

# Board Terms of Reference

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Version 1.0

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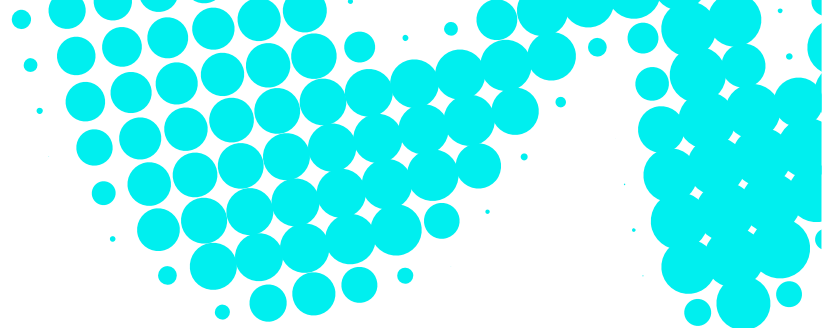
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# Board Terms of Reference



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## 1 INTRODUCTION

GMB Water is a fully owned subsidiary of Mount Barker District Council (MBDC) established under Section 42 of the Local Government Act (SA) 1999. The objectives and purposes of GMB Water are set out in the Mount Barker Regional Wastewater Utility Charter 2024 (Charter).

The Board of Directors (Board) of GMB Water has adopted this Terms of Reference to promote good corporate governance and guide the Board and its Committees in the exercise of their duties and responsibilities relating to GMB Water in the service of its customers and other stakeholders.

The principles set out in this Terms of Reference build on the following instruments which establish the Board's powers, structure, composition, operations and accountabilities:

- Mount Barker Region Wastewater Utility Charter 2024
- Local Government Act (SA) 1999

The provisions of the above instruments prevail to the extent of any inconsistency with these Terms of Reference.

## 2 POWERS OF THE BOARD

### 2.1 Powers of the Board

As set out under clause 3.1 of the Charter the Board is the governing body of GMB Water and has the responsibility for the administration of the affairs of GMB Water ensuring it acts in accordance with the Charter and all relevant legislation.

The Board may adopt policies of the Mount Barker District Council or any other policies that otherwise do not apply to GMB Water, provide that such policies are relevant and beneficial to GMB Water.

### 2.2 Functions of the Board

The Board approves the overall strategy, direction and policy of GMB Water and oversees management's implementation.

It has delegated to the Chief Executive, and through the Chief Executive to other senior management, responsibility for day-to-day management of GMB Water.

The functions and responsibilities of the Board include:

- Overseeing GMB Water's operational and financial performance and ensuring that GMB Water maintains an operating licence granted by the Essential Services Commission of South Australia (ESCOSA)
- Approving GMB Water's overall strategic direction including adopting objectives, goals, high-level policies and management plans
- Monitoring strategy implementation
- Overseeing compliance with legislative, regulatory, and common law requirements
- Approving GMB Water's statement of values, behaviours and code of conduct to underpin the culture
- Providing leadership and overseeing management in its instilling of GMB Water's values and behaviours
- Approving the Corporate Plan
- Approving price annual reporting to ESCOSA

- Overseeing GMB Water's environmental and public health strategy and performance
- Approving major decisions, major capital expenditure, significant financial matters and, where appropriate, making recommendations to the owner, MBDC
- Approving budgets, regularly monitoring financial performance, and reporting to MBDC, except where delegated to the Chief Executive
- Reviewing the policy, procedures and processes for meeting GMB Water's obligations for continuous disclosure
- In accordance with the Charter selecting and appointing a candidate for the position of Chief Executive. In accordance with the Charter the Chief Executive may be appointed to the Board.
- Formulating employment and performance agreements with the Chief Executive and reviewing the Chief Executive performance
- Supporting the Chief Executive and ensuring the Chief Executive has the appropriate delegations of authority and access to resources relevant to the role
- Approving and ensuring periodic reviews of the systems of risk management (for both financial and non-financial risks), internal compliance and control and corporate governance, to ensure appropriate frameworks, controls, and an appropriate culture of risk management, are in place
- Setting the risk appetite within which the Board expects management to operate
- Ensuring appropriate frameworks are in place for management to report relevant information to the Board
- Whenever required, challenging management and holding it to account.

## 3 BOARD STRUCTURE

### 3.1 Board Composition

Under section 3.2 of the Charter the Board may consist of up to seven Directors, including the Chair, appointed by a Selection Panel, as specified in Section 3.3 of the Charter.

The Board's membership s to collectively include Directors with skills and experience in:

- Wastewater Utility operation
- Water regulation and pricing
- Financial management
- Legal and governance
- Engineering or asset management
- Customer relations, communications and/or marketing
- Entrepreneurship/innovation/commercial
- Strategic advice
- Public policy, and
- Risk management.

### 3.2 Role of the Chairperson

The role of the Chairperson is to lead the Board and oversee processes to ensure the Board fulfils its obligations under this Terms of Reference.

The specific responsibilities of the Chairperson include:

- Guiding the Board's leadership and strategic vision to enable GMB Water to achieve its objectives
- In conjunction with the Chief Executive , setting the agenda for Board meetings and monitoring that relevant Board papers on all matters to be determined at Board meetings are circulated in advance

- Leading the Board's deliberations, including presiding over Board meetings and directing Board discussions to effectively use the time available to address the critical issues facing GMB Water
- Reviewing the draft Board minutes, and subject to the Board's approval, signing the minutes and confirming they properly reflect the Board's deliberations and decisions.
- Developing and maintaining an effective working relationship with the Chief Executive, including acting as a sounding board, and where appropriate, and advisor to or a mentor for the Chief Executive Officer
- Facilitating an effective dialogue with the Chief Executive, particularly between Board meetings, about strategic matters and other issues that may be of interest to the Board or MBDC
- Seeking assurance that processes are in place to facilitate effective communication with MBDC
- Leading the annual assessment of the Chief Executive's performance
- Leading and guiding succession planning and recruitment for the Chief Executive's position
- Supporting the process of regular Board performance reviews
- Leading and guiding the ongoing effectiveness and development of the Board and individual Directors, and
- Developing a skills matrix for the Board which separately identifies each Director to ensure the Board has the right skills, experience and diversity.

### 3.3 Role of the Chief Executive

The Board delegates to the Chief Executive by formal written instrument full authority for the management of GMB Water and reserves to itself all other authority not expressly delegated.

The Chief Executive manages GMB Water in accordance with the strategy, plans, practices and policies approved by the Board to achieve the agreed objectives. The Chief Executive advises and, where appropriate, consults with the Chair on matters that are sensitive, extraordinary or of a strategic nature.

In addition the Chief Executive's responsibilities include:

- Providing leadership to GMB Water's employees and its stakeholders and the public generally including fostering a culture for employees that is supportive of GMB Water's overall objectives
- Acting as GMB Water's principal spokesperson to the media and stakeholders (the Chief Executive will inform the Chair promptly of sensitive or otherwise significant interaction that they may have with the media or other stakeholders)
- Monitoring that ethical standards established by the Board are complied with
- Monitoring that the powers delegated by the Board are exercised in a competent manner and within the intent and limits of such delegation, and referring all matters outside of their delegated authority to the Board for approval
- Monitoring the Board is provided with sufficient information to enable it to act effectively
- Making recommendations to the Board on matters which it has reserved to itself, including corporate strategy, strategic issues and approval of quarterly and annual accounts
- Liaising with MBDC and other stakeholders (the Chief Executive will consult with the Chair as appropriate in respect of communication with the MBDC Chief Executive Officer or their delegate or Elected Members in issues of a strategic or sensitive nature)
- Keeping the Chair informed of all matters of significance that occur between Board meetings
- Managing GMB Water so as to achieve the performance targets agreed between the Board and the Chief Executive
- Seeking assurance that GMB Water's risk management and internal control frameworks are fully and effectively developed, implemented and management

- Recommending policies of s strategic nature to the Board, adopting and implementing operational policies appropriate for GMB Water’s business, and seeking assurance GMB Water’s policies are complied with, and
- Discharging any other responsibilities as may be determined by the Board from time to time.

### 3.4 Conduct of Board Meetings

The Charter sets out the manner in which the Board is to conduct business.

The Board will meet as often as the Directors consider necessary to fulfil their duties and responsibilities. Generally, the Board will meet at least every three months.

All Directors are entitled to receive notice of a meeting of directors. The date, time and venue of each meeting will be notified in writing by the Chief Executive to all directors not less than five (5) business days in advance of the meeting, except in exceptional circumstances.

The agenda and papers for each meeting of the Board will be distributed to all Directors five (5) business days prior to the meeting, except in exceptional circumstances.

The only persons entitled to be present at a Board meeting are the Directors, the Chief Executive Officer if not appointed as a Director, and the Minute Secretary, unless otherwise agreed with the Board.

Minutes of meetings of the Board will be prepared and circulated to the Chair for approval within one (1) month of the meeting, except in exceptional circumstances. The Board is to confirm the minutes of a meeting at the following meeting.

In the usual course, decisions of the Board are to be made by consensus of all Directors present at a properly convened Board meeting. If consensus is not reached, a vote is to be taken. An individual Director’s dissent or concerns are to be recorded if requested by the Director.

The Board is to exercise its powers by making formal resolutions. Resolutions are effective immediately upon being made by the Board unless stated otherwise at the time of making a resolution (for example it may be stated that a resolution is to take effect from a future date or upon the occurrence of a particular event). The confirmed minutes are to be kept safe as an official record of the Board’s resolution. In accordance with the Charter, a quorum for each meeting of the Board is one (1) half of the Board Members in office, ignoring any fraction, plus one (1). The quorum must be present at all times during the meeting.

The Board will keep Board discussions and resolutions confidential, except where authorised by the Board or required to be disclosed by law.

### 3.5 Decision Making Outside Board Meetings

The Board may consider matters without a meeting via the following procedure:

- The Chief Executive will obtain the Board Chairperson’s approval to issue a circulating/out of session resolution regarding a matter
- Notice of the resolution will be circulated by the Chief Executive
- A circulating/out of session resolution will be validly passes if a majority of the eligible board members give written agreement to the resolution.

### 3.6 Board Committees

The Board must establish at least an Audit Committee and any other Committees as it sees fit. Each committee is to have a Terms of Reference, approved by the Board, and membership consisting of at least one Non-Executive Director and an independent Chairperson (who is not Chairperson of the Board). The Executive Officer is an ex-officio member of all Board Committees.

The Board is to review its Committee structure (including the role, function, Terms of Reference and membership) at least every two years.

Each committee must meet at least four (4) times a year and report to the Board on its meetings and to make the minutes of those meetings available to the Board. The Board must report annually on the number of Committee meetings and individual attendance of members.

### 3.7 Board Performance Evaluation

The Board members will participate in a review of the Board's performance and effectiveness at periods as set out in the Charter, including the performance of its Committees. The Selection Panel, as defined in the Charter, will implement a review system which, subject to consultation with the Board, may include:

- A collective view of effectiveness undertaken by the Board
- Individual performance reviews for Directors
- Opportunities for Directors to give private feedback to the Selection Panel on Board effectiveness
- Any other review mechanisms as the Selection Panel decides.

An external facilitator may be engaged by the Selection Panel to assist with an independent Board performance review.

## 4 ACCESS AND ADVISORS

### 4.1 Independent Advice

At the discretion of the Chairperson, a Director may obtain independent professional advice at the expense of GMB Water if such advice is considered necessary for the Director to effectively discharge their duties and responsibilities as a Director. Approval of the Chairperson may not be unreasonably withheld or delayed.

### 4.2 Access to Management and Facilities

A Director may request access to appropriate GMB Water managers or to inspect any GMB Water asset or facility via the Chief Executive or the Corporate Secretary. Such a request may arise when there is a need for a detailed briefing or assistance to understand a technical issue or otherwise to discharge the Director's duties and responsibilities and will not be unreasonably delayed or denied.

### 4.3 Access to Information and Records

Each Director is entitled to have free and full access to all Board records (including but not limited to minutes, papers, agendas, tabled documents, and presentations) created during their term(s) as a Director. This entitlement continues after a person ceases being a Director.

#### 4.4 Director Development

At the discretion of the Chair, GMB Water may contribute to the cost of education or training which is relevant to the expertise for which an individual Director was appointed to the Board or which is otherwise specifically relevant to their GMB Water directorship.

All new Directors appointed to the Board are to undertake an induction program coordinated by the Chief Executive, to assist them in fulfilling their duties and responsibilities.

### 5 RELATIONSHIPS WITH STAKEHOLDERS

#### 5.1 Relationship with Employees

The Board values the know-how, enthusiasm and efforts of GMB Water's employees. The Board's responsibilities to GMB Water's employees are to foster diversity, a constructive culture aligned to GMB Water's signature behaviours and values, and ensuring compliance with relevant legislative, regulatory and common law requirements.

#### 5.2 Relationship with Customers and Community

The Board is responsible to GMB Water's customers and the wider community through the performance of GMB Water of its statutory functions under the Charter. In this respect, the Board's responsibilities include:

- Being aware of and responsive to customer and community concerns
- Acting honestly and in the public interest.
- Performing its functions competently and efficiently
- Pursuing the objectives and purposes under section 1.6 of the Charter.

#### 5.3 Relationship with Mount Barker District Council

MBDC includes the council's Chief Executive Officer, and delegates, and the Elected Members, including the Mayor. The Board recognises its relationship with the MBDC. This relationship is built upon mutual respect, open engagement and sharing of information and a commonality of purpose in achieve the objective and purpose of GMB Water as set out in the Charter. The Board is responsible to the MBDC the provisions of the Charter which includes:

- Governing GMB Water responsibly so as to protect and enhance value for the benefit of the Mount Barker district
- Obtaining the prior written approval of the MBDC when required under the Charter
- Reporting to MBDC on the operations of GMB Water as required under the Charter
- Preparing annual accounts and an annual report of operations for GMB Water
- Informing the MBDC of any matters which have or are likely to have a significant impact on the operations or financial position of GMB Water
- Informing the MBDC of any material or significant matter that may be contentious, relevant to the MBDC's accountabilities and policy objectives or that may be of public interest
- Governing GMB Water responsibly to:
  - Maintain any operating licence granted, and
  - Protect and enhance the reputation of GMB Water
- Informing the MBDC of any matters, including community service obligations, which have are likely to have a significant impact on customers, the community, employees, the environment, or the operations of GMB Water
- The timely provision of other information reasonably requested by or required to be provided to MBDC.



#### 5.4 Relationship with Regulators

The Board is to monitor and oversee GMB Water's regulatory compliance.

## 6 CONDUCT OF DIRECTORS

### 6.1 Legal Obligations

Directors must at all times act in accordance with legal, fiduciary, and statutory requirements and properly discharge all their duties as Directors.

The Directors of GMB Water consider there are fundamental ethical values that underpin their role as Directors of GMB Water and as members of its Board and Committees.

### 6.2 Conflicts of Interest

In discharging their responsibilities the Directors have a duty to act in the best interests of GMB Water as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations

Board members must:

- Disclose to the Board any actual or potential conflict of interest which may exist as soon as they become aware of the issue
- Take any necessary and reasonable measures to try and resolve the conflict and comply with the requirements of the Act in relation to the disclosure of interest and restrictions on voting
- Complete an annual declaration of conflicts of interest.

Unless Board members decide otherwise, if a conflict or potential conflict situation exists, the conflicted Board members will be excluded from all considerations of the matter by the Board including any segment of the Board papers or other documents containing any reference to the matter.

### 6.3 Gifts, Benefits and Hospitality

A gift, benefit and hospitality policy is in place for Directors and employees.

### 6.4 Independence of Board Members

The Board will regularly assess the ongoing independence of each Board members and the Board will generally ensure that:

- The Board continues to exercise unfettered and independent judgement
- The interests of the MBDC and the public are properly protected and that individual vested interests do not have the opportunity to influence decision making against the interests of GMB Water.

### 6.5 Remuneration, Expenses and Allowances

Remuneration, expenses and allowance will be set and paid in accordance with clause 3.6 of the Charter.

### 6.6 Dispute Resolution

The following protocol applies where there is a question whether or not a Director has failed to comply with the intent of and the principles and procedures of this Terms of Reference and the Charter.

1. A Director who considers that another Director has breached this Terms of Reference may inform the Chairperson of the alleged breach

2. A Director who considers that the Chairperson has breached this Terms of Reference may inform the Deputy Chairperson of the alleged breach
3. The Chairperson or Deputy Chairperson must inform the Director of the allegation as soon as practical after it has been made
4. The Chairperson or Deputy Chairperson must determine a process for investigating the allegation which will include:
  - Inviting the Director against whom the allegation has been made to make written and/or oral submissions in response to the allegation; and
  - Consideration of the allegation and any written or oral submissions; and
  - Determining whether the Director has nor has not breached any provisions of this Terms of Reference.
5. At the completion of the process the Board will decide what action should be undertaken as a result of the outcomes of the investigation, which in the case of a serious breach may include referring the matter to MBDC
6. Where a dispute remains unresolved and that poses a major risk to the effective operation of GMB Water MBDC will be informed.

## 7 INDEMNITY AND INSURANCE

In accordance with Section 3.7 of the Charter, Directors, and their spouses or another person who may be accompanying a Director, are to be insured against risks associated with the performance or discharge of their official functions and duties or on official business of GMB Water.

## 8 REVIEW OF TERMS OF REFERENCE

This Terms of Reference is to be reviewed annually to ensure it remains consistent with the Board's objectives and responsibilities, and relevant standards of corporate governance.

Any modifications to, or replacement of, this Terms of Reference must be approved by the Board.

## 9 DOCUMENT CONTROL

| VERSION | AUTHOR    | DESCRIPTION OF CHANGE     | DATE       | APPROVED BY |
|---------|-----------|---------------------------|------------|-------------|
| 0.1     | H Edmonds | Draft                     | 12/02/25   | N/A         |
| 0.2     | H Edmonds | Chair's feedback included | 18/03/25   | S Keenihan  |
| 0.3     | H Edmonds | Board feedback included   | 29/05/25   | N/A         |
| 0.4     | H Edmonds | Updates to position names | 19/01/2026 | N/A         |
| 1.0     | H Edmonds | Approved for adoption     | 28/01/2026 | Board       |