

RWAV Director Remuneration Policy

1. Introduction

The Rural Workforce Agency, Victoria Board recognises that to achieve established goals and objectives and remain viable in a complex and competitive environment, the organisation must be able to attract, motivate and retain key personnel. The Board has structured the remuneration of Directors to achieve this result.

The Rural Workforce Agency, Victoria Board also recognises that Director remuneration and Board costs are a corporate/governance cost and as such are paid from RWAV reserves and not from program funding.

Remuneration of Directors is to be determined and structured in accordance with this policy.

2. Key Principles

Remuneration of Directors is determined with regard to the need to maintain appropriately experienced and qualified Directors and in accordance with competitive pressures in the marketplace.

The Remuneration Policy is designed to:

- Attract and retain Directors;
- Recognise and reimburse the Directors for their efforts and responsibility taken on behalf of the company;
- Align the interests of Directors with the long term interests of the community and the primary health care sector;
- Be business focused and flexible;
- Be competitive and cost effective in the relevant employment market; and
- Be internally consistent with remuneration policies and practices for all employees.

3. Director Remuneration

3.1 Setting Remuneration and Review

The Nominations and Remuneration Committee has responsibility to review, assess and make recommendations on the remuneration arrangements of the Board.

The Committee will provide advice and recommendations to the Members in an Annual General Meeting as to the maximum amount for total Board remuneration for the coming year.

Remuneration for Directors, Board Chairman and Sub-Committee Chairmen will be reviewed annually and is set at levels and structured to attract, motivate, reward and retain good performers to drive the business effectively. The financial ability

of the organisation to support remuneration increases will also be considered. Changes with remuneration will be accordance with the Corporations Act.

The task of reviewing the Board remuneration is the responsibility of the Nominations and Remuneration Committee. The Nominations and Remuneration Committee will gather and review relevant information, comparative remuneration, and if required, obtain external advice. The committee will provide this information together with a recommendation to the Governance Committee for consideration.

3.2 Extra Duties and Expenses

From time to time, the Board may ask individual Directors to devote extra time to or undertake extra duties related to the Director role. Directors who undertake these tasks at the Board's direction may receive payment for this work, in line with the Remuneration Policy (hourly rates) and organisational annual budget constraints. Any such arrangement will be clearly agreed either in minutes or through accepted written arrangement by the Board and the individual Director prior to that work commencing.

Claims for additional hourly rates must be made on the Director Claim form and approved for payment by the Board Chairman or their authorised delegate.

These extra duties are separate to any work undertaken by Directors as a consultant to the organisation.

3.3 Industry Forum Attendance

The budget for costs related to Directors attending relevant State and National forums (excluding time) is separate to this budget allocation, with arrangements to be made in line with the organisation's Travel Policy.

4. Remuneration Package

All Directors are paid a stipend, which is an annual amount predetermined by the Board/ Governance/Executive Committee and approved by the Members, inclusive of all activities and tasks related to the conduct of the delegated roles and responsibilities as defined by the stipend scope.

- All Directors receive the Director stipend;
- Directors receive a committee stipend per Board Committee representation;
- Committee Chairmen receive a Committee Chairman stipend;
- Board Chairman receives the Board Chairman stipend.
- Board Chairman receives a committee stipend per Board Committee representation;

Board stipends are paid irrespective of whether Directors are on holiday or not. It is expected that Board Directors may be unavailable for Board commitments for up to 4 weeks in a 12 month period due to holidays. Stipend payments include 9.5% superannuation.

The following additional employee benefits may also apply:

- Available employee schemes (e.g. corporate health insurance plans);
- Salary sacrifice

If Directors miss two (2) Board or Committee meetings, their stipend may be adjusted and they will need to show cause to the Board.

Stipends are paid through the payroll system.

4.1 Stipend Scope

Director

- New Board Directors to attend Board Orientation;
- All reading and associated responses related to the work of the Board e.g. Board emails, agendas, meeting notes, discussion papers, program updates, contracts, reports;
- Six face-to-face Board Meetings per year;
- Annual Strategic Planning Day;
- Annual General Meeting;
- Professional development related to the role of Director;
- Link with key Health Care Workforce program areas and policy development areas as required;
- Mileage associated with the role of Board Director;
- Encouraged to seek professional development.

Committee Membership

- Up to six (6) Board Committee meetings per year, both face-to-face and teleconferences;
- All reading and associated responses related to the work of the sub-committee e.g. emails, agendas, meeting notes, discussion papers, program updates, contracts, reports.
- Link with committee related workforce program areas and policy development areas as required.
- Travel time associated with the Sub-Committee.

Chairman of a Committee

- Chair the designated Committee meetings.
- 1 hour additional meeting per month with Chairman/other Chairs.
- External representation as required.
- All reading and associated responses related to the work of the subcommittee e.g. emails, agendas, meeting notes, discussion papers, program updates, contracts, reports.
- Ensure that all policies and procedures are current and adequate related to Committee portfolios.
- Monitor the performance of operational and strategic plans to meet contractual obligations related to Committee portfolio.
- Monitor sector and community trends to ensure relevant and timely business planning and responses.
- Work with the CEO to ensure timely reporting to the Board and Directors.
- Assist with Board Chairman's workload as requested, including deputising for the Chairman as required.

- Travel time associated with the Sub-Committee.

Chairman of Board

As per the role of the Director plus:

- Work involved in providing effective leadership for RWAV.
- Regular communication with RWAV personnel, including Board Directors, the CEO and the staff.
- Close liaison with the CEO to oversee effective leadership of RWAV.
- Ensure timely and appropriate performance review of the CEO position.
- Representation of RWAV at state and national meetings and forums.
- External representation of RWAV. This will include regular communication and relationship development with Department of Health Victoria and the Department of Health and Ageing and other key groups.
- Key spokesman for RWAV.
- Travel time associated with the role of Board Chairman.

4.2 Remuneration Rates

Stipend:

Director Stipend: \$6,000 per year = a monthly payment of \$500, paid quarterly. Up to six meetings per year including Strategic Planning.

Committee Stipend: \$150 per hour with a maximum of 8 hours. Up to six meetings per year. Independent person to be paid at the same rate.

Pre-meeting reading for Committee meetings: \$100 set for preparation of committee meetings.

Extraordinary Meetings: \$150 per hour.

Committee Chair Stipend: \$6,000 pa

Board Chair Stipend: \$36,000 pa

Board Deputy Chair Stipend: \$6,000 pa

Subject to annual review.

The Board Chairman stipend covers up to an additional 150 hours for duties set out for the Chairman of the Board, but not including time spent on the duties associated with regular board membership as set out above. If the Chairman is likely to require more than 150 hours, a separate budget will put to the Board on the basis of a consultancy.

The Board Chairman receives the Committee Stipend for each Board Committee representation but is not required to sit on any such Committee/s.

Daily rates

Where a Director attends, with prior approval by the Board, an extraordinary meeting which is not included in the list of Director Duties as above, the Director will be paid at the rate of:

- \$150 per hour to a maximum of 8 hours.
- Travel is paid by mileage not time; or
- Travel is paid for public transport (plane, taxi, train, tram, bus).

Travel

- Travel is paid by mileage not time.
- Travel is paid for public transport (plane, taxi, train, tram, bus).
- Mileage is paid in accordance with the applicable ATO mileage rates

Accommodation and Meal Allowance

The allowances are those set out by the ATO (Tax determination 2010/19) for employees with salaries in excess of \$172,701, with the exception that if a trip requires a Director to stay at a particular hotel to attend an event, the accommodation payment will cover the costs of the venue. See <http://law.ato.gov.au/atolaw/index.htm> for tax determination. These will be adjusted from year to year with in line with changes in the determination by the ATO.

CPI Increase

Director remuneration rates adopted by RWAV in this policy will be adjusted annually as from the date of the Annual General Meeting in accordance with the All Groups CPI percentage change for Melbourne based on the September to September movement.