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Governance Charter

LOCAL GOVERNMENT ASSOCIATION OF THE NORTHERN TERRITORY

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PART A – About This Charter

1. The Purpose of the Charter

- 1.1. This governance Charter sets out the respective roles, responsibilities and authorities of members of the Local Government Association of the Northern Territory Board (the Board), the Chief Executive Officer and staff in setting the direction, management and control of the Local Government Association of the Northern Territory (LGANT).
- 1.2. This Charter is subject to, and is intended to complement, the provisions of the Constitution. Where the Charter is inconsistent with the Constitution, the provisions of the Constitution prevail.
- 1.3. The outcomes from this Charter are expected to be:
 - (a) a clear definition of the roles and responsibilities of members of the Board and the Chief Executive Officer;
 - (b) clear roles and processes for the development of internal policies, and its strategic plan;
 - (c) a structure and clear guidelines for decision-making;
 - (d) a structure and processes that will support good governance and control practices; and
 - (e) a structure for evaluating the performance of the Chief Executive Officer in determining his/her remuneration.
- 1.4. The Charter is organised under three broad headings:
 - (a) corporate governance roles;
 - (b) processes involving the Board; and
 - (c) key Board functions.
- 1.5. Forming part of this Charter are Schedule 1 (meeting procedures for Board meetings) and Schedule 2 (code of conduct for elected members).

2. Definitions used in the Charter

The definitions used in this Charter are as follows:

- (a) The 'Board' means the board of directors of the Local Government Association of the Northern Territory.
- (b) The 'Constitution' means the Constitution of the Local Government Association of the Northern Territory.
- (c) The 'President' means the person for the time being holding the position of President of the Association.
- (d) The 'Vice Presidents' means the two persons for the time being holding the positions of Vice President under clause 14.11 of the Constitution.

PART B – Corporate Governance Roles

3. LGANT Values

- 3.1. The values contained in LGANT's strategic plan underlie the principles upon which elected members and staff of the organisation see as being important and necessary ideals to operate by. They include:
- (a) Transparency
 - (b) Honesty
 - (c) Accountability
 - (d) Responsiveness
 - (e) Accessibility
 - (f) Flexibility
 - (g) Innovation

4. LGANT's Vision and Existence

- 4.1. LGANT's vision defines the future position that the organisation aspires to for local government in the Northern Territory. It reads:

'A robust local government sector creating diverse, sustainable and liveable communities across the Northern Territory.'

- 4.2. LGANT exists in order to:

- **act as a provider of support services, a coordinator of collective effort and as an advocate for its members and forms part of the system of local government in Australia which includes:**
 1. Councils
 2. State and Territory Local Government Associations
 3. the Australian Local Government Association
- **undertake advocacy work for councils in the Northern Territory by being a 'voice' for member councils or representing their collective views to other spheres of government and the public.** This helps increase their understanding of the views and positions of local government in the Northern Territory;
- **obtain views from its members through various communication channels,** most importantly at meetings where it calls for resolutions on a range of policies and actions. Progress reports are circulated regularly to members through minutes of meetings and reports;
- **be a member of the Australian Local Government Association (ALGA),** along with other State Local Government Associations. ALGA is local government's voice at the national level with the Commonwealth government; and
- **have a strong interest in the development of local government.**

5. The Board

- 5.1. Clause 14.1 of the Constitution vests the Board with the power to control and manage the business of LGANT. The Board governs the operation of LGANT through the Chief Executive Officer and senior management.

- 5.2. The Board does not become involved in the day-to-day management of LGANT, rather this is left to the Chief Executive Officer and senior management.
- 5.3. The Board is responsible for focusing on such activities as:
- (a) determining, monitoring and reviewing LGANT's strategic plan, annual priorities and annual budget;
 - (b) determining LGANT's policy statements on issues of interest to members;
 - (c) determining internal policies governing the operation of LGANT;
 - (d) recommending the appointment of members to committees outside LGANT;
 - (e) monitoring and evaluating the Chief Executive Officer's performance;
 - (f) approving the 'writing off' of LGANT's debts;
 - (g) approving the borrowing of monies for LGANT purposes;
 - (h) monitoring LGANT's compliance with its legal obligations;
 - (i) reviewing as necessary LGANT's constitution, code of conduct, meeting procedures and delegation of Board powers;
 - (j) determining the remuneration to be paid to the President;
 - (k) determining the organisation structure for LGANT by limiting employee costs to the amount approved in the budget;
 - (l) attending Board and General meetings of LGANT to obtain and exchange information and make decisions; and
 - (m) acting in accordance with LGANT's code of conduct.

6. The President

- 6.1. The roles and responsibilities of the President are to:
- (a) ensure that the policy statements determined by the Board are effectively advocated and represented;
 - (b) act as spokesperson for LGANT at official functions, to the media and in other public arenas;
 - (c) chair meetings of the Board and LGANT and exercise a deliberative vote only at Board meetings;
 - (d) seek consensus, where required, with the Chief Executive Officer over the directions to be taken on issues of policy or decisions of the Board and then determine those actions with the Chief Executive Officer;
 - (e) make decisions or delegate powers where so delegated by the Board;
 - (f) work with the Chief Executive Officer and his/her Personal Assistant in establishing the agenda for Board and General meetings;
 - (g) facilitate an annual evaluation of the Chief Executive Officer's performance and remuneration based on his/her performance and the provisions of his/her employment contract with all Board members;
 - (h) where necessary deputise matters to the Vice Presidents;
 - (i) act as ceremonial head of LGANT at official functions; and
 - (j) establish a close working relationship with the Vice Presidents and the Chief Executive Officer.

7. The Vice Presidents

- 7.1. The roles of the Vice Presidents are to:
- (a) support the work of the President and the Chief Executive Officer in their roles;
 - (b) deputise for the President as required;

- (c) deputise media matters to the Chief Executive Officer when required; and

8. The Chief Executive Officer

The Chief Executive Officer is responsible for the overall management of LGANT in accordance with its strategic and annual priorities, internal policies, constitution, programs and decisions approved by the Board.

- 8.1. The Chief Executive Officer is also required to:
 - (a) represent and advocate LGANT's policy statements, plans, programs and decisions to the public, private and government agencies, member councils and (where required by the President or the Vice Presidents) the media;
 - (b) deputise for the President and Vice Presidents when they require it;
 - (c) provide the Board with sufficient, timely information to allow it to exercise its role as detailed in this Charter;
 - (d) develop for consideration by the Board revisions of LGANT's strategic plan, annual priorities and annual budget, internal policies, policy statements, constitution, organisation structure and delegations;
 - (e) establish a close working relationship with the President and Vice Presidents;
 - (f) recruit and negotiate the terms and conditions of appointment of other employees and arrange for them to receive annual performance appraisals,
 - (g) be the custodian of documents, records and securities; and
 - (h) perform other functions as required under a contract of employment and in accordance with Clause 24 of the Constitution.

9. Other Staff

- 9.1. The major role of other staff, and particularly senior management, is to support the Chief Executive Officer in the performance of their duties. This includes, amongst other things, the production of timely and relevant information for Board and LGANT meetings.

PART C – Processes Involving the Board

10. Elections for the Board

- 10.1. Elections for the Board shall be held in accordance with clause 16 of the Constitution.

11. Professional Development for Board Member

- 11.1. As a general principle, the Board is committed to the ongoing development of individual Board members and the Board as a whole.
- 11.2. Immediately following an election of the Board and before the first Board meeting, the Chief Executive Officer shall arrange for all Board members to receive an induction session to assist with their understanding of their roles and responsibilities and LGANT's:
 - (a) constitution and relationship with member councils;
 - (b) internal policies;
 - (c) strategic plan, annual priorities and annual budget;
 - (d) policy statements;

- (e) organisation structure;
- (f) delegations;
- (g) financial position and performance;
- (h) code of conduct;
- (i) schedule of meetings;
- (j) copies of minutes of the last two Board meetings;
- (k) representation on external and internal committees, and
- (l) charter of governance.

12. Communications Between Board Members and Staff

- 12.1. Normally Board members will obtain and exchange information at Board meetings however, on occasion they may need to seek clarification or additional information from LGANT staff.
- 12.2. When seeking information, Board members should contact the Chief Executive Officer in the first instance, not other staff.
- 12.3. Outside of Board meetings, communications between Board members and staff will normally be by e-mail (due in large part to the nature of the communications and because members are located throughout the Northern Territory) and sometimes by telephone.
- 12.4. E-mails sent to Board members outside of Board meetings will normally include:
 - (a) media releases put out by the President or the Vice Presidents;
 - (b) media releases from other sources that relate to local government; and
 - (c) information of such importance that it cannot wait until a Board meeting.

13. How Decisions Are Made

- 13.1. Decisions of LGANT are made at general meetings and Board meetings when resolutions (the decisions) are passed. These decisions can range from a decision requiring a single action (e.g., write a letter to a Minister) or to a decision that can put in place or authorise a whole set of actions (e.g., approving the annual budget of LGANT).
- 13.2. A decision on member subscriptions can only be made at a general meeting and forms part of the annual budget, whereas most other decisions can either be made at these meetings or at Board meetings.
- 13.3. Once decisions have been made at meetings, the Chief Executive Officer and senior management are responsible for implementing them and reporting on their progress.
- 13.4. Decisions are made by resolutions based on a simple majority of members present and voting at general or Board meetings.
- 13.5. Decisions made at general meetings are to be incorporated into the agendas of Board meetings to ensure they are given appropriate and timely attention.
- 13.6. At all LGANT meetings, in the event of a vote being tied the President (or a Vice President) shall declare the proposed resolution as lost.
- 13.7. Members can submit motions for debate at LGANT meetings. Motions will be submitted using the 'call for motions' template. An exception to the rule will be when submitting urgent business motions as long as there is no financial commitment over \$1,000 to any one council.

14. Board Meetings and Meeting Agenda

- 14.1. The timing for Board meetings will be determined by the Board in the first meeting of the calendar year.
- 14.2. The President or the Chief Executive Officer may call separate Board meetings after conferring and gaining agreement with each other that such meetings should be held and that sufficient other Board members will be available to form a quorum.
- 14.3. The agenda for a Board meeting is required to be forwarded to Board members and Mayors, Presidents and CEOs at least three business days before a meeting. The cut-off date for member councils or Board members submitting material for agendas is five business days before any meeting except for special meetings where it is four hours. The agenda shall be circulated by e-mail and will also be available in the Board portal.
- 14.4. The Chief Executive Officer is responsible for ensuring that the agenda is prepared and circulated to the Board and Mayors, Presidents and CEOs on time.
- 14.5. Members of the Board and LGANT staff are to ensure that any agenda item requested for a meeting or required to be prepared for a meeting is completed and with the Chief Executive Officer's Executive Assistant in time to comply with clause 14.3 of this Charter.
- 14.6. Members of the Board may participate in Board meetings by electronic means such as through the use of telephone or video conferencing.

15. Agenda Papers and Minutes of Meetings

- 15.1. In preparing agenda papers the Chief Executive Officer shall have regard to the following structure:
 - (a) Notice of meeting;
 - (b) Acknowledgement of Country
 - (c) Persons present or on the telephone/ videoconference;
 - (d) Apologies;
 - (e) Notification of conflicts of interest;
 - (f) Confirmation of previous minutes and action list;
 - (g) Acceptance of the agenda and notification of any items of general business;
 - (h) Matters for discussion:
 1. President's report
 2. CEO's report
 - (i) Matters for decision:
 1. Financial report
 2. Completed business
 - (j) Matters for noting:
 1. Business that is not yet finished
 2. Correspondence in and out
 - (k) Other business;
 - (l) Next meeting;
 - (m) Closure.
- 15.2. Items for decision under clause 15.1(i) at each Board meeting shall include:
 - (a) a business paper that confirms whether or not the accounting records of LGANT are up to date, if LGANT is solvent and include the following minimum attachments for the period ending the previous month:

- a budget comparison and variance report
 - balance sheet
 - bank reconciliations
 - investments
 - debtors, and
- (b) decisions which require the adoption of internal policy.
- 15.3. Minutes of Board meetings, including mention of confidential items, are to be circulated by e-mail to Board members and Mayors, Presidents and CEOs within a fortnight of the date of a meeting. Minutes must include details of proceedings and all resolutions (including confidential). These minutes are then subject to confirmation under clause 15.1(e).
- 15.4. Where a resolution is made to change the minutes of a meeting under clause 15.1(e) the minutes shall be changed in accordance with the resolution, in LGANT's records and the Board members and Mayors, Presidents and CEOs shall be given the confirmed minutes by e-mail in accordance with Clause 15.3.

16. Urgent Business

- 16.1. Where an urgent matter arises that cannot reasonably be delayed until the next Board meeting, it be may be considered and determined with the approval of the absolute majority of members of the Board (that is, by five or more members).
- 16.2. Where a matter is of such urgency that there is not sufficient time to seek an absolute majority of the Board, the President may make a decision subject to the Board ratifying it at its next meeting. This authority must only be used where:
- (a) the matter is of such urgency that it is not reasonably practical to seek an absolute majority of support from the Board; and
 - (b) the matter is of such significance that a delay in making a decision will have serious implications for the achievement of significant outcomes for LGANT.
- 16.3. Matters of an urgent nature may not include:
- (a) amendments to this Charter;
 - (b) any changes to member subscriptions; and
 - (c) variations to delegations approved by the Board.

17. Handling the Media

- 17.1. The President shall have major responsibility for handling interviews with the media. The President may deputise one of the Vice Presidents to handle an interview with the media. If they are not available the President may deputise interviews to the Chief Executive Officer.
- 17.2. The President shall have regard to whether or not the issue of an interview concerns a municipal or shire council when deciding which Vice President to deputise to under Clause 17.1.
- 17.3. The Chief Executive Officer shall cause all media releases to be prepared, (and amended if need be) and circulated after consultation with the President or the Vice Presidents.

18. Appointments to External Committees

- 18.1. From time to time the Association will be called to nominate delegates to external committees established by other spheres of Government under legislation. Examples are the NT Grants Commission and the NT Place Names Committee.

- 18.2. The Board shall determine the membership of such committees in accordance with LGANT policy.
- 18.3. The Board will call for nominations to external committees as they arise..
- 18.4. Potential nominees will be supplied with a nomination pack and must complete the 'External Committee' nomination form.
- 18.5. The Board reserves the right to disregard a nomination if the 'External Committee' nomination form is not completed satisfactorily.

19. President's Allowance

- 19.1. The Board shall determine the President's allowance as part of LGANT's annual budget in April or May of each year.
- 19.2. The allowance is paid in recognition of the responsibilities and work associated with the President's role and is the only elected member allowance paid by LGANT.

20. Board Member and Staff Travel

- 20.1. Board member travel to Board and General meetings of LGANT are to be paid by their respective member councils as per clause 20(b) of the Constitution.
- 20.2. Regional and other meetings which are the business of the Board shall be paid for by LGANT as per clause 20(c) of the Constitution.
- 20.3. All senior management travel shall be authorised by the Chief Executive Officer.
- 20.4. LGANT shall pay for all accommodation and travel expenses associated with the President, a Vice President and the Chief Executive Officer attending board meetings of the Australian Local Government Association (ALGA).
- 20.5. The President shall have the authority to decide on Board member representation and the Chief Executive Officer shall have the authority to decide on staff representation at other State Local Government Association meetings or local government conferences.
- 20.6. Where officers or Board members attend interstate conferences, written reports are to be furnished for Board meetings.

21. The Australian Local Government Association

- 21.1. LGANT shall be represented at meetings of the ALGA by the President, a Vice President and the Chief Executive Officer. ALGA is constituted under the Corporations Act as a company limited by guarantee. The LGANT President and Vice President are Directors on the ALGA board.
- 21.2. If the President-elect is a member of a municipal council the Vice President shall be the Vice President representing regional or shire councils and vice versa.
- 21.3. At the first meeting of the LGANT Board following its election into office at an annual general meeting, the President and Vice President, as LGANT representatives on the ALGA Board shall:
 - (a) advise the Board of their appointments of Board members who are to act as alternate directors in their absence;
 - (b) sign the appropriate forms for mailing/ emailing to the ALGA Chief Executive Officer and the LGANT Chief Executive Officer shall confirm the appointments to the Board at a future meeting with reference to notices in ALGA Board meeting agenda paper; and
 - (c) the LGANT Chief Executive Officer shall confirm the appointments to the Board at a future meeting with reference to notices in ALGA Board meeting agenda papers.

PART D – Key Board Functions

22. The Strategic Plan

- 22.1. The Board is responsible for the development and approval of LGANT's strategic plan and annual priorities.
- 22.2. In February of each year a workshop shall be held to review the strategic plan in preparation for its presentation at the first general meeting of the year, usually in the month of April (with the intent to operationalise on 1 July. The start of the financial year).
- 22.3. The process for the development of new four-year strategic plan should start well in advance of the expiration of the existing plan.

23. Annual Priorities and Annual Budget

- 23.1. The Chief Executive Officer is responsible for developing LGANT's priorities and annual budget (which includes member subscriptions) and presenting it at a Board meeting(s) for consideration.
- 23.2. The Board is responsible for approving changes to the strategic plan, annual priorities and annual budget.
- 23.3. Following the endorsement of the annual budget and member subscriptions at a general meeting of LGANT, the Chief Executive Officer shall write to member councils offering them and advising them:
 - (a) the option of paying their subscriptions by one instalment, two equal instalments or four equal quarterly instalments with payments depending upon which instalment option is chosen;
 - (b) that failure to pay an instalment by the due date would make them non-financial members of LGANT.

24. Policy Statements

- 24.1. The Board is responsible for approving LGANT policy statements before they go to a General Meeting for endorsement. These policy statements need to be clear and in sufficient detail to enable the President and other Board members and LGANT staff to represent and advocate them to the Territory and Australian Governments and their respective bureaucracies.
- 24.2. Where there are disagreements over policy statements, the Board should do all it can to resolve any differences.
- 24.3. The Chief Executive Officer is responsible for ensuring LGANT's policy statements are kept up to date after the Board has approved changes to them.

25. Internal LGANT Policies

- 25.1. The Board is responsible for approving LGANT's internal policies.

26. Monitoring and Review

- 26.1. An essential element of the Board's work is to monitor the strategic plan, annual priorities, annual budget and internal policies. The Board does this largely by attending meetings and reviewing reports in the agenda at Board meetings.

27. Representing Members' Views

- 27.1. A key role of the Board is to represent members views. The actions for achieving this are largely incorporated in LGANT's strategic plan and are reported as agenda items at Board meetings.

28. Risk Management

- 28.1. The Board has oversight of risk and the Chief Executive Officer is responsible for implementing appropriate risk management systems within LGANT including a risk register.
- 28.2. The Chief Executive Officer should provide the Board with a risk report every quarter including any new significant risks that have been identified and the strategy that is being applied to minimize the exposure to those risks.

29. Evaluation of the Chief Executive Officer's Performance

- 29.1. The Chief Executive Officer's performance must be reviewed in time to allow a recommendation to be made to a meeting of the Board as per their employment contract.
- 29.2. The review is to be carried out in accordance with clause 6(g) of this Charter.

30. Delegation of Authority

- 30.1. The Board may delegate any of its powers to a person, persons or committee as permitted by LGANT's constitution.
- 30.2. Any delegation by the Board must be by formal resolution.
- 30.3. The Chief Executive Officer shall maintain a register of delegations approved by the Board and himself/herself.

SCHEDULE 1 – MEETING PROCEDURES FOR BOARD MEETINGS

(To be Developed)

SCHEDULE 2 – CODE OF CONDUCT FOR BOARD MEMBERS

(To be Developed)
