

**Catholic School Governance  
Archdiocese of Melbourne**

## **Threshold Issue 2: Governance, Leadership and Management**

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### **A. The Issue**

As the governance model for Catholic schools is developed, distinctions need to be made between governance, leadership and management so that the most appropriate arrangements can be put in place. If there is to be informed participation in the development process, then these distinctions need to be widely understood.

### **B. What is at Stake**

Catholic schools are able to realise their mission when governance arrangements, management structures and parish and school leadership all serve the deepest purposes for which the schools were established.

### **C. Some facts and some questions**

#### **Facts**

##### *Governance and leadership*

There are many definitions of governance. A commonly used definition was offered by Justice Owen in the HIH Royal Commission: 'the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within corporations'.<sup>1</sup> In the context of Catholic schooling, governance has been defined as 'the legal and moral responsibility for, and overall stewardship of, the school: deciding its mission, vision and values and determining the overarching policies about how it operates'.<sup>2</sup> The importance of culture is also emphasised in governance literature, where boards are counselled not to rely on mere compliance, but to ensure that they create 'their own measures of ethical practice, good culture and effective leadership'.<sup>3</sup>

The Archbishop is required under canon law to establish Catholic schools and has a number of responsibilities regarding teachers and the religious education of students. The Parish Priest has canonical authority for the temporal goods of the Parish and is obliged to make provision for the proclamation of the word of God to those living in the parish and the administration of the sacraments as specified in Canon Law. Issues relating to the Catholicity of the school and the role of the Priest and Principal are considered in greater detail in Threshold Position Paper 1.

The Board of Directors is responsible for ensuring that the company is faithful to its founding purpose and that the fiduciary and strategic duties are properly discharged. In a Catholic institution, as the Board exercises its responsibilities in fiduciary oversight and strategic planning, it must be

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<sup>1</sup> ASX Corporate Governance Council 2019, *Corporate Governance Principles and Recommendations 4th Edition*, accessed 2 September 2019 <https://www.asx.com.au/documents/asx-compliance/cgc-principles-and-recommendations-fourth-edn.pdf>

<sup>2</sup> Leavey, Carmel 2001, *Governance* (Paper to Principals Conference), Diocese of Sandhurst. Bendigo: Catholic Education Office, 2001.

<sup>3</sup> Bryant-Smith, Rose 2018, 'Culture eats compliance for breakfast', *Governance Directions*, Governance Institute of Australia.

guided by the following principles from Catholic Social Teaching: The Dignity of the Human Person, Solidarity, Subsidiarity, Care of the Common Good.

The first and primary duty of the Board is to ensure that the company's operations are aligned with its core values, mission and vision. The Archbishop and any other members of the company, appoint Board Directors to govern, set the strategic direction and oversee the fulfilment of the objects of the company. The Board is responsible for ensuring that the company is faithful to its mission and complies with its overarching legal obligations, in particular as it relates to corporations law, charity law and education law.

The Board's role is to govern the company and not to be involved in its day-to-day management. The Board is responsible for and should determine policy at a high level and other matters such as setting risk parameters and strategic priorities for the company. The Board will have overall responsibility to ensure that new corporation is well managed and that its operations are successful and aligned with the mission. The Board will establish committees to assist it in the discharging of its responsibilities and obligations. Issues relating to the Constitution and operations of the Board are considered in greater detail in Threshold Position Paper 3.

### *Management and leadership*

Management structures vary depending on the size and type of company but management decisions and actions must always support and implement the board's goals, vision, policies and protocols. Managers make routine operational decisions and handle the administrative work necessary for the successful operation of the company.

The Board will delegate management of the company to the Chief Executive Officer (CEO). It is proposed that this person will be the existing Executive Director of Catholic Education Melbourne (CEM). The CEO will be supported by an executive team and management unit who will manage the operational and compliance requirements of the Company with relevant parties, including the Catholic Archdiocese of Melbourne, the CECV and the various statutory authorities responsible for schools. The executive/management team will largely comprise the existing infrastructure and resources of CEM, which will transfer to the new Company, and extend to the Principals of each school.

The Board will delegate a range of functions to the CEO and executive/management team, including Principals, and define the important roles to be played by Parish Priests and School Advisory Committees at each school. These delegations will need to be the subject of extensive consultation if the goals of transparency and participation are to be realised.

While schools will operate under the overall governance of the Board and report into the executive/management team, it is proposed that each school develops its own vision and priorities and is treated as a sub-entity with separate financial records and Annual Statements at the local level. The roles played at the local level by the Principal, Parish Priest, and School Advisory Committee, and how they interact collaboratively around the shared mission, are considered further in Threshold Position Paper 1.

Because leadership is second only to teaching among those in-school factors which impact on student learning, principals and their leadership teams play a unique and central role in the life of the schools they lead.<sup>4</sup> Principals need to be free to lead if their schools are to flourish. Principals

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<sup>4</sup> Leithwood, K, Harris, A & Hopkins, D 2008, 'Seven strong claims about successful school leadership', *School Leadership and Management*, 28 (1), February, 27–42.

exercise their leadership across a complex web of financial, regulatory, industrial and human resource requirements but these administrative responsibilities must always remain at the service of the religious and educational outcomes for, with and by students. The best results are achieved not simply by being compliant with external requirements but when leaders are able to foster a culture of professional learning and growth, where expertise is developed and shared, creating the best conditions for all teachers and students to flourish.

School Advisory Committees may be established at each school to provide a forum for the school community to work effectively with its Church authority, which in most cases will be the parish or an association of parishes. The School Advisory Committee provides a forum for key stakeholders to meet and provides valuable advice and input from a local perspective, so that parents and the wider parish have the opportunity to be appropriately involved in the life of the school ensuring the Catholic school retains its ecclesial identity. This is essential if the governance ideals of subsidiarity, transparency, consultation and active participation are to be realised. A charter will be created for the School Advisory Committees, so that their advisory function and responsibilities are clearly delineated, including the roles of parish priest, principal, parents and members of the parish.

The religious and sacramental dimensions of school life provide obvious examples where the School Advisory Committee can shape the vision and mission of the school. The Charter would also specify a role for the School Advisory Committee in setting priorities in the strategic plan, annual action plan, budget, monitoring the academic and financial performance of the school as well as customising policies associated with the pastoral care of students. The School Advisory Committee provides a forum for exploring the use of parish property and developing the Master plan for the school's buildings and site. Subsidiarity and participation are well defined elements of our Catholic Tradition and a properly framed Charter will allow all the partners to a Catholic school to play a legitimate and life-giving role.

### **Questions**

1. What processes of consultation would help us build our capacity to recommend to the Board the best possible arrangements for the governance, leadership and management of our schools?
2. What information do you need in order to be engaged more effectively in the process of developing these arrangements?
3. What queries, issues or concerns do you have in regard to the issues that have been canvassed in this paper?

### **D. A Proposal for Consideration**

That a Working Party is formed to consider issues and develop proposals associated with the formal delegations and line management arrangements for the executive/management team, including Principals, as well as the roles defined for Parish Priests and School Advisory Committees.

### **E. Resources**

Catholic Education Melbourne, Horizons of Hope, Foundation Statement: Leadership in a Catholic School.