
In 1991 Australia's National Industry Education Forum released a policy statement that suggested ways to improve Australian schools. This report, an outgrowth of that statement, contains a blueprint for the decentralization of management for Australian schools. Studies were undertaken in 11 companies to draw lessons from business and industry. Forty-five recommendations draw on best practices in different settings and suggest a model of management for Australian schools. The recommendations propose a legal framework for aligning responsibility, authority, and accountability, and outline stakeholder roles. The first two sections describe patterns of centralization and decentralization in public education in Australia and in other nations, and set the historical context for understanding the emergence of various forms of school management. The next sections summarize research on processes and outcomes, identify issues and concerns about decentralization, and describe related experiences in business and industry. The report recommends further decentralization of management to realize gains in efficiency, effectiveness, equity, job satisfaction, and professionalism. Two conclusions are that differences exist across states with respect to current levels of decentralization and readiness, and that strategies reflecting the differences should be developed for each school system. One table is included. The appendix describes the approach to resource allocation in Edmonton Public School District in Alberta, Canada. (Contains 57 endnotes.) (LMI)
DECENTRALISING THE MANAGEMENT OF AUSTRALIA'S SCHOOLS

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Australian Chamber of Commerce and Industry
Australian Chamber of Manufacturers
Australian Information Industry Association
Australian Institute of Petroleum
Australian Mining Industry Council
Australian Petroleum Exploration Association
Australian Society of CPAs
Australian Tourism Industry Association
Business Council of Australia
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This project is an outcome of earlier initiatives of the National Industry Education Forum. The Forum released a policy statement in June 1991 entitled Declaration of Goals for Australia’s Schools which listed six goals related to standards and competencies, curriculum, teachers, management structures, linkages between school and industry, and vocational education and the transition from school to work. Each goal was addressed in a series of proposals contained in a further policy statement released in 1992 entitled Improving Australia’s Schools: Building the Foundation for a Better Australia. The following is a summary of proposals related to management structures contained in this statement:

1. A new framework of law is required to decentralise authority and responsibility within public school systems and to protect devolved authority from centralising tendencies.

2. Accountability within decentralised systems should be made explicit.

3. Central authorities should articulate a clear vision for the system, set performance standards, manage an integrated human resource system, ensure equity in resource allocation and ensure choice of schools.

4. School principals should have appropriate training and rewards. They should be directly accountable for the performance of their schools and should have the authority to manage them.

5. Options for the development and selection of school principals should be explored.

6. Within the requirements of their accountability, school principals should have the authority to select and initiate the removal of school staff, the capacity to reward distinguished performance, the responsibility to develop teamwork and support professional development, the freedom to determine strategies and the management of their budgets.

7. Industrial arrangements should enhance professionalism and flexibility and set frameworks for local bargaining.

To develop these proposals further, the Forum commissioned a project which would seek “to establish a blue-print for the devolution of management and authority to systemic schools” and “to make recommendations relating to devolution which are consistent with the lessons business has learned”. The expected outcomes of the project were described in the following terms:
• a report on the key factors involved in the devolution of management and authority in schools;

• opportunities for senior members of the business community to discuss the report and its findings with education leaders; and

• increased understanding and support for devolved management structures.

A decision was made to use the concept of "decentralisation" rather than "devolution", for this more accurately describes the intent of the Forum as set out in Improving Australia's Schools: Building the Foundation for a Better Australia; indeed, that was the term used in the earlier Declaration of Goals for Australia's Schools.

In compiling the report, I have drawn on fifteen years' of experience in research and consultancy in the area of decentralised management in education. This experience has extended to most states in Australia as well as Britain, Canada, Hong Kong, New Zealand and the United States. What is proposed by the National Industry Education Forum is neither new nor revolutionary, in education or in business and industry. It is thus possible to draw on successes and shortcomings in a range of settings to make recommendations for good practice with a high degree of confidence.

Several states are currently increasing the extent of their practice in decentralised management. Now, as in earlier times, there are many concerns about the nature, purposes, processes and outcomes of these developments. Most if not all of these concerns can be alleviated if national and international perspectives are adopted, and if current practice and future intentions are examined in their historical context. This report has adopted such an approach.

My brief to provide a "blue-print" has led to forty-five recommendations for the further decentralisation of management for Australia's schools. Many of these must be considered illustrative rather than prescriptive, since there can be no national prescription, given that school education is a state responsibility and that states differ in their readiness to proceed. In the final analysis, the "blue-print" must be developed on a state by state or system by system basis. In each case, the level of detail will be far greater than in this report and more linkages will be made with other aspects of school education such as student assessment, which are taken up in other NIEF reports.

I have been assisted by members of the Reference Group established by the National Industry Education Forum, and by a team of researchers in the Doctor of Education program at the University of Melbourne. Members of the Reference Group, their colleagues in the work setting, managers in other companies and
experienced educators have shared their wisdom and expertise on the decentralisation of management.

The outcome is a report which confirms the desirability and feasibility of proposals set out in *Improving Australia's Schools: Building the Foundation for a Better Australia*. The recommendations draw on what I consider best practice in different settings. Implementation of these recommendations will not, by itself, lead to improved outcomes for education. However, I believe there is every chance of achieving this intention if they are implemented in association with other recommendations which address the range of goals set out in the *Declaration of Goals for Australia's Schools*.

Brian J. Caldwell
The University of Melbourne
June 1993
FOREWORD

Australia's schools need to provide all our children with an education at the forefront of international standards.

Without high quality schooling system, we cannot hope to develop an internationally competitive economy or to address the needs of individual students, families and communities.

In June 1991 the NIEF released a Declaration of Goals for Australia's Schools which suggests ways to improve school's capacity to deliver such a comprehensive and responsive curriculum. The six areas suggested as requiring ongoing improvement are:

- standards and competencies
- curriculum
- teacher quality and support
- management structures
- school/industry links
- vocational education

The NIEF is facilitating examination of and discussion about all these areas in order to assist the advance our schools are making towards being at the forefront of international standards.

This document arises from project work related to improvement of management structures and suggests a possible model of management for our schools. We issue it in the hope that productive discussion will arise. Also, we look forward to your responses and undertake to report on the outcomes arising from them.

Our thanks go to Dr Brian Caldwell and the NIEF Project Committee for their work. We compliment them on the production of a stimulating discussion paper.

Yours sincerely

Geoff Norcott
General Manager
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EXECUTIVE SUMMARY

A review of developments in Australia and other comparable nations reveals that recent proposals such as those for Victoria’s Schools of the Future are simply the next stage of what has been a steady evolution over twenty years or more. Each has been contentious at the time of introduction but it seems that stakeholders and interest groups across the spectrum have given their support to most of what is proposed at one time or another, even though different rhetoric has characterised the debate.

Forces which have shaped current and emerging patterns of school management include a concern for efficiency in the management of public education, effects of the recession and financial crisis, complexity in the provision of education, empowerment of teachers and parents, the need for flexibility and responsiveness, the search for school effectiveness and school improvement, interest in choice and market forces in schooling, the politics of education, the establishment of new frameworks for industrial relations and the emergence of a national imperative.

While research has not yet revealed a direct cause-and-effect relationship between decentralisation of management and improved outcomes for students, the body of evidence points to a significant contribution in this direction providing the school takes up the opportunities created by decentralisation, especially in respect to learning and teaching and the support of learning and teaching. There is a strong body of evidence that decentralisation enhances job satisfaction and professionalism on the part of principals and teachers, despite flawed approaches to implementation which have been experienced in some places.

Issues and concerns which have arisen in implementation are related to a commitment to public education, equity in the allocation of resources to schools, competition among government schools, hidden agenda, work load, the exercise of leadership, strategies for implementation, the consultative process, school support and accountability and central control.

Studies were undertaken in eleven companies to draw lessons from business and industry. In the historical perspective described above, it was apparent that decentralisation has occurred in education at different rates in different parts of Australia, and elsewhere, for reasons which are similar to but not directed by what has occurred in business and industry. Indeed, aspects of decentralisation in education in some settings, notably a capacity to work in teams, would appear to predate developments in business and industry.
Five lessons were drawn from the corporate sector, the most important of which is the importance of securing alignment of responsibility, authority and accountability. There has been mis-alignment in education for many years, illustrated by the fact that principals have been responsible for the outcomes of schooling but have lacked the authority to make important decisions on matters related to resources, including the selection and appraisal of staff. Accountability has been ill-defined. Other lessons are concerned with strategic leadership and the adoption of long term perspectives, a focus on quality, a clear definition of multiple stakeholders, a priority on human resource management, and careful attention to marketing and image building.
It is neither desirable nor feasible to propose an approach which can be pursued in all states at the same rate to arrive at the same end, given that education is, constitutionally, a state responsibility. While all states have shifted authority and responsibility to schools over the last decade or more, there are considerable differences across states in respect to their starting point for further change. Moreover, many of the issues are highly contentious and what is politically feasible will vary from state to state.

What is offered here is a framework for the implementation of a relatively high level of self-management, with acknowledgement that the particular ways in which events unfold will differ significantly from state to state. While the brief for the project called for a “blue-print for the devolution of management and authority”, many of the recommendations which follow should be considered illustrative rather than prescriptive.

Should there be further decentralisation?

1. There should be further decentralisation of management for Australia’s schools to achieve benefits related to improved management and gains in efficiency, effectiveness, equity, job satisfaction and professionalism.

2. There are differences across states in respect to current levels of decentralisation and readiness to proceed further. Strategies which reflect these differences should be developed for each school system.

Achieving agreement or settlement on the principles of decentralisation

3. The major stakeholders should conduct a national forum on the management of schools with a view to developing a common understanding of and commitment to the empowerment of schools in systems of public education.

4. A desired outcome of such a forum should include agreement or settlement on the principles which should shape the further decentralisation of school management.
Resourcing a commitment to decentralisation

5. Student needs-based approaches to resource allocation to schools should be determined.

6. Exemplars of such approaches should be made available for consideration in forums on the issue and as a guide to further development around the nation.

The legal framework: aligning responsibility, authority and accountability

Self-managing not self-governing

7. Principals, teachers and non-teaching staff who may be considered part of the normal staff establishment of the school should be employed by the school system, with selection and placement at particular schools according to policies and procedures for local selection.

The school charter

8. Responsibilities, authorities and accountabilities should be specified in the charter of a school where the charter approach has been adopted to specify the relationship between the centre, the school and the local community. Charters should address the roles of the director of the system, and other officers at the system level who may act on behalf of the director in matters related to the management of schools; the principal; the school council; teachers and other staff; parents and students [a sample chart of authorities and accountabilities for the director of schools, principal and school council is contained in Table 1 of the report].

The school council

9. The school council should have authorities which include school policy, the school curriculum, the school development plan, the school budget, contractual arrangements for staff not employed at the system level, and the annual school report.

10. In this context, the principal should be viewed as the chief executive officer of the school council, with the responsibility of preparing for consideration by council those matters specified in the foregoing.

11. The school council should play a key role in the selection of the school principal. Given that the principal is an employee of the school system, this role should be conceived as making a recom-
mendation to the director of the school system in respect of the view of the school community on the matter. Consistent with this view of roles and relationships, there should be provision for the school council to make recommendations to the director on the termination of a principal's appointment at the school.

12. The school council should have a similar role in the selection of other leaders where a school elects to have a leadership team.

The principal

13. From a system perspective, the line of authority with respect to the management of a school should be, unambiguously, from the director of the school system to the principal, with the principal having the authority to manage the school within a framework of legal arrangements, policies, priorities and accountabilities determined centrally for all schools.

14. From a community perspective, where a school council exists and has the authorities set out above, the principal should be its chief executive officer and should have the responsibility of preparing for consideration by the council the policies of the school, the school curriculum, the school development plan, the school budget, contracts of staff not employed at the system level and the annual school report. Once adopted by council, the principal should have the authority to implement.

15. The authority of the principal to implement should include the selection of staff to be deployed at the school. There may be exceptions to this authority, as in the case of a school council role in the selection of members of a leadership team, where such an approach to the administration of a school has been adopted.

16. The principal should have the authority to determine the structures and processes for decision-making among staff. Where these involve particular configurations of staff, including the number and nature of senior appointments, and the mix of teaching and non-teaching staff, there should be appropriate specification in the school development plan and the school budget which is proposed for consideration by the school council.

Consultation and the management team

17. Training programs for school principals and other leaders and managers at the school level should address consultation and team management. A demonstrated capacity to work in this style should be a criterion in local selection.
Accountability

18. The line of accountability should be from the director of schools to principal to school employee. The director or principal may delegate to another some aspects of the processes of accountability.

19. Employees at the school level should be accountable to the principal.

20. Accountability becomes at once more complex where school councils with authorities proposed in this report have been established. In general terms, there should be no disturbance of the line of accountability described in the foregoing.

21. The particular outcomes for which people at different levels of the system will be held accountable should be specified, along with the standards against which judgements will be made as to whether these people have exercised their authority in acceptable fashion.

22. Those making such judgements should have the power of reward or sanction in a range of employment-related matters.

23. The manner in which the foregoing is implemented should be codified in the policies and procedures of the system.

Student achievement and frameworks for accountability

24. The results of students in national or state assessment programs should be included among outcomes specified in a framework for accountability, providing due attention is paid to situational factors.

25. There should be no place in such a framework for the public release of results in a manner which allows or encourages implications about relative effectiveness to be drawn on the basis of raw rankings of schools.

26. The principal should be responsible for ensuring that due account is taken of assessment results in formulating the school development plan and the annual operating plan.

27. In general terms, however, while such results are an important, if not necessary part of the framework for accountability, they should not be considered sufficient. A range of approaches to assessment should be included. Other outcome indicators should also be specified, such as those derived from surveys of
students, teachers and parents on matters related to the work of
the school.

The role of central units

28. Information on how well the school is meeting expectations is
appropriately the focus of discussion between officers of the sys-
tem and the school on the one hand and the school and its com-
munity on the other. These expectations and their associated
indicators will normally be set out in the centrally-determined
framework and the school development plan, respectively. They
should be incorporated in the school charter in systems where
school charters are a feature of decentralised management.

29. School review or quality assurance units should be established
to collect and analyse information from schools in the ongoing
process of school review. However, these units should not be
large, given that much if not all of the information can be col-
lected at the school level.

30. While the re-establishment of the role of school inspector is not
proposed in this report, consideration should be given to peri-
odic school review by one or more external people chosen by
the school from among those accredited or chartered for such a
purpose. There is merit in the trial of such an approach.

Regions and districts

31. Organisational structures should be kept as flat as possible in
establishing lines of authority and accountability from the direc-
tor of a school system to the principal.

32. Regions and districts should not be regarded as two levels in a
hierarchy between director and principal. The district may be
more appropriately viewed as a level of coordination, communi-
cation and support. The regional director should be considered
as acting for the director of schools in matters of authority and
accountability.

The role of the centre in the provision of support

33. While access to providers in the private sector may be desirable,
school systems should maintain their commitment to resourc-
ing support services for schools. If international experience is a
guide, it is likely that more effective and efficient service may
emerge among public providers when schools may choose their
source of support.
34. School systems should maintain or increase their commitment of resources for training and development of staff, given the scope of scale and scope of change in school education. The bulk of these resources should be subsumed in an identifiable manner in global allocations to schools.

Changing the culture at the centre

35. Schools should be protected from centralising tendencies, especially in respect to constraints on operational decision-making and frequent reporting on routine matters.

36. Schools should be networked with state-of-the-art accounting and information systems to facilitate reporting on important matters in the broad framework of policies, priorities and accountabilities.

37. Training and professional development for non-school-based staff should include matters related to the change in culture at the centre in a decentralised system of management.

Training, selection and development of principals

38. Training programs for principals and other school leaders should reflect the requirements for leadership and management in self-managing schools.

39. The potential of training programs under the provisions of the National Schools Program, and the accreditation arrangements of the proposed National Teaching Council and those established by the Australian Council for Educational Administration, should be explored as a means of giving effect to the foregoing.

40. Consistent with the concept of decentralisation, governments should contribute resources for such training programs, but should work with principals, professional associations and providers in the public and private sectors to ensure their design and delivery. Expressed another way, it would be inconsistent with the concept of decentralisation to place design and delivery exclusively or mainly in the hands of a central unit of the school system.

41. Consistent with experience in business and industry, a more comprehensive approach to the selection of principals and other school leaders should be explored. In addition to the current use of curriculum vitae, references and interviews, consideration should be given to pre-interview seminars, workshops and
assessament centres. While their use in the corporate setting has been generally accepted, the appropriateness of psychological tests in the educational setting should established before they are included in such a repertoire.

Rewards for principals and teachers

42. Support should be given to a comprehensive review of employment arrangements for principals, including remuneration, with the goal of securing conditions commensurate with those in the private sector, in education, and in business and industry.

43. There should be provision for performance-related components for principals' salaries, determined according to system-wide policies and procedures. There will likely be a role for local input in these matters where performance is related to school accountability indicators.

44. There should be arrangements which allow local variation of working conditions and remuneration for teachers and other staff employed on a system basis. This variation should be achieved by agreement between the principal and individual staff or between the principal and the whole or part of staff. Such variation might pertain to matters such as incentive payments to secure appointments in locations which are difficult to staff, reward for performance, or flexibility in the mix of responsibilities and remuneration.

45. There should be system-wide policies and procedures which specify how these arrangements shall be determined. Given sensitivity in the climate for industrial arrangements at this time, it will be important to involve key stakeholders.
CHAPTER 1

INTRODUCTION

A new paradigm in the management of public and private enterprise

Proposals on management structures in NIEF’s policy statement on *Improving Australia’s Schools: Building the Foundation for a Better Australia* bring together a number of developments under way in most school systems in Australia. Indeed, one may discern the foundations of current and proposed practice in reforms which first made their appearance in Australia in the early 1970’s.

Patterns of school management which have emerged over twenty years or more have not been uniform across the nation: the extent of centralisation and decentralisation, the sequence of events, the rate of change, the underlying rationale, the configuration of driving forces, and issues and concerns encountered along the way, have varied from state to state. However, consistent with the emerging national perspective in many matters related to school education, a pattern is starting to emerge.

Extending this perspective in time and place to the international setting, similar observations may be made in respect to practice in other nations. It is difficult to identify any nation, especially among developed and newly industrialised countries, where efforts to decentralise the management of schools have not been made. Those with the highest profile or relevance to developments in Australia have occurred in Britain, Canada, New Zealand and the United States.

Adopting an even broader perspective, one readily finds parallels in changes in management practice in business and industry, indeed, in most fields of public and private endeavour among these nations. Expressed simply, significant responsibility, authority and accountability are being shifted to the level of the operational unit, where a service is provided or a product is manufactured, all within centrally-determined frameworks of mission, vision, goals, priorities or standards. In many instances, whole layers of management have been reduced or eliminated, leaving central structures lean, and the structure of the whole considerably flatter than before. A higher proportion of the total resources of the enterprise, including staff, is physically re-located or planned at the unit level of service or manufacture. As in education, the pattern of development has varied from setting to setting and from year to year.

The major features of the “big picture” are now becoming clear. A new paradigm for the management of public* and private enter-
prise\(^3\) is evident after decades of management practices which were generally successful in their context, but which are arguably ill-suited to the conditions which are emerging in the transition from this century to the next. It is now possible to describe the major features and how they came to be. It is also possible to draw on the wisdom and experience of recent years to formulate recommendations for good practice in making the transition. That is the primary purpose of this report.

**Organisation of the report**

The first section offers a brief description of patterns of centralisation and decentralisation in public education in Australia, and in other nations where developments are comparable and relevant to the Australian experience. An historical context is offered, for this establishes the reasons for the emergence and success of past structures, and identifies the forces which are shaping new arrangements. Findings in research on processes and outcomes of recent experience are summarised. Issues and concerns are identified, with accounts provided of how these have been managed or resolved. Reference is then made to related experience in business and industry. The major features of a preferred approach to decentralised management are then described, with recommendations on the implementation organised according to proposals set out in *Improving Australia's Schools: Building the Foundation for a Better Australia*; the legal framework for authority and responsibility; accountability; the role of central authorities, including matters related to vision, performance standards, management of human resources, and ensuring equity and choice; the development, selection and role of the principal in a decentralised system; and industrial arrangements. The paper concludes with a short statement of how these matters will contribute to the achievement of educational outcomes in a future which may see schools differ in far-reaching fashion from those of the present.

**The concept**

The phenomenon under consideration in this report is the decentralisation of school management. Other terms have been used to describe it, including school-based management, the local management of schools, school self-management, site-based management and school-site management. These alternatives are sometimes used in the report, depending on the context.

Conceptually, the phenomenon is a form of administrative decentralisation rather than political decentralisation. Administrative decentralisation or delegation occurs when a government or centre of authority determines that decisions formerly made at a central level may be made at a level in the organisation which is closer to
the point of service or manufacture. This shift may be reversed at any time by the government or authority. Political decentralisation or devolution occurs when a government or centre of authority hands to another government or centre of authority on a lower plane the power to make certain kinds of decisions, this being done by formal agreement in a manner which suggests a measure of irreversibility, such as may occur with a change in a national constitution. Local government is an example of political decentralisation.

A similar distinction may be made between self-governing schools and self-managing schools. The former are independent schools or schools which have been set free from central control in a public system. The latter are schools within a system of public education.

A commitment to public education

It is clear that the National Industry Education Forum is committed to the maintenance of a system of public education, since its proposals assume the existence of a centre, although it advocates a shift in the centralisation — decentralisation continuum for a number of important functions. The developments in Australia and elsewhere which are described and analysed in this report are largely derived from experiences in systems of public education. In some instances, these experiences have occurred as efforts have been made to dismantle a layer of the system, as in the case of Grant-Maintained Schools in England and Wales, which have been encouraged to "opt out" of control by their local education authorities. Such schools continue to receive their funds from the public purse; the system for these schools is now the nation rather than a local authority.
CHAPTER 2

PATTERNS OF CENTRALISATION AND DECENTRALISATION IN EDUCATION

Experience in Australia

Each of the states and territories has its own experience in decentralised management in public education. Particular attention is given to recent developments in three states — Victoria, New South Wales and Tasmania — for these offer features of note as far as the context of this report is concerned.

The focus of attention in Victoria is the recently-announced initiative of the Coalition Government which is set out under the rubric of Schools of the Future. This initiative builds on earlier reforms over the last decade in which significant responsibility had been decentralised, notably through school councils responsible for policy within frameworks provided by the Minister, and for the adoption of the budget. Principals were required to consult their staff through Local Administrative Committees. Some funds were decentralised to the school level, with submissions required to secure special purpose grants to address particular prescribed needs. The local selection of staff has evolved over the same period, first with principals, then assistant principals, and more recently, Advanced Skills Teachers. The major features of Schools of the Future include the local selection of all staff; school responsibility for almost all of the school budget, including staff; a three-year planning and budgeting frame; the negotiation of a school charter to guide planning and accountability; and a framework for accountability in a scheme for quality assurance. The role of the school principal has been strengthened in a number of ways, especially in respect of the selection and reward of staff. Except for a very small number of local employees, staff continue to be employed by the government through the Directorate of School Education: there is local selection rather than local contracting or local “hiring and firing”. A small number of schools will be selected from among volunteers to participate in the pilot phase of the program in 1993.

The major thrust in New South Wales commenced in 1990 in the aftermath of the review of the Education Department by Dr Brian Scott. This public system, one of the largest anywhere, had remained highly centralised, with little authority and responsibility at the school level. The last three years have seen a dramatic reduction in the number of central staff, the creation of clusters of schools within regions, and the significant empowerment of schools, especially in respect to the “global budget” of the school.
which extends to all non-staff resources. School councils are encouraged. An effort in 1992 to include a staff component in school planning, especially in respect of selection of staff and the charging against budget of a standard unit cost for each teacher, was not implemented in the face of opposition or indifference. A focus on accountability is provided through the Office of Deputy Director-General (Quality Assurance).

Tasmania is of particular interest because of extensive decentralisation in resource allocation to schools, a practice which has evolved over more than fifteen years to the point where the system is moving toward a student needs-based approach to resourcing schools, with account taken of a variety of program and local context factors. All but continuing teacher costs are currently included in a school's budget. A small but increasing number of schools have councils, but all have a charter which encompasses local and system-wide expectations for schools. A major reduction in the number of staff employed at the centre and the abolition of three regional structures in favour of eight small district units followed a review of the state's education system in 1989.

Among other systems, South Australia was a pioneer from the early 1970s of increasing the authority of principals and establishing school advisory councils. School boards with important planning and policy powers were established in the ACT in the early 1970s. Western Australia has encouraged more school-based decision-making over the last decade, with Queensland moving in this direction recently. In all cases, restructuring has led to a decrease in the number of central staff. Northern Territory now has a high level of decentralisation, with each school having a council and a school-based budget covering all but the salary component of continuing staff.

All of these developments have gathered momentum as a national perspective has emerged in education policy. A national curriculum framework is taking shape along with a system of monitoring student achievement. The recent committees chaired by Finn, Mayer and Carmichael have, respectively, set targets for retention rates to the end of the decade, identified key work-related competencies, and have proposed pathways for training programs which link schools to technical and higher education, with provision for workplace learning.

Experience in other nations

Trends along these lines are evident in other nations which are of interest or relevance to developments in Australia. Those considered here are Britain (England and Wales), Canada, New Zealand and the United States.
The decentralisation of management for schools in England and Wales is known as the Local Management of Schools (LMS). LMS was one of four major reforms embodied in The 1988 Education Act. The major feature, now extending to each of about 25,000 primary and secondary schools, is the decentralisation to the school level of planning for the total budget of the school, including all staff. Staff continue to be employed centrally through the Local Education Authority (LEA), but selection and initiation of the removal of staff occur at the school level. A second major reform was the encouragement of Grant-Maintained Schools (GMS), essentially allowing a school to "opt out" of control by the LEA, receiving its total budget to which is added 15%, this being the deemed cost of LEA-provided services. The total resource allocation comes to the school from a national agency. A school may "opt out" on a majority vote of parents. To date, only about 300 schools have elected to become grant-maintained. The remaining major reforms were more centralist in their thrust: the creation of a national curriculum, and the design of a system of testing for students at two points in primary schooling and two points in secondary schooling, with test results published in "league tables" on a school by school basis.

Successive refinements of these reforms have resulted in a range of distinctive and contentious features. Her Majesty's Inspectors (HMI) have largely disappeared, with all schools to be inspected every four years by accredited private inspectors contracted by the school. The intention of the British Government to dismantle LEAs is now clear, with The 1993 Education Act likely to contain measures to ensure all public schools achieve GMS status at the earliest opportunity. What is likely to emerge in Britain is thus a national system of schools, centrally funded, with a central framework of curriculum and testing, and about 25,000 largely self-governing schools.

Major change occurred in New Zealand at about the same time as the British reforms. The Labor Government, in which David Lange was both Prime Minister and Minister of Education, acted on the major recommendations of a committee of inquiry chaired by Mr Brian Picot. The outcome was a major reduction in the number of staff employed by the Education Department, the dismantling of regional Boards of Education and, from October 1, 1989, the creation of a system of self-managing schools. Each school has total control of its budget, with local selection of staff and a powerful role for the school board. A charter containing national and local expectations was negotiated for each school. A powerful national Education Review Office was established. Teachers continue to be employed centrally, with payment according to national scales. Whereas the British reform was phased to some extent, all of New Zealand's approximately 2,700 schools
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were required to take up the aforementioned capacities on the same day.

It was the intention of the Lange Government to take these reforms further, with teachers actually contracted to their respective school boards, thus achieving the major characteristics of GMS schools in Britain. Opposition from a range of sources, especially the teacher unions, thwarted this intent. The major features of the reforms were not affected by the election of the National Government of Jim Bolger. Indeed, every effort has been made to complete the agenda. To date, however, similar to the scale of response in Britain, only 70 or so have elected to become free-standing “bulk-funded” schools within the national system.

There is no broad national pattern of decentralisation in Canada, but developments in one school district warrant attention, for its practices have informed or shaped reforms around the world. This is the Edmonton Public School District in Alberta, a city district of about 220 schools. After a three year pilot project in the late 1970s, this system extended to all of its schools the authority and responsibility to manage the total school budget, including teaching and non-teaching staff. Schools continued to operate within a framework of district and provincial curriculum and tests. Interestingly, there are no school councils. The principal has responsibility, authority and accountability for the program and outcomes of the school, with a capacity to select but not “hire and fire” staff, who continue to be employed centrally.

Two features of the approach in Edmonton have attracted worldwide interest. The first, and most significant, is a system of allocating resources to schools which achieve a higher level of equity than is evident elsewhere. Expressed simply, Edmonton has determined a number of levels of per pupil funding, ranging in 1992 from ¥C 3,077 for a student in a regular program at all levels of schooling to ¥C 24,268 for students with major hearing and visual impairment. Intermediate levels address differences in costs for students with a range of individual or program needs. Other factors take account of socio-economic status of communities, age of buildings, transiency rates of students and level of community use of buildings. A summary of the approach is contained in the Appendix.

A particular aspect of this approach to resource allocation is the manner in which staff costs are charged against the school budget. The formula for resource allocation to schools provides for the allocation of amounts to cover the salaries and “on costs” of staff on the basis of average cost for each classification across the system. Of critical importance is the fact that schools are then charged the average cost of staff when formulating their school-based budgets. This technique removes at once the concern that schools will seek
relatively inexpensive teachers to free resources for other purposes or that schools with a preponderance of highly paid teachers will be constrained. The technique differs from that in Britain where it is common for schools to receive a global allocation based on average costs but are then charged actual costs for the teachers who are deployed. Each technique has its advantages and disadvantages.

The second feature is a system of annual opinion surveying of all students, teachers, principals and district personnel as well as a sample of parents. These surveys, along with results on district and provincial tests, provide valuable information for the purposes of planning and evaluation. They have yielded consistently high levels of satisfaction with schooling in general and school-based management in particular. These high levels of satisfaction include findings for principals and teachers in respect of their involvement in school-based management. The belief that there is equity in approaches to resource allocation to and within schools is affirmed.

A range of practices is emerging in the United States and no attempt is made here to summarise the major features. It is sufficient to note that school-based management is one of a number of reforms which are being addressed in the context of school restructuring. Initiatives in school-based management in the United States can be traced to the late 1960s, with most having a relatively narrow focus on finance until the late 1980s and early 1990s when they became more an enabling reform, accompanying efforts to restructure the curriculum and the school as a place of work for teachers and students. In this respect, school-based management in the United States finds its place among a series of related reforms in much the same manner as proposals by the National Industry Education Forum on management structures constitute one set among six in the policy statement on Improving Australia’s Schools: Building the Foundation for a Better Australia.

A feature of reforms in the United States is the role of the teacher unions. The two major unions, the American Federation of Teachers and the National Education Association, each support the broad thrust of school-based management and have become partners with school system authorities in planning local initiatives. While teacher contracts continue to be negotiated on a system-wide basis, there may be school by school variation in a kind of local enterprise bargaining arrangement within this central framework, providing teachers are involved in the decision-making process.
CHAPTER 3
ACCOUNTING FOR CURRENT AND EMERGING PATTERNS OF SCHOOL MANAGEMENT

An historical perspective

An understanding of current and emerging patterns of school management is best gained by setting events in an historical perspective. Public education, constitutionally a state responsibility in Australia, has been traditionally provided through a relatively centralised arrangement wherein an education department, along with other agencies with particular responsibilities for personnel or curriculum, have made most of the important decisions affecting the management of schools. Apart from the public service traditions of government schooling, this approach was understandable given the needs of a geographically dispersed population and assumptions with respect to the desired uniformity of curriculum and approaches to teaching, each of which was monitored by a district inspector (primary) or teams of inspectors (secondary). Structures at all levels were stable, with a high degree of continuity in appointments, especially at the level of Director-General; appointees invariably being seen as “permanent heads” in the best of public service traditions.

This pattern served Australia well, for it brought public education to virtually every student and every home in the nation. The achievements of government school systems throughout this era are to be cherished and celebrated.

The approach was not, however, without its critics. Visitors from overseas were often trenchant in their criticism, as in the case of Peter Goyen, Inspector of Schools for the Otago Education Board in New Zealand who visited Australia in 1902. In Australia, he observed, “the Department is everything and its influence everywhere, and every school is regarded not as a local institution in which every resident has a living interest, but as part and parcel of a huge machine controlled from the capital city.” In contrast, in New Zealand, “everybody is interested, because everybody shares in its management”9. In more recent times, the most widely-read questioning of approaches in Australia was offered by Professor Freeman Butts of Columbia University, New York, in his view of Assumptions Underlying Australian Education10.

The major impetus for change came in the 1960s and early 1970s when a variety of political and social forces led to the intervention of the Commonwealth Government in school education. Until this
time, the involvement of the Commonwealth was largely limited to universities. The chief constraint, of course, was that constitutional power on matters related to education resides with the states. The first wave of involvement came with the great state aid debates and concern about the provision of facilities for science. The provision of special Commonwealth grants for school education began. However, the major thrust came with the Karmel Report commissioned by the recently-elected Labor Government of Gough Whitlam which led, in turn, to the creation of the Australian (later Commonwealth) Schools Commission. The major themes of the Report, and subsequent programs of the Commission, reflected the values of decentralisation, equality and diversity. The following excerpts illustrate how these values resonate over twenty years:

The Commission favours less rather than more centralised control over the operation of schools. Responsibility should be devolved as far as possible upon the people involved in the actual task of schooling, in consultation with the parents of the pupils whom they teach and, at senior levels, with the students themselves.

No single pattern is necessarily the best; diversified forms of schooling are an important part of the search for solutions. Increased resources made available to the schools will not necessarily result in children either learning better or being happier in them. . . . This is an important reason for bringing responsibility back to the school . . . All-round improvements are more likely to emerge from experimentation with different approaches than from centralised administration of change.

The outcome was a series of special purpose grants to states, many to be disbursed to schools on the basis of submissions prepared with staff and community input. The number of such grants increased rapidly, supplemented by others at the initiative of state governments. This pattern continued until well into the 1980s, with the demise of the Commonwealth Schools Commission not affecting the general pattern to any large extent.

These developments had two important legacies which are critically important to an understanding of subsequent events as far as decentralised school management is concerned. The first was the extraordinary growth in the size of state education departments. What were relatively simple centralised structures in the 1960s became complex, expanding bureaucracies in the 1970s and 1980s, as divisions and units were created to administer each of the special arrangements associated with these grants. Expanding enrolments, especially at the secondary level, contributed to complexity. One response was to create regional units of administration. Decentralisation of centralised arrangements rather than decentralisation of
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authority is the best descriptor of regionalisation. The size of the centres numbered in the thousands for the larger states.

Another development arose from the requirement of the Commonwealth Schools Commission and many state education departments that teachers and parents be involved in school-based decision-making in the preparation of school plans and submissions, and with the implementation of some programs. Against a social background of individual and community empowerment, the result was a range of structures for local decision-making which led, in some instances, to the system-wide mandating of school councils or boards, notably in the ACT, South Australia and Victoria. Elsewhere, such structures were created on a voluntary basis, as in Tasmania, where developments at Rosebery District High School were to prove helpful, nationally and internationally, in school self-management.

These developments set the stage for the restructuring of large education departments which was to gather momentum in the 1980s. Among a range of factors, the increasing cost of public education led to concerns about efficiency in the delivery of service. The large education departments and their heads were increasingly perceived as constrained in their capacity to respond to needs for change. The outcome was a steadily increasing stream of reports, commencing with a White Paper in Victoria in 1981 and the Hughes Report in Tasmania in 1982. Restructuring, with reductions in the size of central arrangements, occurred in every state. Gone was the concept of a permanent head and appointments of Directors-General from the ranks of educationists. Emerging was an interest in or mandating of school councils or some other form of school-based decision-making group. Decisions on selection for some categories of staff as well as authority and responsibility for an increased level of resourcing in school budgets also made their appearance.

Efforts to reduce the complexity of Commonwealth and state grant arrangements were made in the early 1990s, with the concept of "broad-banded equity programs" being coined to describe the consolidation in a single grant of what were formerly a range of separate arrangements.

Recent papers of the Schools Council of the National Board of Employment, Education and Training have been generally supportive of decentralisation as illustrated in the following excerpts:

Some fundamental delivery-system changes are required in Australian schooling. The success of the reforms currently in train will depend on two steps of faith. The first, emanating from governments and system administrators, will be the willingness to devolve genuine power to schools along with accountability for outcomes. The second, willingness to
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change stable patterns of behaviour and expectations, will have to come from teachers themselves. [Australia’s Teachers: An Agenda for the Next Decade]^{18}

... adopting more flexible approaches to the structures, organisation and procedures in the early years of schooling, is perceived as a constructive step towards achieving the full potential of the self-managing school. [Developing Flexible Strategies in the Early Years of Schooling: Purposes and Possibilities]^{19}

School communities should be able to demonstrate sufficient flexibility to respond positively and swiftly to changing needs and circumstances. If the goal of the self-managing school is to be realised, then schools should have the capacity to modify their resourcing arrangements to increase learning opportunities for all young adolescents. [In the Middle: Schooling for Young Adolescents]^{20}

The Karmel Report (1973) and the most recent report of the Schools Council which is supportive of self-management (1993) neatly span two decades of advice to the Commonwealth on matters related to decentralisation in education.

This historical perspective is incomplete without reference to the framework for industrial relations and the role of teacher unions. Centralised approaches have, until recently, characterised the Australian scene in almost every field of public and private enterprise, including education. It is understandable that the determination of awards has been the outcome of negotiations and the settlement of disputes between the parties at the peak level, between governments through their education departments and the teachers through their unions. Almost every aspect of working conditions has been determined on a more or less standard basis, including key aspects of school and classroom organisation, such as maximum class size, length of the school day and school year, hours of teaching and areas of demarcation in relation to the work of others. In some instances, notably Victoria, the consistent application of these conditions has been secured through the involvement of the teacher unions through their representatives on Local Administrative Committees with whom principals must consult as decisions are made at the school level. This framework is being reshaped in 1993, with aspects of individual contracts being addressed at the school level under the industrial relations reforms in Victoria (decentralisation), and interest in the creation of a national teaching council (centralisation).

To a large extent these developments had their counterparts in other nations. These are not addressed in detail here. Reference to particular features and variations from the general pattern are
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noted below in the listing of factors which are shaping current and emerging arrangements.

Forces shaping current and emerging patterns in management structure

The forces shaping the shift in the centralisation—decentralisation continuum have their foundation in recent developments and in a range of current issues. What follows is a summary, drawn from experience in Australia and other nations. Their foundation in the context described above is clear in most instances.

1. Efficiency in the administration of public education. Concern at the size of centralised arrangements is evident in reports and statements of policy, in Australia and elsewhere around the world. The rapid growth of education departments was followed by a demand for more resources at the school level, triggered in part by the expectation that all or most students will complete secondary schooling and that the learning needs of all students will be addressed. In the field of public education, then, in the face of limited resources, the commitment of resources to maintaining a large centralised structure has been challenged.

2. Effects of recession and financial crisis. Concern for efficiency has clearly been accentuated by the effects of recession and the financial difficulties faced by many governments. Several states in Australia, notably Tasmania and Victoria, have been forced to make drastic cuts to services under these conditions, at the central level more than at the school level. Politically, it has been easier to make cuts according to this pattern. The effect has been a shift in the centralisation—decentralisation continuum through depletion of the centre.

3. Complexity in the provision of education. The design and delivery of public education is vastly more complex than ever before. In contrast to the relatively simple and stable curriculum of the past, delivered through more or less standard approaches to teaching and learning under uniform conditions in schools and classrooms marked by sameness, the curriculum is now complex and differentiated according to the needs and interests of a wider range of students. Moreover, approaches to teaching and learning must be adapted to individual needs if expectations for high levels of student success are to be realised. Standard conditions from one classroom to another, and from one school to another, will not suffice. Different mixes of resources are required according to the setting. Many kinds of decisions in these areas are best made at the school level or, in
4. **Empowerment of teachers and parents.** The empowerment of teachers and parents was an outcome of broader societal trends in the 1960s and 1970s in the manner described in the last section. Structures which first made their appearance at this time, including the school-based decision-making groups associated with grants of the Commonwealth Schools Commission, became institutionalised in school councils or advisory bodies.

5. **The need for flexibility and responsiveness.** The increasing use of inquiries by external consultants in the 1980s and early 1990s signalled the impatience of governments with the capacity of school systems to respond to palpably different expectations for the delivery of public services. Outcomes included new patterns of appointment to the ranks of senior administrators, frequent restructuring and reductions in the size of central staffs, and elimination of whole layers of administration in an attempt to bring senior decision-makers closer to those whom they direct and serve.

6. **School effectiveness and school improvement.** Interest in school-based management in the United States, in particular, has been stimulated by findings in research on school effectiveness and school improvement. On a broader level, landmark studies of schooling by John Goodlad and Theodore Sizer led to conclusions that the quality of education would be improved by freeing schools from many of the constraints imposed by central authorities at the school district level. Findings from research on school improvement provided some support for a high level of school autonomy, especially in the allocation of resources, including staff, but more specifically in the opportunity school-based management provided for problem-solving teams of teachers, the development of and commitment to a shared vision for the school, and the creation of a range of approaches to coping with increasing complexity at the school level.

More extensive utilisation of such research in the United States may account for the broader view held in that country of restructuring in education, extending to curriculum and teaching to a greater extent than has generally been evident in Australia. A change is evident, however, especially with the position taken by the Schools Council of the National Board of Employment, Education and Training. Excerpts from recent reports cited earlier make clear that the interest of the Council is to organise the processes of learning and teaching in ways which respond to the individual needs of students. The case for the
self-managing school is argued in these terms. The ongoing work of the National Project on the Quality of Teaching and Learning is consistent with this interest.

7. **Choice and market forces in schooling.** There is no doubt that a major impetus for decentralization has been associated with the view that such management will lead to greater diversity in schooling and enhanced opportunity for choice among schools, implying that competition and the influence of market forces will lead to improvement in the quality of education. This view is most evident in reforms in Britain under Conservative Governments led by Margaret Thatcher and John Major. Support for these views has been claimed by researchers in the United States, notably Chubb and Moe, who advocate a high level of autonomy for schools in the public sector on the basis of their recent work. Some advocates of decentralization in Australia would subscribe to these views, which have been strongly contested, but their influence has not been a major factor in developments to date.

8. **The politics of education.** In Australia, it is clear that trends in decentralization have continued from government to government, across party lines. The features of particular changes have, of course, been the outcome of interplay among political forces, as has been the rhetoric of reform, but the broad pattern of change has continued.

The political context is more complex in Britain where the Thatcher Government was intent on reducing the influence of Labor-controlled LEAs, abolishing one consortium altogether in the case of the Inner London Education Authority (ILEA). The Major Government continues this pattern with its intention to weaken and then remove all LEAs, although the case for change is more usually argued on the grounds of efficiency in the management of public education. Similar analysis may be applied to efforts on the part of government to reduce the influence of unions. This is evident in Britain and in Victoria. In contrast, however, is the readiness of school system authorities in the United States to work in partnership with teacher unions in the design and implementation of initiatives in school-based management. A prior condition in the United States is the willingness of teacher unions to embrace the concept, as has been the case with the American Federation of Teachers and the National Education Association.

9. **New frameworks for industrial relations.** While it is difficult to determine if it is a cause or effect (or both) of decentralization in education, it is clear that more broadly-based change
in approaches to industrial relations is consistent with trends in school management. Increasingly, it is likely that there will be school by school variation from what were formerly standardised work practices across all schools. Such variation has emerged in the United States in the partnership of teacher unions and education authorities. The momentum for enterprise bargaining in Australia, with the Australian Council of Trade Unions playing a lead role in the encouragement of industry reform, may be considered a driving force on matters related to the decentralisation of management in education.

The Schools Council of the National Board of Employment, Education and Training has recently supported a flexible model of self-management in the allocation of staff and non-staff resources, but notes the contentious nature of such a proposal in the context of award restructuring. It concludes:

> It is the Council's view that decisions about the deployment and utilisation of resources should be the responsibility of the school wherever possible or appropriate and when industrial democracy is effectively in place. If changes are to be made, then commitment on the part of teachers and other members of the school community with regard to any reallocation of resources is essential. [Developing Flexible Strategies in the Early Years of Schooling: Purposes and Possibilities]^{26}

10. **The national imperative.** All of these forces tend to support the trend to school-based management. This trend occurs against a backdrop of the emerging national framework in education, in Australia as elsewhere in the countries illustrated in this report. The national imperative is largely driven by economic considerations, with the capacity of the nation to compete in a global economy determined in large measure by the formation of skills among its citizens. The importance of national curriculum frameworks and the monitoring of the educational health of the nation is thus established. These and other considerations have underpinned interest in a national teaching council to set standards and establish procedures for the training, professional development and registration of teachers.

These forces have, in varying fashion, shaped developments in Australia and elsewhere. The outcome has been a steady trend toward decentralisation in school management, within a centrally-determined framework at the state and, increasingly, national level.
CHAPTER 4
RESEARCH ON PROCESSES AND OUTCOMES

Despite the extent of school-based management around the world, there has been little systematic research which has succeeded in isolating its impact. Indeed, Malen, Ogawa and Kranz concluded from their review of literature that:

The central assumptions or ‘theories of action’ embedded in school-based management lack empirical verification. There is little evidence that school based management alters influence relationships, renews school organisations, or develops the qualities of academically effective schools.

Thus, while some research has found the characteristics of school-based management is effective in improving schools, there is an absence of research that demonstrates that a decision to introduce school based management has led in cause-and-effect fashion to improvement in outcomes.

On the other hand, there is evidence of a favorable impact in reports of particular initiatives. School-based management in Dade County, Florida was intended to enhance the professional status of teachers. In their evaluation, Collins and Hanson concluded that "In terms of the major thrust of the project, the involvement of teachers in decision-making towards the end of making the profession more attractive, there is substantial evidence that the project has succeeded." Annual surveys of the opinions of parents, students and staff in Edmonton over more than a decade led Brown to conclude in the following terms in respect of links between school-based management and outcomes in education:

The Edmonton surveys reveal an increase in outcomes in the form of satisfactions registered by large numbers of parents, students and personnel working in schools and the district office. These results appear stable, significant, and superior to those observed in general surveys conducted in the rest of Canada and the United States.

Surveys have revealed high levels of anxiety and overload in the early stages of reforms in Britain, Hong Kong and New Zealand. However, consistent with experience in Edmonton, these appear to dissipate within a year or so to the extent that there is little press for a return to more centralised approaches to the management of schools. For example, in a recent survey of primary principals in Britain, 15% indicated agreement and 70% disagreement with the
statement "I would welcome a return to pre-LM [Local Management] arrangements". In the same survey, 83% of principals agreed with the statement that "LM allows the school to make more effective use of its resources"30.

Evidence is generally positive as far as equity or fairness in allocation of resources to schools are concerned. Early surveys in Britain and New Zealand suggest that some schools see themselves as "winners", others as "losers". In New Zealand, 90% of principals believed that their schools were better off than before31. Surveys in Edmonton over an extended period of time suggest that school-based management is generally perceived as a more equitable approach to resource allocation than previous reliance on centralised decision-making.

Taking all of the evidence into account, it is reasonable to conclude that there is to date an absence of evidence that school-based management, by itself, has been a causal factor in improved outcomes for students. Despite initial difficulties in implementation, school-based management is generally valued by principals and teachers and may thus be seen as a factor in strengthening a sense of professionalism. As Malen, Ogawa and Kranz concluded, there is a need for further research on the phenomenon32. It is noteworthy that such research is a national priority in Australia for a three-year period from 1993. This priority was included in the Report of the Strategic Review of Research in Education33.
CHAPTER 5

ISSUES AND CONCERNS

Many issues and concerns have emerged in the decentralisation of school management. These are summarised in this section along with responses based on experience to date in Australia, Britain, Canada, New Zealand and the United States.

1. Commitment to public education. Considerable opposition has often arisen on the grounds that decentralisation will weaken or threaten a system of public education. Such opposition arose in Victoria when the Labor Government considered a major shift in the continuing evolution of school-based management in that state, as summarised in the proposal in 1986 entitled Taking Schools into the 1990s. It was also evident in New South Wales in the context of a proposal in 1992, Your School's Right to Choose, for school-based selection of staff and the charging of staff costs against the budget of a school on the basis of system-wide average salaries.

These difficulties have arisen because of a failure to distinguish between self-managing schools and self-governing schools, and a failure to address some important nuances in personnel matters such as the distinction between selecting and initiating the dismissal of staff, and hiring and firing staff. In the context of this report, the commitment to a system of public education remains; there is no provision for a school to “opt out” and become a Grant-Maintained School (GMS) as in Britain. Continuing staff remain in the employ of the system rather than the school.

2. Equity in the allocation of resources to schools. An often-expressed fear is that the allocation of a total budget for school-level decision-making will impair equity. Such allocations, it is asserted, will not address the special needs of schools, especially those in disadvantaged areas or those with students having major learning difficulties. Such concerns are usually based on an assumption that resources are allocated to schools on a uniform per pupil basis.

Such fears need not arise if approaches to resource allocation such as those in Edmonton, Alberta or in Tasmania are adopted. These are student needs-based approaches and an array of variables is included in the formula. Indeed, there is a strong case for believing that there is a higher level of equity in school-based management following the Edmonton or Tasmania approach than has existed before. This is strongly supported.
by annual survey data in Edmonton. Traditional approaches are often exposed as highly inequitable when gross formulae have been employed in the past, or when some schools have been able to obtain an unfair share of resources through special influence.

It should be acknowledged, however, that decentralisation does not, by itself, ensure higher levels of equity. A major effort must be invested to "get the formula right" to ensure that variables associated with equity are included. This effort has been made over more than a decade in Edmonton, where the ground work was laid in a three-year pilot project. New Zealand did not "get it right" in the early stages where implementation occurred simultaneously for all schools across the nation. In addition to student-centred educational program variables, examples of which are provided in the Appendix in the case of Edmonton, factors which should be addressed include levels of community disadvantage as measured, for example, by degrees of concentration of poverty; student transiency rate; school size in the case of necessarily small schools; remoteness and rurality.

3. Competition among government schools. It is often asserted that a shift to self-management will result in dysfunctional competition among government schools for students, since the level of student enrolment determines the level of school funding. A starting point in responding to this concern is to observe that such competition already exists, since levels of student enrolment determine the number of staff to be allocated to the school under existing conditions. Experience has shown that self-management may pose a greater threat to private or non-government schools than to self-managing public or government schools, since the latter have acquired a capacity for responsiveness which has traditionally been denied, including the selection of staff, flexibility in the way resources are deployed and a framework for more comprehensive strategic planning. There have been instances in Edmonton, Britain and New Zealand where private schools have been threatened and, in some instances, closed in the face of competition from self-managing public schools.

When viewed in a broader context, however, the matter of competition among government schools has been an issue for a number of years, in Australia and elsewhere, especially since "de-zoning" has been introduced, allowing students to attend the school of their choice rather than being compelled to attend their nearest school. Resources in the form of staff and cash grants rose or fell as students were attracted to or away from a school. The issue is a consequence of decentralising choice of
attendance rather than of decentralising management in the sense under consideration in this report.

4. A hidden agenda? Decentralisation has often occurred or been proposed at the same time as governments are responding to other issues. This has led to the fear that the reforms are related in their intent and impact. Such fears have been evident in recent months in Victoria in the wake of cut-backs in public education, including reductions in the number of teachers by declaring a number “in excess”. Severe financial constraints lead to the view that the centre is passing to schools the difficult task of making unpopular decisions. The role of the principal in staff selection and determining aspects of staff remuneration both lead to feelings of insecurity on the part of teachers.

It is unfortunate that reforms such as those outlined in Victoria’s *Schools of the Future* are occurring at the same time as cuts in public expenditure are being realised and a new framework of industrial relations is being introduced. It is noteworthy that the model approach to school self-management in Edmonton, Canada was implemented in times of rising resource levels for public education. While evidence from international experience still points to a positive outcome, it is fair to say that the conditions which currently prevail in Victoria are a limitation on the pilot program in that state.

5. Work load. A major concern, especially in the early stages, is the impact on the work load of school personnel as tasks previously carried out elsewhere are taken up at the school level. Evidence of overload was found in the New Zealand reform when all schools were required to become self-managing on October 1, 1989. Three responses are appropriate; first, that strategies for implementation should allow the phasing of reform and, second, that appropriate staff should be appointed to provide support. For the second, the appointment of business managers is important; these may be full-time for large schools or part-time or shared for small schools, as proposed for Victoria’s *Schools of the Future*. Finally, levels of work load and other matters related to the changing nature of the workplace should be monitored as part of a comprehensive, ongoing research effort.

6. The exercise of leadership. Access to business managers is vital if principals and other school leaders are not to be diverted from their core roles. Experience suggests that higher levels of leadership are required at the school level than in previous times, when schools were largely implementing decisions made at another level. There are important implications for the selection, placement, professional development and appraisal of
leaders. Training programs, for example, will fall short of requirements if they are limited to the technical skills of planning, budgeting, purchasing and accounting. Similarly for human skills, including those related to the formation and maintenance of work teams. Of over-arching importance is a capacity for leadership. In *Leading the Self-Managing School*, Jim Spinks and I identified four dimensions of leadership on the basis of our work in different places: strategic leadership, cultural leadership, educational leadership, and responsive leadership. These will be addressed in more detail in another section.

7. **Strategies for implementation.** Implementation has been a matter of concern in some places, notably New Zealand, where all schools were required to adopt the reform at the same time. Major revisions were required in New Zealand when formulae for resource allocation were announced; there had been insufficient time to “get it right”. Moreover, there were clearly different states of readiness to proceed with the reform. Experience in Edmonton, Alberta confirms the wisdom of a pilot phase of at least one year when a major shift to self-management is intended. There are two reasons for this; first, to model and test formulae to ensure equity in the allocation of resources to schools; second, to provide training in leadership and management.

8. **The consultative process.** Another issue has been the processes of consultation at the school level. In Edmonton, an early concern was that school-based management was really principal-based management. This issue moves to centre stage in Victoria as decentralisation proceeds at the same time that the principal’s role in personnel matters is strengthened, and requirements for consultation with staff through Local Administrative Committees have been waived. The key to the management of this issue lies in consistent findings in research in all settings that outstanding organisations have empowered their staff in decision-making teams, with leaders who become adept at establishing and utilising such structures and processes. However, given the range of approaches to school-based management in the different states, and uncertainty in respect to roles and responsibilities, especially of principals, there is a need to specify more precisely the lines of authority and accountability. Consultation, then, is a necessary but not sufficient aspect of the leadership role.

9. **School support.** The nature and extent of school support have been problematic over the last decade. It is noteworthy that in Edmonton, where aspects of school-based management are
exemplary, there is extensive provision for the support of schools, especially in respect to curriculum and student services. A small number of schools have enhanced budgets which enable them to purchase support services from any source, including those offered by the system itself, but extending this approach to all schools does not appear a high priority at this time. The New Zealand reforms were characterised in the early stages by plans to dismantle most forms of regional support services. These intentions were modified to ensure the basic provision of student support services.

A range of approaches to school support may be found in Australia. On the basis of experience to date, it is evident that schools need support but that service must be high in quality if it is to be valued and utilised by schools. Access to such service is important for all schools, especially small schools in remote settings. The Edmonton experience, in particular, points to the wisdom of maintaining centres of support, although there need be no barrier to schools securing support from outside the system. Student needs-based allocation of resources to schools is dependent on accurate diagnosis of learning need, suggesting a high priority for related services.

10. Accountability and central control. Review of developments in Australia and elsewhere confirms that decentralisation is not resulting in free-standing, autonomous schools. The most graphic evidence of this is in Britain with LMS and GMS occurring within a framework of a national curriculum and a national testing program. A national funding agency to replace the LEA is taking shape. School-based management in Edmonton is also constrained by centrally-determined frameworks. What is emerging in Australia is no different, although constitutional arrangements and agreements between Ministers in the Australian Education Council result in a different configuration. In general, decentralisation in Australia involves a centrally-determined curriculum framework, primarily at the state level but with an emerging national component, and a range of policies, priorities, awards and standards within which schools must work.

A promising approach to addressing the balance of centralisation and decentralisation is the school charter, essentially an agreement on the part of the school to work within the central framework as it responds to local needs. The profile of student characteristics and related educational programs provides a starting point for determining the resources to be allocated to a school, and furnishes indicators, measures of which are utilised in the processes of accountability. The major components in the
framework for accountability in Britain are the reports of private, contracted inspectors, summaries of which are made public, and the "league table" of test results. The "league table" approach has doubtful validity as an indicator of the "value-added" contribution of the school. An educationally more valid framework is an imperative in Australia.
CHAPTER 6

EXPERIENCE IN BUSINESS AND INDUSTRY

Central to the formulation of this report was the opportunity to draw on experience in business and industry. This was achieved through the Reference Group which included leaders in these settings, with small on-site studies of devolved management practices in their respective companies, numbering six in total. The assistance of five other companies was secured through their senior executives. These studies were carried out by the consultant and a research team of candidates in the Leadership Seminar of the Doctor of Education program at The University of Melbourne. Members of the research team are experienced educators with a particular interest in this project. The names of participating companies and members of the research team are included in the special acknowledgement at the conclusion of the report.

Some critics of recent developments in education have often asserted that there has been an inappropriate transfer of practice from the business sector. Given the historical perspective, this would appear to be largely a myth. It is clear that decentralised management has made its appearance at different rates in different parts of Australia, and elsewhere, for reasons which are similar to but not directed by what has occurred in business and industry. Indeed, aspects of decentralisation in education in some settings would appear to pre-date developments in business and industry.

Some of the characteristics of decentralisation in business and industry are similar to those found in systems of education. These include a desire to make the most of the human resources of the company through the reduction and elimination of layers of management, leading to flatter organisational structures; the empowering of leaders at different levels with authority and responsibility to make decisions, especially in respect to the design and delivery of services or manufacture, as well as in matters related to staffing and budgeting; the creation of workplace teams; greater attention than in the past to accountability; responsiveness to the customer or client; longer time frames in strategic planning; and utilisation of advances in technology. A common view among members of the research team was that a capacity to work in teams and a dispersion of leadership at the site level may have a longer history in school education than in business and industry, based on evidence in this study.
Factors shaping developments in business and industry

Factors shaping developments in business and industry were similar to those in education, with decentralisation being largely a response to increasing size and complexity in the company, a desire to improve the way people worked together, and a need to enhance responsiveness to the external environment as well as to the customer or client. Flattening of organisational structures and empowerment of staff at different levels were a feature of change. The impact of the recession also has its counterpart in public education. The formation of workplace teams is consistent with findings in studies of organisational effectiveness, with instances cited of how companies have drawn on experts in management to guide the restructuring and development of the company over an extended period of time.

Lessons from business and industry

Members of the research team agreed that a number of principles were widely applicable and that some practices in business and industry may be transferred to the education setting, thus enhancing efforts to decentralise the management of Australia's schools. In several instances, these affirm what is already a feature in systems of self-managing schools.

1. **Aligning responsibility, authority and accountability.** The alignment of responsibility, authority and accountability in business and industry may be contrasted with the disjointed and often inconsistent approaches in the school setting. An instance of the latter is the responsibility of the principal for the outcomes of resource allocation as far as achieving the mission of the school is concerned. This responsibility has not been matched with the authority to make decisions on the manner in which resources shall be allocated, a task constrained by centralised decision-making on resource allocation, especially in respect to selection of staff and determining the best mix of resources, including staff, to address priorities in the school profile. The manner in which the principal shall be accountable for outcomes is not clear.

   In contrast, these matters were aligned in the companies under consideration. Working in a broad frame of company goals, policies and priorities, the unit manager has authority for planning, personnel management and resource allocation which matches the level of responsibility, and is held accountable for outcomes within this frame. Achieving this alignment should be a priority in school education.
2. **Strategic leadership and the adoption of long term perspectives.** Strategic leadership is evident in the experience of successful business and industry. This refers to a capacity to understand the internal and external environments of the organisation, with a capacity to plan now for a range of scenarios in the years ahead. There is a longer planning frame for leaders at successively higher levels of the organisation, extending in one company from less than three months at the operational level to twenty years or more for the managing director and the most senior executives\(^4^3\). The same capacities are emerging in national and international experience in systems of self-managing schools.

In many respects, the planning frame for principals should extend to twenty years or more. After all, students entering primary school in 1993 are not likely to enter the full-time work force until 2010 or later. Learning and teaching in primary school in 1993 is thus concerned, among other things, with laying the foundations for the acquisition of knowledge, skills and attitudes suited to the workplace of the second decade of the next century. Many aspects of this workplace, as well as the nature of society itself and of places of learning and training, are likely to differ from those at present in dramatic fashion. Leaders in schools must nurture a capacity for foresight along these lines.

3. **A focus on quality.** Educators have usually shrunk from comparisons in business and industry when it comes to specifying outcomes. A paralysing concern for the “bottom line” and “company profits” has no relevance to school education, it is asserted. Aside from a determination to be highly responsive to societal and consumer needs, there was not, in general, any aspect of practice which was not found to have a parallel in education, with the “bottom line” being a disciplined approach to ensuring high levels of achievement for all students. This is, of course, the target now widely embraced for education and training to the Year 12 level or equivalent by the end of the decade. The achievement of such a target will require unparalleled sensitivity to a wide range of learning needs and aspirations in every part of the nation. Many school systems are now establishing major units in their central structures for “quality assurance”. Good practice elsewhere in the public and private sector affirms these intentions in education. Ensuring that intentions pervade practice at the school level is a priority in systems of self-managing schools.

4. **Defining the stakeholders.** The interests of various stakeholder groups are clearly defined and included in organisational
planning in the corporate sector, as evidenced in this compo-
ment of the project. Stakeholders include the suppliers of
goods and services, employees, consumers, clients, and the
nation at large.

There are clear parallels in public education, although it is fair
to say that there is still ambivalence in some parts of the nation
about accepting a role for parents and other members of the
school community in structures such as school councils. Such
structures clearly optimise the opportunity for responsiveness
on the part of the school, providing day-to-day operations take
account of the interests of the community as these are reflected
in the deliberations of the school council. Indeed, one might see
the school council as representative of the "shareholders" in
school education at the local level in the same manner as a
board of directors represent the interests of shareholders in the
 corporate setting.

5. A priority on human resource management. A range of
practices was evident which either affirm current practice in
good schools or should be modelled in schools which aspire to
excellence. Noteworthy was the high priority accorded in-house
training, some during employee time but much outside. Inter-
estingly, what were formerly very large personnel departments
were being reduced in size, with the decentralisation of person-
nel responsibilities to line management and the operational
level. Managers at each level generally had authority to select
staff or, at the very least, make recommendations on the
appointment of staff, including the termination of appoint-
ment. They were, in some instances, actively involved in seeking
potential leaders and managers at one and two levels below
their level in the organisation. There appeared to be a wider
range of approaches to selecting leaders and managers than is
typically found in education, with extended orientation semi-
nars and workshops for potential applicants, batteries of psy-
chological tests, and extended interviews a feature in one
instance. There was evidence that supervision in the tradi-
tional sense is being replaced by coaching. Performance
appraisal is pervasive at all levels in companies consulted in the
project. There is frequent provision for the differential reward
of staff on the basis of performance.

It was the view of the research team that none of these practices is
inconsistent with the culture which is emerging in public education
in Australia. Similar approaches should be considered in the con-
text of decentralised school management. Particular attention
should be paid to the selection and, especially, the appraisal of staff
at the school level.
6. **Marketing and image.** While there are aspects of marketing and image-building which have no relevance in the school setting, the commitment to integrity and responsiveness in these processes which was observed in the field studies of the project is something to be modelled. Integrity was associated with consistency between mission and outcomes, ensuring that stakeholders, including current and potential clients and customers could see the connections. Responsiveness to client and customer needs was central.

While educators may be wary of this “lesson” from the corporate sector, given a perceived lack of integrity in the past, what was observed was generally consistent with what is considered good marketing practice in school education.
CHAPTER 7

RECOMMENDATIONS FOR
DECENTRALISING THE
MANAGEMENT OF AUSTRALIA’S
SCHOOLS

It is neither desirable nor feasible to propose an approach which can be pursued in all states at the same rate to arrive at the same end, given that education is, constitutionally, a state responsibility. While all states have shifted authority and responsibility to schools over the last decade or more, there are considerable differences across states in respect of their starting point for further change. Moreover, many of the issues are highly contentious and what is politically feasible will vary from state to state.

What is offered here is a framework for the implementation of a relatively high level of self-management, with acknowledgement that the particular ways in which events unfold will differ significantly from state to state. While the brief for the project called for a “blue-print for the devolution of management and authority”, many of the recommendations which follow should be considered illustrative rather than prescriptive.

A commitment to systems of public schools underpins these recommendations. It is clear in the brief but it is also clear in its merit. There appears to be no problem of significance that will be resolved if Grant-Maintained Schools — “opting out” along British lines — are encouraged, although there may be interest among schools in achieving this status after experience has been gained in a highly decentralised system. The experience in business and industry does not point this way, since constituent enterprises remain part of the whole, in pursuit of a common mission, committed to the same values, and working in the same frame of accountability.

Should there be further decentralisation of management for Australia’s schools?

Given the relatively high degree of decentralisation in some states, and steady progress in others, a central question is addressed at the outset in these recommendations: “Why go further?” Taking all of
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the evidence into account, the case for further change is based around five benefits, the first of which is alignment of responsibility, authority and accountability. These are functions which have become disconnected over the last two decades. Schools should have the authority to make decisions which are consistent with their level of responsibility for outcomes. This authority should focus on resources, especially in respect of selection, professional development, appraisal and, where necessary, removal of staff. A key person in these further developments is the principal. Expressed simply, the benefit is improved management.

The second benefit is associated with efficiency. At the system level, where government schooling must compete with other public services, this is a matter of ensuring that the highest proportion of the educational dollar as possible is available for the allocation at the school level. Decentralised management is a concomitant of removing or reducing other layers of administration. At the school level, providing there is a capacity for self-management, all of the available resources in a school-based or global budget may then be optimally matched to the learning needs of students.

Improved efficiency is an important factor in achieving the third benefit, improved effectiveness. Notwithstanding the limited evidence to date about a direct cause-and-effect relationship between self-management, as a strategy on its own, and outcomes for students, the weight of evidence from studies on school and classroom effectiveness and improvement points to the contribution which may be made if the principal and staff have the knowledge and skills to take up the opportunities that are provided through self-management. These opportunities should be used to design, resource and deliver a program that responds to the needs and aspirations of the school and its community. This means a high level of skill in such matters as a creative use of facilities, space, time and technology; and working in teams to devise the very best ways of using available resources, including the knowledge and skills of teachers who are up-to-date in their fields.

A fourth benefit derives from a gain in equity in the allocation of resources to schools. Again, the weight of evidence from experience around the world is that a shift to self-management challenges a school system, often for the first time, to determine in very precise ways the costs of providing an education to students across the range of learning needs and expectations, in a range of communities around a state or nation. The shift to self-management by itself does not guarantee this benefit; the aforementioned challenge must be taken up and practised. The Edmonton experience is an exemplar.
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The fifth benefit is the very high probability of a gain in job satisfaction and professionalism on the part of teachers and principals. While some difficulties have often been experienced in the early stages of reform, especially when strategies for implementation have been flawed in one way or another, the weight of evidence clearly supports this expectation.

Some have doubted that these benefits can be achieved, given the difficult economic times, and the financial plight of some states. However, this context will affect schools regardless of the extent of centralisation or decentralisation. Some progress in achieving these benefits may be expected, despite these constraints.

Recommendation

1. There should be further decentralisation of management for Australia's schools to achieve benefits related to improved management and gains in efficiency, effectiveness, equity, job satisfaction and professionalism.

2. There are differences across states in respect of current levels of decentralisation and readiness to proceed further. Strategies which reflect these differences should be developed for each school system.

The recommendations which follow are concerned with strategies for achieving these benefits.

Building commitment to a common vision for the decentralised management of public schools

Particular attention was given in the early sections of this report to reviewing the history of decentralisation in school education. It was evident that all stakeholders have given their support to the movement in one form or another yet it seems that every stage has been the subject of conflict over ends and means. Further progress will be smoother if there is broader understanding of its origins, placing future plans in an historical context, nationally and internationally. There should be an unqualified commitment to systems of public education, resourced to ensure high quality of education.

This commitment can only be achieved if all stakeholders are recognised and are involved. All or most stakeholders have been involved in one way or another in recent years; none should be excluded as efforts are made to build commitment to a common vision for the decentralised management of public schools.

This report, and the processes which follow in the agenda of the National Industry Education Forum may help foster what is intended here. There may be merit in convening a national confer-
ence or forum at which all stakeholders are represented. A desired outcome should be agreement or settlement on the principles which should shape the further decentralisation of school management. The National Industry Education Forum might wish to take the initiative in organising such an event in association with organisations such as the Australian Education Council, the Schools Council of NBEET, the National Project on the Quality of Teaching and Learning, the professional associations of principals in public and private schools, and the Australian Council for Educational Administration.

**Recommendation**

3. The major stakeholders should conduct a national forum on the management of schools with a view to developing a common understanding of and commitment to the empowerment of schools in systems of public education.

4. A desired outcome of such a forum should include agreement or settlement on the principles which should shape the further decentralisation of school management.

**Resourcing the commitment**

A major stumbling block in securing broad support for the decentralisation of management has been fear that equity in resource allocation would be threatened. Images were created of schools left to fend for themselves; of cut-throat competition among schools for scarce resources, of lack of attention to schools with special needs, such as small schools in remote rural locations, or schools with large numbers of students with learning difficulty or physical impairment; and of principals selecting or removing teachers on personal whim.

This stumbling block was evident in Victoria in 1986 and in New South Wales in 1992. In Victoria in 1993, a predominant concern in securing local support for *Schools of the Future* has been fear that schools would lose resources. Such concern was understandable given that the planning for further decentralisation was occurring at the same time that large cuts were being made across the board as part of a comprehensive effort by government to reduce expenditure in the public sector.

Experience of systems with success in school self-management suggests that higher levels of equity or fairness can be achieved with the development of student needs-based approaches to resource allocation. The most notable example is Edmonton, Canada, which has attracted world-wide attention.
It is unlikely that the common commitment highlighted earlier can be achieved unless all stakeholders have the opportunity to examine examples of “best practice” and those with expertise develop models for Australian schools. Such an effort is under way in Tasmania, with similar work an important component of the pilot phase of Schools of the Future in Victoria. Business and industry may wish to contribute their expertise in these endeavours.

Recommendation

5. Student needs-based approaches to resource allocation to schools should be determined.

6. Exemplars of such approaches should be made available for consideration in forums on the issue and as a guide to further development around the nation.

The legal framework: Aligning responsibility, authority and accountability

It has been pointed out in an earlier section that the very large number of uncoordinated arrangements made incrementally over many years have resulted in lack of alignment in responsibility, authority and accountability. Expressed simply, while principals have been responsible for what occurs in their schools, they have in the main lacked the authority to make certain kinds of decisions which are consistent with that responsibility; for example, the selection of staff. Moreover, there has not been agreement on how principals would be accountable for school outcomes. It is important for these matters to be aligned if devolved management is to be effective. This is consistent with one of the findings from the study of business and industry.

The issue is made more complex where school councils exist and have legal status in the system. The recommendations which follow include a role for such bodies, but it is acknowledged that these are presently an option in some states. It is worthy of note that school councils do not exist as legal entities in many devolved systems in North America; this is the case in the lighthouse district in Edmonton, Alberta.

Self-managing not self-governing. A consequence of the commitment to a system of public education is the importance of making a distinction between self-managing schools and self-governing schools. Central to this distinction are authorities in respect of the employment and deployment of staff. Except for relatively small numbers of non-teaching staff in certain categories, and teaching staff employed for particular purposes on a part-time or temporary basis, principals, teachers and non-teaching staff who may be considered part of the establishment of a school, are employed by the
school system. The implications for industrial arrangements are set out in another section. Of importance here is authority to select staff for deployment at a particular school site, from a pool employed for service across the system. The crucial distinctions are between selection and deployment (school level) and hiring and employment (system level). Similarly, between recommending termination of deployment (school level) and dismissal or firing (system level). The nuances are important.

**Recommendation**

7. Principals, teachers and non-teaching staff who may be considered part of the normal staff establishment of the school should be employed by the school system, with selection and placement at particular schools according to policies and procedures for local selection.

The school charter. The school charter may be helpful for specifying alignments between responsibility, authority and accountability. Such is planned for Victoria; forms of charters may be found in Tasmania, New Zealand and the United States. There are, of course, alternatives to the idea of a school charter. New patterns of responsibility, authority and accountability may be enshrined in legislation, as in Britain, or in school system policy, as in Edmonton and other school districts with school-based management in Canada and the United States. Charters may be helpful in ensuring or symbolising that the intentions of legislation and policy are achieved at each school in a manner which reflects the local setting.

**Recommendation**

8. Responsibilities, authorities and accountabilities should be specified in the charter of a school where the charter approach has been adopted to specify the relationship between the centre, the school and the local community. Charters should address the roles of the director of the system, and other officers at the system level who may act on behalf of the director in matters related to the management of schools; the principal; the school council; teachers and other staff; parents and students.

The school council. School councils are best conceived as bodies which act on behalf of a school’s community to ensure that local expectations for the school are satisfied. It is beyond the scope of this report to specify its composition and the manner in which it is elected. However, a structure consistent with this concept would yield a majority from parents and other members of the school community who are not members of staff. The recommendations which follow reflect a highly decentralised setting with a strong policy role for the school council.
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The recommendations are concerned with the authority of the school council and its role in the selection of the principal who, it is proposed, should serve as its chief executive officer. Some schools may elect to have a leadership team, with the council involved in the selection of each of its members.

Recommendation

9. The school council should have authorities which include school policy, the school curriculum, the school development plan, the school budget, contractual arrangements for staff not employed at the system level, and the annual school report.

10. In this context, the principal should be viewed as the chief executive officer of the school council, with the responsibility of preparing for consideration by council those matters specified in the foregoing.

11. The school council should play a key role in the selection of the school principal. Given that the principal is an employee of the school system, this role should be conceived as making a recommendation to the director of the school system in respect of the view of the school community on the matter. Consistent with this view of roles and relationships, there should be provision for the school council to make recommendations to the director on the termination of a principal's appointment at the school.

12. The school council should have a similar role in the selection of other leaders where a school elects to have a leadership team.

Given the sensitivity of these matters in industrial arrangements, it is desirable for related policies and procedures to be established at system and school levels.

The principal. The role of the principal is crucial. It has been clouded by ambiguity and uncertainty in recent years, especially where school councils have been established, authority has been decentralised, and long-standing legislation and regulation have not been amended to reflect these changes.

A key issue is whether the principal should be responsible to the director of the school system, or to the school council through its chair, or to both. A case may be mounted for each, but the first is preferred given that the principal is an employee of the school system rather than the school council. A different view would be taken if a system of self-governing or Grant-Maintained Schools were
proposed. A dual line of authority does not resolve the ambiguity and uncertainty which has been evident in some settings in recent years.

**Recommendation**

13. From a system perspective, the line of authority in respect of the management of a school should be, unambiguously, from the director of the school system to the principal, with the principal having the authority to manage the school within a framework of legal arrangements, policies, priorities and accountabilities determined centrally for all schools.

14. From a community perspective, where a school council exists and has the authorities set out above, the principal should be its chief executive officer and should have the responsibility of preparing for consideration by the council the policies of the school, the school curriculum, the school development plan, the school budget, contracts of staff not employed at the system level and the annual school report. Once adopted by council, the principal should have the authority to implement.

15. The authority of the principal to implement should include the selection of staff to be deployed at the school. There may be exceptions to this authority, as in the case of a school council role in the selection of members of a leadership team, where such an approach to the administration of a school has been adopted.

16. The principal should have the authority to determine the structures and processes for decision-making among staff. Where these involve particular configurations of staff, including the number and nature of senior appointments, and the mix of teaching and non-teaching staff, there should be appropriate specification in the school development plan and the school budget which is proposed for consideration by the school council.

**Consultation and the management team.** In exercising this authority, the principal should be guided by the unambiguous findings of research on leadership and management in virtually every setting in the public and private sector, namely, there should be appropriate consultation with stakeholders, and much planning should be carried out in teams, at the management level and among staff in their areas of interest and expertise. This view is confirmed in the studies of business and industry conducted as part of this
NIEF project. While the particular forms of consultation and teaming should not be specified for all schools, or even for a particular school, these being a matter in the authority of the principal, it is an important consideration in the training and selection of principals and other leaders and managers.

**Recommendation**

17. Training programs for school principals and other leaders and managers at the school level should address consultation and team management. A demonstrated capacity to work in this style should be a criterion in local selection.

**Accountability.** The NIEF statement *Improving Australia’s Schools: Building the Foundation for a Better Australia* proposed that “accountability within decentralised systems should be made explicit”. Recommendations on how this should be accomplished complete the legal framework for aligning responsibility, authority and accountability. So far, the recommendations in this section have largely addressed the matter of authority.

It was explained on page 2 of this report that the phenomenon under consideration was a form of administrative decentralisation. Administrative decentralisation or delegation occurs when a government or centre of authority determines that decisions formerly made at a central level may be made at a level in the organisation which is closer to the point of service or manufacture. Those at this level who have been empowered to make decisions remain accountable to those at the central level for the outcomes of their decisions. Accountability in this context thus refers to a requirement that those who have been given authority to make decisions shall account for the outcomes of their decisions to the source of that authority.

An important aspect of accountability is the focus on outcomes, something which is more evident in the experience of business and industry than in education. Those with authority have the power to choose the means by which they will go about their work, with constraints founded in the law or in fundamental values related to natural justice and ethical conduct. These constraints are usually codified in the policies and procedures of the organisation. In the educational setting, an implication is the need to specify the particular outcomes for which people at different levels of the system will be held to account, and to specify the standards against which judgements will be made as to whether these people have exercised their authority in an acceptable fashion. A further implication is that those making such judgements have the power of reward and sanction in matters such as confirming appointment, providing salary supplement, recommending promotion, withholding salary.
increment or initiating a process for removal. The manner in which the power of reward or sanction shall be exercised should be codified.

In this view of accountability, it is proposed that the principal should be accountable to the director of the school system or to a person who is accountable to the director. The delegation of authority to act on behalf of the director is clearly necessary in all but the smallest of systems, given limitations on the extent to which a large span of control may be exercised. In Australia, this line of accountability often includes the director or superintendent of a region or district. Consistent with recent trends, these lines should be made as simple and clear as possible in a flatter hierarchical structure than has recently been the case.

Accountability becomes more complex when school councils with authority independent of the principal are created in law. An issue here is whether the principal can be accountable to both the school council and the director of the school system. In general, it is proposed that the principal be accountable to the director, who is the senior officer of the employing authority, but that the framework for accountability should include the capacity to serve as executive officer of the council. The desired outcomes for the exercise of this capacity should be specified in employment arrangements. These outcomes may be specified in the charter or other relevant policy level statement agreed at the time of appointment, or in the contract of the principal.

It is acknowledged that there is a range of possibilities in specifying accountability. The recommendations which follow are consistent with the analysis set out above but each system should develop its own specifications.

**Recommendation**

18. The line of accountability should be from the director of schools to principal to school employee. The director or principal may delegate to another some aspects of the processes of accountability.

19. Employees at the school level should be accountable to the principal.

20. Accountability becomes at once more complex where school councils with authorities proposed in this report have been established. In general terms, there should be no disturbance of the line of accountability described in the foregoing.
21. The particular outcomes for which people at different levels of the system will be held accountable should be specified, along with the standards against which judgements will be made as to whether these people have exercised their authority in acceptable fashion.

22. Those making such judgements should have the power of reward or sanction in a range of employment-related matters.

23. The manner in which the foregoing is implemented should be codified in the policies and procedures of the system.

Student achievement and frameworks for accountability. Momentum is gathering for national programs for assessing student achievement. The argument in favour of appropriate assessment is strong, given growing acceptance of the need to monitor the educational health of a nation. Within a system, the results for particular schools may be helpful in discussions on school effectiveness and school improvement, providing due recognition is given to situational factors. However, we know enough about their limitations to declare that school by school comparisons without appropriate account of situational factors are invalid if we wish to find out if one school is "better" than another. There will be great pressure to release the raw data of school by school comparisons in a manner which will distort the accountability process described thus far. The strongest possible stand should be taken against the release of such data when it is accompanied by claims or implications of relative effectiveness.

While indicators of student achievement have their limitations, nothing should impair the ongoing development in Australia of approaches to assessing the work of students and using the findings, not only for individual diagnostic purposes but also in the preparation of a school’s development plan. The report by Dr Geoff Masters, commissioned by the National Industry Education Forum, makes recommendations for assessing achievement in Australia’s schools. He drew attention to the limitations of a narrow view of testing, advocating a wide range of approaches to assessment. For example, good progress is being made in Australia with the concept of profiling.

The framework for accountability should also address the interests of different stakeholders in more explicit ways than has often been the case in most school systems. Reference was made in accounts of experience in other nations to practice in the Edmonton Public School District in Canada of a system of annual opinion surveys of all students, teachers, principals, other system employees and a
sample of parents. This practice has been carried out for more than a decade. While much of the work in conducting these surveys is carried out by staff at the central level, the results are made available on a school by school basis as part of annual and long-term planning processes. Consolidated results are made public in a way which enables the community at large to monitor what is occurring in the district. This attention to the interests of stakeholders is consistent with practice in business and industry in Australia. The development of a more systematic approach is warranted in education in the context of devolved school management.

Recommendation

24. The results of students in national or state assessment programs should be included among outcomes specified in a framework for accountability, providing due attention is paid to situational factors.

25. There should be no place in such a framework for the public release of results in a manner which allows or encourages implications about relative effectiveness to be drawn on the basis of raw rankings of schools.

26. The principal should be responsible for ensuring that due account is taken of assessment results in formulating the school development plan and the annual operating plan.

27. In general terms, however, while such results are an important, if not necessary part of the framework for accountability, they should not be considered sufficient. A range of approaches to assessment should be included. Other outcome indicators should also be specified, such as those derived from surveys of students, teachers and parents on matters related to the work of the school.

The role of central units. Several systems have included units in their structures which are concerned with school review or quality assurance. An issue here is the role of such entities in a decentralised system of schools. They may be best viewed as units which are responsible for collecting and analysing information from schools in the framework for accountability which is proposed in this section of the report. This does not necessarily mean that these units alone should have the responsibility for the review of each school. Indeed, providing the framework for accountability has been clearly specified, with due acknowledgement thereof in the school charter, most of the information will be collected at the school level, with report to the school community through the school council, and to the school system through the school review or quality assurance unit.
School review along these lines should be an ongoing process, becoming part of the culture of the school. An important issue is whether a more formal approach to school review should be undertaken, with a role for one or more external agents along the lines of the traditional inspector. Such a role is consistent with the establishment or restoration of a strong central framework for schools but is inconsistent with the trend to smaller and leaner centralised structures. The issue has been addressed in Britain by the phasing out of inspectors, whether they be Her Majesty's Inspectors (HMI) employed centrally or inspectors employed by the local education authority (LEA). Under recent reforms, schools must be inspected regularly but schools may choose their own inspectors from among those who have been accredited for this role. This virtual privatisation of the inspectorate has resulted in the new role of the chartered educational auditor along the same lines as a chartered financial accountant. Under these arrangements, schools are required to make available to parents a summary of their inspectors' reports. There may be merit in trialing this approach as decentralisation proceeds in Australia.

A range of approaches is possible in respect of the role of central units. The following recommendations are illustrative and generally consistent with the foregoing analysis.

**Recommendation**

28. Information on how well the school is meeting expectations is appropriately the focus of discussion between officers of the system and the school on the one hand and the school and its community on the other. These expectations and their associated indicators will normally be set out in the centrally-determined framework and the school development plan, respectively. They should be incorporated in the school charter in systems where school charters are a feature of decentralised management.

29. School review or quality assurance units should be established to collect and analyse information from schools in the ongoing process of school review. However, these units should not be large, given that much if not all of the information can be collected at the school level.

30. While the re-establishment of the role of school inspector is not proposed in this report, consideration should be given to periodic school review by one or more external people chosen by the school from among those accredited or chartered for such a purpose. There is merit in the trial of such an approach.
Regions and districts. There has been acknowledgement in this section of the report that the line of authority and accountability cannot, in a literal sense, be from director of a system to the principal. School systems in Australia are simply too large to have such a wide span of control by one individual. Staff with delegated authority should act for the director of schools in these matters. With the organisation of school systems along regional lines in recent years, this has invariably been a regional officer. The introduction of school districts within regions in New South Wales and Victoria, and the replacement of regions by districts in Tasmania, have made these arrangements more complex and it is timely to review them in the context of devolved management.

School systems in Australia differ considerably in the number and geographic dispersion of schools. It is clearly neither desirable nor feasible to specify the relationships between the centre, regions and districts. These recommendations are offered as a general guide to arrangements.

Recommendation

31. Organisational structures should be kept as flat as possible in establishing lines of authority and accountability from the director of a school system to the principal.

32. Regions and districts should not be regarded as two levels in a hierarchy between director and principal. The district may be more appropriately viewed as a level of coordination, communication and support. The regional director should be considered as acting for the director of schools in matters of authority and accountability.

A chart of authorities and accountabilities. Matters of authority and accountability may be summarised in a chart along the lines set out in Table 1. This is not intended to be prescriptive; it illustrates how responsibility, authority and accountability may be aligned in a system of decentralised management. Detailed specification in policies and procedures will be required in each school system.

What follows are some of the major authorities and accountabilities for three key individuals and groups: the director of schools, or equivalent, however designated; the principal; and the school council, where such a body exists and has policy powers.

The role of the centre in the provision of support

NIEF's Improving Australia's Schools: Building the Foundation for a Better Australia proposed that "central authorities should articulate
TABLE 1

A Sample Chart of Authorities and Accountabilities for the Decentralised Management of Schools

<table>
<thead>
<tr>
<th>DIRECTOR OF SCHOOLS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working within a policy and budget framework established by the Government, the Director of Schools should have the authority to make decisions on matters such as those listed below. The Director may delegate authority on particular matters and, consistent with good management practice, should establish appropriate structures and processes for consultation. In some instances, the structures and processes may lie outside the system; for example, where the Government establishes a structure such as a Board of Studies to determine curriculum frameworks and systems of testing or assessment, or where processes for industrial relations have been established for all sectors of the public service.</td>
</tr>
<tr>
<td>• Determine how resources shall be allocated in the system, ensuring equity in the allocation of resources to schools</td>
</tr>
<tr>
<td>• Determine the curriculum of schools to the extent that this shall be centrally-determined</td>
</tr>
<tr>
<td>• Manage the human resources of the system in matters related to the central employment of staff</td>
</tr>
<tr>
<td>• Select and reward staff, or initiate processes for the removal of staff, for those deployed at the central level</td>
</tr>
<tr>
<td>• Establish a framework for accountability in the system, including standards in respect to desired outcomes</td>
</tr>
<tr>
<td>• Establish the structures and processes of management at the central level.</td>
</tr>
<tr>
<td>The Director of Schools should be accountable to the Government, through the Minister, for the outcomes of decisions on matters which fall within this framework of authority. Indicators of outcomes should be specified in the contract of the Director.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRINCIPAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working within a centrally-determined framework, the Principal should have the authority to make decisions on matters such as those listed below. The Principal may delegate authority in particular instances and, consistent with good management practice, should establish appropriate structures and processes for consultation.</td>
</tr>
<tr>
<td>• Determine how resources shall be allocated in the school, including the mix of staff and non-staff resources</td>
</tr>
<tr>
<td>• Determine the curriculum of the school to the extent this is possible within the centrally-determined framework</td>
</tr>
<tr>
<td>• Manage the human resources of the school, including matters related to staff appraisal and development</td>
</tr>
<tr>
<td>• Select and reward staff, or initiate processes for the removal of staff, for those deployed at the school level</td>
</tr>
<tr>
<td>• Establish a framework for accountability in the school, including standards in respect to desired outcomes</td>
</tr>
<tr>
<td>• Establish the structures and processes of management at the school level.</td>
</tr>
<tr>
<td>The Principal should be accountable to the Director of Schools for the outcomes of decisions on matters which fall within this framework of authority. In most instances</td>
</tr>
</tbody>
</table>
this line of authority will be through an officer of the system to whom relevant authority
has been delegated by the Director. Indicators of outcomes should be specified in the
contract of the Principal.
Some of the authorities listed above should reside with the school council in school
systems where school councils with policy powers have been created. The following
are illustrative of authorities and accountabilities of the school council of which the Prin-
cipal is chief executive officer.

**SCHOOL COUNCIL**

Authorities and accountabilities are specified here in the instance where school coun-
cils with policy powers have been created. In this instance, it would be normal that the
council have the authority to make decisions on matters such as those listed below. In
these arrangements, the Principal should serve as the chief executive officer of the
council.

- Determine the policies and priorities of the school within the centrally-determined
  framework for schools in the system
- Approve the school charter, school development plan and budget of the school
- Approve the contracts for staff employed by the school
- Make a recommendation to the Director of Schools on the selection of the Principal
  and initiate a process which may lead to the termination of the Principal's employ-
  ment at the school
- Gather and report information to the school community on matters related to the
  operation of the school.

In a political sense, the school council should be accountable to the school community
and to the stakeholder groups which elect or nominate their members to the school
council. In a management sense, the school council should be accountable to the
Director of Schools through the Principal, who is its chief executive officer.

a clear vision for the system, set performance standards, manage an
integrated human resource system, ensure equity in resource allo-
cation and ensure choice of schools"49. Particular attention is paid
here to the notion of “an integrated human resource system” and
the role of the centre in providing support to schools.

Most school systems in Australia have established centres where
teams of consultants are based to provide support in the broad
areas of curriculum and student services. In some instances these
services have been reduced when the need to curtail expenditure in
education has arisen. Proposals have been made from time to time
that they should be privatised, with schools having the capacity to
select the type and source of service from a range of providers,
meeting costs from school budgets. Victoria has announced a trial
in one of its metropolitan regions of a range of approaches to the
 provision of support services.

The experience in Edmonton is salutary in these respects. It was
noted in another section that the Edmonton Public School District
had given a small number of schools an enhanced budget to pur-
chas support services from any source. There was an expectation
that this might be extended to all schools and that system provision
of support would be reduced over time. This expectation has not been realised after more than seven years’ experience. While many of the schools having the capacity to purchase their support chose to select from the private sector, an outcome of the experience was an improvement in the provision of system support to the point that there is no evident advantage in effectiveness or efficiency in dismantling it. About 20% of schools retain the power of choice in this respect but there seems little likelihood of sweeping privatisation or “out-sourcing” of support.

Given the continuing need for a range of support services, the implication of the foregoing is the need for caution in reducing the level of system support as management is decentralised and flatter, leaner structures emerge. A range of options for schools might be provided, allowing a stronger culture of service to emerge among system providers, always ensuring that every school has access to the services it requires.

Another issue in relation to the support of schools is professional development, taken up in more detail in another section in the context of the training and development of principals. One of the “lessons” from the corporate sector in this project has been the strong commitment to training and development. In the past, much professional development has been designed and delivered by system personnel, in consultation with practitioners. In recent years, a wider range of providers has been deployed, including providers in the private sector. It is likely that this range will be even wider in the future as school systems are restructured. Given the scope of the change in education at this time, the central commitment of resources to training and development should be maintained if not increased. While some capacity for the design and delivery should be retained at the central level, the bulk of these resources should be decentralised and subsumed in an identifiable manner in global allocations in schools.

Recommendation

33. While access to providers in the private sector may be desirable, school systems should maintain their commitment to resourcing support services for schools. If international experience is a guide, it is likely that more effective and efficient service may emerge among public providers when schools may choose their source of support.

34. School systems should maintain or increase their commitment of resources for training and development of staff, given the scope of scale and scope of change in school education. The bulk of these resources should be subsumed in an identifiable manner in global allocations to schools.
Changing the culture at the centre

Much of this report has been concerned with changes at the school level within a centrally-determined framework of policies, priorities, and accountabilities. This section highlights the importance of a change in culture at the central level, consistent with the call in NIEF’s *Improving Australia’s Schools: Building the Foundation for a Better Australia* to “protect devolved authority from centralising tendencies”. Particular attention is paid here to removing many of the demands of the centre which have accrued over many years.

Many of the demands on schools will be removed through decentralisation along the lines recommended in this report. For example, the need for multiple submissions for funding in different categories is removed through a global allocation of resources according to pre-determined formulae which take account of a range of variables. Routine reporting on a range of matters is facilitated if schools are networked through state-of-the art accounting and management information systems.

To a large extent, the role of staff at the centre in the context under consideration is to communicate the framework of operations to schools and to gather information on a limited range of indicators in the accountability component of that framework. In other matters, their role is largely supporting and enabling. Training and professional development for staff at the centre should address such matters.

**Recommendation**

35. Schools should be protected from centralising tendencies, especially in respect to constraints on operational decision-making and frequent reporting on routine matters.

36. Schools should be networked with state-of-the art accounting and information systems to facilitate reporting on important matters in the broad framework of policies, priorities and accountabilities.

37. Training and professional development for non school-based staff should include matters related to the change in culture at the centre in a decentralised system of management.

**Training, selection and development of principals**

It is clear that the role of the principal has changed in dramatic fashion in recent years. It was straightforward when curriculum was stable and expectations in matters such as retention rates of stu-
RECOMMENDATIONS FOR DECENTRALISING THE MANAGEMENT OF AUSTRALIA'S SCHOOLS

Students were not as high as is now the case. The capacities for leadership and management for principals in decentralised settings may be described in the following terms.

Management: While it is beyond the scope of this report to specify the knowledge and skills of the principal for highly decentralised systems, it is apparent that management skills of a high order are required, especially in respect to personnel management, given the responsibility for selection, evaluation and remuneration of staff outlined in these recommendations.

Cultural leadership: a capacity to describe and analyse a school's culture; a capacity to work with others to build a shared commitment to the cultural underpinnings of the school; recognition that the development of a school's culture will take time; acknowledgement that development of a school's culture will be difficult in some settings; establishing structures and processes to manage continuing change; deploying a wide range of approaches to leadership, with the managerial supporting the cultural; empowerment of others and the development of leadership teams; and a capacity to manage symbols to focus attention on matters of importance.

Strategic leadership: keeping abreast of trends and issues, threats and opportunities in the school environment and in society at large, nationally and internationally; discerning the “megatrends” and anticipating their impact on education generally and on the school in particular; sharing knowledge with others in the school's community and encouraging other school leaders to do the same in their areas of interest; establishing structures and processes which enable the school to set priorities and formulate strategies which take account of likely and/or preferred futures; being a key source of expertise as these occur; ensuring that the attention of the school community is focused on matters of strategic importance; monitoring the implementation of strategies as well as emerging strategic issues in the wider environment; facilitating an ongoing process of review.

Educational leadership: working with teachers, parents and others in the school community to determine an educational vision for the school; through teams of teachers and others, to design and deliver a curriculum which meets the needs of students; to utilise data from ongoing review and evaluation to formulate the school development plan and annual plans; and to determine and acquire appropriate services in support of these endeavours.

Responsive leadership: being able to work within frameworks for accountability for self-managing schools; to work with others in the design and utilisation of a range of approaches to review and evaluation; and refraining from inappropriate or unethical or fraudulent claims which may arise in some of these approaches.
These are demanding roles which suggest a higher priority than before in the matters of training and development of principals and other leaders. This priority has been recognised in the recent statement of Minister Beazley who committed the government to the continuing support of the National Schools Program, with particular attention to the development of leaders in decentralised school systems. The work undertaken by the Australian Secondary Principals Association in 1992, in a Project of National Significance of the Commonwealth Department of Employment, Education and Training, was identified in this statement as an important foundation. The First National Conference of Principals held in Sydney in May 1993 was supported by the Department of Employment, Education and Training as part of the program announced by Minister Beazley. Strategies for professional development for principals were the focus of discussion at this conference.

Two other initiatives are worthy of note. First, the commitment of the Commonwealth to support a National Teaching Council, which shall include in its brief the setting of professional standards and the accreditation of teachers, including those who hold or seek positions of leadership. Second, the establishment in 1992 by the Australian Council for Educational Administration of a voluntary accreditation scheme for leaders in education.

**Recommendation**

38. Training programs for principals and other school leaders should reflect the requirements for leadership and management in self-managing schools.

39. The potential of training programs under the provisions of the National Schools Program, and the accreditation arrangements of the proposed National Teaching Council and those established by the Australian Council for Educational Administration, should be explored as a means of giving effect to the foregoing.

40. Consistent with the concept of decentralisation, governments should contribute resources for such training programs, but should work with principals, professional associations and providers in the public and private sectors to ensure their design and delivery. Expressed another way, it would be inconsistent with the concept of decentralisation to place design and delivery exclusively or mainly in the hands of a central unit of the school system.

41. Consistent with experience in business and industry, a more comprehensive approach to the selection of principals
and other school leaders should be explored. In addition to the current use of curriculum vitae, references and interviews, consideration should be given to pre-interview seminars, workshops and assessment centres. While their use in the corporate setting has been generally accepted, the appropriateness of psychological tests in the educational setting should be established before they are included in such a repertoire.

Rewards for principals and teachers

For the principal. Attention has been given to alignment of responsibility, authority and accountability for the principal. There should also be alignment in respect of rewards. It is evident that the role of the principal calls for a higher level of responsibility than ever before, especially in a large school, with many leading a staff of more than 150 teaching and non-teaching staff. Rewards are not commensurate with this situation, with salaries in the range $50,000–$65,000. Without exploring further here the details of alternative schemes of remuneration, it is fair to say that packages that are considerably higher should be the order of the day, certainly at a level commensurate with counterparts in similar sized enterprises in the private sector in education, and in business and industry. Appointments for fixed terms at particular schools (with ongoing employment in the system) are appropriate.

While this section relates to rewards for the principal, the issue of comparability with the private sector, in education and the corporate sector, should also be taken up for other employees at the school level.

Recommendation

42. Support should be given to a comprehensive review of employment arrangements for principals, including remuneration, with the goal of securing conditions commensurate with those in the private sector, in education and in business and industry.

43. There should be provision for performance-related components for principals’ salaries, determined according to system-wide policies and procedures. There will likely be a role for local input in these matters where performance is related to school accountability indicators.

For the teacher. Consistent with this approach, there should be provision for a teacher or other member of school staff to be rewarded for particular achievement or to have special arrangements in respect of working conditions where these are agreed.
Included here may be special incentive arrangements to attract teachers to locations which may be difficult to staff. Clearly, much depends on the framework for industrial agreements but these measures may be taken within a centrally-determined arrangement. In other words, there may be a local component which shall be the subject of agreement between the principal and individual members of staff or between a principal and the whole or significant part of staff.

**Recommendation**

44. There should be arrangements which allow local variation of working conditions and remuneration for teachers and other staff employed on a system basis. This variation should be achieved by agreement between the principal and individual staff or between the principal and the whole or part of staff. Such variation might pertain to matters such as incentive payments to secure appointments in locations which are difficult to staff, reward for performance, or flexibility in the mix of responsibilities and remuneration.

45. There should be system-wide policies and procedures which specify how these arrangements shall be determined. Given sensitivity in the climate for industrial arrangements at this time, it will be important to involve key stakeholders.
CHAPTER 8
THE OUTCOMES

These final recommendations highlight an important intention and expectation, namely, that decentralised management will make a significant contribution to the satisfaction and sense of professionalism of principal, teachers and other employees. If experience in other nations is a guide, it is unlikely that any but a small minority would prefer to return to more centralised arrangements. This experience has been consistent, despite the severe constraints on system finance as a result of the recession and other factors.

In educational terms, however, the decentralisation of management is a means to an end, an enabling mechanism to ensure that schools have the capacity to plan for a future which differs in very important ways from the past. While past approaches to management may be celebrated, for they have contributed to the success of Australia's systems of government schools, the conditions of the 1990s and beyond demand a different approach. The vision, then, is the further enhancement of the quality of education for all students in our nation's schools.

While there may be differences across and within states, it seems that Australia's principals and teachers are ready to assume the generally higher levels of responsibility, authority and accountability which have been recommended. This report was completed exactly twenty years from the release of the Karmel Report in May 1973; the intervening years have seen remarkable progress around the country in the decentralisation of decision-making which was recommended by Karmel and his colleagues. International observers suggest that the capacities of our professionals to accept further responsibility may be higher than many believe, suggesting that it is timely to take steps along the lines recommended in this report.

Some would wish to go further, moving from self-managing to self-governing schools, with teachers employed by their school councils and the line of authority being from principal to the chair of the school council who is accountable to the community and, in respect of public funds and the achievement of state expectations, to the Minister. This is likely to occur over the next twenty years but, as in the shift to self-managing schools, it will likely be evolutionary, with different patterns of progress around the nation.
NOTES AND REFERENCES


31. This finding was reported by Cusack, B.O. (1992) "Structural change, professional change: The New Zealand school principal", Paper presented at the Annual Conference of the British Educational Management and Administration Society, Bristol, September.

32. Malen, Ogawa and Kranz, as cited above, p. 289.


36. This finding has been consistently reported in surveys conducted annually for more than a decade in Edmonton. In commenting on the formulae for the allocation of resources to schools, a sample of which is contained in the Appendix, 88% of principals in a 1991 survey agreed very strongly or strongly that "the basis for allocation provides an equitable distribution of resources among schools". This and other findings are reported by Sawatzki, M. (1992) "School-based management: Fad, fantasy or movement whose time has come?" Practising Administrator, Volume 14, Number 3, September, pp. 4–8.


38. The lean central operation was illustrated in the case of Mayne Nickless, where fewer than 100 serve a world-wide workforce of more than 43,000. The National Australia Bank has reduced the number of levels in its structure, removing zone and regional managers from the line of authority from state manager to district manager.

39. The creation of workplace teams was highlighted in most accounts of practice in business and industry. Of particular interest was the approach at Unidrive, where teams of workers in the different areas of production are involved in a range of decisions, from design of product to customer service; and also at SPC, which has centralised its operations at Shepparton, but has developed a highly cohesive management team, each member of which manages workplace teams in the different cost centres of the company.

40. An interesting example was furnished by CUB. While each particular style of beer can be produced to the same exacting specifications in each of the company's breweries, a decentralised approach must be employed for marketing in different locations around the nation, reflecting different tastes and traditions among consumers.
41. The economic downturn was identified as a factor in the devolved approach to management in the Timken Company.

42. While this was a general finding in studies of business and industry, it was especially noteworthy in the case study of the Corporate Training Division of BHP.

43. This was the case at CRA, illustrated in different time horizons for each of the five organisational levels in the business unit, ranging from less than three months for supervisors and operators to 5–10 years for the Managing Director. Executives at headquarters are expected to have a time horizon of 20 years. Details are contained in CRA (1992) *A Major Company at Work*.

44. An example of stakeholder specification was provided by BP Australia. Core organisational values underpinned commitments to shareholders, employees, suppliers, customers and the community.

45. In the case of CRA, some 7% of the budget or $50 million per year is spent on staff development and training.

46. Each of these approaches was employed in the recent selection of group and team leaders at Unidrive.

47. Devolution is the central theme in the joint conference of the Australian Council for Educational Administration and the Australian Secondary Principals Association to be conducted in Adelaide, September 26–29, 1993.


51. See Caldwell, B.J. and Spinks, J.M. (1992) *Leading the Self-Managing School*, as cited above, for a detailed account of these capacities, especially in the area of leadership.


54. A statement on professional development priorities for principals was launched at this conference. See Evans, B. (1993) *Leaders and their Learning*, Canberra, Australian Government Publishing Service. The statement includes a list of areas of knowledge and skill for principals. This list includes those proposed in this NIEF report for principals of schools in systems where management has been decentralised.

55. Karmel, P. (1973), as cited above, see especially pp. 10–12.
56. Professor Allan Odden, Co-Director of the Consortium for Policy Research in Education in the United States drew this conclusion after a recent visit to Victoria as plans were being made for the Schools of the Future program. Odden heads a team of researchers who are investigating school-based management in Australia, Britain, Canada, New Zealand and the United States. He highlighted the capacity of educators in Australia in the area of curriculum, observing that “You have really married your curriculum change and your decentralised management . . . in a way that is kind of unbelievable” (The Age, March 30, 1993, p. 18).

APPENDIX
THE APPROACH TO RESOURCE ALLOCATION IN EDMONTON

The following summarises the approach to resource allocation in the Edmonton Public School District in Alberta, Canada which extended self-management to all of its schools in the early 1980s. A feature has been the steady evolution and successive refinements in the approach. The structure and amounts in Figure 1 are those in effect in the 1991–1992 school year. Nine levels of per student allocation are defined, with the total of all such allocations to a particular school forming the major part of the school budget. Other factors, not listed here, are related to transiency rate, level of community disadvantage, extent of community use of school, and cost of “start-up” for new programs. The total allocation constitutes a global budget for the school which can then plan its expenditure according to system and school priorities. It should be noted that salary costs in a particular classification of staff are charged to schools at the average rate for the system as a whole.

It should be noted that this is a city school system. Systems which include rural areas, with remote and small schools, would include other factors to address the special needs of such schools. Tasmania models this approach in Australia.

<table>
<thead>
<tr>
<th>Level</th>
<th>Ratio</th>
<th>Per student allocation 1992 ($C)</th>
<th>Illustration of learning needs to be satisfied at this level of resourcing</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.00</td>
<td>3077</td>
<td>Student in regular kindergarten, primary, junior high or senior high programs</td>
</tr>
<tr>
<td>2</td>
<td>1.27</td>
<td>3922</td>
<td>Students enrolled in primary or junior high who require differentiated programs of instruction; senior high other than learning needs at Level 1; English as a Second Language</td>
</tr>
<tr>
<td>3</td>
<td>1.55</td>
<td>4776</td>
<td>Students in trades and services programs</td>
</tr>
<tr>
<td>4</td>
<td>1.80</td>
<td>5550</td>
<td>Students with serious difficulties in academic learning who require special assistance</td>
</tr>
<tr>
<td>5</td>
<td>2.61</td>
<td>8019</td>
<td>Students enrolled in specialist facilities for the learning disabled</td>
</tr>
<tr>
<td>6</td>
<td>2.88</td>
<td>8861</td>
<td>Students of primary, junior high and senior high age who are moderately mentally or physically handicapped</td>
</tr>
<tr>
<td>7</td>
<td>4.40</td>
<td>13523</td>
<td>Students who are behaviour disordered, dependent handicapped, hearing impaired, multiply handicapped, physically handicapped, or visually impaired</td>
</tr>
<tr>
<td>Level</td>
<td>Ratio</td>
<td>Per student allocation 1992 ($C)</td>
<td>Illustration of learning needs to be satisfied at this level of resourcing</td>
</tr>
<tr>
<td>-------</td>
<td>-------</td>
<td>---------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>8</td>
<td>6.41</td>
<td>19713</td>
<td>Students who are hearing impaired, visually impaired, autistic, deaf and blind, or physically handicapped requiring resourcing at levels higher than Level 7</td>
</tr>
<tr>
<td>9</td>
<td>7.89</td>
<td>24268</td>
<td>Students who are hearing impaired and visually impaired requiring resourcing at levels higher than Level 8</td>
</tr>
</tbody>
</table>
ABOUT THE AUTHOR

Brian J. Caldwell

Brian Caldwell is Reader and Associate Dean (Research) at the Institute of Education of The University of Melbourne. He is President of the Australian Council for Educational Administration. His research and consultancy experience in matters related to devolved management in education extends over fifteen years, throughout Australia as well as in Britain, Canada, Hong Kong, New Zealand and the United States. He is co-author of The Self-Managing School (Falmer, 1988) and Leading the Self-Managing School (Falmer, 1992). He served as Consultant to the Task Force on Schools of the Future in Victoria and as Chair of the Ministerial Review Committee on Resource Allocation in Education in Tasmania.
DECENTRALISING THE MANAGEMENT OF AUSTRALIA'S SCHOOLS

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