

LEVNT GOVERNANCE CHARTER

APPLICABLE TO:

- LEVNT (REGIONAL OFFICE)
- INCORPORATED VICTORIAN AND TASMANIAN SCHOOLS

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Table of Contents

1.	Introduction	4
1.1.	LEVNT Principal Purpose	4
1.2.	LEVNT relationship with Educational Bodies	4
1.3.	Background	4
1.4.	Purpose of this Governance Charter.....	4
1.5.	Scope and Application of Governance Charter.....	5
1.5.1.	Scope.....	5
1.5.2.	Application	5
1.5.2.1.	LEVNT	5
1.5.2.2.	Incorporated Educational Body	5
1.5.3.	Amendment or Repeal of the Governance Charter.....	5
1.6.	Definitions.....	6
2.	The Lutheran Church of Australia and Lutheran Education.....	7
2.1.	The Lutheran Church of Australia	7
2.2.	Lutheran Confessions.....	7
2.3.	Schools of the Lutheran Church.....	8
2.4.	Lutheran Education.....	8
2.5.	Lutheran Education in Victoria, New South Wales and Tasmania.....	8
2.6.	Purpose (Objects) of Lutheran Schools.....	9
3.	Church Governance.....	9
3.1.	Background	9
3.1.1.	Faith obligation	9
3.1.2.	Administration obligation	9
3.2.	The exercise of Church Obligations.....	9
3.3.	Reserved Powers.....	10
3.3.1.	LEVNT	10
3.3.2.	Incorporated Educational Body	10
3.4.	The School Pastor.....	10
4.	Civil Governance	10
4.1.	Governance Structure.....	10
4.1.1.	Approved Authority	11
4.2.	Members.....	11
4.3.	The Board and its Powers	11
4.4.	Board Membership and Composition.....	12

4.4.1.	LEVNT Directors	12
4.4.2.	Educational Body Directors.....	12
4.5.	Role of the Board	12
4.5.1.	Determine the mission and vision of the entity	13
4.5.2.	Ensure effective strategic planning.....	13
4.5.3.	Recognise and manage risk.....	13
4.5.4.	Ensure legal and ethical integrity and maintain accountability (Compliance)	14
4.5.5.	Policies and procedures	14
4.5.6.	Approve and monitor programs and services.....	14
4.5.7.	Child Safety	14
4.5.8.	Select, support and assess senior staff	14
4.5.8.1.	Select, support and assess the performance of the LEVNT Executive Director ...	14
4.5.8.2.	Select, support and assess the performance of senior School staff.....	15
4.5.9.	Ensure adequate resources and manage resources effectively	15
4.5.9.1.	LEVNT Resources.....	15
4.5.9.2.	School Resources	15
4.5.10.	Enhance the public profile and reputation of the organisation	15
4.5.11.	Ensure effective Board performance	16
4.5.11.1.	Onboard new directors.....	16
4.5.11.2.	Provide spiritual formation and professional development to Directors.....	16
4.5.11.3.	Evaluate Board performance	16
4.6.	Responsibilities of Directors	16
4.6.1.	Directors' Duties	16
4.6.2.	ACNC Governance Standards.....	17
4.7.	Role of the Chair	17
4.7.1.	LEVNT Board Chair	17
4.7.2.	School Board Chair.....	17
4.8.	Role of the Company Secretary	18
4.9.	Role of the Executive Director/Principal.....	18
4.9.1.	The Executive Director	18
4.9.2.	The Principal.....	18
4.10.	Delegation.....	19
4.11.	Board Committees	19
4.11.1.	LEVNT Schools' Assembly.....	19
4.11.2.	LEVNT Business Committee	19
4.12.	Board Meetings.....	20

4.13.	Interim reporting to the Member	20
4.13.1.	LEVNT reporting to the LCAVD.....	20
4.13.2.	Educational Bodies reporting to LEVNT	20
4.14.	Reporting to Districts	20
4.14.1.	Reporting to LCANSWACT District Church Council	20
4.14.2.	Reporting to District Synod	21
4.15.	Director Protection	21
4.15.1.	Insurance.....	21
4.15.2.	Access to Board papers.....	21
4.15.2.1.	Current serving Directors.....	21
4.15.2.2.	Former Directors.....	21
4.16.	Director Remuneration	21
4.16.1.	Directors' fees	21
4.16.2.	Reimbursement of Expenses	22
4.16.2.1.	LEVNT Director Expenses	22
4.16.2.2.	Educational Body Director Expenses	22
5.	Conflict Management	22
5.1.	Conflicts at LEVNT governance level.....	22
5.2.	Conflicts at School governance level	22

1. Introduction

1.1. LEVNT Principal Purpose

The Principal Purpose for which LEVNT is established is to advance Christian education in accordance with the Lutheran Confessions, promoting the mission of the LCA Victorian (including Tasmania) and NSWACT Districts (Districts) through its Educational Bodies and maintaining and promoting a relationship between the Educational Bodies and the Districts.

1.2. LEVNT relationship with Educational Bodies

The governance arrangements between LEVNT and its Educational Bodies vary, principally due to whether an Educational Body is an incorporated entity that is **affiliated** with LEVNT or an unincorporated entity that is **operated** by LEVNT. Some incorporated Educational Bodies also have a Member other than LEVNT which changes the relationship with LEVNT. These arrangements are articulated in documents including the LEVNT constitution, individual Educational Body constitutions (for incorporated Educational Bodies), Affiliation Agreements and Service Agreements.

LEVNT exists to serve the Educational Bodies of the region, assisting them to educate students in a Christian environment by providing inspiring educational opportunities that enable them to reach their full potential, and ensuring that they comply with all appropriate Church, legal, financial, educational and operational requirements.

1.3. Background

An **incorporated company** is a body corporate or 'legal person' with perpetual succession (i.e. the company is a distinct legal entity that continues regardless of changes to its membership). LEVNT is incorporated as a company limited by guarantee which:

- can enter into contracts and buy and sell property;
- can sue and be sued, invest and borrow money and accept gifts or bequests;
- provides protection of Members and Directors against personal liability for debts and other legal obligations of the entity;
- provides greater certainty for external stakeholders regarding who is ultimately responsible for decisions and actions; and
- has purposes and rules set out in its Constitution which dictate the way in which it operates and make decisions. This Governance Charter is a companion document to the Constitution.

Additionally, as a **charitable** company limited by guarantee, LEVNT is primarily regulated by the Australian Charities and Not-for-profits Commission (**ACNC**) not the Australian Securities and Investments Commission (**ASIC**) and is subject to the ACNC Governance Standards.

1.4. Purpose of this Governance Charter

This Governance Charter:

- describes the context and overall governance structure in which LEVNT and its Educational Bodies operate;
- identifies the roles and the relationships between LEVNT stakeholders;
- establishes the role of a Board and the delineation between governance and management;

- articulates expectations and provides operational guidelines to facilitate the efficient operation to achieve these expectations;
- facilitates effective relationships between all parties;
- establishes some delegations between LEVNT and its Educational Bodies;
- establishes the spiritual authority of the Church within LEVNT and its Educational Bodies;
- enhances the Board's understanding of the governance of a church-based organisation; and
- promotes learning and support structures for LEVNT Educational Bodies.

1.5. Scope and Application of Governance Charter

1.5.1.Scope

This Governance Charter applies to LEVNT and incorporated Educational Bodies listed in Schedule 1 of the LEVNT Constitution where LEVNT is the single Member.

This Charter does not describe the roles or responsibilities of Service Leaders and Management Committees of Early Learning Centres (**ELCs**) as all ELCs within LEVNT are unincorporated Educational Bodies.

The list of Educational Bodies may be varied from time to time.

1.5.2.Application

1.5.2.1. LEVNT

For LEVNT this Governance Charter must be read in conjunction with the constitution of LEVNT.

If there is any disagreement between these documents, the LEVNT constitution will prevail over this Governance Charter.

1.5.2.2. Incorporated Educational Body

For an incorporated Educational Body this Governance Charter must be read in conjunction with the constitution of the Educational Body and the Affiliation Agreement.

In the event of any inconsistency, the order of priority of Educational Body documents is:

- (a) the Educational Body Constitution;
- (b) the LEVNT Constitution;
- (c) the Affiliation Agreement;
- (d) this Governance Charter.

1.5.3.Amendment or Repeal of the Governance Charter

The Governance Charter can only be amended by the LCAVD.

1.6. Definitions

ACNC means the Australian Charities and Not-for-profits Commission.

Affiliated Educational Body means any Educational Body which in civil law is separately incorporated with a Member (owner) other than LEVNT, that is affiliated with LEVNT through an Affiliation Agreement.

Affiliation Agreement means the Agreement entered into between LEVNT and an individual incorporated Educational Body pursuant to which Schools are recognised as part of the LEVNT system, receive government funding through LEVNT and access support services from LEVNT.

Business Manager means the person however named, who is responsible to the Principal and ultimately to the School Board for the financial affairs of the School.

Church means the Lutheran Church of Australia Incorporated.

Constitution means the governing document of an incorporated entity.

DCC means the Church Council of a District.

Districts means the LCANSWACT and the LCAVD.

Educational Body means Lutheran schools, colleges, kindergartens and early learning centres.

Entity Mission means the statement of the purpose of the entity (why the entity exists) and how they serve their customers.

Executive Director (ED) means the person however named, who is accountable to the LEVNT Board for the day to day operation of LEVNT.

LCA means the Lutheran Church of Australia Incorporated.

LCA Districts means the six Districts which collectively make up the LCA.

LCANSWACT means the Lutheran Church of Australia NSW and ACT District.

LCAVD means the Lutheran Church of Australia Victorian District (including Tasmania).

LEVNT Schools means the schools listed in Schedule 1 of the LEVNT Constitution (as varied from time to time).

Lutheran Education Region means the secretariat/regional office which provides support and oversight of Educational Bodies grouped geographically serving one or more LCA Districts. There are three Lutheran Education Regions within Australia; LEQ (Queensland); LESNW (South Australia, Northern Territory and Western Australia) and LEVNT (Victoria, New South Wales and Tasmania)

Member means:

- in respect of LEVNT - LCAVD; and
- in respect of LCAVD LEVNT Schools – LEVNT; and
- in respect of all other LEVNT Schools – as defined in the School Constitution.

Mission has varied meanings depending on the context. As faith-based entities, our mission in its broadest sense is to ensure people see the love, grace, forgiveness and compassion of Jesus Christ coming to them through every place and every person in the entity. More specifically the term mission may also be used by an entity to describe a particular project or group of programs.

NSWACT District means the Lutheran Church of Australia NSW and ACT District.

Principal means the person however named, who is accountable to a School Board for the day to day operation of a School.

Reserved Powers means, those powers which are reserved:

- by LCAVD and not delegated to the LEVNT Board – in respect of LEVNT; and
- by LEVNT and not delegated to the School Board – in respect of Schools within the LCAVD;
- by the Member(s) and not delegated to the School Board – in respect of NSW Schools.

Schools Assembly means the group established under clause 4.11.1 of this Governance Charter.

Synod means the periodic formal meeting of representatives of the member congregations and other delegates of the specified Church group convened to transact business of the specified Church group.

WWCC means the appropriate state legislated screening process for assessing or re-assessing people who work or volunteer with an organisation which provides services to children. In Victoria and NSW, the check is called a Working With Children Check, and in Tasmania the check is called Working With Vulnerable People.

2. The Lutheran Church of Australia and Lutheran Education

2.1. The Lutheran Church of Australia

The Lutheran Church of Australia (LCA) is a 'synodical' church, meaning that Districts, departments, agencies and congregations choose to 'walk together' with each other.

The Districts, departments, agencies and congregations of the LCA, including LEVNT Ltd and LEVNT Educational Bodies, all accept and apply the one confession of faith, under which they have freedom to exercise their own interpretations of the LCA's mission and ministry objectives.

2.2. Lutheran Confessions

The following Confessions of the Lutheran Church of Australia are accepted and applied by each entity which operates as part of the mission of the Church as they declare that the entity:

- a) accepts without reservation the Holy Scriptures of the Old and New Testaments, as a whole and in all their parts, as the divinely inspired, written and inerrant Word of God, and as the only infallible source and norm for all matters of faith, doctrine and life.
- b) acknowledges and accepts as true expositions of the Word of God and as its own Confession all the Symbolical Books of the Evangelical Lutheran Church contained in the Book of Concord of 1580, namely, the three Ecumenical Creeds: the Apostles' Creed, the Nicene Creed and the Athanasian Creed; the Unaltered Augsburg Confession; the Apology of the Augsburg Confession; the Smalcald Articles; the Small Catechism of Luther; the Large Catechism of Luther; and the Formula of Concord.
- c) acknowledges that the LCA requires that all who teach in or administer the affairs of schools carry out their responsibilities and duties in accordance with this Confession.

2.3. Schools of the Lutheran Church

Lutherans have operated schools in Australia since 1839. Lutheran schools are an integral part of the mission of the Church. Through its schools the Church deliberately and intentionally bears Christian witness to students, parents, teachers, friends and all who make up the world of the school.

Lutheran schools are strongly connected by a common ethos, aiming to provide quality education in which the gospel of Jesus Christ informs all learning and teaching, all human relationships and all activities.

Lutheran schools offer an educational program that can be tailored to serve the needs of their local communities. Lutheran schools ensure they remain faithful to their mission and are accessible to the community.

The Lutheran Church also operates kindergartens and early learning centres (ELCs) as part of its mission within the local community.

2.4. Lutheran Education

The LCA has three Lutheran Education Regions which support and oversee Lutheran schools, colleges, kindergartens and early learning centres.

- Lutheran Education VIC, NSW, TAS and ACT
- Lutheran Education Queensland
- Lutheran Education South Australia, Northern Territory and Western Australia

The LCA also has a national educational body, Lutheran Education Australia, which promotes and advocates for Lutheran education across Australia, provides formation and leadership development, and works with the Regions to support Educational Bodies.

2.5. Lutheran Education in Victoria, New South Wales and Tasmania

Prior to incorporation in 2020, Lutheran Education Victoria, New South Wales and Tasmania (LEVNT) was a department of the Lutheran Church of Australia Victorian District which, due to the relatively low number of Educational Bodies within NSW and their geographical location close to the Victorian border, also included the Educational Bodies of NSW through a Memorandum of Understanding (MoU) between the LCAVD and the LCANSWACT.

In response to a review of external and internal risks and requirements, the LCAVD determined the most effective governance structure for the future was to move to an incorporated company model with the new companies nested under the LCAVD. The relationship between the LCAVD and the LCANSWACT continues under a new MoU. This new governance structure provides civil separation of the entities while maintaining unity in ministry and mission.

LEVNT's formal(legal) relationship with the LCA and LEA is through the LCAVD.

2.6. Purpose (Objects) of Lutheran Schools

Each Lutheran School is as an integral part of the ministry of the LCA, established to advance Christian education in accordance with the Lutheran Confessions and serve as an arm of mission outreach for the Church.

Lutheran School Objects are to:

- a) provide students with a comprehensive program of education that is conducive to the development of their talents and skills for responsible Christian living and service;
- b) encourage students to strive for excellence in learning according to individual ability;
- c) help students value themselves as persons created in the image of God, redeemed by Christ, and made members of his body, the church, and to express their new life in Christ in their relationship with God and others;
- d) include as a core part of the program, a Christian Studies curriculum which has been developed deliberately and consciously from the perspective of confessional Lutheranism;
- e) provide an alternative to a secularistic, humanistic philosophy and practice of education;
- f) promote the spiritual life and development of the School/College community through regular worship, study of the scriptures and pastoral care;
- g) assist parents in the fulfilment of their God-given responsibilities to their children; and
- h) assist the State in providing it with responsible citizens equipped to contribute positively to the community.

3. Church Governance

3.1. Background

3.1.1. Faith obligation

LEVNT and its Educational Bodies are dedicated to act in accordance with the authentic religious teaching of the Church as set out in the Lutheran Confessions and other Church faith statements pertaining to education.

Responsibility for the faithfulness to the mission and values inherent in Educational Bodies rests with LEVNT.

3.1.2. Administration obligation

An Educational Body even if separately incorporated, is part of the LCA, as is LEVNT. These obligations need to be fully understood by all who are involved in the governance of LEVNT and its Educational Bodies – the Members of the companies and the Directors. These obligations also need to be fully understood by all who are involved in management including the Executive Director of LEVNT and the Principal (or Service Leader) of Educational Bodies.

3.2. The exercise of Church Obligations

The Member carries out its obligations of faith and administration through reserved powers written into the constitution of an incorporated entity.

This is in addition to a general requirement in the entity's constitution to operate in conformity with the ethos of the Church.

Church responsibilities exist whether the Educational Body is incorporated or unincorporated and whether it is owned or affiliated.

3.3. Reserved Powers

3.3.1.LEVNT

In general terms, the reserved powers require LEVNT to seek the approval of the Member (LCAVD) or the relevant District for certain specified events which have a significant effect upon the control or strategic direction of LEVNT. The reserved powers are clearly identifiable in the Constitution of LEVNT. These reserved powers cover:

- ensuring Lutheran identity
- appointment of Directors
- amendment of the constitution
- approval of certain property dealings
- approval of any merger or dissolution of LEVNT
- ensuring the right for the designated Lutheran Pastor(s) to attend LEVNT Board meetings in the role of consultant

3.3.2.Incorporated Educational Body

The reserved powers must be clearly identifiable in the Constitution of each Educational Body as they are in the Constitution of LEVNT Ltd. In general terms, the reserved powers require an incorporated Educational Body to seek the approval of LEVNT for certain specified events which have a significant effect upon the control or strategic direction of the Educational Body. LEVNT may in turn seek the approval of the relevant District in the decision-making process. These reserved powers cover:

- ensuring Lutheran identity
- appointment of Directors
- amendment of the constitution
- approval of certain property dealings
- approval of any merger or dissolution of the corporate entity
- ensuring the right for the designated Lutheran Pastor(s) to attend governance meetings in the role of consultant

3.4. The School Pastor

The School Pastor/s, or where there is no School Pastor, the pastor of the supporting congregation/parish, or where there is no supporting congregation/parish a pastor nominated by the LCAVD Bishop will:

- provide theological expertise to the School; and
- be a spiritual advisor to the School Principal and other School ministry staff.

4. Civil Governance

4.1. Governance Structure

LEVNT is a company limited by guarantee with a single Member, the Lutheran Church of Australia Victorian District. LEVNT also serves the LCANSWACT through a memorandum of understanding between the Districts.

All LEVNT schools are currently, or are moving to become, incorporated entities. LCAVD schools are or will become a company limited by guarantee with a single Member, LEVNT Ltd.

LEVNT schools in NSW (and Tas) are incorporated under various structures which were appropriate to the local context at the time of incorporation.

Whether incorporated as a company limited by guarantee, or an incorporated association, each of the Educational Bodies is a not-for-profit entity and is registered as a charity under the ACNC Act 2012. This registration enables Educational Bodies to access various tax concessions available to charities through the Australian Taxation Office.

4.1.1. Approved Authority

In addition to being responsible for LEVNT schools as the sole Member or on behalf of the LCANSWACT, LEVNT is also the Approved Authority for:

- Victorian Schools under the *Victorian Education and Training Reform Amendment (Funding of Non-Government Schools) Act 2015*
- all LEVNT Schools under the *Australian Education Act 2013* and the *Australian Education Regulation 2015*

and as such is required to ensure compliance with all requirements under the relevant legislation.

4.2. Members

The sole Member of LEVNT is the LCAVD.

The sole Member of incorporated Educational Bodies within the LCAVD is LEVNT.

The Member(s) of other incorporated Educational Bodies vary and are defined in the Constitution of each Educational Body.

Under the terms of each Constitution, the Member(s) retain reserve powers including the power to modify or repeal the Constitution and to appoint and remove Directors.

In an affiliated Educational Body where the membership does not include or extends beyond LEVNT, additional powers which are reserved for LEVNT are defined in Affiliation Agreements.

4.3. The Board and its Powers

Each Board governs the activities of the entity subject to its Constitution, this Governance Charter, ACNC Legislation and the Corporations Act 2001 (or relevant State legislation governing incorporated associations, as the case may be).

If there is any inconsistency between these documents, see section 1.5.2 for guidance.

4.4. Board Membership and Composition

Directors are appointed based on their skills, experience and ability. Each Board requires a majority of the Directors to be Lutheran, and prefer that non-Lutheran Directors identify as Christian. All Directors must agree to uphold the Principal Purpose as defined in that entity's Constitution and to govern in accordance with the Lutheran Confessions (section 2.2).

4.4.1. LEVNT Directors

LEVNT Directors are appointed by the Member, not Synod, on recommendation of the Board or the Member.

In addition to eligibility requirements set out in the LEVNT constitution, Directors are required to:

- hold a current WWCC and register LEVNT as the organisation at which they volunteer
- notify the LEVNT Board Chair immediately if they become subject to a child safety allegation or investigation (or Vice Chair if the allegation involved the Chair)
- complete an annual Responsible Person declaration
- complete mandatory compliance training as determined by the Board from time to time.

4.4.2. Educational Body Directors

Educational Body Directors are appointed by the Member(s) on recommendation of the Board unless otherwise defined in the Educational Body constitution.

In addition to eligibility requirements set out in the Educational Body constitution, Directors are required to:

- hold a current WWCC and register the Educational Body as the organisation at which they volunteer
- notify the Board Chair immediately if they become subject to a child safety allegation or investigation (or Vice Chair if the allegation involved the Chair)
- complete an annual Responsible Person declaration
- complete mandatory compliance training as determined by the Board from time to time.

4.5. Role of the Board

Each Board is responsible for ensuring the entity fulfils its Principal Purpose as detailed in the Constitution, within the limits of the reserved powers, through appropriate governance, management and accountability structures.

In fulfilling its governance role, the Board must ensure that the entity operates as part of the mission of the Lutheran Church.

The way in which each Board will operate will depend upon its size and the stage of its development; however, in broad terms each Board is responsible for the entity's:

- performance (direction, operations and the development of appropriate strategy); and
- compliance (monitoring the work of the entity to ensure it is achieving its performance objectives and is operating in accordance with its legal and regulatory obligations).

The day to day work of an entity is carried out by the Executive Director/Principal, management and staff (as the case may be). It is the role of the Board to govern, not manage, the entity.

4.5.1. Determine the mission and vision of the entity

The Board is responsible for stating the entity's mission (why the entity exists) and its vision (what it is striving to be or achieve) in accordance with the entity's purpose as expressed in the entity's Constitution. The mission and vision statements should serve as a guide to strategic and organisational planning and should be reviewed periodically.

The Board is also responsible for ensuring the School has a Ministry and Mission Plan, usually written with a local congregational worshipping community to articulate how these communities assist each other in finding new ways of authentically and effectively communicating and living the Gospel that connect with people's lives.

4.5.2. Ensure effective strategic planning

The Board is responsible for developing an appropriate strategic plan which defines the direction and activities of the entity. The strategic planning process enables the Board and staff in collaboration to translate the broad mission of the entity into objectives and goals that can be measured and accomplished.

The strategic plan should include the following elements:

- statement of Mission and Vision
- Strategic Objectives – both short and long term
- analysis of the entity's "landscape" and implications
- core strategies to achieve objectives
- strategic tools
- a means of measuring, reporting and evaluating progress

The Board should formally approve the strategic plan following an appropriate period of consultation and an opportunity for revision. The Board must monitor the implementation of the strategic plan and review it on at least an annual basis.

The establishment or material amendment to the strategic long-range plan of LEVNT requires the written approval of the LCAVD.

4.5.3. Recognise and manage risk

The LEVNT Board, and each School Board, must implement the LEVNT Risk Management Framework and ensure that there are appropriate policies, procedures and resources in place to establish a sound system for managing risks, both positive and negative, to the organisation.

The effective management of risk includes determining risk appetite, oversight, management, treatment and control.

The number, type and significance of risks vary for each entity; however, each Board must consider the scope and impact of strategic, financial, educational, human resource, health and safety, child protection, regulatory, stakeholder and operational risks.

4.5.4.Ensure legal and ethical integrity and maintain accountability (Compliance)

The Board is ultimately responsible for ensuring compliance with legal and regulatory requirements and ethical norms. The Board must protect the entity from legal action, promote a safe and ethical working environment and safeguard the entity's integrity in pursuit of its mission. The Board must develop policies to guide the entity in ensuring legal and ethical integrity and accountability including appropriate delegation policies. The Board must also ensure that management develop appropriate personnel policies and procedures and grievance protocols.

4.5.5.Policies and procedures

The LEVNT Board must review and adopt relevant Church policies for use by LEVNT and its Educational Bodies.

The LEVNT Board must ensure compliance with LEVNT policies and procedures.

Each Educational Body Board must ensure compliance with LEVNT policies and procedures as directed by the LEVNT Board from time to time.

4.5.6.Approve and monitor programs and services

The Board must ensure that current and proposed programs are consistent with the mission, vision and objectives of the entity.

4.5.7.Child Safety

The Board must be involved in embedding a culture of child safety in the School and ensure that the School complies with the relevant National and State Principles, Standards and Regulations related to Child Safety. The Board must also ensure that the School has a zero tolerance for child abuse and is committed to the protection of children from all forms of child abuse.

4.5.8.Select, support and assess senior staff

4.5.8.1. Select, support and assess the performance of the LEVNT Executive Director

The LEVNT Board is responsible for the selection of the Executive Director. A representative of the Member (LCAVD) participates in the process for selection of the Executive Director.

The LEVNT Board must establish clear objectives and long-term priorities for appointments including preparation of a detailed position description.

The Executive Director is entitled to receive consistent moral and substantive support from the Board.

The Executive Director and the LEVNT Board Chair should agree on a process for annual performance review of the Executive Director. It is the responsibility of the LEVNT Board to consider and endorse the outcome of the Executive Director performance appraisal.

4.5.8.2. Select, support and assess the performance of senior School staff

The School Board is responsible for the selection of the Principal and supports the Principal in the selection of the Business Manager. The Executive Director or delegate, participates in the process for selection of the Principal and Business Manager for Schools.

The Board must establish clear objectives and long-term priorities for these appointments including preparation of a detailed position description.

The Principal is entitled to receive consistent moral and substantive support from the Board.

The Principal and the Chair should agree on a process for annual performance review of the Principal. It is the responsibility of the Board to consider and endorse the outcome of the Principal performance appraisal.

4.5.9. Ensure adequate resources and manage resources effectively

Each Board must ensure that the entity has adequate resources to carry out its activities.

Each Board must ensure that the entity's current revenues are stable and wherever possible encourage the cultivation of sources of revenue that are sustainable for the long term. Each Board must also ensure that the entity's expenses are appropriately managed to ensure long term viability of the entity.

Each Board must approve an annual budget prior to the beginning of each financial year and ensure that appropriate financial and other controls are in place to protect the entity's assets. The Board must ensure adequate cash management controls and appropriate external auditing, purchase adequate liability insurance, monitor delegations for financial decision making and oversee investments.

4.5.9.1. LEVNT Resources

Given LEVNT revenue is almost exclusively derived from levies imposed on Schools, LEVNT is accountable to Schools through Schools Assembly to ensure services provided are appropriate and provided at a fair market rate.

The LEVNT Board is responsible for approving the annual LEVNT budget on recommendation of the Schools Assembly.

4.5.9.2. School Resources

Each School Board is responsible for approving the annual School budget and determining an appropriate schedule of school fees.

4.5.10. Enhance the public profile and reputation of the organisation

Each Director is an ambassador, advocate and community representative for the entity, and by association for Lutheran Education. Each Board has a right and responsibility to ensure a healthy and accurate public image for the entity. Directors may be required to meet with government officials, community groups and to represent the organisation at forums and conferences as appropriate.

The LEVNT Board will collaborate with other ministries of the Districts and the Church.

The LEVNT Board will participate in the strategic planning processes of the Districts as appropriate to ensure alignment of strategic objectives.

4.5.11. Ensure effective Board performance

4.5.11.1. Onboard new directors

Where induction is a one-off event where a new person is introduced to an entity and role, onboarding is a planned process delivered over an extended period of time to help the transition run smoothly.

Each Board has responsibility to provide appropriate onboarding to new Directors. New Directors should be suitably supported in their efforts to become familiar with the requirements of the Board position, Board protocols and to understand the entity's mission, strategic objectives, programs and services within the broader context of LEVNT, the Districts and the Church.

4.5.11.2. Provide spiritual formation and professional development to Directors

Within each School of LEVNT there is a commitment to providing Christian education.

Each Board is responsible for the ongoing spiritual formation of its Directors.

To continually improve Board performance, all Directors are encouraged to undergo relevant periodic professional development. Directors who wish to undertake a professional development activity at the entity's expense should seek and receive the approval of the Chair.

4.5.11.3. Evaluate Board performance

Each Board must periodically review its overall effectiveness at least every two years. The Board self-assessment should address the Board's composition, the process of identifying and recruiting prospective Directors, committee structure, meeting, relationships with key stakeholders and how the overall performance of the Board can be strengthened.

The LEVNT Board may request that a School Board undergo an external evaluation of the Board's performance.

4.6. Responsibilities of Directors

4.6.1. Directors' Duties

Directors are required to comply with the LEVNT Directors Code of Conduct.

The relationship between the Directors and the Members of the entity is a fiduciary relationship based on trust, honesty, care and responsibility. The fiduciary duty owed to the Members and the obligations which flow from that duty exist as common law duties, separate from duties created under legislation.

The duties of Directors of not-for-profit organisations created under legislation vary depending on whether the organisation is incorporated pursuant to the Corporations Act 2001 or in accordance with State Acts regulating associations, and whether the organisation is registered as a charity under the ACNC Act 2012.

For public companies limited by guarantee which are registered as charities, the duties of Directors reflect both the common law and duties created under the Corporations Act 2001 and are principally set out in Governance Standard 5 of the [ACNC Governance Standards](#).

The duties of Directors can be summarised as follows:

- to act with reasonable care and diligence
- to act honestly and fairly in the best interests of the entity and for its charitable purposes
- not to misuse their position or information they gain as a Responsible Person
- to disclose conflicts of interest
- to ensure that the financial affairs of the entity are managed responsibly, and
- not to allow the entity to operate while it is insolvent.

4.6.2.ACNC Governance Standards

In order for an entity to maintain its status as a registered charity with the ACNC, the Board must ensure the entity continues to meet the [ACNC Governance Standards](#).

4.7. Role of the Chair

The Chair is appointed by the Directors who may also appoint a Vice Chair.

The Chair's role is a pivotal one within the entity. The Chair is considered the "first among equals" who is primarily a facilitator although does take on some specific leadership roles. The Chair utilises experience, skills and leadership abilities to facilitate governance processes and encourages open discussion and debate.

4.7.1.LEVNT Board Chair

The LEVNT Board Chair acts as the critical interface in the relationship between the LEVNT Board, the Executive Director and the Member. The Chair is required to meet with the Member on an annual basis, to provide an annual report and to discuss the outcome of any internal or external evaluation of the Board's performance.

The LEVNT Board Chair:

- sets the boardroom culture and builds the Board as a team
- designs and manages the Board meeting agenda
- leads the Board's meetings
- develops the Board's effectiveness
- supports the Board and Executive Director relationship
- provides mentoring to other Directors and to the Executive Director
- represents the Board as required in public meetings.

4.7.2.School Board Chair

The School Board Chair acts as the critical interface in the relationship between the School Board, the Principal, LEVNT and the LEVNT Board more broadly. The School Chair is required to meet with the Executive Director (or their representative) on an annual basis, to provide an annual report and to discuss the outcome of any internal or external evaluation of the Board's performance with the Executive Director.

The School Board Chair:

- sets the boardroom culture and builds the Board as a team
- designs and manages the Board meeting agenda
- leads the Board's meetings
- develops the Board's effectiveness
- supports the Board and Executive Principal relationship
- provides mentoring to other Directors and to the Principal
- represents the Board as required in public meetings
- oversees the relationship between LEVNT and the School.

4.8. Role of the Company Secretary

The company secretary is responsible to ensure legislative compliance of the entity and to support the effectiveness of the Board and its committees. The company secretary:

- is normally an employee and therefore not a Director, as defined in the entity's Constitution
- ensures the entity complies with its statutory obligations, ensuring requirements of the ACNC and other regulators are met
- advises the Board and its committees on governance matters
- monitors that Board and committee policy and procedures are followed
- coordinates the timely completion and despatch of Board and committee papers
- provides or procures advice for Directors regarding application of the Act, constitution, and other legal and regulatory requirements
- ensures that the business at Board meetings is accurately captured in the minutes
- helps to organise and facilitate the induction and professional development of Directors.

The LEVNT Company Secretary supports the Company Secretaries of incorporated Educational Bodies and may have access to appropriate Educational Body records for the purpose of providing this support.

4.9. Role of the Executive Director/Principal

The Executive Director/Principal ensures their Board is appraised of significant events and special issues (eg. claims and litigation, media exposure, major strategic issues) which have the capacity to harm the reputation of the entity or to impact negatively upon the mission of the entity or LEVNT.

4.9.1. The Executive Director

The Executive Director provides leadership, management and support for a diverse range of Educational Bodies within the Region. The role includes leading a professional team that collectively serves as a support structure for the Educational Bodies of the Region. The collective mission of the LEVNT team is to nurture, strengthen, guide and encourage the people working in the various Educational Bodies of LEVNT so that they will be better equipped to carry out their ministries of service and education.

4.9.2. The Principal

The Principal is responsible for the day to day management of the School and is the spiritual leader of the school.

4.10. Delegation

Each Board must ensure there is a Delegation Policy in place which specifies in detail delegations, including which activities may be further delegated.

4.11. Board Committees

A Board may delegate any of its powers or functions (but not its duties or responsibilities) to a sub-committee.

Each constitution allows a Board to delegate its powers to a Director, sub-committee or an employee.

In areas where more time or technical proficiency is required or where it is necessary to supplement the skills of Directors or employees of the entity, the Board may appoint a member of a sub-committee who is not a Director of the entity. A sub-committee member who is not a Director does not have a vote in any matter recommended by that sub-committee.

The Board may convene standing subcommittees or ad hoc committees or taskforces to provide advice or operate as working parties for the Board.

The Board must determine the terms of reference for each Committee. A committee provides recommendations to the Board and cannot make decisions on behalf of the Board.

4.11.1. LEVNT Schools' Assembly

The Schools' Assembly meets once a year and comprises three representatives from each Educational Body excluding ELCs, usually the Chair, Principal and Business Manager. Each School has one vote at the Assembly.

The role of Schools' Assembly is to:

- participate in the strategic planning process of LEVNT
- receive, review, and endorse recommendations to the LEVNT Board regarding:
 - LEVNT levies
 - LEVNT budgets
 - formulae for the distribution of government funds granted to LEVNT
- recommend to the LEVNT Board:
 - one Principal for appointment to the LEVNT Board
 - one Business Manager for appointment to the LEVNT Board
 - two representatives, consisting of at least one Principal and one Business Manager, for membership of the LEVNT Business Committee
- provide a forum for formal sharing and interaction between LEVNT Schools

4.11.2. LEVNT Business Committee

The LEVNT Business Committee assists the LEVNT Board in fulfilling its oversight responsibilities of Educational Bodies. The LEVNT Business Committee advises the LEVNT Board on business and financial matters, opportunities and risks within LEVNT Educational Bodies, and is a support group for the LEVNT office. The LEVNT Business Committee reviews Educational Bodies' financial reporting, internal control and management of financial risks and oversees the borrowing process of all Educational Bodies and ensures they maintain high standards of financial compliance.

The LEVNT Business Committee meets as required throughout the year, typically two weeks' prior to LEVNT Board meetings.

The LEVNT Business Committee comprises at least one Principal and one Business Manager from Schools and other consultants as appointed by the LEVNT Board.

4.12. Board Meetings

Boards will conduct meetings according to the details of their Constitution.

4.13. Interim reporting to the Member

4.13.1. LEVNT reporting to the LCAVD

LEVNT will provide reports to the Member in addition to the Annual Report. These reports will be provided in April and October each year (the Annual Report will be provided in July).

The interim LEVNT reports to the Member will provide details on:

- Key risks to Lutheran reputation – ie potential for school failures, compliance or legal risks, reportable issues, leadership changes in LEVNT/Educational Bodies/Boards, other potential problems/mitigations, material changes to strategy.
- Exceptional opportunities outside approved strategic plans which are under consideration by LEVNT or Educational Bodies.
- Key reporting on purpose of LEVNT or within Educational Bodies – ie educational program achievements, ministry program initiatives and successes, growth and potential expansion.

LEVNT will provide reports to the Member outside these scheduled reporting dates if there is any material performance change by LEVNT or an Educational Body which might have potential impact on the Member.

4.13.2. Educational Bodies reporting to LEVNT

Each Educational Body will provide LEVNT minutes of Board meetings and Annual Reports as outlined in their Constitution.

LEVNT may request additional specific reporting from Educational Bodies according to the LEVNT Policy for Monitoring and Reporting Requirements of LEVNT Schools as amended from time to time.

4.14. Reporting to Districts

4.14.1. Reporting to LCANSWACT District Church Council

LEVNT will provide reports to the LCANSWACT DCC in addition to the Annual Report. These reports will be provided in April and October each year (the Annual Report will be provided in July).

The LEVNT reports will provide details on:

- Key risks to Lutheran reputation within the state of NSW – ie potential for school failures, compliance or legal risks, reportable issues, leadership changes in LEVNT/Educational Bodies/Boards, other potential problems/mitigations, material changes to strategy.

- Exceptional opportunities outside approved strategic plans which are under consideration by LEVNT or Educational Bodies within the state of NSW.
- Key reporting on purpose of LEVNT or within NSW Educational Bodies – ie educational program achievements, ministry program initiatives and successes, growth and potential expansion.

4.14.2. Reporting to District Synod

LEVNT will provide a report for inclusion in the District Synod book of reports on the ministry and educational achievements of the Educational Bodies within the relevant District, as well as an overall report on the operations of the relevant Educational Bodies.

The Executive Director or delegate will attend District Synod meetings and provide verbal reports and presentations as requested by the District Church Council or District executive.

4.15. Director Protection

4.15.1. Insurance

All organisations of the Church are generally insured with the LCA Insurance Fund.

On appointment, each Director will be provided with a copy of the Directors and Officers (D&O) liability insurance policy and any changes to that policy.

4.15.2. Access to Board papers

A complete set of Board papers is to be held by the Company Secretary for a period of 7 years.

The Member has a right to request access to and inspect Board papers.

4.15.2.1. Current serving Directors

The Corporations Act 2001 provides that currently serving Directors have the right to inspect financial records at all reasonable times. They may also inspect company books, other than financial records, at all reasonable times for the purposes of a legal proceeding to which they are a party or wish to bring against another party or believe may be brought against them.

4.15.2.2. Former Directors

A Director who is to cease, or has already ceased to be a Director may make a written request to the Board for access to and inspection of any financial records of the company, relating to the time during which the person was a Director for any bona fide purpose relating to the time during which the person was a Director and subject to maintaining confidentiality in relation to the records.

The Board may determine that that the Director is permitted to have access to the financial records provided the request is for a bona fide purpose relating to the time during which the person was a Director and subject to the Director maintaining confidentiality in relation to the records.

4.16. Director Remuneration

4.16.1. Directors' fees

A Director must not receive any fee for services performed as a Director.

4.16.2. Reimbursement of Expenses

Where out of pocket expenses are incurred by Directors in the conduct of their Board duties, they are reimbursed on the provision of appropriate tax invoices. Directors must ensure that expenses are reasonable and appropriate and consistent with any Expenses Policy adopted by the Board.

4.16.2.1. LEVNT Director Expenses

The Director: Business Services facilitates payment of reimbursements countersigned by the Executive Director.

4.16.2.2. Educational Body Director Expenses

The Business Manager facilitates payment of reimbursements countersigned by the Principal.

5. Conflict Management

In the event of conflict, the following process will be followed:

- in the first instance, the parties must attempt to resolve the matter by discussions between the parties involved in the conflict.
- if initial discussions do not resolve the conflict, the issue will be managed through the LEVNT Dispute Resolution Policy and Procedure.

5.1. Conflicts at LEVNT governance level

- If a conflict arises between an LEVNT Employee and a Director(s), the parties must attempt to resolve the matter by
 - discussion between parties
 - escalate to LEVNT Executive Director, LEVNT Board Chair, LCAVD Bishop
- If a conflict arises between an LEVNT employee and the Member (LCAVD) or the Member's representative, the parties must attempt to resolve the matter by:
 - discussion between parties
 - escalate to LEVNT Executive Director, LEVNT Board Chair, LCAVD Bishop
- If a conflict arises between a LEVNT Director and the Member (LCAVD) or the Member's representative, the parties must attempt to resolve the matter by
 - discussion between parties
 - escalate to LEVNT Board Chair, LCAVD Bishop

5.2. Conflicts at School governance level

- If a conflict arises between a School employee and the Member (LEVNT) or the Member's representative, the parties must attempt to resolve the matter by:
 - discussion between parties
 - escalate to LEVNT Executive Director, LEVNT Board Chair, LCAVD Bishop
- If a conflict arises between an Employee of LEVNT and a School employee or a School Director, the parties must attempt to resolve the matter by
 - discussion between parties
 - escalate to LEVNT Executive Director, LEVNT Board Chair, LCAVD Bishop

- If a conflict arises between a School Director and the Member or the Member's representative, the parties must attempt to resolve the matter by
 - discussion between parties
 - escalate to LEVNT Board Chair, LCAVD Bishop