



Synod Wide Governing Body Remuneration Process

PRO-005

Purpose

The purpose of this process is to give guidance to the application of the Synod Wide Governing Body Remuneration Policy.

Scope

This process applies to all Governing Bodies, boards of all subsidiary like entities established by a Governing Body, and boards of any business, joint venture or company in which a Body/the Property Trust holds an interest.

Two-step Process

- 1 The Synod acknowledges the importance of a transparent and independent process for determining the total remuneration payable to members of a Governing Body.
- 2 The 27th Synod determined that remuneration of members of Governing Bodies could be warranted subject to the following two-step process:
 - a. consideration as to whether the Governing Body is an appropriate one to remunerate; and
 - b. if approval is given, what total remuneration is appropriate.
- 3 Governing Bodies are not the only entities within the life of the Synod where remuneration may be warranted. The Synod Wide Governing Body Policy seeks to address this by ensuring that all boards of subsidiary like entities established by Governing Bodies, and/or boards of any business, joint venture or company in which a Body/the Property Trust holds an interest must also seek approval before remuneration is payable.
- 4 This document sets out the steps to be carried out to give effect to the two-step process described above at paragraph 2.

Responsibilities

- 5 Should an entity wish to remunerate its members the entity must prepare a submission responding to the matters addressed in this document for consideration by the GNRC.
- 6 The GNRC, in carrying out the governance functions delegated to it by the Synod at the 29th Synod, will make recommendations to SSC as to whether the application for remuneration is an appropriate one.
- 7 The SSC will, having regard to the interests of the whole of the Church, consider the recommendations made by GNRC. If it considers it appropriate, SSC may approve the entity as a remunerated entity.



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- 8 The GNRC must (upon a resolution having been passed by SSC that an entity is a remunerated entity), determine the appropriate remuneration for the remunerated entity.

Step 1 - Is the entity an appropriate entity to be remunerated?

- 9 In considering whether an entity is an appropriate entity to remunerate, the GNRC will have regard to the fact that the Church relies significantly on the time given by volunteers in various roles and activities within the life of the Church and its service activities, and will continue to do so into the future. Therefore, there must be a transparent and independent process for determining fair and reasonable remuneration levels for those persons who carry out activities akin to those carried out by volunteers across the life of the Synod.
- 10 Further, the GNRC will consider all matters addressed in the entity's submission, which submission at a minimum should address the following:
- a. size and scale of the entity;
 - b. complexity of the entity's activities. Examples of matters to be considered include the regulatory framework, and the nature of the activities undertaken;
 - c. risk profile of the entity;
 - d. board structure and time required to be spent;
 - e. skills requirement;
 - f. any ecumenical implications; and
 - g. the capacity of the entity to pay remuneration.
- 11 The entity's submission must be supported by a schedule setting out the details of the total remuneration payable and the breakdown of how the remuneration will be split amongst individual members (including chair, member, committee member etc). The entity may request assistance from the GNRC in developing the schedule based on information that GNRC has available to it from carrying out its role.

Recommendations to Synod Standing Committee

- 12 The GNRC may, upon making recommendations to SSC as to whether an entity is an appropriate one to be remunerated, make recommendations to SSC as it sees fit. Such recommendations may include the:
- a. need to review and consider the expectations of those persons who will be remunerated; and
 - b. way in which disclosure should be made to the Synod, and in some circumstances, the wider community.

Step 2 - If the entity is an appropriate one, what total remuneration is appropriate?

- 13 If the SSC determines that an entity is an appropriate one to be remunerated, in considering what total remuneration is appropriate for that remunerated entity, the GNRC must:



- a. be fair and reasonable;
 - b. take into account comparative remuneration levels in the not-for-profit sector, (where feasible), whilst also taking into consideration the required competencies, effort and the scope of the board work, including the number of meetings;
 - c. take into account the actual and forecast financial performance of the remunerated entity;
 - d. be reflective of any additional fees that may be paid to a member by the remunerated entity (ie for travel, accommodation and professional development);
 - e. have regard to whether the remuneration is exclusive or inclusive of superannuation; and
 - f. take into account any recommendations set out in any independent external report on remuneration that may be commissioned.
- 14 A submission made by an entity may be supported by a report from an independent management consulting company, or similar organisation, provided that any market benchmarking is made against similar sized organisations in the not-for-profit community service provider sector, and reflects the community nature of the role expected of a board member within the life of the Church.
- 15 The GNRC may seek its own independent advice and/or undertake its own market benchmarking review.

Scope of remuneration

- 16 It is expected that the members of a remunerated entity must, at a minimum:
- a. carry out all work expected of a board member of a listed public corporation (including reading all work of the board (eg board emails, agendas, meeting notes, discussion papers, reports from the CEO; program updates etc);
 - b. endeavour to attend all meetings (which may occur up to 11 times per year);
 - c. attend at SSC meetings (if appropriate); and
 - d. participate in performance review.

Other fees

- 17 Unless the total remuneration set by the GNRC specifically excludes the payment of any other fees, nothing in the Synod Wide Governing Body Remuneration Policy or this document prevents the payment of:
- a. travelling, accommodation and other out of pocket expenses properly incurred in attending and returning from meetings, or attending to the business of a remunerated entity; and/or



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- b. costs associated with professional development courses, and any related expenses,

by a remunerated entity, provided that such expenses have been incurred in accordance with any internal policy of that remunerated entity.

Employees

- 18 Notwithstanding anything to the contrary in this document, should a person be employed by a:

- a. remunerated entity; or
- b. Body that establishes a subsidiary like entity, and that person is going to sit as a board member on the subsidiary like entity; or
- c. Body that establishes a business, joint venture or company in which that Body/the Property Trust holds an interest and that person is going to sit as a board member on the business, joint venture or company; or
- d. business, joint venture or company in which a Body/the Property Trust holds an interest,

that person will not be entitled to remuneration.

Opt Out

- 19 A member of a remunerated entity may choose not to be remunerated. However, in doing so, the member acknowledges that the expectations placed upon them will be the same as those who are remunerated.
- 20 Should a member choose not to be remunerated, any portion of the total remuneration that would otherwise be payable to the individual member must be made to the Synod or another part of the Uniting Church as approved by the General Secretary.

Reporting

- 21 The remunerated entity must ensure transparency of the total remuneration and the breakdown of such total remuneration paid to individual members, in such a manner as would be expected of a listed public corporation. By way of example only, disclosure should be made in the:
- a. annual report to the Synod;
 - b. financial statements;
 - c. reports that are made available to the community;
 - d. reports to regulators, whether or not it is necessary to do so.
- 22 The remunerated entity must also comply with any other reporting requirements that are made by SSC and/or GNRC when considering the entity's submission.



Review of remuneration

- 23 The total remuneration approved by the GNRC from time to time shall automatically increase in line with the Australian Consumer Price Index on the anniversary of the approval by the GNRC.
- 24 No more than two years should elapse before the GNRC is asked to review the total remuneration of a Governing Body and/or subsidiary like entity established by a Governing Body, and/or business, joint venture or company in which a Body/the Property Trust holds an interest so as to reflect any change in circumstances.

References & Related Documents

- POL-0001 Privacy Policy
- POL-0002 Conflicts Policy
- POL-0007 Synod Wide Governing Body Remuneration Policy

Revisions & Reviews

Version	Date	Reason	Author / Reviewer	Approved
1.0	01.10.2015	New Process	GNRC	SSC 1.10.2015 resolution 15.130
1.1	25.05.2016	Amend clause 20 (remove member)	HRM	SSC of 07.07.2016 resolution 16.134
1.2	07.07.2016	Amend clause 20 (approval by GS)	HRM	SSC of 07.07.2016 resolution 16.134
DUE	01.10.2018		GNRC	