

Attachment A

National Governance Protocols for Public Higher Education Institutions

1. The institution must have its objectives specified in the enabling legislation.
2. The institution's governing body should adopt a statement of its primary responsibilities, which includes:
 - appointing the vice-chancellor as the chief executive officer of the institution, and monitoring his / her performance;
 - approving the mission and strategic direction of the institution, as well as the annual budget and business plan;
 - responsibility for the sound management of the institution, including responsibility for approving significant commercial activities;
 - defining policy and procedures consistent with legal requirements and community expectations;
 - establishing and monitoring systems of control and accountability, including monitoring any controlled entities;
 - reviewing and monitoring both the management of the institution and its performance as an institution; and
 - managing risk across the institution, including commercial undertakings.

The institution's governing body should not delegate approval of any listed primary responsibilities.

3. The enabling legislation of the institution should specify the duties of the members of the governing body and sanctions for the breach of these duties. Each member should be appointed or elected *ad personam* and should be responsible and accountable to the governing body (council) and act solely in the interests of the university rather than as a delegate or representative of a particular constituency. Duties of members should include the requirements to:
 - act solely in the interests of the institution taken as a whole having regard for its objects;
 - act in good faith, honestly and for a proper purpose;
 - exercise appropriate care and diligence;
 - not improperly use their position to gain an advantage for themselves or someone else; and
 - disclose and avoid conflicts of interest.

Sanctions should include a requirement that the governing body has the power to and must remove any member of the governing body from office if the member breaches the duties specified above, is or becomes disqualified from managing corporations under Part 2D.6 of the Corporations Act.

4. Each governing body should have in place a formal programme of professional development for members to build the expertise of the governing body and to ensure that all members are aware of the nature of their duties and responsibilities.

5. The size of governing body is not to exceed 18 members. There should be at least two members having financial expertise and at least one member with commercial expertise. There should be a majority of external independent members on the governing body and not include current members of any State or Commonwealth parliament or legislative assembly.
6. The institution is to adopt systematic procedures for the nomination of prospective members of the governing body for appointment by the Governor in Council, the relevant Minister, or the council itself. This responsibility is to be delegated explicitly to a nominations committee of council. The institution is to publicly nominate at least one preferred candidate for any current or imminent vacancy on the governing body to be appointed by the Governor in Council or relevant Minister.
7. The institution is to codify and collate its internal grievance procedures and publish them with information about the procedure for submitting complaints to the relevant ombudsman or the equivalent relevant agency.
8. The annual report of the institution should be used for reporting on high level outcomes required by the Commonwealth.
9. The annual report of the institution must include a report on risk management within the organisation.
10. The Institution must keep the Commonwealth Minister for Education informed of any significant event affecting the institution or its subsidiaries which may affect its capacity to meet its obligations as set out in its funding agreement with the Commonwealth.
11. The governing body is required to effectively oversee controlled entities which incur risk by:
 - ensuring that the entity's board possesses the skills, knowledge and experience; necessary to provide proper stewardship and control of the entity;
 - appointing some independent directors to the board of the entity, where possible;
 - ensuring that the board regularly adopts and evaluates a written statement of its own governance principles;
 - ensuring that the board documents a clear corporate and business strategy which reports and updates annually the organisation's long-term objectives and includes an annual business plan containing achievable and measurable performance targets and milestones; and
 - establishing and documenting clear expectations of reporting to the governing body, such as a draft business plan for consideration and approval before the commencement of each financial year and at least quarterly reports against the business plan.
12. Entities (including associated companies, joint ventures and partnerships) that are not subject to audit by the State/Territory or Commonwealth Auditor-General should, after appropriate risk assessment, be audited by an external auditor and the auditor's management report provided to the institution's council.