Corporate Governance Framework

1　Introduction

The IPART Corporate Governance Framework (the Framework) sets out governance arrangements for the Tribunal and related secretariat. It outlines how we will comply with relevant laws, codes and directions while maintaining transparency and accountability.

The Framework is based on the Audit Office of NSW's *Governance Lighthouse Guide*, which sets out 8 principles and 17 key governance components and lays the foundations of good governance for State and local government entities in NSW.

1.1　Audit Office of NSW's Governance Lighthouse

The Governance Lighthouse (see Figure 1) is a strategic early warning system that provides practical advice and resources to implement successful governance in the public sector. The principles and components are based on the ASX 'Corporate Governance Principles and Recommendations' and draw from other publications such as the Australian National Audit Office 'Public Sector Governance – Strengthening Risk Management Policy for the NSW Public Sector'.

Good governance encompasses high-level processes and behaviours that ensure an organisation fulfils its intended purpose, complies with all relevant laws and standards, and meets public expectations of integrity, accountability and transparency. It is important to recognise that good governance is an ongoing commitment that needs to be supported by the attitudes, values, beliefs and behaviour of leaders.

> Public sector governance is about shining a light on what agencies and government are doing and leads to agencies better meeting their obligations to taxpayers and the public.
>
> – Audit Office of NSW

Figure 1 Governance Lighthouse

Source: Audit Office of NSW.

1.2   IPART's governance principles

IPART has developed specific governance principles to guide the development and operation of our Corporate Governance Framework. These draw heavily on the Governance Lighthouse principles while recognising IPART's circumstances including our size, structure and independence.

For example, IPART does not have a 'board', but is managed by the IPART Chair as agency head with many functions delegated to the IPART Chief Executive Officer. IPART is overseen by the portfolio minister and relevant public sector legislation.. Additionally, IPART does not have a remuneration committee or related processes as remuneration is largely determined through NSW legislation and related processes e.g. the *Statutory and Other Offices Remuneration Act 1975, Crown Employees (Independent Pricing and Regulatory Tribunal) Award* and associated Framework.

The principles which guide IPART's framework are:

1.   Be clear on roles, responsibilities, and arrangements to ensure effective management and oversight

2.   Structure and governance arrangements are fit for purpose

3.   Decision making is ethical and responsible, in line with IPART's values

4.   Corporate reporting is timely and supports oversight of integrity and performance

5.   Effective risk management is everyone's role through ownership, oversight and control

6.   Stakeholders are effectively engaged and treated fairly

7.   We are open and transparent in our processes and decisions

8. Our people and culture are central to ensuring these principles are effectively delivered.

2   The Framework

The IPART Corporate Governance Framework aims to show how the key elements of IPART's corporate governance work together.

Figure 2 IPART Corporate Governance Framework
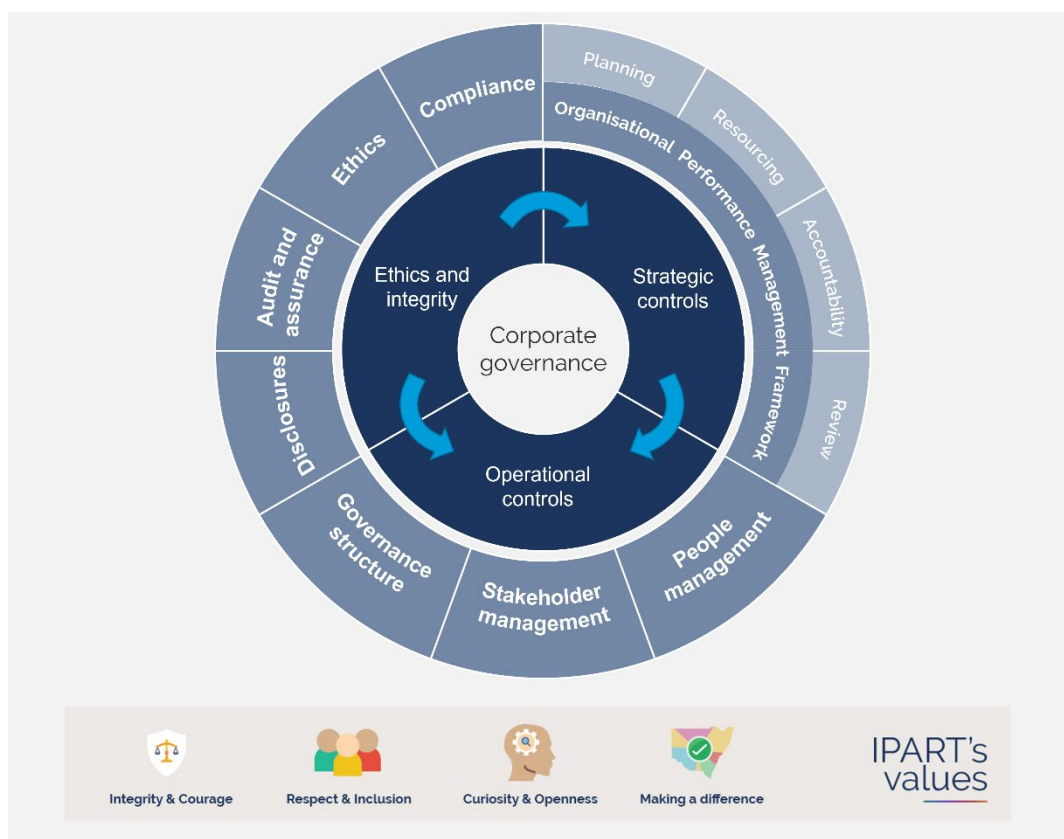
Source: IPART

The multi-layered circle provides a simple overview of our various policies, systems, and frameworks – which serves as a digestible introduction for new starters and a helpful reminder for current staff.

The Framework is also intended to capture all current and future IPART policies and frameworks. It should be designed such that any new material can fit into one of the three key components – Ethics and Integrity, Strategic Controls, Operational Controls – and their subcomponents.

One of the most notable features of the Framework is that the three core elements (ethics and integrity, strategy, and operations) are highly interrelated and underpin everything we do. The framework recognises that our strategic and operational decisions are informed by our commitment to behaving ethically.

Additionally, our four key values – Respect & Inclusion, Integrity & Courage, Making a difference, Curiosity & Openness – apply to everything we do at IPART. They underpin our culture and strongly inform our corporate governance principles and practices.

Each of the core elements is outlined below, along with how relevant current policies and frameworks fit into the Framework. A register of IPART's current policies can be found in CM9 (D22/18669).

2.1   Ethics and integrity

Ethics and Integrity play a crucial role in the corporate governance framework, serving as fundamental principles that guide the behaviour and decision-making processes within IPART. The purpose of incorporating ethics and integrity into corporate governance includes building stakeholder trust and reputation; adhering to compliance and legal standards; risk management; employee morale and productivity; and effective governance.

IPART has systems, policies and procedures in place to ensure that all staff uphold ethical standards. These can be broadly categorised into one of four categories – ethics, compliance, audit and assurance, and disclosures.

Table 1 Current IPART policies, systems and frameworks under the Framework

Ethics and Integrity	
Ethics	• Code of Conduct and Ethics Policy • Code of Ethics and Conduct for Tribunal members • Audit and Risk Committee (ARC) Charter for ARC Members • Conflicts of Interest Policy • Gifts & Benefits Policy • Respectful Workplace Behaviours Statement / Positive and Productive Workplaces guide • Statement of Business Ethics • Fraud and Corruption Control Charter
Compliance	• Organisational Compliance Management Framework (new) • Information Security and Management Systems Framework (new) – IT Security Policy, Information Security Policy, Data Protection and Privacy Policy, Cloud Security Policy, Access and Control Policy, etc. • Maintenance of IPART Organisational Policies • Delegations policies (regulatory, functions and financial) • ICT systems controls (including Acceptable Use Policy, Access Control Policy, Cloud Security Policy, Data Protection and Privacy Policy, Information Security Policy, IT Security Policy and Standards, Mobile Device Policy) • Privacy Management Plan • Procurement Framework (Procurement Policy, Manual, Smart Guide, etc) • Contract Management Framework • Records Management Policy • Social Media Policy • User Security Awareness and Acceptable Use Policy • Workplace Health and Safety Framework
Audit and Assurance	• Annual Engagement Plan (Audit Office of NSW) • Internal Audit Charter • Audit and Risk Committee Charter • Attestations, Certifications and Maturity Assessments (Financial, Cyber Security, Internal Audit and Risk Management, Records Management, Climate Change, Regulatory Capture)
Disclosures	• Continuous Disclosure Policy • Public Interest Disclosures Policy • GIPA Contract Disclosure • Gifts of Government Property Disclosure

2.2 Strategic controls

Strategic controls serve the critical purpose of monitoring and evaluating an organisation's strategic direction and ensuring it stays on course toward its long-term goals. These controls are designed to assess the effectiveness of the strategies in place, identify any deviations from the planned path, and facilitate adjustments as needed.

IPART's strategic controls fall under our Organisational Performance Management (OPM) framework. The OPM Framework outlines how IPART maintains a focus on continuous improvement to optimise outcomes through organisational performance management. It identifies requirements to deliver four key components of performance: planning, accountability, resourcing and review.

Table 2 Current IPART policies, systems and frameworks under the Framework

Strategic controls	
Planning	• Strategic Plan, Strategic Workforce Plan, Division Business Plans and purpose specific plans (Project Initiation Plans, Cyber Security Plan, Fraud and Corruption Plan, etc)., • Risk Management Framework • Business Resilience Framework – Business Continuity Plan and associated documents
Accountability	• Performance Development Plan (PDP) Policy • Quarterly Corporate Performance Reporting
Resourcing	• Budget, Planning and Reporting Framework • Debt Management Policy • Tribunal/ELT prioritisation
Review	• Annual strategic planning process • Annual Report

2.3 Operational controls

Operational controls are the systems and processes that support the effective and efficient operation of our day-to-day functions. The primary purposes of operational controls are to manage risk, support efficiency and effectiveness, maintain compliance, protect assets and resources, quality control, decision support and business continuity.

IPART's operational controls include policies and procedures relating to our structure (e.g. teams and committees), stakeholders and our people.

Table 3 Current IPART policies, systems and frameworks under the Framework

Operational controls	
Governance Structure	• Regulatory Delegations Policy • Administrative Employment Finance Delegations • Executive Leadership Team Terms of Reference • Audit and Risk Committee Charter • Workplace Health and Safety Committee Constitution • Joint Consultative Committee Terms of Reference • Role descriptions • Industry team policies and procedures – Team agreements
Stakeholder management	• Complaints Handling Framework and Policy • Industry team policies and procedures • Submissions Policy

Operational controls	
	• Stakeholder Surveys
People management	• Senior Executive Remuneration Policy • Probation Policy • Employee Development Policy • Flexible Working Policy • Illness Prevention Strategy • Injury Management Policy • Managing Recreational Leave Policy

2.4   Application of the Framework to the Tribunal and Secretariat

The Framework applies to both the Tribunal and Secretariat. However, there are some important distinctions in terms of how it applies to each body, and in terms of which body has the authority to make the policies that underpin the Framework. These distinctions follow from the respective powers and responsibilities of the Tribunal and Secretariat.

The Tribunal Is made up of three permanent independent statutory officers, including the Chair. Each member is appointed by the Premier. The Premier may also appoint temporary Tribunal members. The Tribunal, as a body corporate, exercises statutory functions such as determining maximum prices, recommending licence conditions, and taking enforcement action.

The Secretariat is employed to enable the Tribunal to exercise those functions. The Tribunal sets policies that relate to the exercise of those functions, such as the Regulatory Delegations Policy or the Submissions Policy. However, the Tribunal does not employ the Secretariat. This means that, while the decisions of the Tribunal set a direction for the Secretariat's work, the Tribunal itself does not set policies related to the conduct or administration of the Secretariat.

Instead, the role of an 'employer' is given by law to the Chair. The Chair is the head of the IPART staff agency, which employs members of the Secretariat. As the agency head and employer, it is the Chair that has the authority to set policies relating to the conduct of members of the Secretariat or staff administration. A majority of the policies underpinning the Framework fall into this category. The Chair has delegated employer functions and most administrative functions to the Chief Executive Officer.

Some of the policies under the Framework are determined by the Secretariat, yet apply both to Tribunal members as individual statutory officers and to members of the Secretariat. For example, the Workplace Health and Safety Framework applies to both Tribunal members and the Secretariat as both are 'workers' of IPART for the purposes of work health and safety legislation. Some policies apply only to members of the Secretariat. For example, there are some policies that are irrelevant to statutory appointees (such as the Senior Executive Remuneration Policy or Probation Policy). The policy approver must always consider the scope of application when approving a policy and consider whether there is a need for the policy to apply differently to Tribunal members and/or members of the Secretariat.

The following figure presents the IPART Governance Structure, identifying the Tribunal (including subcommittees), Chair, and key Secretariat positions.

Figure 3 IPART Governance Structure
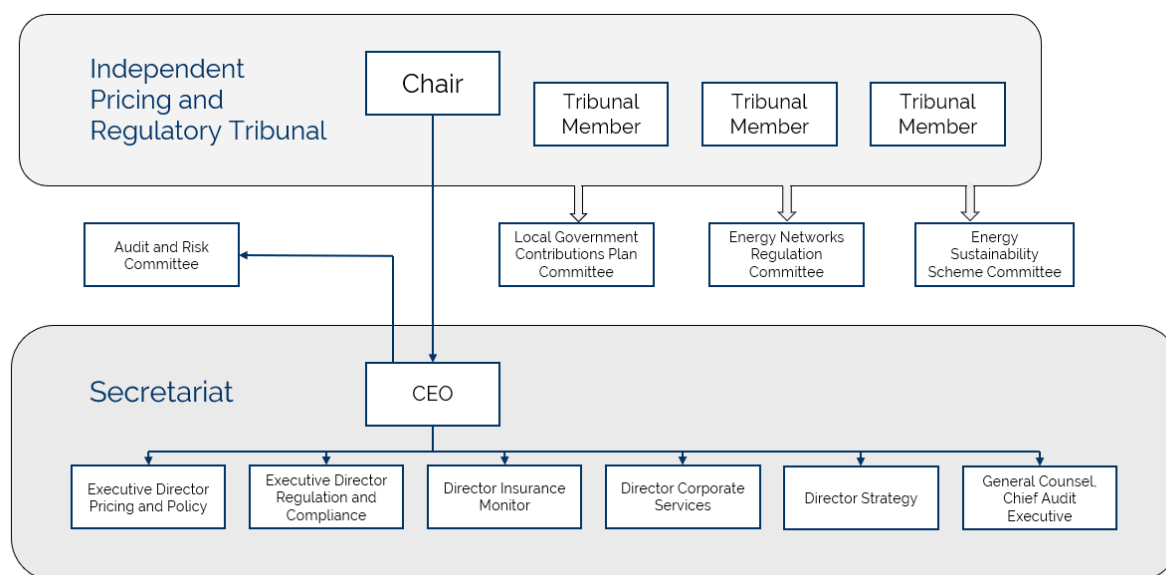
3 Monitoring delivery of the Framework

Implementation and maintenance of the Framework is an ongoing process. At the highest level, monitoring and delivery of the Framework includes:

- regular review of policies, processes and frameworks (by the designated owner)
- annual review of IPART's performance against the Governance Lighthouse checklist.

Reviewing policies and frameworks is already part of IPART's internal audit and review processes. This will continue as usual and should ensure the policies and review actions are in accordance with the Corporate Governance Framework, the Governance Lighthouse, and any other relevant requirements.

IPART's performance against the Audit Office's Governance Lighthouse checklist will be assessed annually to ensure we are meeting our commitments. This should be undertaken in line with IPART's Internal Audit Plan.

The General Counsel and Director of Strategy are jointly responsible for the maintenance and operation of the Corporate Governance Framework. Allocation of specific responsibilities within the Framework align with operational responsibilities of each role and component requirements.

4   Document Control

Title	Corporate Governance Framework
Author	Nahrain Oshana
Owners	General Counsel / Director of Strategy & Engagement
Version	V 1.0
Status	Draft
Effective Date	18/10/2024
Reference	D24/11214
Approval	Carmel Donnelly
Review Schedule	30/06/2026