

Governance of parish and diocesan schools in the Archdiocese of Melbourne

From the beginning of 2021 governance arrangements for schools owned by the Archdiocese and its parishes will change.¹ A new company - called Melbourne Archdiocese Catholic Schools Ltd (MACS) will take responsibility for governing and operating the schools. The School Governance Steering Committee leading this change process has been asked by the Archbishop to ensure each school retains strong and vital relationships with their parish or parishes for secondary schools and that parish priests retain core duties and responsibilities for pastoral leadership in the school. Through extensive consultation a Position Paper was developed to make recommendations for the Archbishop to consider.

The new governance arrangements need to be in place by 1 January 2021 to meet Victorian Government requirements for funding. These include a requirement for organisations providing services to children to be appropriately insured and incorporated. The changes also fulfil the Australian Catholic Bishops Conference (ACBC) acceptance of Recommendation 16.6 from the Royal Commission for parish priests not to be the employer for principals and teachers in Catholic schools.

It is also clear that the “sole proprietor” governance model is increasingly onerous for any individual, particularly in relation to legal obligations and regulatory compliance. The creation of a board and a management layer provides a more appropriate structure for fulfilling these responsibilities and respond to current community expectations regarding transparency, accountability, consultation and participation, particularly as it relates to primary and secondary schooling.

The leadership and involvement of the parish priest and priests formally associated with secondary colleges established by parishes is and remains fundamental. It is critical to ensure the school is faithful to its Catholic life and identity. Catholic schooling is a key ministry of the parish and the parish priest retains responsibility for the processes of evangelisation and faith education which are undertaken in his parish.

The new governance arrangements seek to ensure Archdiocesan schools continue to deliver outstanding educational outcomes and remain places to encounter the living God who in Jesus Christ reveals his transforming love and truth. A fruitful sign of the success of the arrangements is the participation of students and families in the life, mission and work of the local faith community, including the celebration of Sunday Mass.

The Mission of the Catholic School

The Statement of Mission and the Objects in the new MACS constitution defines the key aspects of Catholic life we seek to realise in our schools. The Statement of Mission and Objects are reproduced overleaf as are the Recommendations from the School Governance Steering Committee Position Paper. Taken together the Statement of Mission, Objects and the Position Paper Recommendations convey key features of the governance arrangements for schools.

¹ Further detail regarding the governance changes and the schools affected is available in the Position Paper and other documents at the governance website <https://governance.melbourne>

Statement of Mission

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 characterised 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 the intellectual life through the modelling of good relationships, Catholic school students are prepared for living fruitfully in the world.

² Pope Benedict XVI, [Address to Catholic educators](#), Libreria Editrice Vaticana, Rome, 2008.

³ Pope Benedict XVI, [Address to Catholic educators](#), Libreria Editrice Vaticana, Rome, 2008.

⁴ Pope Francis, [Christus Vivit](#), Libreria Editrice Vaticana, Rome, 2019, n. 222.

⁵ John 10: 10.

⁶ Pope Francis, [Evangelii Gaudium](#), Libreria Editrice Vaticana, Rome, 2013, n. 134.

Recommendations

The Governance Steering Committee has made the following recommendations for the development of the proposed governance model.

Following an extensive consultation process with various stakeholders beginning in 2019, the Steering Committee arrived at a number of recommendations regarding the development of the proposed governance model that are outlined in the Position Paper.

1. That a company limited by guarantee be created to govern and operate the schools that currently are owned by parishes, associations of parishes or the Archdiocese of Melbourne.
2. That the company be called Melbourne Archdiocese Catholic Schools Ltd (MACS) and be established by the Archbishop of Melbourne.
3. That the Archbishop be the sole member of the company.
4. That a constitution be developed for the company that clearly articulates its purpose and mission and defines the relationship between the member and the board of directors, including the reserve powers of the member to ensure that the Board remains faithful to the purpose and mission.
5. That the board of directors be appointed by the member in a manner that recognises not only their commitment to the mission and values of Catholic education in the Archdiocese, but also the skills necessary for the proper discharge of the required fiduciary duties.
6. That the executive director of the company, under delegated authority from the board of directors, develop a strategic plan, an operating model and management team to operate and manage Catholic education in the Archdiocese in fulfilment of ecclesial, legal and statutory requirements, and Board policies and directives.
7. That a *Working Together in Mission* document be developed in partnership with stakeholders to articulate the features of the relationships between parishes and their schools that are essential for fidelity to mission. This document will be informed by canonical advice and will articulate the roles and rights of parish priests, principals and associated structures, such as an Advisory Council for each school to provide a forum for the realisation of transparency, accountability, consultation and participation associated with contemporary governance and management practices.
8. That a policies and procedures framework, based on the principles of solidarity and subsidiarity, be developed in consultation with key stakeholders. The framework should cover appropriate delegations, roles, structures and protocols, and be designed to ensure that Board requirements in respect of leadership, stewardship and management of the company and the education, care and welfare of its students are met.
9. That *School Transition Agreements* and *Right to Use Land and Buildings Agreements* between the parish and the company be developed in consultation with key stakeholders. Further, that arrangements for the use of shared facilities at each parish and school be formalised as part of the *Right to Use Land and Buildings Agreement* using the *Key Principles for the Use of Parish and School Facilities* developed by CEM and the Catholic Archdiocese of Melbourne (CAM) as the foundation.
10. That dialogue take place between MACS and key partners to assess and address the impact of the governance change on current relationships and services provided. The dialogue will include partners such as the Catholic Education Commission of Victoria Ltd, the Catholic education offices of other dioceses, the Catholic Religious Institute and Ministerial Public Juridic Person Victorian Schools Limited, Catholic Capital Grants (Victoria) Limited and the Catholic Education Long Service Leave Scheme.

The Objects of the New Company - MACS

The following objects describe the key purposes of the company that will be entrusted with the governance of the schools:

- (a) The objects for which the Company is established are to advance education and religion through an effective pursuit of Catholic education by ownership and operation of MACS Catholic schools including without limitation any preschool, out of school hours program and other children's services that are ancillary to the operation of MACS Catholic schools, and any other services that are consistent with or conducive to such pursuits.
- (b) These objects must be realised always in accordance with the beliefs, traditions, practices and canonical decrees of the Church and Church Laws, as determined by the Archbishop.
- (c) In pursuing its objects, the Company may undertake any activities that are conducive to the attainment of its objects or the exercise of its powers. It will be consistent with the Company's objects to provide services, advice and support to other organisations operating within the auspices of the Church that similarly have responsibility for advancing or supporting Catholic education whether through governance and operation of Catholic schools or otherwise by providing support services to Catholic schools.

The Duties and Responsibilities of Parish Priests

Catholic education remains of foremost and fundamental importance to the life of the parish.

From 1 January 2021, parish priests will continue to have a significant role in relation to Catholic schools governed by MACS. This is particularly important in relation to:

- faith education, sacramental life and pastoral care;
- parish's good name and key school appointments; and
- ongoing custodianship of school land and buildings.

Faith Education and Pastoral Care

A key role for the parish priest and priests formally associated with secondary colleges established by parishes, is to support the school in its distinctive Catholic identity, spirituality and life. Leadership of the religious life of the school can be expressed in many ways but the priest plays a central role by celebrating the liturgical and sacramental life of the school and by contributing to the formation of teachers and students. In fulfilling these responsibilities the parish priest must be a frequent presence in the school, making regular visits to classrooms and supervising the sacramental preparation of students and to break open the Scriptures, engaging in deeper reflection, discussion and responding to questions with students.

Of course, the responsibility for the Catholic mission of the school cannot be shouldered by the parish priest or canonical administrators. All staff share and must be supported in this responsibility. By virtue of their baptism, parents and members of the parishes also share in this privilege of realising the school's fundamental Catholic mission.

Parish Priest and Principal

The relationship between the principal and the parish priest or priests formally associated with secondary colleges established by parishes will continue to be critical in the new governance arrangements. The parish priest will participate in the principal selection process through membership on the selection panel and is also part of the selection panel for the deputy principal and the religious education leader. A close relationship and strong communication between the principal and the parish priest (or priests formally associated with secondary colleges established by parishes) is essential and the two must therefore meet on a regular basis. Such meetings and engagement enable both the priest and the principal to exercise their shared responsibility for pastoring the school community and attending to its religious mission and identity.

The Good Name of the Parish and Mission

By virtue of his office, the parish priest (or a priest formally associated with the school) is an ex officio member of the School Advisory Council. He will take a particular interest in the good name of the parish and the school(s), and as such he is to be consulted regarding any aspect of the school's operation which materially impacts the good name or mission of the parish.

Ongoing custodianship of school land and buildings

Under the new governance arrangements, parish priests will continue to be the legal representative for any land and buildings for which they are currently responsible. Whether as parish priest of the local parish primary school, or as one of the priests in the associations that were formed to establish Catholic regional secondary colleges, parish priests will continue to represent the beneficial owners of the land and buildings occupied by the schools as addressed in further detail under the 'Land and Buildings' section below.

Clear protocols and agreements will be developed for the use of common areas, being shared school and parish spaces. These protocols will address:

- access arrangements and times for shared school and parish spaces; and
- allocating costs for shared school and parish spaces.

Land and Buildings

There is no change to ownership of school land and buildings. All school land and buildings will continue to be held in trust for their current owner by the Roman Catholic Trust Corporation. The parish will remain the beneficial owner of the parish school's land and buildings and associations of parishes will remain the owners of regional secondary colleges. Melbourne Archdiocese Catholic Schools Ltd (MACS) will effectively become a tenant with a long term Right to Use Land and Buildings Agreement (RULBA) from the parish.

The RULBA is necessary in order for MACS to be able to demonstrate to government regulators that it has a long term entitlement to use the land for the provision of Catholic education. This is particularly important for government funding purposes which require this evidence before a school can be supported with capital grants. The RULBA is also important so that all legal obligations and responsibilities that attach to the owner of land and buildings can be formally transferred to MACS; that way parish priests can be assured that no such liabilities will ever become a burden for the parishes. School assets (other than land and buildings) and liabilities will be transferred to MACS in a School Transition Agreement (STA). Examples of school assets include receivables, equipment, books, furniture and computers, portable buildings where relevant while examples of liabilities include accounts payable, bank loans and employee liabilities.

Arrangements for the use of shared facilities at each parish and school will be formalised as a part of the RULBA. This agreement must be informed by the Key Principles for the use of Parish and School Facilities developed jointly by the Archdiocese of Melbourne and Catholic Education Melbourne as their foundation. Further information about the STA, RULBA and the Key Principles for the use of Parish and School Facilities is available in the Position Paper and the Explanatory Memorandum that accompanies the STA and RULBA. The RULBA will need to be negotiated with each parish priest on a site by site basis in respect of the use of the common areas.

Planning and consent

Going forward, as the sole legal representative of the parish, the parish priest must be involved with master planning and building developments and any similar transaction that will change the nature of the school property or affect the use of any other areas of the property. As such, any building project which may engender any change in the patrimonial condition of the property or entails the undertaking of obligations of repayment or liability to government grants would need the express consent of the parish priest, as beneficial owner. The RULBA preserves this position for the priest or an association of priests as the owner of the land and buildings.

Responsibilities of Melbourne Archdiocese Catholic Schools Ltd (MACS):

- MACS will effectively become a tenant of school land and buildings – not its owner, however it will assume and undertake all liabilities and responsibilities in respect of the land and buildings as if it is the owner, relieving parish priests from any obligation or liability for the duration of the RULBA.

- It has been agreed nationally by the Australian Catholic Bishops Conference (ACBC) that no diocese should introduce school rent or other land charges until such time as every effort has been made to reach agreement with the relevant State Government and Commonwealth Government.
- Other school assets (e.g. receivables, equipment, books, furniture, computers, portable buildings etc.) and liabilities (e.g. accounts payable, bank loans, employee liabilities, etc.) will be transferred to MACS via the STA.
- MACS will be responsible for the finances and liabilities of the school's operations.
- MACS will bear all responsibilities and obligations in respect of buildings, loans, maintenance and repairs, including replacement of buildings in the event of damage, payment of property taxes, levies, insurance premiums, lease hold agreements and any works of a capital nature.
- MACS will bear all responsibilities and obligations in respect of accepting capital funding from Federal and/or State governments.

School closures and changes to educational missions:

- Unless a parish was contemplating a retreat from its educational mission, nothing is lost by making the land and buildings available for the purposes of Catholic education under a leasing agreement with MACS. The assets will be preserved for their owner and 'returned' upon MACS ceasing to operate the school.
- If a school should cease to operate as a Catholic school, the buildings are removed from the MACS accounts and responsibility for them returns to the owner.
- If the school retains any Federal and/or State Government repayment obligations resulting from capital grant funding then agreement on repayment or transfer of obligations will need to be reached before school buildings can be 'returned' to their owner.

Next Steps

During the final weeks of August, Working Together in Mission was developed further in partnership with stakeholders to articulate key features of the relationships within parishes and their schools that are essential for fidelity to mission. This document will be informed by canonical advice and will articulate the roles and rights of parish priests, principals and associated structures such as an Advisory Council for each school to provide a forum for the realisation of transparency, accountability, consultation and participation associated with contemporary governance and management practices.

The process of transition for each school will take place over a six week period from beginning to end including time allocated for information sharing, consultation and completing the agreements. To spread the significant workload the process will be staggered across the Archdiocese in several groups. Priests will be allocated to the group information sessions according to location, size and to address specific needs arising from their canonical context. Those who are Parish Administrators will undertake a similar but separate process to ensure that appropriate canonical processes are observed. Starting a week apart, beginning with Group One in September and concluding with the final group in late October leading to the final agreements being completed in to meet December deadlines.

Further information will be shared in the coming weeks regarding the process for transitioning assets held by schools to the new corporate entity in a School Transition Agreement (STA). This will be the process for both parish schools and secondary schools owned by associations of parishes and the Archdiocese. The process will involve meetings and dialogue between the parish priest and representatives from the Archdiocese and from Catholic Education Melbourne to clarify issues and resolve concerns.

The process will also entail the development of a Right to Use Land and Buildings Agreement (RULBA) which will need to be negotiated with each parish priest and canonical administrator for secondary schools on a site by site basis.

In addition schools, through the work of the principals and business managers, will be asked to complete a Request for Information (RFI) to provide information that is necessary as MACS assumes responsibility for the operation of each school. Information about the RFI will be made available on the governance website.

September – Agreement process begins: A series of information sessions with direct engagement with you by members of the Steering Committee and Governance Secretariat will provide the best opportunity for mutual understanding to be developed regarding these arrangements.

September – RFI process begins: The principal of each school will be responsible for providing the requested information, with support from the business manager, which will ensure that we have in place the documents necessary for your school to transition into the new governance arrangements.

Further Information

Further information about the governance model is available at the Governance website.

<https://governance.melbourne/>

A detailed description of the governance model is articulated in the [Position Paper](#) which is available at the website.

Also available on the website is an outline of the [transition process](#), a range of other [resources](#) including the [constitution](#) for the MACS company and the [Working Together in Mission](#) Charter.

Key transition documents, including the templates for the STA, RULBA and RFI, are available at the Governance website: <https://governance.melbourne/transition-documents/>

Contact

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