Avondale College

Response to the Issues Paper (May 2007) for the Review of the
National Governance Protocols
Diversity of the private higher education sector

The private sector includes institutions with widely differing purposes, sizes and organisational structures, many of which are quite different from the organisational structures of universities. The sector includes for-profit and not-for-profit providers, constitutional corporations, trustee arrangements, and other governance structures. It is therefore important that the National Governance Protocols should:

- Allow sufficient flexibility to encompass this diversity
- Maintain consistency with the Corporations Act
- Focus on a limited number of widely applicable core principles of good governance rather than regulating detail too finely.

Size of governing body

The governing body of Avondale College currently has 18 members. The nature of our organisation is such that we believe a membership of 16-18 is required to achieve appropriate diversity of viewpoint; the necessary range of expertise; adequate representation of the constituencies served by the institution; a majority of members independent of the institution, its owners, and major funding bodies; balancing of Commonwealth and State governance requirements for an organisation with aspirations to become a university; and inclusion of staff and student representation without unbalancing the total membership mix. (See below on the importance of staff and student representation).

Term of appointment for members of the governing body

While periodic rolling turnover of membership is desirable to ensure the infusion of fresh ideas and perspectives, the following factors need to be considered:

- It takes time for new members to become thoroughly familiar with the culture and operation of the institution.
- Freshness needs to balanced with experience; members tend to give their best contribution during their second term of office.
- When members are not remunerated, it is not always easy to find people with appropriate expertise and the necessary time who are willing to function as members of a governing body. It is advantageous to be able to retain a valuable member while that person is still producing good ideas.

Terms of office should be set to ensure periodic turnover of membership, but should be long enough to enable members to develop the experience required to give maximum value. Provisions for re-election should allow flexibility to retain members who continue to prove valuable.

A 4-year term of office allows time for members to develop experience (the term for a student representative will be shorter). There should be provision for reappointment for successive terms up to a total of 12 years, but with flexibility for the governing body to approve continuance beyond 12 years for members still making a valuable contribution. Experience indicates that in practice, turnover of most members will be more frequent than 12 years.

Skill mix

Given the diversity of private providers, the Protocols should not provide additional requirements on the skill mix required for an effective governing body. The existing requirement of at least two members with senior financial expertise and at least one with senior commercial expertise is adequate.

Staff and student representatives

Staff and student representatives bring valuable perspectives not readily available to other members of the governing body. Providers should have the option to include one or two staff and student representatives on the governing body. Staff should have the right to elect their
representative(s). Institutions should have the option of either appointing the president of the Student Association or allowing students to elect a representative to the governing body. (Staff and student representatives must, of course, function on the governing body in the interests of the institution as a whole).

The role of Secretary
Where providers are constitutional corporations, the Company Secretary (normally a senior member of the institution’s administration) will also most naturally function as the Secretary of the Council. The Council is able to access external specialist advice on legal or other matters if required. The Protocols should not seek to legislate the role, responsibilities and powers of the Secretary.

Some matters raised in the discussion paper are best addressed through advice rather than regulation. These include:

- Roles appropriate to governance as opposed to management and administration (i.e. large-scale matters such as vision, direction, strategic matters, budgeting).
- Principles of effective leadership.
- Principles of strategic planning, including setting KPIs and monitoring their achievement.
- Management of risk.
- Review of management performance and effectiveness.
- Delegation

Advice on these matters might best be provided via a booklet or series of advice sheets on good governance practice.

Other matters
- Guidelines for the fiduciary responsibilities of members of the governing body? The existing Protocols provide adequate guidelines on this matter.
- Audit Committee. Already required in the Protocols for non-Table A providers.
- Self-assessment by the Council. Already required in the existing Protocols for non-Table A providers.
- External evaluation. Already provided via AUQA audits.
- Provisions for the continuous improvement of governance arrangements? (3.5.1). The existing Protocols already require professional development for members of the governing body. More specific regulation is not needed.
- Requirement to report operations of the governing body? (3.5.2). No. There are already enough reporting requirements.

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