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**CASTLEMAINE STEINER SCHOOL AND  
KINDERGARTEN**

**GOVERNANCE REVIEW**

**SEPTEMBER 2008**

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**Draft Report**

**28 August 2008**

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## **CASTLEMAINE STEINER SCHOOL AND KINDERGARTEN - GOVERNANCE REVIEW**

### **1 Executive Summary**

At the request of Castlemaine Steiner School and Kindergarten (CSS), Rudolf Steiner Schools Association (RSSA) advisory panel member Ian Stehlik was invited to undertake a review of the school's governance arrangements and provide a report on recommended future directions.

The review is designed to support this statement in the CSS Governance Review Outline: "The key stakeholders of the school (Board members, College of Teachers and Admin Council members) make a commitment to change the governance structure of the school to ensure that:

1. Current legal requirements are met and that the school is not exposed to litigation;
2. Responsibilities are clarified between the governance and management roles of the school;
3. A governance structure is established which will meet the current and future needs of the school."

The Governance Review Brief, included within the Governance Review Outline document mentioned above, includes four specific questions that the review should address:

1. How does our structure conform to current best practice?
2. What exposure does the school have to risks – legal, financial, social, etc?
3. What the current strengths or things that working well for / in the school?
4. What opportunities are there for the school to better apply the ideas of the Threefold Social Order?

The review 'deliverables' were defined in the Governance Review Brief as:

"A report giving recommendations for the governance and management structure of the school, presented to and discussed with the Company members, College and Admin Council, [together with] recommendations on the process and timeframe for implementation of the review's findings."

The methodology of this review was based on the review adviser, Ian Stehlik:

- Receiving extensive documentation from CSS, comprising some 200 pages of material ranging from the CSS Articles of Association, Annual Reports, Strategic Plans, Position Descriptions and minutes of College and parent meetings;
- Interviewing members of the CSS Company, the Board of Directors, the College of Teachers, Admin Council, teaching staff, non-teaching staff and parents over the period 20 June to 28 August 2008;
- Providing analysis of the data gathered, addressing the questions raised in the review brief and making recommendations for CSS to consider in relation to governance and management in the future<sup>1</sup>;
- Preparation of a final report at the end of October 2008 following feedback and comment from CSS stakeholders, allowing this to occur well in advance of the April 2009 AGM of the Company.

Many of the members of the CSS community contributing ideas to this review agreed that CSS is poised at present to move from a 'pioneering' or 'establishment' phase to a 'professional' and 'mature' phase of development in all aspects of the school's activities: governance, communication, financial management and educational management.

The review concludes that CSS is well placed to extend its existing achievements and undertake the transition to a professional / mature level of Steiner school performance and culture, through attention to the governance and management issues and opportunities identified in this review.

The report that follows is arranged under the seven headings set out in the "Contents" page. These headings address the four key questions set out at page 3 above (although in a slightly different order) then move on to make recommendations in the three key areas of governance, educational management and business management, respectively.

The report makes a total of seven recommendations. These are summarised at Attachment B.

As requested in the CSS Governance Review brief, a concluding section provides some indications on implementation of the recommendations. Finally, several Appendices follow with background and summary data.

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<sup>1</sup> For the purpose of this review, 'the future' is defined as the next decade in the life of CSS, i.e., 2008- 2017.

## **2 Current strengths / things that work well for or in the school**

Castlemaine Steiner School and Kindergarten has developed since the early 1990s as a successful KG – Year 8 Steiner School, with 195 students enrolled in 2008. The school has attracted, retained and developed a well-qualified and committed teaching faculty and administrative staff with educational programs operating since 1995 at an attractive 7.3 hectare campus, 7 kilometres from Castlemaine.

The Castlemaine region has an unusual demographic in that the area has over several decades attracted individuals and families with an interest in arts, craft and lifestyle values which tend to align with elements of Steiner education. Many CSS families relocate to the area in connection with Steiner education choices for the children.

CSS can draw on a population base of around 8,000 in Castlemaine and twice that number in the Mount Alexander Shire as a whole. With ongoing growth in population supported by enhanced rail and road access, CSS has excellent prospects for continued success as a single stream KG – Year 8 School of around 220 students. A recently initiated ‘Steiner stream’ in the local High School provides one ‘philosophically-aligned’ destination for graduating CSS students.

Financially, CSS is in a sound position. Operational and capital budgets are well planned and managed, costs are well controlled and the accounts receivable function – sometimes problematic in Steiner schools - shows an excellent record of fee recovery through thoughtful attention to the difficult task of debtor management.

Educational programs are offered in attractive and well-maintained class rooms and general purpose learning areas. The design of the school has made excellent use of sustainable design principles and materials, well suited to the school’s environment and climate. The CSS class rooms and learning areas are functional, naturally well lit and aesthetically pleasing. Classrooms are welcoming teaching spaces, and the children observed on visits to the school during June to August 2008 were bright, happy and engaged, with teacher-student interaction of a high calibre.

The review notes that the CSS administrative office layout currently lacks an integrated space for the various activities undertaken, including ‘reception’ and all the varied admin office functions. This will be achieved upon completion of the school’s next major capital works project, currently about to commence, and due for occupation in 2009.

Much credit is due to current and past staff and community members of CSS whose hard work and care have established this positive situation. It is important to note that the purpose of this review is not to ‘fix something that is broken’ or ‘respond to a crisis’ but to assist an existing “very good school” to undertake some “fine-tuning for even better future outcomes”.

### **3 CSS exposure to legal, financial, social or other risks**

Risk is an issue facing all organisations including schools. Risk can be defined as “an event or condition that may occur, and whose occurrence, if it does take place, has a harmful or negative effect”.<sup>2</sup>

Risk can be managed through identifying, prioritising, and mitigating the various categories of risks that may be faced. There are a great many categories of risks facing a school such as CSS. Some typical categories of risk are listed at Appendix C. However, based on the information gathered in this review the three ‘highest priority’ risks currently facing CSS are:

#### **3.1 Governance risk**

The most significant single risk facing CSS at present is that the *Memorandum and Articles of Association of the Castlemaine Steiner School Limited* is not an up-to-date, clear and effective document and therefore gives rise to numerous governance risks, challenges and lack of clarity and accountability.

Therefore in Section 6 “Governance”, the issue of revising the *Memorandum and Articles of Association* of the Castlemaine Steiner School Limited is covered in detail and developed to consider the related issues of structure and function of the Board, College of Teachers, Admin Council and other groups in the school.

#### **3.2 Social Risk**

It is apparent from the review discussions that parents and friends at CSS are currently relatively disengaged from active involvement with the school, and there is a risk that this trend will be exacerbated as the school grows and matures, unless actively addressed in future. As mentioned in minutes of the 29 July 2008 parents’ meeting: “There was a lot of discussion among the parents about feelings of lack of being heard...At other Steiner schools in Australia, there are strong Parent Groups with more involvement...”

As the issue of community building relates to leadership and governance, this issue is also taken up in Section 6.

#### **3.3 Management Risk**

At present, all Steiner schools in Australia face ever-increasing demands of government reporting, financial and legislative compliance. Parents seek high levels of responsiveness and leadership from the school and all stakeholders (parents, teaching and non-teaching staff, students, outside bodies) demand clearly defined roles and lines of accountability for educational and administrative functions. Collectively these demands, if not met, can threaten the success and indeed the survival of schools.

These issues are taken up in Section 7 “Educational Management” and in Section 8 “Business Management”.

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<sup>2</sup> <http://en.wikipedia.org/wiki/Risk>

#### 4 Opportunities to better apply the ideas of the Threefold Social Order

The brief for this review is to explore practical recommendations for the “governance and management structure of the school” which also align with the ideas and insights of Dr Rudolf Steiner.

In contemporary parlance, “governance” can be defined as a “steering” function to “guide consistent management, cohesive policies, processes and decision-rights for given areas of responsibility in an organisation.” Meanwhile, “management” is a “doing” function and in organisational contexts can be defined as “the act of getting people together to accomplish desired goals, through organising, resourcing, directing, and coordinating an organisation”.

In schools, there is a need to undertake two types of management: educational management (the core activity of defining, developing and delivering educational programs to students) on the one hand, and business management (the activity of managing the financial, physical and human resources to allow the educational programs to take place) on the other.

In his Threefold Social Order ideas, Dr Steiner put forward a revitalised view of Liberty, Fraternity and Equality in which “...liberty pertains to freedom for the individual in matters of the spirit, in **education**, in religion. Fraternity ... applies in relation to our economic, material (**business**) responsibilities towards one-another, and equality in matters of rights and the law (**governance**).”<sup>3</sup>

Over the years, Steiner Schools have sought to apply these ideas to their structures and functions in various ways. One model that has been discussed with RSSA colleagues is to consider the Threefold model in relation to the three key activities undertaken in Steiner schools as highlighted in bold above.

It is helpful to think of Governance, Educational Management and Business Management as the ‘three pillars’ of Steiner School structure and function. Each pillar needs to be strong, effective and valued in order to support the school edifice, which cannot stand in the long term without all three functions in place.

Historically, many Steiner schools have tended to combine the ‘education’ with the ‘governance’ function by allocating an extended role to the College of Teachers as both educators and directors. Also, in pioneering schools with typically small resources, a teacher will often take on administration and directorship, along with educational, duties and this then often carries through into long term structures, processes and culture of the school.

In my view, it is very helpful to make clear distinctions between the aims, processes and the skills required to undertake educational activity, business activity and governance activity in any school. Each is important and collectively they are more effective when each has its identified role and responsibility.

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<sup>3</sup> <http://www.abbotsfordconvent.com.au/community/steiner> - brackets and bold added

## 5 Aligning CSS structures with Best Practice

Continuing the discussion of key structures and functions, a review of Steiner school structures world-wide reveals considerable diversity in structures. At the same time we can observe that every functioning school, Steiner or other, large or small, as an overall 'organisational system' has:

- 1 some educational activities or programs for children,
- 2 some business activity to pay teachers, provide learning materials etc.
- 3 some form of governance system in place to coordinate 1 and 2.

Applying the principles of modern 'systems theory'<sup>4</sup> - in which organisms whether biological, social, cultural or economic are observed to operate as a dynamic interaction of subsystems - it is interesting to consider whether the 'best practice' model for Steiner School structures is indeed one in which 'form' should follow the organic 'function' of these three subsystems.

Michael Hall School in the UK provides one example where clear differentiation of governance structures follows this threefold approach in the school's "Areas of Responsibility" model.<sup>5</sup>

In Australia, my work with eight different Steiner Schools over the past decade suggests that most successful schools are evolving towards a 'differentiated systems' model focused on educational, business and governance systems, albeit in ways suited to each school's size, resources and phase of development.

Orana School for example has an effective constitutional framework differentiating the role of the School Council (governance) from its College of Teachers (education) and its Admin Team (business), and this structure proved highly flexible to deal with both rapid growth in the school in dual streaming and launching a senior college (1997- 2001) and successful disaster recovery from massive bushfire damage (2003).

Many schools are also currently engaged in extending the 'governance' discussion into the realm of leadership and community building. Leadership is a particular challenge for Steiner schools due to what has been described as "a cultural antipathy" to clear and effective leadership models.<sup>6</sup>

In summary, a threefold structure supporting strong systems and processes of education, business and governance, with a clear leadership mandate and inter-system accountabilities, is my recommendation for a best practice structure and aligns with practices that are observable in successful Steiner schools.

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<sup>4</sup> <http://www.managementhelp.org/systems/systems.htm>

<sup>5</sup> <http://www.michael-hall.co.uk/>

<sup>6</sup> Christopher Schaefer PhD "Developing a Culture of Leadership, Learning and Service in Waldorf Schools", [http://www.waldorflibrary.org/Journal\\_Articles/RB3102.pdf](http://www.waldorflibrary.org/Journal_Articles/RB3102.pdf)

## 6 Governance

The 'governance system' at CSS is therefore vitally important to the future of the school, and the obvious place to start in assessing future needs is to review the fundamental legal document which establishes the objectives, key structures and accountability processes of the school: the *Memorandum and Articles of Association of the Castlemaine Steiner School Limited*.

### 6.1 The Memorandum

In the normal fashion of these documents, the Memorandum states the key objectives of company, which is to provide Steiner education in Victoria.

The *Memorandum* document does not need to change, apart from a suggested alteration to Clause 3 in order to allow staff members to become 'executive directors'.<sup>7</sup> This point is elaborated further in Section 6.3 below.

### 6.2 The Articles of Association

The *Articles of Association* as presently written is a document that contains much out-of-date content, has typos and omissions, but most importantly does not provide for a structure of company governance and directorship which is fully effective.

The current CSS *Articles* for example do not mention the College of Teachers, let alone define that body's mandate. This and other gaps give rise to numerous governance risks, challenges and lack of clarity for CSS at the present time.

Key issues that should be amended are set out at Appendix D. In essence, the thrust of these suggested amendments is to:

- open up membership of the CSS company to a wider constituency of CSS staff, parents and friends, so that membership might number, say, 150 people rather than the current handful;
- populate a Board of Directors from the above broad constituency, with a structure that balances teaching staff, non-teaching staff and elected parents and assumes the legal rights and responsibilities of directorship;
- update the Articles of Association based on best practice models drawn from other Steiner schools and / or Australian Institute of Company Directors models.

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<sup>7</sup> This term does not mean 'executive' in terms of elevated powers, but is the standard title for 'an employee who is also a director', subject to the same rules as other directors, plus standard provisions and processes in the Articles of Association to address conflicts of interest that might arise in this role.

The goal of revising these documents is to ensure that the objectives set out in the *Memorandum* protect the fundamental Steiner philosophy of the school, while the *Articles of Association* provide for broad, effective and sustainable governance structures and processes. In the case of a Steiner school this should include clauses to define the relationship between key groups such as the Board of Directors and the College of Teachers.

***Recommendation 1:***

***That the existing Memorandum and Articles of Association of the Castlemaine Steiner School Limited be revised to address suggestions in Appendix D of this review.***

6.3 The Board of Directors

It will be seen from Appendix D that substantial changes to the Board of Directors arrangements are recommended. There are various suitable models, but for a school the size of CSS I suggest formation of a seven member Board, comprising a mix of teaching staff, non-teaching staff and parents, the latter to be elected at an AGM and ideally serving for a minimum of two years.

The Board of Directors represents the ultimate legal decision making body of the Company and is at law 'the employer' of all teaching and non teaching staff of the company. The Board members need to be informed and aware of their fiduciary duty and responsibilities as Directors, although they will be typically covered by the school's "Directors and Officers" insurance to protect personal financial liability if they carry out their role with reasonable care.

The Board should have a specific Chairperson elected from among its number and apply standard procedures for decision making and record-keeping. The Board should have the power to form sub-committees as necessary. Typically, a School Board will have a Finance Subcommittee and a Buildings / Grounds Subcommittee at least, working closely with the Business Manager and Maintenance Person respectively. In best practice models the Board is mandated to co-opt additional members for specific tasks. For example the Board might seek to bring a person with particular skills in planning, fund-raising, or other disciplines on to the Board for a period of time.

Whilst all of the above may seem rather complex, CSS can freely access sample documents from the RSSA or other Steiner schools in Australia to develop a model based on the Appendix D suggestions and effective 'best practice'. CSS does not need to 'reinvent the wheel' to achieve a good standard, well-accepted model of company membership, directorship and governance.

Finally, while I have been referring to this peak body as the Board of Directors, it could of course equally be titled the "School Council", the "School Board" or other terminology attractive to CSS.

#### 6.4 The College of Teachers

It is recommended that the revised Articles of Association state that the Board will delegate to a group of teaching staff, 'The College of Teachers', the leading decision-making role in respect of educational vision, mission, teacher recruitment and other matters relating to the core educational functions of the school.

Ideally the Articles of Association should define the mandate of the College of Teachers and specify that the Board "will be guided by the College of Teachers on all matters of an educational nature". At the same time, the mandate of the College of Teachers should state that "the College of Teachers will be guided by the Board on matters of a financial nature". This institutes a structural 'balance of powers' which is very useful in creating sustainable governance in Steiner schools.

This also provides within the peak document of the school an opportunity for the College of Teachers to define its core 'educational systems' role as a pedagogical group working to improve the quality, depth and effectiveness of Steiner education at CSS through child study, professional development, curriculum and educational policy work. Other Educational administrative matters should be handled by the College Facilitator (or equivalent position) as detailed in Section 7 below, and Business Management matters by the 'business system' as set out in Section 8.

#### 6.5 The Admin Council

It is important to note that the proposed Board of Directors structure would replace the current Admin Council, which has evolved at CSS to (admirably) fill a structural 'governance gap' and currently carries out a mix of governance and management functions, albeit with a mandate which is not entirely clear to most parents and some staff members.

The proposed Board of Directors would take over from the current CSS Admin Council all of the "governance" functions currently carried out by the Admin Council, with the other "management" functions currently undertaken by the Admin Council being devolved to two or three Board sub-committees which would report to the Board.

These subcommittees would typically be made up of one Board member per sub-committee plus additional teaching staff, administrative staff or parent members. This provides another avenue for parent engagement. It also provides significant support to the school's administrative staff in day to day management activities, while allowing the Board to correctly focus on planning and monitoring those activities – the Board having the "steering" role rather than the "doing" role.

#### ***Recommendation 2:***

***That the Board of Directors be structured along the lines suggested in Section 6 and Appendix D with appropriate reference to the relationship between the Board, the College of Teachers and the Administrative staff.***

## 6.6 Governance documents

To extend good governance into the organisation of the school beyond the Board itself, the Board should take a particular interest in its “steering’ function, setting the frameworks within which other bodies of the school operate in order to provide to clarity to all groups, staff and parents.

A key way to achieve this is for the Board to ensure that all individuals employed by the school have a current and regularly reviewed Job Description, setting out duties and accountabilities and that similarly, all groups and subcommittees have a clear, written mandate as to their role and accountabilities.

Along with the revised Articles of Association and business planning documents, these Job Description and Mandate documents form part of the long-term ‘governance system’ supervised by the Board. Finally, these documents can form the basis of regular review for individuals and groups should the school move to formal review and appraisal processes in the longer term.

### ***Recommendation 3***

***That the Board of Directors work with groups and individuals in the school to ensure that written Job Descriptions and Mandate statements are in place. These can form the basis of regular performance review.***

## 6.7 Mission Statement

An additional suggestion which arose from several colleagues who contributed information to this review, is that CSS could consider developing a short “mission statement” specific to CSS which encapsulates the essence of the school’s objectives and aspiration as an educational institution.

The purpose of such a mission statement would be to state the purpose and values of the school in a short form that can provide a reference point for information, inspiration and engagement of staff, parents, friends, students and other ‘stakeholders’. This approach can be very useful as a touch-stone and connection point for an organisation and community.

An additional benefit of this initiative is to allow the mission statement to inform the drafting or updating other documents such as the Job Descriptions, Mandates and indeed the revised Articles of Association, referred to elsewhere in this report. Finally, future strategic planning documents that may be developed by the Board would also benefit from referring to a mission statement ‘up front’.

### ***Recommendation 4***

***That the Board of Directors work with the College of Teachers and other groups and individuals in the school to develop a “mission statement” summarising the school’s objectives and values.***

## 6.8 Community engagement

Leadership, communication and community engagement is related to Governance. As mentioned at Section 3 above, it is important that CSS is able to manage its organisational development towards a 'mature and professional' phase while at the same time retaining or ideally enhancing its relationship with the members of the CSS community, represented by parents and friends of the school.

Indeed, it would be of benefit to extend this relationship over time to the broader Castlemaine and districts community in order to establish the school as a recognised and viable member of the educational and cultural community.

The current lack of parent involvement does not appear to reflect antipathy or apathy towards the school as an organisation; on the contrary an active minority of parents are keen for additional engagement. However, the current structural arrangements flowing from the existing Articles of Association provide a disincentive to parents engaging and interacting with the school in a clear and meaningful way.

An additional advantage of Recommendations 1 and 2 therefore is that, if activated, they will not only affect key governance systems but also simultaneously establish a structure within which CSS parents and friends become members of the company and, if they so wish, can nominate for election to the Board of Directors.

In addition, a formal "Parents and Friends" (P&FD) group to support social, fund-raising and community activities at CSS should be encouraged. This can start small with just a few interested parents working on projects that support the school and its students. One very effective way to encourage this is for the school to provide a physical space at the school which can accommodate parents to meet for coffee and interaction.

If a formal P&F forms at CSS, it is possible in future to provide a link from that body to the Board by reserving one of the parent 'seats' at the Board to the Chair of the P&F Association. This model works well at Orana and other Steiner schools, who can provide advice on P&F activities and arrangements. In line with Recommendation 3, such a group would develop in consultation with the Board a written mandate to set out its purpose, role and accountability and therefore give the group a clear understanding of its function and relationship to the school as a whole.

### ***Recommendation 5***

***That parent engagement to support the objectives of CSS is encouraged through a revised Board structure and through active support for a Parents and Friends Association to form in future with an agreed mandate.***

## 7 Educational Management

In the 'threefold model' proposed at Section 4 above, the Steiner-based educational programs developed and delivered by CSS teaching faculty represent the spiritual heart of the school as well as the 'core business' of the organisation.

All of the indications provided to this review confirm that educational programs, policies and outcomes, teacher skills and pastoral care of students at CSS are of a consistently high standard. On the evidence accrued from past and current performance at CSS, the risk of 'poor educational outcomes' is commendably low.

### 7.1 College of Teachers role

Historically, teaching faculty in Steiner Schools have considerable autonomy and freedom ("liberty" in the Threefold system) to fully develop a deep pedagogical practice in the classroom. Historically, Steiner School teaching faculties also work collectively as a "College of Teachers" to mutually develop, support and enhance educational insights and outcomes.

The role of the College of Teachers as an administrative as well as educational body also arises historically and through the demands of 'multi-tasking' required in the pioneering phase of schools. However, recalling the discussions above about the advantages of clarifying the three main subsystems – educational, business and governance – in a school, it is important for Colleges of Teachers to review their core interest and function within the overall system of the school.

If there is one significant theme emerging from contemporary challenges facing Steiner Schools in Australia and elsewhere, it is that schools need to objectively focus skilled teaching staff on teaching activities, focus skilled administrative staff on administrative and business activities and focus their directors / Boards on the steering governance functions.

Within the feedback provided to this review there is definite theme that a further opportunity exists for the CSS College of Teachers to refine the mandate of this key group within the school in terms of the fundamental pedagogical task.

It is important to note that in so doing, the College of Teachers is not abrogating its responsibility of stewardship for the educational philosophy, practices and policies at CSS, but rather is focusing fully on this function. In letting go of activities that relate to the other sub-systems of business and governance, the College of Teachers must have confidence that clear mandates and accountabilities exist to 'cover' those functions within their correct organisational 'home'. When this occurs, teachers can concentrate on teaching AND retain their influence over strategic directions and governance of the school through significant membership of the Board, as outlined in Section 6 of this report.

Some suggestions for future College of Teachers focus and process which arose from interviews in this review and / or reflect practice in other Steiner Schools include:

- A focus on pedagogy and educational practice in the Steiner context
- Engaging all full time and part time teachers as College members
- Meeting once per fortnight only
- Delegating all non-educational management matters to the Admin Team
- Providing a regular one-page report to the Board on educational matters and outcomes
- Engaging with other educators on both Steiner and other contemporary educational trends
- Delegating all educational administrative matters to the College Facilitator
- Dedicating regular time to child study, curriculum review and teacher mentoring.

### ***Recommendation 6***

***That the College of Teachers undertakes a review of its mandate with a view to focus on its key role as the steward of the CSS 'educational' sub-system, having regard to suggestions in Section 7 of this report.***

## 7.2 Leadership

In hierarchical organisations, the authority to enforce accountabilities is vested in the Chief Executive Officer (CEO), the Principal, or other 'top individual'. In the non-hierarchical structure and culture of Steiner Schools, it is important that all participants take an active role in understanding, establishing, supporting and modelling the agreed communication processes. This is vital to keep the system operational so that it 'works' as intended in the day-to-day processes of the school and not just as words on a page.

To keep the whole organisation 'on track' in relation to responsibilities and communication processes, the issue of leadership should not be overlooked, and every school requires some functional expression of educational leadership.

The College of Teachers should have a clear and accepted mandate, given by the Board, to act as leaders and 'quality control' advisers on the content and process of educational activities in the school. This should not be seen as 'autocracy' but as an agreed way of ensuring consistency and professionalism in the school's key educational operations both internally within the school and externally with parents and outside bodies.

Equally, with regard to the interaction between the school and students, parents, prospective parents, outside 'stakeholders' and others, it will assist in the work of

the College of Teachers and reduce uncertainty for all if the mandate for the College of Teachers includes a reference to the agreed role of the senior 'educational management' staff member at the school, the College Facilitator.

This position should have a specific role as the key contact point for others in communicating with the College, having the responsibility to prepare College agendas and chair meetings. As recommended in Section 6, this position is the College representative on the Board and plays a key role in coordinating issues and information flow.

Following indications in the review process that a little more work needs to be done in this area, it is recommended that the CSS consider the preferred focus and Job Description of the College Facilitator position. There are several models currently in place in Australian Steiner School, ranging from a "Principal" (Cape Byron School) to "Dean of School" (Sophia Mundi) to "Educational Director" (Kamaroi School) to "Educational Administrator / College Facilitator" role as defined at CSS.

The difference between these models is the degree to which the position is granted by agreement of the Board and College of Teachers a proactive "leadership role" versus a more reactive "support" role in relation to the College of Teachers and the school as a whole. At CSS, should this become a more defined and central leadership position within the school in future?

My observation of emerging practice in successful Steiner schools is that the leadership model is increasingly being adopted in recognition of the effectiveness that this function can bring in relation to coordination, decision-making and communication across the school.

If this approach is taken, it is important to ensure that the skills required for this position include a background in Steiner education, high level management skills and exemplary communication, conflict resolution and representational abilities.

A model that CSS may wish to look at in detail is the "Educational Director" role at Kamaroi School in Sydney. This school is of similar size to CSS and would be able to provide documents and information for consideration, through the Kamaroi Educational Director, Virginia Moller.

### ***Recommendation 7***

***That the College of Teachers and Board of Directors review the future role of the College Facilitator in relation to the leadership function at CSS, for example considering the Kamaroi School model.***

## **8 Business Management**

Over the past decade, the demand on schools in Australia to meet an ever-expanding range of business management needs has increased very significantly. Reporting, records-keeping and compliance factors covering facilities, employment of staff, development, capital works, occupational health and safety, payroll, taxation, audit procedures, insurance arrangements and more (refer to the list of risk categories at Appendix C) are complex and demanding issues.

Based on the written and oral information provided to this review, the performance of the 'business system' at CSS, while having had challenges, has been very successful in supporting the growth, development and day-to-day operations of the school which is now approaching a \$2.5million per year business.

Currently at total of 5.0 FTE non-teaching admin staff (including both admin and grounds staff but excluding the College Facilitator) support the CSS 'business system'. This ratio of approximately 1 non teaching staff member to 39 students is in the mid range for independent schools in Australia whose data typically varies from as low as 1:25 to as high as 1:65 in less well-resourced schools, with an average of 1:45.

Quantitatively, the FTE numbers are about right at the present. Qualitatively, the review received very positive feedback, with many comments referring to helpful service and good support. There was reference to some restrictions on access and service provision related to the current temporary office arrangements, to be remedied when the new facility is completed in 2009.

As per the comments in Section 6 and 7 above, the role of the Business Manger and Admin Team members in undertaking the day-to-day administrative functions and 'business system' of the school will be greatly enhanced through clarification of governance arrangements and accountabilities in CSS.

At present the Business Manager has a complex role in working with the Admin Council, the College Facilitator, the admin team, suppliers and contractors, frequently having to undertake extensive consultation to achieve simple decisions or alternatively having to take complex decisions without a clear line of communication through to the Board.

The Business Manager needs to be mandated by the Board and recognised by other bodies in the school, including the College of Teachers, as having clear authority, as well as accountability, with regard to the financial, physical and human resources managed by the position within the Job Description, strategic plans and directions set by the Board.

The Business Manager needs to meet regularly with the College Facilitator in order to have good lines of communication with the 'educational system' led by the College of Teachers. Various schools have opted for regular meetings between Business Manager and College of Teachers, or sub-group of Business Manager / Educational Director / College Chair meeting regularly to deal with the many operational issues that arise in providing business support to the educational system.

As outlined in Section 6 above, the Business Manager should be an Executive Director on the Board, and should fulfil the role of Company Secretary. The Business Manager should also work closely with the Finance Subcommittee of the Board (following the Board model outlined at Section 6 above) and through these activities maintain a close connection with the 'governance sub-system'.

Finally the Business Manager should also be recognised as the 'chief of staff' for the Admin Team, providing guidance and standard supervisory functions such as recruitment activity for non-teaching staff, approving leave and managing workload. Ideally the Board should review the performance of the Business Manager annually with regard to the agreed Job Description.

Overall the future directions and FTE composition of the 'business system' represented by the Business Manager and Admin Team at CSS do not need to change radically, but will benefit from refinement in relation to the proposed future Board and governance arrangements, and to gain through agreed Job Descriptions and Mandates, a clear set of responsibilities, decision-making authority and accountability.

***Recommendation 8***

***That the Board of Directors review the Job Description of the Business Manager and Admin Team members to align these business system roles with the suggested Board structure and functions outlined in Section 8 of the report.***

If CSS decides in say October 2008 to implement all recommendations in this report, the following implementation and timing notes may be helpful.

To implement Recommendations 1 and 2 it would be useful to have a suitably qualified adviser with a legal or business background, ideally sympathetic to CSS and Steiner ideas, to undertake the re-drafting of the *Memorandum and Articles of Association* in line with recommendations at Appendix D, and in consultation with the current Board, Admin Council and College of Teachers.

This work could commence in late 2008 and proceed in the lead up to the April 2009 AGM and voted on at that meeting. If carried by a majority of the current small group of company members, this will allow the new Board structure referred to in Recommendation 3 to be implemented immediately thereafter in April 2009.

Meanwhile the Job Descriptions and Mandates referred to in Recommendation 3 can be discussed and drafted in the period leading up to April 2009, ready to be put into effect at that time. Similarly work could commence on a “mission statement” as mentioned in Recommendation 4, in the same time frame.

In relation to the parent engagement issues addressed in Recommendation 5, discussions could proceed with parents from 2008 onwards to explore parent support for the company membership and Board membership model proposed and allow current members of the Admin Council, and others, to consider whether they wish to nominate for the Board. At the same time a general invitation could go out to parents interested in developing a mandate and nucleus of a Parents and Friends Association with support from the school.

For Recommendations 6 and 7, the College of Teachers could in late 2008 be invited to begin a process of discussing their preferred future role and preferred model of College Facilitator / Educational Director / Dean of School. It is possible that this process could take some time and sufficient time should be allowed so that the College of Teachers can develop ownership of the final outcome. Therefore the Recommendation 5 and 6 actions might be implemented later in 2009, but there should be a point at which – say mid 2009, a conclusion is reached.

Recommendation 8 could proceed in the same time frame as Recommendation 3 above with drafting taking place say from October 2008 to April 2009 ready for implementation at that time.

With any “change management” project such as this, some resources are required to plan and ‘do’ the work required. The existing Board may wish to consider creating a task group made up of interested Board and Admin Council members to undertake this project.

## Documents and interviews informing the Review

### Documents

- Terms of reference: CSS Governance Review 2008 Outline
- Memorandum and Articles of Association of the Castlemaine Steiner School Limited
- CSS Strategic Plan, August 2007
- CSS Enrolment growth data 1996 - 2008
- CSS "Structure & Administration" paper (landscape format, undated, a draft?)
- CSS Annual Reports and Audited Accounts: 2005, 2006, 2007
- Position Description – Business Manager
- Position Description – Class Teacher
- Position Description – College Facilitator
- College Facilitator Report: "Introduction to School Boards", May 2008
- College Facilitator Report: "Governance Review & Legal Responsibilities" May 2008
- Feedback from Values Education Parenting Forums, May 2008
- Issues paper from Values Education Parenting Forums held in May 2008
- Correspondence from College of Teachers to parents re Values Education Parenting Forums
- College Response Issues paper – 21 July 2008
- Minutes of meeting – values and governance issues - July 29 2008
- Various sources as detailed in footnotes to the Report.

### Interviews

As part of the review process, interviews and discussions were held with CSS:

- Board of Directors
- College of Teachers members
- Admin Council members
- Teaching Faculty members
- Business Manager
- Parents via email and 28 August 2008 Forum.

## Appendix B

## Summary of recommendations

### Recommendation 1

That the existing Memorandum and Articles of Association of the Castlemaine Steiner School Limited be revised to address suggestions in Section 6 and Appendix D of this review.

### Recommendation 2

That the Board of Directors be structured along the lines suggested in Section 6 and Appendix D of this report with appropriate reference to the relationship between the Board, the College of Teachers and the Administrative staff.

### Recommendation 3

That the Board of Directors work with groups and individuals in the school to ensure that written Job Descriptions and Mandate statements are in place. These can form the basis of regular performance review.

### Recommendation 4

That the Board of Directors work with the College of Teachers and other groups and individuals in the school to develop a “mission statement” summarising the school’s objectives and values.

### Recommendation 5

That parent engagement to support the objectives of CSS is encouraged through a revised Board structure, and through active support for a Parents and Friends Association to form in future with an agreed mandate.

### Recommendation 6

That the College of Teachers undertakes a review of its mandate with a view to focus on its key role as the steward of the CSS ‘educational system’, having regard to suggestions in Section 7 of this report.

### Recommendation 7

That the College of Teachers and Board of Directors review the future role of the College Facilitator in relation to the leadership function at CSS, for example considering the Kamaroi School model.

### Recommendation 8

That the Board of Directors review the Job Description of the Business Manager and Admin Team members to align these business system roles with the suggested Board structure and functions outlined in Section 8 of the report.

## Categories of risks

Political: Change of government, Federal or State, changing educational policy frameworks and decisions, changing regulatory requirements

Financial: Changes in demand (enrolments), non-compliance with financial reporting or audit frameworks, lack of income management and /or cost control, poor records keeping, lack of budget planning and review

Governance: Non-compliance with corporations law, employment law, contract law or other legislative systems within which the organisation is required to operate, lack of an effective 'steering system' for the organisational ship

Managerial: lack of clear accountability lines; position descriptions and mandates, performance appraisal, clarity of roles

Economic: Ability to attract and retain staff in the labour market; effect of global economy on Australian economy; local economic factors

Developmental: Managing growth or change while maintaining business as usual operations at the same time.

Social: Demographic change affects demand for services; stakeholder expectations change, stakeholders don't have structures within which to engage

Health and Safety: Buildings, vehicles, equipment, fire, noise, vibration, asbestos, chemical and biological hazards, food safety, traffic management, stress, etc.

Technological: Obsolescence of current systems; cost of procuring appropriate technology, missing opportunity arising from technological development.

Contractual: Associated with the failure of contractors to deliver devices or products to the agreed cost and specification

Environmental: Buildings need to comply with changing standards; achieve aesthetic standards, carbon footprint, water security etc.

Physical: Theft, vandalism, arson, building related risks, storm, flood, other related weather, damage to vehicles, mobile plant and equipment.

Operational: Relating to existing operations – building and maintaining delivery of services as intended to clients

## **Suggested adjustments to Memorandum and Articles of Association**

### Memorandum

#### Clause 3:

Vary to allow Executive Directors (i.e. employees can be Directors)

### Articles of Association

#### Clause 1:

Review reference to Secretary of School – consider changing this and subsequent references to the more standard title “Company Secretary”;

#### Clause 2:

Expand “membership” to include staff, parents and friends of CSS

#### Clause 3(b):

Adjust last phrase to “sympathetic to Anthroposophical work and study” or similar

#### Clause 4 and 4(a):

Adjust Board of Directors to seven members of the Company of which:

- two are teachers
- one the College Facilitator (or equivalent future title)
- one the Business Manager (who occupies the position of Company Secretary) and
- three are parents elected through a standard AGM election process from among the members of the company.

#### Clause 4 (b) and (c) and Clause 5:

Delete

#### Clauses 7 to 31:

Replace with standard Board clauses based on best practice models including

- election at the first meeting after each AGM of a Chair and Deputy Chair
- definition of Company Secretary role
- inclusion of standard conflict of interest clauses
- inclusion of standard quorum clause appropriate to size of Board
- provision for additional Directors to be coopted by the Board
- capacity to form sub-committees

#### Remaining Clauses:

Correct typos and review whether additional clauses needed, e.g.

Reference to a registered School Building Fund

Reference to mandate of College of Teachers

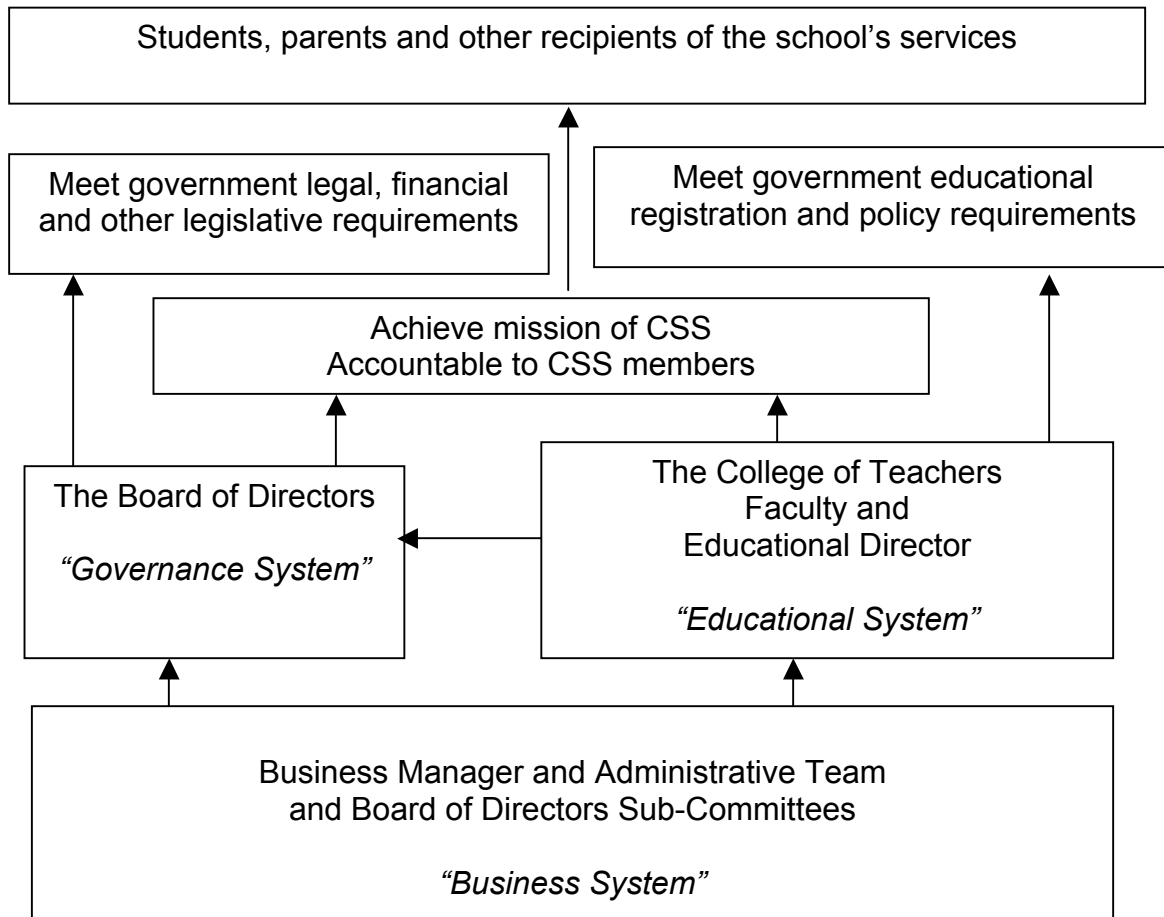
## **Roles, responsibilities & accountabilities in the proposed governance model**

- The Board of Directors is the peak management body of the school and is responsible for the financial, legal, human and physical resources of the school, while accepting advice and direction from the College of Teachers on educational matters. The Board of Directors is accountable to the members of the company.
- The College of Teachers is the peak educational management body of the school, responsible for enrolments, curriculum, educational policy and related matters, while accepting the advice and direction of the Board of Directors on financial and compliance matters. The College of Teachers is accountable to the Board.
- A College Facilitator or Educational Director position should be included in the school's administrative team to work with the College of Teachers and the Board. CSS will have a choice of options in regard to the extent to which this position takes a recognised leadership function within the school.
- The members of the Administrative team including office staff and maintenance personnel are employed by and report to the Board of Directors in the case of non-teaching staff, and are employed by the Board of Directors but report to the College of Teachers in the case of Educational Management staff.
- Every employee should have a written "Job Description", dated to indicate its currency and signed off by the Board of Directors. Job descriptions should include the key areas of responsibility, any specific delegations from the Board (financial or other), clear indication of reporting lines and accountability, and should indicate any other staff that the position is required to supervise.
- Equally, every group active in the school should have a written "Mandate" which is dated to indicate its currency and signed off by the Board of Directors. Mandate Statements should include the key areas of responsibility, any specific delegations from the Board (financial or other), clear indication of reporting lines and accountability.
- Job Description examples for business management and educational management positions can be provided by Ian Stehlik if required.
- Standard governance practices should apply, (e.g. members should absent themselves from discussions in relation to any real or perceived conflict of interest arising) in any of the above bodies or groups.

## **Appendix E (cont)**

## Roles, responsibilities & accountabilities in the proposed governance model

In graphic form the governance and communication accountabilities between the key bodies and 'systems' referred to in Section 4 can be described as:



The main lines of accountability and communication between groups and individuals are shown by the arrows, with the top lines representing the school's obligations and accountability to its various stakeholders.

To achieve clarity in governance structure and practice it is important that the responsibilities and accountabilities of the key groups and positions to each other are well understood and documented in written mandates formally approved by the Board as referred to in Recommendation 3.

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