



## **Board of Management Charter**

## **Introduction**

This Board Charter outlines the main corporate governance practices that are in place for Healthway, to which both the Board of Management and the Directors individually are committed.

The Healthway Board of Management operates under Part 5 of the Tobacco Products Control Act 2006 (the Act) and is the accountable authority of Healthway. The Board sets strategic direction and goals and makes all decisions regarding the allocation of funding for grants and sponsorships, other than those decisions delegated to the Executive Director in accordance with Section 66 (2) of the Act.

As the governing body of Healthway, the Board of Management in carrying out its function and exercising its powers, will at all times act in a fiduciary manner in the best interests of all its stakeholders. Principally this requires the Board in all matters relating to Healthway, to act in good faith; with care and diligence; and carry out other duties aimed at preventing insolvency and ensuring the continuous disclosure of matters relating to Healthway transactions and Director's interests.

This Charter will be enacted therefore through practices consistent with the Public Sector Commission's Principles of Good Corporate Governance for Western Australian Public Sector Boards and Committees and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2<sup>nd</sup> edition 2008).

## **Board of Management Charter**

The Healthway Board of Management Charter sets out matters governing distinct components affecting the Board of Management as a whole; and matters affecting individual Board members. These include:

1. Composition of the Board
2. Role and Responsibilities of the Board
3. Roles and Responsibilities of the Chairperson and the Executive Director
4. Relationship between the Board and Healthway Staff
5. Delegations of Authority to the Executive Director
6. Board Meeting Processes
7. Charter Review

## 1. Composition of the Board

The Healthway Board was established under Section 15 of the Tobacco Control Act 1990 and now operates as a governing body and accountable authority under Part 5 of the Act.

The Act ensures a diverse and appropriate composition of Directors; through the appointment of a Board that represents a mix of government and non-government organisations. Pursuant to Section 61(1) and for the purpose of efficient working, the Board consists of 11 members, comprising a Chairperson and 10 nominees of stakeholder organisations.

The Minister shall appoint a Chairperson on the nomination of the Premier who satisfies the criteria for independence under Sections 61(2) and 61(6) of the Act. The Chairperson must retire from that position at the expiration of the period of appointment (being no greater than 3 years) and is eligible for no more than two consecutive periods of appointment as Chairperson.

The roles of the Chairperson and the Executive Director must not be held by the same person. The Board will intermittently review the responsibilities of the Chairperson and the Executive Director to ensure that they align appropriately with PSC and ASX Good Governance Principles and Practices.

In accordance with the Act, the Board from time to time may establish committees to assist in carrying out its responsibilities and shall adopt Terms of Reference setting out matters relevant to the role, composition, rights, responsibilities and administration of these committees. These committees review matters on behalf of the Board and to make recommendations to the Board. The committees do not have executive power to bind Healthway.

Committees of the Board include:

- Finance and Audit Committee
- Sport and Racing Sponsorship Advisory Committee
- Arts Sponsorship Advisory Committee
- Health Advisory Committee
- Brand Advisory Committee

## 2. Role and Responsibilities of the Board

The role of the Healthway Board is to set strategic direction and goals; provide strategic oversight; make all decisions to the allocation of funding for grants and sponsorships other than those decisions delegated to the Executive Director in accordance with Section 66 (2) of the Act.; and select, monitor, evaluate and set the remuneration of the Executive Director.

Notwithstanding this role, the Board at all times must conduct itself with *Loyalty* and *Good Faith*; *Care* and *Diligence* and; act in accordance with the specific requirements under Part 5 of the Act.

### **Loyalty and Good Faith**

Healthway Directors must:

- Act in good faith in the best interests of Healthway for a proper purpose.
- Act with personal integrity and behave at all times with courtesy and consideration.
- Avoid conflicts of interest by ensuring Directors do not place themselves in a position where there is an actual or substantial possibility of conflict which may compromise the Director's duty to act in the best interest of Healthway.
- Act in strict confidence regarding the proceedings of the Healthway Board and its Committees. In any circumstance where this confidentiality has been breached, the Director(s) will be expected to resign from the Board.
- Not misuse their position to gain advantage for themselves or someone else; and/or cause detriment to Healthway.
- Not misuse information gained as a result of their Healthway Board position, to gain advantage for themselves or someone else; and/or cause detriment to Healthway.

Board Directors may be called on, as part of their official duties, to explain or provide information to the media or the general public on Healthway policies and activities. The Healthway Chairperson will determine which Directors shall be authorised to make public comment.

Those Directors who are empowered to make public comment should confine themselves to providing such information as is necessary to explain Healthway policy or to provide factual, explanatory and background material pertinent to the question at hand.

In doing so, they should avoid making any comment which could undermine public confidence or disrupt the everyday administration of Healthway. To this end, they should:

- Not give their personal views on matters of Healthway policy or administration, or on advice regarding funding applications or approvals.
- Not publicly criticise Healthway as an Agency, its personnel, its actions or its policies.
- Not speculate on future policy or funding directions.
- Not prolong discussion or debate on an issue once a decision has been made, or a policy adopted.

### **Care and diligence**

Healthway Directors must:

- Have a duty of care and diligence that a reasonable person would exercise.
- Attend all meetings of the Directors unless there is a reasonable excuse for failure to attend a particular meeting or meetings.

The Board discharges its duties by:

- Having a duty to prevent insolvency; duty to continuously disclose; and a duty to disclose personal interest.
- Acting at all times in a fiduciary manner and conducting itself in accordance with Healthway's Code of Conduct for Board and Committee members.
- Providing strategic oversight and monitoring the overall performance of Healthway including control and accountability systems.
- Appointing and removing the Executive Director.
- Participating with the Healthway executive in setting the strategic direction and goals and making all decisions to the allocation of funding for grants and sponsorships other than those decisions delegated to the Executive Director in accordance with Section 66 (2) of the Act. Once set, the Board must be able to understand, test and endorse the strategy; and monitor the execution of the strategy by the executive.
- Making available to the executive the resources to achieve the strategic plan.

- Ensuring that adequate processes are in place to comply with the legal and accounting requirements of Healthway. Setting the risk appetite for Healthway to ensure that the enterprise-wide risks that Healthway is exposed are clearly identified and suitable processes are in place to manage those risks. This is enacted through reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance.
- Approving and monitoring financial and other reporting required of Healthway. This includes approving and monitoring of the progress of major capital expenditure; capital management, acquisitions and divestments.
- Reviewing and approving the remuneration of the Executive Director and senior executives.
- Approving and reviewing Healthway's diversity policy and measurable diversity objectives.
- Demonstrating accountability and sound judgement in aligning the collective interests of all Healthway stakeholders, board, executive and employees. This is enacted through monitoring and overseeing the management of stakeholder and community relations.

### **3. Roles and Responsibilities of the Chairperson and the Executive Director**

The roles of the Chairperson and the Executive Director must not be held by the same person. The Board will regularly review the responsibilities of the Chairperson and the Executive Director to ensure that they align appropriately with PSC and ASX Good Governance Principles and Practices.

Subject to the control of the Board, the Executive Director is to administer the day to day operations of Healthway including budgets, implement the strategic direction, manage operational matters and manage staff. Performance Management of the Executive Director is the responsibility of the Board Chairperson on behalf of the Board. The responsibilities of the **Chairperson** are to:

- Act at all times in the best interest of Healthway.

- Lead the Board by setting the tone and expectations required for good governance practice in accordance with the ASX Good Governance Principles and Practices.
- Ensure the efficient conduct of the Board's function.
- Ensure contributions by all Directors through strong and defensible debate and decision-making processes, which are encouraged through a virtual cycle of respect, trust and candour.
- Brief all Directors in relation to issues arising at Board meetings as appropriate
- Establish and maintain an effective working relationship with the Executive Director.
- Act as an important link between the Board and the Executive Director.
- Chair Board meetings efficiently and shape the Agenda in relation to Healthway strategy; budget and executive performance.
- Oversee a process of performance evaluation for individual Directors; all-of-Board and the Executive Director.

The responsibilities of the **Executive Director** are determined by Healthway Board. Principally the core responsibilities of the Executive Director are to:

- Act at all times in the best interest of Healthway.
- Lead Healthway executive and management teams.
- Manage and administer the day-to-day operations of Healthway.
- Assist the Board in the setting the strategic direction of Healthway.
- Supervise senior executives and represent them to the Board.
- Exercise the specific and express powers delegated to the Executive Director by the Board as required.

#### **4. Relationship between the Board and Healthway Staff**

- The relationship between staff and the Board is a partnership that is crucial to the overall success of Healthway. This partnership requires a climate of trust and candor; ensuring individual accountability; and evaluating performance.
- The broad separation of functions and responsibilities between senior executives; staff and the Board are set out in this Charter and should be respected and clearly understood.
- The relationship requires all parties to strictly adhere to the Healthway Code of Conduct.
- The Board will regularly review the separation of functions between the Executive Director and the Board to ensure that they are appropriate to meet Healthway's needs.

#### **5. Board Delegations of Authority to the Executive Director**

To provide clarity in delineating the roles of the Board and executive, the Board has delegated powers of the day-to-day management of Healthway to the Executive Director. The Executive Director has the authority to act and make decisions on behalf of Healthway within these delegated powers.

The powers which the Board delegates to the Executive Director are as follows:

- Responsible for the full implementation of directions from the Board.
- Responsible for the provision of timely and accurate information to the Board.
- Responsible for reporting to the Board on the progress of strategies against agreed targets and timelines; the financial position of Healthway; and any other matters that the Board should be aware of in relation to the operations or effects on Healthway.
- Responsible for carrying out the duties and responsibilities of the position of Healthway Executive Director; which includes demonstrating and adhering to the Healthway values and code of conduct.

## 6. Board Meeting Processes

Various matters relating to Healthway Board meeting processes are prescribed in the Act. The Board may determine its own procedures for the calling of meetings and for the conduct of business at those meetings. Key Board meeting processes are as follows:

- **Calling of Board Meetings:** An annual calendar of Board meetings will be provided to the Board in advance of the calendar year. Variations or special Board meetings may be called from time to time with the approval of the Chairperson.
- **Agenda development and distribution:** Board meeting agendas are developed under the authority of the Executive Director and approved by the Chairperson prior to circulation. Board members can propose agenda items for consideration in writing to the Executive Director. Board meeting agendas are generally circulated to the Board no later than 5 days prior to meetings.
- **Board members need not be physically present to attend a meeting of the Board.** However, such members must be simultaneously in contact by telephone, or other means of communication.
- **Quorum:** a quorum for a meeting of the Board is 5 members.
- **Chairing:** Meetings of the Board will be chaired by the Chairperson. In the event the chairperson is not in attendance, meetings will be chaired by the Deputy Chairperson. Should neither the Chairperson nor Deputy Chairperson be in attendance the Board shall elect a chair from those members present.
- **Voting:** Each member of the Board present at a meeting has the right to a deliberative vote. In the event of an equal number of votes, the chairperson presiding over the meeting has a second or casting vote. A decision supported by a majority of votes becomes the decision of Healthway.
- **Minutes recording and approval:** The Executive Director will ensure minutes of proceedings are recorded at each meeting of the Board. Unconfirmed minutes will be circulated to the Board within 14 days of the meeting, after approval by the Chairperson. Comments regarding the accuracy of unconfirmed minutes should be forwarded in confidence to the Executive Director in writing or by email, prior to the following meeting of the Board. All such comments will be tabled for discussion at the meeting where the unconfirmed minutes will be presented.

- Circular resolutions: Where decisions of the Board are required to be made outside scheduled meetings, a circular resolution may be prepared under the authority of the Executive Director and distributed to all Board members for voting. A quorum for a circular resolution is the same as that for meetings of the Board. Circular resolutions are to be undertaken by exception.
- Matters reserved for the Board: The roles and responsibilities of the Board are referenced in this Charter.

## **7. Review of Board of Management Charter**

The Board will review and assess the adequacy of the Board's Charter no less than bi-annually and make any appropriate revisions. The review of the Charter will be based on the best practice standards outlined in PSC Principles of Good Corporate Governance for Western Australian Public Sector Boards and Committees and the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2<sup>nd</sup> edition 2008).

A copy of the Charter and the Terms of Reference for the Board Committees are to be made available on the Healthway website.