



# Airservices Australia

## Board Charter

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**OFFICIAL**

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## Change summary

Version	Date	Change description
1	2 July 2019	Initial Version of Board Charter, replacing the previous Board Governance Manual.
2	5 August 2019	Amendments to reflect the establishment of the Board Environment and Community Committee.
3	4 December 2020	Amendments to reflect processes for Board appointment recommendations, meeting procedures, inductions, supply of equipment and videoconferencing practices. Minor updates to reflect title changes to corporate governance benchmarks, committees and positions; to ensure alignment with language in the ANO Charter; and to correct or clarify language.

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## 1 Context for Airservices

Airservices Australia (**Airservices**) is a corporate Commonwealth entity established by the *Air Services Act 1995 (Air Services Act)*, which is wholly owned by the Australian Government. The Board, as the governing body, is established by the *Air Services Act*. The governance of Airservices is further regulated by the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

## 2 Purpose

This Charter sets out the authority, roles and responsibilities of the Board and management of Airservices, and of the Australian Government in respect of Airservices, based on principles of good corporate governance. It also provides the basis for the operating arrangements and practices of the Board.

This document provides members of the Airservices Board (**Board members**), management and staff with direction and guidance on governance arrangements and practices relevant to the respective roles and responsibilities of the Board and management of Airservices.

Board members, management and staff may seek advice from the Board Secretariat on the application of this Charter.

## 3 Authority and scope

This Charter is established by the Board under the *Air Services Act*, which vests in the Board the functions of deciding the objectives, strategies and policies to be followed by Airservices, and ensuring that Airservices performs its functions in a proper, efficient and effective manner.

Subject to the *Air Services Act*, the *PGPA Act* and any other applicable legislation, all Board members and officials of Airservices are bound by the terms of this Charter. The Charter should also be read in the context of the:

- *Commonwealth Resource Management Framework*, including:
  - *Duties of Accountable Authorities* (RMG 200),
  - *Guide for corporate Commonwealth entities on the role of audit committees* (RMG 202),
  - applicable sections of the *Commonwealth Government Business Enterprises – Governance and Oversight Guidelines* (RMG 126), and
- applicable sections of the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations* (4<sup>th</sup> Edition),

which the Board has adopted as its principle benchmarks for good corporate governance.<sup>1</sup>

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<sup>1</sup> It should be noted that Airservices is not a Government Business Enterprise or an ASX Listed Corporation, and these benchmark references have been adopted as guidance only.

## 4 Role of the Australian Government

The Australian Government is the owner of Airservices and is represented by the Minister responsible for administering the Air Services Act<sup>2</sup> (**Minister**). It is the role of the Minister to exercise strategic control over Airservices, consistent with its accountability to the Parliament and to the public through:

- a) The appointment of the Chairperson, Deputy Chairperson and Board members (other than the Chief Executive Officer)<sup>3</sup>.
- b) Formulating and communicating Australian Government objectives and policy to Airservices through:
  - (i) directions to Airservices relating to the performance of its functions or the exercise of its powers<sup>4</sup> (see **Appendix A** for current directions);
  - (ii) a Statement of Expectations articulating the Minister's views on the appropriate strategic direction for Airservices, and the manner in which it should perform its functions<sup>5</sup>; and
  - (iii) directions to the Board to vary the Airservices Corporate Plan in respect of financial targets, performance indicators, or the provision of services and facilities<sup>6</sup>.
- c) Monitoring the operations of Airservices through the receipt of reports, notices and other information from Airservices, including directing Airservices to give a specified Ministerial nominee any documents or information relating to Airservices' operations that the nominee requests<sup>7</sup>.

A schedule for provision of information to the Australian Government, which has been agreed with the Minister's Department of State (**Department**), is included in **Appendix B**.

The Finance Minister also has an interest in the governance of Airservices, as provided by the PGPA Act.

The Finance Minister may issue a government policy order to Airservices specifying that a policy of the Australian Government is to apply to Airservices activities<sup>8</sup>. Subject to any prevailing requirement of the Air Services Act, the Board must ensure compliance with a government policy order.

## 5 Role of the Board

### 5.1 Composition

The Air Services Act prescribes the membership of the Board as consisting of:

- a Chairperson

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<sup>2</sup> The Administrative Arrangements Order, made by the Governor-General, specifies which Minister of State is responsible for the administration of the Air Services Act. A copy of the Order can be found at: [www.pmc.gov.au](http://www.pmc.gov.au).

<sup>3</sup> Section 22 Air Services Act.

<sup>4</sup> Section 16 Air Services Act.

<sup>5</sup> Section 17 Air Services Act.

<sup>6</sup> Section 14 Air Services Act.

<sup>7</sup> Section 18 Air Services Act.

<sup>8</sup> Section 22 PGPA Act.

- a Deputy Chairperson
- the Chief Executive Officer
- 6 other members

## 5.2 Duties

The Board is the governing body of Airservices and is accountable for deciding the objectives, strategies and policies to be followed by Airservices, and for ensuring that Airservices fulfils its statutory functions in a proper, efficient and effective manner<sup>9</sup>. The Board acts in all matters concerning Airservices in the best interests of Airservices.

The Board acts in accordance with the following duties:

- Duty to govern Airservices;<sup>10</sup>
- Duty to establish and maintain systems relating to risk and control;<sup>11</sup>
- Duty to encourage cooperation with others;<sup>12</sup>
- Duty in relation to requirements imposed on others;<sup>13</sup> and
- Duty to keep responsible Minister and Finance Minister informed.<sup>14</sup>

In respect of the duty to keep the responsible Minister and Finance Minister informed, the Board delegates to the Chairperson day-to-day responsibility for notification of significant decisions and issues (noting that the Board remains accountable), and requires that a report be provided, at the next practicable meeting of the Board, after any notification has occurred.

## 5.3 Independence

As a governing body, the Board is independent from the management of Airservices. Structures and procedures are in place to ensure that occurs.

The roles and responsibilities of the Chairperson and CEO are separate as set out in the Air Services Act<sup>15</sup>. These roles and responsibilities are detailed in this Charter.

## 5.4 Functions and reserved powers

### 5.4.1 Functions

As the governing authority, the primary functions of the Board are:

- a) strategic oversight of Airservices, including:
  - (i) setting the mission, values, code of conduct to underpin the desired culture, Corporate Plan and other corporate strategies of Airservices;

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<sup>9</sup> Section 21 Air Services Act.

<sup>10</sup> Section 15 PGPA Act.

<sup>11</sup> Section 16 PGPA Act.

<sup>12</sup> Section 17 PGPA Act.

<sup>13</sup> Section 18 PGPA Act.

<sup>14</sup> Section 19 PGPA Act.

<sup>15</sup> Part 3, Division 1 and Part 4, Division 1 Air Services Act

- (ii) responding to the Ministers' Statement of Expectations with a Statement of Intent, outlining how Airservices proposes to meet the Australian Government's expectations (including key performance indicators crucial to the success of Airservices of both a financial and non-financial nature); and
  - (iii) ongoing review of the success of the Corporate Plan and other corporate strategies.
- b) ensuring effective overall governance and management of Airservices, including:
- (i) appointing the Chief Executive Officer, and monitoring their performance;
  - (ii) overseeing and reviewing the management of Airservices and its performance;
  - (iii) ensuring that the strategic goals set by the Board are delivered by effective management systems;
  - (iv) overseeing and monitoring the provision of services and facilities by Airservices;
  - (v) overseeing and monitoring the effectiveness of the corporate governance of Airservices;
  - (vi) establishing corporate policies, consistent with legal requirements and community expectations;
  - (vii) influencing and monitoring the culture, reputation, ethical standards and legal compliance of Airservices, including by instilling and continually re-enforcing a culture across Airservices of acting lawfully, ethically and responsibly;
  - (viii) engaging with the Australian Government on the objectives, strategies and risks of Airservices; and
  - (ix) ensuring that an appropriate framework exists for relevant information to be reported by executive management of Airservices to the Board.
- c) ensuring responsible financial and risk management of Airservices, including:
- (i) approving the corporate financial plan and enterprise investment plan, including:
    - ensuring that Airservices revalues its assets at least once every 5 years<sup>16</sup>, and
    - recommending to the Minister (within legislated time frames) the amount, if any, of an interim<sup>17</sup> and final<sup>18</sup> dividend;
  - (ii) approving the annual report<sup>19</sup>, annual financial statements, annual performance statements and annual remuneration report;
  - (iii) ensuring that Airservices' remuneration policies are aligned with its purpose, values, strategic objectives and risk appetite;
  - (iv) overseeing and monitoring the assessment and management of risk (for both financial and non-financial risks) across Airservices;

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<sup>16</sup> Section 45 Air Services Act.

<sup>17</sup> Section 47 Air Services Act.

<sup>18</sup> Section 46 Air Services Act.

<sup>19</sup> Section 51 Air Services Act requires Airservices' Annual Report must include an assessment of the adverse effect (if any) that meeting the non-commercial commitments imposed on Airservices has had on Airservices' profitability during the financial year.

- (v) approving and monitoring systems of control and accountability for Airservices and any entities controlled by Airservices<sup>20</sup>; and
- (vi) approving significant commercial activities of Airservices.

The Board may undertake any other function conferred on it by the Air Services Act or any other law of the Commonwealth.

## 5.4.2 Matters Reserved for the Board

The powers and functions of the Board conferred on it by the Air Services Act, the PGPA Act or any other legislation, are reserved as matters for decision or consideration by the Board. However, the Board may, at its discretion, delegate all or any of its powers and functions to a Board Member or employee of Airservices<sup>21</sup>.

The matters currently reserved for decision or consideration by the Board are listed at **Appendix C**.

## 5.4.3 Chief Executive Officer and Executive Management

Appointing<sup>22</sup> and, should it be necessary, terminating the employment of the Chief Executive Officer is a decision of the Board. The appointment of a Chief Executive Officer is made following consultation with the Minister<sup>23</sup>.

The People, Culture and Remuneration Committee considers, reviews and makes recommendations for a decision by the Board on the remuneration, conditions of employment and annual performance of the Chief Executive Officer.

Matters concerning the employment, remuneration and performance of the executive management of Airservices is the responsibility of the Chief Executive Officer, under the oversight of the Board. On behalf of the Board, and in accordance with its Charter, the Board People, Culture and Remuneration Committee monitors, reviews and, where appropriate, makes recommendations to the Chief Executive Officer or Board (when appropriate) on these matters.

The Board has delegated authority, subject to this Charter and the Chief Executive Officer Agreement, to the Chairperson to act as the manager of the Chief Executive Officer as an employee of Airservices. In this respect, the Chairperson may exercise delegations and authorisations as resolved by the Board from time to time. Records of all approvals will be kept by the Board Secretariat, and may be done by letter, email or fax.

## 5.4.4 Acting Chief Executive Officer

The Board has resolved to delegate authority to the Chairperson to appoint an Acting Chief Executive Officer under certain circumstances, those being:

1. in the event the Chief Executive Officer is absent from Australia, or from duty, or is for any other reason unable to perform the functions of the office; or
2. in the event the office of Chief Executive Officer falls vacant without notice.

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<sup>20</sup> Within the meaning of section 50AA of the Corporations Act 2001.

<sup>21</sup> Section 23 Air Services Act.

<sup>22</sup> Section 34 Air Services Act.

<sup>23</sup> Department of Prime Minister and Cabinet, Cabinet Handbook, 12th Edition



The exercise of this delegation is subject to the limitations and conditions specified in the Board's resolution.

Under any circumstances, if any person assumes the role of Acting Chief Executive Officer for any period, the Chairperson must report accordingly to the Board at the next meeting of the Board after the acting period occurs.

### **5.4.5 Corporate Plan and Other Corporate Strategies**

Approval of the Corporate Plan and other corporate strategies is a matter reserved for decision by the Board. The Board and executive management are responsible for the development of the Corporate Plan and other corporate strategies for Airservices, through a process determined by the Board (acting with the advice of the Chief Executive Officer).

The Corporate Plan must be prepared in a manner consistent with the requirements of the PGPA Act. In addition, the following must be taken into account when preparing the Corporate Plan<sup>24</sup>:

- a) the need for high standards of aviation safety;
- b) the objectives and policies of the Australian Government known to the Board;
- c) any directions given by the Minister<sup>25</sup>;
- d) any payments made by the Australian Government to Airservices to fund its search and rescue services;
- e) the need to maintain a reasonable level of reserves, having regard to estimated future infrastructure requirements;
- f) the need to earn a reasonable rate of return on Airservices assets (other than assets wholly or principally used in the provision of search and rescue services);
- g) the expectation of the Australian Government that Airservices will pay a reasonable dividend;
- h) any other commercial considerations the Board thinks appropriate.

The Board monitors the executive management's implementation of the Corporate Plan and other corporate strategies, and performance against them.

### **5.4.6 Subsidiaries**

Airservices may establish subsidiaries<sup>26</sup>. The governance arrangements for subsidiaries are determined by the Board on a case by case basis. The Board must ensure that a subsidiary does not do anything that Airservices does not have power to perform<sup>27</sup>.

At the date of this Charter, Airservices does not have any subsidiaries.

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<sup>24</sup> Section 13 Air Services Act.

<sup>25</sup> Section 16 Air Services Act.

<sup>26</sup> Section 11 Air Services Act.

<sup>27</sup> Section 86 PGPA Act.

## 6 Board Committees

The Board has established a series of Board Committees to assist with the discharge of specific responsibilities of the Board, and to make recommendations to the Board in respect of their respective areas of responsibility. Any Board Member may attend a Committee meeting.

The Committees are:

- Board Audit and Risk Committee;
- Board Safety Committee;
- Board People, Culture and Remuneration Committee;
- Board Technology and Investment Committee; and
- Board Environment and Community Committee.

Each Committee has a Charter approved and reviewed by the Board on an annual basis. The Chairperson is responsible for monitoring the membership of Board Committees, and making recommendations to the Board for new appointments and changes to existing appointments. Appointments to the membership of Committees will be reviewed by the Board on a biennial basis.

The Chairperson and Chief Executive Officer are ex officio members of all Board Committees, other than the Board Audit and Risk Committee. Ex-officio members of Committees have the same rights as the other members of the Committee, including the right to vote and be counted in determining whether or not a quorum is present.

All Board members have access to papers for meetings of the Committees.

Board Committees do not have authority to make decisions on behalf of the Board, unless the Board has specifically delegated powers to the Committee.

The Board may form ad-hoc sub-committees or working groups to consider specific matters and to operate for a fixed term. This may include establishing a committee comprising members with appropriate national security clearances to consider national security issues. Sub-committees are established by the Board or by recommendation of a Board Committee. Sub-committees or working groups are advisory and do not have authority to make decisions on behalf of the Board, unless expressly empowered by the Board to do so.

## 7 Board Member Appointments and Remuneration

### 7.1 Appointment and Termination

All members of the Board, other than the Chief Executive Officer, are appointed by the Minister. The Minister determines the period of appointment, which must be for not more than five years<sup>28</sup>. An appointed Board member may be eligible for reappointment<sup>29</sup>.

The Board, through the Chairperson, may provide advice to the Minister, through the Department, on suitable candidates for appointment to the Board. The Board will

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<sup>28</sup> Section 27 Air Services Act.

<sup>29</sup> Section 27 Air Services Act.

discuss its composition and up-coming (re)appointments at least twice annually. In doing so, the Board will:

- consider its medium-term objectives in relation to Board composition, taking into account the strategic objectives and risks of Airservices;
- maintain a succession plan for non-executive Board member positions;
- maintain a Board composition matrix, which maps current and desired skills, experience and demographics amongst Board members;
- initiate processes for identifying suitable candidates for consideration by the Minister for appointment to the Board

A Board Member may resign from the Board by providing a written resignation to the Minister<sup>30</sup>. A Board Member should also provide a copy of their resignation to the Chairperson.

The Minister may terminate the appointment of a Board Member<sup>31</sup>. The reasons for termination are set out at **Appendix D**.

## 7.2 Board Member Remuneration

The remuneration paid to Board Members is determined by the Remuneration Tribunal in accordance with the *Remuneration Tribunal Act 1973*. The most recent Determination setting out the remuneration for Board Members of the Airservices Board is available from the Board Secretariat. Fees are remitted by way of fortnightly payments directly to a nominated bank account. Alternatively, Board Members may nominate to salary sacrifice all or part of their remuneration to a superannuation fund.

## 8 Role of the Chairperson

The Chairperson's principal responsibilities are to provide appropriate leadership to the Board and to ensure the Board fulfils its role specified in this Charter.

The Chairperson has specific responsibilities to:

- a) Convene and preside over Board meetings<sup>32</sup>, and other Board-level meetings, and to facilitate discussion within each meeting.
- b) Represent the views of the Board to Airservices staff, customers, aviation stakeholders and the general public.
- c) Be the principal point of contact between Airservices and the Minister and Finance Minister.
- d) Maintain a regular dialogue with the Chief Executive Officer and executive management (with the knowledge of the Chief Executive Officer), serving as a primary link between the Board and management and providing continuity between Board meetings.
- e) Work with the Chief Executive Officer in relation to the Board's requirements for information to contribute effectively to the Board decision-making process and to monitor the effective implementation of Board decisions.

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<sup>30</sup> Section 31 Air Services Act.

<sup>31</sup> Section 31 Air Services Act or Section 30 PGPA Act.

<sup>32</sup> Section 24 Air Services Act.

- f) Approve expenses and allowances for Board members (refer **Appendix E**).

## 9 Role of the Deputy Chairperson

The Deputy Chairperson's principal responsibilities are to assist the Chairperson in providing appropriate leadership to the Board and ensuring the Board fulfils its role specified in this Charter.

The Deputy Chairperson has specific responsibilities to:

- a) Convene and preside over Board meetings, in the absence of the Chairperson<sup>33</sup>.
- b) Act as Chairperson, if appointed by the Minister, during a vacancy in the office of Chairperson, or if the Chairperson is absent from duty or from Australia, or otherwise unable to perform the office<sup>34</sup>.
- c) Assist the Chairperson with their specific responsibilities as listed above.
- d) Lead the Board in its deliberations and advice to the Australian Government on the appointment or re-appointment of a Chairperson.
- e) Approve expenses and allowances for the Chairperson (refer **Appendix E**).

## 10 Role of the Chief Executive Officer and Executive Management

The delivery and achievement of the Corporate Plan, and the management and administration of Airservices are the accountability of the Chief Executive Officer, in accordance with the Air Services Act and subject to any resolution of the Board.

Under the Air Services Act, the Chief Executive Officer has authority to undertake any action on behalf of Airservices that is within Airservices' legal authority to do, except where the Board has expressly limited that authority<sup>35</sup>. The Board has determined the limits of the financial or other authority of the Chief Executive Officer that are set out in **Appendix F**.

The Chief Executive Officer is accountable to the Board. The Chief Executive Officer reports to the Board through the provision of reports, briefings and presentations to the Board, covering the performance of Airservices and key issues affecting it, throughout the year, including a formal written 'Chief Executive Officer's Report' to every ordinary meeting of the Board.

### 10.1 Expectations for Leadership, Decision-Making and Culture

In leading and making decisions for Airservices, and in shaping its culture, it is expected that the Chief Executive Officer and (through the Chief Executive Officer) the executive management, exemplify, promote and ensure that:

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<sup>33</sup> Section 24(5) Air Services Act.

<sup>34</sup> Section 33 Air Services Act.

<sup>35</sup> Section 35 Air Services Act.

- a) Staff and contractors conduct themselves in a manner that reflects commonly accepted standards of professional or business practice and ethics, including acting with honesty and integrity, with respect and dignity in relationships amongst those involved in, or affected by, Airservices activities.
- b) Resource allocation decisions, capital and operating expenditure, or investment decisions, are made with due reference to their impact on the financial condition of Airservices, and the associated impact on the achievement of the Corporate Plan.
- c) Decisions or actions are taken with due reference to their impact on the workplace health and safety outcomes, and the associated impact on the achievement of the Corporate Plan.
- d) Decisions or actions are taken with due reference to their effect on the reputation of Airservices and the associated impact on the achievement of the Corporate Plan.
- e) Risks that are material to the Airservices functions are identified and managed in accordance with the Board's Risk Appetite Statement and within appropriate systems of control.
- f) The provision of information to the Board is frank, consistent, coherent and complete. The Board is promptly advised if plans or budgets will not be achieved, and that the role of the Board in dealing with the matters that the Board has reserved for its own attention is respected.
- g) The executive and senior management of Airservices is organised with processes for ensuring long term succession planning, attracting and retaining talent, building a capable and agile management team and ensuring equal opportunity.

## 11 Role of the Board Secretariat

The Board is supported by the Board Secretariat, which is currently comprised of a Board Secretary, Deputy Board Secretary and a Board Executive Coordinator.

Appointing and, should it be necessary, terminating the employment of the Board Secretary is a decision reserved for the Board. The Board Secretary is accountable directly to the Board through the Chairperson on matters relating to the proper functioning of the Board.

The responsibilities of the Board Secretariat include:

- a) Being the Board's principle advisor on corporate governance matters;
- b) Organising Board and Board Committee meetings and ensuring that proper and accurate minutes are taken of those meetings;
- c) Maintaining proper and timely records of Board and Board Committee minutes, resolutions, correspondence and other records;
- d) Ensuring that Board Members receive appropriate papers for meetings;
- e) Reinforcing the Board's requirements in relation to the quality, completeness and timeliness of Board papers;
- f) Monitoring the completion of actions arising from Board and Board Committee meetings;
- g) Assisting the Chairperson with the effective functioning of the Board;

- h) Assisting Board Committee Chairs with the effective functioning of Board Committees;
- i) Assisting with the flow of information from the Board to management and from management to the Board;
- j) Supporting the Chairperson and the other non-executive Board Members in relation to administrative and other requirements, including by assisting with the management of correspondence;
- k) Maintaining safe custody of Instruments of Delegations by the Board;
- l) Keeping up to date registers of gifts, benefits and interests disclosed by Board Members.

## 11.1 Corporate Seal

Airservices has a corporate seal<sup>36</sup> and may execute documents under seal<sup>37</sup>.

Use of the seal to execute a document may be authorised by the Board or the Chief Executive Officer. The affixation of the seal to a document must be attested to by two members of the Board, or one member of the Board and the Board Secretary.

The Deputy Board Secretary is the custodian of the seal and will maintain a Seal Register and report to the Board if the seal is used.

## 12 Role of the Aircraft Noise Ombudsman

### 12.1 Functions

The Aircraft Noise Ombudsman (**ANO**) has been established as an independent administrative office to review the management of aircraft noise by Airservices and Defence. The ANO was established in response to the Minister's Statement of Expectations dated 10 June 2010.

The functions of the ANO involve making recommendations to the Airservices Board and the Chief of Air Force (**CAF**) for improvements in aircraft noise enquiry and complaint handling, noise information provision, and community consultations. The ANO may also review other matters as determined by the Board and CAF. The ANO operates in accordance with the ANO Charter and ANO Protocol.

The operating costs of ANO are met by Airservices (with a proportion of costs recouped through an agreement with Defence). Periodically, the ANO provides a strategic plan and multi-year funding proposal to the Board for approval.

In relation to civilian aircraft noise management, the ANO is accountable to the Board, and operates independent of the management structure of Airservices. As the ANO is not engaged as an employee of Airservices, the Board Secretary or Deputy Board Secretary may exercise delegated authority (consistent with levels of authority in Airservices management delegations) to give effect to administrative and expenditure

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<sup>36</sup> Section 7 Air Services Act.

<sup>37</sup> The absence of the corporate seal from a document or legal instrument does not invalidate the document or legal instrument.

decisions of the ANO. Such authority will be exercised in a manner consistent with Airservices policies and practices.

## 12.2 Appointment of the ANO

Appointing and, should it be necessary, terminating the contract of the ANO is a decision reserved for the Board, subject to the ANO Charter. The Board appoints the ANO on terms and conditions, including leave arrangements, as determined by the Board.

## 13 Conduct of Board Members

### 13.1 Code of Conduct

Each Board Member is expected to observe the highest standards of ethical behaviour at all times. The Code of Conduct applicable to Board Members is included in **Appendix G**. The Code of Conduct will be periodically reviewed by the Board to ensure that it is operating effectively and whether any changes are required to it.

### 13.2 Declaration of Interests

Each Board Member must declare to the Board all material personal interests that could in any way relate to the affairs of Airservices.

The Board Secretariat maintains a register of the declarations of interests provided by Board Members. The register is updated and circulated to Board Members at each Board meeting. Board Members who have any concerns about whether or not a possible conflict of interest should be notified should raise the matter with the Chairperson or the Board Secretary. The Board has agreed a Conflict of Interest Protocol, which is also included in **Appendix G**.

### 13.3 Gifts and Benefits

Board Members have duties in relation to use of their position<sup>38</sup> and it is necessary for a Board Member to give proper consideration to this duty when making a decision to accept a gift or receive a benefit (for themselves or for others). Guidance about the standard expected with respect to this duty is included in **Appendix G**. A Board Member may also obtain detailed advice on their duties and the requirements for disclosure and recording of gifts and benefits from the Board Secretariat.

### 13.4 Communications with Third Parties

To ensure the effective operation of the Board, Board Members must foster a collective working relationship based on trust and openness. Protocols for communication amongst Board Members, between the Board and management, and between the Board and stakeholders, are agreed and reviewed from time to time.

Board papers and discussions at Board meetings are confidential. Board Members are not authorised to disclose any confidential information that they receive in their capacity

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<sup>38</sup> Section 27 PGPA Act.



as Board Members to third parties except with the prior consent of the Board or the Chairperson.

The Chairperson is the spokesperson for the Board and the Chief Executive Officer is spokesperson for Airservices. Other Board Members should not comment to third parties about Airservices' strategy, operations or views on particular issues without the prior consent of the Chairperson.

The Chairperson is the organisational representative for communication between Airservices and the Minister and the Finance Minister, by means of both written reports and face-to-face meetings. The Chairperson keeps the Board informed of responses received from Ministers and of any meetings.

From time to time, there will be contact from stakeholders with individual Board Members. Board Members must inform the Chairperson of the content of all such contact. The Chairperson, likewise, will keep Board Members informed of contacts. Where a Board response is required to a contact from an individual stakeholder, it will be provided from the Chairperson or, if appropriate, be delegated to management for response.

## **13.5 Communications With, and Requests of Management and Staff**

Board Members have full access to management and corporate information through the Chairperson, the Chief Executive Officer and the Board Secretariat.

While Board Members are entitled to request documents or information through the Chief Executive Officer or the Board Secretariat at any time, such requests should be made in consultation with the Chairperson or, where appropriate, the Chair of the appropriate Board Committee.

Board Members should not make direct requests of managers or staff. In addition to arranging for specific information to be provided to a Board Member, the Board Secretariat can also arrange for a Board Member to receive a special management presentation on a particular topic of interest.

For the purposes of managing the business of their respective committees, the chairs of Board Committees may have regular formal direct contact with members of the Executive whose functional accountabilities align with those of their respective committee. This includes the Chief Auditor in the case of the Board Audit and Risk Committee.

## **14 Board and Board Committee Meetings**

### **14.1 Standing Orders**

The Standing Orders for meetings of the Board and Board Committees only apply if the Chair or the meeting determine to enter into "formal debate". In all other circumstances the Chair will lead the meeting and ensure that it is conducted in a collegial and consultative manner, where all members' views can be expressed and considered.

When formal debate is to be conducted, the procedures described in the most recent edition of *Horsley's Meetings: Procedure, Law and Practice* (currently: Lang, A.D.



2015, LexisNexis Butterworths, Australia, 7th edition) will be applied as the standing orders.

## 14.2 Meeting Planning

### 14.2.1 Meeting Schedule

The Board will hold as many meetings as it considers necessary for the efficient and effective performance of its functions. The Board will agree on the timing and number of Board meetings for each calendar year in advance. Meetings will be spaced throughout the year in accordance with the requirements of Airservices to perform its functions in a timely manner.

The Chairperson or the Minister may convene a meeting of the Board at any time. The Chairperson must convene a meeting on the written request of two other Board Members<sup>39</sup>.

### 14.2.2 Annual Agenda Plan

Under the direction of the Chairperson or relevant Committee Chair, the Board Secretariat maintains Annual Agenda Plans for meetings of the Board and Board Committees. The Annual Agenda Plans includes:

- Dates of meetings
- Key business items
- Strategic discussion topics and external expert speakers
- Standing and cyclical business items
- Business items requiring reporting back or further discussion at a later date

At each ordinary Board and Board Committee meeting, the Board Secretariat will provide a rolling update of the Annual Agenda Plan for noting. The Board Secretariat will consult Board Members and the Chief Executive Officer in maintaining the Annual Agenda Plan.

Under the direction of the Chairperson or relevant Committee Chair, the Board Secretariat may make adjustments to the approved Annual Agenda Plan as necessary.

### 14.2.3 Meeting Agendas and Papers

The preparation of all meeting agendas is coordinated by the Board Secretariat, under the direction of the meeting chair, and in consultation with the Chief Executive Officer. Preparation of the agenda is informed by the Annual Agenda Plan.

The Board Secretariat determines the agenda item submission deadline for each meeting. Agenda items which do not reach the Board Secretariat by the specified agenda deadline may not be included on the agenda, unless otherwise approved by the meeting chair, on the grounds of urgency or strategic importance.

Ordinarily, the agenda and meeting papers for Board and Board Committee meetings are distributed at least seven days prior to the meeting.

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<sup>39</sup> Section 24 Air Services Act.

Board Members are provided with electronic access to Board papers via the Board Portal. Secure storage, or destruction, of a Board Member's personal copies of Board papers after each meeting can be arranged by the Board Secretariat.

### 14.3 Confidentiality

Agendas, meeting papers and minutes for Board meetings are marked with the information security classification, "OFFICIAL: Sensitive" (unless a higher information security classification is applicable). This marker indicates that the information, if compromised, may cause limited damage to an individual, organisation or government generally. Airservices will not disclose such documents, other than as required by law.

It is expected that Board Members and staff attending Board meetings will maintain confidentiality of discussions and papers. This includes the outcomes of meetings until decisions have been formally notified.

### 14.4 Quorum and Voting

The quorum at Board meetings is five Board Members<sup>40</sup>. The quorum at Board Committee meetings is as specified in the relevant committee charter.

Board decisions<sup>41</sup> and Board Committee decision are made by a resolution, which is determined by a majority of the votes of the members present and voting. If necessary in a Board meeting, the Chairperson (or other person presiding at a meeting in the Chairperson's absence) has a casting vote (in addition to a deliberative vote)<sup>42</sup>.

### 14.5 Participation by Electronic Medium

Board members are ordinarily expected to attend meetings in person. Where a member cannot participate in a meeting in person, with the consent of the Chairperson, relevant Committee Chair or the Board, a Board Member may participate in a Board or Board Committee meeting by video or audio link (subject to the availability of such technology at the meeting venue). Board Members participating in meetings in this manner are taken to be present at the meeting.

Where a meeting is conducted using videoconferencing, the Videoconferencing Meeting Conduct Guidance in **Appendix H** should be applied.

### 14.6 Attendees and Observers

Attendance at Board meetings by any person other than a Board member is by invitation only, and Board meetings are not generally open for any Airservices staff member or other person to observe. Notwithstanding:

- It is expected that all members of the Executive will make themselves available to attend meetings of the Board if and when required.
- The Board Secretary and Deputy Board Secretary have a standing invitation to attend all Board and Board Committee meetings, but can be asked to leave at any time.

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<sup>40</sup> Section 24(6) Air Services Act.

<sup>41</sup> Section 24(7) Air Services Act.

<sup>42</sup> Section 24(8) Air Services Act.

- The Chief Auditor, senior managers and the ANO may be invited from time to time to attend a Board meeting for specific agenda items, to provide advice or relevant information.
- Where the Minister convenes a Board meeting under the Air Services Act, the Minister has a standing invitation to attend such a Board meeting.

Any person invited to attend a Board meeting does not have speaking rights, unless invited to do by the Chairperson.

## 14.7 Minutes and Action Items

The Board Secretariat is responsible for taking minutes of each Board and Board Committee meeting. Ordinarily minutes shall be prepared within 5 working days of a Board or Board Committee meeting, and following clearance by the meeting chair, released to members for comment for a period of 5 working days. Management is authorised to act on draft minutes of Board and Board Committee meetings once the minutes have been cleared by the meeting chair. Ordinarily the minutes will be presented at the next meeting of the Board or Board Committee for formal approval. Once approved, the Board or Board Committee will authorise the meeting chair to sign the minutes.

The Board Secretariat is also responsible for preparing a report to each Board and Board Committee meeting on completed and outstanding actions arising from previous meetings.

## 14.8 Circular Resolutions

The Board may pass a resolution without a meeting (**circular resolution**) if a majority of Board Members indicate agreement with the resolution in accordance with the method determined by the Board<sup>43</sup>.

The following protocol is currently in place.

- a) With the consent of the Chairperson, the Board Secretariat notifies Board members of the circular resolution and provides relevant instructions on voting by email, and places a copy of the associated paper on the Board Portal.
- b) Conflict of interest provisions apply. The Board Secretariat will circulate any declarations received to all other Board Members as soon as possible.
- c) The minimum number of Board Members that must respond to a circular resolution is the same as the quorum for a Board meeting.
- d) Ordinarily Board Members will be given one week to consider and respond to the circular resolution. The Chairperson may approve a period of less than one week, but it may be not less than 24 hours.
- e) The Chairperson may convene a Board meeting by video or audio link to consider the circular resolution if a request for a meeting from at least two Board Members is received.
- f) Board Members must indicate their approval or otherwise of the circular resolution through the voting facility in the Board Portal. If circumstances require, a Board

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<sup>43</sup> Section 26 Air Services Act.

Member may indicate their approval or otherwise by email or other written means, returning it to the Board Secretariat.

- g) Approval of the circular resolution will be determined upon receipt of an affirmative response from a majority of at least the minimum of number of Board Members required to respond, by the requested time.
- h) The Board Secretariat will inform Board Members of the outcome within 24 hours of the decision being determined.
- i) The Board Secretariat will prepare a minute recording the procedures followed and outcome of the circular resolution. The Chairperson may approve and sign the minute, provided that the circular resolution has been conducted through the Board Portal.

A Board Committee may also make a decision by circular resolution, using the same procedure as outlined above. In this context, references to 'Chairperson' means Committee Chair, references to 'Board Members' means Committee Members, and references to 'Board meeting' means Committee meeting.

## 14.9 Leave of Absence

The Chairperson must seek leave of absence from the Minister to be absent from a Board meeting<sup>44</sup>. Other Board Members must seek leave of absence from the Chairperson to be absent from a Board meeting<sup>45</sup>.

## 15 Board Performance Evaluation and Charter Review

The Board conducts an evaluation of its performance and the performance of its Committees each year. The process for the assessment is usually determined in the first half of the calendar year, the evaluation and subsequent discussion of results takes place in the second half of the calendar year. Specific timing occurs at times specified in the Annual Agenda Plan. This time table may be varied at the discretion of the Chairperson in consultation with Board Members.

The Board will subject itself and Airservices corporate governance arrangements and processes to a performance evaluation conducted by a qualified independent external assessor at least once every three years.

The Board will review this charter on an annual basis, at a time specified in the Annual Agenda Plan. Amendments to the charter may be proposed by Board Members or the Board Secretariat.

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<sup>44</sup> Section 30(3) Air Services Act.

<sup>45</sup> Section 30(4) Air Services Act.

## 16 Non-Executive Board Member Support

### 16.1 Induction

New Board Members will be offered a formal induction program. The content of the program is determined by the Chairperson and the Chief Executive Officer, and the program is co-ordinated by the Board Secretariat. Each induction program is tailored to suit the skills, knowledge and experience of the inductee and any specific knowledge they require to position them to discharge their responsibilities effectively and add value.

### 16.2 Equipment

Airservices will provide Board Members with computing and communications equipment (for example, a laptop computer or tablet, printer and mobile telephone) necessary to enable Board Members to carry out their duties, subject to the approval of the Chairperson. Such equipment remains the property of Airservices and must be returned at the end of a Board Member's period of appointment.

At the end of a Board member's period of appointment, they may request (through the Board Secretariat) to purchase any of the equipment they have been provided with. If Airservices agrees to the purchase, the Board member must pay to Airservices the current market price for the piece of equipment, as determined by Airservices.

### 16.3 Professional Development

Board Members will have the opportunity to undertake professional development training and will periodically review when this may be required in order for them to maintain the skills and knowledge needed to perform their roles effectively. The Board will regularly assess whether the Board Members as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues. Executive Management and the Board Secretariat will also ensure that Board Members receive briefings on material developments in laws and regulations relevant to Airservices.

Board Members are entitled to undertake relevant external professional development activities at Airservices' expense, with funding drawn from an annual budget allocation. The annual budget allocation is calculated as being \$3,500 per non-executive Board member per year. In addition, any unspent funds from a prior year's budget allocation may be carried forward into the annual budget allocation for a further year, but the carry forward is limited to one year only. The funding of a Board Member's attendance at an external professional development activity must be approved by the Chairperson. The Chairperson has discretion to determine how much funding in any one year may be allocated to a specific Board member for this purpose, and is not limited to funding Board members to \$3,500 each. Requests for funding are arranged through the Board Secretariat.

### 16.4 Travel and Accommodation

The travel and accommodation entitlements of Board Members (including class of travel) are determined by the Remuneration Tribunal (presently the *Remuneration*

*Tribunal (Official Travel) Determination 2019*). Notwithstanding, for all flights between Canberra and Sydney, Board members will travel in economy class, except where it would be more cost effective to make a booking at a higher class of travel as part of a through-fare.

The following principles are to be applied in the administration of travel and accommodation entitlements:

- a) Board Members are not expected to gain or lose financially as a result of travelling on official business.
- b) Board Members must only incur expenses, or commit Airservices to meet expenses, where funds are lawfully available to do so.
- c) Travel may only be undertaken where its purpose is consistent with the duties of the Board Member.
- d) When making travel arrangements, the following are to be considered:
  - (i) the necessity of travel and potential alternatives to travel, such as teleconferencing or videoconferencing;
  - (ii) the total cost of travel, including value for money;
  - (iii) the travel-related policies and procedures of Airservices;
  - (iv) the flexibility to maintain an appropriate balance between work and home responsibilities, as well as safety and security.

Details of the process pertaining to travel can be found at **Appendix E**.

For each Board meeting, the Board Secretariat will prepare a report outlining all travel undertaken by Board Members on official business since the preceding Board meeting (whether or not the travel is associated with a Board meeting).

## 16.5 Entertainment Expenses

Expenses incurred in relation to entertainment must be in connection with Airservices business and must be reasonable, having regard to the nature of that business. Details of the process pertaining to entertainment expenses can be found at **Appendix E**.

## 16.6 Reimbursement of Expenses

Upon the production of appropriate invoices or receipts, Board Members are entitled to be reimbursed for most out-of-pocket expenses reasonably incurred in performing their duties. For example, Board Members are entitled to be reimbursed for telephone call costs. Details of the process pertaining to reimbursement of expenses can be found at **Appendix E**.

The travel allowance paid to Board Members for travel overnight on official business is an inclusive allowance, and Board Members are not entitled to be reimbursed for out of pocket expenses associated with such travel (eg dry cleaning).

## 16.7 Indemnities and Insurance

Airservices has agreed to provide an indemnity to each Board Member. A copy of the indemnity is available from the Board Secretariat.

Airservices maintains a Directors and Officers insurance policy that, subject to the conditions, exclusions and limits of the policy, provides liability cover for Board Members in the performance of their duties.

The adequacy and appropriateness of Airservices' insurance arrangements is considered on an annual basis by the Board Audit and Risk Committee.

## **16.8 Independent Legal, Accounting and Technical Advice**

Board Members may, when they judge such advice necessary for them to discharge their responsibilities as Board Members, request that they be provided with independent legal, accounting or technical advice on relevant matters at Airservices expense.

Board Members should seek such advice through the Board Secretariat. The Board Secretariat will consult with the Chairperson in relation to the request. Any independent advice obtained at the request of a Board Member will be tabled at the Board meeting following the receipt of the advice.

## Appendix A: Ministerial Directions to Airservices

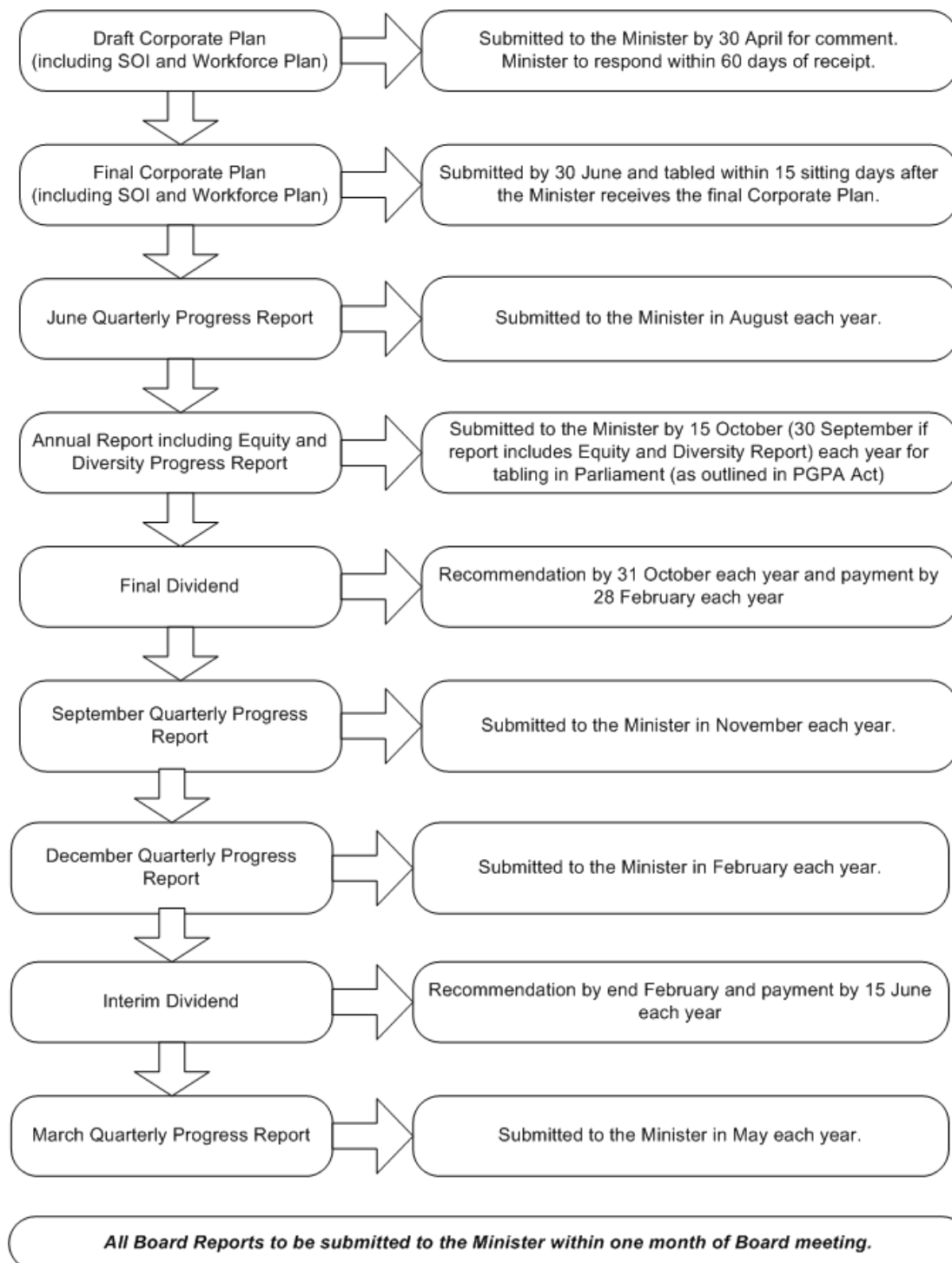
Calendar Year	Date of Issue	Subject
1996	29 May	Handling of aircraft noise complaints at Sydney and other federal airports.
1997	30 July	Progressive implementation of Sydney Long Term Operating Plan.
1999	3 May	Responsibilities in relation to the environmental effects of aircraft.
2004	31 August	Provision of approach radar services at specific airports.



# Appendix B: Provision of Information to the Australian Government

## B.1 Planning and Reporting

Airservices has adopted the timetable below to meet annual corporate planning and reporting requirements to the Minister:



## B.2 Corporate Plan

The Airservices Corporate Plan must include those requirements as outlined in section 13 of the Air Services Act. The PGPA Act also includes requirements for corporate plans.

The Plan should also cover other matters required by the Minister's Statement of Expectations and Airservices Statement of Intent.

## B.3 Quarterly Progress Reports

Quarterly progress reports will be provided by the Chairperson to the Minister, copied to the Finance Minister and the Secretary of the Department, within six weeks after the reporting period ends. The reports are to include:

- a) progress against the Corporate Plan objectives and forecasts including performance against established key performance indicators (KPIs);
- b) commentary on any emerging issues and risks or changes to risk factors that might have a material impact on performance;
- c) a clear statement of the Airservices' outlook for the rest of the financial year in terms of meetings its forecasts, key risks and opportunities arising and management plans; and
- d) financial performance for the quarter, and year to date.

## B.4 Board Meeting Reports

Board Meeting Reports will be provided by the Chairperson to the Minister, copied to the Secretary of the Department, within one month of each Board meeting. The reports are to inform the Minister of significant Board discussions on:

- strategy
- safety and operational matters
- financial performance and the investment program
- environmental matters
- governance.

## B.5 Annual Report

The Annual Report must include those requirements as outlined in the Air Services Act, the PGPA Act and any other applicable legislation. This will include, but is not limited to, the:

- annual financial statements
- annual performance statements
- remuneration report
- equity and diversity report.

The draft Annual Report must be prepared in manner to enable its consideration at the Board meeting immediately prior to 30 September each year<sup>46</sup>. The annual financial statements must also be considered and endorsed by the Board Audit and Risk Committee at its meeting prior to consideration by the Board.

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<sup>46</sup> The *Equal Employment Opportunity (Commonwealth Authorities) Act 1987* requires submission of the equity and diversity report to the Minister by 30 September each year. The PGPA Act requires submission of the Annual Report to the Minister by 15 October each year. In this circumstance the former date prevails.

## Appendix C: Matters Reserved for the Board

### C.1 Strategy and Policy

- Approving the Statement of Intent in response to the Ministers' Statement of Expectations.
- Approving the Corporate Plan and other corporate strategies.
- Approving policies for Airservices.
- Making decisions relating to matters of a sensitive, extraordinary or strategic nature, including in relation to undertaking major new investments.

### C.2 Stakeholders

- Ensuring that the Minister and Finance Minister agree to Airservices' strategic, performance and financial goals.
- Providing reports and other information to the Minister and Finance Minister, as outlined in this Charter.
- Determining Airservices view on any proposed amendments to the Air Services Act or the *Air Services Regulations 1995*.

### C.3 Board Arrangements and Operations

- Determining the Board Charter.
- Determining the charters for Board Committees, including membership and responsibilities.
- Evaluating Board and Board Committee performance.
- Appointing and, should it be necessary, terminating the employment of the Board Secretary.
- Appointing and, should it be necessary, terminating the employment/engagement of the Aircraft Noise Ombudsman.

### C.4 Chief Executive Officer, Executive Management and Human Resources

- Appointing and, should it be necessary, terminating the employment of the Chief Executive Officer.
- Determining the remuneration of the Chief Executive Officer.
- Determining the terms and key performance indicators for the annual performance agreement of the Chief Executive Officer, and assessing their performance.
- Determining succession plans for the position of Chief Executive Officer.
- Approving the principles for setting remuneration and assessing the performance of Executive members.
- Approving strategies and general principles for the negotiation of enterprise agreements by management.

### C.5 Finance and Investment

- Approving the corporate financial plan and enterprise investment plan.
- Approving long term pricing agreements.
- Approving recommendations to the Minister regarding the amount, if any, of interim and final dividends.
- Approving all proposals by Airservices to form, or participate in the formation of a corporation; enter into a partnership; to enter into a joint venture or an arrangement

for the sharing of profits; to acquire a major shareholding in a company; to acquire a substantial business; or to undertake significant new business activities. This also covers all proposals to withdraw from or to materially divest from such activities.

- Approving operating and capital expenditure that exceeds the authority of the Chief Executive Officer (see **Appendix F**).
- Approving significant changes associated with the governance and financial arrangements for AvSuper.

#### **C.6 Risk Management, Compliance and Audit**

- Ensuring Airservices maintains an appropriate system of risk oversight and management.
- Ensuring Airservices maintains an appropriate system of internal control and reporting.
- Approving and periodically reviewing the code of conduct.
- Acting with the recommendation of the CEO and the advice of the Board Audit and Risk Committee, appointing and, should it be necessary, terminating the employment of the Chief Auditor.
- Approving the annual Internal Audit Plan, and accepting and reviewing external and internal audit reports.

#### **C.7 Operational Safety**

- Ensuring Airservices maintains an appropriate system for operational safety.

#### **C.8 Limits of the Authority of the Chief Executive Officer**

- Approving any other matter that exceeds the authority of the Chief Executive Officer, as specified in **Appendix F** or by resolution of the Board.

## Appendix D: Termination of Appointment of Appointed Board Members

The following is an extract from section 32 of the Air Services Act:

- (1) *The Minister may terminate the appointment of an appointed member for misbehaviour or physical or mental incapacity.*
- (2) *The Minister may terminate the appointment of an appointed member if:*
  - (a) *the member becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with creditors or makes an assignment of remuneration for their benefit; or*
  - (b) *the member (other than a full time Chairperson):*
    - (i) *engages in paid employment that the Minister thinks is in conflict with the proper performance of the member's duties; or*
    - (ii) *is absent, except on leave of absence granted under section 30, from 3 consecutive meetings of the Board; or*
  - (c) *the Minister thinks that the performance of the member has been unsatisfactory for a significant period of time.*

[Note: The appointment of an appointed member may also be terminated under section 30 of the PGPA Act (which deals with terminating the appointment of a member of an accountable authority, for contravening general duties of officials).]

- (3) *The Minister may terminate the appointment of a full time Chairperson if the Chairperson:*
  - (a) *engages in paid employment outside the duties of their office without the Minister's approval; or*
  - (b) *is absent from duty, except on leave of absence, for 14 consecutive days or for 28 days in any 12 months.*
- (4) *If the Minister is of the opinion that the performance of the members or the performance of AA has been unsatisfactory for a significant period of time, the Minister may terminate the appointment of all appointed members or particular appointed members.*
- (5) *If the Minister is of the opinion that:*
  - (a) *AA has failed to comply with section 18; or*
  - (b) *the members have failed to comply with section 19 of the Public Governance, Performance and Accountability Act 2013;*

*the Minister may terminate the appointment of all appointed members or particular appointed members.*

## Appendix E: Approvals for Items Relating to Non-Executive Board Members

Item	Requirements and Approval By
Travel	<p>The Board Secretariat will arrange all flights (or other methods of transport) and provide details to Board Members in advance of the journey.</p> <p>The Chairperson must approve Board Members' travel, in writing, (other than travel required to attend scheduled Board meetings and other Board approved events/activities) prior to a travel request being processed by the Board Secretariat. In such circumstances, the Deputy Chairperson approves travel for the Chairperson.</p>
Travel allowance	<p>Board Members are paid travel allowance in accordance with the current Remuneration Tribunal determination (presently the <i>Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2020</i>).</p> <p>Payment of travel allowance is arranged by the Board Secretariat, and is to only be paid after the travel has occurred. Payment is arranged as a matter of course for travel to attend scheduled board meetings and other Board approved events, and on request for all other official travel.</p> <p>Where the costs of meals, accommodation and/or incidentals are not met by the Board Member (e.g. lunch is provided to all those attending a meeting) then the amount paid for the travel allowance will be reduced as specified in the current Remuneration Tribunal determination.</p>
Accommodation	<p>When travelling on official business, Board Members may arrange their own accommodation, or request that the Board Secretariat arrange it on their behalf. Board Members are expected to pay for their accommodation directly to their hotel.</p> <p>On occasion, the Board Secretariat will book accommodation for all Board members in a group purchase. This will take place where there are cost or logistical benefits to such an arrangement occurring (eg Board members staying overnight in the same location as the venue for a Board event).</p>
CabCharge cards	<p>Board Members are issued with CabCharge cards for official Airservices travel.</p>
Accompanied travel	<p>Airservices will only cover the travel costs of a Board Member's spouse or partner when the Chairperson determines it is in the interests of Airservices and the Commonwealth, given the purpose of the travel, for the Board Member to travel accompanied. In such circumstances, the Deputy Chairperson approves accompanied travel for the Chairperson.</p> <p>When a Board Member travels accompanied, their spouse or partner is entitled to travel at the same class of travel as the Board Member. All accompanied travel is to be reported to the Board.</p>
Entertainment expenses	<p>Entertainment expenditure may be incurred without pre-approval up to \$500 per occasion for the Chairperson and Deputy Chairperson, and up to \$100 for Board Members.</p> <p>Pre-approval from the Chairperson is required for expenditure greater than the specified threshold (pre-approval is by the Deputy Chairperson</p>

Item	Requirements and Approval By
	for the Chairperson). Such requests must be in writing and also include a breakdown of the costs, identify the proposed attendees, and clearly articulate how the proposed expenditure is for the benefit of Airservices.
Reimbursement of expenses	<p>Requests for reimbursement of expenses incurred by a Board member should be submitted to the Board Secretariat (using the prescribed form) for approval and processing, and be accompanied by receipts or other relevant supporting documentation.</p> <p>The Board Secretariat may, where there is any doubt as to reasonableness of the reimbursement claim, refer that claim to the Chairperson for approval, prior to processing. In such circumstances, claims from the Chairperson will be referred to the Deputy Chairperson for approval.</p>

Notes:

1. The Deputy Chairperson may undertake approvals required by the Chairperson if the Chairperson is overseas or otherwise unavailable.
2. Approvals by the Deputy Chairperson may be undertaken by the Chair of the Board Audit and Risk Committee if the Deputy Chairperson is overseas or otherwise unavailable
3. All approvals will be kept by the Board Secretariat and may be done by letter, email or fax.

## Appendix F: Limits of the authority of the Chief Executive Officer

The Board has determined that the exercise of financial or other authority by the Chief Executive Officer is subject to the following limits and requirements. The Chief Executive Officer:

1. May approve up to \$10 million of expenditure in relation to any transaction, provided that the expenditure is within the budget approved by the Board.
2. May approve up to \$2 million (excluding GST) of capital expenditure for a project, subject to the proposed capital expenditure being in respect of a project that had previously been approved by the Board, either as part of the approved Enterprise Investment Plan or by separate approval.
3. May authorise expenditure and execute agreements greater than \$10 million that relate to the standard supply arrangements for recurrent utility services (e.g. telecommunications, gas, electricity, etc). Exercise of this authority is reportable to the next Board meeting.
4. May establish or rollover a debt facility which is not considered to be medium/long term (i.e. greater than 24 months).
5. Must inform the Board of any decision he or she makes to expend in excess of \$5 million in relation to any transaction, at the first Board meeting after the decision is taken.
6. May, on behalf of Airservices, settle or pay any claim made against the organisation, up to a maximum payment of \$5 million in relation to a particular claim or group of related claims.
7. Must inform the Board of any decision he or she makes to settle or pay a claim, or a group of related claims, where the amount of the payment or settlement exceeds \$500,000.
8. May sign any contract or deed on behalf of Airservices relating to expenditure approved by the Chief Executive Officer, or a claim paid or settled by the Chief Executive Officer, on behalf of the organisation.
9. May sign any contract or deed on behalf of Airservices relating to any arrangement under which the organisation is to supply goods or services within Australia or overseas, where the total revenue for Airservices under the arrangement does not exceed \$5 million.
10. May write off up to \$500,000 in relation to any one item or matter.
11. Will refer decisions in excess of the authorisations set out above to the Board.
12. Will advise the Board of any delegations he or she makes to staff under section 12 of the Air Services Act.
13. Will refer to the Board, all transactions with an “extreme” risk rating, irrespective of the expenditure involved.



# Appendix G: Code of Conduct and Conflict of Interest Protocol

## H.1 Code of Conduct

1. A Board Member will, at all times, in interactions with staff, customers, government, community and each other, act in accordance with the values of Airservices.
2. A Board Member has an obligation, at all times, to comply with the letter and spirit of the law, with the principles of this Code, and to act ethically and responsibly.
3. A Board Member shall treat fellow Board Members and staff with respect and not engage in bullying, harassment or discrimination.
4. A Board Member should act in the best interests of Airservices as a whole, but may, where appropriate, have regard for the interest of all stakeholders of the organisation.
5. A Board Member should act honestly, in good faith and with high standards of personal integrity.
6. A Board Member has a duty to use care and diligence in fulfilling the functions of office and exercising the powers attached to that office.
7. A Board Member should use the powers of their office for a proper purpose.
8. A Board Member should not take advantage of their position or the opportunities arising therefrom for personal gain.
9. A Board Member should not make improper use of property or information of Airservices or its customers for personal gain, or to cause detriment to Airservices or its customers;
10. A Board Member should not enter into any arrangement or participate in any activity (in their personal and business affairs) that would conflict with best interests of Airservices, or that would be likely to negatively affect the reputation of Airservices;
11. A Board Member has an obligation to be independent in judgement and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Airservices.
12. Confidential information received by a Board Member in the course of the exercise of their duties remains the property of Airservices, and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the Board, or is required by law.
13. A Board Member should not knowingly participate in any illegal or unethical activity.
14. A Board Member should not engage in conduct likely to impugn the reputation of Airservices. A Board Member must immediately inform the Chairperson (who may inform the Minister) where their continued service as a Board Member could embarrass Airservices or the Australian Government. The Board Member may be asked to resign or be removed.

*(Adapted from the Australian Institute of Company Directors Code of Conduct.)*

## H.2 Conflict of Interest Protocol

### *Conflicts of Interest*

1. A conflict of interest arises where a Board Member has an affiliation or interest that has the potential to influence, or to be perceived to influence, their impartiality or to prejudice the Board Member's ability to discharge their fiduciary duty to act in the best interests of

Airservices. The affiliation or interest may be financial, professional or personal and either direct or indirect.

#### *Disclosure of information*

2. All conflicts of interest (actual, perceived or potential) must be disclosed by Board Members.
3. Board Members are required to complete an annual declaration of interests. Board Members must also ensure their declarations are kept up-to-date to reflect their current personal circumstances.

#### *Register of Interests*

4. All interests disclosed by Board Members will be listed in the Standing Disclosure of Personal Interests, to be maintained by the Board Secretariat.
5. The Board Secretariat will update the Standing Disclosure of Personal Interests prior to each meeting of the Board, based on any disclosures made by Board Members in the intervening period. The Standing Disclosure of Personal Interests will be included in the papers distributed to Board Members for Board meetings.

#### *Board meeting processes*

6. There will be a standing agenda item on personal interests at the commencement of each Board meeting during which the Standing Disclosure of Personal Interests will be reviewed.
7. A Board Member who considers he or she may have an interest in a matter to be discussed by the Board at a meeting must disclose the existence and nature of that interest prior to, or at the commencement of, the meeting. He or she must also provide details of the interest as requested by other Board Members to enable them to determine the nature and extent of the interest.
8. The Board will, in the absence of the Board Member declaring the interest, decide whether the declared personal interest is material and how to manage it. The Board Member making the disclosure may be asked to leave the meeting while the other Board Members make this decision. The method(s) used to manage a conflict of interest will depend in its nature and severity and may include, but are not limited to, exclusion from receiving related material, withdrawal from discussion and/or decision making, a confidentiality agreement, divestment and resignation.
9. Any disclosures of interest made by Board Members at a meeting will be recorded in the minutes, together with any decisions made by the Board on the management of those interests.

### **H.3 Acceptance of Gifts and Benefits Protocol**

1. A Board Member should not offer, give, ask for or accept (for him/herself or others) gifts, benefits, services, discounts, gratuities or favours which might compromise or influence the Board Member in the performance of his/her duties for Airservices, irrespective of whether the services or goods are offered with or without wrongful intent, except where (in the case of accepting):
  - a) the services or goods are offered openly and received free of any expectations or undertakings; and
  - b) the Board Member declares receipt of the gift or benefit to the Board Secretariat; and
  - c) the gift or benefit:
    - (i) is of modest value; or

- (ii) relates to sponsored air travel and/or accommodation (for example, when being asked to speak at an international conference) and the gift or benefit has been approved in advance by the Chairperson;
2. A Board Member should not give or receive any gifts or benefits in any form if the person or company is:
- a) involved in a tender process with Airservices; or
  - b) the subject of a decision within the discretionary power or substantial influence of the Board Member, an Airservices employee, contractor or consultant; or
  - c) in a contractual relationship with Airservices.

## Appendix H: Videoconferencing Meeting Conduct Guidance

Videoconferencing makes discussions within meetings less dynamic and it is often difficult to conduct meetings of the usual duration. As a result, meeting chairs are expected to ensure the following meeting practices are observed:

1. Chairs should aim to run shorter meetings, having regard to key business to be discussed and the number of other meetings occurring on the same day.
2. Chairs should actively structure the discussion of each agenda item, inviting each participant to make their contribution (if any) in turn. Videoconference platforms are often less effective if two or more participants try to speak at the same time.
3. Where participants want to make an additional contribution on an agenda item, it is suggested they wave their hand to get the Chairs attention, rather than speaking. Audio only participants should of course speak up, at an appropriate moment, to get the Chairs attention.
4. If a participant cannot be heard properly when speaking, allow the Chair to draw this to their attention, rather than many participants speaking all at once to alert them.
5. Discussion on agenda items should be limited to matters participants consider to be of importance. Participants need to ensure they are disciplined in keeping comments focussed, short and non-repetitive.
6. At the end of each discussion, Chairs should sum up the discussion and state the agreed outcome.
7. For some meetings, there will be greater use of 'starred' agenda items to focus meeting time on the most important matters for discussion. Chairs are also asked to provide feedback to the CEO on what additional information may be required from management on starred agenda items, to give Board members comfort on matters not (necessarily) being discussed.
8. To improve the experience of participants, it is recommended that they participate in the videoconference:
  - using headphones, with a microphone - this increases the quality of the sound not only for the participant, but also for others in the meeting;
  - on one device, and access the Board Portal on a separate device (eg videoconference on a laptop or desktop computer, and use a tablet to access the Board Portal); and
  - from a quiet room (to minimise disruption from background noise), and mute their microphone whenever they are not speaking.