

School Governance

Position Paper

The governance of parish
and diocesan schools in
the Archdiocese of
Melbourne

August 2020

School Governance
Steering Committee

From the Chair of the Steering Committee

Dear Archbishop Peter

On behalf of the Governance Steering Committee, I am pleased to present this Position Paper to you and to the wider Catholic community concerned with the mission of Catholic schooling in the Archdiocese of Melbourne.

Strong consultation with parish priests, principals and other key stakeholders has been pivotal in the development of the positions and recommendations articulated in this Position Paper. I wish to acknowledge the active participation of the many people who have come together as we have reflected on the issues associated with the governance of schools owned by parishes, associations of parishes or the Archdiocese. The passion of so many for our

1. Executive Summary

1.1 Governance of schools in the Archdiocese of Melbourne

Catholic education has a rich history in Victoria and in February 2020 there were 499 Catholic schools in Victoria with over 210,000 students, employing more than 22,000 staff. From a governance perspective, 335 of these schools sit within the Archdiocese of Melbourne with, as of 1 January 2021, 294 schools owned by the Archdiocese, its parishes or associations of parishes. The remaining 39 schools are owned and governed by religious institutes (RIs) or ministerial public juridic persons (MPJPs).

The governance arrangements for the 294 schools owned by the Archdiocese, its parishes or associations of parishes will change in 2021 and are the principal subject of this Position Paper.

What is the governance change?

The governance arrangements for parish and diocesan schools in the Archdiocese of Melbourne are being changed in a process which will see schools transferred into a corporate entity that is responsible for the governance and operations of the schools. Changes need to be made by 1 January 2021.

All 294 schools owned by the Archdiocese and its parishes will be directly affected by this change, including 261 parish primary schools, 26 secondary colleges that belong to associations of parishes and seven schools that belong to the Archdiocese.¹

Why is the change happening?

The changes meet with the Australian Catholic Bishops Conference (ACBC) acceptance of Recommendation 16.6 from the Royal Commission into Institutional Responses to Child Sexual Abuse: that bishops ensure parish priests are not the employers of principals and teachers in Catholic schools.

The changes also align with the Victorian Government acceptance in 2014 of the recommendations of the *Betrayal of Trust* Parliamentary Inquiry, which included a requirement for organisations providing services to children to be appropriately insured and

Archdiocese response

Following an extensive consultation process with key stakeholders, which commenced in October 2019, the Steering Committee identified four threshold issues and prepared four papers for further discussion:

- Threshold Issue 1: Catholicity
- Threshold Issue 2: Governance, Leadership and Management
- Threshold Issue 3: Incorporation
- Threshold Issue 4: Transfer of Assets and Liabilities.

The papers were published for discussion and feedback at four regional gatherings of clergy and principals in March 2020. Further feedback was also received via the Governance website, the School Governors and Principals Briefing, and the focus group meetings that took place after the regional gatherings of clergy and principals. This consultation shaped the Steering Committee's conclusions that ultimately informed the design of a governance model.

1.2 Proposed governance model – the company

Type of company

The establishment of a not-for-profit company limited by guarantee has been identified as the most appropriate civil vehicle for fulfilling the requirements of both incorporation and ministry. The company name is proposed to be Melbourne Archdiocese Catholic Schools Ltd (MACS).

The company constitution

A constitution will be developed that details key aspects of the company's objectives, relationships, roles and responsibilities.

A key feature of the constitution will be the Statement of Mission that expresses the company's mission and purpose and is designed to protect the Catholicity of the company, as well as being robust enough to last for the long term.

The constitution will detail the member's rights and reserve powers, and outline the role of the board of directors that will take responsibility for the fiduciary and strategic aspects of the company. It will also define the role of the executive director. The constitution will create checks and balances in the relationships between the layers of the company: from the member to the board, and to management through the executive director.

The member

To establish structures that comply with canonical and governance requirements, it is proposed that the Archbishop is the sole member of the not-for-profit company limited by guarantee.

Reserve powers

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The Statement of Mission

The following Statement of Mission is proposed:

Catholic schooling seeks to provide the young with the best kind of education possible, one that fosters a formation of the whole person that is deeply and enduringly humanising.²

*Education is integral to the mission of the Church to proclaim the Good News. First and foremost every Catholic educational institution is a place to encounter the living God who in Jesus Christ reveals his transforming love and truth. This relationship elicits a desire to grow in the knowledge and understanding of Christ and his teaching. In this way those who meet him are drawn by the very power of the Gospel to lead a new life characterized by all that is beautiful, good, and true; a life of Christian witness nurtured and strengthened within the community of our Lord's disciples, the Church.*³

With parents and parishes, Catholic schooling seeks to fulfil this mission by providing an environment in which students are enabled to:

- encounter God in Christ and deepen their relationship with him
- pursue wisdom and truth encouraged by a supportive academic culture
- grow in the practice of virtue, responsible freedom and serving the common good.

A Catholic school:

- is actively embedded in the life of the faith communities of the local Church, which in turn is tangibly manifest in the life of each school
- is an essential place for the evangelising of children and young people
- exists to assist students and their families to integrate faith, reason, life and culture⁴
- is conspicuously Christian in outlook, explicitly Catholic in faith and practice, and intentionally missionary in orientation
- cultivates spiritual, social and emotional growth in a safe and protective environment
- provides a learning environment in which the whole educational community is formed to embrace life in all its fullness⁵
- offers a human formation that has the intellectual, practical and moral excellence of learners at its heart
- forms consciences, fosters peace and develops respectful dialogue at the service of intellectual charity
- encourages the discovery of Catholic cultural heritage, especially in art, music, literature and architecture.

*Catholic schools, which always strive to join their work of education with the explicit proclamation of the Gospel, are a most valuable resource for the evangelization of culture.*⁶

The good work of educating the young, undertaken in the light of the Gospel, is a co-responsible task led by every member of the Catholic school community. Modelled by parents, principals and teachers, in prayer and with wisdom, through witness and by example, Catholic schooling is at the service of the integral human formation of children and young people in Christ.

A Catholic school is *eucharistic* in character. The sacramental and prayer life of the local Church, especially in the gathering of God's People in Sunday Mass, is integral to the mission of a Catholic school and indispensable to its richness. A fruitful sign of the living witness of faith with parents and parishes is the participation of students and families in the life, mission and work of the local faith community, especially in the call to worship God and to serve the poor and marginalised (Acts 2: 42–47).

By cultivating a maturing of faith and

wider company. The same principles with local variations will apply to regional secondary colleges which are owned by an association of parishes or the Archdiocese.

The local operating model

The good work of educating the young is a co-responsible task led by every member of the Catholic school community. This requires strong leadership, particularly from priests and principals, who are mandated to lead their respective parishes and schools in drawing young people and their families into the knowledge and understanding of Christ and his teaching, which motivate them to become actively ind hishi9. (ac)-1.9 (.3 (g)dc)-4.9 6 (ac)-1.9 r(iat)-3 (i)10.7 9 (i)10.6 .7 0.012 Tc 0.0

developed that recognise reciprocal matters such as the use of shared school and parish spaces, proposed master planning and building developments, and how any recompenses might be handled.

Principals

The principal is the educational leader of the Catholic school and works most closely with the parish priest/canonical administrator in leading the Catholic identity, religious dimension and faith formation of the school and school community. Both the principal and the parish priest/canonical administrator have key faith leadership roles in building God's Kingdom – positively building the capability of teachers in enabling the growth and learning of all young people and the school community, with the strong hope that this encourages full participation in the worship and broader life of the parish or associated parishes in the case of secondary colleges.

The day-to-day leadership and management of the school are the responsibility of the principal. Principals exercise their leadership across a complex web of financial, regulatory, industrial and human resource requirements. The principal is witness to a wide network of relationships, including staff who share in the responsibility for contributing to the effectiveness and enactment of the school's mission and vision.

The new governance structure will see the principal have direct, delegated authority from MACS to lead schools, responding to local circumstances and aligned with broader policies and directions issued by MACS. These intents will be mediated to principals by MACS through its management team and by the vision of the parish as developed by the School Advisory Council, Parish Council and other parish forums.

The principle of solidarity that encourages diversity and system alignment, together with the principle of subsidiarity that reflects competent, local decision-making are features of this leadership model. Accordingly, the existing autonomy of school principals that enables them to competently lead school communities needs to be respected and maintained.

School Advisory Councils

School Advisory Councils are an important expression of the educational partnership that exists between parents, schools, parishes and the wider community. They provide a structure and a process for shared leadership and collaborative decision-making, where 'many gifts, one Spirit' facilitates a climate of good governance that supports 'the effective development of the strategic direction of the school'.⁷

Guidelines for the creation of School Advisory Councils will need to be sufficiently flexible to allow for local configuration according to need and capability. For example, some parishes and schools may decide to join together to establish a common council, whereas a larger school may feel that it has resources which enable it to establish a council in its own right.

The principal and parish priest will be ex officio members of the School Advisory Council.

⁷ Victorian Registration and Qualifications Authority (VRQA), [Guidelines to the Minimum Standards and Requirements for School Registration](#), VRQA, Melbourne, 2019, p. 9.

2. Catholic Education in Victoria and Governance Reform

2.1 Vision and mission of Catholic education

Make your home in me, as I make mine in you.

2.2 Catholic education in Victoria today

2.2.1 Catholic education in Victoria

Catholic schools are a major provider of education in Victoria. In February 2020, there were over 210,000 students in 499 Catholic schools in Victoria. These schools employed over 22,000 staff and the latest figures available* are presented in the table below.

Table 1:

For a broader picture of CEM's role in Victorian Catholic education and its relationships with the CECV, other Victorian dioceses and RIs/MPJPs, please refer to Appendix 1.

It should be noted that the CECV is likely to undertake a review of its current operations at some stage in the future. This review is outside the scope of the governance change process and will not be completed within the timeframe of this process. As a result, the impact of any potential change that may occur has not been considered by the Steering Committee.

A key objective of the governance change is to maintain the positive characteristics of the current system, including the need to safeguard and strengthen the unity and shared purpose that have characterised Catholic education in Victoria for many years. The Steering Committee is committed to making every effort to ensure that this sense of unity and shared purpose is preserved. We may have different voices, but we work together in a powerful shared mission and vision.

While CEM's existing operations and people will be transferred into the new company as part of the governance transition, this will not affect the services that are currently provided by CEM to the CECV, the other Victorian dioceses and the schools governed by RIs/MPJPs. The new company will continue to serve Victorian Catholic education in the same way that CEM does today.

2.3 Governance changes required

2.3.1 *What is the governance change?*

The governance arrangements for parish and diocesan schools in the Archdiocese of Melbourne are being changed in a process that will see schools transferred into a corporate entity that is responsible for the governance and operations of the schools.

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diocesan entities beyond the parish. This national experience gives us great confidence that the change process can be managed canonically, authentically and effectively in the Archdiocese of Melbourne.

2.4 Archdiocese of Melbourne response

2.4.1 *Who is leading the change process?*

Archbishop Peter A Comensoli established a Steering Committee in late 2019 to develop, provide and implement an incorporated school governance model for the Catholic primary, regional secondary and diocesan schools in the Archdiocese of Melbourne.

The terms of reference for the Steering Committee require it to:

- maintain the faithful alignment to our dual moral purpose, evangelisation and quality learning, and the strategic intent of our system and schools
- affirm and structurally ensure the role of priests and canonical administrators as pastoral leaders in the school environment of their parish community
- undertake a broad consultative phase and seek stakeholder engagement in which all stakeholders have an opportunity to express their view and make recommendations
- produce a constitution(s) in consultation with appropriate professional assistance to support the realisation of civil regulatory requirements for approval by the Archbishop
- provide recommendations to the Archbishop for a framework for board(s) nomination, selection and formation
- hear advice and make considered re.3 (e)-3u(e)-6 (.3 (e)6-0.005 Twn)2.2 1(it)-2.9 (d)-0.8 (2.8 (t)-6 (a)-3..6 (n)-

In addition to the terms of reference and guiding priorities detailed above, the Steering Committee has been very mindful that the proposed school governance model must:

- not only sustain Catholic education in the Archdiocese, but enhance it
- ensure that child safety remains a central focus of schools in the Archdiocese
- preserve the unity and shared purpose that are such valued characteristics of Catholic education across Victoria
- meet the requirements of both civil and canon law.

The Steering Committee was designed to be representative of key stakeholder groups, so as to be able to engage effectively with stakeholders and to consider the impact of the governance changes from their perspective. In (ec)12 6mtot

four regional sessions in March. These consultations focused on a series of Discussion Papers that examined

3. Threshold Issues

Following an extensive consultation process where much valuable input has been provided and the collective voice of stakeholders has been heard, the Steering Committee arrived at a number of conclusions in respect of four threshold

3.2 Governance, leadership and management

A range of issues were canvassed in the Discussion Paper associated with governance, leadership and management. In many ways,

sentiment as inspiration, the new governance model will encompass rules, systems and processes set within relationships, mission, vision, values and culture, and grounded in vocation, prayer and discernment.

3.2.2 Leadership

Leadership in a Catholic context is only authentic when it is expressed within a community of faith. 'School leaders are more than just managers of an organization. They are true educational leaders when they are the first to take on this responsibility, which is also an ecclesial and pastoral mission rooted in a relationship with the Church's pastors.'²⁶ One view of the distinction between management and leadership is that management is primarily concerned with producing 'order and consistency', whereas leadership enables 'change and movement'.²⁷ Exemplary leadership and management in a Catholic school is currently illuminated by Catholic beliefs and values, and this will need to continue in any new arrangements that are set in place.

The importance of developing an agreed statement regarding the roles, rights and responsibilities of priests and principals has been a recurring theme in the engagement thus far. Therefore, a *Working Together in Mission* document is recommended to be developed to provide the clarity and assurance that are being sought by stakeholders at the local level.

Alignment and diversity are held in creative tension and are not mutually exclusive in any functional system.²⁸ The new governance model seeks to promote a shared purpose and common structures and processes that support the work of Catholic school communities, and at the same time allow for the variation in practice that is necessary if local needs are to be served.

The scope and limits of the new governance model will accord with the principle of subsidiarity so that responsibility is taken by MACS as necessity dictates, and local agency is preserved for school communities as appropriate. The framework of systems and processes by which authority and autonomy are exercised will be established through a process of discernment and dialogue predicated upon the primacy of respect, dignity and right relationships. Importantly, the new governance model will enable the enactment of the shared mission of Catholic education, while promoting and protecting the distinct charism and unique identity of each Catholic community.

3.2.3 Management

The Discussion Paper proposed that, while each school will retain its strong local identity and vision, all schools will report via the principal into MACS' management team, which will be accountable to the board. The transfer of responsibility for governing and managing the schools to the company is where the change will be felt most by parish priests and principals in their professional practice. The new model will respect and preserve the canonical responsibilities of the parish priest, and the quality of the relationship between the principal and the parish priest will be pivotal to its success. Role clarity and the necessity for subsidiarity to be recognised and respected will be the key aspects of this relationship.

The principal, while reporting to the management team of MACS, will continue to have responsibility for the prudent and effective management of the school and its finances. MACS will provide clear financial and non-financial delegations to the principal who will ensure that all funds provided for the education of the school are used in accordance with the school's mission and vision.

Given that the company will oversee a complex system of schools, it will need to know that funds are distributed by the CECV in a manner that ensures all schools can adequately respond to the unique educational needs of their community in a just and balanced way. Providing this assurance and oversight will be a key task of the company's management team and its accountabilities back to governments through the CECV.

In practical terms, school finance practices will largely operate as they have. Each school will be considered a sub-entity of the company. It is envisaged that each school will retain its current ABN, along with current bank accounts, loan servicing, etc. Accrual accounting will be required of all schools to produce reports for the year ending 31 December 2021 and it can be expected that all schools will shift to bank with the Catholic Development Fund (CDF) if not already doing so. Post 2021, formal signing-off of the Annual Financial Statement will be undertaken by the finance arm of the company on behalf of the board. Operating as a sub-entity means parents will still be able to view their school's financial statements in a transparent manner on the Australian Charities and Not-for-profits Commission (ACNC) Charity Register, which shows the separate details for each school. Other financial matters needing approval and oversight by the board through its

3.2.4 A summary of conclusions

The Steering Committee believes the following principles should inform the governance change process:

- that the governance model is shaped by the principles of subsidiarity and solidarity as well as the contemporary governance hallmarks of transparency, accountability, consultation and participation
- that leadership is illuminated by Catholic beliefs and values
- that the governance model respects the roles, rights and responsibilities of the priest, principal and the parish that are essential for the school to realise its mission and communion with the wider Church.

3.3 Incorporation

The Incorporation Discussion Paper aimed to articulate key features of a transparent and contemporary governance model for Catholic schools owned and operated by parishes and the Archdiocese. The paper acknowledged the need to do this in a manner that meets the requirements of the Royal Commission and the Victorian Government, but also with due regard to the longstanding mission of Catholic education and the provisions of canon law.

The paper outlined legal advice that has suggested, as in other dioceses, a not-for-profit company limited by guarantee is an appropriate legal entity for governing Catholic schools with the Archbishop as the member of the company. The possibility of the company having more than one member was reviewed but dismissed due to canonical considerations. Incorporation under the *Corporations Act 2001* (Cth), while prescriptive in many aspects of incorporation and administration of public companies limited by guarantee, provides much flexibility in the structuring of membership and the board, which makes it very suitable for establishing and operating Church ministry bodies consistent with canonical structures.

Through the process of incorporation, a constitution for the company will be created which specifies the role of the company's member, its board and its executive director. The member will have reserve powers to hold the board to account for pursuing the company's objects as specified in its constitution and registered with ASIC, but the member is not directly involved in 'running' the company as these responsibilities have been entrusted to the board and, through the executive director, the company's management team.

The diagram below represents the level of governance that is exercised through the company: in the layers at the top of the company, the emphasis is on governance functions and the emphasis increasingly shifts towards management in the lower layers.

the authority, rights and responsibilities of parish priests; and the leadership and management that must be exercised at the local level by principals and staff in schools. The reconciliation of the

- acting beyond the limits of delegations and financial limits set by the member (which may relate to sale, transfer or lease of property; dealing in land and buildings; major capital expenditure etc.)
- incurring expenditure in excess of any thresholds approved by the member
- opening or closing schools, or ceasing to conduct any major service, program or work

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A summary of conclusions

The Steering Committee believes the following principles should inform the governance change process:

- that school land and buildings continue to be owned by the parish
- that carefully considered *School Transition Agreements* and *Right to Use Land and Buildings Agreements* are developed in consultation with key stakeholders between the parish and the company as a government registration requirement
- that the canonical and civil processes associated with granting right of use agreements are identified and executed for each site
- that no rental charge is imposed for use of school land and buildings
- that parish priests continue to have important responsibilities and duties in relation to the ongoing management of school land and buildings
- that arrangements for the use of shared facilities at each parish and school site are carefully discussed and formalised in the *Right to Use Land and Buildings Agreement*, using the *Key Principles for the Use of Parish and School Facilities* developed by CEM and CAM as their foundation.

The company constitution

The process of incorporation creates a company with rules that protect the formal relationships within the company. The Corporations Act and the company's constitution provide the framework for developing key aspects of the company's relationships, roles and responsibilities.

A key feature of the constitution is the objects of the company which express the company's mission and purpose, and should protect the Catholicity of the company and be robust enough to last for the long term. A Statement of Mission, as part of the objects, underlines how the vitality of the mission of the Catholic school is enlivened when the school is embedded in the life of the local Church through the fostering of close and life-giving relationships with families and parishes. It will outline the continuing commitment to a formation that pursues intellectual, practical and moral excellence, and is conspicuously Christian in outlook, explicitly Catholic in practice and intentionally missionary in orientation.

The Catholic mission that provides the *raison d'être* for the company and all its activity will therefore be specified clearly and unambiguously in the company's constitution as part of the company's objects. It is from these objects that the moral imperative and overarching commitments that underpin the company's drive for improvement and cultural change – through the increase of transparency, accountability, consultation and participation – are made explicit.

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issues facing Catholic education. The collective board might therefore include individuals with skills that focus on Catholic culture/experience such as:

- experience of working within the framework of the Catholic mission

The framework of checks and balances that need to be maintained through the appropriate redistribution of delegations and authorities can be seen in the indicative tables in Appendix 2:

- Table 4: responsibilities previously held by the parish priest (or equivalent canonical authority) might be taken up by the management team of MACS
- Table 5: an indicative list of financial delegations and authorities for schools.

The selection, appointment and reappointment of principals is one example where processes will remain very similar, including the involvement of the parish priest/canonical administrator on the selection panel, but the appointment of the principal will be a MACS appointment, with final approval and contract finalisation coming from the executive director. The parish priest/canonical administrator will have input because Catholic education remains of foremost importance to the life of the parish and reputational interests of the parish must also be upheld, but MACS will be the legal employer. Such changes will need to be clarified and clearly documented through the development of the framework as per the recommendations.

In other areas, a more significant change to current processes will occur. For example, primary principals currently do not undertake a professional performance review before being offered a contract renewal, as is the case for secondary principals. In secondary schools, CEM staff lead a highly structured appraisal review of the principal in both a formative pattern followed by a summative review, which has as its purpose a recommendation to the Church authority around contract renewal or not. This process will need to be extended to primary principals in the future if the company is to discharge its duties properly.

Issues around child safety and reportable conduct currently must be referred to CEM, and Employee Relations (ER) staff are required to investigate and deal with such matters with direct accountability to the Commission for Children and Young People. In a similar fashion, principals and parish priests are advised by the ER staff at CEM when dealing with industrial matters. All these responsibilities will continue, but they will shift in nature from being advisory and the decision-maker will ultimately be the management team of MACS, rather than the Church authority. There is every reason to be confident that new tasks and responsibilities will be handled by the management team of MACS in an equally capable and professional manner as is currently the case, and that relationships with principals will continue to be collaborative and professional and will respect the principle of subsidiarity while ensuring that the company's policies and protocols are followed.

In preparation for this change in management role, CEM has been focusing on further developing the leadership and management capability of key regional personnel including regional general managers and regional leadership consultants over the past 18 months. This has involved clarifying position descriptions with clear expectations and accountabilities, developing facilitation and negotiation capabilities, ensuring consistent use of management tools and seeking feedback from principals. This is now incorporated in the ongoing professional development of all CEM managers, team leaders and regional leadership consultants to ensure the management and leadership capabilities are able to accommodate the revised roles within the changed governance structure.

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4.4 Local operating model of schools

The 294 schools of the Archdiocese are different in many ways and each school community presents a unique context for the exercise of the school's mission. The strength of any education system is the respect for leadership at the local level and, true to the principle of subsidiarity, it allows decisions to be made by those most affected at the level of best competence for the decision, so that one does not 'take from individuals what they can accomplish by their own initiative and industry and give it to the community'.³⁹

Six operating models, reflecting the different types of schools in the Archdiocese, have been identified:

Current models:

- single parish – single primary school
- single parish – multiple primary schools
- multiple parishes – single secondary school (regional)
- multiple parishes – multiple secondary schools (federation).

Future models:

- multiple parishes – single primary school
- multiple parishes – multiple schools.

Notwithstanding this, an overarching school operating model should still be discernible in each school environment that reflects solidarity in a common mission of Catholic education and a fidelity to meeting the governance requirements of the board.

The overarching model will typically comprise the key elements outlined in the following diagram, which is an initial representation of the relationships between a parish and its school and the wider company.

Figure 3: The local operating model

Key elements of the model at the local level have been outlined below.

Parish

The parish is the presence of the Church in a given community. The *Code of Canon Law* states that:

A parish is a certain community of the Christian faithful stably constituted in a particular church, whose pastoral care is entrusted to a pastor (*parochus*) as its proper pastor (*pastor*) and to a cleric or lay person as its vicar (*vicarius*) or delegate (*delegatus*) (1983, c. 527, § 1).

provided by the management level of MACS to build governance and stewardship capacity, proactively ensuring the development of mutually beneficial working relationship skills. It is prudent to recognise that the changed status of the parish priest and principal relationship in the future may lead to initial uncertainties and disagreement. For this reason, a framework for resolving such matters will need to be developed by the board and the Archdiocese with appropriate support being provided when required.

Principal

The principal is the faith and educational leader of the Catholic school, working closely with the parish priest/canonical administrator as faith leader of the parish and the schools within it: they are co-responsible to be the faith and educational leaders of the Catholic school. Formation of principals is critical as they continue to exercise their leadership across a complex web of educational, financial, regulatory, employee and human resource requirements, particularly as the cultural context of schools becomes more secularised and pluralised. Principals must never lose sight of the fact that these administrative responsibilities must always remain at the service of the religious and educational outcomes for students.

The new governance structure will see principals having direct, delegated authority from the board through the executive director to lead schools, responding to local circumstances and aligned with broader policies and directions issued by MACS. The twin principles of subsidiarity, that reflects competent local decision-making, and solidarity, that encourages system alignment, will continue to shape operational practice in schools and help define key relationships for the principal. These intents will be mediated to principals by the board via the MACS management team and by the vision of the parish as developed with the School Advisory Council.

Supportive relationships between system leadership and local school leaders will continue, while acknowledging that principals will now be responsible to the board through MACS executive director, rather than to their parish priest/canonical administrator for the school in all areas of school operation. However, the parish priest/canonical administrator still exercises his ministerial role in the pastoral, liturgical and sacramental life of the school, as well as in matters relating to school land and buildings, changes that affect the school's mission and upholding the reputation of the parish.

School Advisory Council

School Advisory Councils are an important expression of the educational partnership that exists between parents, schools, parishes and the wider community. They provide a structure and a process for shared leadership and collaborative decision-making, where 'many gifts, one Spirit' facilitates a climate of good governance that supports the 'effective development of the strategic direction of the school'.⁴¹ This is in line with the vision of Catholic School Parents Victoria (CSPV) that hopes to see parents of children throughout Victorian Catholic education engaged as valued partners in supporting children's learning, and providing leadership and shared decision-making alongside educators.

Guidelines for the transition from the variety of currently existing school board practices – parish education boards, a

5. Next Steps

Following the establishment of the company's governance model outlined in Section 4, four reference groups of parish priests, primary

goal that it is endorsed by the Council of Priests and by associations of principals and parents before being

This engagement and the work of the abovementioned reference groups, together with output from the project management office and associated workstreams, contribute to the creation of a detailed project plan that will ensure those deliverables that support the transfer of registration of 294 individual schools currently owned by parishes, associations of parishes or the Archdiocese of Melbourne to a not-for-profit company limited by guarantee will be met by 1 January 2021.

Appendices

Appendix 1: CEM and its relationship with other bodies

CEM budget and staffing

In 2020, CEM has an operating budget of \$121.6 million. Most of CEM's funding (about 70%) comes (either directly⁴⁴ or indirectly⁴⁵) from government grants attracted by Catholic schools in Melbourne. In addition, CEM derives significant funding (\$25.6m) from three SLAs⁴⁶ with state-level entities in Catholic education. The largest of these is with the CECV and is valued at \$22.9 million in 2020.

CEM's organisational chart is shown in Figure 4 below with its staffing in 2020 comprising 551.3 FTEs. Staff are organised into six groups:

- Enterprise Services (199.7 FTE staff)
- Learning Services (197.2 FTE staff)
- Business Advisory Services (63 FTE staff)
- Planning and Infrastructure (38.3 FTE staff)
- Catholic Leadership and Governance (36.1 FTE staff)
- Executive Director (17 FTE staff).

The largest staff group by operating budget (\$35.2m in 2020) is Learning Services. This leads development of strategies for school improvement and works directly with school leadership teams through four regional offices. Enterprise Services (\$33.3m) is the next largest. The main activity within this group is the Integrated Catholic Online Network (ICON) project (budget of \$14.4m in 2020). It is also responsible for CEM communications with stakeholders, development of CEM-wide policies, internal research, marketing activities and employee relations.

The following chart represents the organisational structure of CEM.

⁴⁴ CEM receives some income directly from the CECV (sourced from government grants attracted by Catholic schools in Melbourne) for services it provides to schools, and costs it pays centrally on behalf of schools.

⁴⁵ CEM charges levies to primary and secondary schools in Melbourne. While these are recorded as levies paid by schools, they are paid by transferring government grants for Catholic schools directly to CEM from the CECV. In

Figure 4: Organisational structure of CEM



CEM and the CECV

The CECV is a public company limited by guarantee whose members comprise the Archbishop of Melbourne, the Bishop of Ballarat, the Bishop of Sale and the Bishop of Sandhurst. The CECV was incorporated in 2006.

The CECV was established to provide support to all Catholic dioceses and schools in Victoria (including congregational schools) in respect of matters that are best managed at the state level. Its two key areas of responsibility are school funding and industrial relations. Other functions include supervision of contract deliverables from the Enhancing Catholic School Identity research and delivery of the ICON project.

As the 'approved authority' for school funding, the CECV receives government grants provided to Catholic systemic schools and distributes, expends and/or appropriates grants to schools in accordance with stringent government policy.

In 2020, the SLA b

Figure 5: High-level illustration of relationships between the CECV and CEOs



A strong commitment to a unified approach to Catholic education has been evident in Victoria between the four dioceses and between the dioceses and the RI/MPJP schools that operate in them. This unified approach is a sign of Catholic communion and it delivers beneficial outcomes for all schools as unity is not only a hallmark of a healthy Church, it is a critical factor in effective negotiation with governments. The Steering Committee is committed to a strong engagement with RIs/MPJPs as the new governance arrangements are developed. The collaborative spirit that has prevailed in the past is what the Steering Committee wishes to promote going forward.

Through the SLA the CECV has entered into with CEM, CEM provides support in a range of areas to *all* Catholic dioceses and schools, including RI/MPJP schools, in Victoria. Key among these is servicing finance and other compliance and reporting matters for various regulators, along with statewide services in ER and IT. Other areas of support include, but are not restricted to, school review, educational and wellbeing services, accreditation to teach in a Catholic school, professional learning opportunities, succession planning, principal appointments and principal appraisal processes.

Appendix 2: Authorities and delegations

Table 4 provides some examples of how the various responsibilities previously held by the parish priest (or equivalent canonical authority) might be taken up by the management team of MACS. The regional general manager will work with relevant managers and directors to utilise the appropriate expertise within the management team as situations arise in schools.

The framework of checks and balances which need to be maintained through the appropriate redistribution of delegations and authorities can be seen in Table 5, which outlines an indicative list of financial delegations and authorities for schools. The delegations reflect standard commercial practice which ensures that no one approves expenditure that could be perceived as a personal benefit. While the examples provided below are taken from the *Financial and Administrative Procedures Manual for Catholic Primary Schools*, a similar schedule will need to be developed for secondary colleges, noting that adjustments will be necessary to reflect the different context and operational size of secondary colleges.

Table 4: Responsibilities

Table 5: Indicative list of financial delegations and authorities for schools

Function	Clergy 2020	Principal 2020	2021
Approval of the recurrent budget	3		Principal to endorse and MACS management to approve
Approval of the capital budget	3		Principal to a

Appendix 3: Four school operating models

Single parish – single primary school

Table 6: Single parish – single primary school

Role	2020	2021
Parish	In most cases, has a close connection to school	<ul style="list-style-type: none"> • Close connection, but now separately governed
Parish priest	Parish priest and employer	<ul style="list-style-type: none"> • Parish priest/spiritual mentor/faith leader • Close relationship and collaboration with principal maintained and enhanced • No longer employer, but remains involved in principal appointment
Principal	Religious and educational leader of the school in partnership with parish priest	<ul style="list-style-type: none"> • Faith and educational leader of the school in close partnership with parish priest • Management

Single parish – multiple primary schools

Table 7: Single parish – multiple primary schools

Role	2020	2021
Parish	Connection to school, but varies depending on parish priest	<ul style="list-style-type: none"> • Strong faith presence in all of the schools • Parish connection to each school community should be strong
Parish priest	Parish priest and employer	<ul style="list-style-type: none"> • Parish priest/faith leader for all schools • Parish priest/spiritual mentor, particularly for principals • No longer the employer, but remains involved with principal appointment • Consistency and collaboration across all schools in the parish
Principal	Less dependent on relationship with parish priest – more autonomous	<ul style="list-style-type: none"> • Strong relationship and collaboration with parish priest and fellow principals • Faith and educational leader of the school in close partnership with parish priest • Management and operational leader • Company should alleviate some of the compliance burden currently being undertaken at the level of each school

Multiple parishes – single secondary school (regional)

Table 8: Multiple parishes – single secondary school (regional)

Multiple parishes – multiple secondary schools (federation)

Table 9: Multiple parishes – multiple secondary schools (federation)

Role	2020	2021
Parish	Broader range of CAs from multiple parishes often disconnected from colleges	<ul style="list-style-type: none">• H()T342 ref7(le)3.3 (r)t5.8 9isler

Parish school facilities funded with federal and/or state government financial assistance retain a pro-rata government equity up to 20 years. This needs to be taken into consideration in decision-making processes concerning the change of affected parish school facilities to non-school use. Repayment of the remaining government equity may be required.

In situations where parish schools received capital support, the suitable term for the right of use will be determined by the duration of the loans, or length of time where a parish school is bound by the conditions imposed through federal and state government capital funding agreements (usually 20 years).

Use of school facilities for worship

Celebrations of the Eucharist and other sacraments are a vital part of the Catholic formation of the members of the parish school community. Parish school authorities are exempt from any booking or hiring fees for these celebrations in a parish church or non-school parish facility.

A parish school is a significant part of the way a parish fulfils Christ's command to be 'on mission', with worship an integral part of the faith development of young people in our Catholic schools. Characterised by goodwill and cooperation, there are to be no charges levied on parish schools for the celebration of ceremonies or liturgical celebrations.

Parish school use of parish facilities

Parish schools are exempt from any bookr.6 (s)(m)-6.3 (p)2.3 (p)2.3 (p)2.3 (pc 0 Tw 3.534.6 (o)-6.6 (u)2.3 (n)2.2r (e)-

- the facility is fit for the proposed use and the proposed use is appropriate
- the terms of the licence/hire agreement are met
- the child safety policies of the Catholic Archdiocese of Melbourne and the parish are adhered to
- the licence/hire fee is paid to the parish
- appropriate insurance is in place
- t

Community use of parish facilities

Parish facilities refurbished as part of the BER program are required under the conditions of funding to be made available to community or local not-for-profit groups at no or low cost. In order of priority, the parish school has absolute priority to the use of these facilities during school hours.

There is an inherent right of use with these arrangements when parish schools receive federal government capital grants, state government capital grants, CEM Supplementary Capital Fund (SCF) and CECV interest factor support derived through government recurrent grants.

Property funding

If a school takes up a capital loan or receives SCF support for the purpose of refurbishing existing parish facilities, the property for the term of the loan may be deemed to be a shared facility under predetermined and agreed conditions between the parish and the school.

Where a loan is taken up by the parish school to finance the refurbishment of the existing parish facilities and the property is deemed a shared facility, interest factor support from CEM on the loans may be reduced to only cover the agreed-upon school portions, subject to a written agreement between the parish and the parish school.

Parish schools and parishes may also agree to contribute to the costs of the shared facilities based on a 'per use' basis, subject to a written agreement between the parish and the parish school.

The arrangements of how a joint facility is funded by the parish and parish school need to be documented clearly in writing, including the history of when each entity funded the facility over time.

The parish and parish

Maintenance responsibilities

The parish is responsible for all operating expenses, maintenance and long-term upkeep of non-school parish facilities, including all government levies and insurances.

The parish school is responsible for all operating expenses, maintenance and long-term upkeep of school facilities, including all government levies and insurances.

When operating costs are required to be apportioned and separate metering is not available, this apportionment is to be on the basis of an assessment by the Archbishop's nominated person(s) with appropriate knowledge or experience, or by way of a formal and public declaration of how costs will be apportioned made by the parish priest based on the advice of an appropriately constituted parish finance committee which has this function among its assigned duties. Periodic reviews at no less than biennial intervals should be conducted to take account of the changing circumstances of the parish and parish school.

Benefit accrual

When parish or parish school facilities have been jointly funded (or shared) by parish and parish school financial contributions, the income for an event organised by the parish or parish school will accrue to the benefit of the organiser of the event.

That is, for parish-organised events, the parish will retain the income, while for parish school-organised events, the parish school will retain the income, with all associated operating costs, e.g. utilities (electricity, gas and water), cleaning, security and maintenance, offset against this income.