

DIRECTORS' TRAVEL AND BUSINESS EXPENSES POLICY

AIM

The aim of the Policy is to ensure that expenses reasonably incurred by Directors in the conduct of the affairs of the Corporation are properly defined, recorded and reimbursed.

LEGISLATION

Financial Management and Audit Act 1990 (Tas)
Water and Sewerage Corporation Act 2008 (Tas)

DEFINITION

'Directors' refers only to the Corporation's Non-Executive Directors and the Chairman. In their capacity as Directors of Onstream, Regional Corporation CEOs are covered by relevant employee policies.

POLICY

Policy Scope

This policy outlines Directors' entitlement to reimbursement of travel, accommodation and general business expenses, and related procedures.

Travel – General policy

Travel arrangements will be made to minimise travel and incidental expenses to the Corporation, having regard to individual privacy, OH&S, employment requirements, cost, accessibility, travel time, personal and administrative effort, and resource use.

When private travel is undertaken incidental to, or as an extension of, Corporation travel, then the Director shall either reimburse the Corporation for all private expenses incurred (including increased travel and accommodation costs due to deviations and extensions to travel), or personally meet those expenses at the time they are incurred. Where official business is to be undertaken to coincide with private travel, the Chairman must approve the arrangements in advance, including any intention to seek reimbursement of appropriate expenses. These arrangements are necessary to clarify the status of the travel in case of any possible claim for workers compensation or other insurance or benefits.

Air Travel

Except for approved OH&S, maternity or disability reasons, air travel shall be 'Economy Class' on the 'best fare' on the day of travel offered by the licensed airlines Qantas, Jetstar, Virgin Blue (and as appropriate REX). However, the Chairman may approve 'Business Class' for any component of international travel. 'Best fare' on the day does not require Directors to adopt indirect routes or inconvenient travel times.

Directors are encouraged to make their own air travel arrangements to fit their personal circumstances. However, where a group of Directors is flying together, the Secretariat can make the arrangements on request.

Any travel upgrades and lounge memberships are the Director's personal expense and will not be reimbursed by the Corporation. However, the Directors may retain any frequent flyer points for personal use.

Motor Vehicle Travel

Directors use their private vehicles entirely at their own risk. Directors must ensure their vehicle is registered and insured (at least for 3rd party accident claims); that the appropriate Road Rules are observed; and traffic and general road legislative requirements are met.

If a Director's vehicle is involved in an accident or otherwise damaged while being used on official travel (with no fault on the Director) then the Chairman may consider an application for reimbursement up to the value of the insurance excess.

Directors who are normally resident in Tasmania will be paid a per-kilometre motor vehicle allowance (at the applicable rate set by the Australian Taxation Office from time to time) for travel by private vehicle outside their home town.

Accommodation and Meals

The Secretariat will book accommodation on behalf of Directors attending Board meetings, Committee meetings or similar 'group' meetings. Directors requiring accommodation while on other Corporation business are encouraged to make their own arrangements. However, the Secretariat can advise of corporate account details within Tasmania.

The standard of accommodation for Directors on Corporation business is to be no higher than the standard organised by the Secretariat for Board and other meetings, unless safety or other reasonable factors dictate in the circumstances.

Directors are entitled to claim reimbursement of reasonable meal costs while on Corporation business.

Quarterly payment for telephone, office, IT and incidental expenses

To improve the efficiency of expense reimbursement, a payment will be made to directors quarterly in arrears as contribution towards fixed costs associated with telephone, internet and IT facilities and related consumables. The amount payable will be determined by the Board from time to time and quarterly payments will commence from 1 January 2010.

The amount of the quarterly reimbursement payment reflects an estimate of the expected costs incurred by Directors, and will be adjusted annually by the CPI (All Groups) Australia on 1 July each year, in conjunction with any remuneration adjustments.

If additional expenses of this nature are incurred that total more than a twelve-month average of the quarterly payment, they will be reimbursed provided they can be supported by appropriate documentation.

Professional Development

Where prior approval has been given by the Chairman, Directors are entitled to reimbursement of reasonable costs to undertake professional development related to their role with the Corporation.

Claims

Claims for reimbursement of expenses (other than the quarterly payment for IT and incidental office expenses) must be submitted to Onstream's Executive Manager, Human Resources on the required form, accompanied by appropriate receipts, tax invoices or other supporting documents.

For convenience, these can be submitted in hard copy or electronically and can also be channelled via the Secretariat.

REFERENCES

Corporate Code of Conduct Policy

Directors' Code of Conduct Policy

Director's Letter of Engagement

Fraud Prevention and Management Policy

OHS Policy

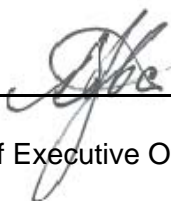
Purchasing Policy

Risk Management Policy

Travel Safety Policy

Approved by the Board on 11 February 2011

Signed:



Chief Executive Officer