Review of the National Governance Protocols

Introduction

Rather than respond to individual questions as I have done in the past, I wish to raise some points from the narrow perspective of a listed, for private, approved higher education provider. For such organisations, financial viability does not equate with profitability, rather it means being profitable enough for shareholders.

The point in making these comments is to help the JCHE Review in its report to accommodate not only the large public institutions, but also the small private providers.

Raffles KvB

RKvB is owned by the Raffles Education Corporation in Singapore. The associated company in Australia is Raffles Education Pty Ltd, which trades as Raffles KvB

RKvB is both a

- Registered Training Organisation (accredited by the NSW Department of Education and Training VETAB), and
- a Higher Education Provider (registered by the NSW DET HED and approved by the Commonwealth DEST)

As a HEP it is accredited currently to offer:

- Associate Degree of Visual Communication,
- Associate Degree of Design,
- Bachelor of Arts (Visual Communication),
- Bachelor of Design, and
- Master of Design.

It has applied to the NSW DET for accreditation of Associate, Bachelor and Master of Commerce degree programs. This application will be considered by an External Review Panel on 14 August 2007.

Governance

While REC owns RKvB and the Board of Directors is responsible for its business efficiency and effectiveness, RKvB has established a Council as its Governing Body with currently 11 members of whom

- 7 are external, and
- 4 are ex officio
- Chair of Academic Board (external professor),
- Chief Executive Officer,
- Staff representative, and
- Student representative

The Provost, (Chief Academic Officer), acts as secretary (non-voting). The Personal Assistant to the Provost acts as the RKVB Council’s Minutes Secretary

Representatives of Constituencies

The Academic Board similarly has a majority of external members. Its major sub-committee is the Academic Policy and Practice Committee which is composed of the college’s senior academics.

While there is no direct representative of the owner on any of these committees, the owner’s influence on the operating budget is important for the REC to fulfill its fiduciary duties to its shareholders. This brings me to a presumably unintended consequence of governance protocols, or at least the enabling guidelines in the different jurisdictions, in that they overlook the corporation’s law reporting requirements of public companies.

Nevertheless, all ex officio members are reminded at each Council meeting that they have a duty to the organisation rather than the constituency they represent. The Council needs perspective from all stakeholder groups (though, per accidens, there is currently a vacancy for a graduate).

Needs

Small colleges, including not-for-profit institutions, have different emphases.

- There is a danger of micromanagement by Council members because of the “smallness”
- Delegations can be confused because people have multiple roles in the organisation.
- There is a need for Council members to have an induction process or even an AICD course, because, again, the relatively small size can mean that it is not economically efficient to bother about the details of the professional development of Council members.
- The governing body could drift into becoming the owners’ group as the owners are the ones with their personal assets at stake.
- The balance of selection, co-option and election with reasonable terms of office can be problematic with very small constituencies (for staff and students).
- The need for combining both the governing body’s overseeing of the fulfillment of the long-term mission of the institution as expressed in the strategic plan and the college management’s implementation of the vision in day-to-day business can be confused and confusing in small institutions.
- While it is acknowledged that “big” institutions have these problems to some degree, they can differ in kind for small colleges because there is less margin for error if there is a breakdown in the checks and balances of the governance policies and procedures. That said, the Issues Paper is to be commended for the detailed list of good practices embodied in the guidelines on leadership, accountability and continuous improvement.