

RMIT COUNCIL GOVERNANCE CHARTER

1. Intent and scope of the Charter

Council recognises that sound governance is essential to ensure the sustainability and success of the University and is committed to ensuring effective governance practices exist, which reflect accountability, transparency, and professional integrity within an inclusive framework based on trust and intellectual honesty.

RMIT complies with the *Royal Melbourne Institute of Technology Act 2010* (the Act) and Council recognises and supports the Voluntary Code of Best Practice for the Governance of Australian Universities and the ASX Corporate Governance Principles and Recommendations.

The Charter sets out the responsibilities of Council, Council members, the Chancellor and Chairs of Council Committees. To avoid doubt, a reference to the University in this Charter, includes all of RMIT's controlled entities. The guidelines contained within are recognised as agreed practices to ensure high performance and quality outcomes are in place to achieve the strategic targets.

The Charter is regularly reviewed by Council.

2. The Responsibilities of RMIT Council

The Council is the governing body of the University¹ and in the context of the objects of the University² is primarily responsible for³:

- Appointing and monitoring the performance of the Vice-Chancellor as the Chief Executive Officer of the University
- Approving the appointment of members of the senior executive of the University who have a direct reporting line to the Vice-Chancellor
- Approving the mission and strategic direction of the University and its annual budget and business plan
- Overseeing and reviewing the management of the University and its performance
- Overseeing the management and control of the University's finances⁴
- Establishing policy and procedural principles for the operation of the University consistent with legal requirements and community expectations
- Approving and monitoring systems of control and accountability of the University, including those required to maintain a general overview of any entity over which the University has control⁵
- Overseeing and monitoring the identification, assessment and management of risk across the University, including financial and non-financial risks of the University
- Overseeing and monitoring the academic activities of the University
- Approving any significant University commercial activities.

Council will not delegate its primary responsibilities.

Council will meet its primary responsibilities by:

¹ Section 8(2) *Royal Melbourne Institute of Technology Act 2010* (Vic)

² Section 5 *Royal Melbourne Institute of Technology Act 2010* (Vic)

³ Section 8(3) *Royal Melbourne Institute of Technology Act 2010* (Vic)

⁴ Section 9(e) *Royal Melbourne Institute of Technology Act 2010* (Vic)

⁵ See section 10 below

- Ensuring that the membership of Council is a balanced one with the necessary skills and experience as identified by it⁶ and as required by the Act;
- Ensuring that the role and responsibilities of Council Members are unambiguous, understood by members and that they are regularly reviewed and re-affirmed
- Establishing an annual work plan and schedule of meetings to effectively discharge its responsibilities
- Establishing Committees as required and regularly reviewing their performance and the need for their existence
- Approving the appointment of directors to RMIT controlled entities and ensuring that RMIT controlled entities and other significant RMIT investments have an appropriately skilled Board of Management or equivalent and that there are appropriate monitoring procedures in place
- Undertaking annual reviews of its performance.

3. Conduct of Council Business

Council will set and manage its meeting agendas to ensure it deals with the strategic and operational objectives of the University.

Council structures its work through appropriate standing Committees, each of which has an annually reviewed comprehensive term of reference. Committees submit to Council for approval, noting or decision: business plans, key measures, regular reports and performance reviews.

Membership of Council Committees is determined by Council on the recommendation of the Nominations Remuneration and People Committee of Council and is restricted to external and ex officio members of Council in consideration of the nature of the business considered by Committees.

Management will provide to Council quality and relevant information, including financial and operating information, that is timely, accurate and has a strategic focus in addressing the key performance measures, and is based on relevant strategic decision processes, to assist Council members to discharge their responsibilities effectively.

4. Strategic Oversight

Council will:

- Ensure sound strategic planning processes are in place and will approve the strategic plan
- Ensure a sound risk management system is in place with appropriate policies and processes for the identification, management, control and oversight of risks
- Ensure that sound practices exist to ensure the University's legal obligations are met
- Oversee the University's commitment to sound environmental, social and economic standards through effective governance practices.

5. Members of Council

Council will be comprised of persons who collectively provide the knowledge, skills and experience required to provide successful stewardship to the University, ensuring its sustainability and success in a global dynamic environment.

Council members will undergo a comprehensive induction program and receive information and on-going professional development opportunities to enable them to make informed decisions.

⁶ Through its Nominations Remuneration and People Committee

Council will determine training requirements for elected members of Council which must be completed during the elected member's term as a condition of membership.

Council will review its performance, and that of its Committees on a regular basis.

6. Council Members Responsibilities, Rights and Sanctions

Responsibilities

In the discharge of their governance obligations, Council Members are required to:

- Act reasonably to ensure that the Council carries out its functions and exercises its powers appropriately, effectively and efficiently
- Act always in the best interests of the University as a whole and consistent with the objects of the University rather than any constituent person or body who appointed the member
- Not make improper use of their position on Council including the improper use of any information acquired in the course of their duties to obtain directly or indirectly an advantage for themselves or any other person⁷
- Act as exemplars of the Code of Conduct approved by Council
- Be independent in judgement and actions and take all reasonable steps to be satisfied as to the soundness of all decisions taken by Council
- Be well informed concerning the University's strategic intent, operations and performance and understand the wider education sector
- Ensure they are sufficiently well informed and have access to quality information and documents as appropriate
- Act in good faith, honestly and for proper purposes consistent with the objects and interests of the University⁸
- Exercise reasonable skill, appropriate care and diligence⁹
- Ensure confidentiality of information received by Council, its Committees and Boards unless authorized to disclose it
- Ensure that all requirements in respect of Council as set out in the Act, University Statutes and Regulations, legislation applicable to the University and processes approved by Council, are met
- Take reasonable steps to avoid all conflicts of interest and ensure any such conflict – real or perceived - is disclosed in accordance with clause 11 of Schedule 1 of the Act¹⁰.

Council Members are expected to:

- Work with other members of Council and members of the senior executive to ensure proper oversight and management of the University
- Participate in an annual performance evaluation of Council and its Committees
- Participate in a formal induction process and ongoing professional development
- Regularly attend Council, Committee and Board meetings and Strategic Discussions.

⁷ Section 15(3) *Royal Melbourne Institute of Technology Act 2010* (Vic)

⁸ Section 15(2)(a) *Royal Melbourne Institute of Technology Act 2010* (Vic)

⁹ Section 15(2)(b) *Royal Melbourne Institute of Technology Act 2010* (Vic)

¹⁰ Section 15(2)(c) *Royal Melbourne Institute of Technology Act 2010* (Vic)

Council may remove a member from office if it is of the opinion that the member has failed to comply with the responsibilities of a member of Council and according to the procedure set out in the Schedule 1 of the RMIT Act.

Rights

Council members have the right to:

- A comprehensive initial induction program with follow up sessions during their term of office
- A Council Manual updated regularly that includes links to the Act, Council Governance Charter, as well as member contact details and other information
- Appropriate professional development opportunities each year
- Timely receipt of agendas and papers
- The provision of complete and accurate information in respect of all matters to be considered by Council
- The provision of such legal and financial advice as may be necessary to enable members to discharge their fiduciary duties
- Adequate levels of insurance cover to indemnify and keep indemnified each member of Council in accordance with the requirements of section 19 of the Act
- Access University staff on request for the purpose of discharging their duties as a Council member.

Sanctions

The office of a member of Council becomes vacant¹¹ where:

- The term of office has expired
- The member resigns from office
- The member is removed from office¹²
- The member is convicted of an indictable offence or an offence that, if committed in Victoria, would be an indictable offence
- The member becomes an insolvent under administration
- The member is elected as a member of the Parliament of Victoria or of the Commonwealth or of any other State or Territory
- The member is or becomes disqualified from managing corporations under Part 2D.6 of the Corporations Act
- The member ceases to be eligible for the category of member for which the member was appointed, or
- The member has failed to attend 3 consecutive ordinary meetings of Council, without Council's approval.

7. Chancellor's Responsibilities

The Chancellor is responsible for:

- Providing leadership to Council in achieving its role as set out in section 2 of this Charter

¹¹ Schedule 1 Section 4(1) *Royal Melbourne Institute of Technology Act 2010* (Vic)

¹² In accordance with Schedule 1 Section 3 *Royal Melbourne Institute of Technology Act 2010* (Vic)

- Fulfilling the ceremonial, statutory, and administrative functions of the role; these include representing Council in internal and external forums, participating in graduation ceremonies at RMIT campuses and at RMIT partner institutions in Australia and offshore, and officiating at the conferral of honorary doctorates
- Making determinations on matters requiring Council decision out of session, and other duties as prescribed by legislation and statute
- Effective chairing of Council meetings ensuring that all members contribute as independent individuals and that decisions and recommended actions taken are clear at the meeting and that the minutes are an accurate reflection of proceedings
- Ensuring that appropriate mechanisms are in place for monitoring and evaluating Council's effectiveness
- The provision of feedback to Council members on their performance as Council members (part of the annual evaluation process)
- Advising, supporting and working effectively and collaboratively with the Vice-Chancellor and the senior management of the University; this includes facilitating constructive communication between Council and the senior executive
- Championing RMIT and supporting and promoting its strategic objectives and activities; this includes supporting the Vice-Chancellor and the University in facilitating links with business, industry, government and the wider community.

8. Chair of Committees Responsibilities

Chairs of Committees are responsible for:

- Approval of meeting agendas and draft minutes
- Ensuring that the agenda of the Committee is consistent with its Terms of Reference and with Council priorities
- Ensuring that meetings are conducted in a professional manner where all members contribute as independent individuals and that decisions and recommended actions taken are clear at the meeting and that the minutes are an accurate reflection of proceedings
- Introducing to Council recommendations/reports from the Committee.

9. University Secretary

The University Secretary (the Secretary) is responsible to Council, through the Chancellor, on governance matters.

The Secretary supports the Chancellor and Council members in carrying out their responsibilities including the provision of information and advice that they might require. The Secretary is the principal source of advice on university governance matters. The Secretary will alert the Chancellor if s/he considers any proposed action would exceed Council's powers or be contrary to the provisions of legislation.

The Secretary works with the Chancellor and the Vice-Chancellor to ensure the efficient management of Council's business. The Secretary, through the work of the University Secretariat:

- Organises meetings of Council and its standing Committees
- Ensures that agenda papers are developed and circulated in a timely and effective fashion
- Ensures that Council protocols and relevant university policies and procedures are observed
- Ensures that minutes represent an accurate record of proceedings and decisions
- Monitors implementation of Council decisions

- Facilitates effective and appropriate communication between Council and other stakeholders in the University, including students, staff and government.

10. RMIT Group

Council is responsible for approving strategic directions and monitoring performance of the RMIT Group. The Vice-Chancellor is responsible for managing performance of the RMIT Group. The RMIT Group consists of RMIT University and its controlled entities.

RMIT's Controlled Entities Policy defines a controlled entity and includes:

- a. an entity which the University wholly owns; or
- b. an entity in which the University holds an interest of any kind (including a shareholding interest or membership interest) and the University has control of the entity.

Chief Executive Officers of controlled entities will report to their respective Board, through the Chair of the Board on performance of the controlled entity, and through the Vice-Chancellor who will provide to Council reports covering financial information, risk management and governance, and other updates and information as required .

11. Stakeholders

Council recognises the obligations of the University to its stakeholders, including students, staff, government and the general community.

(Approved by Council annually since 8 September 2003, revised 12 July 2004, 6 December 2004, 12 September 2005, 16 October 2006, 29 October 2007, 8 December 2008, 12 October 2009, 21 March 2011, 2 July 2012, 4 September 2013 and 9 December 2014).