Board charter

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1. Authority

The *Electricity Corporations Act 2005* (**EC Act**) combined with the *Government Trading Enterprises Act 2023* (**GTE Act**) (together the **Acts**) provides the authority for the establishment of a board to govern the business and affairs of the Electricity Networks Corporation (trading as **Western Power**). Subject to the provisions of the Acts, the Board is the governing body of Western Power responsible for the performance of the functions (through governance and delegation), determining the policies and controlling the affairs of Western Power. Western Power's purpose is to advance the public benefit through the performance of its functions.[1]

2. Roles and responsibilities

Board

Without limiting its authority, the central role of the Board is to provide strategic guidance for Western Power and oversight of Western Power's functions, management, and business activities. Specifically, the Board's responsibilities include:

(a) endeavouring to agree with the Portfolio Minister a "statement of expectations" (under s 70 of the GTE Act) applicable to Western Power and any variations to that "statement of expectations"

(b) approving and guiding Western Power management (**Management**) in the development of business strategy, including each statement of expectations and annual performance statement for Western Power

(c) maintaining oversight of Management's implementation of the approved strategic plans and holding Management to account

[1] Section 7 of the GTE Act.

(d) reviewing and approving capital and operating financial plans and budgets, reviewing and approving non-financial targets and implementation plans

(e) approving and monitoring financial performance and reporting, including climate-related risks financial disclosures

(f) monitoring the effectiveness of risk management through oversight and review of risk management frameworks (for financial and non-financial risks), risk appetite statement, codes of conduct, legal compliance, and internal compliance frameworks and controls

(g) establishing sub-committees to assist the Board in fulfilling its duties and obligations, and establishing their terms of reference

(h) appointing and, if necessary, removing a Chief Executive Officer (**CEO**), including, with the concurrence of the Portfolio Minister,[2] and approving the CEO's remuneration and conditions of service

(i) reviewing the performance of the CEO annually

(j) overseeing the succession planning for the CEO and executive level management

(k) reviewing and approving Western Power corporate policies

(l) promoting adherence to the compliance framework, monitoring the application of due diligence on internal processes using audit resources and reviewing processes to monitor their effectiveness in the management of risk

(m) monitoring compliance with Western Power's responsibilities under the Acts and other written laws

(n) reviewing and assessing Board composition and capability to ensure that director, committees and board governance processes are effective (including by reference to the Directors' Skills Matrix)

(o) reviewing Board performance in accordance with the GTE Act

(p) delegating its powers, where appropriate, in accordance with the Acts

(q) ensuring Board meeting minutes accurately reflect the proceedings of the Board

(r) approving a code or codes of conduct setting out the minimum standards of conduct and integrity to be observed by members of staff[3] and the minimum standards of merit, equity and probity applicable to management of staff[4]

(s) monitoring the culture of the corporation

(t) reviewing and approving the corporation's workplace health, safety and environment polices and performance to ensure the corporation achieves its safety commitment and safe outcomes for the corporation's staff, contractors and community

(u) endorsing the remuneration of executive management (however, the appointment of individuals to specific management roles is the responsibility of the CEO)

(v) ensuring the corporation's remuneration policies are aligned with the corporation's purpose, values, strategic objectives and risk appetite

(w) conducting reviews of the independence of the directors, based on information provided to it by the directors. Directors are expected to volunteer information as and when changes occur.

Board Chair

In accordance with section 16 of the GTE Act, the Portfolio Minister must designate the Chair from amongst the directors appointed to the Western Power Board and if the Chair is unable to act (including in anticipation of being unable) the Portfolio Minister must designate another director to so act during such inability.

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[2] As at July 2023, the Portfolio Minister is the Minister for Energy.

[3] See section 31 of the EC Act.

[4] See section 21 of the EC Act.

The Board Chair is subject to the same duties as all other directors, including in relation to disclosure of material personal interests and not being present during any Board deliberations relating to, or voting in respect of, any such matter. Without limiting the role, specific responsibilities of the Board Chair include:

(a) strategically leading the Board to ensure effective performance

(b) establishing the agenda for Board meetings in consultation with the CEO and Company Secretary and overseeing the provision of information to the Board by management

(c) being the primary point of contact between the Board and the CEO

(d) reviewing, progressing and providing guidance on important strategic initiatives and significant issues facing Western Power when requested by Management

(e) providing mentoring and other support to the CEO

(f) chairing the CEO evaluation process through the Governance Committee

(g) supervising Board and director evaluation processes

(h) overseeing the succession planning for directors, the CEO and the executive managers

(i) in accordance with the GTE Act, having a casting vote[5]

(j) authorising the business related expenses of all directors and the CEO. The business related expenses of the Chair will be approved by the Deputy Chair.

Directors

In accordance with the GTE Act the Portfolio Minister will appoint all directors[6]. Western Power's directors have the same fiduciary relationship and duties to Western Power as does a director of a company incorporated under the *Corporations Act 2001* (Cth) as well as specific responsibilities and duties under the GTE Act. These include to:[7]

(a) exercise their powers and discharge their duties with loyalty and in good faith and in the best interests of Western Power as a whole and for a proper purpose

(b) use the degree of care and diligence that a reasonable person would exercise if they were such a director in such circumstances and occupied the office held by and had the same responsibilities of the director

(c) at all times act honestly in the performance of their functions and not improperly use their position or information received by virtue of their position to gain directly or indirectly, an advantage for themselves or someone else or cause detriment to Western Power

(d) not to knowingly provide false or misleading information to an official and not to have taken reasonable steps to ensure it is not false or misleading

(e) notify the Board of any material personal interest in a matter that relates to Western Power's affairs or one that could (or could be perceived to) impact on the director's ability to act in Wester Power's best interest as soon as the director is aware of such a conflict

(f) make reasonable effort to become and remain familiar with the affairs, circumstances and needs of Western Power

(g) not participate as a director in deliberating or voting on any matters in which the director has a material personal interest or in any review, discussion or decision regarding his or her terms of service or performance (including remuneration)

(h) attend all board meetings unless there is a valid reason for non-attendance.

5 See section 33(3) of the GTE Act

6 See section 13(1) of the GTE Act.

7 See Part 5 Division 2 of the GTE Act

Chief Executive Officer

Western Power's CEO is to be appointed (and may be removed) by the Board based on selection criteria agreed between the Board and the Portfolio Minister[8]. The CEO may also be appointed to the Board with the approval of both the Portfolio Minister and GTE Minister.[9]

The CEO is responsible for, and has the necessary powers to administer, the day-to-day operations of Western Power in accordance with the strategy, policies and programs approved by the Board. Without limiting the scope of the role, the CEO's responsibilities include;

(a) developing, with the Board, a consensus for Western Power's strategy and direction

(b) constructing, with Western Power's senior management team, a program to implement the strategy

(c) appointing the senior management team and, with the endorsement of the Board, setting their remuneration

(d) endorsing the terms and conditions of appointment of all other staff members

(e) providing leadership to Western Power staff through the establishment and implementation of appropriate working, ethical and compliance cultures that will assist in the achievement of Western Power's vision and strategic direction

(f) establishing health and safety procedures and systems to minimise the risk of incidents at the workplace and from the network

(g) forming committees and working parties from time to time to assist in the orderly conduct and operation of Western Power

(h) reporting regularly to the Board and its committees with accurate, timely and clear information to assist the Board to discharge its functions and duties

(i) keeping the Board informed out of session of material business issues

(j) approval of expenditure in accordance with the Board approved delegation of financial authority.

The Board must review the CEO's performance on an annual basis.[10]

Company Secretary

Western Power's Company Secretary is responsible for the corporation's Board governance processes. Unlike the *Corporations Act 2001* (Cth), the Acts do not mandate that Western Power must have a Company Secretary. Western Power's Company Secretary is appointed by the Board on the recommendation of the Safety and People Committee. The decision to appoint or remove the Company Secretary is subject to Board approval. Each director has a right of access to the Company Secretary.

Without limiting the scope of the role, the specific responsibilities of the Company Secretary include:

(a) establishing and maintaining fit for purpose Board governance frameworks and templates

(b) assisting the Board and CEO to meet statutory reporting requirements as required by legislation

(c) ensuring the effective and efficient operation of Board processes and procedures

(d) ensuring the timely provision of all notices of meetings, agendas and supporting documentation, in accordance with the Board's rules and procedures

(e) accurately recording and maintaining minutes of meetings of the Board and its committees

(f) providing advice in relation to corporate governance principles and individual director liability

(g) any other services that the CEO, or the Board Chair, may require.

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8 See section 37(1) and 38 of the GTE Act.

9 See section 13 of the GTE Act.

10 See section 42 of the GTE Act.

3. Board structure

Membership:	In accordance with section 12 of the GTE Act, the Board of Western Power must comprise of not less than five (5) and no more than nine (9) directors.
Appointment of directors:[11]	Directors are appointed by the Portfolio Minister. The Board may make recommendations to the Portfolio Minister as to prospective candidates. With the approval of the GTE Minister, the Portfolio Minister may appoint the CEO to the Board. While the CEO may be appointed to the Board, a member of staff cannot be appointed to the Board.[12]

Independence of directors: The majority of the Board should be independent directors. The Board will have regard to the following director independence standards when making recommendations to the Minister regarding non-executive director nominations:

(a) The nominee is not, and has not within the past three years:

(i) been employed by Western Power or a subsidiary of Western Power in an executive capacity

(ii) been a principal, director or senior employee of a material professional adviser, or a material consultant, to Western Power or a subsidiary of Western Power, or been an employee materially associated with services provided by such adviser or consultant

(iii) been a material supplier or customer of Western Power or a subsidiary of Western Power, or is an officer or employee of, or otherwise associated with, a material supplier or customer

(iv) been in a material contractual, or other material relationship, with any Western Power or a subsidiary of Western Power, other than as a director

(v) received any remuneration from Western Power, other than directors' fees.

(b) The nominee does not have close family ties with any person who falls within any of the categories described above in (a).

(c) The nominee is free from any interests, business dealings or other relationships that could, or could be perceived to, interfere with the nominee's unfettered and independent judgment and ability to act in the best interests of Western Power.

(d) In the case of a reappointment, the Director has not been a director of Western Power for such a period that his or her independence may have been compromised.

Review of Board composition:	The Board will have regard to the outcome of a directors' skills and experience matrix[13] when making recommendations to the Portfolio Minister regarding director nominations, with the intention of ensuring that the Board has the appropriate operational and technical skills and experience to fulfil its functions and duties.
Board diversity:	The Board will consider the constitution of its membership, including but not limited to gender diversity, when making recommendations to the Portfolio Minister regarding director nominations.

[11] See Section 13 of the GTE Act

[12] See Section 13 of the GTE Act.

[13] See section 14 of the GTE Act.

Term of appointment:	A director may be appointed to office for a fixed period, not exceeding three years, as is specified in the instrument of his or her appointment, and is eligible for reappointment[14] (but cannot hold office for more than 9 consecutive years).
Director appointment schedule:	Desirably periods of appointment may be structured to ensure that approximately one-third of directors retire each year.

4. Board committees

Committee appointment:	The Board may appoint committees as it sees fit to assist it in discharging its duties and functions effectively and efficiently[15] and must appoint an audit and risk management committee.[16] The powers and functions of any such committee will be set by the Board.
Committees established:	The Board has established the following standing committees: (a) Audit & Risk Committee; (b) Governance Committee; (c) Major Projects Committee; and (d) Safety & People Committee.
Committee terms of reference:	A committee will be governed by Board approved terms of reference setting out the committee's responsibilities and powers.

5. Board meetings and procedure

The Board has adopted a set of rules and procedures to govern all proceedings of the Board and its committees[17]. All proceedings of the Board and its committees are strictly confidential and will not be disclosed to any person other than Board members, except as agreed by the Board or required by law.

6. Board performance and evaluation

Western Power will evaluate the performance of the Board, its committees and individual directors to assess whether the performance accords with best practice.

The Governance Committee is responsible for creating and maintaining the evaluation framework and processes in conjunction with the Board Chair. The review can be:

(a) qualitative, quantitative, or a mixture of both

(b) formal or informal

(c) concentrated on reviewing the Board as a whole or directors individually

(d) self-administered, administered by the Board Chair or other directors, or facilitated by an independent expert

(e) focussed internally on the directors or involve the wider body of corporate stakeholders including, but not limited to, customers, suppliers, employees and the community

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14 See section 17(3) of the GTE Act.

15 See section 26 of the GTE Act.

16 See section 27 of the GTE Act.

17 EDM 22815671.

(f) conducted at such frequency determined by the Board (on the recommendation of the Governance Committee) but not less than annually for self-review[18] and every three years for external review[19]

(g) envisaged that all recommended changes in Board policies and processes resulting from performance evaluations will be submitted to the Board for it to consider whether the recommendations require changes to this Charter.

7. Policies and Code of Conduct

The Board of Western Power has established a policy framework consisting of 10 Board approved corporate policies under which supporting frameworks, management standards, guidelines, procedures and work instructions are created. The policy framework comprises the:

(a) Asset management policy

(b) Assurance & risk policy

(c) Code of conduct

(d) Communications policy

(e) Financial management policy

(f) Investment management policy

(g) Information and communication technology policy

(h) People management policy

(i) Procurement policy

(j) Safety, health and environment policy

(k) Sustainability policy.

In addition to the policies listed above, the Board also approves the following Western Power corporate documents:

(a) Statement of Expectations[20]

(b) Annual Performance Statement[21]

(c) Internal audit charter

(d) Corporate document framework

(e) Access arrangement proposals.

8. Accepting positions with other companies

Non-executive directors are not prohibited from accepting positions with other companies. However, directors must observe their duties to Western Power as set out in the Acts, Western Power's code of conduct and the general law in accepting any position with another company and, in particular, the duties relating to conflicts of interest.

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18 See section 24 of the GTE Act.

19 See section 24 of the GTE Act.

20 See section 70 of the GTE Act

21 See section 75 of the GTE Act

There are obligations under the GTE Act[22] to notify relevant material personal interests as soon as possible after they come to the director's knowledge and not to participate in the consideration or voting on a matter in which the director has a material personal interest (subject to certain exceptions).

9. State of the network report

The Board requires[23] the Executive Manager Asset Management to report directly to it following the end of each financial year on the state of Western Power's network[24]. This report must address the operational safety performance of the network over the financial year in question and report on the network's capacity for operational safety (with or without qualification) over the prospective financial year (as a minimum).

10. Delegation of authority

Pursuant to the EC Act[25], the Board of Western Power has the ability to delegate any power or duty of the corporation. Delegations must be in writing and executed by the corporation.

In order to facilitate the day-to-day operations of Western Power, the Board has delegated authorities to specified employees of Western Power[26], including:

(a) financial authority

(b) authority to execute documents under section 156(4) of the GTE Act

(c) authority for engagement and management of staff.

11. Common Seal

The process for executing a document or agreement by Western Power under common seal is prescribed by the GTE Act[27]. The common seal can only be applied in the presence of two directors or a director and the chief executive officer.

12. Review

Unless review and amendment is required sooner, this Charter will be reviewed at least once in every three year period or as required. Board members may at any time submit to the Board Chair proposed changes to this Charter for consideration.

All amendments approved by the Board Chair must be submitted to the Board for approval, prior to taking effect.

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22 See Part 5 Division 5 of the GTE Act.

23 In response to a recommendation from the report from the Legislative Council's Public Administration Committee into the Electricity Transmission and Distribution management by Western Power and Horizon Power (wood Pole Inquiry), 2012.

24 This requirement was implemented in response to a recommendation of the report in January 2012 from the Standing Committee on Public Administration in its inquiry into wood pole management.

25 See section 71 of the EC Act.

26 The most recently approved delegations are included in the delegations manual, a copy of which is appended to the directors' governance handbook (EDM 22943856).

27 See section 156(4) of the GTE Act.

Document owner:

Company Secretary
Governance & Assurance

Related documents / information

Description	DM reference
Corporate governance framework	EDM 22945700
Governance Committee terms of reference	EDM 64431154
Audit & Risk Committee terms of reference	EDM 22815675
Safety, Health, Environment & Sustainability Committee	EDM 22816408
Directors' governance handbook	EDM 22943856
Executive officers' governance handbook	EDM 23291609
Western Power code of conduct	EDM 34010733
Conflict of interest standard	EDM 34015624
Delegations manual	EDM 29638500
Western Power guide to directors' & executive officers' statutory duties and responsibilities	EDM 22785841
Board and committee annual calendar	EDM 46654695
Board rules and procedures	EDM 22815671
Corporate governance section of Western Power's public website at www.westernpower.com.au	

Approval history

Version	Approved by	Approved on	Resolution no.	Notes
The Board rules and procedures were originally incorporated within the directors' governance handbook (EDM 22943856). The approval history of this latter document is detailed below. Version four (below) is the first time that the Board charter was approved as a standalone document.				
	Board	18/12/2006	BD/110/2006	As amended on 23/02/2007 (resolution #BD/10/2007)
	Board	29/06/2007	BD/32(ii)/2007	
	P&PC	25/10/2007	PPC/23/2007	New conflict of interest policy included
	Board	21/12/2007	BD/62/2007	
4	Board	02/07/2012	002/2013/BD	Addition of requirement for state of the network report.
5	General Counsel & Company Secretary	09/04/2013	Under Board delegation (see DM#5227439)	Footnote 42 updated to reflect current monetary threshold for section 68 purposes.
6	General Counsel	01/09/2013	071/2013/BD	Accountability to produce state of the infrastructure report updated.

7	Board	02/09/2014	031/2015/BD	Update to align with the third edition of the ASX Principles.
8	Board	02/08/2016	014/2017/BD	Changes resulting from review.
9	Board	04/06/2019	081/2019/BD	Changes resulting from review.
10	Board	03/03/2021	069/2021/BD	Changes resulting from the restructure of Board Committees and the review of the 4th edition of the ASX Corporate Governance Principles & Recommendations. 14/08/25: At the time of the Committee Restructure in Feb 2021, a review of the 4th edition of the ASX Corporate Governance Principles & Recommendations was undertaken to assess best practice. The current edition is the fourth, published in 2019, and a fifth edition is currently being developed, at which time we will do a thorough review against best practice
11	Board	28/08/2023	030/2024/BD	Changes resulting from GTE Act
12	Board	03/12/2024	065/2025/BD	Changes to reflect inclusion of climate related risks.
13	General Counsel	20/04/2026		Major Projects Committee included in list of Board Sub-Committees.