

Future Fund Governance Committee Charter

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City of
Newcastle

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Future Fund Governance Committee Charter



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1 Interpretation

- 1.1 **Act** means the Local Government Act 1993 (NSW).
- 1.2 **Attendee** means a person entitled to attend a meeting of the Committee, however do not have any entitlement to vote on matters before the Committee.
- 1.3 **Chairperson** means the person appointed in accordance with clause 8.
- 1.4 **Council** means City of Newcastle (CN) and where appropriate includes its administration and elected Council (a specific reference to the elected Council means a decision of Councillors at a Council meeting).
- 1.5 **Committee** means the CN's Future Fund Governance Committee constituted in accordance with clause 5.
- 1.6 **The Fund** means the Future Fund created under the Council adopted Future Fund Policy.
- 1.7 **Member** means those described in clause 5.1.
- 1.8 **CEO** means the Chief Executive Officer of CN and includes their delegate or authorised representative.
- 1.9 **References** to the Chief Executive Officer are references to the General Manager appointed under the Local Government Act 1993 (NSW).
- 1.10 **Guest** means any person invited by the CEO or at the request of the Committee to attend a meeting only for a specific purpose. Guests have no voting rights.
- 1.11 **Secretary** means the CN Officer appointed by the CEO to fulfil the role of secretary.

2 Responsibilities

- 2.1 The responsibilities of the Committee are to:
 - 2.1.1 Endorse the investment strategy for the Future Fund
 - 2.1.2 Monitor and oversee the investment activities conducted within The Fund.
 - 2.1.3 Recommend investment decisions as and when required in accordance with prevailing legislative and CN governance requirements.
 - 2.1.4 Approve the appointment, renewal, termination of the Independent Fund advisor.
 - 2.1.5 Review investment reports provided by staff.
- 2.2 This Committee is accountable for risk and return outcomes for The Fund.
- 2.3 This Committee will, where considered beneficial, work collaboratively with CN's other committees to consider issues that are within the charters of more than one committee.
- 2.4 This Committee will, where deemed necessary by the Committee, form working parties to investigate, consider, and provide expert advice on defined tasks and issues.
- 2.5 The Committee will consider issues within its Charter which are referred to it by CN.

3 Establishment and Dissolution

- 3.1 The elected Council resolved to establish the Committee on 28 February 2023.
- 3.2 The Committee may be dissolved by resolution of the elected Council.

4 Authority

- 4.1 The Committee is an advisory committee only. In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for management of CN rests with the Council and the CEO, as provided in the Act.
- 4.2 The Committee's resolutions, which record its decisions, should be treated only as recommendations of the Committee. The Committee has no executive powers and cannot make decisions on behalf of CN under section 355 of the Act.
- 4.3 The Committee is not a committee as defined in section 360 of the Act, because its membership is not constituted solely by councillors.
- 4.4 Neither the Committee nor any of its Members may direct any CN officer in his or her duties.
- 4.5 The Committee may, in consultation with the CEO, request professional advice from the Future Fund Adviser to allow the Committee to meet its responsibilities.
- 4.6 The CEO may facilitate, and provide the necessary financial resources, to engage the provision of any such external professional advice required.

5 Membership

- 5.1 The Committee is constituted by the following membership, which cannot be delegated.
 - 5.1.1 The Lord Mayor and two Councillors appointed by the elected Council, at least one of whom must also be a member of the Asset Advisory Committee.
 - 5.1.2 The Chief Executive Officer (CEO) and one Director appointed by the CEO;
 - 5.1.3 Two independent members with appropriate professional capabilities; and
 - 5.1.4 An independent Chairperson
- 5.2 Members of the Committee, taken collectively, will have a broad range of skills and experience relevant to The Fund, including but not limited to finance, the law, property management and commercial investments.
- 5.3 Members are entitled to vote on matters before the Committee.
- 5.4 The Chairperson and independent members will be remunerated.

6 Councillor Members

- 6.1 CN will call for nominations for Councillor Members at the commencement of each Council term.
- 6.2 The elected Council will elect two Councillor Members by resolution, at least one of whom must also be a member of the Asset Advisory Committee.
- 6.3 Councillor Members remain Members of the Committee until:
 - 6.3.1 the Committee is dissolved pursuant to clause 3.2 of this Charter;
 - 6.3.2 they resign; or
 - 6.3.3 their membership is otherwise terminated.
- 6.4 If re-elected to Council, retiring Councillor Members are entitled to nominate for re-appointment.

7 Independent Members

- 7.1 The CEO will determine membership criteria, including for the Chair. Expressions of interest (EOI) for independent members and the Chair will be called by any reasonable means which will ensure the roles can be accessed by a wide pool of applicants.
- 7.2 The CEO will convene a Selection Panel which will comprise the CEO, the CFO, the Lord Mayor and the 2 Councillor Members.
- 7.3 The Selection Panel will assess EOIs and recommend:
 - 7.3.1 independent members to the Committee;
 - 7.3.2 an independent member to be Chair of the Committee; and
 - 7.3.3 terms of appointment;
- 7.4 The CEO will appoint the independent members and Chair on the recommendation of the Selection Panel.
- 7.5 Independent members, including the Chair, may be eligible for reappointment by approval of the Selection Panel.
- 7.6 Independent members will remain members of the Committee until:
 - 7.6.1 the expiry of their independent membership term under clause 7.3;
 - 7.6.2 the Committee is dissolved pursuant to clause 3 of this Charter; or
 - 7.6.3 Their membership is otherwise terminated;
- 7.7 An independent member may not be a Councillor or a CN employee.

8 Responsibility of Members

- 8.1 Members are expected to:
 - 8.1.1 understand the relevant legislative and regulatory requirements applicable to CN;

- 8.1.2 be able to contribute the time needed to understand the Committee's business papers and to attend Committee meetings; and
- 8.1.3 In accordance with this Charter, provide advice and feedback on matters brought before the Committee.

9 Responsibility of the Chairperson

- 9.1 The Chairperson will be responsible for keeping order at the meeting.
- 9.2 If the Chairperson is absent from a Committee meeting, the Chair of the Asset Advisory Committee will chair the meeting.
- 9.3 The Chairperson must have demonstrated experience and professional capabilities necessary to Chair the Committee.

10 Responsibility of the Facilitator

- 10.1 The Facilitator will be a suitably qualified Council officer, as determined by the CEO. The position may be shared amongst a number of suitably qualified Council officers.
- 10.2 The role of the Facilitator is to:
 - 10.2.1 Arrange for a report regarding the selection of Councillor Members to be tabled before the elected Council at the commencement of each Council term.
 - 10.2.2 Make committee governance papers (including but not limited to this Charter and Council's applicable policy/guideline documents) available to committee members, Councillors and relevant Council officers;
 - 10.2.3 Liaise with Members, including Councillor Members, where the Members have a day to day enquiry of an administrative nature (including clarification of a Committee report or information about a meeting or process);
 - 10.2.4 Facilitate discussion at committee meetings, provide input at Committee meetings and participate at Committee meetings as an attendee;
 - 10.2.5 Where appropriate, liaise closely with the facilitators of CN's other committees to assist collaboration between committees, the sharing of information and the efficient use of Council and Member resources, where approved by the Committee; and
 - 10.2.6 Work closely with the Chairperson and other Committee Members to administer the Committee and its meetings.

11 Responsibility and Requirements of the Secretary

- 11.1 The Secretary will be a suitably qualified CN officer who undertakes the following functions:
- 11.1.1 prepare agendas;
 - 11.1.2 maintain the register of members;
 - 11.1.3 maintain meeting attendance register;
 - 11.1.4 take minutes at committee meetings and prepare them for dissemination;
 - 11.1.5 accept and collate committee business papers prepared or submitted by CN officers, committee members, working parties and stakeholders;
 - 11.1.6 make agendas, minutes and committee business papers available to committee members, Councillors and relevant CN officers;
 - 11.1.7 book meeting venues and organise the provision of any necessary equipment; and
 - 11.1.8 provide administrative assistance to the Chairperson.
- 11.2 The role of the Secretary may be shared amongst a number of suitably qualified CN officers or be the same person.

12 Termination of Membership

- 12.1 Membership of any Member may be terminated by resolution of the elected Council, due to
- 12.1.1 the Member's non-attendance at three consecutive Committee meetings without prior notification of their non-attendance or the granting of leave by resolution of the Committee; or
 - 12.1.2 the Member's conduct being inconsistent with this Charter or CN's Code of Conduct.
- 12.2 Councillor membership terminates immediately upon a Councillor Member no longer being a Councillor.
- 12.3 If a Councillor Member does not remain on the Committee for the entire Council term, appointment of a replacement Councillor Member must be by resolution of the elected Council as soon as practicable after the Councillor Member ceases to be a Member of the Committee.

13 Attendance at Meetings

- 13.1 Attendance at any meeting of the Committee is limited to the following:
- 13.1.1 Members;
 - 13.1.2 Secretary;
 - 13.1.3 Councillors as observer/s only. Councillors must give 3 days written notice to the Chairperson of their intention to attend and do not have the right to vote on matters before the Committee.

13.1.4 Other CN officers or guests, by invitation of the CEO or as approved by a resolution of the Committee.

14 Meeting Administration

14.1 The CEO is responsible for ensuring that the Committee has adequate secretarial support and access to administrative resources by appointing a Secretary.

15 Quorum

15.1 A quorum is constituted by attendance of a majority of the Committee members, including at least one independent member.

16 Meeting Schedule

16.1 The Committee will meet at least four times per year or as resolved by the Committee.

16.2 A forward meeting plan will be agreed by the Committee prior to the end of each calendar year.

16.3 Additional meetings may be scheduled by the:

16.3.1 Chairperson;

16.3.2 Committee by resolution; or

16.3.3 CEO.

17 Meeting Agendas

17.1 The Secretary will provide notice of meetings, including the agenda and business papers, to Members at least seven (7) business days prior to the day of the meeting. These may be transmitted electronically.

18 Future Fund Adviser

18.1 An Independent Investment Fund Adviser, or multiple, will be appointed by CN to advise the Committee.

18.2 The Fund Adviser will be suitably qualified by industry standards and have a detailed understanding of commercial investments.

18.3 The Fund Adviser is responsible for providing:

18.3.1 Advice on strategic direction of The Fund:

18.3.2 Advice on the identification, recommendation and analysis of investment opportunities:

18.3.3 Consulting on overall risk management relating to investments including operational risk:

18.3.4 Research on direct investments as well as provide regular information pertaining to market and industry factors:

18.3.5 Monitoring of market events and impact on The Fund on a proactive basis:

18.4 The Fund Adviser or their representative will be invited to each Committee meeting.

18.5 The Fund Advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments that they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the proposals being recommended or reviewed. This confirmation is required at the time each proposal is put forward for any purchase or sale transaction.

19 Probity Adviser

19.1 An Independent Probity Adviser will be appointed by CN to advise the Committee.

19.2 The Probity Adviser is responsible for providing:

19.2.1 Advice on compliance with the Investment Policy;

19.2.2 Guidance and advice on issues concerning integrity, fairness and accountability that may arise throughout procurement and disposal processes.

20 Resolutions of the Committee

20.1 Resolutions of the Committee must be consistent with this Charter which limits decisions (resolutions) of the Committee to be treated as recommendations only as set out in clause 4.

20.2 The Committee will make decisions (resolutions) by majority vote and record its decisions (resolutions) in the minutes of the Committee meeting.

20.3 The relevant CN Officer responsible for implementing a recommendation made by the Committee may action resolutions as they deem appropriate in accordance with their individual delegations and authorisations.

20.4 The Committee may submit reports to Council where a Council resolution is required to enact a recommendation of the Committee.

21 Reports

21.1 The Committee shall provide a report to Council and the Asset Advisory Committee on the performance of the Future Fund on a quarterly basis.

21.2 The Committee will provide an annual report to Council, the Asset Advisory Committee and the Audit and Risk Committee which sets out the performance of the Future Fund against its purposes over the past year.

- 21.3 CN will include in its Annual Report to the community a summary of the performance of The Fund against its purposes over the past year.
- 21.4 CN officers will report to the Committee regularly on the performance of The Fund as measured against agreed performance indicators.
- 21.5 Reporting shall include, but is not limited to.
 - 21.5.1 Operational performance;
 - 21.5.2 Portfolio distribution by asset type;
 - 21.5.3 Capital growth by asset type; and
 - 21.5.4 all other information requested by the committee.

22 Minutes

- 22.1 All Committee business will be appropriately minuted and recorded by the Secretary, including registration in accordance with CN's Records Management Policy.
- 22.2 Draft minutes of the previous meeting will be distributed to the Committee at least seven (7) business days prior to the next meeting.
- 22.3 Draft minutes of the previous meeting are to be adopted by resolution of the Committee at the following meeting.

23 Conduct by Members and Attendees

- 23.1 All Members and attendees are expected to conduct themselves in accordance with CN's Code of Conduct. Any behaviour inconsistent with the Code of Conduct will be treated as a breach of the Code of Conduct and will be dealt with accordingly.
- 23.2 Conflicts of Interests must be declared and managed in accordance with the Code of Conduct. A record of a declared conflict of interest in the minutes is sufficient.
- 23.3 Significant Pecuniary or significant non-pecuniary conflicts of interest must be managed by the Member excluding themselves from the meeting during the discussion of the relevant agenda item. Such exclusion should be recorded in the minutes.

24 Public Comment

- 24.1 The official spokespeople for the Committee should be in accordance with CN's Media Policy, and no other Members should speak to the media or members of the public in regard to Committee business.

25 Confidentiality

- 25.1** Due to the potential commercial implications, items of Committee business remain confidential unless confirmed otherwise by the Committee.
- 25.2** Prior to attending a meeting, any guests invited in accordance with clause 12.1.4 (who are not Councillors or CN officers) must sign a Deed of Confidentiality and agree to abide by the terms of CN's Code of Conduct relating to confidentiality.
- 25.3** Unless otherwise resolved by the Committee, all meetings of the Committee will be closed to the general public.

26 Induction

- 26.1** New Committee Members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

27 Review of Committee Performance

- 27.1** The Chairperson will initiate a review of the Committee's performance at least once every three years.

28 Review of Charter

- 28.1** This Charter will be reviewed every three years and may only be amended by resolution of the elected Council.

Annexure A - Definitions

Asset Advisory Committee means the standing committee established by Council to provide strategic advice and guidance on the development and implementation of Council's property asset direction for the City.

Audit and Risk Committee means the committee established by Council to provide independent assurance and assistance to Council on risk management, control, governance and external accountability responsibilities.

CEO means Chief Executive Officer of the City of Newcastle and includes their delegate or authorised representative.

References to the Chief Executive Officer are references to the General Manager appointed under the *Local Government Act 1993 (NSW)*.

City of Newcastle (CN) means Newcastle City Council.

Council means the elected Council.

Future Fund means the Future Fund created under the Council adopted Future Fund Policy.

Governance Committee means the Future Fund Governance Committee constituted by this Policy.

Independent Future Fund Adviser means the adviser(s) appointed by CN to advise the Governance Committee in relation to the Future Fund.

Independent Probity Adviser means the adviser appointed by CN to advise the Governance Committee and report on compliance with this Policy.

Annexure B - Policy Authorisations

Function	Position Number / Title

Document Control

Procedure Title	Future Fund
Procedure owner	Executive Director Corporate Services
Procedure expert/writer	Executive Manager Finance, Property and Performance
Associated Policy Title (if applicable)	Future Fund Policy
Policy owner (if applicable)	Executive Director Corporate Services
Prepared by	Finance, Property and Performance
Approved by	Council
Date approved	28/02/2023
Commencement Date	28/02/2023
Next revision date	30/09/2025
Version	1
Category	Financial
Keywords	Investment, Commercial, Property
Details of previous versions	Nil
Legislative amendments	Nil
Relevant strategic direction	Choose an item. Achieving Together
Relevant legislation/codes (reference specific sections)	This policy supports CN's compliance with the following legislation: – <i>Local Government Act 1993 (NSW) (s186)</i>
Other related policies/documents/ strategies	Nil
Relevant strategy	Community Strategic Plan
Related forms	Nil
Authorisations	Functions authorised under this policy at Appendix A.