

RMIT COUNCIL GOVERNANCE CHARTER

1. Intent and scope of the Charter

Council 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.

The Charter sets out the responsibilities of Council, Council members, the Chancellor and Chairs of Council Committees.

The Charter is reviewed annually by the full Council.

2. The Responsibilities of RMIT Council

The Council is the governing authority of the University¹ and in the context of the objects of the University² is primarily responsible for:

- Appointing the Vice-Chancellor as the Chief Executive Officer of the University, and monitoring their performance
- Approving the mission and strategic direction of the University, as well as the annual budget and business plan
- Overseeing and reviewing the management of the University and its performance
- Establishing policy and procedural principles including governance requirements, consistent with legal requirements and community expectations
- Approving and monitoring systems of control and accountability, including general overview of any controlled entities. A controlled entity is one that satisfies the test of control in s.50AA of the Corporations Act³
- Overseeing and monitoring the assessment and management of risk across the University, including commercial undertakings
- Overseeing and monitoring the academic activities of the University
- Approving significant commercial activities of the University.

Council will not delegate its primary responsibilities.

Council will meet its prime responsibilities through:

- Ensuring that the membership of Council is a balanced one with the necessary skills and experience as identified by it⁴ and as required by the Act⁵

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

² Section 8(3) *Royal Melbourne Institute of Technology Act 2010* (Vic)

³ See page 4

⁴ Through its Nominations and Governance Committee

⁵ Section 11(1)(b)(i) and (ii) *Royal Melbourne Institute of Technology Act 2010* (Vic)

- Ensuring that the role and responsibilities of Councillors are unambiguous, understood by Councillors and that they are regularly reviewed and re-affirmed
- Establishing an annual workplan and schedule of meetings to effectively discharge its responsibilities
- Establishing Committees as required and regularly reviewing their performance and the need for their existence
- Ensuring that RMIT controlled entities and other significant RMIT investments have appropriate Council representation on their Board of Management or equivalent and that there are appropriate monitoring procedures in place
- Undertaking annual reviews of its performance.

3. Councillor's Responsibilities, Rights and Sanctions

Responsibilities

In their behaviour Councillors are required to:

- Act in the interests of the University as a whole and consistent with the objects of the University rather than any constituent person or body who elected or 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 any pecuniary or other advantage for themselves or any other person
- Act as exemplars of the Code of Conduct / Code of Ethics 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 the 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 information and documents as appropriate
- Act in good faith, honestly and for proper purposes consistent with the objects and interests of the University
- Exercise appropriate care and diligence
- Ensure confidentiality of information received by the Council, its Committees and Boards unless authorized to disclose it
- Take reasonable steps to avoid all conflicts of interest unless they are disclosed in accordance with clause 11 of Schedule 1 of the Act.

Councillors are expected to:

- Participate in an annual performance evaluation
- Participate in a formal induction process and ongoing professional development
- Be cognisant of and interact with the stakeholders of the University as appropriate
- Regularly attend Council, Committee and Board meetings and Council Retreats.

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 annually that includes links to the Act, RMIT Corporate Governance Checklist as well as member contact details etc
- 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
- Ensure that all requirements in respect of Council as set out in the RMIT Act 2010, University legislation, legislation applicable to the University and processes approved by Council, are met
- 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 to University staff on request.

Sanctions

The office of a member of the Council becomes vacant if the member:

- Is or becomes disqualified from managing corporations under Part 2 D.6 of the Corporations Act, or
- Has failed to attend, without Council's prior approval three consecutive ordinary meetings of the Council, or
- Is removed from office by Council in accordance with Section 3 of the Act for failing to comply with the responsibilities of membership.

4. Chancellor's Responsibilities

The Chancellor is responsible for:

- Chairing Council and ensuring that meetings are conducted in a professional manner where all members are able to contribute and that decisions and recommended actions taken are clear at the meeting and that the minutes are an accurate reflection of proceedings
- Approval of meeting agenda
- Approval of draft minutes within five working days of receipt
- Fulfilling the statutory and ceremonial functions of the office
- Working effectively and collaboratively with the Vice-Chancellor and the whole University community

- Leading an effective Council in all appropriate forums to promote the University and support and enhance its activities
- Supporting the Vice-Chancellor and the University in facilitating links with business, industry, government and the community.

5. Chair of Committees Responsibilities

Chairs of Committees are responsible for:

- Approval of meeting agenda
- 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
- Being responsible to introduce to Council recommendations/reports from the Committee/Board
- Approval of draft minutes within five working days of receipt.

(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 and 21 March 2011)

Footnote 3

CORPORATIONS ACT 2001 - SECT 50AA Control

- “(1) For the purposes of this Act, an entity controls a second entity if the first entity has the capacity to determine the outcome of decisions about the second entity’s financial and operating policies.
- (2) In determining whether the first entity has this capacity:
- (a) the practical influence the first entity can exert (rather than the rights it can enforce) is the issue to be considered; and
 - (b) any practice or pattern of behaviour affecting the second entity’s financial or operating policies is to be taken into account (even if it involves a breach of an agreement or a breach of trust).
- (3) The first entity does not control the second entity merely because the first entity and a third entity jointly have the capacity to determine the outcome of decisions about the second entity’s financial and operating policies.
- (4) If the first entity:
- (a) has the capacity to influence decisions about the second entity’s financial and operating policies; and
 - (b) is under a legal obligation to exercise that capacity for the benefit of someone other than the first entity’s members; the first entity is taken not to control the second entity.”

[Sourced on 9/11/10 from http://www.austlii.edu.au/au/legis/cth/consol_act/ca2001172/s50aa.html]