

SECTION 4: OUR CORPORATE GOVERNANCE



OUR CORPORATE GOVERNANCE

GOVERNANCE FRAMEWORK

Governance holds the department and its people to account through defined responsibilities, policies, systems and processes. It is the system through which the department is controlled and operates to achieve its performance objectives and accountability.

The department reviewed its governance framework during 2014-15 and elected to retain its existing framework based on Australian Securities Exchange principles of corporate governance which have been reworked for a public sector environment.

The department is governed by the framework's nine principles, each of which has operational elements used to assess the department's governance maturity level and identify opportunities for improvement.

GOVERNANCE PRINCIPLES

1. **Government and Public Sector Relationship**
The department's relationship with the government is clear
2. **Management and Oversight**
The department's management and oversight is accountable and has clearly defined responsibilities
3. **Organisational Structure**
The department's structure serves its operations
4. **Operations**
The department plans its operations to achieve its goals
5. **Ethics and Integrity**
Ethics and integrity are embedded in the department's values and operations
6. **People**
The department's leadership in people management contributes to individual and organisational achievements
7. **Finance**
The department safeguards financial integrity and accountability
8. **Communication**
The department communicates with all parties in a way that is accessible, open and responsive
9. **Risk Management**
The department identifies and manages its risks.

ACCOUNTABILITY AND STANDARDS

The Chief Executive Officer is supported by the Governance Board through a clearly defined administrative structure. As needs change and restructures occur, the organisational chart, which clearly sets out the accountability pathway, is updated and published on the intranet.

When this structure is changed, each corporate delegation and internal control mechanism is updated to ensure relevance and currency.

EXECUTIVE COMMITTEES

Governance Board

The Governance Board provides governance and leadership to a number of committees that support the department's key objectives and purpose.

The Governance Board is the department's principal planning and decision making body on corporate governance matters. The Chief Executive Officer is primarily responsible for providing strategic leadership and systems development for the department.

The Governance Board includes representatives from all output groups of the department. Other department officers attend Governance Board meetings as required to provide presentations.

Members of the Governance Board:

- Chief Executive Officer
- Executive Director, Corporate Services
- Executive Director, Flora and Fauna
- Executive Director, Bushfires NT
- Manager, Katherine Region
- Executive Director, Rangelands
- Executive Director, Water Resources
- Executive Director, Water Directorate
- Regional Director, South
- Executive Officer to the Chief Executive Officer

The key responsibilities of the Governance Board are to:

- a. act as a consultative forum that provides advice on current and future direction for the department
- b. set strategic direction
- c. provide advice and support on the planning, implementation, monitoring and reporting of the department's performance against its corporate responsibilities and objectives and to report against deliverables identified in the department's strategic plan through the annual report and budget papers
- d. provide a forum to consider issues arising from divisional activity that may be relevant to other Board members
- e. act as a decision-making body that considers and determines responses to policies that impact on the wider community
- f. act as the decision-making body for department-wide policies and systems, such as:
 - management of risk and assurance in relation to compliance with statutory requirements
 - strategic human resource and workforce planning and management
 - workplace health and safety
 - financial and budget management
 - information and records management and technology and telecommunications planning and management
- g. maximise opportunities for partnerships, networking and information sharing.

Divisional Work Health and Safety Committees

Each division has a Work Health and Safety (WHS) Committee which is chaired by the relevant Governance Board member.

The divisional committees:

- act as a consultative forum that provides advice on safety matters
- keep informed about standards of health and safety
- recommend maintenance and monitoring of programs, measures and procedures relating to the health and safety of workers
- conduct regular workplace inspections, including when a workplace relocation/redesign occurs, is requested or an incident occurs
- consider, and make recommendations about, proposed workplace changes that may affect the health and safety of the workers
- review hazard and incident report trends and make recommendations as required.

As well as this, the divisional WHS Committee in Bushfires NT:

- coordinates all WHS and risk management frameworks across Bushfires NT and volunteer bushfire brigades
- monitors and manages all WHS incidents
- reviews and manages all standard operating procedures, fire-ground practices, and general occupational policies
- manages feedback links to staff and volunteers in relation to any WHS matter.

Counter Disaster Committee

The Counter Disaster Committee:

- leads department activities prior to, and conducts appropriate reviews and evaluations after, an event
- ensures that the department meets its legislative responsibilities and obligations as a representative on the Counter Disaster Committee
- ensures that the department has an emergency management plan in place
- assists in coordinating the department's cyclone plans and monitoring cyclone preparedness and preparations.

Audit and Risk Management Committee

The Audit and Risk Management Committee:

- monitors the department's strategic, corporate and operational risk management function and activities and the adequacy of the internal controls established to manage identified risks
- monitors the internal audit function (including development and implementation of the annual internal audit program, review and monitoring of terms of references, audit outcomes, management responses and implementation of the audit recommendations)
- monitors the external audit program (including audit outcomes, the department's responses and implementation of the audit recommendations)
- comments on the state of organisational governance within the scope of the committee's terms of reference in the areas of the department's risk management framework, the internal controls framework and external accountability.

GOVERNING LEGISLATION

The department is responsible for administering 14 pieces of legislation, including eight Acts and six pieces of subordinate legislation.

This legislation provides an overriding direction for many of the department's functions and is the foundation to a number of output groups. A department process of review is aimed at ensuring its legislation remains contemporary and relevant to its functions and incorporates best practice in the areas it administers.

Legislation administered:

1. *Bushfires Act*
 - i. Bushfires Regulations
 - ii. Bushfires (Volunteer Bushfire Brigades) Regulations
2. *Lake Eyre Basin Intergovernmental Agreement Act*
3. *Pastoral Land Act* (except provisions about Aboriginal community living areas)
 - i. Pastoral Land Regulations
4. *Soil Conservation and Land Utilisation Act*
5. *Water Act*
 - i. Water Regulations
6. *Weeds Management Act*
 - i. Weeds Management Regulations
7. *Planning Act*
 - ii. Land clearing approvals on un-zoned land (under a delegation from the Minister for Lands and Planning)
8. *Territory Parks and Wildlife Conservation Act*, Part IV, Divisions 1-5

LEGISLATIVE CHANGES 2014-15

Bushfires Act

The *Bushfires Act* was reviewed in 2014-15 with two rounds of public consultations to consider a review paper and a subsequent recommendations paper. The review of the *Bushfires Act* will enable the legislation to be modernised to better manage emerging fire risks associated with changing land uses, population growth and increasing fuel loads.

Weeds Management Act

Neem (*Azadirachta indica*) declared a weed species in accordance with the *Weeds Management Act*.

A draft Weed Management Plan for Neem (*Azadirachta indica*) publically exhibited in accordance with legislative requirements.

A Weed Management Plan for Cabomba (*Cabomba caroliniana*) publically reviewed, updated and endorsed by the Minister for a further three years.

Weed Management Plans for Chinese Apple (*Ziziphus mauritiana*), Mesquite (*Prosopis* spp.) and Prickly Acacia (*Vachellia nilotica*) publically reviewed in accordance with legislative requirements.

Future Legislative Priorities

Bushfires Act

The introduction of a Bill will give effect to the outcomes of the *Bushfires Act* review, and subsequent consideration by Parliament.

Water Act

The *Our Water Future* discussion paper was released for public comment in May 2015, in order to inform the development of an overarching Northern Territory Water Policy. Following this consultation process, a strategic plan will be developed for government consideration.

The review of the *Water Act* will ensure that Northern Territory legislation is consistent with the contemporary approach to water management.

Developing an overarching Northern Territory Water Policy will provide a contemporary framework for water management in the Territory and will be cognisant of best practice water management supporting the national focus on northern development. The policy will promote sustainable water resource management and underpin the identification, assessment, development, allocation and management of all water resources in the Territory. It will also cover water and wastewater services and protection of water quality.

The review of the *Water Act* will ensure that Northern Territory legislation is consistent with the contemporary approach to water management.

Weeds Management Act

Declare *Cylindropuntia* (cacti) species as a weed in accordance with Weed of National Significance declarations.

Amend and endorse the Chinese Apple, Mesquite and Prickly Acacia Weed Management Plans as per review and public consultation activities in 2014-15.

Draft, publically exhibit and endorse a Weed Management Plan for Athel Pine (*Tamarix aphylla*).

Draft, publically exhibit and endorse a Weed Management Plan for Grader Grass (*Themeda quadrivalvis*).

STATUTORY AUTHORITIES AND BODIES

All statutory and non-statutory board appointments are approved by the Minister for Land Resource Management and noted by Cabinet before appointments are made.

As at 30 June 2015, the department was responsible for the following statutory authorities and bodies:

Northern Territory Catchments Advisory Committee

The committee provides community input into strategic advice on key issues relating to development of the Northern Territory economy, in particular where water users include the mining, agriculture and pastoral industries.

Each committee member is appointed to represent the public interest and include an irrigated agriculture representative.

Bushfires Council of the Northern Territory

The council recommends measures to the Minister for effective fire management on all Territory land except that under authority of the Northern Territory Fire and Rescue Service. The council meets twice yearly and this year considered a variety of strategic fire management issues including community and stakeholder engagement, fire mitigation priorities, seasonal risk analysis and support of the review of the *Bushfires Act*.

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Council members include stakeholder representatives from the Department of Primary Industry and Fisheries, NT Bushfire Volunteers Association, CSIRO, Bureau of Meteorology, Aboriginal land councils and Aboriginal organisations and the chairs of the six Regional Bushfires Committees.

Bushfires Committees - Regional

The Northern Territory is divided into six fire control regions that reflect varying land use, population density, climate, soils and vegetation type.

The regional committees advise the Bushfires Council on measures on strategic fire management issues from within their areas. The role is crucial to ensuring land owner fire management priorities are considered by the Bushfires Council in its recommendations to the Minister.

Members are selected on the basis of local knowledge, experience or skills in bushfire management.

Northern Territory Weed Advisory Committee

The committee develops draft weed management plans and advises the Minister on the progress of weed management in the region through the auspices of the *Weed Management Act*.

Committee members include representatives from the Northern Territory Cattleman's Association, the Departments of Lands, Planning and the Environment, Transport and Primary Industry and Fisheries, the Nursery and Garden Industry Association, Central Land Council, Local Government Association of the NT, Department of Defence, Regional Weed Reference Groups and Parks Australia.

Pastoral Land Board

The Board is a statutory authority charged with administering Northern Territory pastoral leases in accordance with the *Pastoral Land Act*. Its charter is to monitor the condition and use of pastoral land to facilitate both its sustainable use and the economic viability of the pastoral industry.

The Board is made up of five members including a chairman, experienced pastoralists and a suitably qualified scientist.

The composition of these statutory authorities and bodies are listed at Appendix 1.

RISK MANAGEMENT

The ability to remain responsive to risk is a key focus for the department.

During 2014-15, the Governance Board (formerly Executive Management Group) reviewed the strategic business risks that may prevent delivery of department strategic priorities and goals.

The annual Strategic Risk Assessment was based on the department's Risk Management Framework. This framework guided the assessment of identified risks within the current operating and internal control environment, with treatments identified for all new and emerging risks. Agreed actions to treat risks were detailed in the department's Strategic Risk Register. The audit of controls in place for managing risks was considered when developing the department's Internal Audit Plan.

Throughout the year, the Governance Board reviewed the department's strategic risks and considered any new and emerging risks. The Audit and Risk Management Committee reviewed the Strategic Risk Register every quarter to monitor the progress of identified risk treatments.

The Risk Management Framework is accessible to all department divisions to guide their management of risks specific to their operations.

Detailed Workplace Health and Safety (WHS) Risk Registers have also been established for each division and are managed by divisional WHS Committees.

CONTROLS AND COMPLIANCE

Internal Controls

The department has in place a number of internal control mechanisms designed to mitigate workplace risks.

| | |
|------------------------------------|--|
| Corporate Delegations | The Chief Executive Officer (CEO) delegates certain powers to other employees under the <i>Financial Management Act</i> , <i>Public Sector Employment and Management Act</i> , <i>Contracts Act</i> and <i>Procurement Act</i> . The CEO approved the following delegations in 2014-15: <ul style="list-style-type: none"> • Financial delegations • Human resources delegations • Procurement and contracts delegations. |
| Conflict of Interest | Conflicts of interest, whether real or perceived, can erode confidence in the integrity of the department. Executive Directors and branch managers are responsible for ensuring staff declare any conflicts. |
| Whistle-blowers | Staff are regularly reminded that they can report wrongdoing in accordance with the <i>Public Interest Disclosures Act</i> . The Executive Director, Corporate Services is the department's 'Protected Disclosure Officer'. <ul style="list-style-type: none"> • No public interest disclosures regarding the department's officers were lodged during the year. |
| Code of Conduct | Through internal training initiatives such as the Corporate Induction program, staff are regularly reminded of their responsibility to act in accordance with the Code of Conduct. The department may begin disciplinary proceedings against any employee who acts in contravention of the Code of Conduct. |
| Freedom of Information and Privacy | In accordance with the <i>Information Act</i> , the department has a range of policies and procedures in place to enable individuals to access records and information held by the department. |

RECORDS AND INFORMATION

Information Requests

The Northern Territory *Information Act* came into operation on 1 July 2003 and combines freedom of information (FOI), privacy and records management legislation.

In compliance with Section 11 of the *Information Act*, the department makes its information available in several ways.

Information is updated regularly and published on the department's website. It describes the department's structure and functions and how these affect the public. It also provides a comprehensive listing of freely available information and advises how to access other information that is not published on the website.

Part 3 of the *Information Act* formally sets out the process for accessing government information and accessing and correcting personal information held by the department. Details about how to apply for access to information, with links to relevant legislation and related agencies, can also be found on the department's website. Further assistance can be provided by contacting:

FOI Contact Officer
 PO BOX 496
 PALMERSTON NT 0830
 T: 08 8999 3479
 W: www.lrm.nt.gov.au/lrm/foi

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During the reporting year, the department received nine applications for access to government or personal information under the *Information Act*.

The table below provides statistical data about the formal access applications received by the department:

| Information Act Requests | 2013-14 | 2014-15 |
|--|----------------|----------------|
| Applications carried over from previous year | 1 | 1 |
| Applications to access personal information | 8 | 0 |
| Applications to access government information | 5 | 8 |
| Applications to access personal and government information | 1 | 0 |
| Applications to correct personal information | 0 | 0 |
| Applications transferred | 1 | 0 |
| Requests withdrawn | 1 | 0 |
| Internal reviews | 1 | 0 |
| Responses completed within 30 day period | 15 | 9 |
| Responses completed exceeding 30 day period | 0 | 0 |
| Applications processed as at 30 June | 14 | 9 |

Records Management

During 2014-15, the department continued to improve record management practices, procedures and policies to ensure compliance with Part 9 of the *Information Act*. Part 9 of the *Information Act* and the Records Management Standards require that the department develop and implement plans and processes to ensure full and accurate records are created, captured, discoverable, secure and disposed of in-line with approved Records Disposal Schedules to potentially reduce storage costs.

During the reporting year, the records training program continued to provide whole-of-agency guidance, support and training in information management best practice and use of the whole of government record keeping system, TRIM. This program had a particular focus on increasing the electronic management of records across the department.

Information Awareness Month

Information Awareness Month was held in May 2015 to increase public awareness of information and promote the value of good information practices and policies.

The Alice Springs and Darwin Records teams held open house events and activities to celebrate and promote awareness of the information service industry in government.

Ombudsman Enquiries

The department received no inquiries from the Ombudsman during the reporting year.

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MONITORING THROUGH AUDITS AND REVIEWS

INTERNAL AUDITS

The following risk based internal audits were conducted under the department's 2014-15 Internal Audit Plan. Management's implementation of audit recommendations is monitored by the department's Audit and Risk Management Committee.

| Audit/Review | Purpose | Outcomes |
|---|--|--|
| Compliance check of Cabinet information and security measures | To assess the department's compliance with required Cabinet information security measures | No material weaknesses in controls were identified during the compliance check |
| Internal audit of Tier 2 Procurement | To test the Tier 2 procurement activities which occurred during Quarter 2 of 2014-15, for compliance with the <i>Procurement Act</i> | No material issues or risks were identified. The audit found existing controls were satisfactory |
| Compliance with the <i>Information Act</i> | To review the department's level of compliance with Part 9 of the <i>Information Act</i> with regards to the NTG Record Management Standards | No material issues were identified but opportunities exist to enhance record management activities. The audit found the department is working towards requirements |
| Internal audit of Fringe Benefits Tax (FBT) | To evaluate the department's FBT compliance with relevant legislation and NTG requirements | No material issues or risks were identified. The audit assessed the department's level of FBT compliance as good |
| Internal audit of entertainment and hospitality | To examine the internal controls managing the department's entertainment and hospitality activities. | No material issues or risks were identified. The department's controls were assessed as good. |

EXTERNAL AUDITS

Northern Territory Auditor-General Audits

The Office of the Northern Territory Auditor-General selected the department for a compliance audit during 2014-15. No issues were identified.

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INSURABLE RISK

Under the Treasurer's Directions (M2.1), departments are required to detail the mitigation strategies and processes they have in place to reduce the likelihood or severity of their insurable risks.

Insurable risks are generally related to workers compensation, assets and inventories, public liability and indemnities. They exclude financial risks and legal costs in action.

The table below outlines the department's identified insurable risks and the strategies implemented to reduce those risks.

| Insurable Risk Category | Mitigation Strategies |
|---|--|
| Public Liability | <ul style="list-style-type: none"> Formal risk assessments completed Repairs and maintenance program to reduce risks associated with physical assets Ongoing review of practices and procedures to ensure public safety Appropriate signage Education campaigns for staff and public Independent reviews Building audits e.g. security, maintenance, compliance Appropriate security and testing e.g. fire systems, alarms, patrols, staff |
| Workers Compensation | <ul style="list-style-type: none"> Formal risk assessments completed Workplace Health and Safety framework developed and implemented Workplace safety policies and standard operating procedures Work site assessments Job specific training and support Utilisation of Employee Assistance Program Early intervention program Critical incident debriefings Work-life balance strategies |
| Assets and Inventories | <ul style="list-style-type: none"> Formal risk assessments completed Ongoing review of policies and practices to guide standard operating procedures to protect assets and inventories Asset registers were maintained for fixed and leased assets. Annual asset stocktakes for telecommunications completed |
| Vehicles (e.g.: motor vehicles, quad bikes and boats) | <ul style="list-style-type: none"> Regular service and maintenance checks Driver training (4 wheel drives, quad bikes, boat handling) Safety equipment and accessories (particularly for off-road vehicles etc) |
| Indemnities | <ul style="list-style-type: none"> Formal risk assessments completed each year and with each new agreement executed. |

Details of the department's commercial insurance premium arrangements are:

| Commercial Insurance Premium | Total Number/Total Value of Claims | |
|--|------------------------------------|----------------------|
| | 2013-14 | 2014-15 |
| Department – overseas travel insurance, small value one-off travel insurance | \$88 No claims | \$105 No claims |
| Department – marine insurance to transport drilling rig by barge | \$0 No claims | \$9,000 No claims |

CORPORATE SOCIAL RESPONSIBILITY

COMMUNICATIONS AND COMMUNITY ENGAGEMENT



The department undertook a range of community engagement activities during 2014-15. These included:

- successfully administering the Gamba Grass Assistance Program for the fifth consecutive year. Over 1500 individual landholders participated, representing a 50 per cent increase on the previous year. A monitoring program was also initiated to determine the effect of the program on public awareness and property level Gamba Grass reductions
- meeting with 14 agencies and 12 industry partners to determine collaborative opportunities for weed spread prevention
- publically exhibiting a draft weed management plan for Neem (*Azadirachta indica*) with a view to incorporating comments in the final statutory plan
- consulting with landholders affected by the high priority weeds; Cabomba, Prickly Acacia, Mesquite and Chinese Apple to inform the reviews of each weed's associated statutory plan of management
- working with Regional Weed Reference Groups to finalise community-driven regional weed management plans for the Darwin and Katherine Regions
- inviting the public to comment on discussion and summary papers as part of the review of the *Bushfires Act*. This first review for the 30 year old Act is ongoing and focuses mainly on the structural alignment of Bushfires NT within the Northern Territory Government and how to best support and develop volunteer bushfire brigades which underpin wildfire management delivery throughout the Territory
- publically promoting the department's key activities and responsibilities by participating in the Show Circuit (Darwin, Katherine, Tennant Creek and Alice Springs) and the Fred's Pass Show. The department was also promoted during the year at the Kidman Springs biannual field day at the Kidman Station Research Farm in the Victoria River region, the inaugural NT Field Day in Katherine, the Darwin inaugural Northern Australia Food Futures conference and the Rangelands Conference in Alice Springs. Information covered, but was not limited to, amendments to the *Pastoral Land Act*, weed management priorities, feral animal management, Bushfires NT and spatial data and mapping
- sponsoring the March 2015 Northern Territory Cattleman's Association Annual General Meeting and Industry Conference in Darwin. A departmental information booth was set up at the event to engage with association members and industry professionals. Staff at the booth provided information around the diversification opportunities created by the non-pastoral use provisions introduced to the *Pastoral Land Act*. The new provisions, enabling pastoralists to diversify land use and develop new income streams without having to change the tenure of a pastoral lease, were a key focus of the display. Integrated ground and satellite based monitoring, weed management, land assessment and development and rangelands monitoring was also promoted

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- hosting the annual NT Water Forum in Katherine in May 2015. About 100 stakeholders attended the forum that included presentations from the Katherine Water Advisory Committee, Northern Territory Catchments Advisory Committee, Bureau of Meteorology and the University of Western Australia
- inviting public comment on the *Our Water Future* discussion paper at community meetings held in Alice Springs, Tennant Creek, Katherine, Douglas Daly, Darwin rural area and Darwin.

GRANTS PROGRAMS

The department provides one-off special purpose grants. All grants, regardless of their type, are distributed under an agreement which includes the purpose of the grant and the reporting process for confirming that the funded objective has been achieved.

A full list of the grants administered by the department are shown below:

| Recipient | Purpose | Amount |
|---|---|--------------------|
| Volunteer Bushfire Brigades | Two grant categories: grants to support the operations of 22 volunteer bushfire brigades, and replacement of volunteer brigade firefighting vehicles. | \$1,137,159 |
| Various - Bushfire grants for equipment subsidies and protective clothing | Subsidy is provided for landholders to purchase firefighting equipment and radios at 50 percent of the purchase price (exclusive of GST) with maximum value of \$1,200 per applicant. Funding for personal protective clothing and equipment is provided to volunteer firefighters on completion of basic training | \$57,189 |
| Department of Science, Information Technology, Innovation and Arts (DSITIA) | A collaborative research project between the Northern Territory Government and the Queensland DSITIA to provide an integrated system that will inform both governments and land managers on the condition of Northern Territory Rangelands | \$112,380 |
| Charles Darwin University (CDU) | Contribution to the North Australian Marine Research Alliance (NAMRA), a joint research agreement between the Australian Institute of Marine Science, CDU, Australian National University and Northern Territory Government and specifically linked to Indigenous traineeships. NAMRA has directed funding to two projects supporting trainee Larrakia marine rangers and aquaculture development on Goulburn Islands | \$70,000 |
| Larrakia Nation Aboriginal Corporation | Contribution to the Larrakia Nation, which along with the Department of Lands, Planning and Environment through the North Australian Marine Alliance (NAMRA), supports funding for Indigenous traineeships working on Darwin Harbour | \$170,000 |
| Charles Darwin University (CDU) | Contribution to CDU for high-priority research to underpin environmental flows for the Daly River. | \$100,000 |
| Northern Land Council Charles Darwin University | The West Arnhem Fire Management Agreement between the Northern Territory Government and Conoco Phillips - Darwin Liquefied Natural Gas provides funding to the Adjurmarlarl, Jawoyn, Djelk and Mimal ranger groups to conduct fire planning, mitigation and suppression activities on country in western Arnhem Land. | \$1,423,506 |
| Total | | \$3,070,233 |