

# BOARD CHARTER of the Australian Rural Leadership Foundation Limited (v5)



## Background

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### 1. Purpose

- 1.1 The Board Charter of the Australian Rural Leadership Foundation Limited (the Foundation) is a written policy document that sets out the function, duties and responsibilities of the Board and Management of the Foundation.
- 1.2 The Board Charter has the following functions:
  - (a) demonstrating good governance;
  - (b) sets out the legal framework the Foundation operates in;
  - (c) documents policies the Board has decided upon to meet its obligations and responsibilities;
  - (d) communicates the Board's expectations for the operations of the Foundation; and
  - (e) can act as an induction tool for new board members.
- 1.3 In the event of any inconsistency between this Board Charter and the Foundation Constitution, the Constitution will prevail.

## Legal Framework

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### 2. Parameters under which the Board Functions

- 2.1 The Foundation is constituted under the *Corporations Act 2001 (Cth)* as a company limited by guarantee established in the Australian Capital Territory in 1992.
- 2.2 The Constitution sets out the charitable purpose and powers of the Foundation, defines the authority of the Board in the governance of the Foundation and outlines rules for governance, business activities and rights and obligations of members.
- 2.3 The Foundation is a registered charity under the *Australian Charities and Not for Profits Commission Act 2012 (Cth)* and is required to comply with the ACNC Governance Standards and External Conduct Standards.
- 2.4 As a consequence of its charity status, the Foundation holds the following tax status:
  - (a) deductible gift deductibility status from 1 July 2006;
  - (b) GST concession from 1 July 2009.
  - (c) income tax exemption from 1 July 2009;
  - (d) FBT rebate from 1 July 2009.

- 2.5 To maintain its charity status, the Foundation must continue to be not-for-profit and pursue its charitable purpose.

## Authority, Functions and Responsibilities of the Board of Directors

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### 3. Board Authority and Function

- 3.1 The Board derives its authority to act from the Constitution and the law governing corporations and not-for-profit organisations in all the jurisdictions in which the foundation operates.
- 3.2 The Board of Directors is responsible for monitoring and directing the activities of the Foundation to achieve the objects and may use all powers except those decisions reserved to the members.
- 3.3 The overriding functions of the Board are to provide strategic leadership, to ensure sound and prudent management to build a sustainable operation, and to guide the Foundation's strategic direction to achieve its charitable purpose.
- 3.4 While retaining its governance responsibilities, the Board may establish an appropriate system of delegations including to a Board Committees, to the Chief Executive (CE) or other responsible officers, to ensure the effective discharge of responsibilities.
- 3.4.1 The Foundation operates on the principle that all significant matters are dealt with by the full Board.
  - 3.4.2 All delegations from the Board must be in writing and reviewed annually. Board minutes can be taken as 'in writing'.

### 4. Primary Responsibility of the Board

- 4.1 The primary responsibilities of board members include but are not limited to:
- (a) Appoint, oversee and monitor the performance of the CE.
  - (b) Monitor performance against the Strategic Plan and annual Operational Plan.
  - (c) Review and approve the governance framework for the Foundation.
  - (d) Approve and monitor financial performance, the budget and oversee expenditures.
  - (e) Establish adequate and suitable independent external audit arrangements.
  - (f) Monitor and influence the culture and tone of the Foundation.
  - (g) Approve the framework for executive appointments, remuneration and performance management.
  - (h) Annually assess the Board's effectiveness and other responsibilities, including the effectiveness of individual board members.
  - (i) Undertake an external review of the Board every four years.
  - (j) Ensure that stakeholders are kept informed of the Foundation's performance and major developments affecting its state of affairs.
  - (k) Approve the Annual Report and report annually to the Foundation's members through an Annual General Meeting.

- 4.2 The Board's success will be measured with regard to how well it performs its specific tasks and functions, as well as thorough analysis of the Board's ability to work together as evidenced by its cohesiveness.

## **5. Role of the Chairperson**

- 5.1 Under the Constitution, a Chairperson will be elected by the board members for the term specified in this Board Charter. The term specified is from the conclusion of the Board meeting following an AGM for a three (3) year period. The three (3) year term will conclude at the end of the third year's AGM.
- 5.2 The Chairperson role is to:
- (a) chair Board meetings and general meetings;
  - (b) provide leadership to the Board including engaging with individual directors to provide feedback or mentoring in relation to performance;
  - (c) oversee the Board's general performance and encourage effective and efficient operation of the Board;
  - (d) facilitate a professional environment and open communication between the Board, its committees and management to support an effective decision-making process;
  - (e) ensure that the strategic direction of the Foundation, compliance and governance matters are the focus of Board discussions;
  - (f) speak publicly on behalf of the Board and the Foundation;
  - (g) support, mentor and monitor the Chief Executive (CE); and
  - (h) carry out such other roles as may be delegated by the Board.
- 5.3 The role of the Chairperson is subject to the following limitations:
- (a) the Delegations Framework;
  - (b) the Chairperson is not expected to chair Board committees or working parties;
  - (c) while the CE has a particular working relationship with the chair, the CE is directed by and reports to the Board as a whole; and
  - (d) while in exceptional circumstances the Chairperson may need to act urgently in the interests of the Foundation without prior agreement from the Board, such actions should immediately be referred to the Board for disclosure and endorsement purposes.

## **6. Role of the Company Secretary**

- 6.1 The Board appoints the Secretary who undertakes roles assigned to the position under the Constitution and the Board including but not limited to:
- (a) receiving and processing membership applications and resignations subject to the Constitution and directions of the Board;
  - (b) maintaining the register of Members;

- (c) maintaining the minutes and other records of a general meetings, board members meetings and circular resolutions;
- (d) maintaining the Register of Interests;
- (e) updating Foundation details with ACNC and ASIC and ensuring timely compliance with ACNC reporting obligations; and
- (f) sending and receiving notices subject to the Constitution and directions of the Board.

## **7. Board Meetings**

- 7.1 The Board meets at least five times a year. Meetings are generally held quarterly and may be face to face or via digital channels (e.g video conferencing or by telephone) as agreed.
- 7.2 The Board approves a one-year forward agenda that prompts it to review progress towards the achievements of the strategic plan and objectives, provides assurance that all relevant compliance requirements are addressed, and improves Board performance through education and a continuous focus on governance effectiveness.
- 7.3 The agenda for Board meetings are prepared by the CE in conjunction with the Chairperson and sent out at least a week prior to the meeting in a manner agreed between the Board and management.
- 7.4 Board members are required to maintain the confidentiality of information provided to the Foundation Board and discussions held by the Board in relation to all matters.
- 7.5 The Board may choose to hold meetings that have different purposes.
- 7.6 An in-camera session of the Board is a meeting of only those persons who are board members and any staff who the board members, by resolution, authorise to be present. Matters that are generally dealt with during an in-camera session include:
  - (a) assessing, rewarding or disciplining individuals;
  - (b) discussions and dealings with other entities or persons where the information being discussed may compromise the relationship of the Foundation with them or its stakeholders;
  - (c) labour relations or human resources issues;
  - (d) financial, personnel, contractual and/or other matters for which a decision must be made in which premature disclosure would be prejudicial;
  - (e) matters related to civil or criminal proceedings; and
  - (f) personal health information related to an individual.
- 7.7 From a governance perspective, except for the absence of an individual or several individuals, there is no difference between an in-camera session of the Board and an open session. Specifically:
  - (a) An agenda is provided, and the same decision-making process must take place;
  - (b) Decisions made must be recorded in minutes;

- (c) The Board has the same fiduciary responsibility they have at any other time. Their liability for acting responsibly is also the same; and
  - (d) If issues arise during an ordinary Board meeting that require the Board to move to in camera mode, the Chairperson will announce this intention and manage the process.
- 7.8 Depending on the business to be discussed, the Board decides which individual board members and staff members may attend an in-camera session.
- 7.9 The Board can choose to exclude a specific Board member from the in-camera meeting if it needs to deal with an area in which that Board member has declared a conflict of interest, is perceived to have a conflict, or is acting outside the board members' Code of Conduct.
- 7.10 The CE may attend an in-camera session only if invited to do so by the Board.
- 7.11 The in-camera meeting may also be used by the Board to allow the Board to have private discussion with the CE that excludes staff members who regularly attend Board meetings (e.g., an employee taking minutes). Such meeting arrangements may be needed to discuss planned changes to human resources policies, compensation, benefits, organisational structure, or issues involving specific individuals.
- 7.12 Board members may need to meet informally at times for a preparatory meeting to re-establish communication and prepare for a formal meeting in order to manage the business of the Board in an effective and timely way. Generally preparatory meetings focus on:
  - (a) informal discussion and relationship building; and
  - (b) the guidance of the Chairperson on Board and board member functioning and/or performance.
- 7.13 Informal preparatory meetings are not used to deal with the kinds of matters that would normally be taken to an in-camera session of the Board or to a normal meeting of the Board.

## **8. Access to Information and Independent Advice**

- 8.1 Board members may access information necessary to discharge their duties. Board members will have open access to members of management and any relevant records following consultation with the Chairperson and the CE.
- 8.2 Individual Board members seeking independent professional advice must first obtain the approval of the Chairperson (which may not be unreasonably withheld) and the advice received will be made available to all Board members as appropriate.
- 8.3 Board members must not use their position or information obtained as a board member to gain advantage for themselves or others or cause detriment to the Foundation.

## 9. Delegation Framework

- 9.1 The Board has adopted a Delegations Framework setting out approved delegations for the Foundation.
- 9.2 Any matters or transactions outside the Delegations Framework must be referred to the Board for approval.
- 9.3 The Delegations Framework will be reviewed annually by the Board.

## 10. Delegation to the Chief Executive

- 10.1 The Board delegates day-to-day management of the Foundation and its operations to the CE subject to the limits imposed by the Delegations Framework.
- 10.2 The CE is accountable to the Board for actions taken and ensures the board is properly informed regarding the performance and risks of the Foundation.

## 11. Committees

- 11.1 Under the Constitution, the Board may delegate some of their powers and functions to a committee.
- 11.2 Committees are generally established to focus on particular issues prior to the consideration of the full Board. They can either be temporary committees established for specific short-term projects or activities, or more permanent standing committees for on-going major work.
- 11.3 Where the Board creates a committee, it must approve a Terms of Reference for that committee. The Terms of Reference should be reviewed annually.
- 11.4 Independent members of committees, although not bound by the Constitution as a Foundation board member, must agree to comply with the Code of Conduct and terms and conditions of the committees on which they serve.
- 11.5 The current committees of the Board are:
  - (a) Audit and Risk Committee tasked with providing assurance and assistance to the Board on:
    - i the Foundation's risk, control and compliance framework;
    - ii the Foundation's external accountability and compliance responsibilities;
    - and
    - iii approval and monitoring of the budget, and the Foundation's financial management and viability.
  - (b) Nominations and Remuneration Committee, tasked with assisting and advising the Board on:
    - i matters related to the composition, structure and operation of the Board;
    - ii Board evaluation and governance matters; and

## **12. Public Comment**

12.1 As a general rule, the Chairperson and CE are the spokespeople for the Foundation.

12.2 Board members should not make public comment without official authority from the Chairperson. Public comment includes speaking as a Foundation representative at formal meetings of course participants or fellows and sponsors, external seminars and conferences and making comment to the press and/or other media.

12.3 All public corporate or policy statements shall be made by the Chairperson or CE, subject to the Delegations Framework.

# **BOARD OPERATIONS**

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## **13. Induction**

13.1 The Foundation provides an induction program for new board members to assist them in fulfilling their duties and responsibilities.

13.2 Schedule 1 of this Board Charter sets out the policies which apply to board members and these are made available to Board members as part of their induction and when updated.

13.3 The induction program will include opportunities to meet face-to-face with any of the Board, Chair, Chief Executive, Committee Chairs, executive management team, and staff.

## **14. Board Performance**

14.1 The Board will carry out an annual Board Performance Assessment comprising an assessment of the performance of the Board, the performance of the Chairperson

14.2 The Board's success will be measured with regard to how well it performs its specific tasks and functions, as well as thorough analysis of the Board's ability to work together as evidenced by its cohesiveness.

14.3 In accordance with the Constitution, board members will be appointed for a term up to 3 years after which they must offer themselves for retirement at the next Annual General Meeting. Retiring board members (who continue to qualify in accordance with the eligibility requirements in the constitution) may offer themselves for re-election up to a maximum of 3 consecutive terms.

# **GENERAL**

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## **15. Vision, Purpose and Values**

15.1 In accordance with the Foundation's Objects:

- (a) the vision is for thriving rural, regional and remote communities;
- (b) the purpose is to develop and exercise leadership for positive impact; and
- (c) our values are:
  - i. respect and engage with First Nation's cultural knowledge
  - ii. engage with a diversity of views, perceptions, backgrounds and cultures
  - iii. challenge entrenched ideas
  - iv. foster collaboration and act beyond self
  - v. pursue lifelong learning

## 16. Review of Board Charter

- 16.1 The Board will review the Board Charter at least every 3 years or whenever else deemed necessary or as directed by regulation/legislation changes.

## Schedule 1:

### Board Policies and Key Documents included in Board Member Induction

- (a) a copy of the Constitution;
- (b) Board Charter;
- (c) Committee Terms of References;
- (d) Board Skills Matrix;
- (e) Recent Board performance review;
- (f) Register of Interests;
- (g) Current strategic plan; mission, values, purpose and approach
- (h) Current organisation operational plan;
- (i) Current organisation budget;
- (j) Recent Organisational Scorecard(s)
- (k) recent annual report;
- (l) Weblinks to the ACNC Governance and External Conducts Standards; and
- (m) The current budget and year to date financial reports for the Foundation.
- (n) Organisation directory, chart and program information
- (o) Nominations of Directors procedure

The following Board approved policies which also apply to board members

- (p) Code of Conduct;
- (q) Conflict of Interest;
- (r) Delegations Framework;
- (s) Fraud Corruption and Prevention;



- (t) Gift Acceptance
- (u) Grievances and Disputes
- (v) Investment
- (w) Privacy
- (x) Procurement
- (y) Whistleblower Policy;
- (z) Work Health and Safety
- (aa) Working From Home

Other information relevant to Board members includes:

- (a) Fundraising and the role of patrons
- (b) Travel and Reimbursement
- (c) Communicable and Infectious Diseases Policy
- (d) Staff Remuneration and Leave
- (e) Use of Social Media

### Version Control

Version 1	15 November 2019	
Version 2	15 December 2020	
Version 3	20 March 2022	
Version 4	28 February 2024	
Version 5	March 2025	Current Version