



Charter for the Board and Board Committees

National Railway Museum Incorporated

Approved by and effective on date of signature:

David Burnett – Chair of the Board

Signature:

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Charter for the Board and Board Committees

1. Purpose

The purpose of this Charter is to articulate a set of roles, responsibilities and obligations that pertain to the management of the Museum's Board and its committees.

2. Governance context

The Museum's Board and its committees are the principal means for governing and managing the affairs of the Museum and must undertake their activities in accordance with the Museum's Constitution, the laws of the State of South Australia and the Commonwealth of Australia and particularly the *Associations Incorporation Act 1985 (SA)* and the *Corporations Act 2001 (Commonwealth)*.

3. Functions of the Museum

The Museum is a not-for-profit entity established in 1963 and incorporated in 1975. The functions or objects of the Museum, as listed in the Constitution are:

- To operate a railway museum at the former site of the Port Dock Station at Port Adelaide including:
- Collection, storage, documentation and preservation of rolling stock, artefacts, documents, photographs and associated material which represent the history of railways in Australia;
- Acquisition of such objects to provide an extensive and complete representation of Australia's railway history;
- Management of a railway museum and associated business activities for the benefit of the people of Australia, including the general public and members of the Museum, using sound financial practice;
- To hold regular meetings of members of the Museum;
- To publish a periodical journal, books and other material on subjects relevant to the Museum.

In order to achieve these functions and objectives, it is essential that members of the Board of the Museum and its committees understand their duties and responsibilities.

4. Operations

In accordance with the functions above, the Museum, via its Board, is responsible for the overall management of the collections and associated operations at Port Adelaide and Semaphore and elsewhere as determined from time to time.

5. Directions and Policies

The Board establishes the overall directions and policies of the Museum with advice from committees and the executive as appointed by the Board. These directions and policies are developed by a strategic planning process involving Board membership (and sub-

committees as needed), the details of which are shared with the Museum membership. The policies and directions are reviewed and adjusted according to the needs of the strategic plan, the financial position of the Museum (including risk assessment) and views of the membership.

6. Liaison with Government

The Museum is a not-for-profit organisation that receives no recurrent Government funding. The land, buildings and parts of the collection are owned by the South Australian Government and maintained in accordance with the Deed for Licence to Use and Occupy Land. This Deed is renegotiated with the South Australian Government from time to time.

The Museum has a requirement to report on a yearly basis to the responsible Minister. It is important that the Museum maintains a positive relationship with the South Australian Government. This relationship is maintained by the Chairman and Executive Officer.

Any funding agreement or other cooperative arrangement affecting the operations of the Museum with either State or Commonwealth governments must be considered and approved by the Board before its adoption. The Board must also seek and receive periodic reports on the effect of any such agreements to ensure that they serve their purpose in the interests of the Museum.

7. Understanding the Museum's business and the Board's role

Board members are expected to have an understanding of the purpose and context of the Museum's business and their roles, responsibilities and duties in proper and sustainable management of the business. Individual Board members must ensure that their understanding of the organisation is such that they are able to properly fulfil their responsibilities as a Board member.

This understanding should extend to:

- The complexity of the industry in which the organisation operates;
- The organisation's structure;
- The organisation's operations and its regulatory obligations;
- The types of transactions it undertakes; and
- The political and economic environment in which it operates.

It is encouraged that, elected Board Members participate in on site activities, to set a good example to our members and volunteers, and assist in developing a stronger understanding of the operations of the Museum.

The Board must establish a process of inducting individual newly appointed board members. All new members will be provided with an information pack containing the current Constitution, relevant corporate governance policies, including the Charter and the minutes and associated papers from the preceding two meetings.

8. The Board and committees and key appointments

8.1 Responsibilities

The Board is responsible for the proper administration of the property and affairs of the Museum, including controlling its funds. This responsibility places considerable onus on the Board and committee members to understand the Museum's aim and objectives and the nature of the business. Board and Sub - Committee members are voluntary and this means such members must be prepared to contribute time and effort to make the Board effective and accountable to the Museum members for its actions.

It is the duty of the Board and each Board member to:

- Be familiar with the Museum's Constitution and Board Charter and act in accordance with both and the Museum's overall vision and purposes;
- Abide by the Code of Conduct and Ethics and Standards of Conduct Policy for all waged staff or volunteers as approved by the Board;
- Ensure that corporate governance arrangements are relevant and up to date with current needs;
- Ensure that an up to date set of corporate strategies and directions are developed, with sufficient resources allocated to implement these strategies and directions;
- Ensure that the organisation is managed in accordance with any legal obligations under the *Associations Incorporation Act 1985 (SA)* and *Corporations Act 2001 (Commonwealth)* with principles of good governance;
- Ensure that the organisation is managed in accordance with any other relevant laws (e.g. work health and safety legislation, employment related laws, anti-discrimination legislation, the Privacy Act, etc);
- Ensure that effective measures are taken to minimise risk including development of management arrangements designed to mitigate risks and achieve financial sustainability;
- Promote and preserve the Museum's reputation and standing as a not-for-profit organisation;
- Review regularly the performance of executive management and act as necessary to deal with identified problems;
- Implement effective measures for reviewing its own performance and the performance of any committees it may appoint.

Sub- Committees of the Board must operate in accordance with the provisions of this Charter as well as abiding by any terms of reference set out for each sub-committee by the Board.

8.2 Board Membership

The majority of Board membership is drawn from the Museum's members and the process of nomination and election of Museum members to the Board is set out in the Constitution. The Board may, as it sees fit, also co-opt up to two further Board members to fill specific skills requirements of the Board.

The South Australian Government Minister for Education may appoint up to two government representatives to the Board.

The Board must strive to ensure that it is composed of members with a range of relevant skills, knowledge, and experience so that it is equipped to achieve the Museum's goals. The Board's ability to co-opt two Board members provides an opportunity to fill any gaps in the Board's skills base.

Board members should have expertise in one or more of the following fields:

- Management and administration of a small - medium sized business;
- Finance management
- Marketing of an organisation's activities/business;
- Railway and/or workshop operations;
- Occupational health, safety and welfare;
- Curatorship/museum practice.

8.3 Office-holders

The Constitution provides that the Chair, and in the absence of the Chair the Vice Chair, will preside at Board meetings. Both the Chair and Vice Chair (but particularly the Chair) must:

Have the confidence of the other Board members;

Have a demonstrable understanding of the nature of their roles, the role of the Board itself and its relationship with the executive;

Have the experience and capacity to preside at Board and Museum meetings;

Have reasonable experience in business and financial management;

Remain acceptable to the membership of the Museum;

Be prepared to immediately step down from their office if the Board loses confidence in them and resolves that they are no longer acceptable to hold office.

8.4 Co-option of extra Board members

The Constitution provides for the co-opting of up to two Board members (who need not be Museum members) for particular purposes. The Board is responsible for identifying the need for co-opting particular expertise to the Board and recording the reasons in its minutes. The Chair is responsible for reporting these reasons, and the relevant

appointments, to the following General Meeting as well as ensuring that such information is included in the annual report to members.

Those appointed by co-option to the Board must be appointed by letter, which seeks their agreement to accept the appointment including:

- Abide by the Museum's Code of Conduct and Ethics, The Standards of Conduct Policy" the Constitution and this Charter, including the provision for removal that applies to other Board members;
- Accept the voluntary nature of their service;
- Be prepared forthwith to immediately resign from the Board if the Board or the Museum membership lose confidence in their appointment;
- Serve as a co-opted member for the length of time as mutually determined by the Board. A co-opted Board member may not commence acting as a Board member without having signed an acknowledgement and acceptance of the above conditions of appointment.

8.5 Financial Management

The Board is responsible to ensure the effective financial management of the Museum.

Notwithstanding its not-for-profit status, the aim of the Board and its sub-committees is that the Museum does not incur or accumulate debt, unless part of a well-constructed strategic plan approved by formal resolution of the Board that sets out the future advantages for the Museum in building or strengthening the overall business.

The Board is to monitor and, as necessary, direct the financial affairs of the Museum consistently with its not for profit business structure.

The Board must ensure that accounting reporting systems are kept and maintained to ensure sound accounting and auditing requirements are met.

8.6 Board Administration and Procedure

8.6.1 Frequency of Meetings

Board meetings should be held no less than bi-monthly. This will allow the Board to discharge its roles and responsibilities properly. Further meetings can be called as required by the Chair or Vice Chair. The Board can attend to Museum business "out of session", by electronic means.

8.6.2 Attendance by Board members

Members are expected to attend all scheduled Board meetings, unless they have submitted a prior apology to the Chair or Vice Chair.

Attendance should in person or, if approved by the Board by means of electronic communications. It is expected that Board Members have read all of the papers presented prior to the meeting.

8.6.3 Voting

Voting is an essential aspect of Board governance and must be undertaken following due process to ratify or veto any proposal or decision before the Board. Voting outcomes must also be appropriately recorded in the minutes. Prior to voting on any matter, Board

members must declare any interest or conflict they may have that may require them to abstain from voting.

8.6.4 Reports from appointed staff

Board and Sub-committee members expect that the Executive Officer will ensure that written reports for consideration at meetings are informative and succinct.

8.7 Communicating with Members

The Board where appropriate, commit to communicating effectively with the membership. All formal communications from the Board to members should be done via the Chair or, in the absence of the Chair, the Vice Chair. In appropriate circumstances, the Board may delegate a different Board member to fill this role.

8.8 Conflicts of interest

Board members must advise the Board if the member has a potential or actual conflict of interest and/or believes they may no longer be sufficiently independent. All such potential conflicts of interest will be recorded in the minutes of the relevant meeting.

8.9 Standard of Conduct of Individual Members

Each Board member must carry out his/her duties and responsibilities ethically, in good faith, and in the best interests of the organisation and in accordance with any Code of Conduct and Ethics and Standards of Conduct Policy approved by the Board.

8.10 Access to Information and Advice

The Board and any sub-committees must request and be provided with the information they need to be able to properly fulfil their duties to the Museum.

Furthermore, the Board may, collectively or individually, take any legal, financial or other advice at the expense of the organisation, where such advice is relevant to their duties and role as a Board member. If an individual Board Member requires legal, financial, or other advice consent must be received by the Board prior to taking such advice. Such consent by the Board will not be withheld unreasonably.

8.11 Independent Decision-Making

Board members must make their own independent assessments and decisions about matters before the Board. However, once the Board makes a decision all Board members are required to abide by and support that decision.

8.12 Confidentiality

Board members must keep confidential all Board and Museum discussions, deliberations, and decisions, which have not been disclosed to the public unless the Board specifically authorises the disclosure of such information or where disclosure is required by law.

8.13 Decision making and actions

Decisions made and actions undertaken by the Board must be prudent, based on adequate and accurate information provided at meetings and as appropriate, should not be made or enacted without considering the risks and benefits to the Museum in fulfilling its aim and objectives.

The Board may resolve to use other brand names for promotional purposes that do not disturb or serve to remove or diminish in any way the Museum name.

8.14 Delegation

The Board may delegate any of its functions (except this power of delegation) to:

- A sub-committee appointed by formal resolution of the Board; or
- The Executive Officer; or
- Any other person that the Board feels is appropriate in the particular circumstances

The Board has the power to revoke the delegated power by formal resolution. Any such delegation will be specified in writing.

8.15 Board Sub-Committees

The Board may establish sub-committees to assist with the carrying out of its duties. Such committees allow detailed consideration of items for recommendation to the Board, and allow better management of Board meeting time.

Each sub-committee must operate in accordance with the Museum's Constitution and this Charter with terms of reference approved by the Board. Minutes of sub-committees are to be provided to the full Board at the next Board meeting following the subcommittee meeting.

Sub-committees of the Board are to operate in a similar manner to the Board except that such sub-committees may only provide recommendations for consideration of the Board as a whole and may not make decisions on behalf of the Board unless its terms of reference specifically provide that authority.

The terms of reference of each sub-committee must also include details of nature, extent and frequency of reporting to the Board and of the composition of the subcommittee membership (which may include both Museum members and non-Museum members) and such other matters as the Board sees fit.

8.16 Reporting and minute taking

All decisions of the Board and recommendations from its committees are to be made in accordance with standard meeting procedure for boards and committees and are to be recorded by minutes prepared to satisfaction of the Board. Such minutes must include information to ensure that all Museum, Board and committee members can confidently understand the context of all deliberations and decisions made at the meeting.

All meeting minutes must be ratified/approved at the subsequent meeting (subject to any alterations proposed to ensure accuracy) and the approved minutes as altered, must be signed by the Chair or other person chairing the relevant meeting at which the minutes were approved.

9. Business Arrangements

Any arrangements with outside entities to provide support services for the Museum must be negotiated on a commercial basis with the aim of either generating further revenue for the Museum to assist it meeting its aim and objectives in accordance with its Constitution or decreasing the operating costs of the Museum for the same purpose.

The Board must consider and weigh up the risks and benefits to the Museum before approving or authorising any such arrangements.

10. Service standards

The Board must endeavour to ensure that the Museum achieves service standards that are equivalent to similar institutions, while considering the predominantly volunteer nature of its workforce

11. Review

The Board will:

- Provide a list of the skills of the Board members at each election to enable Museum members to ensure the Board has the capacity to undertake its functions in accordance with this Charter.
- Review annually the work and effectiveness of sub-committees it may appoint and decide their continuation or cessation prior to the annual general meeting.
- Undertake to review this Charter periodically and at least every three years