

## **Governance Charter**

### **Utilities Complaints Services Limited**

1. This charter (**Charter**) sets out the way in which the Board of Utilities Complaints Services Limited (**UCSL**) intends to govern the operation of the Schemes it offers.
2. This version was adopted by the Board on [date]. It is due for review on [date] but the Board will review, and may change, it from time to time. The Board will consult with Providers before changing the Charter.

#### **Purpose**

3. This Charter aims to provide clarity and certainty to the businesses that are existing and potential Providers under the Schemes, about the way in which the Schemes will be operated.

#### **General**

4. Words and phrases defined in the Constitution, the General Rules and the Schemes Rules have the same meaning in this Charter.

#### **Board capability and mix**

5. The Constitution provides for an Initial Board (until two months after the Company's registration) and a Transitional Board (until two years after the Company's registration). The Transitional Directors include two Independent Directors and one, or two, Industry Directors and Consumer Directors. After expiry of the Transitional Board's term of office, each new Director must be Independent.
6. When appointing an Industry Director, the Initial Board must call for nominations from Providers in the relevant Scheme or Schemes for each position available. Candidates must be senior members of the relevant Utilities Sector and must have an understanding of principles of good governance. If, in the Initial Board's opinion, none of the nominated candidates meet these criteria, the Initial Board may call for further nominations.
7. When appointing a Consumer Director, the Initial Board will seek a person with the skills and capabilities outlined in the last Position Description used by the Electricity and Gas Complaints Commissioner Scheme to select the member of its board appointed by the Minister to represent consumers.
8. As provided in the Constitution, in appointing the Industry Director(s) and the Consumer Director(s), the Initial Board:
  - a) must advise the relevant Minister or Ministers of the appointment of the Consumer Director(s)
  - b) may seek such external advice or counsel as it considers appropriate.
9. When appointing Independent Directors, the Board must undertake a thorough and disciplined search for individuals who have the ability and experience to make sensible business decisions and recommendations, the ability to see the wider picture, the ability to ask the hard questions,

some experience in the Utilities Sector and/or consumer affairs, high ethical standards, sound practical sense and a total commitment to achieving UCSL's goals.

10. All Board members must be capable of understanding the viewpoints and concerns of consumers and be persons in whom consumers can have confidence,
11. The Board will determine the level of remuneration paid to members recognising that UCSL operates on a not for profit basis.

### **Board duties**

12. The Board will provide strategic direction for UCSL, protect its independence, oversee management and ensure sufficient resources and finances to fulfil UCSL's objectives.
13. In particular it must:
  - a) set performance standards against which UCSL's performance will be measured and that enable external parties to confirm that UCSL is providing an effective complaints resolution service. Performance standards may include:
    - total time to close cases
    - cost per case
    - Complainant satisfaction
    - Provider satisfaction
    - external review of cases
    - accessibility and awareness in the community
    - reporting
  - b) receive and consider all recommendations from the Commissioner for changes to any Scheme
  - c) investigate complaints about the operation of any Scheme
  - d) take action to improve the performance of any Scheme where reports suggest that is necessary
  - e) ensure that where a Scheme requires Ministerial approval to be given to a Scheme that Scheme continues to operate so that the relevant Minister does not withdraw approval of that Scheme
  - f) monitor compliance with Schemes by Providers using a variety of means (including, for example, mystery shopper surveys)
  - g) consider the annual operational plan proposed by the Commissioner
  - h) approve the financial budget to operate each Scheme and UCSL. Before approving the budget, the Board must:

- be satisfied that each Scheme will be funded sufficiently to allow its caseload to be managed efficiently and to meet the other requirements of the Scheme so far as this is consistent with providing a cost effective outcome
  - seek the view of the Advisory Committee of each Scheme on the proposed budget
- i) prepare financial statements, including information about the financial performance of UCSL and of each Scheme.

**The Commissioner**

14. The Board must appoint a Commissioner either as an employee or contractor to hold office for such period and on such terms as the Board thinks fit. The Commissioner will also be UCSL's Chief Executive Officer.

**Advisory Committee**

15. The Board will form an Advisory Committee for each Scheme. The role of each Advisory Committee will be to provide the Board with advice and recommendations, and a forum for consultation, on matters relating to the Board's operation of that Scheme.
16. The Advisory Committee for the Energy Complaints Scheme will include representatives selected by the Board and nominated by the Providers in that Scheme and an equal number of consumer representatives.
17. The Commissioner or a Deputy Commissioner will chair Advisory Committee meetings. Otherwise, the Committee may regulate their meetings as they may decide.

**Delegations**

18. The Board delegates the powers, subject to the limits, set out below:

Power	Delegated to	Conditions

**Annual review**

19. The Board will annually review each Scheme's performance against any applicable regulatory requirements or standards, performance standards set by the Board and any issues raised by the relevant Minister.
20. In carrying out an annual review, the Board must seek and consider feedback from the relevant Advisory Committee about the performance of the Scheme.

21. The Board must include the results of each annual review in the annual report.

### **Annual meetings**

22. The Board will hold an annual general meeting to give members of the Advisory Committee, Providers and other stakeholders an opportunity to comment on:
- a) the annual report
  - b) the performance and operation of the relevant Scheme
  - c) operating budgets
  - d) financial statements
  - e) Board governance policies and procedures
  - f) other matters about the relevant Scheme.
23. The Board must make the annual report publicly available following discussion of the report at the annual general meeting and, together with any additional comments it considers appropriate.

### **Financial statements**

24. The Board must prepare detailed financial statements for UCSL and for each Scheme for each financial year.

### **Reporting**

25. As well as resolving complaints, the General Rules allow UCSL to carry out other activities it considers appropriate to support its services, including promoting and advertising a Scheme to increase public awareness of UCSL's services and how to use them, and monitoring Providers' compliance with a Scheme. The Board will provide reports to Providers from time to time about the activities it has, or proposes, to carry out.
26. The Board must report to Providers on any UCSL initiative, comments or submissions it makes that may impact on any Scheme.

### **Inspection of Board documents**

27. The Board may decide whether to allow Providers to inspect the accounting records and other documents for each Scheme. The Board may impose conditions on any such inspection.
28. A Provider does not have the right to inspect any Board document except as provided by law or authorised by the Board.

### **Minutes Secretary**

29. The Board will appoint a Secretary.

30. The Secretary must keep a publicly available register of Providers, Board Members, Advisory Committee members and the Commissioner.

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