

Governance Policy

Scope

This policy outlines the guidelines and processes in place for the Board of Directors of Pacific Link Housing Limited (PLH) that together form the framework for the governance of the company.

1. Role of the Board

The role of the Board of Directors is to provide strategic guidance and effective oversight of management for PLH. The Board is the custodian of the mission statement and purposes of PLH and is accountable to members for the pursuit of those purposes and the performance of PLH.

2. Director Duties & Board Protocol

The Board must also ensure its accountability is fulfilled by addressing its corporate, legal, financial and audit responsibilities and be aware of the need to exercise reasonable care, skills and diligence in carrying out their duties.

The Directors must understand and be aware of:

- Their liabilities, obligations and protections under Company Law and other Federal, State legislation or common law, including :
 - Duty of Care
 - Duty to act in good faith for the benefit of the company as a whole
 - Duty to use their power for proper purposes and avoid conflict of interest.
- Australian Charities and Not for Profit Commission (ACNC) legislation and governance standards and their role as “Responsible Persons”.
- Specific legal obligations imposed on directors regarding Workplace Health and Safety, tax and the environment.
- Roles and responsibilities under relevant regulatory bodies’ standards.
- The responsibilities and reporting requirements imposed by funding agreements with government or other agencies.
- The delegations of authority that exist within the Company and whether they are being exercised properly.

The duties and expectations of Directors, their rights and benefits are set out in the PLH Board Protocol. Newly elected and appointed Directors are required to sign the Protocol, the PLH Code of Ethical Conduct, Conflict of Interest Policy and Statement of Confidentiality.

3. Governance Principles & Board Responsibilities

In performing its role, the Board aspires to high governance standards. The Directors are expected to adhere to PLH’s Governance Principles that are derived from the Australian Institute of Company Directors (AICD) *Not-For-Profit Governance Principles*. which provide a robust framework for PLH’s governance. This requires the Board to work as a team and meet on a regular basis. The ten Governance Principles and the Board’s responsibilities within each are set out below:

AICD NFP Principle	Supporting Practices
Principle 1 – Purpose and Strategy – The organisation has a clear purpose and a strategy that aligns its activities to its purpose.	1.1 The organisation’s purpose is clear, recorded in its governing documents and understood by the board 1.2 The board approves a strategy to carry out the organisation’s purpose 1.3 Decisions by the board further the organisation’s purpose and strategy 1.4 The board regularly devotes time to consider strategy 1.5 The board periodically reviews the purpose and strategy
Principle 2 - Roles and Responsibilities – There is clarity about the roles, responsibilities, and relationships of the Board.	2.1 Directors’ roles are clear and understood by the board 2.2 Directors understand and meet their duties under the law 2.3 Directors meet any eligibility requirements relevant to their position 2.4 Delegations of the board’s authority are recorded and periodically reviewed 2.5 The role of the board is clearly delineated from the role of management
Principle 3 - Board Composition – the Board’s structure and composition enable it to fulfil its role effectively.	3.1 Directors are appointed based on merit, through a transparent process, and in alignment with the purpose and strategy 3.2 Tenure of directors is regularly reviewed to encourage renewal and staggered to retain corporate knowledge 3.3 The board reflects a mix of personal attributes which enable it to fulfil its role effectively 3.4 The board assesses and records its members’ skills and experience, and this is disclosed to stakeholders 3.5 The board undertakes succession planning to address current and future skills needs in alignment with the purpose and the strategy
Principle 4 - Board Effectiveness – the Board is run effectively and its performance is periodically evaluated.	4.1 Board meetings are chaired effectively and provide opportunity for all directors to contribute 4.2 Directors seek and are provided with the information they need to fulfil their responsibilities 4.3 Directors are appropriately inducted and undertake ongoing education to fulfil their responsibilities

	<p>4.4 The board’s performance, as well as the performance of its chair and other directors, is periodically evaluated</p> <p>4.5 The relationship between the board and management is effective</p>
<p>Principle 5 - Risk Management – Board decision-making is informed by an understanding of risk and how it is managed.</p>	<p>5.1 The board oversees a risk management framework that aligns to the purpose and strategy</p> <p>5.2 Directors seek and are provided with information about risk and how it is managed</p> <p>5.3 The board periodically reviews the risk management framework</p>
<p>Principle 6 - Performance – the organisation uses its resources appropriately and evaluates its performance.</p>	<p>6.1 The board oversees appropriate use of the organisation’s resources – financial, physical, human and intellectual.</p> <p>6.2 The board approves an annual budget for the organisation</p> <p>6.3 The board receives and considers measures which evaluate performance against the strategy</p> <p>6.4 The board oversees the performance of the CEO</p> <p>6.5 The board monitors the solvency of the organisation</p>
<p>Principle 7- Transparency and accountability – the board demonstrates accountability by providing information to stakeholders about the organisation and its performance.</p>	<p>7.1 The organisation’s governing documents and policies relevant to its governance are available to stakeholders</p> <p>7.2 The board oversees appropriate reporting to stakeholders about the organisation’s performance and financial position</p> <p>7.3 Transactions between related parties, if any, are disclosed to stakeholders</p> <p>7.4 Directors’ remuneration and other benefits, if any, are disclosed to stakeholders</p> <p>7.5 Members have the opportunity to ask questions about how the organisation is run and to hold the board to account for their decisions</p>
<p>Principle 8- Stakeholder Engagement – There is a meaningful engagement of stakeholders and their interests are understood and considered by the Board.</p>	<p>8.1 The board understands who the organisation’s stakeholders are, their needs and their expectations</p> <p>8.2 The board oversees a framework for the meaningful engagement of stakeholders</p> <p>8.3 Stakeholders are considered in relevant board decision-making</p> <p>8.4 There is a process for gathering and responding to complaints and feedback from stakeholders</p>

	8.5 The board oversees a framework for how the organisation works with and protects vulnerable people
Principle 9 – Conduct and Compliance – The expectations of behaviour for the people involved in the organisation are clear and understood.	<p>9.1 The board articulates its expectations of conduct, and the consequences for misconduct, for the people involved with the organisation</p> <p>9.2 The board oversees compliance with relevant laws, regulations and internal policies</p> <p>9.3 Conflicts of interest are identified, disclosed and managed</p> <p>9.4 There is a process for investigating misconduct and relevant instances are brought to the attention of the board</p>
Principle 10 – Culture – the board models and works to instil a culture that supports the organisation’s purpose and strategy.	<p>10.1 The board defines and models a desired culture that aligns to the purpose and strategy</p> <p>10.2 The board oversees a strategy to develop and maintain the desired culture</p> <p>10.3 The board oversees mechanisms to monitor and evaluate organisational culture</p> <p>10.4 The organisation’s values are clear, periodically reviewed and communicated to stakeholders</p> <p>10.5 The board oversees a framework for the reward and recognition of workers</p>

4. Chairman

At the first Board meeting after each Annual General Meeting of the Company, the Directors shall elect a Director as Chairman. The Chairman is accountable to the Board and ultimately to the members and must follow the directions and decisions of the Board as a whole.

The Chairman represents the Board to members of PLH and advocates, communicates and promotes the interests of PLH as a whole with members, employees, tenants and other stakeholders. The Chairman and/or the CEO are the point of contact for, and the only roles authorised to respond to, media enquiries.

The Chairman facilitates the effective contribution of all Directors and promotes constructive, professional and respectful relations between Directors and between the Board and management. In particular, the Chairman:

- Provides leadership to the Board enabling efficient organisation and conduct of the Board’s processes;
- Manages the relationship between the CEO and the Board;
- Oversees the Board agenda and provision to Directors of timely, relevant information to assist them to be effective members who fully participate in Board activities;
- Manages the business of the Board by presiding over meetings, resolving differences between Directors and seeing that decisions are reached promptly;

- Recommends to the Board for consideration the membership, chair and functions of Board committees;
- Guides and promotes on-going effectiveness and development of the Board and individual Directors;
- Monitors Board performance and facilitates regular reviews by external experts; and
- Ensures adherence to the PLH Constitution in the conduct of the company's affairs.

5. Role of the Chief Executive Officer

The Chief Executive Officer (CEO) is appointed by the Board and is responsible for development of the strategic objectives for PLH and achievement of operational and budget results.

The management of the daily operations of the company is undertaken by the CEO, subject to the specified delegations of authority approved by the Board.

Responsibilities of the CEO include:

- Exercising leadership and executive stewardship of PLH resources in a transparent, sustainable, socially and environmentally responsible manner;
- Developing, proposing, executing and delivering the strategic objectives agreed with the Board;
- Reporting regularly to the Board with appropriate, timely and quality information so the Board can discharge its responsibilities effectively;
- Recommending to the Board significant operational changes and major capital expenditures where these are beyond delegated thresholds;
- Assigning responsibilities clearly to senior management and overseeing establishment of effective risk management and internal control systems;
- Recruiting, developing and retaining talented people to work in PLH and establishing a strong executive management team which is fairly and fully evaluated;
- Communicating throughout PLH the strategic objectives, vision and values and ensuring these are achieved in practice; and
- Representing, communicating and advocating on PLH's behalf to external stakeholders and the community.

The Board, via the Chairman, will provide regular and ongoing feedback to the CEO on performance, including the Board's expectations and will conduct an annual performance evaluation according to pre-determined KPIs, as required by the Registrar of Community Housing.

6. Board Committees

The Board appoints Board Committees to assist the Board in particular areas. The Board may delegate responsibility to a Board Committee consistent with PLH Constitution through a Terms of Reference that is determined by the Board and reviewed every two years. The Chairman of a Committee is appointed by the Board and reports any matters of substance to the next Board meeting. A copy of all Committee minutes is provided to the Board for discussion and endorsement. It is a Registrar of Community Housing requirement that the Finance Risk Audit Committee meets four times each year.

7. Company Secretary

As required by the PLH Constitution, the Directors must appoint a Company Secretary. The Company Secretary is responsible to the Board, through the Chairman, on all governance matters and supports the effectiveness of the Board by monitoring Board policy, ensuring procedures are followed and coordinating completion and dispatch of Board agendas and briefing papers. The Company Secretary prepares the minutes of the Board meetings in accordance with the Board Protocol and maintains the membership register and regulatory records.

8. Board Appointments & Succession Plan

i. Objective

Succession planning refers to taking a methodical approach to projecting the future skill and experience needs of the organisation, and putting plans in place to meet them. The Board will forecast when director vacancies will arise and identify suitable candidates to facilitate smooth transitions between directors.

The Board of Directors of Pacific Link plans for succession, manages recruitment of future directors so that continuity of the Board is maintained, it retains directors with the required skill set to perform its duties and oversee implementation of the Company's Strategic Plan. Diverse boards send an important message about the values of an organisation. Diversity in personal attributes have been shown to contribute to improved organisational performance, increase staff retention and engagement, promote a better understanding of an organisation's stakeholders and drive innovation.

This policy aims to provide a framework from which the Chairman and Board of Directors can assess the requirement to succession plan, perform a skill sets analysis, achieve Board diversity and put in place a recruitment process that is inclusive, equitable, professional and transparent.

ii. Method

The Chairman holds the ultimate responsibility to ensure that any pending vacancies of directors are planned for, generally through staggering board tenure. Generally, new director appointments will be made by the Board to fill a casual vacancy for ratification by members at the next Annual General Meeting, in accordance with the company's Constitution. Once a potential vacancy arises the following process should be closely adhered to.

1. Skill Set/Experience Analysis: To understand what skills are on the Board, address shortages and forecast future needs, the Board will quantify and record directors' skills and experience in a 'skills matrix' profile.

This analysis will identify what skills are needed and what skills will be lost when the Director vacancy occurs.

The main skills sets required for Pacific Link are outlined in the Board Skill Matrix in the context of the company's purpose and strategy, as reviewed by the Board from time to time.

Once the skill set audit has been completed, the appropriate mix of skills and knowledge preferred in the new Director should be known and documented.

2. Nomination Period. The Company may use several recruitment processes simultaneously to ensure inclusivity, fairness, equity and transparency. This process may include

- Personal Nominations
- Network Nominations
- Recruitment through a specialised Recruitment Firm
- Advertising through recruitment platforms or the AICD.

3. Selection Process. Similar to a staff recruitment process, formal interviews with the Chairman and the Chair of the Governance Committee, and other Directors as determined by the Board, should be held with each short-listed applicant. The outcomes of interviews should be documented and circulated to the Board, together with recommendations.

4. Reference Checking Stage. Again, similar to a staff recruitment process, a formal Reference Checking Stage should be undertaken by the Chairman.

5. Offer Stage. Following confirmation of satisfactory references and approval from the Board, the Chairman will make an offer to become a Director in writing. The Director appointment will only become effective upon completion of:

- Signed documentation as listed on the Induction Kit Checklist, as updated from time to time, that includes
 - Conflict of Interest Declaration
 - Confidentiality Declaration
 - Director Application and Consent to Act
 - Member Application
 - Board Protocol.
- Board Minutes recording the process and selection criteria being minuted.

9. Election of Directors

As stipulated in PLH's Constitution, the term of Directors is three years. The Board may comprise up to nine Directors. Directors' terms and the dates of expiry of terms are monitored as part of the Succession Plan. Director nominations, appointments and members approval of extension of terms are conducted in accordance with the PLH Constitution.

10. Directors' Induction

The comprehensive 'Directors Induction Manual' is made available to all new Directors following their election to the Board together with forms that are required to be completed and signed. The Chairman, CEO and Company Secretary conduct the induction of all new Directors.

11. Board meetings, Quorum & Decision-making

Meetings

The Board is required to meet as often as it is deemed necessary to ensure the business of the company is completed and must meet at least six (6) times a year³.

The Directors will be provided with a schedule of planned meetings each year that includes a calendar of various governance and regulatory obligations.

Currently Directors generally meet on the third Thursday of each month in the Company offices. Committee meetings are held as required under their terms of reference. Attendance at meetings in person by directors is preferred, but meetings may be attended online by prior arrangement with the Chairman and Company Secretary. Attendance records by individual directors are disclosed in the Directors' Report of the company's annual financial statements.

Agenda and Reports

As far as possible, Directors are provided with the agenda and reports 7 days before each meeting in accordance with the Board Protocol.

Directors will have access to sufficient information to enable full and fair consideration of all issues, including financial statements, background and briefing papers, reports from management and expert consultants, relevant correspondence and other documentation when necessary.

Board Portal

To maintain information security, Directors are provided with password-protected access to an online Board Portal. All Agendas and reports for Board and Committee meetings and reference material is distributed via the Portal.

Apologies

Where Directors are unable to attend a scheduled meeting of the Company, it is expected that directors will offer apologies as soon as practicable and, where circumstances allow, at least within 72 hours of the scheduled meeting time. Apologies should be made to the Chairman, Chief Executive Officer or Company Secretary. Where such apologies have been received and the scheduled meeting will not achieve quorum, the meeting will be cancelled and re-scheduled. The Company Secretary will inform all Directors immediately.

Quorum

As required by the PLH Constitution, at least 50% of Directors must be present to represent a quorum.

Circular Resolutions

Where an urgent Board resolution is required, the Company Secretary will issue a circular resolution via the Board Portal to all Directors. The Directors will return their vote to the Company Secretary as soon as practicable. For a circular resolution to be valid it must be ratified by all Directors and minuted at the next Board meeting.

Voting

A majority of present Directors must agree with any resolution or questions arising before it can be carried. In the case of equality of votes, the Chairman can have the casting vote.

12. Confidentiality

³ Registrar of Community Housing Performance Requirement 4.1

Directors will respect the confidentiality of information in the course of carrying out their duties, and will not discuss sensitive company business or any personal information about staff, clients, members or Directors outside the company or inappropriately with anyone inside the company without their consent.

Directors will not have access to personal information about applicants or tenants.

Individual tenant or applicant information reported to the Board e.g. [Rent arrears, tenant selection, allocation appeals] will not be identified, except when considering applications for membership of the company.

13. Contracts with Directors

Contracts for services with Directors in their private capacity are permitted by the PLH Constitution. Contract terms must be determined on an arms-length basis and approved by the Chairman, Chairman of Governance Committee and CEO. Contract terms must be approved by the Board. Normal processes for management of conflicts of interest will apply and the contracting Director will be asked to leave the Board meeting during discussion of the contract. The remuneration under an arms-length contract for service does not form part of the Director Remuneration budget. The contractor must be ABN-registered.

14. Compliance Obligations & Policy Development

Pacific Link will regularly report as required to relevant funding bodies, statutory authorities and other regulators, as required.

All new policy and updates to existing policy, following endorsement by the CEO, will be presented for Board approval. Acknowledgment of contributions to policy development will be noted.

Policy reviews will be conducted at any time to reflect changed circumstances and at least every three years, with reference to:

- public housing policies,
- funding body policies,
- Registrar of Community Housing evidence guidelines
- National Community Housing Standards,
- peak bodies,
- Tenant feedback,
- Community housing sector best practice, and
- Other legislation and regulations, as appropriate.

15. Board Evaluation & Training

As part of its commitment to good governance and continuous improvement, the Board conducts an assessment of its own performance. The Registrar of Community Housing requires that this be conducted at a minimum every three years or after significant change. An evaluation of the Board, its Committees and the Chairman will be performed every two years, by an external governance specialist. In alternate years directors will be asked to participate in individual performance reviews that will be co-ordinated by the Chairman or an independent consultant as necessary and as recommended to the Board by the Governance Committee.

Directors are encouraged to undertake continuing education to ensure they can maximise their contribution to the strategic direction and successful operation of the company. The Chairman will ensure that Directors are regularly updated with opportunities for training.

The structure of the reviews will generally include questionnaires to be completed confidentially by each Director. The CEO and Company Secretary will also be asked to complete the questionnaire. Where required, the Chairman and Chair of the Governance Committee or consultant may conduct individual meetings with Directors. On completion of gathering feedback, a report summarising key issues will be provided to the Board for consideration and discussion.

- i. The report will also include and any training needs for Directors that have been identified.
- ii. The review will include feedback on the performance of the Chairman of the Board which is facilitated by the Chair of the Board Governance Committee who seeks input from each Director individually on the performance of the Chairman of the Board against the competencies for the Chairman’s role outlined in the PLH Governance Policy. The Chair of the Board Governance Committee collates the input in order to provide an overview report to the Board, as well as feedback to the Chairman of the Board.

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