

SIMPLE
GUIDE



COMMUNITY EARLY
LEARNING AUSTRALIA

Being on the Committee

of a Community-Based Service (Centre-Based)

April 2022

This is a simple guide to being on the management committee for centre-based services such as long daycares, preschools and OSHC services.

This resource aims to simplify what management committee members need to know about the National Quality Framework, the Education and Care Services National Law, the Education and Care Services National Regulations and your role.

Glossary

Throughout this guide, we refer to ACECQA.

ACECQA is an independent national authority that assists governments in administering the National Quality Framework for children's education and care.



KNOW THIS

A management committee is accountable to the people who elected it – generally the other members of the organisation (usually the other parents at the service).



What Is a Committee?

Services run by a committee are often referred to as “community-based” or “not-for-profit services” or occasionally “parent-run services”. The profit (or surplus) made from running these sorts of services is re-invested in the service rather than being returned to owners or shareholders.

Committees are elected by the members of the organisation to run the service.

Generally, for stand-alone services (i.e. those who are not part of a larger organisation running multiple education and care services) committees are made up of parents of children currently attending the preschool or long day care service and sometimes other members of the community.



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One of the first things that anyone elected to a committee needs to read is the organisation’s constitution, rules or Articles of Association. Ask the Nominated Supervisor or chairperson of your committee to see a copy of your service’s rules.

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- ▶ A committee normally delegates day-to-day management of the service to a Nominated Supervisor.
- ▶ The powers of your committee are laid out in the rules of the organisation. If a committee's operation is questioned, this document must be referred to.

A committee is essentially responsible for running an incorporated organisation (association, company or co-operative). An incorporated organisation receives recognition as a legal entity separate from its members. Once incorporated, an organisation has all the powers of an individual and is legally able to do things in its own name, such as own land, sign a lease, sue or be sued.

A management committee is the body with the overall responsibility of ensuring that an organisation is running well, sustainably, and legally. This doesn't mean the committee has to do the day-to-day management of a service – but it does need to set the policies under which a service is run and ensure those policies are implemented.

A management committee is usually made up of an executive committee and general committee members – this is determined by the rules of the organisation.

The executive committee (sometimes called office bearers) may consist of a Chair, a Treasurer and a Secretary although some organisations also have Deputy Chairs. The other members of a committee are generally referred to as ordinary members.

Committees in the education and care sector often have sub-committees such as funding sub-committees which are answerable to the committee but can be made up of other parents at the service.



KNOW THIS

There is a number of different laws to which education and care services are subject. The main ones that govern running a service are the Education and Care Services National Law and Education and Care Services National Regulations.

Responsibilities

The organisation running a centre-based service (and therefore the management committee who heads the organisation) is responsible for a number of different things:

- ▶ Being the Approved Provider of the education and care service under National Law and Regulations. These are the laws that allow a service to operate as a service for children. An Approved Provider has special legal responsibilities to ensure the Law and Regulations are complied with by the service at all times;
- ▶ Appointing a Nominated Supervisor/Co-ordinator for the service and receiving their consent in writing;
- ▶ A Nominated Supervisor is the person who shares some responsibility with the Approved provider for compliance with the Education and Care Service Law and Regulations;
- ▶ Being an operator of the education and care service under Commonwealth legislation. This is again a role defined by legislation – Family Assistance Legislation – and gives the organisation the right to receive Child Care Subsidy (CCS) on behalf of parents;
- ▶ Being an employer;
- ▶ Undertaking strategic planning for the service;
- ▶ Being responsible for governance – governance is the process by which organisations are directed, controlled and held accountable to ensure the right decisions are made for the service;
- ▶ Managing the service’s finances and funding; and
- ▶ Being responsible for compliance with all legislation that impacts on the running of an education and care service.



READ MORE

- ▶ CELA has a booklet in this series called *The Simple Guide to being an Approved Provider* – it is a useful companion to this guide. See www.cela.org.au
- ▶ Family Assistance Laws: www.dese.gov.au/family-assistance-law
- ▶ Education and Care Services Laws and regulations - www.acecqa.gov.au/NQF/national-law-regulations

KNOW THIS

Committee meetings should be enjoyable for all to attend. If they aren't, it could be a sign that there is committee dysfunction that should be looked at.

Committee Meetings

How committee meetings are run and how often they are held are both determined by an organisation's rules or constitution. Generally, a committee will meet at least monthly for a long day care or OSHC service and at least twice a term for a preschool.

The meeting of the management committee has three main purposes:

- ▶ To ensure the committee members are aware of what is currently happening in the service, what has happened in the previous month, and what is happening in areas that may affect the future operation of the service;
- ▶ For the committee to monitor the implementation of earlier decisions; and
- ▶ For action to be planned around current issues, and decisions made including who will carry out the planned action.

There are a number of unique words (jargon) used around committee meetings such as quorums and motions. You will come to know this language over time but if you do not know it when you first join a committee, ask!



READ MORE

Robert's Rules of Order gives a useful outline of voting in meetings. Google Robert's Rules to find out more.

https://assembly.cornell.edu/sites/default/files/roberts_rules_simplified.pdf



KNOW THIS

The organisation is the employer of the staff of the service. As the committee manages the organisation this means they are legally responsible for hiring and managing staff, even if some of this is delegated to the Nominated Supervisor. Committee members need to be aware of basics of employment law.

Some centre-based services encourage their staff to join the appropriate union so they can access expert industrial advice. Some organisations also join employer organisations so the committee has access to advice as required.

Committees and Staff

The relationship between the committee and the Nominated Supervisor / Co-ordinator of a service is critical to the effective management of the service. There should be clear policies and procedures that set out each party's responsibilities.

The Nominated Supervisor/Co-ordinator is employed by the committee to implement the policies and procedures of the service.

Committees have a large input into overall staff management and making the broad decisions that affect staff in their work. For example, hiring staff, planning future directions and adopting policies related to health and safety or working conditions.

Committees also have a formal responsibility and role to play in staff disputes and conflicts.

The Nominated Supervisor, however, is primarily responsible for routine staff management and the committee should support him/her in this role.

The management committee needs to:

- ▶ Clearly identify the roles of the Nominated Supervisor and the committee;
- ▶ Provide the Nominated Supervisor with the appropriate level of authority to make day-to-day decisions regarding the operation of the service, and respect this authority;

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- ▶ Acknowledge the Nominated Supervisor's/Co-ordinator's skills, knowledge and professionalism;
- ▶ Support the Nominated Supervisor/Co-ordinator by providing clear and consistent policies and guidelines.

KNOW THIS

Many education and care services have enterprise agreements in place to cover all staff. The Modern Awards that cover educators and other staff may not be adequate to enable the recruitment and retention of high quality staff.



READ MORE

Australia's national workplace relations system, the Fair Work system, covers the majority of centre-based services. Read more on the websites of the The Fair Work Commission www.fwc.gov.au and The Fair Work Ombudsman www.fairwork.gov.au



KNOW THIS

Every service needs a Strategic Plan, a Business Plan and a Quality Improvement Plan. A committee should have a succession plan for itself and for key staff. The Quality Improvement Plan (QIP) is a requirement in the National Regulations for approved services. The aim of a QIP is to help providers self-assess their performance in delivering quality education and care and to plan future improvements.



Planning

Strategic planning is the systematic process an organisation undertakes in identifying its short and long term goals while developing strategies, processes and action plans that will guide the organisation as it moves towards these goals.

Without a strategy, an education and care service has no direction. Strategy dictates the way forward; continuing without a strategy is like cooking without a recipe. It can be done, but the results may not be what you desire. Strategic planning is usually undertaken as a collaborative process between:

- ▶ The management committee;
- ▶ The Nominated Supervisor;
- ▶ Staff; and
- ▶ Families.



READ MORE

Read more about Quality Improvement Plans at www.acecqa.gov.au/quality-improvement-plan_1



KNOW THIS

Three basic questions that need to be asked when preparing the budget are:

- ▶ How much will it cost to run the service?
- ▶ How much guaranteed income will the service receive?
- ▶ How much will the service need to charge in fees?

Finances

One of the major tasks of the management committee is organising finances. It is important that the committee has an understanding of finances, as many of the decisions made at the management committee level will be affected by the financial situation of the service. Community-based services have a commitment to keeping services affordable, not-for-profit and accessible to the community. In order to make appropriate decisions that reflect their philosophy but also ensure continued viability, the committee needs to:

- ▶ Know how the finances of the service are currently placed;
- ▶ Where the service is heading financially.





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At every committee meeting, the Treasurer of the service should give the other committee members **three things** so they can ensure their decisions are financially responsible:

- ▶ Balance sheet;
- ▶ Profit and loss statement against budget;
- ▶ Cash flow forecast.

All aspects of the service impact upon the budget. All decisions from staffing levels and programs offered, staff professional development, to food and the provision of nappies need to be accounted for in the budget. The key issues in financial management in education and care services that management committees need to address are:

- ▶ Implementing regular financial management checks and dealing with financial matters professionally;
- ▶ Correct budgeting;
- ▶ Correctly checking utilisation figures.

KNOW THIS

An essential part of operating an education and care service is planning for the future by analysing the current situation and identifying where the service would like to be in the future.

Governance and Compliance

Governance is the system or process by which organisations are directed, controlled and held accountable to ensure that the right decisions are made.

Committee members are responsible for the governance of their organisation and need to satisfy themselves that an appropriate governance structure and strategies are in place. Good governance means that the management committee members accept responsibility for all aspects of the organisation.

Compliance is the action services take to ensure they are following the laws governing their operations.



READ THIS

- ▶ *Child Care Provider Handbook* explains compliance to Child Care Assistance legislation in detail:
www.dese.gov.au/child-care-package/ccp-resources-providers/child-care-provider-handbook





Management Committees are ultimately responsible for ensuring their service complies with the laws that govern education and care services' operations such as Family Assistance legislation (this governs child care payments – the payments long day care services receive from the Australian Government), and the Education and Care Services National Law and Regulations (which govern your operations). Because child care payments are made by the Government from funds collected from tax payers, the Government has as an obligation to ensure that services receiving the money are complying with the laws that outline who can receive these payments and what they can receive them for.



READ THIS

CELA has produced another guide in the Simple Series – the *Simple Guide to being an Approved Provider* which discusses compliance in detail: www.cela.org.au

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For good governance, an education and care service needs:

- ▶ Extensive policies and procedures
- ▶ Compliance checks
- ▶ Compliance calendar
- ▶ Strategic plans
- ▶ Risk management plans
- ▶ Good communication systems



Liabilities

The service, as an incorporated organisation, provides limited indemnity from personal liability in the event that someone (or another group/organisation) takes the service to court. This means that the service (instead of the management committee, who are the accountable body) will be sued in a court of law.

This protection will apply only when the management committee members have taken all reasonable steps to carry out their duty of care to ensure that all legal, employment and financial obligations and requirements have been carried out.

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If a committee does not know its legal responsibilities or chooses to ignore them, its limited liability can be compromised.

Conflict

Management committee members should always act in the best interests of the service. If there may be a potential conflict of interest, the management committee member should immediately inform the management committee and allow them to decide if she/he should be removed from relevant decision-making or resign from the position.



READ MORE

The Queensland Council of Social Service has a good section on its Community Door website about conflict on committees.

www.communitydoor.org.au/formal-procedures-for-managing-internal-conflict



Being a Great Committee

What makes a good committee? A good committee:

- ▶ Is aware of its responsibilities under the Law and Regulations.
- ▶ Has clear and documented policies and procedures which are actually followed by staff.
- ▶ Appoints a knowledgeable and skilled Nominated Supervisor and supports them with training, professional development and suitable time to understand the role.
- ▶ Has clear systems for communication between committee members, between committee and staff, and committee and parents.
- ▶ Recruits great staff, provides them with the professional development they need and does what is required to retain them.
- ▶ Has regular contact and involvement with the service.
- ▶ Sets up systems to maintain compliance with laws and regulations.
- ▶ Organises professional development for itself.



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CELA have a range of services, which includes a training course designed to provide you with the knowledge you need to understand your obligations as an Approved Provider. We also offer consultancy services, providing a more customised approach at a time and location that suits you.



READ MORE

- ▶ www.ourcommunity.com.au has loads of information to help not-for-profit organisations and their committees and boards
- ▶ www.cela.org.au has information useful for managing centre-based services, especially in the member's section
- ▶ ACECQA's Guide to the National Quality Framework www.acecqa.gov.au/NQF/about/guide
- ▶ Education and Care Services Laws and regulations - www.acecqa.gov.au/NQF/national-law-regulations





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