

Northern Territory Government Boards Handbook

**A guide for members and administrators of
Northern Territory Government boards and committees**

March 2019

Version 10

Disclaimer:

This publication has been prepared as a general guide for current and potential members of Northern Territory Government statutory and non-statutory boards, committees and other bodies, as well as Government officers providing support to such bodies. The advice contained herein is not intended to be exhaustive in nature and should not be relied upon in substitution for specific advice. While all care has been taken in the compilation of this publication, no responsibility is accepted for any errors, omissions or inaccuracies.

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Foreword

A broad range of boards and committees have been established to support the activities and priorities of the NT Government (NTG). Some of these boards and committees are created by statute, and others have been established by an administrative decision of Government.

Government boards and committees carry out functions as diverse as governance and management, advice and review, policy development, appeals, community engagement and regulation of professions.

Effective boards and committees are critical to the successful functioning of the Government. This Handbook is designed to support the work of NTG boards and committees by providing practical advice to board members in relation to their duties and responsibilities, the legislation which affects them, and their relationship with Government and other stakeholders. It is also designed to assist board administrators to provide effective support to their boards.

All new and existing board members, along with board administrators, are encouraged to read this Handbook. The Handbook is available on the Department of the Chief Minister's website <https://dcm.nt.gov.au/supporting-government/boards-and-committees/remuneration-of-government-boards> .

Feedback in relation to this Handbook is welcome and can be directed to:

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1 Introduction

This Handbook explains the role of Government boards and committees, the responsibilities of those who serve the community and government as members of those bodies, and general administrative arrangements supporting the operation of those bodies.

Government bodies may be established by or under enabling legislation (a statutory body) or by a decision of Cabinet or an individual Minister (a non-statutory body).

These bodies usually consist of a number of people appointed by a Minister or by the Administrator of the Northern Territory (the Administrator) taking into account particular skills and/or experience. These individuals may be appointed for a fixed or open-ended period of time and together they make up a board, committee, council, tribunal or other type of body (collectively referred to throughout this Handbook as **Government Boards**).

Persons with relevant experience or expertise may be considered for membership to Government Boards when a new board is established, when casual vacancies arise, or at the expiration of the term of office of an existing member.

Appointment to a Government Board carries with it many responsibilities and obligations. It is vital that both existing and new members fully understand the scope of the task so that they are able to discharge their responsibilities and contribute in a meaningful and constructive way to the functioning of their board.

This Handbook describes the obligations of chairpersons, members and administrators, and aims to assist in achieving good corporate governance of boards and committees.

The Handbook has been written for:

- current board members
- persons interested in serving on Government Boards in the future
- officials involved in the administration of boards, including the selection and appointment processes for new members
- persons interested in how government operates.

This Handbook is designed to support the operation of Government Boards and to assist members in the performance of their duties. This is not a legal document nor is it intended to be exhaustive. It attempts to consolidate in one document key information relevant to members of Government Boards.

Specific advice should always be sought in relation to individual circumstances where legal or other concerns arise.

2 Role of Government Boards

2.1 Categories of statutory bodies

There are many different Government Boards in the Northern Territory. They range from advisory boards providing advice on discrete areas of government policy, to professional registration boards, tribunals and governing boards overseeing multi-million dollar government entities such as hospitals, the Darwin Waterfront Corporation and the Museum and Art Gallery of the Northern Territory.

NT Government (NTG) Boards are categorised into one of three broad classes:

- governing and management bodies
- quasi-judicial bodies
- advisory and review bodies.

Governing and Management Boards guide and direct the organisation for which they are responsible and/or manage specific facilities or assets. They may be required to set performance goals, ensure corporate compliance and management accountability, and/or endorse strategic plans and approve operating budgets.

Quasi-judicial Boards determine standards, monitor and regulate practice, grant licences, investigate complaints, review decisions and/or make judgements.

Advisory and Review Boards generally advise and make recommendations to Government on policies, plans and practices or issues referred to the board for comment.

The Northern Territory's Remuneration of Government Boards website contains the [Classification Structure Determination](#) made by the Administrator that sets a framework for remuneration of statutory bodies. A [List of statutory bodies classified for remuneration purposes](#) is also published on the [Board Remuneration](#) website.

2.2 Powers and functions of statutory bodies

A broad distinction can be drawn between those Government boards that provide governance (i.e. direction and control); those that exercise quasi-judicial functions; and those that provide an advisory, coordination, policy development, or project management role.

The functions and general powers of a statutory board are usually set out in the enabling legislation (the Act of Parliament which establishes the entity). The functions of a non-statutory body will generally be found in the terms of reference set by Government.

An example of a **governing board** is the **Nitmiluk (Katherine Gorge) National Park Board** established under section 16 of the *Nitmiluk (Katherine Gorge) National Park Act*. Its primary functions are:

- to prepare plans of management for the control and management of the Park;
- to make decisions, not inconsistent with this Act and the plan of management, in respect of the Park;
- to protect and enforce the right of Aboriginals entitled by Aboriginal tradition to use and occupy the Park;

- to ensure adequate protection of sites of spiritual or other importance in accordance with Aboriginal tradition in the Park;
- to enter into agreements with the traditional Aboriginal owners of the Park in relation to the control and management by the Board of land outside the Park in respect of which those owners are also the traditional Aboriginal owners; and
- to perform other functions in relation to the Park or other land imposed on the Board by or under the Act, a lease, a plan of management, or a relevant agreement.

A **quasi-judicial board** is the **Mental Health Review Tribunal** established under section 118 of the *Mental Health and Related Services Act*. In summary, its functions are to:

- review the admission of a person as a voluntary patient where the person remains in an approved treatment facility;
- determine whether a person is mentally ill;
- summon a person to appear before it; and
- undertake a review by conducting a hearing.

An **advisory board** is the **Crime Victims Advisory Committee** established under section 16 of the *Victims of Crime Rights and Services Act*. In summary, its functions are:

- to advise the Minister on matters affecting the interests or rights of victims;
- to investigate, report and make recommendations about matters referred to it by the Minister;
- to disseminate information relating to matters affecting the interests or rights of victims;
- to assist in the coordination of organisations involved in, and initiatives for, the provision of services to victims; and
- any other functions conferred on it by the Minister or under this or any other Act.

2.3 Reporting requirements

Government boards are accountable to the Minister responsible for the legislation, which establishes the statutory body.

Understanding the nature of the relationship between the Minister and the board is a critical requirement for board members. The nature of the board's relationship to the Minister will be set out in the legislation establishing the board (in the case of a statutory body) and/or in the terms of reference for a non-statutory body.

Depending on the role of the board, it may have an advisory relationship to the Minister, or it may report to the Minister on its activities. The Minister may be able to give the board directives, set the strategic/policy direction of the board, or review decisions of the board, and so on.

3 Role of Key Players

3.1 Role of Ministers

Ministers are ultimately responsible to Parliament for the operation of all Government Boards and agencies within their portfolios. They have the authority to make appointments to Government Boards or to recommend appointments to the Administrator. The relationship between a Minister and a board will generally be set out in the enabling legislation in the case of statutory boards, or stated in the terms of reference for a non-statutory board.

3.2 Role of Chairperson

The Chairperson of the board leads and directs the activities of the board. Responsibilities of the Chairperson may include:

- setting the board agenda
- facilitating the flow of information and discussion
- conducting board meetings and other business ensuring
- ensuring the board operates effectively
- liaising with and reporting to the Minister
- ensuring proper financial accountability
- reviewing board and organisational performance.

The Chairperson must be conversant with the business of any Government agency which is relevant to the board's activities and ensure compliance with all legal and statutory obligations. The Chairperson may be invited to have input to the nomination/selection/recruitment process for new board members. However, responsibility for selection rests with the Minister.

Financial accountability

Some Government boards will be subject to a legal requirement for financial audits, whether by the Northern Territory Auditor-General or an external auditor. Even where there is no specific legal requirement for audits, the Chairperson and the Board Administrator are responsible for ensuring proper accounting for all board expenses and expenditure. Board members are generally remunerated with sitting fees that are recorded in an agency's ledger. Remuneration and related party transactions of boards will be disclosed in the notes to the financial statements.

3.3 Role of Members

Members of boards perform a wide range of critical roles for Government. Collectively, their decisions may determine personal, business and property rights, they may provide essential management of Government facilities, and/or they may be an important source of advice and ideas to Government.

Depending on the nature of each board, members should give consideration to the need to:

- set the board's direction and goals;
- develop action plans to achieve these goals; or
- review progress at regular intervals, and report to Government.

Members of boards have fundamental responsibilities to:

- act within applicable legislation, applicable common law (i.e. the law as established by the courts) and accepted principles of good governance;
- be loyal to the Crown and recognise government policy and practices;
- ensure minutes are a true and accurate record of the meetings;
- to act in accordance with generally expected ethical principles applying to the public sector; and
- to exercise prudence and be economical with public resources.

Members must take reasonable steps to ensure they are well briefed about the business of the board in order to make informed decisions. Members are responsible collectively for board decisions and should support and adhere to those decisions.

Members can exercise a dissenting view on particular decisions which may be appropriately minuted. However, once a board decision is taken, all members are expected to respect and abide by the decision.

3.4 Role of Chief Executive Officer

For those Government Boards that operate with a Chief Executive Officer (CEO), the responsibilities of the CEO may include:

- the observance of the enabling legislation
- maintaining proper internal controls and management information systems
- employment and management of staff
- implementing board decisions
- preparation of the annual strategic plan including organisational performance targets and budgets
- determining which boards are defined as 'key management personnel'
- preparation of reports to the board and/or Minister
- operational, administrative and marketing functions
- communications to and from the organisation.

The CEO is the primary link between the board and the organisation which supports the board, and is responsible for communicating board policies and priorities to staff and presenting organisational reports, submissions and budgets to the board. The CEO should work closely with the Chairperson at all times.

3.5 Role of Board Administrator

Board Administrators provide administrative support to the board. This may include

- provide advice on accountability standards and legislative requirements
- drafting documents relating to member appointments
- providing new members with induction material
- scheduling meetings
- organising member travel
- ensuring a quorum is met

- taking minutes of the meetings
- processing sitting fees, travel allowance and other payment entitlements
- assisting the Chair in ensuring proper financial accountability.

Minutes of meetings are usually retained as permanent Government records, providing an important historical reference collection for future boards and for Government generally. Board records may be subject to the 30 year public opening of Government records under the *Northern Territory Information Act*.

3.6 Role of Proxies and Observers

The enabling legislation, administrative procedures or terms of reference of a Government Board may state if a member is permitted to appoint a proxy to participate in a meeting of the board. Any person attending a board meeting as an observer (e.g. specialist advisers, financial advisers, attendees invited by the board, etc.) is not able to vote at board meetings.

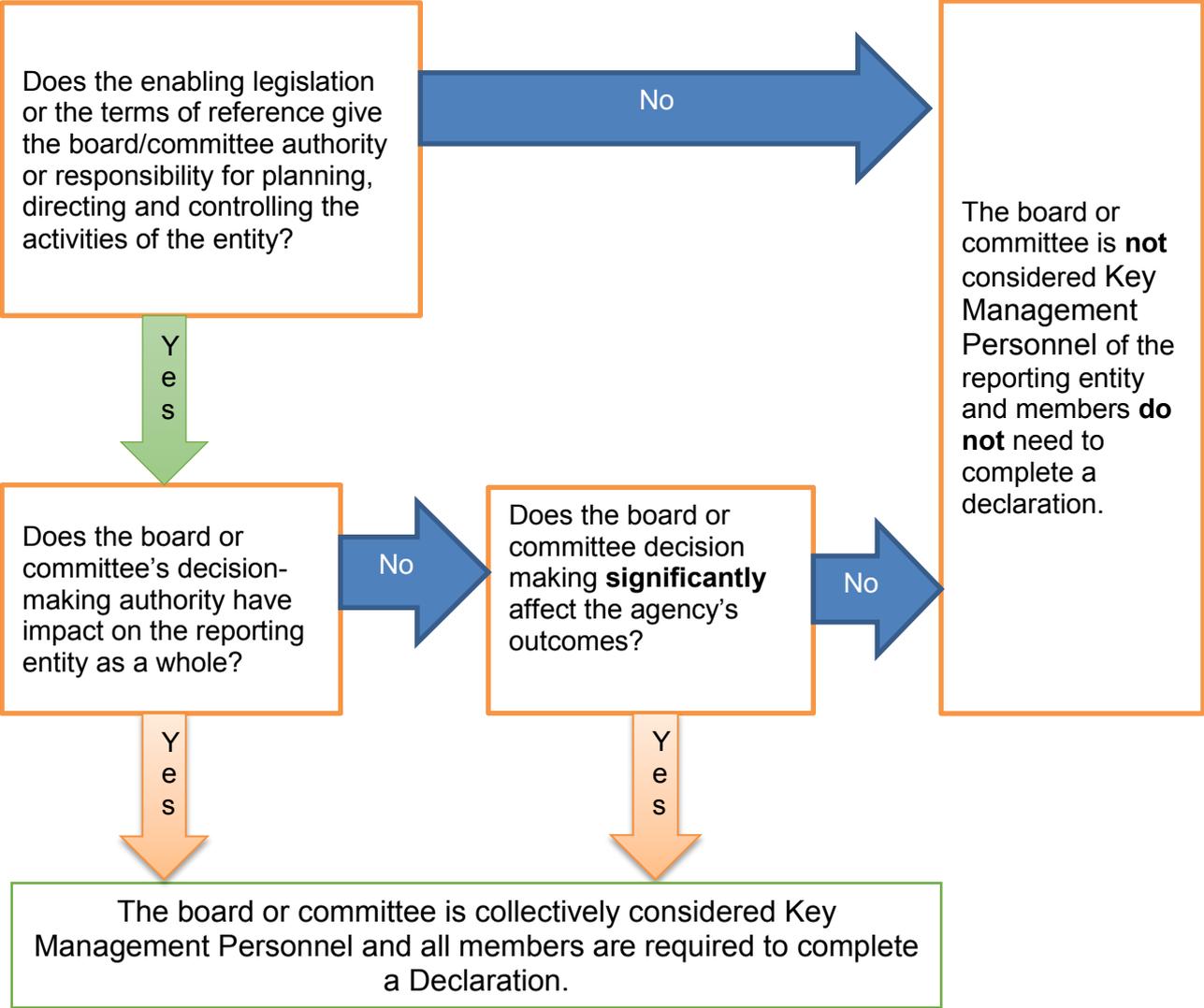
3.7 Related party disclosures

NTG agency financial statements are required to be prepared in accordance with Australian Accounting Standards. From 1 July 2016, the Australian Accounting Standards Board (AASB) extended the scope of *AASB 124 Related Party Disclosures* to include *not-for-profit* government entities. The NT Department of Treasury and Finance released the Related Party Disclosures Policy and Guidance documents to assist NTG agencies to comply AASB 124.

The powers, functions and responsibilities of a statutory body set out in the enabling legislation will assist agencies in determining whether a statutory body is given strategic decision-making responsibility, or has influence on the financial performance of the body or agency, and as such, be designated as Key Management Personnel (KMP). Generally, if a statutory body prepares separate general purpose financial statements, then the board may be deemed as KMP for that reporting entity.

- **Governing and Management Boards** may be assessed as KMP where they are charged with authority for strategic decision-making and have the ability to influence the financial performance of the reporting entity.
- **Quasi-judicial Boards, Advisory and Review Boards, and Non-statutory Boards** will generally not have authority for strategic decision-making or influencing the financial performance of the reporting entity. However the administering NTG agency is required to assess each board on a case-by-case basis to determine if it meets the criteria to be designated as KMP as per the flow chart provided on the next page.

Where a board is designated as KMP, all members with voting rights are required to complete a Related Party Disclosure Declaration form. This Declaration Form will be provided by the administering agency.



4 Selection method and recruitment

4.1 Selection

This chapter provides a general guide to selecting members for government boards.

In general, if the Government is to rely on the decisions made or advice provided by boards, it is critical that people with the appropriate skills are appointed. Ideally, a board will have a membership with a blend of expertise, experience and a range of perspectives. The selection process should be merit-based and as inclusive as possible, and commence with a clear specification for the positions on the board.

The recruitment process for appointing board members is managed by the Government agency responsible for the administration of the board.

Legislation will state if the appointment is required to be gazetted.

Enabling legislation or terms of reference of the board will often include the selection method required to identify suitable members. Some selection methods include:

- advertisements to be placed in newspapers,
- advertisements in industry or professional organisation magazines or newsletters,
- nominations for a representative may be sought from peak organisations, and
- recommendations can be made by the administering Government agency.

Although not the case for all boards, advertisements and information for applicants should make it clear if they are required to sign a declaration regarding their criminal history although this is not the case for all boards (see section 4.4 below).

Nominations are provided to the Minister or the Administrator for approval. Where the appointment is made by the Administrator, an Executive Council submission will need to be prepared.

Further potential candidates may be sourced from the DCM EOI Board Register, refer section 4.6 below).

4.2 Term of appointment

The term of appointment of members of statutory boards is usually stated in legislation. In some cases, there is a limit on the number of terms that a member can be re-appointed.

Consideration should be given to a staggered timetable for terms of appointments to allow changes in board membership while at the same time, providing continuity and retaining corporate knowledge. In some instances, this arrangement is required by the enabling legislation.

4.3 Board composition

Enabling legislation will specify the composition of the board, including the number of members and any specific skills or experience that members are required to hold. Representation of a range of skills and experience on boards is generally a pre-requisite for ensuring the board can discharge its overall obligations, and to optimise performance.

Board membership should:

- reflect the Territory community so that a breadth of views are presented;
- include diversity in gender, age, culture and language as far as possible;

- hold sound knowledge of a relevant subject matter or industry;
- exercise their individual skills and knowledge for the benefit of the board and government;
- if necessary, include members with superior knowledge of the industry, and yet, are sufficiently distant to avoid a conflict of interest; and
- include chairpersons with a thorough understanding of good governance principles and knowledge of management disciplines.

When establishing a board or filling a board vacancy, consideration needs to be given to a number of elements when identifying potential candidates. Board composition considerations may include:

- government priorities and requirements at the time
- specific statutory requirements
- member skills, attributes and expertise
- member diversity and gender balance

Members are not appointed to solely represent the views of any particular stakeholder or interest group, even though they may have been nominated by, or even selected from a specific group.

Selection criteria that may be useful when seeking and assessing potential candidates for board membership include:

- knowledge in relevant fields
- demonstrated understanding of the objectives, roles, duties and obligations of directors
- experience in, or knowledge of general management principles
- understanding of accountability relationships
- relevant commercial and business experience
- capacity to think and act strategically
- other board memberships and commitments (i.e. time available for the board)
- real or potential conflicts of interest
- reputation, credibility and integrity
- willingness to actively participate in deliberations

4.4 Criminal history checks

It has not been common practice in the Northern Territory to require criminal history record checks on board members, and for most boards, this measure will not be necessary. Instead, it is recommended that new board members be requested to sign a declaration that they do not have any criminal record relevant to the activities of the body or which may render them unsuitable for membership of the board. This could be done at the same time that new members are asked to complete a 'Declaration of Personal Interests Form' (see Appendix 3).

However, for high level statutory bodies such as 'management' or 'quasi-judicial' boards, it may not be sufficient to rely on such a declaration. Agencies should request a criminal history record check from each person proposed for appointment, with appointment being subject to a satisfactory police clearance. Application forms are available from NT Police Screening Assessment for Employment NT (SAFE NT) (see Appendix 1). Proof of identity documents are required.

4.5 Appointment process

Enabling legislation will stipulate whether statutory board members are appointed by the Minister or by the Administrator. This is done by way of a formal 'instrument of appointment' arranged by the administering Government agency and the Office of the Parliamentary Counsel (Government lawyers employed to draft Northern Territory legislation and statutory documents).

It is recommended all new members sign a letter of appointment acknowledging they understand the nature and requirements of the position, and they agree to abide by stipulated conditions, such as confidentiality and declarations of conflicts of interest.

Members of non-statutory bodies generally receive a letter of appointment and may also be required to complete relevant documentation below.

Board administrators should seek advice from DCM Cabinet Office for advice on particular appointments that Cabinet may have directed to note.

When a new member is appointed, the following forms * are required:

1. [DCIS Checklist for commencement of new board members](#) - mandatory.
2. [Board Members Payment Details Form](#) - mandatory
3. [Emergency Contacts Form](#) - mandatory.
4. Criminal history check or signed declaration regarding their criminal history - mandatory for management boards.
5. Change of name (legal certificate or passport) - mandatory.
6. Superannuation standard choice form: Australian Taxation Office – optional.
7. Tax File Number declaration: Australian Taxation Office – optional.
8. Declaration of personal interests (Appendix 3) – mandatory.
9. Direction to pay form if paid by an NGO (Appendix 6) – mandatory if working for an NGO.

* **Note:** Not required to be completed by public sector employees or other members not remunerated, with the exception of the Emergency Contacts Form.

Forms are available from, and should be returned signed, to the Human Resource Unit of the administering NTG agency, or to the Employment Services section, Department of Corporate and Information Services (DCIS).

4.6 EOI Board Register

DCM has created an EOI Board Register that holds details of persons interested in becoming board members. As vacancies arise, NTG agencies can search for potentially suitable candidates on the EOI Board Register. A User Guide is available on the [NTG Intranet](#).

Anyone can express interest in serving on an NTG Board by completing the online form and submitting their Curriculum Vitae/Resume through the [NTG Careers in Government website](#). A profile is then created on the EOI Board Register. Registration indicates agreement for their CV to be accessible by any NTG agency but it does not guarantee appointment to a board.

CVs must not be forwarded external to NTG unless the registrant has given specific approval.

4.7 Public sector employees appointed to government boards

For the purposes of this chapter, public sector employees include NTG Chief Executive Officers, Executive Contract Officers, and other officers or persons employed in the Northern Territory Public Sector.

Public sector employees can be appointed to a government board as the Minister or the CEOs nominee either:

- by virtue of the Act
- at the Minister's discretion
- by virtue of their office (*ex-officio*), or
- as a member of the Northern Territory community.

4.7.1 Ex-officio appointments

Where public sector employees are members of government boards either as the Minister or CEO's nominee or in an *ex-officio* capacity, it is necessary for them to be clear about the nature of their role on the board as a Government representative and the reporting relationship (if any) with the responsible CEO and/or Minister. This should occur in consultation with the CEO/Minister, prior to commencing their term of office.

A public sector employee's role in this instance might include acting as a conduit to the Minister concerning the board and its affairs, and/or representing the Government's position in relation to matters being considered. In such cases, the public sector employee should be aware of the Government's policy imperatives and should not present a personal opinion or position that is contrary to either the Minister's directives or the Government's policy agenda.

4.7.2 Public sector employees appointed as a 'community member'

Where a public sector employee is appointed to a government board as a *member of the community*, their relationship with the responsible CEO and/or Minister should be no different to other community representatives on the board. The [Classification Structure Determination](#) is worded so that certain categories of public sector employees cannot receive sitting fees **and** also receive their salary for the same period (e.g. NTPS employees). **Conversely**, to make it clear that board members are entitled to sitting fees if they are not being paid by their employer for the relevant period (e.g. a part-time employee undertaking board duties outside their paid working hours).

Public sector employees may be employed in the Public Sector under two or more separate contracts of employment at the same time (source: clause 38A (Multiple employment arrangements) *Public Sector Employment and Management Act*) ([PSEMA](#)). Under the Code of Conduct, these employees require CEO approval in writing before engaging in paid employment outside of the employee's normal duties; an approval that must be renewed annually. CEO approval is also required by public sector employees appointed to an NTG board as a 'member of the Northern Territory community'.

Public sector employees are not generally required to seek CEO approval to undertake unpaid or voluntary activities. However if there is potential for a conflict of interest to arise (whether real or perceived), the employee must discuss the issue with the CEO and accept the CEO's decision as to whether the employee can continue with the activity. This includes membership on boards (source: Employment Instruction no. 12, clause 19 and OCPE).

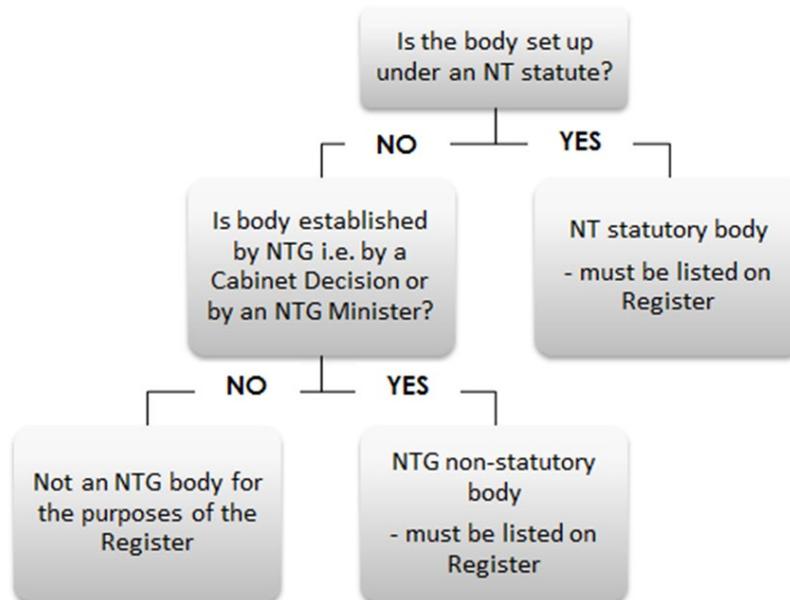
Local government employees on NTG Boards are required to declare potential conflicts of interest, whether real or apparent, as soon as they become aware that the related matter is under consideration by the NTG Board.

4.8 Reporting to Government

The NTG's Boards and Committees Register is an internal government database administered by DCM Cabinet Office. It contains membership and financial expenses for all statutory and key non-statutory government boards and committees.

Agencies are responsible for updating the database for each board they administer; this update is coordinated by Agency secretariats. DCM provides reports to Cabinet regarding membership and board expenses.

Consider the following to determine if a statutory body or key non-statutory body should be included on the Boards and Committees database:



- Just because a body is not remunerated, is not a reason for it not to appear on the DCM Boards and Committees database.
- If a body is not identified as one to be included on the database, using the flowchart above, consider the 'relevance' of the 3 factors listed below.
 - 1) It assists with the monitoring of the body and whether it is fulfilling the role and functions for which it was established, and whether it meets the requirements of the Government.
 - 2) It ensures (where the NTG controls or influences the appointment of members) that appropriately qualified and experienced persons are appointed, and vacancies are filled in a timely and appropriate manner.
 - 3) It monitors the cost to the NTG of the statutory body or key non-statutory body.
- If the NTG has a legitimate interest in the membership and/or costs of the body, or in the role and functions of any NTG body, advice should be sought from the Secretary to Cabinet (DCM Chief Executive Officer) before making a final decision not to list the body on the Boards Database. This enquiry is to be made via the DCM Cabinet Office.

5 Remuneration

5.1 Authority

Under the [Assembly Members and Statutory Officers \(Remuneration and Other Entitlements\) Act \(AMSORE Act\)](#), a statutory body is defined as ‘a body (whether incorporated or not) established by a law of the Northern Territory for a public purpose’.

In a small number of cases, entitlements are determined in the legislation establishing the body, or for Government-owned corporations, by the *Government Owned Corporations Act*.

The *AMSORE Act* gives the Administrator the authority to set the Classification Structure for statutory bodies, a structure which includes categories of statutory bodies depending on their level of responsibility, and appropriate rates of remuneration and other entitlements.

The *Classification Structure Determination* is available on the NTG Remuneration of Government Boards Internet site and is comprised of three broad categories and a range of sub-categories as follows:

Class A - Governing and Management Bodies

- Level A1 Senior Commercial and Assets Management
- Level A2 Major Facilities / Assets Management and Commercialisation
- Level A3 Local Facilities and Land Management

Class B - Quasi-Judicial Bodies

- Level B1 Senior Appeals / Important Government Process
- Level B2 Appeals and Review / Determination of Important Rights
- Level B3 Senior Registration and Assessment
- Level B4 Registration and Practice

Class C - Advisory and Review Bodies

- Level C1 Critical Issues
- Level C2 Expert High Impact
- Level C3 Ministerial Assistance

5.2 Classifying a body for remuneration purposes

The *AMSORE Act* provides authority for the Minister responsible for a statutory authority to decide the ‘classification’ of a statutory body. The Minister must consult with the Chief Minister as Minister responsible for the *AMSORE Act*, and must provide a copy of each classification decision to the Chief Minister.

The process for classifying or changing the classification of a statutory body can be found in the document, [Agency responsibilities for classification of statutory bodies for remuneration purposes](#) available on the DCM Intranet site.

In summary, the process is as follows:

- (1) Agency makes an assessment of where the body may fit into the *Classification Structure* by considering similar statutory bodies in the [List of Statutory Bodies](#) and submit their proposal to DCM for independent assessment.
- (2) Once DCM has provided advice, the Agency seeks the Chief Minister's comments on the proposed classification; a requirement under the *AMSORE Act*.
- (3) Portfolio Minister then approves the classification of the board, taking into consideration the comments of the Chief Minister.
- (4) Agency must, as soon as possible, provide a copy of the Minister's decision to DCM Cabinet Office to allow publication of the classification decision; a requirement of the *AMSORE Act*.
- (5) Agency to enter the newly classified board onto the DCM Boards and Committees database through their Agency's Secretariat.

5.3 Sitting fees, travelling allowance and other entitlements

The [Classification Structure Determination](#) specifies travelling allowance and other entitlements for members of statutory bodies, and approvals required.

A member of a body is entitled to be paid travelling allowance (and reimbursement of reasonable expenses as approved by the Chairperson upon production of receipts) for each overnight stay at a place (whether in the Northern Territory or not) away from the member's usual place of residence.

Board Administrators should ensure travel is in line with the new *NTG Travel Policy Framework* effective from 19 September 2016 and available on the NTG intranet site. Travellers must acquit the final details of their travel on their Movement Requisitions within 10 working days of travel. Further acquittals may be required depending on the timing of receipt of travel invoices.

Board workloads: NTG agencies should monitor the activities of their boards, committees and statutory bodies to ensure that meeting hours and paid work are consistent with the objectives and functions of the particular board, committee or statutory authority.

Sitting fees: The *Classification Structure Determination* sets a daily sitting fee for Chairpersons and members for: a) attending a meeting of the body, or b) conducting the business of the body. In some circumstances, an annual rate is set. Fees are calculated according to the actual and projected workload of the board and responsibilities of the Chairperson and members. Note that for board members receiving an annualised rate, it is generally a matter for the administering Government agency as to the timing of payments to members.

Travelling allowance and expenses: The *Classification Structure Determination* sets entitlements for members of statutory bodies, and approvals required. Taxi fare expenses are generally met by way of reimbursement rather than the use of Cab charge cards or vouchers. The current travelling allowance entitlement is equal to the amount of allowance for accommodation and meals for an overnight stay in the Northern Territory for a public sector employee as determined by the Commissioner for Public Employment. Government board members are entitled to economy class airfares.

5.4 Arranging payment of remuneration

The Pay As You Go (PAYG) withholding treatment for payments to board members relies on the instrument of appointment and terms of engagement.

As board members are generally appointed as individuals, payments to board members are subject to PAYG withholding in accordance with the *Taxation Administration Act 1953 (the Tax Act)*. When PAYG withholdings are made, an employer (NTG) is required to remit the withholdings to the Australian Taxation Office and provide the individual (board member) with a Payment Summary at the end of the financial year.

Members are paid via the NTG PIPS payroll system by way of electronic funds transfer into their nominated bank account irrespective of the period they are appointed.

For NT public sector employees appointed to NTG boards, refer to section 4.7.2 for information on approvals required and remuneration available, if any.

5.4.1 Remuneration for members employed by non-government organisations

Board members provide a service to their board as individuals, even if nominated by a non-government organisation (NGO).

When a person employed by an NGO is appointed to a statutory board on the proviso that sitting fees are paid to the NGO, the member should complete the 'Direction to Pay' form at Appendix 5 and submit it, along with the invoice, to their Board Administrator to forward to the Finance section for payment.

The superannuation guarantee, if any, must be paid to the member's nominated superannuation account. There will be no PAYG withholding requirement and the board member should be issued with a Payment Summary.

Refer to section 5.5 'Superannuation' on how to calculate the superannuation component.

Refer to section 4.5 'Appointment process' indicates the forms to be completed upon appointment, and to arrange payment of remuneration to board members.

5.4.2 Remuneration for members of non-statutory bodies

Remuneration for members of non-statutory bodies is a matter for the responsible Minister.

There are no prescribed entitlements for members of non-statutory bodies to receive travelling allowance, accommodation and other expenses. However in the interest of equity, it is recommended members receive similar entitlements as members of statutory bodies.

Whether remuneration is paid at all, will depend on matters such as the nature of the board's role and function, the amount of time members are required to commit to the board's activities, and the level of responsibility carried by the board and its members.

Where the administering Government agency is of the view that remuneration should be paid to members of a non-statutory body, for reasons of consistency across Government, it is recommended the agency identify the appropriate classification for the body within the [Classification Structure Determination](#).

This early assessment should be done in consultation with the DCM Cabinet Office. Once an appropriate classification and accompanying remuneration rate is identified, ministerial approval should be sought for the proposed remuneration rate in the same ministerial that the appointments are sought.

5.4.3 Members not entitled to remuneration

The [Classification Structure Determination](#) states that the following members are not entitled to sitting fees:

- Judges and Magistrates
- Master of the Supreme Court
- Northern Territory Solicitor-General

It also states that members are not entitled to receive sitting fees for a period during which the member is any of the following:

- Chief Executive Officer within the meaning of the *Public Sector Employment and Management Act*
- Northern Territory Public Sector employee
- Officer or employee of the Public Service of the Commonwealth, or of a State or another Territory
- Member of the Australian Industrial Relations Commission,

and unless the member does not receive any salary in that capacity for the relevant period.

In relation to public sector employees on non-statutory bodies, it is strongly recommended the same approach be taken as for statutory bodies in considering whether there is an entitlement to remuneration.

5.5 Superannuation

[Superannuation Guarantee Ruling SGR2005/1](#) sets out superannuation guarantee requirements pursuant to the *Superannuation Guarantee (Administration) Act 1992 (SGA Act)*.

Superannuation is paid over and above the daily rate of remuneration, as applicable. The Superannuation Guarantee (SG) is calculated on a monthly basis, and is paid into an employee's complying superannuation fund or retirement savings account on a quarterly basis.

The current SG rate is set at 9.5% applicable from 1 July 2014 and is deemed to remain so until 30 June 2021. Other SG rates are as follows:

Year	Rate
1/7/2014 to 30/6/2021	9.5 %
1/7/2021 to 30/6/2022	10 %
1/7/2022 to 30/6/2023	10.5 %
1/7/2023 to 30/6/2024	11 %
1/7/2024 to 30/6/2025	11.5 %
From 1/7/2025	12 %

Persons engaged wholly or principally for their labour, whether an employee or independent contractor, are entitled to superannuation guarantee where the payment in a calendar month is \$450 or more.

The NTG PIPS payroll system automatically calculates the superannuation component. To calculate how much SG is payable, the member's earnings each month is multiplied by the SG rate. For example: Board member X is paid sitting fees over a three month period as follows:

- January \$500, February \$700, March \$600 = \$1800
- As the earnings in each month are \$450 or more, SG payable is $\$1800 \times 9.5\% = \171
- However, if earnings for Board member X in one of the three months (e.g. March) was less than \$450, the earnings for March would not be included in the calculation of the SG, in which case the amount of SG would be $\$1200 \times 9.5\% = \114.00

For further information, contact the Superannuation Office, Department of Treasury and Finance.

5.6 Use of private vehicle for board business

Board members may be reimbursed for use of their private vehicle to travel to and from a board meeting held away from their usual place of residence, or to conduct board business. The current [Classification Structure Determination](#) states the Chairperson can approve travel expenses reasonably incurred for the purpose of attending a meeting or conducting the business of the body.

- Member's travelling **time** should be calculated in accordance with the Determination.
- Member's travelling **expenses** for use of their private vehicle is based on the Government's kilometre allowance rate, and requires approval of the Chairperson.

Board members wanting to claim for the use of their private vehicle are required to complete the following forms available on the NTG Central website.

- [Indemnity and application form - use of private vehicle for official board business](#) – to approve use of a private vehicle - complete once for each term of appointment.
- Movement Requisition for travel over 50 km. Advice on how to use the electronic travel booking system TRIPS, is available at [TRIPS User Guide, FAQs, Quick Reference Guide](#).
- [Claim for kilometre allowance form - Board members - use of private vehicle for official purposes](#) - after each travel.

6 Induction

6.4 Introduction to the board

All new board members should receive an induction, which includes the functions of the board, their role and responsibilities, and administrative arrangements. This is to ensure that Government board members are appropriately informed of their role, the standards of accountability expected of them and any statutory obligations imposed on them.

The induction process might include information, familiarisation and/or training (an example of an Induction Checklist is at Appendix 2).

New board members should receive the following information where relevant to assist with their familiarisation with the workings of their board:

Statutory framework

- Enabling legislation
- Other relevant legislation

Policy guidelines or statements

- Ministerial directives
- Code of Conduct for the particular board, and/or NT Public Sector Principles and Code of Conduct
- Conflict of interest policy or procedure (reporting and management)
- Government policy frameworks and/or agreements relevant to the board's functions.

Board information

- Annual reports and/or financial statements
- Minutes of meetings for the preceding six months
- Advice on the history and forward plans of the board
- Issues briefing
- Planned public meetings
- Board's reporting framework and any applicable accounting framework
- Relevant press clippings and media releases
- Government and/or industry reports
- Performance audits
- This Handbook

Board administration

- Time commitment required for meetings and out-of-session work.
- Term of appointment and circumstances which may lead to removal from office.
- Remuneration entitlements, claimable expenses, travel arrangements (where applicable) and other conditions of appointment.
- Attendance requirements, including advice on how to submit formal notice of absence.

7 Duties and responsibilities of board members

Members of Government Boards assume a public trust and confidence by virtue of their role in public administration. Board members must act ethically so as to support the continuance of public trust in the Government and to observe the highest standards of behaviour and accountability, particularly in the context of financial responsibilities and custody, and control of public assets.

Some responsibilities common to many government boards include:

- to be strategic – adopt a long term perspective, anticipate and respond to changes in the external environment, and integrate various corporate functions such as staffing matters and other matters to do with the smooth functioning of the board;
- to be stakeholder focused – be aware of community and stakeholder views and needs, balance the demands of different stakeholders; and
- to ensure the highest standards of accountability and ethical behaviour.

Aside from more general issues such as the public expectations and confidence placed in government board members as trustees of public monies and assets, there are numerous other sources of responsibility placed upon board members. These include:

- the requirements of the enabling legislation, where applicable;
- general law obligations such as the duty to take reasonable care;
- a broad range of policy statements whether specifically applying to the body, or more generally applicable.

The nature and extent of some of these obligations is set out below. Note the information in this section is of a general nature only; should particular issues arise in relation to the duties and responsibilities of board members, it may be appropriate to seek specific advice.

7.4 Enabling legislation

Members' primary legal responsibilities will usually be set out in the board's enabling legislation (if applicable). Subordinate legislation (such as regulations, by-laws and rules) may also set out board responsibilities or govern the actions of the board. Legislation is available on the [NT Legislation](#) website.

7.5 General law obligations

Fiduciary duties are obligations of trust and confidence owed by a fiduciary to another person. The law usually recognises certain relationships, including those of director and company and employer and employee, to be fiduciary relationships. The Courts may also find other relationships to be fiduciary in nature, particularly where one party stands in a position of trust and confidence in relation to the other, and is bound to place the interests of the other before their own personal interests.

As Government board members will often be in a similar position to a company director, they may be subject to fiduciary obligations.

Company directors, and other Government board members acting in a fiduciary capacity, have an obligation to:

- **Act honestly and to exercise powers for their proper purposes**

Members of Government Boards must act openly and honestly at all times in the performance of their duties. They must ensure that they do not use information acquired by virtue of their position to gain directly or indirectly an advantage for themselves or any other person.

- **Avoid conflicts of interest**

Members of Government Boards should avoid actual or potential conflicts between their duties to the board and their personal interests or their duties to others. Members should also be aware of possible perceived conflicts of interest. Board members who have or acquire a direct or indirect personal or pecuniary interest in a matter under consideration by the board must, as soon as reasonably practicable, disclose to the board full details of the interest.

The board should make a decision as to how to manage the conflict of interest and record reasons for that decision. There are a number of ways of managing conflicts of interest including:

- agreeing that the member will not take part in any discussion of the board relating to the interest or issue, not receive any relevant board or committee papers, be absent from the meeting room when any discussion or vote is taking place and/or not vote on the matter;
- divestment of the interest that is creating the conflict e.g. the sale of shares;
- severing the connection, e.g. resigning from a position in another organisation giving rise to the conflict; and
- resigning from the board.

The board member must not seek, directly or indirectly, to influence the outcome of any deliberations by the Government Board or any of its officers in relation to any matter to which he or she may have a conflict.

Boards should require members to make prior declarations of interests through completion of a Declaration of Personal Interests Form (an example is at Appendix 3).

If there is any doubt as to whether a conflict of interest exists, the member should err on the side of caution and declare the interest. The Chairperson should then decide if it is necessary for the member to excuse themselves from the meeting when any discussion or voting on the particular issue is taking place.

- **Act in good faith**

As a result of their position of trust, members' actions and standards of behaviour are required to be exemplary. Members should act bona fide in the interests of the Government Board and not in their own interest or to pursue personal agendas. Members are expected to act in the best interests of the Government Board, the Northern Territory and the community.

- **Exercise diligence, care and skill**

Members of Government Boards have to ensure that they exercise diligence, care and skill in the performance of their duties. They must also take reasonable steps to inform themselves about the functions of the Government Board, its business and activities and the circumstances in which it operates. A member must give close attention to board affairs.

A member should obtain sufficient information and advice and exercise an active discretion at all times to enable him/her to make conscientious and informed decisions. A member should also maintain confidentiality of board discussions and of materials and information as appropriate, such as Government Board papers.

7.6 General legislation

Aside from specific legislation applying to the board, members may also have additional responsibilities and obligations placed upon them by other legislation, including:

- [Information Act](#)
- [Ombudsman Act](#)
- [Public Sector Employment and Management Act](#)
- [Competition and Consumer Act 2010 \(Cth\)](#)
- [Work Health and Safety \(National Uniform Legislation\) Act](#)
- [Independent Commissioner Against Corruption Act](#)

Each Act should be consulted individually regarding applicable responsibilities and obligations. Board Administrators should arrange briefing materials for members on any legislation relevant to the responsibilities of the Board. Further relevant links are located in Appendix 1 below. Some brief information is included below.

7.6.1 Information Act – freedom of information

The [Information Act](#) gives members of the community a legally enforceable right to access documents held by the public sector, including Government agencies, local governments and statutory bodies (collectively called ‘public sector organisations’). The Act has four main aims:

- 1) protection of personal information in the public sector by applying Information Privacy Principles (IPPs);
- 2) a statutory right of access by any person to government information, including personal information, except where an exemption applies;
- 3) appointment of Information Commissioner; and
- 4) effective and responsible record keeping and records management by Government.

The *Information Act* defines ‘public sector organisations’ to mean:

- an agency
- Government Business Division (personal information only)
- Government Owned Corporation (personal information only)
- local government council
- statutory corporation
- person appointed, or a body established, by or under an Act or by the Administrator or by a Minister
- Police Force in the Northern Territory
- person holding an office or position under an Act
- court of the Territory (subject to limitations)
- tribunal of the Territory (subject to limitations)
- person or body declared by the Regulations to be a public sector organisation.

7.6.2 *Information Act – privacy*

The *Information Act* establishes IPPs which deal with the collecting and handling of personal information by public sector organisations. Personal information means government information from which a person's identity is apparent or is reasonably able to be ascertained.

The IPPs do not apply in relation to personal information that is:

- published in a publication generally available to members of the public;
- on a public register;
- in an archive available to the public;
- recorded information of permanent value that forms part of NT Archives; or
- is in a collection of a library, art gallery or museum.

The purpose of the IPPs is to allow access to the right information to the right people for the right reason in the right way at the right time.

7.6.3 *Ombudsman Act*

The Office of the Ombudsman is established by the [Ombudsman Act](#).

With regard to statutory bodies, the Ombudsman has jurisdiction with respect to an 'administrative action' taken by an authority as defined in the *Ombudsman Act*. The crucial test is whether the statutory body was established for a public purpose. Note there are exclusions in the Act including decisions made by the Development Consent Authority under the *Planning Act* where there is an existing right of review or appeal under that Act.

The definition of 'administrative action' is any action relating to a matter of administration, and includes a decision or an act, the failure or refusal to take a decision or do an act (including a failure to provide a written statement of reasons for a decision), the formulation of a proposal or intention, and the making of a recommendation (including a recommendation made to the Administrator or to a Minister). It does not include any such action by a person while discharging a responsibility of a judicial nature.

The Ombudsman may investigate informally or exercise significant formal powers, such as the power to require persons to give statements, documents and information. At the conclusion of the investigation, the Ombudsman will form an opinion as to whether the administrative action to which the investigation related:

- appears to have been taken contrary to law
- was unreasonable, unjust, oppressive or improperly discriminatory
- was in accordance with a rule of law or a provision of any law in force in the Northern Territory or a practice that is or may be unreasonable, unjust, oppressive or improperly discriminatory
- was taken in the exercise of a power or discretion, and was so taken for an improper purpose or on irrelevant grounds, or on the taking into account of irrelevant considerations
- was a decision that was made in the exercise of a power or discretion and the reasons for the decision were not but should have been given
- was based wholly or partly on a mistake of law or fact
- was simply wrong.

The Ombudsman may then give a report to the administering government agency and the responsible Minister recommending that particular action be taken. If the recommended action is not taken, a report can be provided to the Chief Minister and Parliament.

7.6.4 *Public Sector Employment and Management Act – NTPS Code of Conduct*

Appointees to government boards assume a position of public trust and confidence. As such, members of the public expect these appointees to follow certain ethical principles, including:

- respect for the law and the system of government
- respect for persons
- integrity
- diligence
- economy and efficiency.

The *Northern Territory Public Sector Principles and Code of Conduct* provide specific guidance on a range of ethical and moral issues that may affect public sector employees from time to time. The *Code of Conduct* may also be useful guidance for NTG Board members and is available at [NTPS General Principles and Code of Conduct](#).

7.6.5 *Competition and Consumer Act 2010 (Cth) – Restrictive trade practices*

This section applies only to Government Boards with trading activities.

Part IV of the [Competition and Consumer Act 2010 \(Cth\)](#) prohibits restrictive trade practices. Restrictive trade practices include price fixing, boycotts, misuse of market power, exclusive dealing, re-sale price maintenance, and contracts arrangements or understandings that lead to a substantial lessening of competition in a particular market. These practices generate anti-competitive outcomes.

The Crown in right of the Northern Territory is bound by Part IV of the CCA to the extent that it carries on a business. Therefore, Government boards that are part of the Crown are also bound by Part IV. Government boards that are not part of the Crown continue to be bound by Part IV as before.

Members of government boards to which the CCA applies, need to ensure that:

- they are familiar with the provisions of Part IV, so as to avoid engaging in unlawful behaviour in that capacity;
- the board complies with its obligations under Part IV and the Competition Code; and
- the board implements an adequate trade practices compliance program to minimise the risk of contravening Part IV. This should be developed in consultation with the board's legal advisers.

7.6.6 *Work Health and Safety (National Uniform Legislation) Act*

The [Work Health and Safety \(National Uniform Legislation\) Act](#) implements national workplace health and safety laws in the Northern Territory. The Act provides that the primary duty of care for the health and safety of workers lies with a 'Person Conducting a Business or Undertaking' (a PCBU). For the purposes of the Act, the NTG would be considered a PCBU, undertaking its business through various agencies and statutory authorities.

NTG Board members may or may not be 'officers' for the purposes of the Act, depending on the nature and functions of the board. Advice should be sought in this regard where the board members make or participate in making decisions that affect the whole, or a substantial part, of the business of the entity for which it is responsible (if any), or have the capacity to affect significantly the entity's financial standing.

Where NTG board members are considered to be ‘officers’ for the purposes of the Act, they are required under section 27 to exercise due diligence to ensure that the PCBU (in this case, the NTG) complies with its workplace health and safety duties and obligations under the Act. In these circumstances, board members should be expected to understand work health and safety matters relative to the organisation for which they are responsible (which might, for example, be a Government corporation). This includes an awareness of any future health and safety implications that might arise for other officers or workers within the organisation as a result of decisions made by the board. NTG board members undertaking work for the PCBU (and who are therefore ‘workers’ under the Act, whether employees or in some other capacity) are required to take reasonable care for their own health and safety and to take reasonable care that their acts or omissions do not adversely affect the health and safety of other persons.

Board members who are also employees of the NTG are entitled to be indemnified by the NTG for any liability arising out of a tort (e.g. negligence) committed by them in their role on that board, for which the NTG would be vicariously liable, unless the member’s actions constitute serious and wilful, or gross misconduct pursuant to section 22A [Law Reform \(Miscellaneous Provisions\) Act](#) .

For Board members external to the NTG, protection for personal financial liability arising out of their work as a board member (where applicable) can be achieved either by way of an indemnity by the Government, or through a Directors and Officers Insurance Policy (see Chapter 9 Liability and Indemnity).

7.6.7 Independent Commissioner against Corruption Act

On 30 November 2018, the [Independent Commissioner Against Corruption Act](#) came into force. The object of the Act is to address wrongdoing in, or connected with public administration.

The Office of the ICAC is responsible for receiving, identifying and investigating reports of corruption and misconduct by government/public bodies, public officers, and those who receive government money including contractors and grant recipients. The Office can investigate a wide range of improper conduct of persons / bodies previously outside the jurisdiction of Northern Territory ‘watchdog’ bodies. For example MLAs, courts, tribunals, local government councils and independent officers.

Public officers and public bodies have mandatory reporting obligations.

That is, they **must** report suspected improper conduct. **Mandatory Reporting Directions and Guidelines** set out the requirements for a public body or public officer to report suspected improper conduct, even if it has already been reported to another public body or public officer (for example, the Ombudsman or NT Police). These Directions and Guidelines **must** be read in conjunction with the Whistle-blower Protection Guidelines and Directions, available under “Publications” on the [ICAC website](#).

- **Public bodies** are defined in the Act as a board, commission, tribunal, or other body established under an Act with judicial or quasi-judicial functions in the performance of its deliberative functions.
- **Public officers** are defined in the Act, and include “the holder of an office established under an Act who is appointed by the Administrator or a Minister”.

The ICAC also has significant powers to protect people who have assisted or may assist in detecting, preventing, investigating or otherwise responding to improper conduct. Reports made to the Office of the ICAC are legally protected, can be made anonymously, and are confidential. For more information, or to make a report, visit [ICAC website](#).

7.7 Statutory approval requirements

Where Government boards are constituted by legislation and have a commercial focus, there may be a legislative requirement for the board to obtain 'external' approval in the case of certain investment activities, borrowings, leases and other financial arrangements. For example, prior approval by the responsible Minister may be necessary. Specific advice needs to be sought by the board where this is the case.

7.8 Delegations

Where a Government board is constituted by legislation, the members can only delegate powers or duties of the body if the enabling legislation contains a specific provision to that effect.

Any such delegation cannot apply in respect of a matter that goes beyond the legal powers conferred upon the board, that is, a board cannot delegate to another party, including a subsidiary company of the board, the right to engage in an activity on behalf of the board which the board cannot itself engage in.

Where a Government board has made a delegation under its enabling legislation, details of the delegation should be set out in the board's annual report or other accountable document.

7.9 Board members contesting elections

Any member of a Government Board who is intending to stand as a candidate for an election should seek advice from the agency responsible for the administration of their board or from the Office of the Commissioner for Public Employment as to whether such action affects their board membership.

7.10 Branding and use of NT Government logos

The *Flag and Emblem Act* controls the use of the Northern Territory Coat of Arms, flag and emblems (e.g. desert rose, NTG logo). Boards considering use of these branding tools should contact the Strategic Communications Unit in the Department of the Chief Minister.

7.11 Ownership of equipment

Any equipment e.g. iPads, laptops, phones, etc. issued to board members for the purpose of undertaking board duties will remain the property of the NTG and need to be returned at the completion of the member's term of appointment.

7.12 Protection of a board's intellectual property and information

Any information or documents acquired during the course of a board member's appointment to a Government Board must not be used for any purpose other than the legitimate purposes of the board. Any intellectual property that results from the work or activity of a government board is the property of the NTG. The Code of Conduct provides practical guidelines on the use of information by public sector officers, and may also be a useful guide for government board members.

8 Liability and Indemnity

8.4 General

All Government Board members need to understand the risks and liabilities associated with their role and need to exercise reasonable care, skill and diligence in carrying out their responsibilities.

Boards need to have risk management strategies including appropriate internal controls. They should apply best practice guidelines and ensure all reporting obligations are adequately met.

Below is brief information in relation to guarantees, indemnities and insurance. This information will not apply to all boards but where it does, it is important to note the information is of a general nature only. Should particular issues arise in relation to such matters in respect of board activities and/or board members, it is recommended that specific advice be sought.

8.5 Guarantees

A guarantee is an undertaking to be responsible for another's debt or contractual performance if that other person does not pay or perform.

The need for a guarantee by a Government Board in favour of another party is not common but may arise in special circumstances. The decision to provide a guarantee is subject to the relevant Treasurer's Direction [Treasurer's Direction G2.5 Guarantees and Indemnities](#).

There may also be certain requirements under the board's enabling legislation. Details of any guarantees should appear in the board's annual report regardless of whether the guarantee has been 'called up' or not. Where a Government Board is not constituted by statute, it will not have the legal power to provide a guarantee to another party.

8.6 Indemnities

An indemnity is an undertaking to compensate, protect or insure another person or entity against future financial loss, damage or liability.

There are no general indemnities applying to members of statutory bodies; rather, members of certain boards may, through the board's enabling legislation, have the benefit of a statutory protection from civil and criminal action for things that they do in good faith as a board member.

In certain circumstances, specific indemnities may be given to board members to provide protection from personal liability. In the Northern Territory, such indemnity can only be given where the Treasurer agrees that this protection is to the benefit of the Northern Territory (section 34 [Financial Management Act](#)).

Refer to the [Treasurer's Direction G2.5 Guarantees and Indemnities](#) for further information.

9 Insurance

As a general principle, an agency subject to the *Financial Management Act* will self-insure its risks and meet costs as they emerge, unless a net benefit can be demonstrated to warrant the purchase of commercial insurance cover. Further information is available in the [Treasurer's Direction M2.1 Insurance Arrangements](#).

9.4 Accident cover

Despite the general approach described above, the Remuneration Tribunal has recommended that, if there is currently no accident cover, personal accident insurance for members should be considered, or the cost of approved cover reimbursed, at least in those cases where members are required to undertake significant travel in their role.

9.5 Director's insurance (Commercial boards)

For Government boards operating in a commercial environment (e.g. Utilities Boards), Directors' and Officers' indemnity insurance goes some way to indemnifying directors and officers in relation to claims for loss or damage made against them in their capacity as directors or board members.

This issue should be considered by all commercial boards, and legal advice sought in this regard as necessary.

10 Evaluating Board Performance

Ministers are ultimately responsible for the performance and conduct of the Government Boards within their portfolio areas.

The performance of the majority of Government Boards and individual board members cannot generally be measured against conventional corporate benchmarks based on financial performance. However, public sector board performance can, at least to some extent, be measured by the long term success of an organisation in properly fulfilling the purpose for which it was established.

Measures for the assessment of board performance include the development of performance measures, as well as more direct measures to appraise collective board performance and individual board member performance.

The *Financial Management Act* and the *Audit Act* provide for the financial administration and audit of many statutory bodies; however, in some cases financial administration and audit is covered by the Act which establishes the body.

Appendix 1 - Useful internet resources

Governing NT legislation

[Assembly Members and Statutory Officers \(Remuneration and Other Entitlements\) Act](#)

[Statutory Bodies Classification Structure - remuneration entitlements](#)

[Public Sector Employment and Management Act](#) and

[NTPS Code of Conduct Employment Instruction 12](#)

Related NT legislation

[Audit Act](#)

[Financial Management Act](#)

[Independent Commissioner Against Corruption Act](#)

[Information Act](#)

[Information Act - overview](#)

[Law Reform \(Miscellaneous Provisions\) Act NT](#)

[Ombudsman Act](#)

[PAYG0401 - Withholding from payments to Board Members](#)

[Work Health and Safety \(National Uniform Legislation\) Act](#)

Commonwealth legislation and directions

[Competition and Consumer Act 2010 \(Cth\)](#)

[Taxation Ruling TR 2002/21](#)

[Superannuation Guarantee Percentages to June 2028](#)

[Superannuation Guarantee Ruling SGR2005/1](#)

Treasurer's Directions

[Treasurer's Direction G2.5 Guarantees and Indemnities](#)

[Treasurer's Directions M2.1 Insurance Arrangements](#)

Related resources

[Remuneration of NT Government Boards website](#)

[Criminal history checks - NT Police](#)

[Western Australia Government - Good governance for boards and committees](#)

Appendix 2 - Induction checklist

Have copies of the following been provided to the new board member?

- Checklist for commencement of new Board members
- Enabling legislation and any other relevant legislation
- Recent Annual Reports or accounts
- Last six months of minutes of the board meetings
- Summary of the history and forward plans of the board
- Current ministerial directives
- Code of conduct
- Northern Territory Information Act* in plain English
- Northern Territory Public Sector Principles and Code of Conduct
- Government policy frameworks and/or agreements relevant to the board's functions
- This Board Handbook
- Relevant press clippings
- Government or industry reports
- Economic efficiency or performance audits
- Details of the time commitment required
- Issue briefings
- Details of planned public meetings
- Details about the member's tenure and circumstances that may lead to removal from office
- Attendance requirements (formal notice of absence)
- Applicable accounting and/or financial frameworks
- Remuneration structure
- Declaration of personal interests

Appendix 3 - Suggested declaration of personal interests form

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Declaration of Personal Interests Form

Note: Some of the categories of interest entered in this form may not be relevant for all boards.

To <insert name of statutory body>

Particulars of my personal pecuniary and other relevant interests and those of my immediate family of which I am aware are set out in the attached form.

I undertake to advise you should a situation arise where an interest of mine or an interest of a member of my immediate family of which I am aware, whether that interest is pecuniary or otherwise, conflicts, or may reasonably be thought to conflict, with my public duty.

.....
name (block letters)

.....
(signature)

.....
(position)

.....
(date)

Appendix 3, cont.,

Strictly Confidential

Declaration of Personal Interests of Board Member and Immediate Family Members (including spouse and dependent children)

Real Estate

Real estate in which a beneficial interest is held other than principal place of residence:
(Location, Owner, Purpose for which held)

.....
.....
.....

Share Holdings (where total value exceeds \$5000)

Include registered shares, options and current applications (other than nominal share holdings by way of qualification for membership of a credit union, building society or other co-operative society):

Owner of shares
Name of Company
(including holding companies and subsidiary companies if applicable)

.....
.....
.....

Directorships in Companies

List any directorships, whether remunerated or not:
(Name of Director, Name of Company, Activities of Company – whether public or private)

.....
.....
.....

Partnerships etc.

(Person holding interest, Nature of Operations, Nature of Business Interest)

.....
.....
.....

Investments

Investments in bonds, debentures, savings or investment accounts with banks or other financial institutions (exceeding a cumulative value of \$5000):

(Person holding Investment, Type of Investment, Body in which Investment is held)

.....
.....
.....

Appendix 3, cont.,

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Other Assets

List each asset valued at over \$5000 including collections. Household or personal effects and motor vehicles for personal use are to be excluded:

(Owner of Asset, Nature of Asset)

.....
.....
.....

Employment by a public or private company

Exclude salary from principal public sector employment:

(Person receiving income, Nature and annualised amount of income)

.....
.....
.....

Any Gifts, Substantial Sponsored Travel or Hospitality exceeding \$100

(Person receiving gift, nature of gift, etc.)

.....
.....
.....

Liabilities

Liabilities exceeding \$5000 other than mortgage over principal place of residence:

(Person concerned, Nature of liability, Creditor)

.....
.....
.....

Other Interests – including membership or office holding of an organisation other than an industrial or professional organisation, or a political party:

.....
.....
.....

Appendix 4 - So you want to be on a Government Board?

There are approximately 300 statutory and non-statutory boards in the Northern Territory, ranging from advisory bodies to tribunals, to boards that manage government assets and enterprises.

Membership of Government Boards is determined by legislation and/or Government policy. Members may be nominated by Ministers, industry bodies or professional organisations. Board vacancies may be advertised in the media calling for people with specific skills, qualifications and experience, and/or for persons to represent the public interest or broader community.

If you are interested in serving on a Government board or committee, you may wish to consider:

- Do you have the skills to make a valuable contribution such as:
 - the ability to think strategically and critically
 - good communication and interpersonal skills
 - the ability to work as part of a team
 - the ability to read and analyse financial statements
- What is the nature of the business of the board?
- What are the powers and functions of the board?
- How is the board legally structured? Is it:
 - a body established by legislation with powers and functions embedded in the Act,
 - established by Government policy or decision, with powers and functions embedded in the Terms of Reference,
 - a Government-owned corporation, or
 - another type of body corporate.
- Who are the key stakeholders?

Most boards and committees pay members a daily sitting fee. Travel, accommodation and approved out-of-pocket expenses may be met by the board or paid on a reimbursement basis. Section 4.5 of this Handbook provides a list of documents required for newly appointed members.

Anyone can express interest in serving on an NTG Board by completing the online form and submitting their Curriculum Vitae/Resume through the [NTG Careers in Government website](#). A profile is created on the EOI Board Register. Section

NTG agencies can search the register when looking for potential candidates.

Appendix 5 – Direction to pay form

PART 1: EMPLOYER STATEMENT

(for completion by the employer of a board member or office holder)

I,(full name),
(position title) being an authorised
 representative of(Company or
 Organisation name) state that (Board member's full
 name) is required to remit to this organisation all monies received as sitting fees associated with
 membership of (Board Name).

Signed by company rep.

Date

Company rep. name

Signed by witness

Date

Witness name

PART 2: DIRECTION TO PAY – BOARD MEMBER PAYMENTS

I,(full name), being a board member of
(title of Board), hereby authorise
 payment of all sitting fees in respect of my role as a board member, to be made to
 (Employing company or organisation) at

 (Address and ABN of company or organisation), unless varied by me in writing. Amounts are to be
 remitted to the organisation's bank account, as follows:

Bank Account Name:

Bank Account BSB:

Bank Account Number:

Signed by board member Date:

Witness Date:

Witness name.....

NB: Board member will not be liable for income tax for amounts remitted above.

Appendix 6 - Glossary of terms

Administering Government agency - a unit of government administration, also known as a department, that is responsible for providing an administrative service for Government boards and committees.

Administrator - The Administrator of the Northern Territory is an official appointed by the Governor-General of Australia to exercise powers and undertake responsibilities similar to that of a state governor. The Administrator has a broad range of statutory powers under Northern Territory legislation, such as making regulations and appointments, in addition to having powers under the *Northern Territory (Self-Government) Act*.

AMSORE Act - The *Assembly Members and Statutory Officers (Remuneration and Other Entitlements) Act* has a number of objectives, including enabling the Administrator to determine a classification and remuneration framework for Government statutory bodies.

Board Administrator – is the officer responsible for administering a board or committee. Other titles used by agencies include Executive Officer, Business Officer, or Manager.

Cabinet - is the principal decision-making body of the Government and consists of all Government Ministers. Cabinet's role includes making high level Government policy decisions, approving the drafting and introduction of legislation in the Northern Territory Parliament, allocating financial resources, approving key appointments to Government boards, and setting the strategic directions of Government.

Chairperson - the presiding officer of the body, also known as the Chair or Chairman.

Classification Structure Determination – Legal Instrument signed by the Administrator that sets the categories of boards and remuneration entitlements.

Enabling legislation - is the Act of Parliament that establishes a board.

Executive Council - is comprised of the Administrator and all Government Ministers but it is not a deliberative body. Rather, Executive Council advises the Administrator on the exercise of his or her statutory powers.

Government board - generally refers to statutory and non-statutory bodies within the NT Government and includes a wide range of boards, committees, tribunals, corporations and other bodies.

Non-statutory body - a body established by Government decision, rather than by way of legislation. Responsibilities are often set out in a Terms of Reference document.

Remuneration Tribunal - an independent statutory body that undertakes inquiries into the remuneration and entitlements of Key Office Holders, Local Court Judges and Members of the Legislative Assembly.

Statutory body - is defined in the *AMSORE Act* as a body (whether incorporated or not) established by a law of the Territory for a public purpose.