



Board Charter

Western Queensland Primary Health Network

Version 2.0 April 2021

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WESTERN QUEENSLAND

An Australian Government Initiative

Board Charter

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Board Charter



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1. PURPOSE

The purpose of this Board Charter (Charter) is to set out the main principles adopted by the Board of Directors of Western Queensland Primary Care Collaborative Limited (trading as WQPHN)(the Company) in order to develop, implement and maintain a culture and standard of good corporate governance.

The matters set out in this Charter are subject to the Corporations Act 2001 (Cth), the Australian Charities and Not-for-profits Commission Act 2012 (Cth) (ACNC Act) and the Company's Constitution.

2. SCOPE

This Charter applies to all Directors of WQPHN. It is intended that it be read, understood and accepted by all existing and future Directors (upon appointment).

3. COMPOSITION OF THE BOARD

The Board shall be of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively. The composition should reflect diversity, independence of mind and a range of skills, experience and knowledge. The number of Directors shall never be less than three and not more than nine.

4. ROLES AND RESPONSIBILITIES

There shall be a clear division of responsibilities between the running of the Board by the Chair and the management of the Company by the CEO, positions which may not be held by the same person.

4.1 Board

The Board is responsible for providing leadership to the organisation, overseeing the overall strategy, governance and performance of the Company. The key roles and responsibilities of the Board are to:

- Provide strategic direction to the Company by setting the strategy, goals and objectives in conjunction with the CEO;
- Approving the Company's values and Code of Conduct, ensuring the Company's business is conducted in an ethical manner and underpinning the desired culture within the Company;
- Overseeing management in its implementation of the Company's strategic objectives and, whenever required, challenging management and holding it to account;
- Monitor the operational and financial performance of the Company;
- Approve the annual budget for the Company and monitor the results at regular intervals;
- Ensure that the principal and emerging risks facing the Company are identified with appropriate controls and monitoring systems through an effective risk management framework;
- Assess the effectiveness of the Company's internal controls and auditing thereof;
- Oversee the implementation and periodic review of appropriate and effective policies and procedures of the Company that ensure regulatory compliance;
- Appoint, and where appropriate, remove the CEO and conduct regular performance reviews;
- Ensure that the election and appointment of officeholders is made in accordance with the Constitution, Corporations Act and ACNC Act; and
- Oversee the engagement with the Company's Members and key stakeholders.

4.2 Board Chair

The Board Chair is responsible for leadership of the Board, for efficient organisation and conduct of the Board's function and the briefing of all Directors in relation to issues arising at Board meetings. The Board Chair's role is to:

- Manage the Board effectively and provide leadership in formulating strategic direction;
- Foster a constructive governance culture and apply appropriate governance principles among Directors and with management;
- Ensure the Board is well informed and effective, and that the Directors, individually and collectively, can air differences, explore ideas and generate the collective views and wisdom necessary for the proper operation of the Board and the Company as a whole;
- Ensure there are processes and procedures in place to evaluate the performance of the Board and its Committees;
- Ensure effective communication with the Company's Members; and
- Ensure effective communication between the Board and CEO on a day to day basis.

The Board Chair will be chosen by the Board from the Directors of the Board at the first meeting of the Board after any Annual General Meeting. All Directors are entitled to vote.

The Board Chair continues to hold office until the date of the first meeting of the Board after their first anniversary of their appointment to that office, or if they resign, are removed or the position otherwise becomes vacant before that date as allowed under the Constitution.

4.3 Directors

Directors owe various fiduciary duties to the Company, which if breached, may lead to personal liability of the Directors. As a Director of the Board of a charity registered with the Australian Charities and Not-for-profits Commission (ACNC), there are duties and responsibilities that come with the role.

The ACNC Governance Standards set core, minimum standards that all charities must meet. Governance Standard 5 specifically requires that charities take reasonable steps to make sure that Members of their Governing Body know and understand their legal duties and carry out these duties accordingly. These specific duties include:

- To act with reasonable care and diligence – you must exercise your powers and duties with care and diligence that a reasonable person would if they were in your place
- To act with good faith in the best interests of the charity and for a proper purpose – when acting as a Director, you must make decisions that are in the best interest of the charity and to further its charitable purpose
- Not to improperly use information or position – any special knowledge that is gained as a Director must only be used for the benefit of the charity and never to further personal or other interest. Similarly, the position should not be used to improperly gain an advantage for yourself or someone else, or cause detriment to the charity
- To disclose conflicts of interest – if your duty to act in the best interests of the charity conflicts with (or may conflict with) your personal interests, this responsibility must be disclosed
- To ensure that financial affairs are managed responsibly - there are systems and processes in place that ensure the charity's resources are being effectively put towards the charity's purpose and are protected from misuse
- Not to allow the charity to operate while insolvent – ensure that the charity can pay its debts as and when they are due or will become due and that it does not continue to operate if it cannot pay its debts

Each Director is selected on their unique skills and experience. With a diversity of skills and experience, each Director is expected to render a valuable contribution to the leadership and direction provided by the Board as a whole.



The key roles and responsibilities of each Director are to:

- Participate in Board discussions providing constructive challenge, drawing on his/her skills, experience and background;
- Serve on Board Committees, where required;
- Scrutinise the performance of management and monitor the reporting of performance;
- Observe the highest level of business and professional ethics;
- Be independent in both their judgement and actions;
- Manage conflicts of interest in accordance with the requirements of the Constitution, ACNC Governance Standards and the Department of Health PHN Health Networks Conflicts and Related Party Policy;
- Represent the Company to stakeholders and in the public arena, as required; and
- Participate in Board induction, evaluation and training.

4.4 Chief Executive Officer

The Board is responsible for appointing the CEO, for such period and terms as the Board resolves. Subject to the terms of the CEO's employment agreement, the Board may vary or terminate the appointment of the CEO.

The CEO is responsible for the operational management of the Company. The key roles and responsibilities of the CEO, with the support of the executive management team, are to:

- Develop and recommend to the Board the strategy, goals, and KPIs for the Company, and implementing these to ensure the operational success of the Company's business;
- Develop and recommend to the Board the annual budgets that support the Company's strategy;
- Strive to achieve the Company's key performance indicators and ensure that the day to day business affairs of the Company are appropriately monitored and managed within the values, budget and risk appetite set by the Board;
- Ensure that the Company has an effective management team and to effectively participate in the development of management and succession planning;
- Maintain a positive and ethical work climate that is conducive to attracting, retaining and motivating a diverse group of quality employees at all levels of the Company;
- Formulate and oversee the implementation of policies;
- Provide the Board with accurate, timely and clear information on the Company's operations to enable the Board to perform its responsibilities; and
- Serve as chief spokesperson for the Company.

The Board shall ensure that a current position description for the CEO is maintained and at least annually (12 months in advance of the annual performance appraisal) inform the CEO of the Board's requirements, performance targets, and expected achievements in the ensuing 12 months. The Board Chair will also provide the CEO with regular and progressive feedback on performance throughout the year. Ongoing and formal reviews of CEO performance will be determined annually by the Board.

4.5 Company Secretary

The Company Secretary is appointed and removed by the Board. The Company Secretary is responsible for advising the Board on governance matters and ensuring there is a system of corporate governance and compliance in place in the Company.

The Company Secretary ensures that the Board meets its statutory and regulatory corporate governance obligations and provide advice to Directors on matters including, but not limited to, risk management, corporate ethics, governance, compliance and insurance.

The Company Secretary works in conjunction with the Board and Committee Chairs to manage the smooth functioning of the Board by managing Board and Committee processes and ensuring meetings are properly held and called and appropriate records, registers and minute books are maintained.

5. RELATIONSHIP OF THE BOARD AND THE CEO

Management of the day to day business of the Company is conducted by, or under the supervision of, the CEO appointed by the Board. Communication between Directors and management will primarily be through the CEO. When Directors seek clarification regarding information provided to Directors, or are seeking information about the Company generally, this may be sought directly from the appropriate senior executive, with the CEO advised of this communication. All other communication should be directed through the CEO.

6. MEMBERSHIP

Members serve an essential role in good governance and hold the Board accountable for delivering on the purpose and objectives of the Company. The Company aims to have a broad-based membership to encourage diversity of views and aims to attract community, consumer and provider representation.

Under clause 8.2 of the Constitution, the Members of the Company are (a) the Founding Members and (b) such other organisations as the Board admits to membership from time to time in accordance with the Constitution.

The Founding Members of the Company are the Central West Hospital and Health Service, South West Hospital and Health Service and North West Hospital and Health Service. A full list of Members is available from the Company Secretary who maintains the Member Register in accordance with corporations' law.

A copy of the Membership Policy is included as Attachment 1.

7. BOARD COMMITTEES

Under clause 16.4 of the Constitution, the Board must establish a Nomination Committee (however named) for the purpose of reviewing and assessing the eligibility of persons being considered by election to the Board.

The Board must also establish one or more Committees to ensure that regulatory obligations of the Board are met and must include a Committee established to advise in relation to Finance, Audit and Risk Management, which includes a Certified Public Accountant (or person with equivalent skills and expertise) among its membership.

The composition, role and function of both the Governance and Nominations Committee and Finance, Audit and Risk Management Committee are set out in their respective Terms of Reference included as Attachments 2 and 3 this Charter.

The secretary of each Committee must maintain minutes of each Committee meeting, which will be made available at the next Board meeting, or earliest practicable Board meeting following the Committee meeting.

8. ADVISORY COMMITTEES

As required in the terms of the Standard Funding Agreement and the Company's Constitution, the Board must establish one or more advisory committees consisting of such Members or Directors or other interested parties as the Board thinks fit. Two Advisory Committees – Clinical Council and Consumer Council – have been established by the Board.

The role of the Councils is to provide strategic level guidance and advice to the Board on locally relevant clinical and consumer issues. The interaction with the Councils enables the Board to ensure that the Board's decisions, investments and innovations are patient-centred, cost-effective, locally relevant and aligned to local care expectations and experience.



The functioning and responsibilities of the Councils shall be defined in the relevant Council's Terms of Reference, as approved by the Board included as Attachment 4. The following principles apply to both Councils:

- The Board may not delegate any of its powers to either of the Councils, as they act in an advisory capacity to the Board with no decision-making authority;
- A quorum for meetings shall be a simple majority of Council members;
- WQPHN staff or other non-Council members may be invited to attend all or part of any Council meeting as and when necessary;
- The Councils generally comprise non-Directors, although a Director may be appointed as a member of the Council. WQPHN staff may not be appointed as a member of a Council;
- Council members are required to declare any conflicts of interest and related party transactions; and
- The Council Chair/s, in consultation with the CEO, shall provide a report to the Board at the next scheduled Board Meeting. This will typically take the form of draft Council minutes.

9. BOARD MEETINGS

Board meetings will be held in accordance with the Company's Constitution and the Corporations Act.

9.1 Frequency

The Board will meet regularly enough to discharge its responsibilities, with a minimum of at least once per quarter in each calendar year (clause 17.1 of the Constitution). Additional meetings may be scheduled as directed by the Chair or otherwise as necessary to discharge the duties and functions of the Board. In addition to Board meetings, the Board shall ensure that the meetings of Board Committees and Advisory Councils are convened (and attended by Directors where appropriate) - preferably before Board meetings - to enable the Committees and Councils to provide reports to the Board.

The Company Secretary shall at the last Board meeting of the calendar year, present to the Board a proposed schedule of meeting dates (including the proposed location) and accompanying work plan for the next calendar year for all Board, Board Committee and Advisory Committee meetings. The meetings should be scheduled to ensure an even workflow throughout the year.

9.2 Attendance and voting

Meetings may be held either face-to-face or via electronic means (for example, teleconference or videoconference), with the adoption of this Charter recording the Directors' consent as a standing consent to hold meetings entirely by electronic means. Directors are expected to attend all meetings of the Board unless there is valid reason for failing to attend and the Director's apology has been tendered to either the Board Chair or the Company Secretary.

Directors may be asked to consider their ability to remain as a Director if they fail to attend several meetings without leave granted by the Board in advance, or if a formal apology has not been tendered. Attendance is recorded in the Annual Report.

All Board decisions must be determined by a majority of Directors present and entitled to vote. Each Director has one vote. In the case of an equality of votes on a resolution at a Board meeting, the Board Chair has a casting vote in addition to any vote that the Board Chair has in his/her capacity as a Director (provided that the Board Chair is entitled to vote on the matter, for example notwithstanding any declared Conflict of Interest).

9.3 Attendance by non-Directors

Only Directors have the right to attend Board meetings, with the Company Secretary and CEO invited to attend all Board meetings as a standing invitee.

Other individuals, such as members of management and external advisors, may be invited to attend all or part of any meeting as and when appropriate and necessary.

A non-Director who attends a Board Meeting may only participate in Board discussions to the extent determined by the Board and may not take part in or vote on any Board decision.

9.4 Quorum

The number of Directors whose presence is necessary to constitute a quorum for a meeting of the Board is two thirds of the total number Directors in office.

9.5 Notice of meeting and agenda

Generally, at least one week's notice shall be given to Directors of all Board meetings. If an urgent meeting is required, notice of such meeting shall be given to each Director at least 24 hours in advance, except where Directors have waived the required notice period.

The Company Secretary shall finalise the agenda with the Chair and CEO prior to circulation to the Directors. Any Directors may submit an agenda item to the Company Secretary, together with any associated papers, within 10 working days prior to the scheduled meeting. Any late or additional agenda items will be accepted at the discretion of the Board Chair.

In setting the agenda, the Board Chair shall ensure that enough time is allocated to appropriately consider all agenda items.

The Company Secretary shall publish the agenda and all associated meeting papers for meetings in the WQPHN electronic meeting platform.

9.6 In Camera Discussions

The Board Chair may direct that all, or a portion of the meeting is held "in camera" taking place with only Directors present. Should substantive decisions be made in camera, these should be recorded in the minutes, as well as any actions arising to ensure they are monitored for completion.

9.7 Record Keeping and Note Taking by Directors

The Company Secretary maintains a complete set of Board papers on the WQPHN electronic meeting platform, as well as in the cloud.

Directors may choose at their discretion to keep their own personal notes or comments on Board papers. Directors should be aware that personal notes and comments they choose to make are discoverable under the law and so should proceed with caution in this regard.



9.8 Minutes

Minutes of Board meetings are documented evidence of decisions, and decision-making processes. The Governance Institute of Australia and the Australian Institute of Company Directors have issued a Joint statement on Board minutes that outlines the following key principles on minute-taking:

- Board minutes are a record of Board decisions and the process by which decisions are made. They should capture the key points of the discussion and the rationale for decisions. This may help establish that Directors have exercised their powers and discharged their duties to act with care and diligence in good faith.
- Minutes record the resolutions of the Board as a whole. It is not advisable to record contributions of individual Directors, or to transcribe every detail of the discussion or debate during the meeting.
- Minutes can demonstrate how Board challenge management. The minutes should record significant issues that Directors have raised with management, and the responses received, or action promised. Recording challenges helps show that the Board as a whole, as well as individual Directors, are discharging their duties. Challenges may be a simple request to management for clarification or further information, or an outright expression of dissatisfaction with information provided/omitted and dissent in the minutes.
- The quality of Board papers plays a crucial role in ensuring meetings run smoothly and facilitating drafting of minutes. The content of the Board papers should also support the Board decisions made. Directors should expect management and continually provide feedback in relation to the quality and adequacy of the Board papers.

There is no “one size fits all” in terms of the right level of detail. It is important to note that minutes are not a transcript of the discussion or debate during the meeting, or a record of an individual Director’s contribution.

Minutes are prepared in draft form by the Company Secretary and provided to the Chair for review within five working days of the meeting.

Minutes of meetings are confirmed and signed at the next subsequent Board meeting. The Chair must sign the file copy of the minutes as a true and accurate record of proceedings.

The proceedings of all Board meetings are confidential, and the distribution of Board papers and minutes of Board meetings is restricted to Directors, the Company Secretary and the CEO.

9.9 Board Action List

It is important to have a tracking and prioritisation process in place to ensure that action items are completed in a timely manner. Actions can be noted directly in the meeting minutes or summarised in a separate table that outlines what the action item is, who is responsible for completing it, the date that it was created, and the proposed completion date for that task.

At the beginning of every Board meeting, this table should be discussed. Action items that have been completed are removed and the outstanding list is reviewed. At this time, if the list is extensive, any remaining open action items are re-prioritised. The proposed completion date may be changed if one item is deemed more pressing than another.

10. OUT OF SESSION DECISIONS

Matters requiring review, approval or endorsement by the Board or Board Committees, including matters requiring a vote, between scheduled meetings may be submitted to the Board or Board Committee out of session.

The Board Chair will determine matters to be considered by the Board out of session and will approve all information and the form of any motion prior to it being sent to Directors for consideration. Any Director has the right to request an out of session consideration of a matter. A meeting of the Board may decide to defer a matter for out of session consideration following initial discussion in session.

Matters to be considered out of session will:

- Only be approved for consideration by Directors based on urgency, necessity or at the Board Chair's reasonable discretion;
- Be provided to Directors with all relevant information;
- At the discretion of the Board Chair, be deferred and dealt with in-session should consideration require discussion or debate by Directors; and
- Be dealt with or resolved after enough opportunity has been given to all Directors to provide a response.

The Company Secretary shall distribute the out of session paper either electronically or in the WQPHN electronic meeting platform for the Board's consideration.

A Director can request that the Board Chair consider whether the matter should be brought to the next Board meeting or to seek a special meeting of the Board.

In accordance with the Constitution relating to out of session resolutions in writing, an out of session resolution shall:

- Be approved by a majority of the Directors entitled to vote on the resolution; and
- Be regarded as approved by a Director if the document containing the terms of the resolution has been signed by the Director either physically or by affixing a signature by electronic means, and the document has been given to the Company

11. DECISION MAKING AND DELEGATION OF AUTHORITY

The Board may delegate any of its powers to any committee (except to Advisory Committees), Director, Employee or other persons for any period and on any terms (including the power to further delegate), as permitted in the Constitution and the Corporations Act.

Generally, matters that are of material, strategic or reputational importance, or which are either catastrophic or critical in nature must be referred to the Board. Operational matters should be dealt with by management.

12. REMUNERATION PRINCIPLES

Clause 15.9 of the Constitution permits Elected and Appointed Directors to be paid fees (or other remuneration) for services performed as a Director.

The Company, by approval of the Members at the Annual General Meeting, determine the maximum fees payable to all the Directors (total remuneration pool).

Directors are paid by way of a base annual fee payable at regular intervals plus additional payments for Director involvement on Board Committee Payment rates and the way those payments are made are determined by Board resolution.

Payment rates become effective from the date of the resolution passed at the Annual General Meeting. As of the 2019 Annual General Meeting, the payment rates are:

- a. \$60,000 to the Chair
- b. \$30,000 to all other Directors
- c. An additional \$4,500 per annum for the Chair of a Board Committee
- d. An additional \$3,000 per annum being a Member of a Board Committee

Remuneration will be determined on a case by case basis where an Independent Member is appointed to a Board Committee who is not also a Director of the Board.



Remuneration benchmarking is undertaken at the discretion of the Board, but no more than three years should elapse before a new benchmarking review is undertaken. This market benchmarking should be made against similar sized organisations in the not-for-profit sector, including other PHNs.

Each Director will be engaged as an employee. It is preferable that remuneration is not paid to a Director's employer to maintain the observation of independence and transparency. As casual employees, Directors are not entitled to be paid sick, holiday or long service leave or redundancy payments however are entitled to compulsory superannuation guarantee contributions paid into a nominated complying fund.

As a registered health promotion charity with the ACNC, the Company offers Directors access to flexible remuneration (or salary packaging) arrangements. Directors may change the components of their flexible remuneration package at any time. Any residual non-sacrificed amount will be paid monthly into the financial institution account nominated by the Director.

Travel bookings are to be made in accordance with the Travel Authorisation Policy. Original receipts must be provided for reimbursement of reasonable expenses incurred on behalf of the Company. Receipts must be attached to a reimbursement form, approved by an authorised financial delegate and submitted for payment as soon as practicable.

13. APPOINTMENT OF DIRECTORS

The appointment and removal of Directors shall always be subject to the Constitution and make suitable reference to the Skills Matrix as determined by the Board from time to time. The Governance and Nominations Committee supports the Board by making recommendations on the appointment of Directors.

At each Annual General Meeting, one-third of the Directors for the time being in office must retire from office. The Directors required to retire at an Annual General meeting are those who have been longest in office since their election or appointment, or last re-election or re-appointment (as applicable). A Director is appointed for a term of three years and is eligible for re-election for a second term of three years.

13.1 Founding Member Directors

Each Founding Member is entitled to appoint one Director and will always ensure that there is a Director appointed by it.

Each Founding Member appoints its Founding Member Director by giving notice to the Board and the Company notice in writing, of the appointment together with a signed consent to act as a Director from the person appointed as a Founding Member Director. A Founding Member may remove its Founding Member Director or appoint a replacement Founding Member Director at any time by giving at least two months' notice in writing.

13.2 Appointed Directors

The Board may at any time appoint up to three persons recommended by the Governance and Nominations Committee, either as an Appointed Director, or to fill a casual vacancy. Appointed Directors hold office until they are required to retire by rotation or otherwise resign from the position.

13.3 Elected Directors

There are up to three Elected Director positions on the Board. Nominations for election as an Elected Director must be submitted to the Governance and Nominations Committee by any Company Member (other than a Founding Member) by no later than 30 business days before a general meeting for consideration with regard to the Skills Matrix and the requirements for the Board at that time.

The Board must ensure that approved candidates for election as an Elected Director are set out in the notice of the relevant general meeting and/or related explanatory material for the relevant general meeting.

A person elected as an Elected Director by the Company Members will commence office from the close of the relevant general meeting of the Company at which they are elected.

14. INDUCTION AND TRAINING OF DIRECTORS

14.1 Induction of Directors

The Company Secretary will provide each new Director with a letter of appointment.

The Board Chair, with the support of the Chair of the Governance and Nominations Committee and the Company Secretary, will ensure all new Directors receive a comprehensive, structured and tailored induction on joining the Board. The induction is aimed to ensure new Directors are properly informed, supported and welcomed to the Board from the time of their appointment, and to enable them to participate effectively in the governance of the organisation. The induction program shall include (but not limited to):

- An overview of the Company's operations, financial position, regulatory environment and strategic direction
- The role and responsibilities of the Directors
- The remuneration of Directors
- Directors indemnity and insurance cover
- Identifying training needs of the new Director;
- Relevant policies and governance documents, including the Company's Constitution; and
- Meeting protocol and dates of Board and Board Committee meetings.

14.2 Director Training and Development

Directors will be supported by the Company through access to relevant governance and other training and development as may be identified from time to time. When an individual Director wishes to undertake continuing professional development, that activity:

- Must further the development of the Director in any one of the following areas (a) Governance and Director roles and responsibilities (b) industry/corporation specific knowledge and (c) contribute to the personal development of the Director relevant to discharging their duties and responsibilities of a Director (for example, leadership, assertiveness, dealing with conflict resolution etc)
- The Director must advise the content of the CPD, any objectives and learning outcomes (where applicable) and the proposed practical application (that is, how will attending provide the opportunity to practice what has been learnt?)
- Any travel and accommodation associated with the request must be arranged in accordance with any WQPHN policies as agreed from time to time
- The Director agrees to prepare a short paper on the activity for the benefit of the remainder of the Board
- No additional honoraria payments will be made to a Director to attend courses, conferences, training etc
- Priority will be given to Directors who have not completed the AICD Company Director Course, or who were unsuccessful in obtaining funding in prior years

All applications from individual Directors will be assessed and approved by the Chair of GANC and the Board Chair in accordance with the agreed policy. The Board Chair will assess and approve any application by the Chair of GANC.

An annual budget will be made available for Director Professional Development. This budget includes any costs associated with the delivery of collective Board development (for example, facilitated workshops) as well as any individual applications that will be assessed on a case by case basis capped at \$2,500 per annum (excluding travel and accommodation) until the quantum of funds has been exhausted.



15. BOARD EVALUATION

The performance of the Board shall be evaluated annually in order to:

- Ensure Board processes are effective and efficient;
- Ensure the discharge of Directors' duties and responsibilities with transparency and accountability;
- Ensure Board harmony and dynamics
- Anticipate issues that may affect the integrity or stability of the Company in the future
- Assist with Board succession planning and skills assessment; and
- Review Board Committee membership.

An externally facilitated evaluation process is conducted every second year. An internally facilitated process is conducted in the other year, through the circulation of a self-assessment questionnaire to each Director for completion.

Each Director is responsible for raising any matter that concerns an individual Director's performance on a confidential basis with the Board Chair.

15.1 Evaluation approach and scope

The Governance and Nominations Committee shall annually consider the scope and type of evaluation (also whether the evaluation should include the evaluation of the Board Chair, Board Committees, individual Directors, the CEO and the Company Secretary) and make a recommendation to the Board. The Board shall consider and approve the evaluation approach. The Chair, with the support of the Company Secretary, will ensure Board evaluation processes are undertaken.

Each Director is expected to actively participate in the Board evaluation processes within the required timeframes.

The Governance and Nominations Committee shall consider the evaluation results, including any training and development needs of the Board as a whole or any individual Director identified during the evaluation, and present the results and the Committee's recommendation to the Board.

16. DECLARATION AND MANAGEMENT OF CONFLICTS OF INTEREST

Directors have a duty to avoid personal interests that conflict with the interests of the Company and, where it exists, to identify and disclose any potential, perceived or actual conflicts of interest or related party transaction. The Board shall consider and carefully manage any conflicts of interest, determine whether the Director is entitled to vote on a matter for consideration of the Board, and immediately respond to any breaches.

If the interest is in relation to the performance of an activity under a funding agreement, the Company Secretary must ensure the Australian Government Department of Health is notified.

A conflict of interest occurs when a Director's personal interest/s conflict with their responsibility to act in the best interests of the company. Personal interests include direct interests, as well as those of family, friends or other organisations a Director may be involved with or have an interest in (for example, as a shareholder). It also includes a conflict between a Director's duty to the Company and another duty that the Director has (for example, to another company). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

These situations present a risk that the Director may decide based on, or affected by, these influences, rather than in the best interests of the Company and must be managed accordingly.

On appointment, and at any time during their term of office that a new interest arises, a Director must inform the Company Secretary where the interest will be entered the Register of Interests and communicated to the Board.

16.1 Management of conflicts of interest

There will be a standing item on the agenda of each Board meeting prompting Directors to consider and declare conflicts of interest as they arise. In addition, the Company Secretary will table the Register of Interests at each meeting under this standing item for consideration and confirmation by Directors.

Once a conflict of interest has been declared, the Board (excluding the Director disclosing and any other conflicted Director) must decide whether the conflicted Director/s should:

- Be present in the room during discussion and/or debate of the matter
- Participate in any discussion and/or debate
- Vote on the matter

In exceptional circumstances, such as where the conflict is very significant or likely to prevent a Director from regularly participating in discussions, the Board may need to consider whether it is appropriate for the conflicted Director to resign from the Board.

The minutes of a Board meeting at which a Director declares or is identified by the meeting as having a conflict of interest, must record the declaration and the way the conflict was managed.

If a Director is concerned about the existence, or potential existence of a conflict of interest in relation to another Director that has not been declared, the concerned Director should discuss the matter in confidence with the Board Chair in the first instance, or otherwise with the Chair of the Governance and Nominations Committee if the conflict relates to the Board Chair. The matter should then be discussed with the conflicted (or potentially conflicted) Director to determine how the matter should best be resolved.

16.2 Register of Interests

The Company Secretary will maintain a Register of Interests that will act as the central repository for all declared interests of Directors.

The Declaration of Conflicts of Interest will remain a standing agenda item for each Board meeting and Directors will be expected to appropriately details the nature and extent to conflicts as they arise further to any other standing declarations of interests that have been made.

17. CONFIDENTIALITY

All non-public information that Directors acquire in the course of performing their duties should be treated as confidential, an obligation that continues to apply when a Director no longer serves on the Board.

Other than as authorised by the WQPHN, as required by law, or in accordance with WQPHN's legal or financial advisors for the purpose of obtaining professional advice, or to the extent necessary to perform their duties as a Director of WQPHN, Directors shall not divulge such confidential information, use of appear to use such confidential information for personal advantage of a third person.



18. INSURANCE

The Company indemnifies Directors to the maximum extent permitted by law against liability incurred in or arising out of the discharge of their duties.

The organisation seeks appropriate Directors' and Officers' (D&O) insurance cover, where possible, for all potential liabilities flowing from the indemnities. The Company Secretary holds a copy of the insurance policy and can supply on request. The Company maintains each Director's D&O insurance for seven years from the date at which they cease to be a Director.

19. INDEPENDENT PROFESSIONAL ADVICE

The Board and individual Directors shall have access to independent professional advice, at the Company's expense, where they deem it necessary to discharge their responsibilities as Directors.

Prior to seeking professional advice, a Director must inform the Board Chair about the nature of the opinion or information sought, the reason for the advice, the terms of reference for the advice and the estimated cost of the advice. Where more than one Director is seeking advice about a single issue, the Board Chair will endeavour to coordinate the provision of the advice.

The Board must be the recipient of such advice.

Independent professional advice for these purposes shall include legal advice and advice of accountants and other professional financial advisors on matters of law, accounting and other regulatory matters but shall exclude advice concerning the personal interests of the Director concerned (such as the Director's service contract with the Company).

20. REVIEW

The Board Charter shall be reviewed annually.

Membership Policy

Version GOVPOL006.0

29 May 2020

1. INTRODUCTION

Members serve an essential role in good governance, and, hold the Board of Directors accountable for delivering on the purpose and objectives of the Company. Western Queensland PHN aims to have a broad-based membership to encourage diversity of views and aims to attract community and consumer and provider representation.

2. POLICY OBJECTIVES

- 2.1 To set out the membership eligibility criteria of the Company
- 2.2 To ensure membership application decisions are made against a consistent and transparent framework
- 2.3 To agree a process for the setting of membership fees (if applicable)

3. MEMBERS

- 3.1 In accordance with clause 8.2 of the Constitution, the Members of the Company are (a) the Founding Members and (b) such other organisations as the Board admits to membership from time to time in accordance with the Constitution
- 3.2 The Founding Members of the Company are the Central West Hospital and Health Service, South West Hospital and Health Service and North West Hospital and Health Service.

4. POLICY

Eligibility criteria

- 4.1 In accordance with clause 8.3 of the Constitution, the Board must determine the eligibility criteria for the Membership and/or new Members and/or new categories of Members from time to time, subject to the approval of Members
- 4.2 To become a Member, an applicant for membership must:
 - a. Be a body corporate, that is a. proprietary company limited by shares, an unlimited proprietary company with share capital, a public company limited by shares, a company limited by guarantee, an unlimited public company with share capital or a no liability company
 - b. Include in its constitutional documents an object of having a role relating to the improvement of primary health care in Australia; and
 - c. Confirm to the Board whether it is, at the time of applying for membership, or has previously been designated as a Public Sector Entity

Membership application decisions

- 4.3 In applying for membership, the applicant must provide:
 - a. A copy of the organisation's Constitution, highlighting the object, statement of purpose or other documentation that demonstrates a role relating to the improvement of primary health care in Australia
 - b. A copy of the Organisation's current Strategic Plan
 - c. A copy of the Organisation's most recent annual report
 - d. A summary of the Organisation's contribution to the health of the community in Western Queensland
 - e. A declaration confirming to the Board whether it has been, or is currently designated a Public Sector Entity
 - f. Full details of any conflicts of interest that the Organisation, or any members of its governing Board and executive and senior management may have in becoming a Member of WQPHN
- 4.4 In assessing applications for membership, the Board will seek the views of the CEO and any other persons or agencies that it, in its absolute discretion, believes will inform its view about the application using the process outlined in Attachment 1 as a guide
- 4.5 The Board will respond to all applications in accordance with clause 8.4 of the Constitution, using the responses included as Attachments 2 to 5



- 4.6 The Board aims to have a minimum of one Member and a maximum of 30 Members
- 4.7 The Company Secretary will maintain a Register of Members as outlined in clause 8.6 of the Constitution.
- 4.8 Organisations will remain Members until such time as they resign or otherwise cease to be a Member in accordance with clause 8.8 of the Constitution

Membership fees

- 4.9 Under clause 8.5 of the Constitution, the Board may determine, from time to time, the annual Membership fee and entrance fee for each category of Membership. In determining the amount of annual Membership fees and entrance fees the Board may differentiate between categories of Membership or on such other basis as the Board determines.
- 4.10 The Board at this time has determined that no annual Membership fee or entrance fee will be levied for any category of Membership.

5. POLICY REVIEW

- 5.1 This policy will be reviewed and, if appropriate, updated by the Board every 2 years.

Governance and Nomination Committee

Terms of Reference

Approved by the Board on 13 April 2021

1. INTRODUCTION

The purpose of this Terms of Reference is to document the objectives, responsibilities, composition and administration of the Governance and Nominations Committee ("GANC" or "Committee") of the Western Queensland Primary Health Network ("WQPHN").

2. OBJECTIVES

The primary objective of the Committee is to assist the Board in fulfilling its oversight responsibilities pertaining to the governance structure of the organisation.

3. RESPONSIBILITIES

The main duties and responsibilities of the Committee are:

- a. Selection and election or appointment of Directors who have an appropriate balance of skills and competencies, in the interests of good governance decision-making for WQPHN;
- b. Oversight of new director induction and orientation;
- c. Directors ongoing professional development to ensure Directors have relevant qualifications, skills and experience for governing the WQPHN;
- d. Oversight of the annual Board Performance Evaluation process to ensure effective monitoring by the Board of its own performance and that of individual Members of the Board and Committees of the Board;
- e. Oversight of the CEO Appointment, Annual Performance Evaluation and Remuneration Review;
- f. Make recommendations and provide advice and guidance to the Board on the governance responsibilities of the Board, including ensuring the Constitution of the WQPHN continues to meet the needs of the organisation;
- g. Oversight of company membership in accordance with the WQPHN Membership Policy, including eligibility criteria, composition requirements and assessment of applications for membership and make recommendations to the Board for approval; and
- h. Any other tasks referred by the Board to the Committee.

4. COMPOSITION AND MEETINGS

4.1 Membership and attendance at meetings

- a. The Committee shall comprise up to five (5) members, including:
 - i. at least two (2) current Board Directors;
 - ii. the Chair of the Committee appointed by the Board, who must be a current non-executive Director of the Board; and
 - iii. Up to two (2) other parties nominated by the Board with relevant expertise or experience
- b. A quorum of the Committee is any three (3) members of the Committee
- c. The CEO may attend the Committee by invitation
- d. From time to time, the Committee may invite other people to attend Committee meetings as it considers necessary
- e. The secretary of the Committee is the Company Secretary, or another person nominated by the Chair

4.2 Meetings

The Committee will meet at least four (3) times per year and will regulate itself consistently with the procedures set out in the Constitution and Governance Manual as amended from time to time.



5. AUTHORITY

- a. The Committee is directly accountable to the Board for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for governance of the WQPHN rests with the Board
- b. The Committee has no executive powers, except those that may be expressly provided by the Board to the Committee
- c. The Committee may task WQPHN staff through the CEO
- d. The Committee may, in its discretion, delegate some or all of its objectives and responsibilities to the Chair.

6. REPORTING

The Chair of the Committee shall report the findings and recommendations of the Committee to the Board after each meeting. The papers and minutes of all Committee meetings shall be made available to the Board.

7. REVIEW OF TERMS OF REFERENCE AND COMPOSITION

The Committee is to review its composition and Terms of Reference annually and recommend any changes to the Board at the first meeting after the Annual General Meeting. The Committee may review its Terms of Reference at other times deemed necessary by the Committee or the Board.

Finance, Audit and Risk Management

Terms of Reference

Approved by the Board on 28 February 2020

1. INTRODUCTION

The purpose of this Terms of Reference is to document the objectives, responsibilities, composition and administration of the Finance, Audit and Risk Management Committee ('FARM' or "Committee") of the Western Queensland Primary Health Network ("WQPHN").

2. OBJECTIVES

The primary objective of the Committee is to assist the Board to meet its corporate governance obligations, specifically with respect to its oversight of the company's financial policies and reporting obligations, and the identification and management of its strategic risks. Specifically, the role of the Committee is to assist the Board in discharging its obligations with respect to ensuring:

- a. oversight of the integrity of the group's statutory financial reports and statements;
- b. monitoring that an appropriate framework is in place to identify and manage risk;
- c. monitoring compliance with regulatory, prudential, legal and ethical standards;
- d. compliance with all internal guidelines, policies and procedures; and
- e. any other tasks referred by the Board to the Committee.

3. RESPONSIBILITIES

The main duties and responsibilities of the Committee are:

Finance

- a. reporting and making recommendations to the Board on all matters concerning or affecting the financial position of WQPHN;
- b. liaison with management to ensure development and implementation of appropriate budgets and formal financial statements for presentation to the Board for adoption as required;
- c. reviewing the financial statements prepared by management in preparation for all regular Board meetings, and advise management of relevant requirements for the preparation and presentation to the Board of the financial statements;
- d. making recommendations to the Board on appropriate financial or accounting policies to be applied in the preparation of the financial statements;
- e. monitoring the financial statements for preparation in accordance with approved Board policies;
- f. liaison at the regular meetings of the Committee with the CEO, senior representatives from contracted financial and audit service providers, and other finance personnel of WQPHN on as-needs basis, to enable it to discharge these objectives and functions; and
- g. carrying out other functions in relation to financial and resource management of WQPHN and funds under its control as directed by the Board from time to time.

Audit

- a. liaison with external auditors concerning the development and execution of an annual audit of WQPHN;
- b. evaluation of the overall effectiveness of the external audit through periodic meetings with the auditors, including at least part of those meetings being absence of all members of management and staff of the organisation;
- c. determining that management is not placing any undue restrictions on the auditors (e.g. access to information etc);
- d. assisting the Board to evaluate the adequacy and effectiveness of the administrative, operating, and accounting policies and controls of the organisation through active communication with management and the external auditors;
- e. requiring reports from management and the external auditors of any significant proposed regulatory changes, including accounting standards, to assess the potential impact upon the organisation's financial reporting processes; and
- f. carrying out other responsibilities in relation to the audit functions of WQPHN as directed by the Board from time to time.



Risk Management

- a. liaison with management to ensure development and implementation of appropriate Risk Management policies, plans and procedures for the organisation;
- b. approving for submission to the Board the identified controls and treatments for all material strategic, governance, financial and other key risks to the organisation;
- c. monitoring and reviewing Risk Management plans and controls for reporting to the Board in the manner required by the Board from time to time; and
- d. carrying out other responsibilities in relation to risk for WQPHN as directed by the Board from time to time.

Compliance Responsibilities

- a. agreeing policy and procedures, subject to approval by the Board, for ensuring compliance by WQPHN with:
 - i. relevant legislation (including Corporations Act and ACNC Act),
 - ii. internal policies and procedures of WQPHN;
- b. ensuring that the disclosure obligations of WQPHN are compliant with relevant laws;
- c. monitoring compliance obligations with respect to all other aspects of WQPHN's operations;
- d. making recommendations to the Board with respect to:
 - i. required changes to all such compliance plans and procedures;
 - ii. corrective action required in the case of identified non-compliances;
- e. implementation of WQPHN's complaints and dispute resolution procedures where necessary; and
- f. carrying out other responsibilities in relation to overseeing, fostering and encouraging a culture of compliance throughout WQPHN, as directed by the Board from time to time.

4. COMPOSITION AND MEETINGS

4.1 Membership and attendance at meetings

- a. The Committee shall comprise of up five (5) members including:
 - i. at least two (2) current Board Directors;
 - ii. The Chair of the Committee appointed by the Board, and may be a member other than a non-executive Director; and
 - iii. up to two (2) other parties nominated by the Board with relevant financial and/or risk management expertise or experience
- b. A quorum of the Committee is any three (3) members of the Committee
- c. The CEO and the Financial Controller may attend the Committee by invitation
- d. From time to time, the Committee may invite other people to attend Committee meetings as it considers necessary. The external auditors can be invited to attend any meeting and during the meeting can meet with the committee in the absence of management.
- e. The secretary of the Committee is the Company Secretary, or another person nominated by the Chair

4.2 Meetings

The Committee will meet:

- a. at least four (4) times per year; and
- b. one of the meetings will be set at a date to enable the draft annual financial reports and statements to be reviewed prior to presentation to the Board and will be attended by the external auditors.

5. AUTHORITY

- a. The Committee is directly accountable to the Board for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for governance of the WQPHN rests with the Board
- b. The Committee has no executive powers, except those that may be expressly provided by the Board to the Committee
- c. The Committee may task WQPHN staff through the CEO
- d. The Committee may, in its discretion, delegate some or all of its objectives and responsibilities to the Chair.

6. REPORTING

The Chair of the Committee shall report the findings and recommendations of the Committee to the Board after each meeting. The papers and minutes of all Committee meetings shall be made available to the Board.

7. REVIEW OF TERMS OF REFERENCE AND COMPOSITION

The Committee is to review its composition and Terms of Reference annually and recommend any changes to the Board at the first meeting after the Annual General Meeting. The Committee may review its Terms of Reference at other times deemed necessary by the Committee or the Board.

Gifts and Honorariums Checklist

Approved by the Board on 13 April 2021

The ACNC generally expects that gifts or honorariums will be of a token nature. They should not provide an individual with a sizeable or significant personal benefit. A charity that provides a gift or honorarium of significant value is at risk of not complying with its purpose and character as a not-for-profit entity. It is up to the charity's Board to determine an acceptable value of any gift or honorarium, cognisant of any taxation implications, and its ability to carry out its charitable purposes. **This checklist refers to the provision of gifts and honorariums by the WQPHN only.**

Questions to ask when considering gifts and honorariums:

- Does WQPHN's Constitution allow us to provide gifts or honorariums?
- Who will receive the gift or honorarium and why?
- How should the value of the gift or honorarium be determined?
 - o *It may be through a discussion by the Board or at the management level*
 - o *It may be by consulting with other charities*
 - o *If material, this may need to be reported as a related party transaction*
 - o *Does the value of the gift exceed reportable fringe benefit thresholds (refer ATO website)?*
- Will the payment of a gift or honorarium affect any current funding arrangements?
 - o *Are there conditions on funding that specify funds must be used in a particular way?*
- What will Members, key stakeholders or the public think of WQPHN providing a gift or honorarium?
 - o *For example, will it pose a risk to WQPHN's reputation, especially if the gift or honorarium is of significant value?*
- Is the gift or honorarium going to be a once-off occurrence?
 - o *If not, it might not be a "true" gift or honorarium, especially if recipients are expected to do something in return, or it is made in exchange for services. There may be implications for this under employment and tax law*
- Is the gift or honorarium being considered because its rules prevent it from offering remuneration?
 - o *If so, the Board may not be taking reasonable steps to ensure it is acting in good faith and in WQPHN's best interests, particularly if the person receiving the gift or honorarium is likely to be regarded as an employee or contractor*
- Is the gift or honorarium being made to cover the out-of-pocket expenses incurred by individuals, for example, travel costs to attend a meeting?
 - o *Consider reimbursing those individuals for the actual costs incurred instead, if allowed by the Constitution*
- Is the gift or honorarium being offered on a regular basis to recognise an individual for their services?
 - o *If so, it may be more appropriate to recognise them as an employee or contractor instead*
- If the gift or honorarium for a Director?
 - o *If so, make sure there is a proper process for deciding and determining a reasonable value, considering any conflicts of interest*
 - o *How will the Board be accountable for and transparent about the gift or honorarium?*
 - o *Does the decision require Member approval (not required if at arm's length)?*