

The Charter template has been designed for use by new joint organisations. Each joint organisation can decide whether to use this template or prepare a different Charter, provided it still meets legislative requirements.

Prescribed elements of the Charter

Under the *Local Government Act 1993* (the Act) and *Local Government (General) Regulation 2008* the prescribed requirements for the Charter are as follows:

- the board is to prepare and adopt a Charter containing (but not limited to):
 - > operational principles for the joint organisation
 - > governance principles for the joint organisation
- the Charter is to contain the methodology for determining annual financial contributions to the joint organisation by member councils
- a Charter may adopt requirements that are additional or supplementary to, or more significant than, requirements made by or under the Act but cannot adopt requirements that:
 - > are less stringent than requirements made by or under the Act
 - > are inconsistent with or contravene regulations under the Act relating to Charters
- the Charter must be made publicly available on a website administered by the joint organisation within 30 days of adoption of the Charter.

Optional elements of Charter

Each joint organisation can determine the content of its own Charter, provided it includes the prescribed information above. This guidance document has been prepared to help joint organisations develop their own Charter and can be used in conjunction with the Charter template document.

Guidance to using the Charter template

This section provides guidance to completing each section of the sample Charter template.

1 Introduction

1.1 Preamble

Joint organisations may include an optional preamble. This may be a generic statement about joint organisations and their purpose or can be more tailored to the region. A sample preamble is provided below:

Joint organisations provide a forum for local councils and the NSW Government and others to work together to deliver priorities for communities in regional NSW.

Member councils in the [insert name of the joint organisation] have made a commitment to collaborate long term towards achieving a shared vision for the region.

The operation of and governance principles for the [insert name of joint organisation] is guided by this Charter, which has been adopted by resolution of the board.

1.2 Name and legal status

If a joint organisation chooses to use a business or trading name it should be included here.

1.3 Interpretation

The Charter is to be interpreted in accordance with the *Local Government Act 1993* and *Local Government (General) Regulation 2005* and the *Interpretation Act 1987*.

1.4 Definitions

Following is a list of standard Charter definitions. Joint organisations may choose to define other terms as they apply to their own Charter:

Act means the *Local Government Act 1993*.

Board means the joint organisation board consisting of the mayors of each member council, any additional voting representatives of these member councils appointed under section 400T of the Act and any other non-voting representatives who may attend but are not entitled to vote at a meeting.

Charter means this document, outlining the operational and governance principles for the joint organisation and any other agreed matters, consistent with the Act and other laws.

Chairperson means the person, who is a mayor, elected to the office of chairperson by the voting representatives on the board from among the voting representatives who are mayor.

Note: Joint organisations may choose to have a non-voting chairperson, in this instance the following text may be added to the definition of chairperson: The chairperson is elected as a non-voting chairperson and is therefore not entitled to vote.

Councillor means a person elected or appointed to civic office and includes a mayor.

Executive Officer means the person employed by the joint organisation to conduct the day-to-day management of the joint organisation in accordance with strategic regional priorities and other plans, programs, strategies and policies of the joint organisation and to implement without delay the lawful decisions of the joint organisation.

General Manager means the person employed by a council to conduct the day-to-day management of the council in accordance with strategic plans, programs, strategies and policies of the council and to implement without delay the lawful decisions of the council.

Joint organisation means an organisation proclaimed under Part 7 Chapter 12 of the *Local Government Act 1993*

Member council means those councils proclaimed under the Act to be part of the **[insert name of joint organisation]**.

Mayor means a person elected or appointed to civic office, who is the leader of the council.

Non-voting member means those councils and other organisations or individuals that are members of the joint organisation but do not have the right to vote.

Non-voting representative means the chosen representative of a non-voting member of the board (sometimes called an 'associate member'). This includes:

- an employee of the Public Service nominated by the Secretary, Department of Premier and Cabinet,
- any other individual or representative of a council or other organisation invited by the board to represent a non-voting member of the board, and
- any other person or a member of a class of persons prescribed by the Regulation.

Regulation means the *Local Government (General) Regulation 2005*.

Voting representative means a representative of a member council on the board.

1.5 Adopting the Charter

Joint organisations are required to consult member councils about the proposed content of the Charter. The Charter must be made publicly available on the joint organisation website within 30 days of adoption.

1.6 Amending the Charter

Joint organisations may choose to review their charter from time to time, for example following local government elections. This section can include a statement about the circumstances and timing in which a joint organisation will review its charter.

Joint organisations can also review, amend or re-adopt their Charter after the election of the chairperson (i.e. every two years) and/or after the local government general elections which are held every four years.

Joint organisations may choose to undertake a review more or less often. This section can include a statement about the circumstances and timing in which a joint organisation will review its Charter.

2 Establishment

2.1 Vision and principles

In its Charter, a joint organisation must identify the operational and governance principles by which it will function. The joint organisation may choose to include a vision statement. The vision and principles will be unique to each joint organisation and should align with the vision statement in their Statement of Strategic Regional Priorities.

Vision statements previously used by some regions include:

Riverina: *Strong region, strong local government, vibrant communities*

Illawarra: *A confident, vibrant and productive region that maximises its potential and looks after its people and environment.*

Previous commonly supported principles prepared during the development of joint organisation include that joint organisations will:

- be owned by, and accountable to, member councils
- not impose significant red tape, cost or risks on member councils
- ensure benefits delivered for the region it serves outweighs costs and risks
- work collaboratively with other levels of government, other partners and stakeholders

- enable significant projects and initiatives, and associated funding and assets, to be managed regionally where doing so is consistent with the shared vision for the region
- ensure good governance
- serve the best interests of the region and its communities.

2.2 Principal functions

The principal functions of joint organisations are those defined in the Act and cannot be added to by a joint organisation.

Any other functions that a joint organisation agrees to undertake should be listed under section 2.3 'other functions'.

2.3 Other functions

Joint organisations are not required to perform any functions outside of the principal functions.

It is up to joint organisation boards to decide whether the joint organisation will carry out other functions or not. Some or all members may choose to participate in other functions.

If a joint organisation agrees to carry out other functions, or to stop carrying out other functions, not contemplated in the Charter, the Charter should be amended to reflect this decision.

If a joint organisation carried out significant other functions for one or more member councils, a separate agreement should be established to govern these arrangements.

3 Membership

3.1 Voting Members

This section should provide details of the joint organisation member councils.

3.2 Non-voting members

The Act requires that the NSW Government, as represented by a nominee of the Secretary of the Department of Premier and Cabinet, is a non-voting member of the board.

Any additional non-voting members determined by the voting members of the board should be listed in this section.

3.3 Changes in membership

Strong and stable joint organisation membership promotes active participation by member councils and supports planning and budgeting to achieve better regional outcomes.

Voting members

However, from time to time a joint organisation may wish to invite a new voting member to join. In rare instances, it may also be appropriate for a voting member to leave the joint organisation.

Changes in voting membership need to be made by proclamation.

Non-voting members

From time to time a joint organisation may wish to invite a new non-voting member to join. It may also be appropriate for a non-voting member to leave the joint organisation. This is a matter for the board to determine by resolution.

3.4 Financial contributions

Each member council is required by the Regulation to make a financial contribution to the joint organisation. Each joint organisation is to determine the amount of the annual contribution in accordance with a methodology adopted by the board in this Charter.

The Regulation specifies that:

- a contribution may be a monetary payment or in any other form agreed by the joint organisation with the member council
- a joint organisation must consult member councils about proposed contributions.

3.5 Decision resolution

Well informed and high-quality decision making is critical for the board to be effective.

Joint organisations may at times require a decision-resolution process to ensure that the work of the joint organisation is able to progress.

An example decision-resolution process is outlined in the Charter template document. Joint organisations may choose to adopt this process and include it in their Charter or adopt another decision-resolution process instead.

It is suggested member councils seek legal advice about this process.

3.6 Dispute resolution

Joint organisations may wish to provide for an agreed dispute resolution process as part of their Charter.

This could capture matters such as notification of a dispute, informal resolution options and any formal procedure to be adopted if informal options fail.

It is suggested member councils seek legal advice about this process.

4 The board

4.1 Governing board and role

The board may resolve that an additional councillor from each council may be a voting representative of a member council on the board. The number of voting representatives from each council must remain equal at all times. Only councillors can be voting representatives.

4.2 Chairperson and role

The chairperson is to be elected by the voting representatives of the board from one of the mayoral representatives. In the absence of the chairperson, a person elected by the voting representatives at the meeting of the board is to preside at the meeting. The chairperson does not have a casting vote.

The chairperson is the joint organisation's spokesperson on strategic matters and will represent the joint organisation at regional forums where possible. They are responsible for the conduct of meetings.

Joint organisations may include the following text where the board agrees:

The board has elected to have a non-voting chairperson. The member council which the chairperson represents is to nominate a councillor to represent and vote on behalf of the council on the board.

4.3 Alternates

The Regulations specify that a member council may choose to appoint an alternate representative from its councillors. This may be or may not be the deputy mayor if that council has one.

While acting in the place of a voting representative on the board, a person has all the functions of a representative, including voting.

Member councils that choose to appoint an alternate representative must notify the joint organisation of that person's name and position.

4.4 Advisory committees and working groups

The board may establish committees or advisory groups as it considers appropriate and assign to them the functions and powers enabled under law and that the board considers appropriate.

The board may direct the role and duties of the committee, the manner in which it conducts its business and how it formally reports and makes recommendations to the board.

Joint organisations may wish to agree governance arrangements for any such committee or advisory group in this section of the Charter.

5 Meetings

5.1 Meeting frequency

The Act requires that joint organisations meet no less than four times per year, each time in a different quarter of the year. Joint organisations may choose to meet more frequently than this.

Joint organisations can agree other arrangements, such as meeting more often, and may wish to record those arrangements in this section of the Charter.

5.2 Participation and quorum

A joint organisation may, if it thinks fit, transact any of its business at a meeting at which representatives (or some representatives) participate by telephone or other electronic means, provided they can be heard by the other representatives. Participation by electronic means does not affect the voting rights of the chairperson or other representatives.

The joint organisation should include a statement in this section that either supports or precludes the use of technology for participating in a meeting of the joint organisation.

Joint organisations may also include the following text where the board agrees:

The board has resolved to enable remote participation in meetings by telephone or other electronic means. Representatives must be able to hear each other and be heard by other representatives.

The quorum for a meeting of the board is a majority of voting representatives entitled to vote under this Charter being at the meeting. No business is to be transacted at a general meeting without a quorum.

5.3 Voting and decision making

For principal functions, the Act requires that for a decision to be made it must be supported by a majority at which a quorum is present. This is the minimum standard for decision making and joint organisations may choose to implement more stringent voting requirements—such as a 75% majority or consensus decision making. Whichever voting requirements are agreed, they should be recorded in this section.

For other functions, joint organisations may choose to adopt different voting arrangements. These may be recorded in this section of the Charter or in other documents about those functions.

Decisions about principal functions

A decision of the board supported by a majority at which a quorum is present is a decision of **[insert name of joint organisation]**.

Each voting member of the board has one vote each in relation decisions taken about principal functions.

A motion at a meeting of the board is taken to be defeated in the event of an equality of votes. The chairperson, or person presiding at a meeting of the board, does not have a casting vote.

Decisions about other functions

This section is to be used to record voting arrangements for any other functions, where agreed to include in this Charter.

5.4 Annual general meetings

While there is no requirement for an annual meeting, a joint organisation may choose to provide for an annual meeting to present its annual report, audited financial statements, review its Charter (if necessary) and make future operational decisions.

Joint organisations may include the following text in this section, where the board agrees:

*The board has resolved to hold an annual meeting during the month of **[insert month]**.*

6. Planning and reporting

6.1 Consultation and publication

Joint organisations are required to publish a statement of Strategic Regional Priorities, an annual performance statement, an annual revenue statement and audited financial reports. Guidance on how to prepare each of these documents will be provided separately.

Joint organisations do not need to prepare an annual performance statement in the first year but may choose to do so. If a joint organisation chooses not to, the Charter should still refer to annual performance statements as the Charter will guide ongoing operations.

As financial reports are to be audited, arrangements for these audits should also be included in this section.

7. Other matters

7.1 Records

Joint organisations may choose to provide a statement about access to records by members and/or the general public. This may, for example, capture obligations under the *State Records Act 1998*, *Privacy and Personal Information Protection Act 1998* and *Government Information (Public Access) Act 2009*.

Each joint organisation must have a public officer, who will be the executive officer unless another staff member is designated to fulfil that role.

7.2 Insurance

The joint organisation should ensure appropriate insurance arrangements are in place and may wish to record those arrangements here.

7.3 Indemnity

Under the Act, representatives of members and staff of the joint organisation are protected from liability for functions and duties carried out or omitted honestly, in good faith and with due care and diligence.

7.4 Policies

Joint organisations must adopt an expenses and facilities policy for voting representatives of the board and consult members in preparing this policy.

They must also adopt a Code of Meeting Practice and a Code of Conduct and procedures for administering the code under the Act. Further policies may also be adopted and detailed in this section.

8. Transitional arrangements

If a Regional Organisation of Councils is transferring some or all of its functions to a joint organisation, details of the transitional arrangements should be included in this section.