Policy Statement

This policy explains how Pacific Link Housing (PLH) and its wholly owned subsidiaries Key2 Realty Pty Ltd and Renew Projects Pty Ltd (PLH Group) provides remuneration for services and reimbursement of expenses for its directors. In adopting this policy, PLH Group has considered its obligations under the following (as applicable to each entity):

- The companies' Constitutions,
- funding agreements,
- PLH's Public Benevolent Institution status, which requires a test of reasonableness to be met
- PLH's NSW Charitable Fundraising Authority, which requires Ministerial approval for payment of director remuneration if fundraising appeals are conducted and imposes disclosure requirements,
- Corporations Law
- ACNC governance standards and guidelines
- Community housing sector and not for profit sector best practice.

Directors are recruited by PLH with appropriate qualifications, experience and specific skill sets to oversee the management of strategic risks and opportunities.

Accountability and Transparency

PLH Group demonstrates its accountability and transparency in relation to director remuneration in the following ways:

- approval of the initial director remuneration budget and subsequent increases by vote of members in the PLH Annual General Meeting
- publication of this policy on the website, and
- disclosure, as required, in the annual financial statements.

1 Objective

To ensure that the Directors within the PLH Group are remunerated for the services provided and reimbursed for any reasonable costs incurred.

2 Method

As stipulated in the PLH Constitution, the Board will present to the Members annually an overall directors' remuneration budget to be set aside in the company's annual financial budget.

If the Members approve the budget at the AGM or by other legally constituted means, this amount represents the upper limit that can be spent by the organisation during that financial period.

The Board decides how the budget is split between individual Directors and on what criteria it can be claimed. Currently, the Chair's remuneration is set as twice that of an individual Director as is the remuneration of the Chair of the housing development Project Control Groups.

The Director Fees pool and budget must be clearly and comprehensively disclosed in the Company's

- Budgets
- Board Minutes
- Financial results issued annually, if required

- Monthly Board report.

The level of Directors' Fees budget must be demonstrated to be reasonable, and affordable in line with the operational size and results of the business.

The Directors' Fees budget should be reviewed in conjunction with other service providers in the industry or similar industries to ensure that the budget is reasonable and in line with market conditions. The Fees budget will be benchmarked against at least two independent surveys. These surveys will be identified by the Company Secretary and agreed with the Chair. Where two surveys are not available, any increase in directors' remuneration will be limited to CPI. Adjustments to remuneration will be based on:

- The average level of Director remuneration for the community housing or NFP sectors as identified by the surveys;
- The performance of the PLH Group during the previous financial year in meeting its goals and forecast financial capacity; and
- The assessment of the performance of the Board.

Fees for Board Committee meetings are not paid. Directors of PLH's subsidiary, Key2 Realty Pty Ltd, who hold real estate licences are paid a fee that is benchmarked to market research in relation to payments to license-holders by local real estate agencies for licencing oversight. Fees for directors of Renew Projects Pty Ltd are set commensurate with the responsibilities of a licensed contractor entity. Executive directors are compensated under employee remuneration arrangements.

The claiming of a Director Fee is optional for all Directors. The claiming of the meeting fees and costs for other meetings is also optional.

Directors must make their own assessment on Income Tax, Pension, personal Superannuation Benefits and other possible implications that claiming a Director's Fee may have for them and any other sources of income they have. Directors are encouraged to seek independent financial advice and PLH Group will not be held liable for lost income as a result of claiming a Director's Fee or any other payments made.

The budget of Directors' Fees does not accumulate each financial year. Changes to fees that are approved by members at an AGM are backdated to the first of July preceding the AGM. Directors' Fees, are calculated inclusive of Superannuation Guarantee contributions. PAYG tax is deducted as appropriate. Fees and superannuation are paid on the first business day of each month in advance.

Should the upper limit of the budget be reached during a Financial year then no further payments can be claimed and no further payments made over and above the budget amount. Any unpaid claims cannot be paid from the following financial year budget, i.e. No accrual of unpaid Directors' Fees is allowed.

No Board Member may claim the fee unless they have completed and signed the required forms, including Conflict of Interest, Directors' Protocol and Code of Conduct, Application and Nomination Forms and provided a Director Identification Number.

Directors' Fees will be paid by direct deposit. Fees can be paid to a company associated with the Director upon receipt of a tax invoice. Payments by cash will not be made.

3 Expense Reimbursement

In addition to the Director Fee budget, Directors will be paid or reimbursed for:-

i. Any use of a private motor vehicle for PLH Group purposes, such reimbursement to be at the authorised tax rates; and
ii. Legitimate, approved out of pocket expenses.

4 Director Training Expenses

In addition to the Director Fee budget, a Director Training budget will be set which may be applied as follows:

i. Up to half allocated for whole of Board training as identified in the Board performance evaluation, or as otherwise necessary.
ii. Up to half available for reimbursement of Directors' individual approved, relevant training and conference fees and expenses. This includes the AICD Company Directors Course (CDC) fees and expenses and other training identified in the Board performance evaluation or otherwise.
iii. The amount of the training budget is reviewed annually, consistent with the Director remuneration review.
iv. The training budget does not accumulate from year to year.

Directors will be paid or reimbursed for:-

i. The full cost of attendance (including travel and accommodation) at training courses, including the CDC. All new Directors are expected to complete the CDC, unless agreed otherwise with the Chair. PLH will pay the AICD joining fee, however, Directors are responsible for their ongoing subscription fees and meeting CPD requirements.
ii. Half (50%) of the cost of approved, relevant conference fees and accommodation and travel expenses to attend such conferences.
iii. Travel expense reimbursement will be based on domestic economy rates for travel within Australia. The Board will consider requests for reimbursement of 50% of international travel at economy rates on a case by case basis.
iv. The maximum entitlement to reimbursement for each Director over a three year period is the equivalent cost of the CDC course, or as approved by the Chair within the training budget.
v. Requests for reimbursement should be emailed to CEO and Chair for approval.
vi. Expenses for training courses and conferences in Australia may be approved by the Chair and CEO. Board approval is required for reimbursement of international expenses.
vii. The Company Secretary will maintain a register of directors' training and development that is relevant to their PLH Group duties.

Directors are encouraged to identify scholarships for training that is available for not-for-profit entities and PLH will provide administrative support for scholarship applications.

Related Policies

CP47 Governance Policy
CP51D Group Director Protocol & Code of Ethical Conduct Policy
Board Skills Matrix

Policy Owner	Executive Manager, Governance, Policy & Advocacy
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