

Board Remuneration Policy

1. Purpose

Southern Cross Care (Tasmania) Inc. (Southern Cross Care) provides remuneration for services and reimbursement of expenses for its directors. This Policy sets out the principles and details of such payments.

2. Scope

The policy applies to all directors of Southern Cross Care.

3. Definitions

Term	Definition

4. Policy Statement

4.1 Policy objectives

The objectives of the policy are:

- attract and retain directors with the skills, knowledge and experience that are aligned with Southern Cross Care’s values, purpose, goals, and strategic objectives;
- acknowledge the capacity and capability that is required to deal with the complexities and interrelationships of the aged care sector, standards and accreditation, strategic planning, financial management, organisational performance management and stakeholder management; and
- acknowledge the time commitment to prepare for and attend Board and Committee meetings and other activities.

4.2 Accountability and transparency

Southern Cross Care demonstrates its accountability and transparency in relation to director remuneration in the following ways:

- approval of the director remuneration pool by vote of members at the Annual General Meeting (AGM);
- publication of this policy on its website, and
- disclosure, as required, in the annual financial statements.

5. Procedure

5.1 Remuneration principles

Directors’ remuneration will be aligned through external reviews, to be conducted at least every five years, and more frequently as determined by the Board, with the average market remuneration for an organisation in the not-for-profit sector of comparable revenue, size and complexity as a guide.



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The total amount of remuneration, including superannuation for the Board as a whole must be approved at the AGM annually. The remuneration pool is not accumulating and resets each financial year. Should limit of the remuneration pool be reached during a financial year then no further payments can be claimed and no further payments made over and above the approved amount.

Where Directors are allowed reasonable and proper remuneration for services rendered or goods supplied in the ordinary course of business this must be disclosed and if appropriate the activity be approved by the Board. Payment for this is additional to board remuneration.

Out of pocket expenses will be reimbursed in accordance with standard processes and reported appropriately as a related party transaction. Payment for this is additional to board remuneration.

Between market reviews, remuneration may be indexed to stay in line with inflation using the June CPI rate as published by the Australian Bureau of Statistics. Where CPI exceeds 3.0%, Board remuneration CPI increase will be capped at 3.0%.

Directors do not accrue any retirement benefits (other than superannuation guarantee where applicable) or leave benefits.

5.2 Remuneration details

Directors will receive a basic, fixed fee (Director Fee) plus superannuation. There will be differential remuneration for the Board Chair.

Remuneration paid to Directors is assessable under the *Income Tax Assessment Act 1997* (Cth).

Directors have access to salary packaging.

Directors may elect not to be paid.

Remuneration can be paid to a company associated with the director upon receipt of a tax invoice.

Remuneration will be paid monthly in arrears following the appointment. Remuneration will cease the month following the end of the appointment.

All payroll forms must be completed and all supporting documentation must be provided before remuneration is paid.

5.3 Out of pocket expenses

Directors are eligible to be reimbursed for reasonable out-of-pocket expenses including domestic travel, accommodation costs, motor vehicle allowances and meals.

Directors are required to travel by the most direct route from their place of residence to the meeting place. If directors travel other than economy class, they are to be reimbursed the cost of the lowest economy air fare available for air travel on the day.

Directors must submit a claim for out-of-pocket expenses on a pre-approved form no later than 3 months after the expense was incurred.



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Directors will be reimbursed the actual cost of meals, accommodation and travel. Motor vehicle allowances will be based on rates set by the Australian Taxation Office.

6. Roles and Responsibilities

6.1 Southern Cross Care

Chief Financial Officer is responsible for implementing the policy.

6.2 Committees

Governance and Remuneration Committee monitors compliance with this policy.

6.3 Others

None

7. Supporting documents and References

7.1 Government legislation:

Superannuation Guarantee (Administration) Act 1992
Income Tax Assessment Act 1997

7.2 SCC documents:

Rules – Southern Cross Care (Tasmania) Inc.

7.3 Other:

ACNC Governance Standards

7.4 Policy Review and Implementation

The Board is to review this policy annually.

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