentation, and
- constructively participate in discussions through and comments and questions on relevant topics that leads to consensus on decisions and actions.

The Board should assess the information that it receives and the timing of its distribution to ensure directors have sufficient time to examine the material provided to it for approval.

The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

Whilst attendance in person at a board meeting is preferable, the Board may permit Board members to attend remotely by telephone or video conference.

The Board may also agree to make resolutions by circulation for formal ratification at the earliest face to face meeting. Circular resolution will require a minimum of 48 hours' written notice and every effort will be made to ensure the agenda is limited to resolve no more than two issues.

6.2 Minutes

The Board must ensure that minutes are kept for each board meeting. The minutes must accurately record:

- (a) the names of the present directors
- (b) each agenda item discussed and key considerations/reasons for decisions made
- (c) the names of the directors voting on any resolution and those who dissent or abstain from decisions, and
- (d) the action items (if any) flowing from the decision and who is responsible and relevant timeline.

The minutes will be issued within 10 days of the meeting and endorsed at the next Board meeting and signed by the Chair.

6.3 Independent professional advice

Following consultation with the Chair, directors may seek independent professional advice at the expense of Resource Recovery Gippsland. Generally, this advice will be available to all directors.

6.4 Access to management

The directors have complete and open access to management following consultation with the Chair and EO.

7 Board Review

7.1 Review of Board Performance

Whilst under the PAA the Board must evaluate its performance on an annual basis, the Board considers the ongoing development and improvement of its own performance as a critical input to effective governance. As a result, the Board undertakes an annual evaluation covering the performance of the Board as a whole, each directors' individual performance, its committees, the Chair, and the governance process which supports the Board's work.

7.2 Review of charter

The Board is responsible for reviewing this charter on a triennial basis, or as required, to determine its appropriateness to the needs of Resource Recovery Gippsland. The charter may be amended by resolution of the Board.

The charter is available on Resource Recovery Gippsland's website.