

# Governance

## Composition of the Payments System Board

The Payments System Board comprises the Governor, who is Chairman, one representative of the Reserve Bank appointed by the Governor, one representative of the Australian Prudential Regulation Authority (APRA) appointed by APRA, and up to five other members appointed by the Treasurer for terms of up to five years. Members of the Board during 2012/13 are shown below and details of the qualifications and experience of current members are provided on pages 7–10. Joseph Gersh completed his third term on the Board in July 2013; a resolution of the Board on 17 May 2013 is shown on page 11.

## Meetings of the Payments System Board

The *Reserve Bank Act 1959* does not stipulate the frequency of Board meetings. Since its inception, the Board's practice has been to meet at least four times a year and more often as needed. There were four meetings held in 2012/13, three at the Reserve Bank's Head Office in Sydney and the November 2012 meeting in Melbourne. Five members form a quorum at a meeting of the Board.

## Conduct of Payments System Board Members

On appointment to the Board, each member is required under the Reserve Bank Act to sign a declaration to maintain confidentiality in relation to the affairs of the Board and the Reserve Bank. Further, members must comply with the general obligations of directors of Commonwealth authorities, as set out in the *Commonwealth Authorities and Companies Act 1997* (CAC Act). Under the CAC Act members of the Payments System Board must:

- discharge their duties with care and diligence
- act in good faith in the best interests of the Reserve Bank, and for a proper purpose
- not use their position to benefit themselves or any other person, or to cause detriment to the Reserve Bank or any other person

### Board Meetings in 2012/13 Attendance by members

	No of meetings attended	No of meetings eligible to attend
Glenn Stevens (Governor)	4	4
Malcolm Edey (RBA, Deputy Chairman)	4	4
Joseph Gersh <sup>(a)</sup>	4	4
John Laker (APRA)	4	4
Robert McLean	4	4
Catherine Walter	4	4
Brian Wilson	4	4

(a) Joseph Gersh's term on the Board ended on 14 July 2013

- not use any information obtained by virtue of their position to benefit themselves or any other person, or to cause detriment to the Reserve Bank or any other person
- declare any material personal interest in a matter that relates to the affairs of the Reserve Bank.

Over and above these statutory requirements, members recognise their responsibility for maintaining a reputation for integrity and propriety on the part of the Board and the Bank in all respects. Members have adopted a Code of Conduct that provides a number of general principles as a guide for their conduct in fulfilling their duties and responsibilities as members of the Board; a copy of the Code, which was revised during 2013, is on the Bank's website.

## **Remuneration and Allowances**

Remuneration and allowances for the non-executive members of the Payments System Board are determined by the Remuneration Tribunal.

## **Induction of Board Members**

The induction program assists newly appointed Board members in understanding their role and responsibilities, and provides them with an overview of the Bank's role in the payments system and details of relevant developments in preceding years. Separate briefing sessions are tailored to meet particular needs or interests.

## **Indemnities**

Members of the Payments System Board have been indemnified in accordance with section 27M of the CAC Act against liabilities incurred by reason of their appointment to the Board or by virtue of holding and discharging such office.

The Reserve Bank does not take out directors and officers liability insurance in relation to its Board members or other officers, and so no premiums were paid for any such insurance in 2012/13.