

OCA Conduct of Business

Member Induction

DOCUMENT CONTROL

	Procedure: OCA Conduct of Business Member Induction	Version: 1.0
Contact person: Byron Gough	Date Completed: 20 September 2017	Status: Draft
Contact number: 0427 687 772	Next review date: tied to policy	Objective ID: A3485543 V5.0

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OCA Conduct of Business Policy

Member Induction

PURPOSE

This document is provided as part of a suite of documents designed to provide members with an understanding of their role with the Outback Communities Authority (OCA) and how it operates within the Government structure. Together the documents also set out the role, rights and responsibilities members are obliged to observe when fulfilling their duty on the OCA Board.

INTRODUCTION

The OCA is an instrumentality of the Crown established to facilitate the administration and management of outback communities. It is established pursuant to section 5 of the *Outback Communities (Administration and Management) Act 2009* (the Act) as the successor to the Outback Areas Community Development Trust.

The OCA consists of seven members appointed by the Governor for a term not exceeding three years. Of the seven members, at least four must be members of different outback¹ communities. The Governor appoints one of the members to be the presiding member of the OCA. The power to remove any member of the OCA also rests with the Governor.

The OCA meets every second month, usually in Port Augusta, however community meetings are scheduled each year. The last meeting for the year is usually held in Adelaide. Meetings are open to the public. A quorum of the OCA is four members. A decision of a majority vote cast by members at a meeting is the basis of a decision of the OCA. Each member present at a meeting has one vote. If the vote is tied the presiding member may exercise a casting vote.

Staff are assigned to assist the OCA from the Public Service. Administratively, staff assigned to assist the OCA are attached to an agency, presently the Department for Planning, Transport and Infrastructure. Machinery of Government changes will, from time to time, result in staff being transferred to other agencies. The agency responsible for the staff at any given time will also have responsibility of some administrative aspects of the OCA.

WHAT IS A STATUTORY AUTHORITY

A Statutory Authority is simply an entity established by an act of Parliament, the statute, and in the case of the OCA, is governed by a board. While boards are ultimately accountable to Parliament this accountability is usually exercised by the Minister.

¹ The term *Outback* is defined in the Act and its regulations

A statutory authority established by Parliament and subject by statute to ministerial direction differs in nature and function from a company established under Corporations Law. Like companies, statutory authorities have the power to enter contracts, sue and be sued, hold land and property and spend money from their own accounts. However, the differences are significant. Statutory authorities generally have a public service element which requires them to pursue social benefits to the community which may be in conflict with financial objectives.

In legal terms, the main difference is that they do not have consensual shareholders; instead Parliament is responsible for creating the authority. (Terlet, 1994)

THE ACT

The *Outback Communities (Administration and Management) Act 2009* authorises and validates all actions of the OCA. The Act comprises four parts, two of which have several divisions:

- Part One – Preliminary, deals with interpretations and the objects of the Act
- Part Two – Outback Communities Authority
 - Division 1 – Establishment, establishes the OCA and describes its functions and objectives.
 - Division Two – Administration, defines what membership is to be, proceeding of the OCA committees and delegations.
 - Division Three – Management practices, sets out public consultation processes, community support, planning and reporting requirements.
- Part Three – Application of Other Acts
 - Division 1 – Preliminary, deals with interpretations of the other Act.
 - Division 2 – Local Government Act, set out the OCA's rating and order making powers.
- Part Four – Miscellaneous
 - Regulations

It is not imperative members have an intimate understanding of the Act however, a general understanding of its capabilities and limitations should be attained.

As part of the member induction process, important sections of the Act will be discussed in detail.

THE ROLE OF OCA

Collectively, the appointed members make up the OCA. The role of the OCA is to oversee the implementation and performance of the Act.

The main purposes (objectives) of the Act (s5) are:

- to provide for efficient and accountable administration and management of outback communities;
- to promote participation of outback communities in their administration and management; and
- to raise revenue for public services and facilities in the outback.

The functions of the OCA (S6) are—

- to manage the provision of public services and facilities to outback communities;
- to promote improvements in the provision of public services and facilities to outback communities; and
- to articulate the views, interests and aspirations of outback communities.

These objects of the Act and the functions of the OCA should underpin all of the OCA's activities and undertakings.

THE AUTHORITY'S POLICES AND PROCEDURES

The OCA creates its own policies so that it meets its long-term strategic aims. Those policies includes broad policies, values, practices and procedures of 'the way we do things around here', and what is held to be important and valued by the organisation determined within the Government policy framework. (DPC, 2014).

The functionality of OCA policies are evaluated by OCA staff on an ongoing basis. The Policies are reviewed by the OCA on recommendation of OCA staff or within three months of the appointment or renewal of tenure of a presiding member, whichever shall occur first. All OCA's policies are posted on its web site.

As part of the member induction process, each policy and any supporting documentation, will be discussed in detail.

As an instrumentality of the Crown, the OCA and its staff have a complex relationship with Government in relation to whole of Government and / or agency policies and procedures. Staff are obliged to comply with all relevant whole of Government and / or agency policies and procedures. The OCA is bound more particularly by certain Government procedures and of course, other relevant legislation. The principle procedures affecting the OCA are the various *Treasurer's Instructions* and *Premier and Cabinet Circulars*.

As part of the member induction process, each of the various *Treasurer's Instructions* and *Premier and Cabinet Circulars* will be discussed in detail.

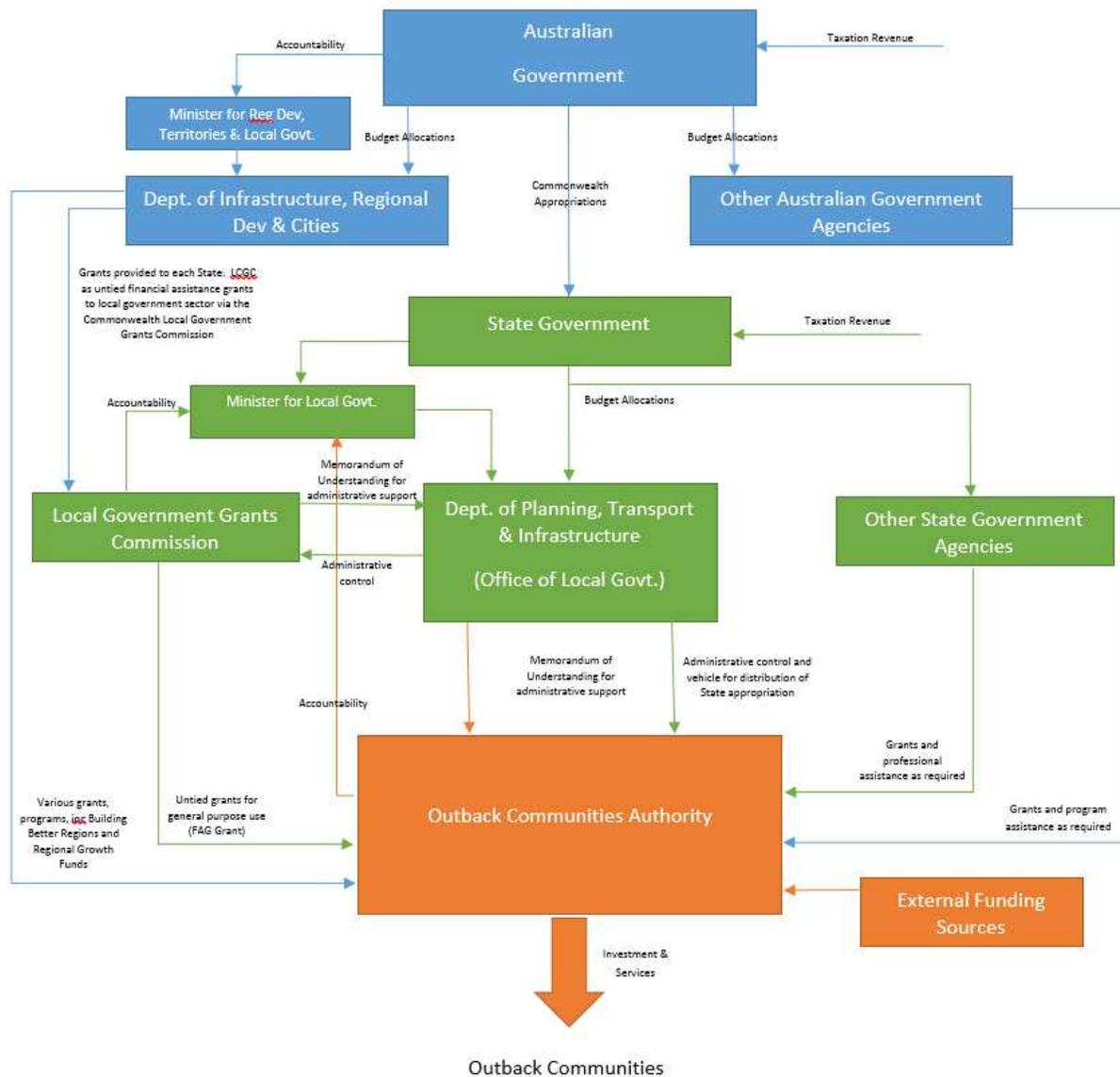


Figure 1: OCA interaction with Government and other agencies

MEMBERS' ROLE AND RESPONSIBILITIES (DPC, 2011)

Members of boards are appointed for their personal skills and knowledge and are required to exercise these for the benefit of the organisation as a whole. Members are not appointed to represent the views of any particular stakeholder or interest group, even though they may have been nominated by a specific group as specified by legislation. As members of a board, they are responsible to the government through the Minister and ultimately to the community for the manner in which they exercise their functions.

Members of boards that exercise statutory functions have significant responsibilities which may be subject to high levels of public scrutiny. Members must ensure that their actions are effective,

lawful and justifiable by having a good understanding of the objects of the relevant legislation and a good working knowledge of the requirements of the Act that established their role (DPC, 2014).

Appointment to a government board places members in a unique position of trust. The community expects a high standard of ethical behaviour from the public sector, and to ensure that this expectation is met, public sector appointees operate under a framework of rules dealing with honesty and accountability. The framework is created by three Acts of Parliament:

- the *Public Sector (Honesty and Accountability) Act 1995*, which covers appointees' legal duties;
- the *Criminal Law Consolidation Act 1935*, which covers criminal offences committed by public officers; and
- The *Public Sector Act 2009*, which covers immunity from civil liability.

The duties of corporate agency members and advisory body members are set out in the *Public Sector (Honesty and Accountability) Act 1995*. Members are required to act honestly when performing their functions. Failure to do so can result in a fine of \$15,000, four years' imprisonment, or both.

If a member (or an associate of a member) has an interest in a matter being considered by the board, the member must leave the room when that matter is being discussed or voted on, and cannot take part in any discussion or voting. Full and accurate details of the member's interest must be disclosed to the board itself. Neither the member nor the presiding member can absolve a member of their duty with respect to conflict of interest.

Members are required to exercise a reasonable degree of care and diligence at all times in the performance of their functions. If found to be guilty of culpable negligence, members may be liable for a fine of up to \$15,000. If a member is acting in accordance with a direction from the minister, the member cannot be found guilty of culpable negligence.

Members may not improperly seek, accept, or agree to accept a benefit from another person as a reward or inducement for:

- an act or omission in their official capacity; or
- the exercise of power or influence you have, or purport to have, by virtue of public office.

Members must not improperly:

- exercise power or influence they have by virtue of their public office;
- refuse or fail to perform an official duty or function; or
- use information gained by virtue of their current or former public office,

with the intention of:

- securing a benefit for themselves or somebody else; or
- causing injury or detriment to somebody else. (DPC, 2011)

MEMBERS' REMUNERATION AND REIMBURSEMENTS

The Chief Executive of the Department of the Premier and Cabinet is authorised to assess and recommend remuneration for members of government appointed part-time boards and

committees. OCA is a category 1 level 6 (annual remuneration) board. Annual fees are paid² in full for each year of service regardless of the number of meetings attended by the member during the course of their appointment. Where a board member ceases to hold office for any reason, the individual's entitlement to remuneration ends effective from the relevant date. Annual fees cover all work of the board, including preparation for meetings and discussions held outside of formal meetings.

In accordance with the *Superannuation Guarantee (Administration) Act 1992* (Cth), employers are required to contribute a prescribed minimum amount to the superannuation fund account of all employees earning greater than \$450 in a given month. The prescribed superannuation guarantee (SG) contribution rate will remain at 9.5% until July 2021 when it will increase gradually to 12%

Board members are eligible for membership of the Government's Triple S Scheme once they are paid at least \$450 in a month. Once this occurs, and the individual concerned is a member of the Triple S Scheme, employer contributions at the SG rate must be paid to the Triple S Scheme for future payments of any amount (including amounts less than \$450).

The Boards and Committees Information System (BCIS) is a database developed to record the membership and remuneration details of government boards and committees. The database is held and maintained by the Boards and Committees Unit, DPC. Membership and remuneration details of OCA members are required to be recorded on BCIS

As part of the government's commitment to transparency, accountability and good corporate governance, the information recorded on BCIS is reported to Parliament annually as at the end of each financial year and published on the DPC website.

In accordance with the government's Information Privacy Principles Instruction, issued as DPC Circular 12, board members are advised that their personal details are collected for the purposes of inclusion on BCIS.

Members required to travel a distance of greater than 40 kilometres one-way to attend meetings are entitled to costs necessarily incurred for meals and accommodation and:

- where public transport is used: actual travel costs necessarily incurred; or
- where a private motor vehicle is used: an allowance at the rate specified in Commissioner's Determination 3.2).

Claims for payment of travel, meal and accommodation expenses are to be made in accordance with Commissioner's Determination 3.2. A reference to a CE or employer in that document is to be read as a reference to the agency responsible for paying the board member. Board members are entitled to reimbursement of expenses necessarily incurred in connection with their role as a board member. However, reimbursement of expenses which are clearly the member's responsibility, such as car parking and child care expenses, are not to be provided. (DPC, 2016)

IMPORTANT DOCUMENT AND LINKS

The following documents/links underpin the member induction process.

- Treasurer's Instructions 2 – Financial Management;
- Treasurer's Instructions 7 - Corporate Governance;

² Special circumstances apply for SA Government employees & Targeted Voluntary Separation Package recipients.

- Treasurer's Instructions 8 – Financial Authorisations;
- Treasurer's Instructions 28 - Financial Management Compliance Program (<http://www.treasury.sa.gov.au/public-sector-operations/compliance-and-resources/treasurers-instructions>);
- Premier and Cabinet Circular 16 - Remuneration for Government Appointed Part-Time Boards and Committees;
- Premier and Cabinet Circular 22 - Establishment and Governance Requirements for Government Boards and Committees (<http://dpc.sa.gov.au/what-we-do/services-for-government/premier-and-cabinet-circulars>);
- Commissioner's Determination 3.2 – Employment Conditions – Remuneration – Allowances and Reimbursements (<https://publicsector.sa.gov.au/wp-content/uploads/20180222-Commissioners-Determination-3.2-Employment-Conditions-Remuneration-Allowances-and-Reimbursements.pdf>); and
- Government Boards and Committees (Guidelines for Agencies and Board Members) (<http://dpc.sa.gov.au/documents/rendition/B17636>);
- Honesty and Accountability for Members of Government Boards (<http://dpc.sa.gov.au/documents/rendition/B17638>);
- OCA Policies (<http://oca.sa.gov.au/policy>)

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DPC. (2014). Government Boards and Committtes - Guidelines for Agencies and Board Members.

DPC. (2016). Premier and Cabinet Circular 16.

Terlet, M. A. (1994). Public Sector Governance, New Responsibilities of Directors of.