



STORMWATER
AUSTRALIA

Governance Policy and Procedure

Version 1-0

STORMWATER INDUSTRY ASSOCIATION LTD

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Part A - Governance Policy

1. Governance Policy

Policy Statement

Stormwater Australia (SWA) is committed to ensuring that the entire organisation conducts all of its activities in accordance with best governance practices and in the national interest consistent with the objectives, purpose, mission, functions and priorities of SWA as a National Peak Industry Organisation.

To achieve this objective, the SWA Board endorses and adopts this Governance Policy document which sets out the Governance Policy and Procedure for SWA.

This Governance Policy and Procedure document applies to all SWA Board members, employees, officeholders and volunteers.

The Governance Policy and Procedure for Stormwater Australia is formulated under Stormwater Australia's Constitution and Stormwater Australia's Governance Panel Charter.

This Policy consists of two parts.

Part A - Policy Document - Part A sets out the Governance Policy for SWA.

Part B - Procedure Document - Part B specifies how governance issues are to be managed.

Principles

- 1) Good governance is essential to SWA fulfilling its goals and is central to all of the activities carried out by SWA.
- 2) All SWA activities are to be conducted legally, ethically, honestly, diligently, with transparency and integrity and according to best practice.
- 3) All SWA Board members, employees, officeholders and volunteers must comply with the provisions of this Policy and Procedure document.
- 4) All SWA activities and actions must be carried out in compliance with the provisions of this Policy and Procedure document.

Responsibilities and Duties

All entities operating under the SWA Board must have a system in place that ensures that minutes are taken in all formal meetings held by those entities or that those meetings are electronically recorded with the consent and knowledge of all participants. Any governance issue raised in a formal meeting of any SWA entity must be recorded in the minutes. Any action taken must also be recorded in those minutes, where minutes are taken rather than the meeting being electronically recorded.

Each and every person to which this policy applies has a duty to report to either the Board or the

Chairman of the GP any breaches of this policy as soon as that alleged breach comes to their attention. Failure to do so may result in disciplinary action.

SWA Board of Directors

Responsibilities

Each SWA Board member has a personal responsibility to:

- 1) Endorse, be familiar with and ensure compliance with the Stormwater Australia Governance Policy and Procedure.
- 2) Provide diligent leadership and model behaviour for the entire SWA organisation.
- 3) Maintain oversight of Stormwater Australia's overall operations.
- 4) Maintain oversight of the operations of the Governance Panel.
- 5) Understand and manage organisational, legal and ethical responsibilities.
- 6) Develop the strategic direction of SWA in alignment with SWA's Constitution and any Strategic Plan.
- 7) Undertake Board self-assessment and seek to improve governance practice through the recommendations and advice of the Governance Panel.

Duties

When carrying out those responsibilities as a Board member, each Stormwater Australia Board member has a duty to:

- 1) Act lawfully;
- 2) Act honestly;
- 3) Act ethically;
- 4) Provide leadership;
- 5) Model behaviours that comply with the provisions of this Policy;
- 6) Put the interests of the organisation first and above all other interests;
- 7) Act with due diligence in the execution of their duties;
- 8) Declare at the first opportunity any conflicts of interest in accordance with this Policy and Procedure document;
- 9) Comply with the decisions of the Chairman of the Board concerning the management of any governance issue in accordance with the Procedure, as specified in Part B of this Policy and Procedure document;
- 10) Not gain or seek to gain any personal benefit from being a Board member;
- 11) Not divulge any confidential information outside of the Board;
- 12) Make decisions or vote in good faith and for a proper purpose;

- 13) Inform themselves about the subject matter of the decision or vote;
- 14) Ensure that the organisation complies with its legal and ethical obligations; and
- 15) Through oversight of the Governance Panel, ensure that the organisation complies with the provisions of this Policy and Procedure document.
- 16) Comply with any Director's Duties as specified under the Corporations Law of Australia.

Governance Panel Duties and Responsibilities

- 1) The Governance Panel's responsibilities are specified in its Charter and are as follows:
Independent oversight of the SQIDEP Independent Evaluation Panel (IEP);
Independent oversight of the Technical Review Panel (TRP);
Independent oversight of SQIDEP Budget/Fees and Business Plan; and
Dispute resolution between Claimants/Auditors/Review Panel members, if required.
The Governance Panel reports to the SWA Board.
The Governance Panel will be requested to act as a mediator for the IEP members.
The Governance Panel may be requested to mediate for the TRP.
- 2) As far as is practically possible and in accordance with the SWA Constitution and the Governance Panel's Charter, the Governance Panel is responsible, under the supervision of the Board of SWA, for oversight of compliance with this Policy and Procedure document.
- 3) Where any Chairman of an entity refers a governance issue to the Governance Panel, the Governance Panel will assist with the resolution of that issue, if required, and, if necessary, report that issue to the SWA Board.

SWA EMPLOYEES, OFFICE HOLDERS AND VOLUNTEERS – Duties and Responsibilities

Responsibilities

- 1) All SWA employees, officeholders and volunteers must ensure that they have read and are familiar with the provisions of this document.
- 2) SWA employees, officeholders and volunteers must comply with the provisions of this document and bear personal responsibility for ensuring that they comply with the provisions of this document.
- 3) SWA employees, officeholders and volunteers must ensure that all organisational activities run, organised or participate in by them and all of their own actions comply with the provisions of this document.
- 4) All SWA employees, officeholders and volunteers bear responsibility for voluntarily and of their own volition reporting, at the earliest opportunity, to the Chairman of the entity on which they serve, any governance issue including, in particular, any conflicts of interest.
- 5) The Chairman of the entity concerned will then proceed, in accordance with the Procedure specified in Part B of this document, to manage the reported governance issue.
- 6) The Chairman of the entity concerned then bears the responsibility for the management of

that governance issue in accordance with Part B of this document and, where necessary, will refer that issue to the Governance Panel.

Duties

The duties of Stormwater Australia's employees, officeholders and volunteers, when performing their roles, require that they:

- 1) Act lawfully;
- 2) Act honestly;
- 3) Act ethically;
- 4) Put the interests of the organisation first and above all other interests;
- 5) Act with due diligence in the execution of their duties;
- 6) Declare at the first opportunity any conflicts of interest;
- 7) Comply with the decisions of the Chairman of any entity on which they serve regarding the action to be taken when managing any conflicts of interest, in accordance with the Procedure specified in Part B of this document;
- 8) Not gain in a personal way from their role;
- 9) Not divulge any confidential information outside of SWA;
- 10) Make decisions in good faith and for a proper purpose;
- 11) Ensure that they comply with their legal and ethical obligations as relevant to their role.

Conflicts of interest

A conflict of interest arises when an interest of a Board member, employee, officeholder or volunteer, potentially or actually, conflicts with or compromises that person's judgement, decision, role, the performance of their responsibilities or duties, as specified in this document.

Additional Governance Measures for Managing Conflicts of Interest

The following seven key processes apply to and support the management of conflicts of interest:

- 1) An independent, active, experienced and suitably qualified Governance Panel to oversee all governance issues in accordance with the SWA Constitution, the Governance Panel Charter and this Policy and Procedure document.
- 2) An independent, transparent, objective and non-discretionary protocol formulated by the Governance Panel for assigning IEP members (assessors) to applications. A protocol that incorporates information on conflicts of interest that Evaluators are required to disclose.
- 3) Updating the selected Evaluator's list of potential conflicts of interest each time they are engaged to undertake a new evaluation.
- 4) Publication of the IEP selection system document on the Stormwater Australia website.
- 5) Publication of all other protocols on the Stormwater Australia website to ensure

transparency and enable appropriate scrutiny and feedback to be provided.

- 6) Publication of all completed assessments on the Stormwater Australia website so that there is transparency in the process, including a list of who has been involved in the assessment.
- 7) Maintaining a register of interests that requires Directors to declare any potential conflict of interest.
- 8) The inclusion of a written acknowledgment from each Evaluator in the Evaluation report stating that the Evaluator was free of conflicts of interest when completing their Evaluation.

Managing Conflicts of Interest

Conflicts of interest are to be managed in accordance with Part B of this document.

The potential for conflicts of interest to arise is ongoing and the circumstances of persons and the SWA organisation are constantly changing. As a result of this, monitoring and managing actual and potential conflicts of interest is an ongoing process requiring ongoing monitoring and management.

To assist all parties in carrying out their obligations in relation to the management of governance issues and actual or potential conflicts of interest, SWA provides the Procedure Document included in this Policy Document.

The publication, ongoing oversight and adherence to this Policy and Procedure document enhances the transparency and integrity of SWA and its governance management. Through these mechanisms, SWA maintains the confidence and trust of the community, stakeholders, industry, government and employees.

2. Governance Processes

SQIDEP Verification

The following entities carry out Stormwater Australia's SQIDEP Verification process:

- 1) SWA Board;
- 2) Governance Panel (GP) - reports to the SWA Board;
- 3) The Technical Review Panel (TRP); - subject to the oversight of the GP;
- 4) The Independent Evaluation Panel (IEP); - subject to the oversight of the GP.

All panel members must exercise their judgement, in accordance with their duties and responsibilities, as specified in their Charters and this Document. Panel members are responsible and accountable for their decisions, actions, compliance with the SWA Constitution and their Charters. Panel members are expected to lead by example and establish practices that achieve the aims of SWA, ensure compliance with SWA's Constitution, their Charter and this document.

SQIDEP Confidentiality

All Board members, employees, officeholders, volunteers and contractors will keep confidential any information disclosed during their engagement with SWA unless such disclosure is approved or agreed to by Stormwater Australia in writing or required or permitted in accordance with any Confidentiality Agreement previously signed by that person or any court order.

Part B - Governance Procedures for the Management of Conflicts of Interest and other Governance Issues

3. Governance Procedure

Management of Conflicts of Interest

Procedure in relation to General Conflicts of Interest within SWA

Where any conflict of interest arises for any SWA employee, officeholder or volunteer or comes to the attention of any SWA employee, officeholder or volunteer concerning another SWA employee, officeholder or volunteer, that SWA employee, officeholder or volunteer must report that matter to the Chairman of the Governance Panel at the first available opportunity.

The Chairman of the Governance Panel will then deal with that Conflict of Interest in accordance with this Policy and may, if necessary, report the matter to the Board of SWA.

Procedure in relation to Conflicts of Interest involving SWA Board and Panel Members

STEP ONE – Classification of the Conflict of Interest

Where it comes to the attention of a Chairman of the Board or Panel that a Board or panel member has a Conflict of Interest, the Chairman will engage with that member to ascertain the nature and extent of that Conflict of Interest.

The person who has the conflict of interest must provide all necessary information to the Chairman of the relevant entity to enable that person to assess the Conflict of Interest in accordance with this Procedure.

The Chairman of the entity must acquire sufficient information to enable them to determine which of the following three classification levels the Conflict of Interest falls within.

Conflicts of Interest can be classified into three categories:

- 1) **Minor** - Conflicts of interest are considered minor when they are, in the opinion of the relevant Chairman, of limited importance or relevance to the decision being made or the vote being taken and are unlikely, in the opinion of the relevant Chairman, to have significant impact or influence on the person making the decision or voting on the issue.

Generally, for a Conflict of Interest to be classified as minor, the vote or decision being taken must be of lower importance and usually involves limited or no financial expenditure. Minor conflicts are often transitory in nature rather than arising from a permanent state of affairs.

- 2) **Moderate** - Conflicts of interest that do not fall within the definition of Minor as they are more serious or substantial. The distinguishing feature would be whether that issue is likely in the opinion of the Chairman to influence the person involved or that the issue being voted on is a more serious, more commercial or substantial matter that requires a higher level of scrutiny, probity and classification in order to protect the integrity of the process and organisation.
- 3) **Major** - Substantial conflicts of interest usually arise from a state of affairs where the person involved has a fundamental and permanent conflict of interest of a substantial nature that would objectively be likely to impact or influence any person making the decision or voting on the matter.

When in doubt about the level at which to classify a declared conflict of interest, the Chairman of the relevant entity can seek advice from the Chairman of the GP on the suitable classification of a Conflict of Interest and where possible, this should be done prior to any vote being taken or any decision being made by that entity.

When in doubt about the classification of a conflict of interest, a Chairman should adopt a cautious and strict approach and select the higher level of classification.

The Chairman must ensure that a record of this process is included in the relevant meeting minutes during which the issue arises.

Classifications of Conflicts of Interest are subject to the review of the Governance Panel and, where necessary, the SWA Board and may be overruled by the GP or SWA Board. Where this occurs, the decision of the GP or the SWA Board as to the classification of the Conflict of Interest and the action to be taken over that classification is substituted for the original decision.

Where that occurs, any resolution, decision or vote taken that is affected by the new ruling from the GP or the Board may have to be retaken at the discretion of the GP or the SWA Board, or the Board's decision can be substituted for that panel's determination at the discretion of the Board.

STEP TWO – Determination of the Action to be Taken

Once a Chairman has classified the Conflict of Interest, the Chairman must take the following action depending on the classification of the Conflict of Interest:

Minor Conflicts of Interest

- 1) At their discretion, the Chairman of that Panel **may** exclude the person from any **debate** or discussion on the matter at hand.
- 2) The Chairman of that Panel **must** exclude the person from **voting** on the final decision or resolution being made on the issue.
- 3) This determination must be based on how a reasonable objective external observer would regard the inclusion of the conflicted person in the decision-making process or vote. If it's likely that the objective observer would regard the process as flawed, unreliable, questionable or illegitimate, then the person must be excluded from both the vote and debate or discussion.
- 4) Because the Conflict of Interest has been classified as minor and is therefore unlikely to be operative or influential, it is likely that it will often only be necessary to exclude the person

from the decision or vote and not from the debate or discussion, especially when considering non-commercial or minor matters.

Moderate Conflicts of Interest

For Moderate Conflicts of Interest, the person concerned **must** be excluded from all debate, discussion and voting or decision-making processes on the issue concerned.

This determination must be based on how a reasonable objective external observer would regard the inclusion of the conflicted person in the decision-making process or vote. If it's likely that the objective observer would regard the process as flawed, unreliable, questionable or illegitimate, then the person must be excluded from both the vote and debate or discussion.

All moderate Conflicts of Interest must be reported to the GP for their review.

Major Conflicts of Interest

For major Conflicts of Interest, the person concerned must be excluded from being exposed to all information relevant to the matter and all debate, discussion and voting or decision making on the issue concerned.

Where a Chairman classifies a Conflict as major and reports the matter to the Chairman of the GP, the Chairman of the GP has the discretion to reconsider and wherein the opinion of the Chairman it is necessary or appropriate to reclassify that Conflict of Interest within the approved document 'Dispute Resolution Policy and Procedure.

The Chairman of the panel in which the Conflict first arises is required to report all Conflicts of Interest that they classify as major to the Chairman of the GP. The GP Chairman must also pass that report on to the SWA Board for their consideration and determination as to how that conflict should be managed. The Board may determine that the person concerned can no longer remain in the role they occupy, and the Board may seek that person's resignation.

This determination must be based on how a reasonable objective external observer would regard the inclusion of the conflicted person in the decision-making process or vote. If it is likely that the objective observer would regard the process as flawed, unreliable, questionable or illegitimate, then the person must be excluded from both the vote and debate or discussion.

Management of other Governance Issues

Where any other governance issues arise, any person may seek the assistance and guidance of the Chairman of the GP at any time on how to proceed or to manage that issue.

This can be done by contacting the Chairman of the GP, either by telephone or email.

Guidance Note on the Application of this Procedure

The majority of Conflicts of Interest will fall into the Moderate category and the person carrying out the classification of a Conflict of Interest should err on the side of caution when classifying conflicts. When in doubt about deciding between minor and moderate classifications, the person carrying out the classification should classify the Conflict of Interest as moderate.

4. REFERENCES

Protocols, Policies and Charters

- 1) Constitution of Stormwater Industry Association Ltd (SIA)
- 2) Stormwater Australia’s Code of Conduct
- 3) Stormwater Industry Association Ltd (SIA) Policy Library
- 4) Stormwater Australia’s General Conditions of Contract (Terms and Conditions)
- 5) Stormwater Australia’s Board Charter
- 6) SQIDEP Governance Panel Charter
- 7) SQIDEP Independent Evaluators Panel Charter
- 8) SQIDEP Technical Review Panel Charter
- 9) Stormwater Quality Improvement Device Evaluation Protocol - Current Version

Procedures

- 10) SQIDEP Evaluators Selection Procedure
- 11) SQIDEP Evaluation Process Chart
- 12) SQIDEP Governance Structure Flowchart
- 13) Dispute Resolution Policy and Procedure

Forms

- 14) SQIDEP Technical Review Panel (TRP) – Expression of Interest (EOI)
- 15) SQIDEP Independent Evaluation Panel (IEP) – Expression of Interest (EOI)

5. REVIEW AND ACCESS

This Policy will be reviewed every three years or following significant operational, Policy or legislative changes to ensure it meets best practice standards and meets the needs of Stormwater Australia.

This Policy is available on Stormwater Australia’s website, and/ or a copy will be made available on request.

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1-0	September 2021	November 2021	November 2024