

Board Charter

Queensland Rail

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1. Purpose

- 1.1 The Board is responsible for the overall performance and good governance of Queensland Rail Statutory Authority (the **Authority**) and its wholly owned subsidiary Queensland Rail Limited (together **Queensland Rail**). The Board's specific functions and responsibilities include considering and approving strategic direction, establishing key objectives and performance measures and monitoring the performance of Queensland Rail.
- 1.2 The Board has adopted this Charter to outline the manner in which its powers and responsibilities – including those under the *Queensland Rail Transit Authority Act 2013* (the **QRTA Act**) and *Corporations Act 2001* (Cth) (the **Corporations Act**) – will be exercised and discharged.
- 1.3 The Board is committed to, and expects the highest standards of, corporate governance and strict compliance with the law from all Members, Senior Executives and employees of Queensland Rail.

2. Role of the Board

- 2.1 The Board is responsible for the way Queensland Rail performs its functions and exercises its powers.
- 2.2 In accordance with section 15 of the QRTA Act, the Board's specific functions include:
 - (a) deciding the strategies and the operational, administrative and financial policies of Queensland Rail;
 - (b) ensuring Queensland Rail performs its functions and exercises its powers in a proper, effective and efficient way; and
 - (c) ensuring that, so far as is practicable, Queensland Rail acts under, and achieves the objects in, the strategic and operational plans; and
 - (d) accounting to the responsible Ministers, as required under the QRTA Act, for the performance of Queensland Rail; and
 - (e) reviewing annually the performance of the Chief Executive Officer (**CEO**).
- 2.3 In exercising its functions and powers as set out in this Charter, the Board will at all times recognise its overriding responsibility to:
 - (a) maintain and encourage good corporate governance standards;
 - (b) act honestly, fairly and diligently;
 - (c) act in accordance with laws and regulations;
 - (d) avoid or manage conflicts of interest;
 - (e) promote Queensland Rail as a good corporate citizen; and
 - (f) achieve and maintain community respect.

3. Membership

- 3.1 The Board is to consist of no fewer than three, and no more than seven Members appointed by the responsible Ministers. In deciding whether to appoint a person as a Member, the responsible Ministers must have regard to the person's ability to contribute to the implementation of Queensland Rail's strategic and operational plans.
- 3.2 Members are appointed on a formal basis for a term of not more than 3 years but may be appointed for further terms at the responsible Ministers' discretion.
- 3.3 The Chair is the official spokesperson for the Board, unless the Board determines otherwise.

4. Key Responsibilities

- 4.1 The Board's specific functions and responsibilities include:
- (a) Business strategy and expenditure
 - (i) deciding on Queensland Rail's strategic and operational plans, as developed in conjunction with the responsible Ministers and overseeing implementation of those plans;
 - (ii) reviewing and approving the annual operating budget and annual capital investment program in accordance with the Delegations Framework;
 - (iii) overseeing development and maintenance of an effective organisational structure, which supports individual and team accountability;
 - (iv) overseeing implementation of financial planning, budgeting and reporting processes to ensure that the performance of Queensland Rail can be monitored and reviewed; and
 - (v) considering management proposals, including material capital expenditure, divestments and significant acquisitions and providing advice and approvals where appropriate.
 - (b) Delegation to Senior Executives
 - (i) delegating responsibility for the day-to-day operation and management of Queensland Rail to the CEO;
 - (ii) ensuring that there is an effective framework to balance the role of management in operating the business and the role of the Board in monitoring, guiding and providing oversight;
 - (iii) monitoring corporate performance and capabilities and overseeing the management of risk and legal compliance; and
 - (iv) working to establish a culture where transparent and timely information is shared between management and the Board and where there is opportunity to challenge views, assumptions and beliefs in an environment of trust, respect and openness.

- (c) Senior Executive appointments and remuneration
 - (i) appointing, subject to the prior written approval of the responsible Ministers, the CEO and, at its own discretion, terminating the appointment of the CEO;
 - (ii) appointing and terminating the appointment of members of the Senior Executive Team, including the Chief Finance Officer (CFO);
 - (iii) approving the Fixed Remuneration and Performance Payment Framework for eligible Senior Executives;
 - (iv) approving the key performance indicators applicable on an enterprise wide and individual basis for the CEO and Senior Executives;
 - (v) undertaking and overseeing annual performance reviews; and
 - (vi) approving the standard form contract of Senior Executives and executive contracts.

- (d) Relations with responsible Ministers and other key stakeholders
 - (i) facilitating, monitoring and overseeing communications to employees and external stakeholders (including responsible Ministers, government and communities);
 - (ii) development of external corporate communication strategies and plans; and
 - (iii) overseeing appropriate disclosure as required by law.

- (e) Financial matters and risk management
 - (i) reviewing and approving quarterly reports and annual financial statements;
 - (ii) approving accounting policies and monitoring and reviewing processes in place aimed at ensuring the integrity of financial and other reporting, specifically in relation to management of Queensland Rail's material business risks;
 - (iii) ensuring that Queensland Rail complies with laws, regulations, codes and internal policies through an effective compliance program; and
 - (iv) reviewing, at least annually, the effectiveness of Queensland Rail's risk management system.

- (f) Ethics, governance and policy
 - (i) approving policies and directives under Queensland Rail's governance framework, and approving and adopting documents (including the publication of reports and statements to responsible Ministers) that are prescribed by legislation, responsible Ministers or other external regulation;

- (ii) maintaining corporate and Board values to ensure Queensland Rail acts with the highest ethical standards and integrity in accordance with all legal and regulatory requirements and best practice;
- (iii) overseeing the application of Queensland Rail's material governance policies (including the Code of Conduct) by the establishment and application of an effective governance framework;
- (iv) approving policies, including in relation to accounting and finance, risk management, occupational health and safety, project management, procurement and governance;
- (v) establishing effective processes and systems to enable the Board to monitor Queensland Rail's internal culture and customer satisfaction;
- (vi) fostering a high integrity achievement oriented culture; and
- (vii) performing such other functions as are prescribed by law or are assigned to the Board.

4.2 In carrying out the above functions and responsibilities, the Board may delegate any of its powers to a Board committee, a Member, an employee or other person subject to any requirements under the QRTA Act or other applicable legislation.

5. Relationship with Management

5.1 As prescribed in paragraph 4.1(b), the Authority's CEO is responsible for managing Queensland Rail's affairs subject to:

- (a) the QRTA Act and other relevant legislation; and
- (b) the Board's policies.

5.2 The CEO is accountable to the Board for the exercise of authority granted under the QRTA Act, any Queensland Rail policies and delegations by the Board under the QRTA Act. The CEO and Senior Executives will report to the Board on the exercise of these powers on an ongoing basis.

5.3 The CFO is responsible for the financial administration of Queensland Rail and must report to the Board on the discharge of this responsibility on a regular basis.

5.4 Management must supply sufficient and timely information to the Board to allow it to discharge its duties effectively. The Board must independently assess the information provided by management and review key elements of the operations of Queensland Rail.

5.5 A key function of the Board is to monitor the performance of management according to the strategies and objectives decided by the Board. Members have access to Senior Executives through the Chair, CEO, CFO or Secretary at any time. In addition to regular attendance by Senior Executives at Board meetings, Members may seek briefings from Senior Executives on specific matters in accordance with the Annual Board Agenda, and as otherwise required.

5.6 The Board retains the ultimate legal responsibility for the exercise of powers delegated to Senior Executives. In particular, the Board is responsible for ensuring

that powers and functions are in each case delegated in a responsible and appropriate manner, and that the exercise of these powers, as well as any reports and information provided by management, are independently assessed by the Board.

6. Relationship with responsible Ministers

6.1 As part of Queensland Rail's relationship with the State of Queensland, the Board is responsible for:

- (a) overseeing compliance by the Authority with any formal directions issued by the responsible Ministers under the QRTA Act or policies issued by the responsible Ministers, which the Authority is required, or has undertaken, to comply with;
- (b) approving Quarterly Reports to the responsible Ministers as required under the QRTA Act;
- (c) preparing and reaching agreement with the responsible Ministers each year on the Operational and Strategic Plans pursuant to the QRTA Act;
- (d) approving the Annual Report;
- (e) keeping the responsible Ministers informed about Queensland Rail's operations, financial performance and financial position and its achievement of the objectives in the Operational and Strategic Plans as required under the QRTA Act; and
- (f) immediately informing the responsible Ministers of any matters that arise that, in the Board's opinion, may:
 - (i) prevent, or significantly affect, achievement of the objectives in the Authority's strategic or operational plans; or
 - (ii) significantly affect the Authority's performance in delivering the outputs under its operational plan; or
 - (iii) significantly affect the Authority's reputation.

7. Committees

7.1 The Board may from time to time establish committees to assist it in discharging its responsibilities. For each standing committee, the Authority shall adopt a formal charter setting out the matters relevant to composition, responsibilities and administration of such committees.

7.2 The Board may also delegate specific functions to ad hoc committees from time to time. The powers delegated to these committees are set out in Board resolutions.

7.3 Except as stated in the relevant Committee Charters, or as otherwise specified by the Board, Board Committees have limited delegated authority and exist predominantly to provide recommendations to the Board on issues within the purview of the respective Committee.

- 7.4 All Board Members are entitled to attend Committee meetings and are to receive committee papers. Non-Committee members should notify the respective Committee Chair of their intention to attend a particular meeting.
- 7.5 A review of each Committee's membership and an evaluation of Committee performance is undertaken by the Board on an annual basis.

8. Responsibility of Individual Members

- 8.1 Each Member is appointed pursuant to the terms of a letter of appointment.
- 8.2 Relevant provisions of the QRTA Act and the Corporations Act together prescribe the duties and responsibilities of the Members. Individual letters of appointment from the Chair specify the time commitment envisaged, expectations in relation to committee work, remuneration arrangements and induction processes.
- 8.3 Members are required to comply with the QRTA Act, Corporations Act and Board policies in relation to disclosing and managing conflicts of interest, trading in securities and other rules and norms of behaviour adopted by the Board from time to time.
- 8.4 Each Member is expected to observe the highest standards of ethical behaviour and act in a manner consistent with Queensland Rail's Code of Conduct, values and norms of behaviour.
- 8.5 Reimbursements of eligible expenses incurred by Members are to be approved by the Chair. The Chair's eligible expenses are to be approved by the Chair of the Audit and Risk Committee.

9. Role of Chair

- 9.1 The Chair is the official representative and spokesperson for the Board.
- 9.2 The Chair's responsibilities include:
- (a) providing leadership to the Board;
 - (b) ensuring the efficient organisation and conduct of the Board;
 - (c) managing the conduct of Board meetings;
 - (d) promoting an environment of trust, respect and openness to ensure consultative and constructive relationships between the Board and Senior Executives; and
 - (e) the referral of appropriate matters to responsible Ministers in a timely manner and ensuring any decisions of the responsible Ministers are conveyed as required to the Board and Senior Executives.

10. Role of Chief Executive Officer

- 10.1 The CEO is responsible to the Board for the day to day management and performance of Queensland Rail and implementation of Board approved strategies. The CEO manages and operates Queensland Rail in accordance with the QRTA Act and the Board's policies including the strategic and operational plans.
- 10.2 The CEO has primary responsibility to bring to the attention of the Board and each Committee, issues which fall within the Board's accountabilities or within respective Committee's accountabilities and delegated authority and any other issue which the CEO considers requires the attention of the Board and Committees.
- 10.3 The CEO is responsible for assisting the Board in developing Queensland Rail's strategies, vision and values.
- 10.4 The CEO will prepare or arrange the preparation of timely and relevant reports and presentations to the Board.
- 10.5 The CEO may delegate authority to the Queensland Rail's Senior Executives through the Board approved delegations framework.

11. Role of Secretary

- 11.1 The Board is supported by the Secretary who is accountable for facilitating Queensland Rail's corporate governance processes and providing general advice to the Board. The Secretary reports directly to the Board through the Chair on all matters relating to the proper functioning of the Board and is responsible for ensuring that Board governance procedures are complied with.
- 11.2 The Secretary is responsible for maintaining all Board records including minutes of meetings, submission papers and Board resolutions. The Secretary will also ensure a Board Member Disclosure of Interest Register and a Related Party Disclosures Register are maintained.
- 11.3 The Secretary is responsible for maintaining, updating and ensuring that all Members have the most current copy of this Board Charter and associated governance documentation.
- 11.4 The appointment and removal of the Secretary is a matter for the Board.

12. Conflicts of Interest

- 12.1 Members must:
 - (a) disclose to the Board any actual or potential conflict of interest which may exist as soon as they become aware of the issue;
 - (b) take any necessary and reasonable measures to try and resolve the conflict;
 - (c) comply with the QRTA Act and Corporations Act requirements in relation to the disclosure of interests and restrictions regarding being present during the Board's consideration of particular matters and/or taking part in deciding on a particular issue.

- 12.2 Unless the Board decide otherwise, if a conflict or potential conflict situation exists, the conflicted Member 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.
- 12.3 Members are expected to advise the Chair of any proposed Board or executive appointments to other organisations as soon as practicable.
- 12.4 Disclosure of interests by Board Members is a standing meeting agenda item.

13. Access to Information and Independent Advice

- 13.1 The Board may access information and seek independent advice as considered necessary to fulfil their relevant duties and responsibilities.
- 13.2 Members will be entitled to:
- (a) full and free access to Senior Executives via the Chair at any time to discuss Board matters or request relevant additional information; and
 - (b) independent professional advice at Queensland Rail's expense with the prior approval of the Chair.
- 13.3 Members may share relevant information and advice received with the other Members.

14. Meetings

- 14.1 The Board determines a schedule of meetings at the beginning of each year. It is the Board's practice that one or more of those meetings coincide with regional site visits.
- 14.2 The quorum of the meeting will be three of the appointed Members of the Board.
- 14.3 The Board Chair is to preside at all Board meetings at which they are present.
- 14.4 If the Chair is absent from a Board meeting and the Deputy Chair (if appointed) is present, the Deputy Chair is to preside.
- 14.5 If the Chair and Deputy Chair (if appointed) are both absent from the Board meeting (including because of a vacancy in the office), a Member chosen by the Members present is to preside at the meeting.
- 14.6 The Board may elect to conduct meetings by telephone or videoconference provided that all Board Members involved in the meeting are able to participate in discussion.
- 14.7 The Secretary attends meetings of the Board as minute secretary. In general, certain Senior Executives attend Board meetings by standing invitation unless otherwise requested by the Board. Other Senior Executives may be invited to attend meetings if the Board considers their involvement to be material in relation to the items of business on the agenda.
- 14.8 External parties, such as Ministers or the Auditor-General, may also attend Board meetings at the invitation of the Board.

- 14.9 Minutes and Actions are prepared within a reasonable time following each Board meeting. Following review by the Chair, the Minutes are circulated to Members for approval and inclusion in the Minute book within one month of the Board meeting and the Actions are issued to Management for execution.
- 14.10 All Board proceedings, including Board papers and presentations submitted, will be kept confidential and will not be disclosed to any person other than Board Members, except as required by law or as agreed by the Board.

15. Review of Board and Executive Performance

- 15.1 The Board regularly reviews the skills currently available to the Board, and identifies skills that may be required in the future. Whilst the Board itself does not have direct input into the selection of suitable Members, it is acknowledged that the responsible Ministers take skills requirements into account when appointing Members.
- 15.2 The Board undertakes an annual Board evaluation to assess the Board as a group, and each individual Member.
- 15.3 From time to time, an independent external consultant may be engaged by the Chair to assist with the evaluation and review of Board performance. This generally occurs every two years or as required by the Board.
- 15.4 The performance of the CEO and Senior Executives are also assessed by the Board on an annual basis in accordance with agreed performance measures.

16. Review of Charter

- 16.1 The Board will review this Charter at least biennially to ensure it remains consistent with and relevant to the Board's objectives and responsibilities.

17. Publication of Charter

- 17.1 A copy of the Board Charter is available at www.queenslandrail.com.au

Adopted by the Board on 14 December 2017