



Australian Government



Northern Australia Infrastructure Facility

# NAIF Board Charter

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## Document Purpose

This Board Charter sets out the structure, function, duties and responsibilities of the Board and the duties and responsibilities of the management of the Northern Australia Infrastructure Facility (NAIF).

# 1. Board

## 1.1 Structure of the Board

The Board is established under and governed by the provisions of the *Northern Australia Infrastructure Facility Act 2016* (Cth) (NAIF Act).

The NAIF Act requires that the Board consist of:

- the Chair; and
- no less than 4 and no more than 6 other members, subject to s.13(3) of the NAIF Act.

## 1.2 Appointment and Removal of Board Members

The NAIF Act provides for the appointment and removal of Board members by the Minister.

## 1.3 Appointment of Board Secretary

The Board will appoint the Board Secretary.

## 1.4 Meetings of the Board

The NAIF Act (s22-27) contains requirements regarding the convening of Board meetings, quorums for Board meetings, voting and decision making by the Board and records of Board decisions. Each member of the Board, the Chief Executive Officer (CEO) and the Board Secretary should ensure they are familiar with these requirements.

## 1.5 Function of the Board

Pursuant to section 14(1) of the NAIF Act, it is the function of the Board to oversee the management of NAIF.

In doing so, the Board must set the strategic direction of NAIF, determine the corporate governance structure for NAIF, set the risk appetite of NAIF and determine the policies to be followed in the conduct of the affairs of NAIF. This will include compliance with Ministerial directions under the NAIF Act and general policies of the *Public Governance, Performance and Accountability Act 2013* (Cth) ("PGPA Act").

The Board collectively, and each member individually, has the right to seek independent professional advice regarding the performance of the Board's functions, subject to the approval of the Chair, or in the Chair's absence, the Board. Any individual Board member may retain such independent advice, at the cost of NAIF, with the prior approval of the Chair.

## 1.6 Remuneration of the Board

The remuneration of Board members is determined by the Remuneration Tribunal. In the event that the Remuneration Tribunal has not determined the remuneration of a member, that member's remuneration will be determined by the Minister. The Remuneration Tribunal is an independent statutory body that handles the remuneration of key Commonwealth offices and is governed by the *Remuneration Tribunal Act 1973* (Cth).

## 2. Duties and responsibilities of the Board

### 2.1 Strategy

- Together with management develop the strategic direction, objectives and goals of NAIF, including approving the Corporate Plan. The Corporate Plan must be prepared by NAIF in accordance with the requirements of the PGPA Act and the *Public Governance, Performance and Accountability Rule 2014* (Cth).
- Monitor management's performance against the approved Corporate Plan.
- Review and approve the major policies of NAIF.

### 2.2 Business Operations

- Make formal Investment Decisions as defined in the *Northern Australia Infrastructure Facility Investment Mandate Direction 2018* (Cth).
- Select and appoint (and, in specific circumstances set out in the NAIF Act, remove) the Chief Executive Officer.
- Define the powers of the Chief Executive Officer to conduct the day-to-day operations of NAIF, consistent with the provisions of the NAIF Act.
- Give directions to the Chief Executive Officer about the performance of the Chief Executive Officer's functions.
- Approve decisions which are beyond the Chief Executive Officer's powers and, where appropriate, refer matters to the Commonwealth, State and Territory Governments as required by the NAIF Act.
- Assess the performance of the Chief Executive Officer and review and approve the executive remuneration policy framework.
- Provide guidance to the Chief Executive Officer on matters concerning the appointment and evaluation of staff of NAIF.

### 2.3 Risk Management and Governance

- Review and approve NAIF's Risk Management Framework, including the credit risk strategy and credit risk policies of NAIF. Provide oversight for the management of NAIF's major risk concentrations.
- Oversee the audit, risk management, internal control and compliance systems in place to support NAIF's Risk Management Framework and monitor their effectiveness and implementation, including through reports from the Board Audit and Risk Committee.
- Maintain corporate governance practices for NAIF's responsible and ethical compliance with relevant regulatory requirements and governance standards.

### 2.4 Financial Management and Reporting

- Monitor and supervise NAIF's compliance with the Investment Mandate.
- Maintain oversight over the financial and other reporting procedures to provide appropriate, accurate, timely and relevant information to the Board.
- Monitor the operational and financial position and performance of NAIF.
- Prepare NAIF's Annual Report to the Minister in accordance with s42 of the NAIF Act.
- Approve any other significant reports to the Minister or other Government departments.

### 2.5 Protection of NAIF's Reputation and Brand and Public Commentary

- Board members must approach all Board deliberations in an independent, objective, impartial and unbiased manner.
- Board members must not do anything, whether in their capacity as a NAIF director or otherwise, to harm, or which has the potential to harm, NAIF's reputation and brand. Without limitation, directors must not make public comment (on social media or otherwise) that may lead a reasonable person to conclude that they cannot serve in their capacity as a NAIF director impartially and professionally.
- Public comments (including those made as a NAIF director, or in a personal capacity or on behalf of another organisation) can have this effect including comments of a political nature or on policy which may give rise to a perception of a bias towards particular political views.
- Although Board members may hold directorships or other roles with other organisations, they must ensure these roles do not prejudicially affect the proper performance of their duties and obligations as directors of NAIF. This includes compliance with all relevant NAIF policies such as NAIF's Conflict of Interest Policy and Confidentiality Policy.
- Board members with multiple directorships or roles must be very clear as to the position in which they are making any public comment.

## 2.6 Work Health and Safety

- Exercise due diligence when monitoring NAIF's compliance with its work, health and safety obligations. In particular take reasonable steps to:
  - Acquire and keep up-to-date knowledge of work, health and safety matters.
  - Understand the hazards and risks associated with the nature of NAIF's operations.
  - Determine whether NAIF has and uses appropriate resources and processes to enable hazards to be identified and risks eliminated or minimised.
  - Determine whether NAIF has appropriate processes for receiving and considering information regarding incidents, hazards and risks, and can respond in a timely way.
  - Determine whether NAIF has, and implements, processes for complying with its duties and obligation in respect of work, health and safety legislation, such as reporting notifiable incidents and consulting with workers.

## 2.7 People

- The Board supports a working environment that is diverse, competitive, fair and designed to attract and retain staff of high quality, experience and integrity. In recognition of this, the Board will:
  - Monitor, and where appropriate, review NAIF's human resources policies, including the Code of Conduct.
  - Oversee management's alignment of its human resources policies with NAIF's strategic direction, objectives and goals.
  - Ensure that there are human resources policies in place to support an appropriately diverse and experienced Executive and senior management team.

## 2.8 Other

- Arrange for a review of the Board's performance to be conducted, at a minimum, every two years.
- Perform its function with the appropriate levels of independence, expertise, prudence and focus.
- Perform such other functions as are prescribed by law.
- Review this Board Charter at least annually.

# 3. The Legal and Compliance Environment

- The Board has established the Board Audit and Risk Committee as a committee of the Board pursuant to s45 of the PGPA Act.
- The Board will establish such other committees as it considers necessary for the purpose of overseeing critical functions. Each committee will have a committee Chair and a clearly defined charter approved by the Board setting out its structure, functions, duties and responsibilities. Committee membership will be subject to rotation as determined by the Board.

# 4. Duties and Responsibilities of the Chair

- Chair effective Board meetings and other relevant meetings and functions.
- Provide leadership to the Board, maintaining ethical standards and assisting to resolve conflicts.
- Facilitate a professional environment and open communication between the Board, its committees and management to support an effective decision making process.
- Ensure that the strategic direction of NAIF is a focus at Board discussions.
- Ensure the stakeholders' interests are accurately represented to the Board members.

# 5. Duties and Responsibilities of individual Board Members (including the Chair)

- Prepare for, attend and participate at Board meetings and, where relevant, Board Audit and Risk Committee meetings.
- Perform with the expertise, competence and integrity required by the Board.
- Communicate openly within the Board and with management.
- Acquire and develop general knowledge of NAIF, its business and regulatory environment.
- Comply with their obligations under relevant law, including the NAIF Act and the PGPA Act.
- Comply with their obligations under applicable NAIF policies, including the Conflicts of Interest Policy and Anti-Corruption Policy.
- Represent NAIF at external meetings or functions and advocate for and on behalf of NAIF where appropriate.

## 6. Access to Management

Individual Board members shall have complete and open access to:

- the Chief Executive Officer;
- the Board Secretary; and
- other NAIF management after consultation with the Chair and Chief Executive Officer.

The Chief Executive Officer must produce to the Board information about NAIF's operations and activities occurring since the previous scheduled face-to-face Board meeting.

## 7. Duties and Responsibilities of the Chief Executive Officer

- Instil in NAIF a culture of trust, honesty and integrity in relationships with those stakeholders both internal and external to NAIF.
- Implement the strategy set by the Board and manage NAIF's activities in accordance with the Board's risk appetite and policy objectives.
- Be ultimately responsible to the Board for the performance of NAIF.
- Select, appoint and remove employees of NAIF, subject to guidance by the Board in respect of executive appointments.
- Delegate responsibilities and authorities to appropriate employees of NAIF.
- In the Chief Executive Officer's absence, designate an acting Chief Executive Officer for approval by the Board, in accordance with s31 of the NAIF Act.
- Comply with all directions provided by the Board regarding the Chief Executive Officer's functions.

## 8. Duties and Responsibilities of Management (including the Chief Executive Officer)

- Manage NAIF in accordance with the strategy, risk appetite, directions and policies approved by the Board.
- Manage all matters necessary, incidental or connected with the conduct of the business of NAIF, subject to the provisions of the NAIF Act and the PGPA Act.
- Ensure that the Board is provided with all information management possesses that is material to the Board's decisions and responsibilities.
- Work with the Board to provide comprehensive information to support new and existing non-Executive Board Members in obtaining and maintaining a broad and deep knowledge of NAIF.
- Comply with their obligations under relevant law, including the NAIF Act and the PGPA Act.
- Comply with all directions provided by the Board.

## 9. Duties and Responsibilities of the Board Secretary

- Distributing papers for, and taking minutes of, Board meetings and Board Audit and Risk Committee meetings and other Committees as requested.
- The Board Secretary is accountable to the Chief Executive Officer, and the Chair of the Board, on all corporate governance matters.