

# PILBARA HEALTH NETWORK GOVERNANCE CHARTER

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PILBARA HEALTH NETWORK TRADING AS



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# 1. Context

## 1.1 Purpose of the Charter

This charter defines the key governance relationships of the Board of Pilbara Health Network (PHN). It sets out the values and behaviours that PHN considers central to its governance, describes the boundaries of the Board's role and the expectations of Board Members, and identifies the areas in which procedures exist to articulate these boundaries.

The governance charter exists in relation to PHN's constitution and the legislation that establishes the organisation and should be read in conjunction with these documents. This charter is supported by the Terms of Reference for any Board endorsed sub-committees.

PHN has developed this governance charter to reflect contemporary governance standards as well as other acknowledged good governance criteria.

## 1.2 Statement of Purpose for PHN

Pilbara Health Network Limited is a public company limited by guarantee and established under the *Corporations Act 2001* (Cth).

### Objectives

The objectives of PHN are to:

1. Improve the delivery of primary care health services to the community by developing integrated and coordinated health services and programs.
2. Provide support to PHN clinicians and contractors to improve care standards.
3. Enhance research and education opportunities for PHN staff and clinicians.
4. Facilitate the implementation and successful performance of primary healthcare initiatives and programs to improve patient care.
5. Do all such things as are incidental, convenient or conducive to the attainment of all or any of the above.

### Vision (Our Aspirations for the Future)

Our vision is for people in the Pilbara region to live well in their communities for longer, supported by the best, safe and high-quality integrated health care services.

### Mission (Our Reason for Existence)

Our Community receive health services that are appropriate to their cultural requirements and responsive to social and economic barriers.

## **Our Strategic Priorities**

### **Our Community - *Healthy and Supported***

We are focussed on the health needs of our community. Our services are directed to the whole person and care planning is central to our approach. We ensure that acute care is supported with coordinated chronic disease and mental health services and we work with other providers to ensure the best possible health outcome for our clients.

### **Our Partners – *Working Together***

We support the work of all health providers and maintain relationships to ensure the best possible integration of services for our community. We pursue the most appropriate service to meet our clients' needs and collaborate to broaden the options for our clients.

### **Our People – *Knowledgeable and Responsive***

We support our staff to be leaders in their areas of expertise. We provide a work environment that facilitates professional development, personal growth and accountability through care and respect for each other. Our staff are the key to our success and our biggest asset.

### **Our Infrastructure – *Accessible and Sustainable***

Our central location provides easy accessibility and our multi-disciplinary team approach positions us to be a provider of holistic services. Our building is modern and well-maintained, and we will pursue sustainability in our use of resources.

### **Our Risks – *Monitored and Managed***

We take a proactive approach to managing risk. We have controls in place to mitigate risks and to harness opportunities.

## **Our Values**

### **Cultural Safety**

We demonstrate respect for cultural and social difference in all that we do

### **Leadership**

We lead by example

### **Integrity**

We are honest, professional, accountable and transparent

### **Teamwork**

We work together with our stakeholders and each other with courage, respect and with the client at the forefront

## 2. Governance Roles & Decision Rights

### 2.1 Board Composition

The Board is a skills-based Board and consists of between five and seven Directors. The Chief Executive Officer (CEO) is not a Director.

### 2.2 Election and Nomination of Directors

The terms of appointment, election, membership, and voting rights of Board Members, as well as conditions of the Annual General Meeting are defined under the Constitution of PHN.

Five Directors are elected by the Members at the Annual General Meeting. Up to two additional Independent Directors may be appointed by the Board on the basis of their particular skills, qualifications or experience.

Elected Directors are subject to election at least once every two years. Independent Directors hold office until removed by the Board or until the next Annual General Meeting.

### 2.3 The Role of the Board

The roles and duties of the Board fall into five categories:

- **Governance roles and decision rights** – Being clear about governance roles and decision-making rights.
- **Leadership** – How strategic directions are set to ensure sustainability and alignment with desired values.
- **Accountability** – Ensuring that external and internal accountabilities are met, including legal and risk related obligations.
- **Relations** – Enabling effective governance team relations, governance processes and renewal.
- **Integrity** – Behavioural and conduct standards to underpin great governance.

#### 2.3.1 Governance Roles and Decision Rights

- Ensure that the Board carries out its responsibilities in relation to its members.
- Establish and monitor governance arrangements for PHN, including reporting systems to meet the information needs of funding bodies.
- Ensure appropriate decision-making processes are in place and set delegations of authority.
- Establish and review policies regularly (eg. policies on fraud and conflicts of interest).
- The Board retains the sole responsibility for the following:
  - Appoint the CEO
  - Appoint the Auditor
  - Approve the Strategic Plan

#### 2.3.2 Leadership

- Setting and reviewing the strategic direction, objectives and targets for PHN.
- Ensure the preparation and approval of strategic plans, operational plans, financial reports, key procedures and policies.
- Approve strategic initiatives such as commercial ventures, significant acquisitions, internal restructures and disposals.

- Set the tone, values and culture for the organisation.

### **2.3.3 Accountability**

- Establish performance goals for the organisation as a whole against the strategic priorities and monitor and assess progress against those goals.
- Setting an acceptable level of risk for the organisation.
- Ensure effective internal financial and operational risk management, compliance and reporting systems, and ensure that risk management is incorporated into PHN's strategic planning process.
- Establish explicit performance measures for the CEO, and regularly monitor and review the performance of the Chief Executive Officer.
- Ensure that PHN operates within the establishing legislation, within any delegations and within rules and procedures relating to the use of public funds.
- Ensure appropriate accreditation and clinical governance of PHN.
- Review and approve financial objectives, performance plans and goals, accounts and annual budget for the organisation as a whole.
- Ensure that performance goals for programs and/or program areas are appropriate and that progress towards them is adequately measured and reported.
- Ensure that Board Members are clear on their individual liabilities and accountabilities.

### **2.3.4 Relations**

#### Internal (to PHN)

- Ensure Board renewal and succession.
- Ensure the Board acts as an effective governance team by regularly monitoring and reviewing the required skills profile and the actual performance of individual Board members and the Board as a whole.
- Nurture an effective working relationship between the Board and CEO and between the Board and other members of the senior management team.
- Encourage and support effective working relations between the CEO and the senior management team.

#### External (to PHN)

- Ensure relevant and timely communications with internal and external stakeholders.
- Ensure appropriate stakeholder consultation/advocacy.

### **2.3.5 Integrity**

- Ensure that the organisation (including the Board) delivers on its duties of care.
- Ensure that the organisation (including Board members) behaves in an ethical manner.
- Establish an ethical framework for PHN and ensure adherence to the code of conduct.
- Manage conflict of interest appropriately.
- Deal appropriately with any governance breaches that are detected.

## **2.4 The Role of the Chair**

The role of the Chair is to be the leader and spokesperson for the Board with responsibility for liaising with management, and other key stakeholders.

The Chair also has the responsibility to:

- Provide leadership and vision to the organisation;
- Shape the capability of the Board so that the best capability, experience, balanced representation and role mix is available to meet current and future governance needs;
- Lead and develop the Board to ensure it functions properly and to encourage cohesion, constructive discussion and consensus;

- Shape and chair Board meetings to optimise the contributions of all Board Members, to ensure clarity of conclusions, and to ensure effective decision making. This includes approving the agenda structure and associated processes, in consultation with the relevant Board Members;
- Ensure Board minutes properly reflect Board decisions;
- Facilitate Board processes, ensuring that Board Members have access to the information necessary to make effective decisions;
- Maintain transparency around the day-to-day decisions made by the Chair in progressing the Board's intention;
- Facilitate Board members' involvement in sub-committees and forums with service users, staff and other stakeholders;
- Arrange adequate support for members including welcoming new Board Members and leading their induction, and assisting Board members' understanding of their role, responsibilities and accountability including the need to comply with the Code of Conduct;
- Be the primary point of contact between the Board and the Chief Executive Officer and provide mentoring for the Chief Executive Officer. The Chair is to be fully informed of day-to-day matters of interest to Directors;
- Convene the annual CEO and Board evaluation processes;
- Act as the spokesperson for the collective Board and the organisation at external forums;
- Ensure that Directors have access to the information they require in order to make decisions and;
- Guide the ongoing effectiveness and development of the Board and individual Directors.

While the Chair has overall responsibility for the above roles, the Chair may draw upon other Board Members to assist with completing these tasks.

## **2.5 Board Sub-Committees and Nominated Office Bearers**

The Board will delegate certain aspects of its work to Committees and Working Groups that comprise all or some of its Members. This is intended to enable the Board to distribute its workload and enable detailed consideration to be given to particularly important or sensitive issues prior to decisions being made by the full Board.

The Board has delegated certain rights to nominated officers as follows:

- The Deputy Chair has the delegated right to act as Chair in the Chair's absence and;
- Chair of Board sub-committee(s) have the same obligations to the sub-committees as the Board Chair has to the Board.

Board members are expected to serve on sub-committees. The current Board sub-committee is:

- Clinical Governance Sub-Committee

From time to time the Board may establish Working Groups in addition to Board Committees.

## **2.6 The Role of the Chief Executive Officer**

The role of the Chief Executive Officer (CEO) is to operate under the Board's delegation to:

- Manage the effective and efficient day-to-day operations of PHN to deliver high quality services and initiatives in accordance with the strategy, business plans and policies of the Board;

- Identify opportunities for further service development and keep the Board informed of such opportunities;
- Facilitate the preparation of the strategic plan on behalf of the Board and translate the strategic plans of the Board into action;
- Develop organisational performance targets for Board approval;
- Ensure PHN's organisational functions are effective. These include financial management, human resource management, information systems management, risk management, communications, marketing, asset management and reporting;
- Provide regular reports to the Board regarding the organisation's performance against the strategic plan and other key reporting requirements;
- Provide timely advice to the Board on material issues including amendments to legislation, and other such critical information relating to the Board's functions and powers;
- Ensure compliance and alignment with PHN's establishing legislation and Government policies affecting the public entity;
- Ensure transactions outside the CEO delegation levels are referred to the Board for approval;
- Maintain effective communication and co-operation with stakeholders in collaboration with the Chair;
- Act as a liaison between the Board and staff of PHN, translating the intentions of the Board to shape the operational context for staff;
- Liaise with external stakeholders and the community;
- Oversee the preparation of PHN's financial statements and quality reports; and
- Develop and lead the culture of the organisation in line with the tone set by the Board.

## **2.7 Decision Rights**

Delegated decision rights are detailed in the PHN Instrument of Delegation.

## **2.8 Strategic Direction Setting**

As outlined in Section 2 above, the Board has a key leadership role in setting the strategic direction for PHN, and in ensuring that the operations are aligned with the strategic directions. This will be done in consultation with the Chief Executive Officer.

The PHN Strategic Plan sets the overall strategic direction for all individuals and services within PHN. In developing the Strategic Plan PHN is guided by the priorities of consults with stakeholders/partners to confirm the Strategic Directions for the organisation. The Strategic Directions are cascaded down through the organisation into operational and program plans through a formal annual planning cycle.

# **3. Relations**

## **3.1 Internal Relations**

### **Governance Team Effectiveness**

The PHN governance arrangements require the Board and Management team to work together to enable effective governance. The key behaviours expected of the Board Members in this regard are outlined in the Code of Conduct document.

To ensure that Board Members maintain skills at the level required to be effective in their roles, practical education and training shall be provided on an as needed basis. This will be undertaken as part of induction processes, as well being linked to the development needs flowing from Governance effectiveness evaluations undertaken from time to time (i.e. ensuring that the appropriate level of skills and experience is accessible and applied).

## **Board Evaluation**

Evaluation of the whole Board is to be undertaken at a minimum annually and the evaluation process covers broad governance criteria as follows:

- Governance roles and responsibilities
- Strategic direction setting
- Risk management and performance monitoring
- Board capability and leadership
- Board culture and meeting effectiveness
- Stakeholder relationships
- Board Member and Chair contributions

As a minimum, the Board Chair will lead an annual review and assessment of the performance of the Board using a standard set of criteria.

The timing of this annual evaluation will be done to inform decisions about Board recruitment.

The Board Chair will ensure a process of continuing evaluation and continuous improvement of Board performance.

## **3.2 External relations**

The PHN Board is responsible for ensuring that stakeholder engagement is taking place effectively and efficiently. The key stakeholders of PHN include:

- the Federal, State and Local Governments
- Industry, Academic and Aboriginal Corporation partners
- Pilbara communities
- PHN membership and other stakeholder organisations
- Service users and potential service users of PHN

## **4. Board Proceedings**

### **1. Meetings**

The Board will meet on a regular basis as often as is required, and half of the members will constitute a quorum.

A Board calendar will be prepared to guide the scheduled activities of the Board across the year.

The Chair and CEO will prepare the agenda (based on the Board calendar) in consultation with the Board. They will also prepare the Board papers. Distribution of papers will take place so that Board members receive an electronic version at least two weeks before the Board meeting. Board Members may request of the Chair that items be added to the agenda at the time of agenda preparation or at the conclusion of a Board meeting.

Any day-to-day decisions required to be taken by the Chair in progressing the intent of the Board will be reported back to the next Board meeting.

The CEO will attend Board meetings but will absent him/herself if so directed.

Board Members may need to absent themselves from discussions due to conflicts of interests.

## **2. Conflict of Interest and Personal Interest**

Board Members are expected to avoid any action, position or interest that conflicts with the interests of PHN. Board Members with a direct or indirect interest in a contract or other matter being dealt with by the Board must register the nature of that interest at the next meeting of the Board as soon as possible after the conflict or potential conflict becomes apparent. Where a Board Member has an interest in a matter the Board Member will not receive copies of relevant Board papers and will not be entitled to be present during any deliberations or vote on the matter unless an exception is granted by a motion of the Board.

If a significant conflict of interest cannot be resolved the Board Member is expected to tender his/her resignation after consultation with the Chairperson.

The Board will maintain a register of declared conflicts of interest or material personal interest.

## **3. Information Seeking**

The Chief Executive Officer or their delegate is the only point of contact between the Organisation and the Board. Any requests for information should be directed to the Chief Executive Officer and Board Chair.

Board Members have complete and open right of access to organisational information and the right to seek explanations and further information, but only via the Chief Executive Officer. Board Members should not approach staff direct for information.

## **4. Board Member Protection**

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the right to retain at PHN's expense such legal, accounting or other advisors, consultants or experts it considers necessary in performance of its duties.

Any Board Member is entitled to seek, independent professional advice including but not limited to legal, financial or accounting advice where necessary to discharge the Board Member's duties, but only subject to the prior approval of the Chairperson. Any such advice is made available to the whole Board.

The Constitution allows the organisation to indemnify a Director or Officer to the extent permitted under the Corporations Act against costs and expenses incurred in defending an action.

Furthermore, the organisation may insure a Director or Officer against a liability incurred in their capacity as a Director or Officer to the fullest extent permitted by law.

## **5. External Representation and Communications with Media**

The Chair and CEO (or another appointed person) acts as the spokesperson for the Board and the organisation at external forums.

## **6. Board Member Induction and Training**

Induction of new Directors and the continuing development of Directors is the responsibility of the Chairperson.

## **7. Grievance Procedures and Dispute Resolution**

Grievances against a Board Member should be referred to the Chair. The Chair, or an approved delegate, will attempt to resolve the issue to the satisfaction of the complainant. The Chair or delegate will advise the person about whom a grievance is being made of the

notification and the nature of the grievance. Where the Chair is the subject of a grievance, the grievance should be referred to the Deputy Chair.

If the matter remains unresolved, the Chair or notified Board Member will raise the matter at the next Board Meeting following notification. The matter will be dealt with at this Board Meeting by determining appropriate action to resolve the issue to the satisfaction of the aggrieved party and the Board Member.

Under the Constitution, the Board has powers to remove a Director from office by ordinary resolution.