

COMMENTS ON THE CHAIRMAN'S PAPER "Report on Roles and Structure of the PMSA"

By
Geoff Hines

OVERVIEW

The major concern that I have with this Report is that the proposed changes to the structure of the PMSA will put much greater centralisation and power into the Corporate Office. One has only to study the history of the PMSA to realise that this approach is a recipe for trouble and difficulties. Back in November 2001 the PMSA Council appointed a Committee led by the prominent businessman, Rod Wylie, to "review and report on corporate governance procedures, standards and structures of the PMSA". This followed extreme concern from the BBC community about the manner in which the then current Headmaster did not have his contract renewed. All members of the PMSA Council should read the Executive Summary of that Report (I believe that Jackie McDonald was a member of the Committee that put the Report together). Its major recommendation was the establishment of "Strong, competent School Councils, operating virtually autonomously within an overarching PMSA system, should perform better". At a meeting in 2002, specially convened and solely dedicated to considering the Governance Committee Report and recommendations, the PMSA Council was in general agreement with, and adopted, the vast majority of the recommendations. The Report said that "The School Councils would have complete responsibility for the conduct of their schools, subject only to some residual powers reserved to the PMSA Council, rigorous reporting requirements, and the PMSA's ultimate power of appointment of the School Council members".

The Report recommended the appointment of an "Executive Director" for the PMSA but the then PMSA Council preferred the more junior title of "Executive Officer" in order to reflect that the appointee would not be a "Director" or member of Council. Later, the PMSA Council, prior to the recruitment of Mike Willis, renamed the position, making it "Executive Manager. I myself had argued that this was a more appropriate title if we wished to attract and retain someone who would fill the responsibilities of the job description.

The more recent (February 2009) Corporate Governance Review by Effective Governance recommended that the roles of the PMSA Council and the individual School Councils should be clearly defined. It did not recommend the abolition of School Councils. It also made a number of other sensible recommendations based on their research with PMSA Council Members, and their vast experience as the leading consulting firm in this field in Australia and New Zealand. Nearly two years later we have had their report, we have published a green paper on it, and I have written a response to the green paper. But, so far, nothing has happened until now when a small committee has produced recommendations which essentially say that we should return to the situation we had prior to 1992.

This Report, in my view, does not justify the recommendations that it makes and, if adopted by the PMSA Council, will lead to serious difficulties and problems.

This document will attempt to challenge these recommendations and put an alternative point of view.

COMMENTS ON THE FACTORS CONSIDERED

There is a misconception about the School Council being a subsidiary (or a Committee) of the PMSA . The PMSA Council has the power to appoint or dismiss members of a School Council at any time.

The PMSA policies and procedures are well documented. The Effective Governance Report said that they should be reviewed. There is no lack of knowledge of them, but they probably need to be simplified and brought up-to-date.

Growth can easily be accommodated by creating new School Councils.

“Management Load” - There seems to be a lack of understanding in the document about the role of Director (or Councillor) and what is a management function. Councils should not be involved in management - that is the role our senior executives undertake.

The School Community can be quite easily engaged by utilising the current system to encourage suitable people to become Community Members of the School Council. For example, at the moment at BBC, with three Community Councillors, this requirement is well satisfied. We have a Federal Court Judge who is an Old Collegian, a retired Chartered Accountant, and a very experienced Board Member who is an Old Collegian with two sons who went through the School, and a highly experienced former CEO and Board Member, who had three sons go through the School. Together with the three PMSA Councillors and the Headmaster, this has made for a very effective School Council. Why would you want to change this?

The problems at Sunshine Coast Grammar School are different, particularly because of the short history of the School under PMSA direction. However, it is very difficult to support the notion that the three Community Councillors there represent “a feeling of contribution and acceptance by the School Community”.

“Reporting by Principals” - I can only speak personally for BBC, but the Headmaster of BBC is very clear as to whom he reports. It is through the BBC Council Chairman to the School Council. I would be very surprised if the other school Principals thought differently.

“Shared Services” - There is a lot of history with regard to “Shared Services” in organisations. It is mainly a Public Service phenomenon as it centralises power and control, and we all know that politicians and senior bureaucrats are very fond of that. It is also highly favoured by people with accounting backgrounds who only understand the numbers and not the psychology of management, responsibility, authority and accountability.

In the private sector there have been strong movements away from centralisation because it takes away the authority and responsibility of managers to manage their own operations and be held accountable for their results.

Shared Services will only work well when the operating business units see merit and advantage in being involved, e.g. being part of some kind of group purchasing operation. If it becomes compulsory to be part of it, you will remove some of the responsibility and accountability from the Principal. I am sure that in the current climate in Queensland Health, an individual hospital would much have preferred to run its own payroll system, rather than be part of this large bureaucratic absolute mess.

PMSA and SCHOOL COUNCILS

There is no justification or argument in the document as to why the proposed move to “Advisory Councils” should be recommended. It just baldly states that, “ It was agreed and recommended” since this would best serve the PMSA. There is no reason given as to why it should be preferred.

There is no argument that “PMSA Council remains the owner and legally accountable board for all schools”. It has always been so and remains so to-day. There would appear to be some confusion between “delegation” and “abdication”. At the moment, the PMSA council delegates to the School Council the responsibility and authority to provide overall direction to the Principal within the policies and directions of the PMSA. At the same time, the School Council, through its Chairman, is accountable to the PMSA. Why is there a need to change this?

The suggestion that the School Principals should report directly to the PMSA Council is simply absurd. Is the PMSA Chairman going to become the line manager of our four Principals, and possibly more to come? This recommendation flies in the face of reality of what actually happens in our Schools. The role of Principal, like that of a CEO, can be a very lonely one. In a public company the relationship between the CEO and the Chairman has been shown, by research, to be crucial to the success of the organisation. The same is true for our schools. The Principal needs someone to whom he or she can relate, can bounce off ideas and problems, and seek counsel and advice.

The Principal’s role is a very demanding one. Every activity in the School would like the Principal to be personally present at their function. With an involved Chairman in the School, some of these commitments can be shared. It is impossible to imagine that the PMSA Council Chairman would be able to do this for four or more schools.

SCHOOL ADVISORY BOARDS

There is nothing in this paper to describe the purpose of School Advisory Boards and what they will actually do, apart from “ ... advise the Principal”. With this kind of School structure, we will find it extremely difficult to find competent and experienced Community Members (and PMSA Councillors) willing to serve on School Advisory Boards, and yet who have no responsibility, authority or accountability for the operations and performance of the school. There are no arguments in the document as to why we should change to Advisory Boards and what the benefits would be.

Abolishing the current School Council and replacing it with a School Advisory Board will cause dramatic negative responses from the School Community.

MANAGER BUSINESS ASSURANCE

We have been talking for some time now about the need for an Internal Audit Function or Manager-Business Assurance. There have been conflicting views about this need. However, if we decide to do this, then normal commercial practice would be for this function to report direct to the Chairman of the PMSA Council or to the Chairman of the Audit and Finance Committee and not to an employee of the PMSA. To do this would not be best practice.

However, rather than appoint someone to a permanent position in this role, would it not be more sensible to contract this function out, in the first instance, to a prominent accounting firm? This would enable us to “test the water” on this function, see how it operates, and then review its effectiveness and have a cost benefit analysis completed. This is what we have done successfully with our corporate HR function.

EFFECTIVE GOVERNANCE RECOMMENDATIONS

Size of PMSA Council

Despite the strong recommendations in the Effective Governance Report to reduce the size of the PMSA Council, this paper proposes that we still do nothing. Some time ago, I produced a paper in response to the Chairman's Green Paper, which made certain recommendations. It is attached to this document. As yet, it has not been discussed or debated in detail. It recommends a PMSA Council of nine people together with strong, nearly autonomous, School Councils.

Tenure

The recommendation on tenure by Effective Governance was that we should have a non-mandatory clause in our Constitution and ,of course, we should discuss this with the Churches.

Shared Services

I have already commented on this aspect of the proposal. It will only work effectively if the Schools are encouraged to participate in such a function rather than forced into it.