

OPERATING IN A COMMERCIAL ENVIRONMENT

Presenter

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Chisholm

PURPOSE

Acknowledging the changes to the operating environment for TAFE Institutes, I want to compare and contrast my commercial enterprise, Grenda, with my TAFE Institute, Chisholm, which could now become not too dissimilar in its operations



BACKGROUND

- Grenda is a Public Transport Service contracted by the Victorian Government
- Director and General Manager of Grenda Corporation, 25 years
- Chisholm Board President, 4 years
- Grenda is a privately owned business with independent Board
- It operates in an environment of commercial competitive tendering to Government
- Grenda operates autonomously
- Government sets KPIs and reporting schedule



GREENDA BOARD

- A clear business strategy
- Independent Board
- Strict Board governance
- Commercial principles and flexibility
- One product and a variety of services
- Ownership of assets
- Security for borrowing
- Commercial remuneration packages
- Quality and accreditations strong
- Sound contract arrangements with Government



GRENDA OPERATING PRINCIPLES

- Support your employees
- Ensure you provide the best service – as you would expect
- Provide a commercial return to the owners
- Maintain high quality up to date equipment and depots
- Work closely with customers and Government
- Ensure all regulatory matters are covered
- Timely, accurate reporting



GREENDA CORPORATE ADVANTAGE VERSUS TAFE

- Governance
 - Level of independence in membership
 - Commercial autonomy
- Greater funding certainty
- Wage and salary costs
- Capital expenditure control
- Clear and effective contractual and reporting systems to Government



TAFE – FOCUS FOR THE FUTURE

Governance

- Boards with commercial, industry and education skills
- Exerting influence through autonomy
- Using strong governance and compliance practices

Strategy

- Competitive business strategy, that assures financial success
- Self reliant, with staff and capital arrangements to match
- Partnerships to meet industry and some community needs



THANK YOU