

ACT Department of Education and
Training

Report on Evaluation of School Based Management

June 2004

Hugh Watson Consulting

Table of Contents

EXECUTIVE SUMMARY	3
The Scope of the Evaluation of Enhanced School Based Management	3
The Context of School Based Management	3
School Based Management in other Jurisdictions	4
The Aims of Enhanced School Based Management	5
The Evaluation of Enhanced School Based Management	5
The Effectiveness of Enhanced School Based Management	6
Major Issues to be Addressed	8
Scope for Further Supporting Schools	8
Recommendations	9
1. INTRODUCTION	14
Terms of reference	14
Methodology	14
Aims of Enhanced School Based Management	15
Background to SBM	16
Enhanced SBM in ACT government schools	17
Reviews of SBM in the ACT	18
Current issues in SBM	20
2. OVERALL EFFECTIVENESS OF SBM	23
3. RESOURCE MANAGEMENT AT SCHOOL LEVEL	27
Flexibility in use of SBM funds and staffing resources	27
Balancing spending and saving and managing bank balances	30
Hugh Watson Consulting	1

Transparency and understanding of budget allocations and formulae	31
Role of the school board in financial management	33
Reporting and analysis of reporting	33
The Role of the Principal as educational leader and resource manager	34
Recommendations	35
4. DECISION-MAKING AND COMMUNITY CONTROL AT SCHOOL LEVEL	37
School board involvement with SBM	37
Making community involvement a reality	39
Training for school boards	40
Recommendations	40
5. EFFICIENT DELIVERY OF SERVICES TO THE SCHOOL COMMUNITY	42
Quality of contracted services	42
Managing procurement and contracts	43
Using the Departmental buying power	46
Small schools and SBM functions	47
Risks for the Department in contract management.	48
Recommendations	48
6. CENTRAL SUPPORT PROVIDED TO SCHOOLS FOR SBM	50
Support arrangement for SBM	50
The need for expert advice and training	52
Recommendations	55
7. BIBLIOGRAPHY	56

Executive Summary

The Scope of the Evaluation of Enhanced School Based Management

This evaluation is in response to a Government requirement, made at the time of its introduction in 1997, that Enhanced School Based Management be evaluated following its full implementation. Specifically this evaluation is required to:

- provide an overview of current SBM arrangements, including a broad comparative comment on arrangements in other jurisdictions;
- analyse the effectiveness of SBM arrangements in meeting stated objectives; and
- identify the scope for further supporting schools to enhance the efficiency and effectiveness of service delivery.

The Context of School Based Management

School based decision-making has been a feature of ACT government schools since the establishment of the ACT Schools Authority in 1976. ACT government schools have been largely responsible for the development of school based curricula, assessment practices and pedagogy, underpinned by regular school based evaluation.

School based decision-making involves not only school staff but also the local community. The ACT Schools Authority Act 1976 enshrined community involvement in school governance through the establishment of school boards, detailing curriculum and resource management responsibilities. Complementing this framework of local responsibility, administrative and resource responsibilities were generally held centrally. These included staffing and facilities management.

The introduction of Enhanced School Based Management (SBM) in 1997 saw the introduction of school global budgeting and the complete devolution of responsibility and budget to schools in almost all areas of a school's operations. These areas included cleaning, grounds maintenance, some IT and communications, minor and mandatory maintenance, energy and education expenses such as classroom materials and professional development. More recently, SBM has been complemented by greater flexibility in how schools can use their staffing resources.

Providing ACT government schools with increased responsibility of how funds are spent and staff allocated was seen as a natural extension of the concept of school based decision-making, which, until 1997, had been mainly

concerned with curriculum, assessment and pedagogy. It was intended that such devolution would give schools the flexibility to direct funds to their areas of greatest priority and need, leading to improved educational outcomes for students and more effective schooling.

School Based Management in other Jurisdictions

There has been an increasing trend, both internationally and in all Australian jurisdictions, for the devolution to schools of many of the administrative and resource responsibilities previously held centrally. This trend coincided with a growing emphasis within government on global budgeting. As a result, there has been an increasing tendency among Australian State and Territory government education systems for schools to be given a single line or 'global' budget for expenditure on staffing and the purchase of services, equipment, curriculum materials, professional development and other goods¹.

Significant differences occur across jurisdictions in the extent to which global budgeting has been adopted, especially the extent to which staffing allocations are included, the range of services that have been fully devolved and the continuing existence of tied grants². Significant differences also occur in the level of administrative support provided by education systems to individual schools.

It is not really useful, nor is it practical, to 'rank' the ACT against other States and Territories in terms of the level of school based management. Nevertheless, in comparison to some other jurisdictions, the ACT government school system has adopted a strongly devolved approach to resource management, especially in regard to:

- flexibility in staffing arrangements (though not recruitment);
- the range of services included under SBM and contained within a school's global budget; and
- responsibility for tendering for services and payment of services provided.

Several important points emerged from a close look at developments in other jurisdictions. Firstly, the scope of SBM remains responsive to government determined priorities. In this regard, there is an increasing tendency in some jurisdictions for greater central control through tied grants or centrally

¹ This evaluation examined the SBM Guidelines of four jurisdictions in particular as representative of Australia in general. These were: Education Queensland: *2004 State Schools Grants and Allowances Guidelines*; NSW Department of Education and Training: *Global Funding Guidelines and Procedures 2004*; SA Department of Education, Training and Employment: *2004 Global Budget Notes*; Victorian Department of Education: *Guide to the 2004 Indicative School Global Budget*. In addition reference was made to the Tasmanian Department of Education: *2003 School Resource Package*.

² Tied grants refers to grants that must spent on specific purposes or programmes.

determined policy and administrative frameworks. Secondly, considerable investment has been made in central support capacity (people, processes, and systems), in order to ensure that benefits envisaged from SBM are realised - this is particularly the case in highly devolved education systems.

The Aims of Enhanced School Based Management

The stated aims of Enhanced School Based Management (SBM) introduced into ACT government schools in 1997 were to:

- improve educational outcomes for students through increasing the range of decision-making and resource management at the school level;
- provide for the efficient delivery of services to the school community with a minimum of administrative overheads and an emphasis on community controls; and
- provide the opportunity for local decision-making.³

The Evaluation of Enhanced School Based Management

Since the introduction of SBM in 1997 there have been three reviews, covering the effectiveness of SBM up to 1999, school funding trends between 1996 and 1998, and the roles and responsibilities of principals in school resource management undertaken in 2002. These reviews pointed to the need for improved financial and operational planning; improved financial reporting and accountability measures such as performance indicators; and greater emphasis on training and support, especially for new principals and those taking up new appointments.

This evaluation of SBM built on the three previous reviews, evaluated SBM in terms of its three stated aims and considered how best SBM might be improved, taking account of current SBM practices and developments in other jurisdictions.

Data were collected through: a comprehensive survey of principals, office managers/registrars and school boards; school visits and focus groups; an analysis of financial data from schools covering the period 1999-2002; and analysis of practice in other states and territories.

³ Consultation Document prepared by the Department: *Enhancing School Based Management in the ACT: Operational Arrangements and Allocation Mechanisms for 1997*.

The Effectiveness of Enhanced School Based Management

The consensus among principals is that SBM has been a valuable extension to those school decision-making responsibilities upon which the ACT education system is founded. They would not wish to see a return to a highly centralised approach to resource management.

Overall, SBM has given school principals greater flexibility in the way they use resources, including both staffing and non-staffing resources. For example, most principals have used this added flexibility to purchase or lease additional computing facilities, for additional classroom fittings, furnishings and targeted curriculum materials, for staff development activities, to improve buildings and grounds and for the employment of casual and part-time staff.

To what extent has this added flexibility led to the three stated aims of SBM being achieved?

The ACT school system has had varied success in meeting the three broad aims of SBM.

Improved educational outcomes for students

A little more than half the principals responding to our survey believed that SBM had had a 'moderate' or 'major' effect on improving learning environments for students, allowing funds to be more effectively targeted to meet students learning needs and giving greater professional development opportunities for staff in key learning areas. *Did this translate into improved educational outcomes for students?* Almost half the principals felt SBM had had a 'moderate' or 'major' effect on improving educational outcomes for students. In addition, up to another 20 per cent of principals felt that SBM had had a 'slight' effect on each of these aspects of effective schooling. The remaining principals considered there had been no effect on each of these educational outcomes and, in a small number of cases, that the effect had been quite negative.

The learning areas where SBM was seen to have been of most benefit, especially by providing greater access, related to Information and Communication Technologies (ICT), research skills and access to information, Technology, the Arts, Health and Physical Education, and Literacy and Numeracy.

Approximately two thirds of school board respondents thought SBM had made a significant contribution to supporting and caring for students, to providing relevant and challenging learning, and to developing citizens of the future.

Taking account of the conceptual and methodological difficulties associated with linking the impact of SBM on educational outcomes (a point re-iterated at focus group meetings), these findings are generally supportive. The

evaluation does however point to the need for greater integration of educational decision-making and resource management to maximise the potential benefits of SBM.

Efficient delivery of services

The impact of SBM on improving efficient delivery of services to the school community with a minimum of administrative overheads varied, depending on the type of service. There was evidence of moderate improvement in the delivery of building and grounds maintenance, although improvement in other servicing areas such as cleaning and scheduled mandatory maintenance was less. There were also a small number of principals who felt that SBM had had a negative effect upon the delivery of services.

Any efficiencies gained were, at times, at the expense of the principals' and office managers' time which, in the case of principals, may have taken them away from their educational leadership responsibilities.

Of particular concern were the two areas of cleaning and Heating, Ventilation and Air Conditioning (HVAC) as well as the emerging priority area of Occupational Health and Safety (OH&S). In each of these areas there was a call for much greater central support if there was to be an efficient delivery of services. This was especially the case among office managers who were generally responsible for the required administrative arrangements for these services.⁴

This did raise the issue as to whether principals were not themselves devolving sufficient SBM responsibilities to other staff such as deputy-principals and executive teachers, although in smaller schools such an opportunity does not arise. This has the added advantage of increasing the skillbase within the school and 'training' aspiring principals in resource management.

Increased opportunities for local decision-making

The impact on local decision-making has been to significantly increase the speed of school based decision-making, ability to set school priorities, control over resources and the range of matters on which decisions are based. At least 75 percent of principals reported a 'moderate' or 'major' effect in each of these areas, with up to another 20 per cent reporting a 'slight' effect. However, taking account of both survey results and focus group discussions, the impact of SBM on school board involvement in decision-making in those areas where it has legislative responsibility has been less. For a considerable number of schools SBM does not appear to have led to school boards having a significantly greater involvement in decision-making. For those schools, school board involvement has increased only slightly or not at all. Nor has

⁴ The Department has recently introduced new procedures that will streamline the tendering process for cleaning contracts.

SBM increased the opportunities for greater local community involvement to a significant extent.

What was clear was that the principals' approach to SBM determined, to a considerable extent, the extent of involvement of both the community and teachers in school based decision-making. The nature and duration of appointments to school boards, as well as the limited availability of parents, may also influence the level of community involvement.

Major Issues to be Addressed

The evaluation identified a set of issues that need to be addressed as part of any strategy to improve the overall effectiveness of SBM in ACT government schools. These issues are not unique to the ACT school system but are evident in other jurisdictions where there has been substantial devolution of resource management. These issues are:

- a too tenuous link between management of resources and achievement of educational outcomes, with many principals regarding the resource management responsibilities of SBM as merely an administrative function, rather than a function which provides opportunities to modify pedagogy and curriculum to better address student learning needs;
- an expansion of the role of the principal as functions are increasingly devolved, making their need for, and relationship with, skilled bursars and financial managers critical in school performance;
- school board involvement in decision-making not being commensurate with their legislative responsibilities for school budgets, priority setting, monitoring resources or performance; and
- a continuing and inevitable tension between the appropriate level of central guidance and monitoring, to ensure that accountability to government for educational outcomes can be assured, and autonomy in local decision-making is maintained.

Scope for Further Supporting Schools

The evaluation was required to pay particular attention to identifying the scope for further supporting schools to enhance the efficiency and effectiveness of service delivery.

SBM has moved through the first seven years of implementation with a highly devolved model. There is support for the continuation of that devolution, and in the last year the Department has responded to the demand from schools for more assistance by building the capacity of the Schools and Corporate Support Unit. This evaluation has concluded that further investment in central support

for schools has to be made and this needs to be addressed by the Department if the ACT's SBM model is to continue to develop and improve. The evaluation identified the following areas in need of improvement:

- the need expressed by schools for central and specialist expertise on complex contractual issues, streamlining tender processes, efficient ways to manage contracts and strategic asset management;
- the need for improved systems and monitoring routines that readily provide reports which give good information about the financial position of schools across the whole ACT system, and the state of assets held in the school system;
- the need to give attention to further developing effective ways of consultation with schools which ensures understanding and ownership of decisions taken, for example, in regard to changes to the funding formulae;
- the need to increase the tools available to assist school principals and office managers with modeling resource use, budgeting and monitoring the school's performance;
- the need for an enhanced SBM training effort following a tailing off of effort on training after the first years of implementation of SBM while turnover amongst both principals and office managers continued; and
- the need to update the SBM Manual to have an SBM policy and management framework that integrates educational, financial, facilities and asset management stakeholders within Central Office.

Recommendations

The recommendations to address these issues and to assist in the next stage of development of SBM are set out below. These recommendations focus upon consolidating the achievements so far made and improving the level of central office support and advice to schools. They should not be seen as suggesting greater central control of school based decision-making nor greater centralisation of function. The recommendations are proposed as a means of better meeting the objectives set for SBM.

1. **Specialist expertise and central support and consultation processes**

In response to the need for expert advice we recommend that:

Expert staff be available to schools to assist with complex contractual and works programming matters so that professional staff, and

principals in particular, are freed up for mainstream educational activities. (Rec 6.1)

In order to address the need for strong co-ordination between those units in Central Office with SBM responsibilities for the continuing development of SBM policy and associated accountabilities, we recommend that:

The Department give serious consideration to the development of explicit linkages between the educational and resourcing areas of the Department to ensure that SBM policy and accountability takes full account of both the educational and resource management aspects of school based decision-making. Consideration needs to be given as to how such organisational arrangements will interact with schools and the School Resources Group. (Rec 6.2)

To address the difficulties experienced by small schools with SBM we recommend that:

The Department considers Central Office managing the tendering process on behalf of the small schools for cleaning, HVAC maintenance and grounds maintenance. Once the tender was let, the schools would manage the contract. (Rec 5.5)

To better exploit the buying power of the schools as a whole system we recommend that:

The Department explores every opportunity to use preferred supplier agreements for both goods and services. (Rec 5.4)

2. Systems and monitoring

To improve the nature of the reporting and analysis of the financial state of schools at a whole of system level we recommend that:

Guidance, through an annotated chart of accounts, be given to schools on the allocation of items to expenditure types, so that greater consistency can lead to accurate comparisons of expenditure. This guidance should occur at the start of a new financial reporting period. (Rec 3.4)

Central Office develops financial health indicators and benchmarks for 'like schools'. (Rec 3.5)

The Department makes some additional investment in its school management and financial management information systems to further develop its capacity to undertake analysis of trends in expenditure of different expenditure types. Such analyses should

occur across the system as a whole, and for groups of 'like schools' and/or schools within sectors or a region. (Rec 3.6)

To reduce the risks associated with ignoring non-emergency maintenance we recommend that:

Central Office uses the information collected through the rolling school building audits and the information in financial data about expenditure on maintenance in schools to highlight the major areas of risk for maintenance; and

Central Office monitors by exception minor maintenance expenditure so that early warning of maintenance being ignored at any school can be identified for attention by the school. (Rec 5.6)

3. Tools to assist schools

To assist principals to use the flexibility within their global budgets, we recommend that:

The Department provides some budget modeling tools to assist principals and school boards in the formulation of school budgets and rolling three year financial plans. (Rec 3.7)

4. Training and Development

To address the difficulties experienced by newly promoted principals in understanding the historical budget expenditure in their school, as shown in the above rolling three year financial plans, and developing their first budget for the school, we recommend that:

Training for new principals in resource management and budgeting be provided at the time of preparation of their first budget in the new school and that they be further supported with a mentoring program for at least their first year as a principal. (Rec 3.1)

Consideration should be given to making training in SBM mandatory for aspiring principals. Such training would emphasise the links between educational outcomes, educational decision-making and resource management and include tendering and managing contracts, asset management, financial management and executive management. (Rec 6.4)

To improve the effectiveness of school board operation, we recommend that:

The current training for school boards be reviewed and supplemented by coaching. Priority should be given to ensuring school boards at their initial meetings fully understand their responsibilities and relationship to the principal, P&C and staff. Consideration should

also be given to using the new technologies, such as DVDs and videos for training and development purposes. (Rec 4.3)

Consideration could also be given to extending the same coaching to the P&C committees in consultation with the P&C Council. (Rec 4.3)

To respond to the expressed need for training and in recognition of the turnover in principals and office managers, we recommend that:

Training be developed/upgraded and regularly scheduled for principals in executive management, including building relationships with school boards and P&Cs, financial management, and the principles of asset management. (Rec 6.3)

Training be developed/upgraded and regularly scheduled for office managers in priority setting and managing competing priorities, project management as a tool for planning and time management, people management, financial management, and contract management. (Rec 6.5)

5. Management of contracted services

The vehicles to address the difficulties being reported in carrying out procurement are already being improved through new templates for cleaning, training programs developed over the last year and the regular monthly office managers' meetings; the latter being regarded by office managers as the best means of exchanging and gaining information. We recommend that:

The Department continues the development of these programs and, with schools, looks for opportunities for further streamlining of procurement processes. (Rec 5.1)

The Department should play a more active role in developing the agenda for the office managers meetings with the School Resources Group and the office managers. (Rec. 5.2)

In order to be able to properly monitor contracted services we recommend that:

In consultation with schools and in the context of the rolling audit program, the Central Office establishes minimum standards for cleaning, buildings and grounds maintenance and HVAC. (Rec 5.3)

6. Local planning and decision-making

To address the level of understanding in schools and the transparency of the funding formulae and allocations we recommend that:

The continuing implementation of SBM be assisted by Central Office improving the consultative process to gain greater transparency on any changes to the funding formulae. By so doing there would be greater acceptance and understanding of the basis of SBM funding. (Rec 3.2)

To increase the involvement of school boards in the budget process consistent with the School Excellence Initiative and their accountability for the School Improvement Framework and, we recommend that:

Schools principals be required to assist their school boards to use and report on the School Improvement Framework through the School Board Annual Report. (Rec 3.3)

To address the fact that a significant number of school boards are not as involved in school based decision-making as envisaged in the objectives of SBM and relevant legislation, we recommend that:

The need for principals to engage teachers and parents in SBM decision-making, and for that decision-making to be transparent, should be stressed through principal forums, training, recruitment and induction. (Rec 4.1)

To encourage greater participation by the community in school based decision-making we recommend that:

The Minister make a media statement at an appropriate time each year encouraging parent participation in P&C and school board elections. (Rec 4.2)

To improve the effectiveness of school board operation, we recommend that:

The Department improve the extent and nature of feedback given to school boards on their annual board reports to the Department. (Rec 4.4)

These recommendations are intended to ensure that SBM in ACT schools continues to evolve and improve. It is a system of governance that will always require active monitoring and continuous improvement by both schools and the Department as a whole.

1. Introduction

This evaluation is being conducted seven years after the introduction of enhanced school based management in ACT schools in 1997

Terms of reference

The evaluation was required to:

- provide an overview of current SBM arrangements including a broad comparative comment on arrangements in other jurisdictions;
- analyse the effectiveness of SBM arrangements in meeting the stated objectives; and
- identify the scope for further supporting schools to enhance the efficiency and effectiveness of service delivery.

Methodology

The methodology for the evaluation comprised the following steps:

- confirmation of the methodology and evaluation questions with a Reference Group;
- a review of system financial data and selected school data. A sample of primary schools, high schools and colleges was selected to include representatives from each of the categories of enrolment size, location, and age of school. Detailed financial analysis was performed on the discretionary income, discretionary expenditure and year end funds for the years ended December 1999 to 2002 as reported in the finance reports submitted by the school boards to the Department;
- a review of SBM documentation and comparison with other jurisdictions;
- surveys of school principals, office managers/registrars and school boards on their perceptions of the effectiveness of SBM. For principals, the survey covered the effectiveness of SBM since its introduction, school expenditure, school decision-making, the impact on educational outcomes, efficiencies from SBM, future planning,

training needs and support arrangements for SBM. For office managers and registrars the survey covered time spent on SBM, the ease of meeting SBM requirements, the efficiency of the tendering and contract management processes, the quality of service providers, suggested improvements and training needs. For school boards the survey covered the benefits of SBM, SBM's impact on the overall running of the school, tendering and contract management processes, board involvement in SBM and support arrangements for SBM⁵;

- analysis of the survey results to ascertain the key issues;
- interviews with the principals and some office managers in 18 schools regarding their experience of SBM;
- interviews with key SBM personnel responsible for finance, procurement and assets in the Department;
- a discussion with the School Resources Group;
- meetings/discussions with key stakeholders: the Australian Education Union, the LHMU and the CPSU and the ACT Council of P&C Associations;
- focus groups with principals, office managers/registrars, teachers and board members to discuss possible options to improve the effectiveness of SBM;
- development of a draft report for discussion with the Reference Group; and
- writing and submission of the final report.

The evaluation began in September 2003 and was completed by May 2004.

Aims of Enhanced School Based Management

The stated aims of Enhanced School Based Management (SBM) introduced into ACT schools in 1997 were to:

- improve educational outcomes for students through increasing the range of decision-making and resource management at the school level;

⁵ Of the 96 schools in the system, a total of 87 principals, 65 Office Managers and 50 School Board Chairpersons responded.

- provide for the efficient delivery of services to the school community with a minimum of administrative overheads and an emphasis on community controls; and
- provide the opportunity for local decision-making.

The introduction of SBM saw the complete devolution of responsibility and budget to schools in the areas of cleaning, grounds maintenance, some IT and communications, minor and mandatory maintenance, energy and education expenses such as classroom materials and professional development. It was intended that such devolution would give schools the flexibility to direct funds to their areas of greatest priority and need.

The necessary conditions for a system to operate successfully with devolved management have been shown through many organisations' experience to include:

- central development of policy frameworks and provision of specialist expertise to support the devolved units;
- centrally provided tools to assist managers in the devolved units and benchmarks or indicators against which the health of the individual units can be monitored; and
- clear accountability and reporting from the devolved units with central monitoring and analysis of the data to assess the overall condition of the system.

We have taken these principles into account in evaluating SBM.

Background to SBM

Since the establishment of the ACT educational system in the mid-70s, schools in the ACT have been given considerable autonomy in the development of school based curriculum and community involvement in school decision-making and evaluation. The Schools Authority ACT 1976 enshrines community involvement in school governance through the establishment of school boards. A form of school based management has thus operated in the ACT since the system began. The ACT school system was a leader in school-based curriculum development with ACT teachers playing a leading role in developing innovative curricula for the new system.

More recently, and reflecting a trend both internationally and in other Australian jurisdictions, there has been devolution to ACT schools of resource and administrative responsibilities previously held centrally.

This shift in resource and administrative responsibility is generally referred to as *School Based Management* (SBM) or, in some jurisdictions, *Local School*

Management (LSM). SBM responsibility can include responsibility for both staffing and non-staffing resource allocations within the school.

By providing schools with responsibility for how funds are spent and staff are allocated, it was expected that such flexibility would lead to:

- greater school autonomy, building on existing curriculum and evaluation responsibilities held by schools;
- increased staff involvement in decision-making;
- capacity for increased innovation, creativity and experimentation;
- removal of centralised bureaucratic control;
- more efficient use of resources;
- potential for savings and increased investment earnings;
- better targeting of resources to meet local needs;
- improved learning outcomes for students; and
- greater accountability in the achievement of educational outcomes.⁶

The introduction of SBM has coincided with the emphasis within government on output budgeting, with accountability being in terms of the outcomes achieved rather than how funds have been expended. As a result, there is an increasing tendency among Australian State and Territory government education systems for schools to be given a single line or 'global' budget for expenditure on staffing and the purchase of services, equipment, curriculum materials and other goods, with accountability in terms of specified educational outcomes. The introduction of SBM has also coincided with the more common practice of outsourcing the provision of basic maintenance and infrastructure services.

Enhanced SBM in ACT government schools

Since 1997, SBM has seen the devolution of greater resource and administrative responsibilities to ACT government schools than they previously held. As already noted, schools had held considerable autonomy since the mid-70s for school curricula and pedagogy, with significant community involvement through school boards in school decision-making and evaluation⁷. In regard to the allocation of resources within the school, school

⁶ These are typical of the expected benefits mentioned by jurisdictions across Australia in their SBM guidelines.

⁷ During the late 1970s, The ACT government education system was regarded as a leader among Australian educational systems in this regard.

boards through the Schools Authority Act 1976 have held major responsibilities, including to:

- determine the purposes for which funds provided to the school are used, approving the budget and accounting for funds in accordance with legislation, including providing financial reports on expenditure; and
- assess from time to time the needs of the school in relation to the provision of buildings and facilities, equipment, funds and teachers and other staff and make recommendations to the ACT Schools Authority (now, the Department) with respect to meeting those needs.

Prior to 1997, schools were allocated per capita grants to cover administrative and office requisites and curriculum materials, some funding for minor maintenance of buildings and an allocation of .5 days per full-time staff member for professional development. Schools also had input into staff selection processes.

In recognition of the considerable responsibilities already held by schools, the reforms to SBM in 1997 were referred officially by the Department as *Enhanced SBM*⁸.

A key feature of SBM since 1997 has been the opportunity for schools to manage a wide range of services, such as utilities, maintenance, cleaning and communications from within an overall SBM budget allocation, create efficiencies and direct savings to educational services and materials. ACT schools are able to apply savings (unspent funds) made in one area of their budget to other areas, giving them greater flexibility and greater control over resource management issues. This was a clear expectation of both the Department and schools and is reflected in the objectives of SBM.

Progressively since that time, schools have been given greater responsibility in deciding their staffing profile, including the interchange of teaching and non-teaching points and the interchange of staffing points and cash.

Reviews of SBM in the ACT

Since the introduction of SBM in 1997, there have been three reviews undertaken of particular aspects of its implementation.

⁸ For the purposes of this report, such a distinction is not made and the generic term SBM is used throughout.

Review of Schools' Funding Trends: 1996 to 1998⁹

This analysis identified significant increases in cash balances, discretionary funding due to inclusion of SBM funds, and accrued interest on bank balances, with only a small increase in voluntary contributions and subject levies. The analysis identified savings¹⁰ in schools as a result of the introduction of SBM, with savings totaling 16 percent over the two years following the introduction of SBM. Most savings came from the administrative allowance (62 percent), energy (20 percent) and minor maintenance (12 percent). Savings were often held in cash balances rather than expended on other items, including educational items.

- The Review recommended that all schools adopt a rolling three-year financial plan from the commencement of year 2000, with a copy to be forwarded to the Department.
- The Review also highlighted several difficulties in how expenditure was categorised which would limit future trend analysis.

Progress Report by the School Resources Group July 2000¹¹

The School Resources Group of the Department examined the above review of funding trends and the results of a survey of the attitudes and views of ACT principals, office managers/registrars and school board Chairpersons about SBM since its introduction. The School Resources Group found that:

- there were more funds available for schools for discretionary purposes as a result of SBM;
- with more strategic financial management training, and a greater recognition of the predictability of revenue (SBM funds), schools would be better placed to take advantage of the increased flexibility SBM arrangements had given them;
- training was needed on an on-going basis, that training was required in areas additional to financial management and that tailored financial management training would benefit school boards; and
- the continuing implementation of SBM would be assisted by improved financial reports, reviewing the form and content of the School Management Manual, and communicating again to schools the basis for SBM allocations.

⁹ Review of Schools' Funding Trends 1996 to 1998, a Report prepared for the School Resources Group August 1999.

¹⁰ The term "savings" was used to refer to a situation in schools where expenditure was less than the funding allocated.

¹¹ School Based Management: A Progress Report by the School Resources Group, July 2000

The School Resources Group also referred increased staffing flexibility issues to the Human Resources Branch for consideration.

Resource Management in ACT Government Schools (November 2002)¹²

This report focussed upon principals as resource managers and their training and support needs, including:

- development of performance indicators for resource management;
- identification of key information about the state of a school's finances that would assist an orderly changeover of principals; and
- training for new principals in the areas of resource management, including mentoring programs for principals.

These reviews pointed to the need for improved financial and operational planning, improved financial reporting and accountability measures such as performance indicators, and a greater emphasis on training and support, especially for new principals and those taking up new appointments.

Current issues in SBM

A review of the literature and developments in other states and territories shows that the introduction of school based management of resources in conjunction with a move towards global budgeting has not occurred without considerable questioning of its effectiveness. The findings in other states will be of varying relevance to the ACT because of the different stages of development of SBM in each state.

Impact on student learning. Of prime concern has been whether there is an established link between school based management of resources and improved student learning outcomes. For example, principals and educators in both Victoria and South Australia, where schools have most autonomy in resource management at the school level, have argued back and forth about the nature of the relationship, if any, between SBM and student learning¹³. In the ACT, Maureen Boyle's analysis during the early stages of SBM found, among principals, a high level of disagreement that any measurable gains could be achieved in the longer term¹⁴. However there did appear to be some evidence that SBM enabled principals to modify pedagogy to better address student learning needs, which, in turn was likely to lead to improved student learning. Overall however, principals viewed SBM more as an administrative function

¹² Resource Management in ACT Government Schools Draft Report, prepared for the School Resources Group, November 2002

¹³ See for example editions of *Principle Matters* during year 2000.

¹⁴ See Maureen Boyle's article The 'new style' principal: Roles, reflections and reality in a self-managing school - *The Practising Administrator* (4) 2000.

distinct from a function providing such opportunities, a view also found in a study of Tasmanian principals.

This suggests the need for SBM training to be far more inclusive rather than being solely focussed upon financial and asset management. SBM training also needs to integrate flexible resource management with the creation of student learning opportunities.

The role of principals. A second concern has been the extent to which SBM has expanded the role of principals and the extent to which that may have affected their educational leadership responsibilities. The Vinson Review of NSW Public Education¹⁵ reported widespread agreement among teachers, principals and district superintendents that the role of the principal has expanded exponentially in recent years, and is now reaching breaking point. The Review argued that to address this issue, "schools need bursars and financial managers on reasonable salaries to administer the complexities of school finances, freeing educational leaders to concentrate on the curriculum, teaching, learning, student welfare, promoting public education and supporting students with special needs." The Review continued and pointed out the important connection between the roles of school administrative support and the principal.

The role of parents and the community. A third concern is the critical role of parents and the community in school governance now that schools are being increasingly responsible for the management of large global budgets. Yet there is a view that, for example, school boards are not significantly involved in SBM and, if they are, desire more meaningful and empowering decision-making. A detailed analysis of the role of school councils in Tasmanian government schools showed that school councils were far less positive in terms of their perceived impact upon school management policies and practices, staffing policies and practices and school-community relations than principals.¹⁶ This is despite a high degree of devolution and SBM having been in place in the Tasmanian government education system for many years. The Vinson Report was straight to the point in terms of NSW government schooling - in discussion with parents, the Inquiry came to the view that in many instances parental contribution to education decision-making was tokenistic at best.

Engagement of teachers. The extent to which teachers have become engaged in SBM appears quite limited and, from studies such as the above cited Tasmanian study, many teachers do not view SBM as an opportunity for

¹⁵ See Vinson Report of the Public Enquiry into Public Education in NSW (Chapter 12 on Governance)

¹⁶ Mulford Bill, Hogan David & Lamb Stephen, Professional and Lay Person's Views on School Councils in Tasmania, in *Leading and Managing*, Vol 7, No. 2, 2001, pp. 109-130. Also see Mulford Bill & Hogan David, Local School Management: The Views of Tasmanian Principals and Teachers, in *Leading and Managing*, Vol 5, No.2, 1999 pp. 139-161

improving educational outcomes - rather it is purely a resource management device.

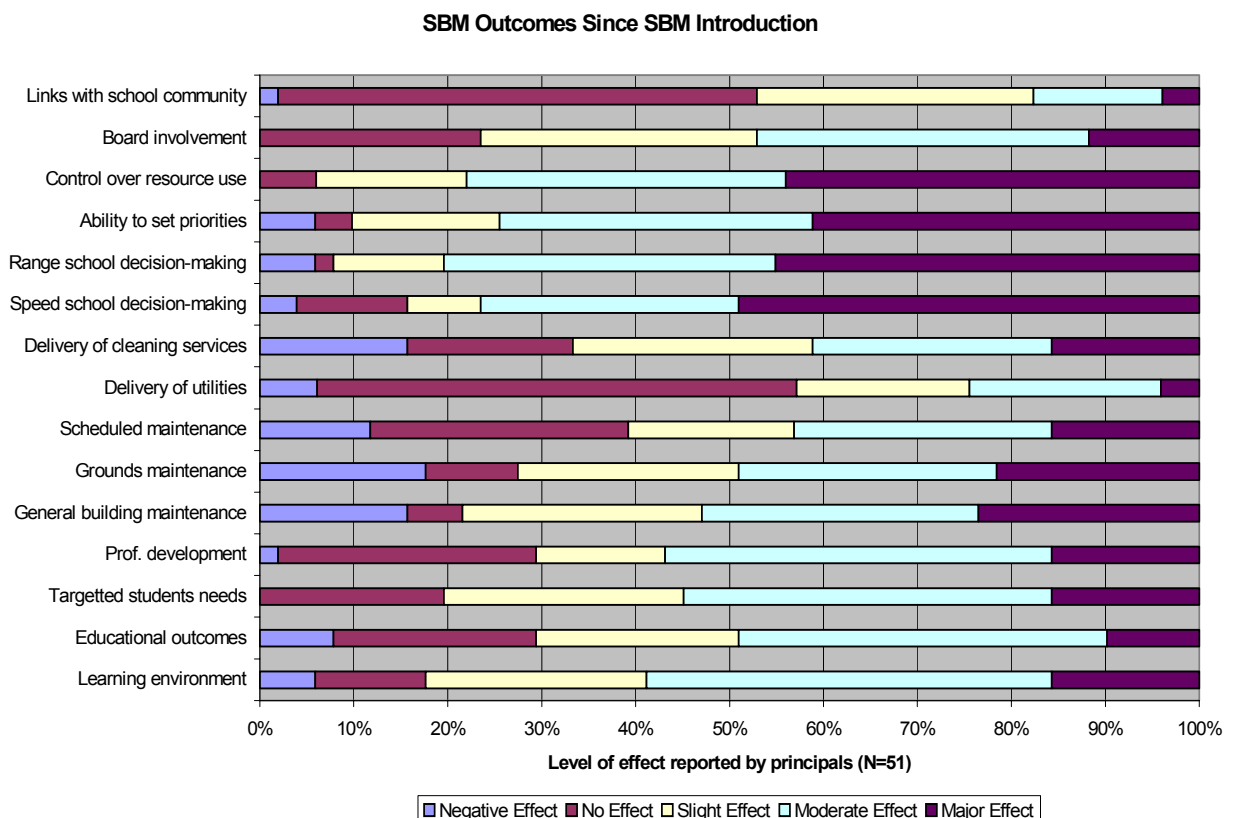
Maintaining government educational priorities. With the extension of SBM to include more aspects of resource management, there is some concern that this has been accompanied by a more managerial approach to devolution, with an increased emphasis upon educational policies and frameworks, as well as administrative procedures and guidelines, determined centrally. This tension between different levels of governance provides a real challenge to both schools as educators, and Central Office as being responsible to government, for implementing educational priorities¹⁷.

¹⁷ See for example the treatment of the potential tension in the Vinson Report of the Public Enquiry into Public Education in NSW (Chapter 12 on Governance).

2. Overall effectiveness of SBM

Views expressed in the survey and consultations indicated that Enhanced School Based Management has been effective in meeting some objectives and partially effective in meeting others

The table below illustrates the principals' perceptions collected through the survey of the impact of SBM on different aspects of a school's operation and performance¹⁸.



¹⁸ Based on the responses of 51 of the 87 principals in the survey who were either principals prior to SBM or held positions of responsibility which included management of overall school resources prior to SBM.

Impact on local decision making

The major impact of SBM has been to improve *local decision-making at the school level*. Over 75 percent of principals considered SBM had increased the speed of school based decision-making, increased the range of school decision-making and resource management, enhanced the school's ability to set priorities and gave more control over how resources are spent - as measured by a 'moderate' or 'major' effect. About another 20 per cent of principals indicated a 'slight' effect.

The effect of SBM upon school board involvement in decision-making and developing links with the local community was less.

- Slightly less than 50 per cent of principals considered SBM had had a 'moderate' or 'major' effect on school board involvement, leading to greater school board involvement in setting priorities for the school, with another 30 per cent indicating a 'slight' effect. Fewer principals considered SBM had led to improved links with the community.
- One third of school board respondents considered that SBM had made a 'moderate' or 'major' contribution to engaging parents, carers and the community in education, with another one-third indicating a 'slight' contribution.

Focus groups reported that the involvement of the school community in decision-making about the school had not changed to any significant degree with the introduction of SBM.

Impact on efficient delivery of services

The impact of SBM on improving the efficient delivery of services to the school community with a minimum of administrative overheads varied, depending on the type of service. There was evidence of moderate improvement in the delivery of building and grounds maintenance. About 50 per cent of principals considered that SBM had had a 'moderate' or 'major' effect on the delivery of building maintenance and grounds maintenance services, with another 25 per cent indicating a 'slight' improvement'.

The impact on services such as cleaning and scheduled mandatory maintenance was generally positive although somewhat less than building and grounds maintenance. A small but significant number of principals indicated a negative effect upon the delivery of services, especially cleaning, grounds maintenance and general building maintenance.

Office managers, both in their responses to the survey and in focus groups, reported mixed results in the efficiency and quality of services delivered to the school community. Over 40 per cent respondents to the survey felt that the

procurement of the following services had become less efficient over recent years: cleaning, scheduled mandatory maintenance and HVAC. This was, at least in part, due to the increased complexity of processes that had been introduced to meet whole-of-government requirements.¹⁹

There did however appear to be an improvement in the quality of service provision over recent years for a significant number of schools, with about 40 per cent reporting improved quality for cleaning and grounds maintenance.

Impact on improving educational outcomes

Assessing the impact of an educational policy or programme, such as SBM, upon student outcomes is not straightforward. At best, it only gives a general indication of whether or not the policy or programme has contributed to an improvement in student outcomes. Taking this into account, the survey of principals indicated that:

- just over half the principals believed that SBM had led to improved learning environments for students, allowed funds to be more effectively targeted to meet student learning needs and given greater professional development opportunities for staff in key learning areas (as indicated by a 'moderate' or 'major' effect); and
- almost half the principals agreed that SBM had contributed, to a 'moderate' or 'major' extent, to improved educational outcomes for students.

Another 20 per cent of principals indicated that SBM had had a 'slight' effect in these areas.

Principals identified ICT as by far the most common learning area benefiting from SBM resourcing decisions, with 60 per cent of principals indicating that SBM had made a 'moderate' or 'major' contribution to improved ICT skill levels among students. Other learning areas to benefit significantly were: research skills and access to information through improved library resources, Technology, the Arts, Health and Physical Education, and Literacy and Numeracy.

About two-thirds of school board respondents indicated that SBM made either a 'moderate' or 'major' contribution to *supporting and caring for students* and to providing *relevant and challenging learning*. Only slightly less school board respondents felt that SBM made a significant contribution to developing students into *citizens of the future*. The remaining school boards tended to indicate a either 'slight' contribution to improvements in these areas or there being no effect.

¹⁹ The Department has recently introduced new procedures that will streamline the tendering process for cleaning contracts.

There was, however, a very small group of principals who felt that SBM had had a negative impact on educational outcomes and the quality of the learning environment. They argued that SBM had reduced their educational leadership role in the school as well as other senior staff involved in SBM. There was also a small group of principals who saw no connection at all between SBM and its expected outcome of improved student outcomes. Similar concerns were raised by a small number of school boards.

Some school board members in focus groups also raised concerns that the principal at their school had spent less time in the educational leadership role as a result of spending time on SBM tendering and contract management tasks.

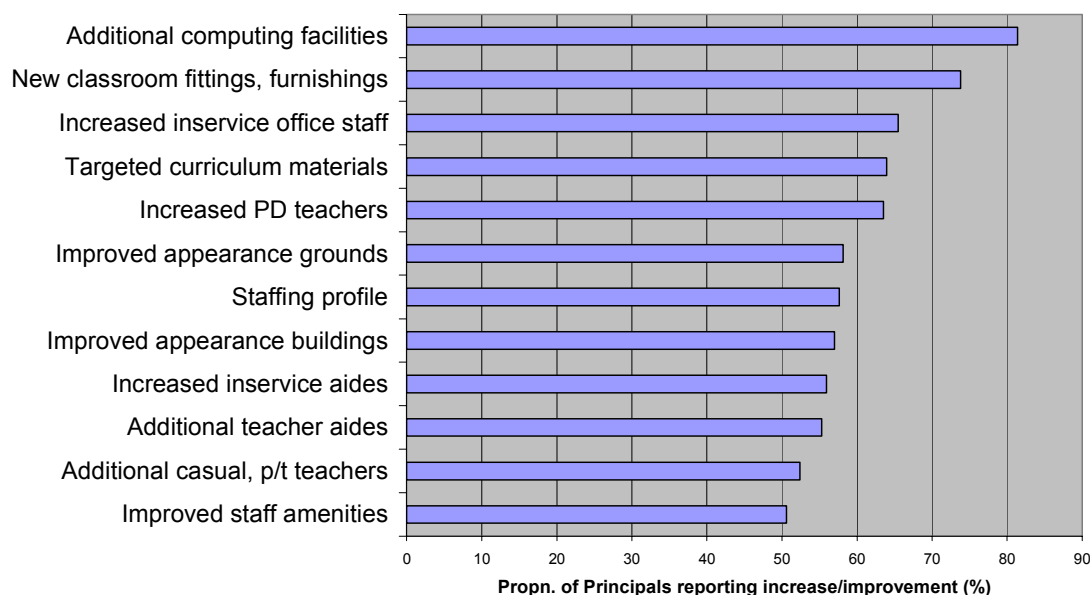
3. Resource management at school level

Giving schools flexibility in the use of departmental funds and staffing allocation to best address student needs is a key feature of SBM

Flexibility in use of SBM funds and staffing resources

Schools use the flexibility inherent in SBM in all aspects of school management: staffing, curriculum, maintaining a skilled staff and facilities management. Below is a listing of the most frequently mentioned aspects of school management that have benefited from SBM flexibility during the last 4 years²⁰.

Most Frequently Mentioned SBM Resource Decisions Resulting from SBM Flexibility



There were some differences in the top priorities adopted by primary schools, high schools and colleges when using the flexibility of SBM to allocate

²⁰ Note that this is a listing of SBM decisions and does not reflect the amount of SBM funds allocated.

resources. Significant differences worth noting in how schools used SBM flexibility included:

- while at least 75 per cent of college and high schools used SBM flexibility in *setting their staffing profile*, fewer primary schools did so (50 per cent);
- more primary schools tended to use SBM flexibility to *increase curriculum options* (41 per cent), compared to high schools (28.5 per cent) and colleges (0 per cent); and
- colleges tended to direct funds more to *school grounds and student amenities* (more than 85 per cent) than high schools and primary schools (about 50 per cent).

Principals were given the opportunity in the survey to indicate what areas of the school's operation were regularly allocated less funding in order to meet other higher priorities and the reasons for this. Their responses were useful in identifying the major directions taken by schools when making "trade-offs" in their school's budget.

The main areas of the school's operation where less budget funds were allocated due to budgetary pressures were generally related directly to education, such as:

- less budget available to the curriculum, including the library;
- less budget available to ICT than was felt necessary to meet emerging needs; and
- less budget available to the continuing development of teachers and administrative staff than required.

The point should be made that schools have received additional funding for ICT in recent years. The issues raised in the survey relate to decisions taken by schools regarding the allocation of their funds and the continuing concern faced by all organisations, including schools, of continuing demands in the ICT area.

As well as some schools claiming insufficient funding was available for staff development, several other financial issues relating to professional development were raised in surveys and during focus groups and school visits. For example, at the school level there was a lack of clarity about what constitutes professional development expenditure and how it is categorized for reporting purposes, severely limiting the extent to which expenditure information on professional development can be monitored across the system. Some schools also argued that the outsourcing of professional development activities has led to increased costs and that these costs are increasing at a greater rate than SBM fund increases. The priority being given to ICT at the

apparent expense of several KLAs was another issue raised. Finally, with untied SBM funding for professional development there could be some concern about a possible gradual and unobserved deskilling of the teaching and administrative workforce in particular areas seen as lower priority, especially if funding available for professional development is under pressure.²¹

In discussions with Central Office, the Evaluation Team noted that school based professional development programs have been complemented by centrally provided professional development initiatives since SBM had been introduced. For example, there are or have been professional development funds available for ICT and Literacy and Numeracy; for the Professional Learning Fund which generates \$1m per year recurrent funding, much of which is accessed by schools; and for a fellowship program, which operated for 3 years and provided \$500,000 per year for teachers to engage in professional learning leading to qualifications. The principals also have had access to an Enterprise Bargaining Agreement fund of \$100,000. By providing some targeted professional development funding, Central Office has tried to maintain a balance between the discretionary use by schools on their SBM funds for professional development and their access to centrally delivered programs. Furthermore, more funds are now available for professional development than prior to the introduction of SBM and, through clustering initiatives, private service providers can deliver professional development activities at a reasonable cost.

The other areas of the school's operation that tended to be given lower budget levels than was felt warranted were maintenance and furniture/equipment replacement.

In both the survey and school visits principals indicated that budgetary pressures mainly came from insufficient SBM funds to meet rising and sometimes new costs associated with greater use of ICT in schools, cleaning and utilities. Some principals also indicated that unavoidable maintenance costs and increasing vandalism placed undue pressure on the school's budget.

From this analysis it would appear that the efficiencies identified in the 1996-1998 financial analysis and supported by the 1999 survey findings have not continued to be gained over recent years. For example, efficiencies were initially gained in respect of cleaning and utilities. Both the 2003 survey, school visits and especially the financial analysis of the 1999-2002 period suggests that expenditure in these areas has actually risen since 1999, reversing the savings reported in the 1996-1998 analysis, and creating pressure on other areas of the school's operation. Undoubtedly costs have risen during this period and there is anecdotal evidence from the school visits

²¹ This issue was raised by one jurisdiction where Professional Development funds to schools had remained 'tied', despite operating under a global budget.

that recent cleaning contracts have seen a rise in price due to an increased focus on OH&S and award wage requirements.

Balancing spending and saving and managing bank balances

In general schools in all sectors are managing well and demonstrating a good balance between spending and saving. Within the sectors:

- primary schools, in the sample in aggregate, generated a “surplus”²² of 3% of income over the four year period, 1999 - 2002. However there was a wide variation between individual schools ranging from a 9% deficit to a 13% surplus;
- high schools generated a 1% deficit during the four year period, but like the primary schools there was a wide variation between individual schools; and
- colleges generated a 1% surplus over the four year period.

We reviewed the level of year-end bank balances for all schools and colleges, in aggregate, for each year from 1996 to 2002. There was a substantial increase in the period from 1996 to 1998 with the overall total rising from approximately \$5 million to almost \$15 million. Since 1998 the total has remained between \$14.7m to \$16.6m except for 2002 when it increased to \$19.6 million.

We also analysed the trends for the year-end bank balances for the three main sectors of primary schools, high schools and colleges.

- primary schools have increased from \$2.2million in 1996 to \$7 million in 2002 and overall show a continuing increasing trend.
- high schools increased from \$1.5m to \$3.3m in the first two years but have shown no sustained increase since 1998.
- colleges also show a substantial increase in the initial period. From 1996 to 1999 the year end balance increased from \$1.1m to \$4.8m, followed by a period with no sustained increase.

All sectors showed a peak balance in 2001 but returned to former trends in 2002.

²² Surplus is used to mean discretionary income exceeded discretionary expenditure, not taking account of reserves

The Department has recently released guidelines for cash management to assist schools in determining the level of cash holdings which best suits their needs. It advises that schools should aim to hold 15% (colleges), 17% (high schools) and 20% (primary schools) of their annual SBM funding as working capital. Many schools are currently holding funds significantly in excess of these levels.

In interviews with schools, a number of reasons were cited for holding large bank balances and these included:

- principals identifying that they are conservative and reluctant to take risks that may leave their schools in a difficult or tight financial position;
- the need to save for specific major items;
- schools with a need for high levels of funding for special programs being uncertain about obtaining the allocation they need;
- a fear of the impact that declining enrolments will have on their level of funding;
- the uncertainty of being able to obtain central funding for minor new works and school upgrades; and
- uncertainty as to whether the Department will assist financially if an unforeseen event should occur.

The majority of the schools visited had accumulated reserves in order to meet the costs of planned activities or programs. Nevertheless there needs to be a balance between the use of current funds on current students (for whom they were intended) and building a reserve to undertake school improvements in specific areas.

Transparency and understanding of budget allocations and formulae

In the survey results, focus groups and school visits, principals believed that the funding formula did not provide sufficient funds for their school to meet the 'real' costs of cleaning and utilities nor were there sufficient funds to meet ongoing maintenance costs. Principals believed that cost increases in these areas outstripped rises built into the funding formula. Within a 'global budgeting' context, these pressures impacted negatively on other aspects of the school's operations.

Central Office staff expressed a different view about the budget allocations and their adequacy to meet current costs. For example, they felt the historical allocation for cleaning remains sufficient to meet the costs of most schools. In fact Departmental data indicates the actual expenditure of some schools on

cleaning in recent years has been lower than the allocation and the residual funds from the allocation have been moved to other areas by the principals.

Funding allocations based upon historical costs, with annual indexation, require periodic 'reality' checking to ensure that costs have not increased excessively. This has not regularly been the case in the ACT. Alternatively in areas such as utilities, a rolling three-year historical record of actual costs can be used as a basis for allocations with inbuilt checks to ensure schools limit expenditure²³.

Newly appointed principals prepare their first budget with only very limited access to historical financial data about the school, and so understanding the differences between the funding allocation and expenditure patterns at that school can be difficult. For new principals preparing their first budget, a closer interaction between Central Office and the principal at the time of appointment to a school and during budget planning would be useful.

While the School Management Manual has an explanation of all of the components of the funding formulae, there is still concern among principals regarding how the formulae works, the extent to which it provides for student difference, school age, the capacity of the school to raise funds and those costs that are fixed independent of the size of the school.

In future changes to the allocation mechanism or scope of the school global budget, careful consideration needs to be given to how best to achieve acceptance by schools of those changes. The Evaluation Team was impressed by attempts within South Australia to develop consensus among stakeholders using a formal consensus gaining technique and involving a large number of stakeholders, especially principals, in order to create ownership of the allocation mechanism. How forums such as the School Resources Group or general principal meetings can provide a basis for generating ownership should be explored further.

There is a tension between giving schools highly detailed budget information, especially in regard to quite specific budget items and giving schools only higher-level budget information related to very broad categories of expenditure. Too much detail is likely to restrict the extent to which schools adopt a truly global budgeting approach to expenditure. However in Victoria and South Australia, where school global budgeting has been highly developed, detailed budget allocations are provided to all schools. Furthermore, South Australia has, as one of its basic principles for global budgeting, the principle of transparency. To this end, the public can access the funding formula and allocations for all government schools.

²³ This approach is used in Queensland for Utilities allocations.

The use of school global modeling tools also facilitates better understanding of the allocation mechanisms. These tools enable schools, for example, to model the impact of different enrolment scenarios on allocations to different items and different staffing and non-staffing expenditure patterns on their budget.

Role of the school board in financial management

In focus groups with school board members it was said that the budget planning process involved board members to varying degrees from school to school. While the School Board Chair signs off on the budget and School Board Annual Report, it is not universally the case that they are involved in discussion about budget strategy. There is some guidance in the recently distributed School Improvement Framework about how the budget process might be conducted and about the principles of involvement and accountability in budget planning and management.

Consistent with their responsibilities for the School Improvement Framework there is a need, as part of the budget planning process, for the Board to be involved in the preparation of a 3-year SBM financial outlook. The consideration should provide a means of ensuring that the implications of expenditure in one area upon another area of the school's operation would be quite transparent over the 3-year period. For example, the effect of continued additional expenditure on educational programs upon buildings and grounds upkeep (or vice-versa) could not be ignored.

Reporting and analysis of reporting

While the schools all use a common chart of accounts and provide standard six-monthly reports to Central Office and to their school boards, there are inconsistencies between schools in how the expenditure types are allocated to the chart of account codes. This same issue was reported on in the *Review of School Funding Trends: 1996 to 1998*.

Through visits to schools we established variation in the way particular items of expenditure were categorised to the chart of accounts. For example, some allocated expenditure on classroom computers to the educational category whereas others categorised it as assets. Another example was that some categorised professional development for staff as administration and others as educational expenditure.

One effect of these variations in practice is to make interpretation of changes in patterns of expenditure across the system difficult. For example the expenditure on educational items appears to have declined across the system as a whole since 1999, but this may be attributable to the classroom computers

being categorised by some schools as asset expenditure, which shows a considerable increase.

The other effect is that comparisons in patterns of expenditure cannot be categorised between 'like schools', because it is not certain that all items are categorised under the same expenditure codes, and so the comparison may not be between 'like items'. Establishing some benchmarks over time is therefore not possible. We were advised by the NSW Department of Education and Training that each year during September, Districts organise training programs to assist schools complete their annual financial returns in a way consistent with the financial guidelines and to discuss planning issues for the following year. These training sessions are particularly directed to new principals or senior administrative assistants, but also provide a 'refresher' opportunity.

At the time of the evaluation we found that the Department did not have the data reported each six months by every school available in a form (database or information system) that made easy the analysis of trends in expenditure across the school system as a whole. Without putting data into our spreadsheet, there was no easy way to examine, for example, trends in expenditure on items such as or minor maintenance over the last four years. For this evaluation we did create such a spreadsheet for a sample of schools.

Without having the facility to readily generate reports which show trends in expenditure within an item, or being able to aggregate and disaggregate data on particular schools or groups of like schools, the Department is not in a strong position to understand what is happening to their costs and expenditure and then to further explore why the trends may be occurring. This does contrast to a State such as Victoria where the Department has made a heavy investment in IT infrastructure to closely monitor expenditure patterns.

The Role of the Principal as educational leader and resource manager

Giving principals greater control over the management of school based resources may strengthen their role as educational leader by enabling the introduction of curriculum and other educational initiatives into the school. On the other hand, SBM may be so time-consuming for principals that the potential benefits are limited or, in fact, may have a negative impact on their educational leadership.

Generally, principals indicated that SBM has strengthened their educational leadership role by giving them greater flexibility in allocating resources to priority areas and enabling improved forward planning. Some principals had also developed better resource and financial management skills, which were now allowing them to benefit from SBM.

Despite seeing some benefits from SBM, there were however 35 percent of principals who had significant reservations about the effect of SBM on their role as educational leader within the school. They found that any benefits from SBM were offset, at least to some extent, by a reduction in time given to their educational responsibilities.

Overall the survey findings identify a tension in the expected roles of principals. This was particularly evident among primary and high school principals in small schools. SBM definitely requires principals to adopt a more resource management-oriented role than previously, and a considerable number of principals find this new role significantly reduces the time given to their educational leadership responsibilities within their school.

There was considerable concern expressed by school board representatives and members of the P&C Council in focus groups about the distraction of principals from what they see as their core responsibilities of students, teachers, curriculum and the community. These same tensions have been found in other jurisdictions as noted in Chapter 2.

This issue of the administrative support staffing available to principals in small schools for the range of tasks that have to be undertaken will be further discussed in Chapter 5.

Recommendations

To address the difficulties experienced by new principals in understanding the historical budget expenditure in that school and developing their first budget for the school, we recommend that:

3.1. Training for new principals in resource management and budgeting be provided at the time of preparation of their first budget in the new school and that they be further supported with a mentoring program for at least their first year as a principal.

To address the level of understanding in schools and the transparency of the funding formulae and allocations, we recommend that:

3.2. The continuing implementation of SBM be assisted by Central Office improving the consultative process to gain greater transparency on any changes to the funding formulae. By so doing there would be greater acceptance and understanding of the basis of SBM funding.

To increase the involvement of school boards in the budget process consistent with the School Excellence Initiative and their accountability for the School Improvement Framework and, we recommend that:

Schools principals be required to assist their school boards to use and report on the School Improvement Framework through the School Board Annual Report. (Rec 3.3)

To improve the nature of the reporting and analysis of the financial state of ACT schools at a whole of system level we recommend that:

3.4. Guidance, through an annotated chart of accounts, be given to schools on the allocation of items to expenditure types, so that greater consistency can lead to accurate comparisons of expenditure. This guidance should occur at the start of a new financial reporting period.

3.5. Central Office develops financial health indicators and benchmarks for 'like schools'.

3.6. The Department make some additional investment in its school management and financial management information systems to further develop its capacity to undertake analysis of trends in expenditure of different expenditure types. Such analyses should occur across the system as a whole, and for groups of 'like schools' and/or schools within sectors or a region.

To assist principals to use the flexibility within their global budgets, we recommend that:

3.7. The Department provides some budget modeling tools to assist principals and school boards in the formulation of their budgets and rolling three year financial plans.²⁴

²⁴ The introduction of rolling 3-year SBM financial plans would also assist principals when first arriving at their new school to understand previous expenditure patterns and future commitments.

4. Decision-making and community control at school level

While the objectives of SBM reflect the intention to engage the local community and school boards in school based decision-making, more can be done to achieve this aim.

School board involvement with SBM

As noted earlier, the major impact of SBM has been to improve *local decision-making at the school level*. Over 75 percent of principals considered SBM had increased the speed of school based decision-making, increased the range of school decision-making and resource management, enhanced the school's ability to set priorities and gave more control over how resources are spent - as measured by a 'moderate' or 'major' effect. About another 20 per cent of principals indicated a 'slight' effect.

Slightly less than 50 per cent of principals considered SBM had had a 'moderate' or 'major' effect on school board involvement in setting priorities for the school. Only about 15 per cent principals considered SBM had led to improved links with the community to either a 'moderate' or 'major' extent. Another 20 per cent of principals indicated a 'slight' effect on each of these two intended outcomes. Similarly only one third of school board respondents consider that SBM had made a 'moderate' or 'major' contribution to engaging parents, carers and the community in education, with another third reporting a 'slight' effect. Focus groups also reported that the involvement of the school community in decision-making about the school had not changed to any significant extent with the introduction of SBM.

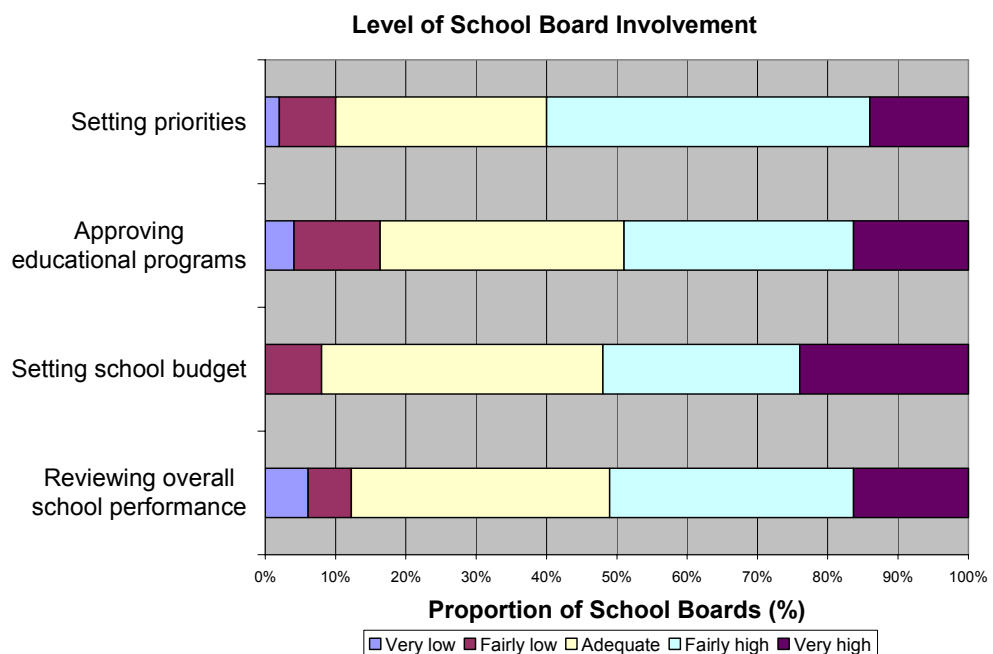
The majority of school board respondents were satisfied with their level of involvement in the four key aspects of SBM, namely:

- setting priorities for the school;
- approving educational programs;

- setting the school's budget; and
- reviewing overall school performance

However of these, about one-third felt that the level of involvement was 'adequate' and did not indicate that their school board had a fairly high or very high level of involvement in these matters. This may well have to do with the level of experience and expertise of school boards where training and support is an issue, the time constraints created by the limited duration of school board meetings and the 2-yearly appointments to a school board. As one Primary school board Chairperson commented in their survey response:

"Overall the Board has been relatively passive in its response to its responsibilities, reactive rather than proactive. It has been functioning to a large extent on the history of what has been in place previously within the school in relation to the school board and is limited by the lack of any real understanding within the teaching or teaching community about the breadth and depth of the potential responsibilities and actions that the Board has or can take."



The focus groups with school board representatives showed the diversity of involvement of school boards from:

- considerable involvement in all aspects of decision-making including a three month process to change cleaning contractors; through to

- ritual attendance at monthly board meetings where the agenda is tightly held and controlled by the principal.

That is not to say that school boards do not want greater involvement in educational decision-making; not at the day-to-day school management level for which they do not have responsibility, but in the setting of school priorities and other areas for which they do have legislative responsibility. The large number of school boards requesting some form of training attests to this (see later section). Furthermore the survey identified a significant proportion of school boards which did not have a clear understanding of the responsibilities of individual board members or their board's relationship with the day to day operation of the school.

In these school board focus groups, the willingness of the principal to engage with the community and its representatives on the board was seen as the key determinant for encouraging community involvement in the school.

These findings seem to typify the level of school board involvement in SBM across most other jurisdictions. From anecdotal evidence, it seems that only in the Northern Territory do school boards (in their case School Councils) tend to get significantly involved in school resourcing.

Making community involvement a reality

Despite the emphasis given to local decision-making and community involvement in all of the objectives of SBM, there is a continuing need for the Department and schools to encourage such involvement and to build the capacity of the community to be effective in participating in school based management. For example, the feedback mechanism within the Department for the annual School Board reports is from the Department to principals but it is not always the case that the loop is closed by that feedback also being given to boards. While the School Development process provides an opportunity for extensive consultation and the School Board Forum has the potential to be both an information and discussion forum, community involvement requires continuing encouragement.

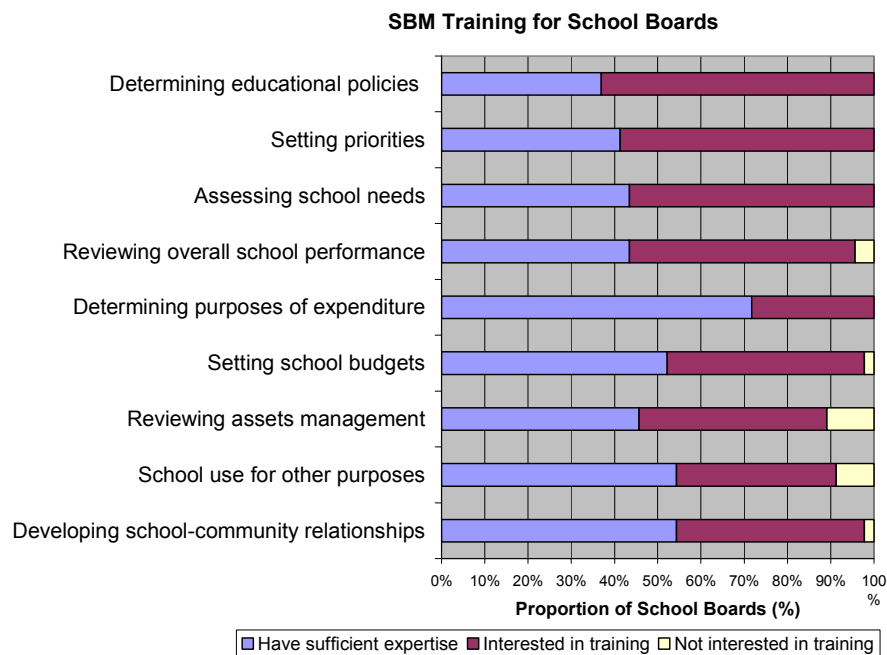
We recognise the natural constraints on community involvement such as limited time for voluntary activities and perceived lack of educational knowledge accompanied by a willingness to leave education to the professionals. Through focus groups we heard that the poor conduct of some school board and P&C meetings acts as a further deterrent to involvement.

A suggestion at focus groups that the Minister might make a press statement at the beginning of each school year encouraging community members to become involved in school boards and P&Cs was considered to be useful in making clear that the government is keen to have community involvement at school level.

Training for school boards

School board respondents to the survey showed interest in receiving training in most of the areas shown in the chart overleaf as a means of increasing their contribution to the overall operation of the school.

Discussion in focus groups with school board representatives indicated that the current training for new school board members took the form of a presentation to a very large group and allowed little chance for discussion about the subtleties of the boards relationship with the principal, the P&C and the school community. Due to the time constraints placed upon board members and the voluntary nature of their appointment, training opportunities for board members may need to draw upon the new technologies rather than use more formal mechanisms. For example, on-line 'training' at board meetings, especially when particular types of board decisions are to be made or financial and school development plans are to be completed.



Recommendations

To address the fact that a significant number of school boards are not as involved in school based decision-making as envisaged in the objectives of SBM and the relevant legislation, we recommend that:

4.1. The need for principals to engage teachers and parents in SBM decision-making, and for that decision-making to be transparent, should be stressed through principal forums, training, recruitment and induction.

To encourage greater participation by the community in school based decision-making we recommend that

4.2. The Minister makes a media statement at an appropriate time each year encouraging parent participation in P&C and school board elections.

To improve the effectiveness of school board operation, we recommend that

4.3. The current training for school boards be reviewed and supplemented by coaching, funded by the Department. Priority should be given to ensuring school boards at their initial meetings fully understand their responsibilities and relationship to the principal, P&C and staff. Consideration should also be given to using the new technologies, such as DVDs and videos for training and development purposes.

Consideration could also be given to extending the same coaching to the P&C committees in consultation with the P&C Council.

4.4. The Department improve the extent and nature of feedback given to school boards on their annual board reports to the Department.

5. Efficient delivery of services to the school community

There remain significant opportunities to improve the efficient delivery of services to the school community

Quality of contracted services

The survey results on the quality of service under SBM are based on respondents (office managers) own perceptions on the quality of services provided, as well as the relationships schools have with their service providers. The results show that the quality of services was generally much the same as was the case four years ago, or, for those office managers more recently appointed, since the time of their appointment.

The only aspect of facilities management where there appeared to be some concern was in the provision of cleaning services. In the survey about 25 percent of office managers indicated a decline in the quality of cleaning services. This was offset by 36 percent indicating that the quality of cleaning services had improved in recent years.

There did appear however to be an improvement in the quality of other services for 20 – 40 percent of schools. In addition to cleaning services, office managers indicated that the quality of service provision was better in recent years, in respect of:

- grounds maintenance (39 percent);
- minor maintenance and OH&S compliance services (32 percent);
- IT support (28 percent);
- HVAC (24 percent); and
- communications (20 percent).

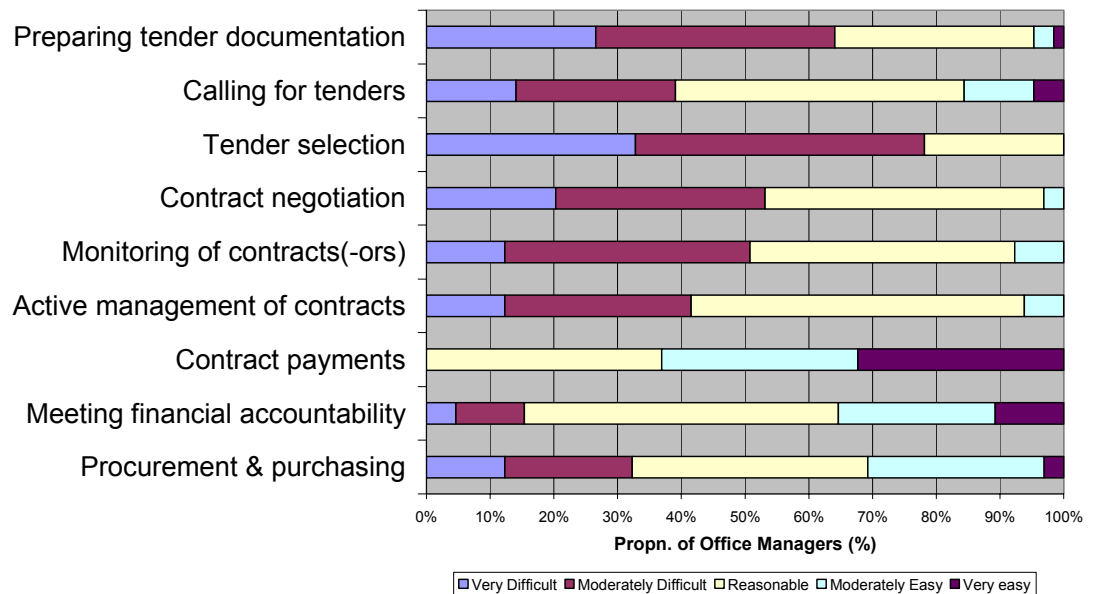
In terms of the actual relationships schools have with service providers these remained much the same as had been the case in previous years. In the survey there were no services where office managers reported a significant worsening of relationships.

Through focus groups and interviews with the Department we established that there are few standards promulgated to schools against which services can be assessed. For example how clean should a school be, condition of carpets, or condition of paint or the standards of repair in which buildings should be kept. Such standards are a necessary precursor to being able to monitor a contract effectively and to having a clear basis on which to manage the relationship with a contractor²⁵.

Managing procurement and contracts

Office managers have considerable difficulty meeting several important aspects of tendering for and contract management of the provision of HVAC, cleaning and maintenance services, in particular: preparing tender documentation, tender selection, contract negotiation and monitoring contracts and contractors. In the survey results, more than 50 percent of office managers found these requirements to be very difficult or moderately difficult. Similarly the school visits confirmed that office managers often experienced difficulties in respect of particular aspects of contract management.

Ease of Meeting SBM Operational Requirements



The main reasons offered by office managers, in the survey, as to why these operational requirements were difficult were:

²⁵ Interestingly, we were told that in South Australia cleaning contracts are outcome oriented with standards of cleaning to be achieved rather than input driven such as a room having to be cleaned every second day. It is claimed this has led to better quality of cleaning and cheaper cleaning contracts.

- a lack of training and experience to undertake procurement of services such as heating, ventilation and air conditioning which required technical expertise and, for some, even the procurement of less technical services, such as cleaning services, due to a general lack of understanding of the tendering requirements. This also related to the level of responsibility expected of an ASO4, with some office managers suggesting that such procurement requirements did not reflect the expected duties of an ASO4 Office Manager;
- the time consuming nature of tendering and contract management. Office managers claimed that the amount of time required for tender selection and contract management was too great and that, due to their other responsibilities, they could not allocate sufficient time to do the SBM work properly. This was particularly the case in small schools, where assistance was very limited. In this regard, office managers also mentioned the amount of paperwork that was required;
- the need for greater assistance from central office than was available, including assistance when changes to processes were made. Some suggested consideration be given to improving the friendliness of the web-site in supporting SBM; and
- availability of contractors to submit a tender. This was either due to a limited number of potential contractors in the region and/or the amount of funding available to a successful contractor.

The same issues were raised in focus groups with office managers from all sectors. In these sessions it became clear that many of the concerns were based on experience of tendering prior to Central Office developing, in 2003, templates for Request For Tenders (RFTs) and for contracts which are now available in the Department. Those who have used these templates and who have attended the training in procurement that has been delivered in the last 12 months have found the process less onerous than their earlier experiences.

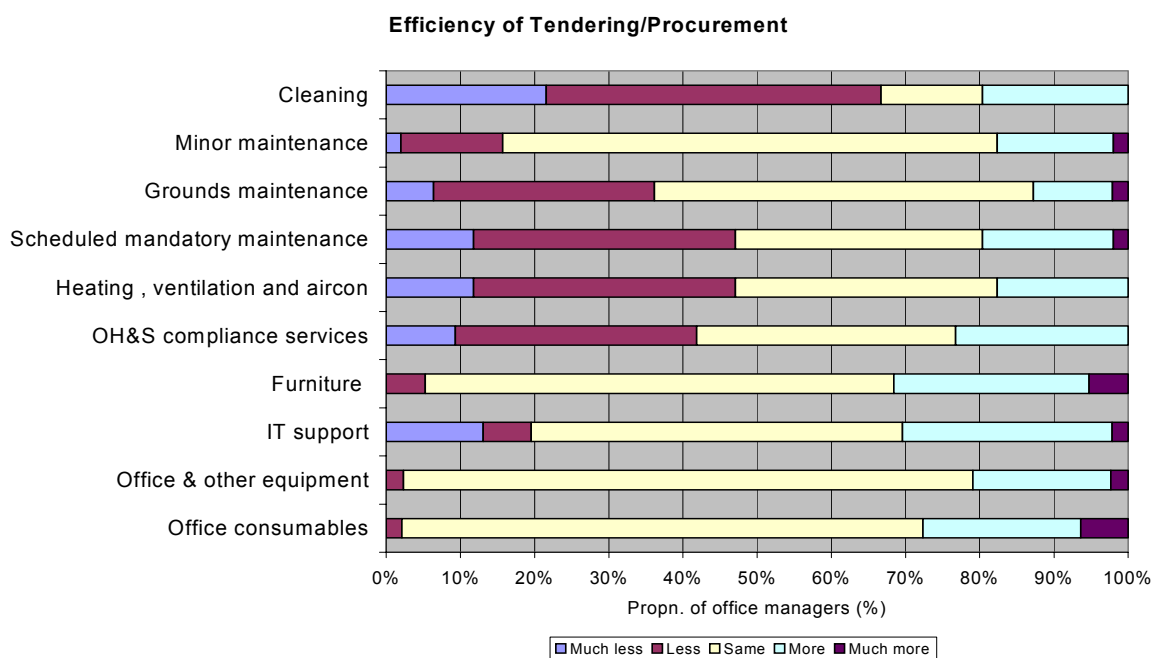
In survey responses, there were four services where over 40 percent of office managers felt that the procurement of those services had become more time consuming over recent years.²⁶ They were cleaning, scheduled mandatory maintenance, HVAC and OH&S compliance services. Again, the time consuming nature of tendering for these services was highlighted during the school visits.

In addition to the reasons already listed for finding procurement difficult, for those services where the contracts were long-term, there was no opportunity to learn from experience as one was almost starting from scratch each time.

²⁶ Office managers in schools where there had been no recent tender or major procurement were excluded from the analysis.

This, together with the overall increased complexity, placed additional pressure on staff for continuing professional development.

We recognise that many of the changes and increase in requirements in procurement processes were introduced as a result of changes to procurement legislation and practices introduced public sector-wide by the ACT Government, and were not a direct result of SBM.



While the survey responses from office managers generally showed that there had been little change in the efficiency of managing contracts and contractors over recent years, a rather more worrying picture emerged in focus groups with both principals and office managers. In these forums it was stated repeatedly that contract management in, for example, cleaning, HVAC and grounds maintenance can get scant attention. Some principals do not see this as their role, particularly if it were to be fulfilled at the expense of their educational leadership role. Many office managers claimed that they have little time available and they are not confident in their skill to carry out contract management, particularly where there are problems with the contractor or where it is in relation to a highly technical area.

Where contract management is not being systematically and strongly carried out, this represents considerable risk for the individual school and for the system as a whole that for example:

- appropriate standards of maintenance of the grounds to ensure they are safe may not be maintained and the overall appearance of the school

may deteriorate, making it unattractive to students and their parents; and

- poor cleaning standards may lead to deterioration in the appearance of the school and, in extreme cases, to possible OH&S problems.

Again, in meetings with school board members and the P&C Council there was considerable concern expressed that there was not the expertise to undertake procurement in schools and that it was taking principals, particularly in small schools, away from their primary role as educational leaders.

At this stage it is relevant to point out that global school budgeting does not necessarily require contracting to be done at the school level. There are examples in other States where contract procurement, and even management, is held centrally and costs are debited against the schools global budget. This particularly applies to cleaning contracts and, in the case of Queensland, cleaners are actual Departmental employees.

The survey suggested strong support for changes in SBM operational arrangements, especially centralisation of contract tendering for cleaning and HVAC. This was also raised during school focus group sessions and sometimes during school visits. Rather than, at this stage, recommending centralising functions such as cleaning and HVAC, as in the case of several jurisdictions, it is better to improve the quality and type of central office support for these SBM functions. This will be further dealt with in the next chapter. There is one exception however and that relates to small schools.

Using the Departmental buying power

During school visits it was often pointed out by principals and office managers that they believed there really was no 'competitive market' in Canberra that would help produce significant 'savings' in relation to services such as cleaning, maintenance, OH&S and HVAC. This may however be due to single school contracts being negotiated rather than system-wide or regionally-based contracts.

Information Technology (IT) is one area where there might be scope for costs to be reduced. This was raised in focus groups by both principals and office managers. It was suggested that the buying power within the schools system is not being exploited through the current devolved procurement. It was suggested that in the purchase of goods such as computer equipment and computer consumables, preferred supplier arrangements with prices negotiated on the basis of supply to large numbers of schools may achieve better pricing than individual schools can achieve when purchasing for themselves.

An additional efficiency through having centrally negotiated preferred supplier arrangements for IT is that it would facilitate adherence to common equipment standards so that the compatibility of all equipment on the departmental network can be ensured.

Preferred supplier arrangements could also be used for services, such as cleaning, grounds maintenance and HVAC and we note that the Department has begun to work on such arrangements. The extent to which this would lead to significant savings is unclear - however it is likely to lead to more efficient contract tendering and negotiations and the ability to implement 'standards' as a basis of contractual arrangements.

Preferred supplier arrangements do not contravene the intent of SBM for local decision-making on resource management. Schools would have to provide Central Office with estimates of their needs in order that the pricing for volumes might be negotiated, but ordering consumables against the preferred supplier contract could still be managed at the school level.

Small schools and SBM functions

Much of the workload associated with SBM is fixed and does not vary with the size of the school. For example, tendering for a contract requires the same process to be gone through whether it is for a school with 90 students or 800 students. However, administrative staffing levels are determined on the basis of school enrolments. Larger schools therefore have larger numbers of administrative staff to handle the workloads that are associated with SBM functions now devolved to schools.

Small primary schools particularly struggle with SBM workloads. This was confirmed during school visits to several small schools and was raised by principals and office managers of larger schools in support of their colleagues in smaller schools.

These small primary schools have, generally one office manager and a janitor (sometimes part-time in both cases) only, the same number of staff that they had before Enhanced SBM. While the office manager may have had an upgrade in their classification level, that does not necessarily amount to a capacity for increased workload. Amongst the office managers from small primary schools attending focus groups there was a considerable degree of anxiety about their inability to handle the workload completely and about the activities that are not attended to as a consequence. The most commonly articulated methods of dealing with a workload greater than capacity was to leave contract management undone or only very superficially done and to ignore responsibilities such as tree audits and OH&S checks.

There was significant concern expressed by office managers, parents, school board members, unions, teachers and the P&C Council about SBM demands on principals and office managers in small schools.

Risks for the Department in contract management.

In focus groups and visits to schools we were told of examples of a principal choosing not to undertake any minor maintenance and redirecting maintenance funds to other areas, compounding maintenance problems for the future. The survey results also identified this as a particular issue.

When preventative minor maintenance is not done at a school, it becomes more likely over time that all maintenance at that school will become emergency major maintenance. This in turn will create a demand on the central maintenance funds at the expense of planned and still necessary maintenance at schools that have been more prudent in their management of minor maintenance. All jurisdictions which have introduced global budgeting have grappled with this issue through audit plans, through either tied or partially tied grants and through monitoring expenditure.

There is also a risk that where grounds are not continuously maintained, liabilities associated with the safety of the playground could be accruing unobserved.

In a system where management of the grounds and minor and mandatory maintenance contracts is devolved, it would be desirable to have the means of collating the information collected about individual schools into an overall picture of the state of the ACT school system's infrastructure, so that the cost of maintenance could be assessed against the long term cost of deferring it.

Recommendations

The vehicles to address the difficulties being reported in carrying out procurement are already being improved through new templates for cleaning, training programs developed over the last year and the regular monthly office managers' meetings; the latter being regarded by office managers as the best means of exchanging and gaining information. We recommend that:

5.1. The Department continues the development of these programs and, with schools, looks for opportunities for further streamlining of procurement processes.

5.2. The Department should play a more active role in developing the agenda for the office managers meetings with the School Resources Group and the office managers.

In order to be able to properly monitor contracted services we recommend that:

5.3. In consultation with schools and through the rolling audit program, the Central Office establishes minimum standards for cleaning, buildings and grounds maintenance and HVAC.

To better exploit the buying power of the schools as a whole system we recommend that :

5.4. The Department explores every opportunity to use preferred supplier agreements for both goods and services

To address the difficulties experienced by small schools with SBM:

5.5. The Department considers Central Office managing the tendering process on behalf of the small schools for the following services:

- **cleaning**
- **HVAC maintenance**
- **grounds maintenance**

Once the tender was let, the schools would manage the contract.

To reduce the risks associated with ignoring non-emergency maintenance we recommend that:

5.6. Central Office

- **uses the information collected through the rolling school building audits and the information in financial data about expenditure on maintenance in schools to highlight the major areas of risk for maintenance**
- **monitors by exception minor maintenance expenditure so that early warning of maintenance being ignored at any school can be identified for attention by the school.**

6. Central support provided to schools for SBM

A central premise of an effective SBM system is strong expert and accessible support and advice to schools

Support arrangement for SBM

The Department had intended that central support would be available to schools; particularly during the transition period for SBM. An SBM Unit (now the Schools and Corporate Support Unit) provided advice and the School Resources Group (SRG) oversaw the implementation and operation of SBM. The SRG continues to oversee the operation of SBM in schools and provides a forum for discussion of new developments envisaged for SBM.

After the first 18 months the support role was not sustained at the same level. Despite considerable turnover of principals (for example 12 new principals for the beginning of the 2003 school year) the level of training did not continue.

In addition, the responsibilities of the SBM section were transferred to other sections of the Department. At this time, most of the personnel left and with them much of the history and expertise in SBM. There was also in 1998 a downsizing in the Department which further reduced central capacity to provide support to schools.

This is in marked contrast to those States where school global budgeting has been most devolved. One State argued that the more a jurisdiction goes down the path of school global budgeting the more it must put into place sophisticated support and monitoring arrangements. In the case of the ACT which, possibly apart from Victoria, has devolved most responsibility to schools the opposite appears to have occurred.

Until mid-2003 schools were left to work their way through cleaning and other contracts. A support unit began to provide support from mid-2003.

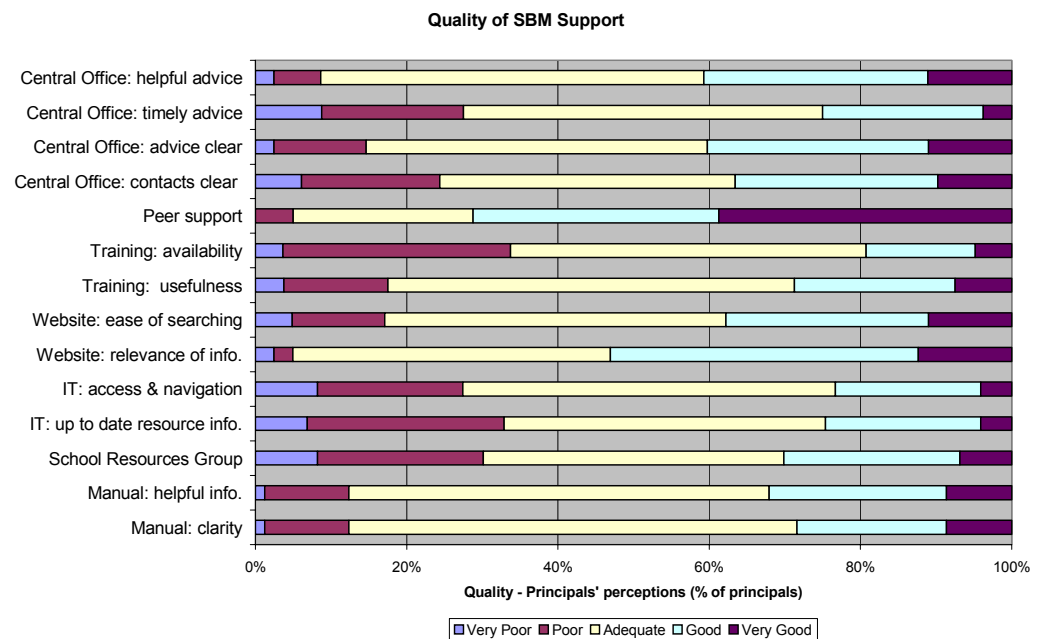
Procurement received attention with the unit being set up by the Department in early 2003 in the area of procurement and contract management following the passing of the ACT Government Procurement Act of 2001.

Despite this, overall principals in the survey were fairly satisfied with the level of support they received for managing SBM resources. More than 65 percent of principals rated each type of support available as being at least adequate, rising to more than 80 percent for the following:

- helpfulness and clarity of Central Office advice;
- usefulness of training received;
- user-friendliness of the Website & Manual; and
- peer support.

However it was only in regard to peer support and the relevance of website information did a majority of principals rate the quality 'good' or 'very good'.

Principals were less satisfied with the timeliness of Central Office advice and the accessibility of Central Office contacts, the availability of suitable training, supporting IT infrastructure and the support provided by the School Resources Group.



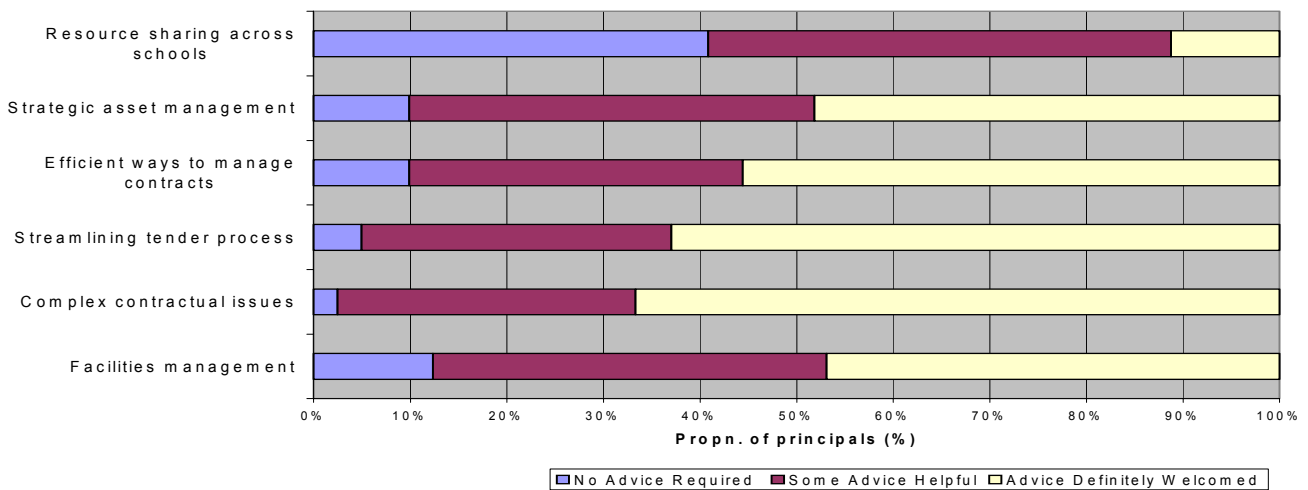
The views of office managers in the survey on the adequacy of SBM support arrangements closely paralleled those of principals. However in focus groups

the office managers were highly critical of some aspects of Central Office client service.

The need for expert advice and training

Both principals and office managers were given an opportunity through the survey to identify any particular areas where they required additional expert advice. As the following Chart indicates, more than 50 percent of principals would definitely welcome advice on complex contractual issues, including more efficient ways to manage contracts, and how to streamline tender processes. Almost that proportion would also definitely welcome advice on the development of a strategic asset management plan and advice on facilities management in general.

Areas in which Expert Advice Required by Principals



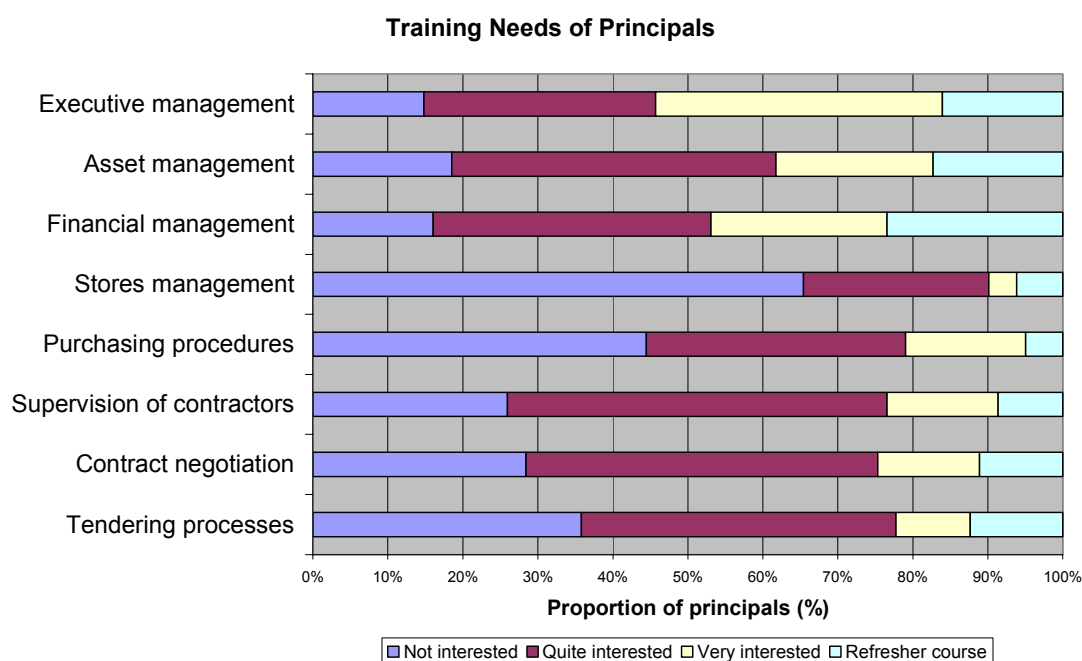
Office managers have greater need of expert advice in these areas than principals do. In areas such as streamlining the tender processes and complex contractual issues, more than 80 percent of office managers would definitely welcome expert advice.

These results were discussed in focus groups and were widely supported.

There is a high level of interest among principals and office managers in undertaking further or refresher training.

In particular there were three areas where a large proportion of principals were very interested in further training or undertaking a refresher course:

- executive management, which includes balancing educational leadership, student welfare and resource management responsibilities;
- financial management, which includes both the immediate and future allocation of SBM funds and related financial requirements;
- asset management, which includes acquiring, using and disposing of the asset (buildings and grounds) , reducing life cycle costs, better asset performance and service, optimization of the asset life and improving public perception of the Department’s asset service and safety standards.



The office managers expressed needs covering a wider range of SBM operational areas. As well as the above three areas, more than 50 percent of office managers were very interested in further training or undertaking a refresher course in tendering processes, contract negotiation and supervision of contractors. A slightly smaller proportion was interested in courses on purchasing procedures.

Survey and focus group participants said that they needed training at the time they were undertaking processes, for example compiling a budget or preparing a school board report. Their preference was for this to be provided on-site at

the school. This was true also for assistance and training in procurement and contract management.

One area where training or structured support is critical is in the case of recently promoted principals, including those principals transferring into the system. We noted that in Victoria there is an expectation that aspiring principals would have undertaken comprehensive training in school global budgeting and associated financial and asset management.

Another area raised during the school visits was the level of support available when principals transfer to a school. This is particularly critical if the office manager is also a new appointment. Often principals and office managers felt that the quality of historical and forward planning financial information available to them to 'quickly get up to speed' was not readily available. Already we have suggested the need to introduce more formal 3 year SBM financial plans which would help in this regard. Another suggestion has been for specialists with both educational and financial expertise to be available to help establish the operational/financial health of the school. It could also be possible to build on existing peer support networks and formally establish a mentoring program among existing or recently retired principals - this was raised during several school visits.

A third training issue emerging during the evaluation relates to the educational leadership and financial management responsibilities of principals and other senior staff. Already the small group of principals who saw no connection between SBM and educational outcomes has been noted - and this has frequently been raised in the literature. This suggests the need to develop training modules which focus upon the integration of educational and financial management. The possibility of training in this area being mandatory for aspiring principals was put to principals' focus groups but did not receive strong endorsement. Nevertheless it remains an option for the Department.

There was a wide range of SBM related areas where the school board respondents indicated that their school board would be interested in the opportunity to receive some training and these were dealt with in Chapter 4. However there may well be a need to have combined training or coaching of School Board Chairs and principals on issues of mutual responsibility.

Recommendations

In response to the need for expert advice we recommend that:

6.1. Expert staff be available to schools to assist with complex contractual and works programming matters so that professional staff, and principals in particular, are freed up for mainstream educational activities.

In order to address the need for strong co-ordination between those units in Central Office with SBM responsibilities for the continuing development of SBM policy and associated accountabilities, we recommend that:

6.2. The Department give serious consideration to the development of explicit linkages between the educational and resourcing areas of the Department to ensure that SBM policy and accountability takes full account of both the educational and resource management aspects of school based decision-making. Consideration needs to be given as to how such organisational arrangements will interact with schools and the School Resources Group.

To respond to the expressed need for training and in recognition of the turnover in principals and office managers we recommend that:

6.3. Training be developed/upgraded and regularly scheduled for principals in executive management, including building relationships with boards and P&Cs, financial management, and the principles of asset management.

6.4 Consideration should be given to making training in SBM mandatory for aspiring principals. Such training would emphasise the links between educational outcomes, educational decision-making and resource management and include tendering and managing contracts, asset management, financial management and executive management.

6.5. Training be developed/upgraded and regularly scheduled for office managers in priority setting and managing competing priorities, project management as a tool for planning and time management, people management, financial management, and contract management.

7. Bibliography

The following publications²⁷ have been drawn on in conducting this evaluation and in writing the description of SBM in other states. This material was complemented by interviews with other jurisdictions.

Boyle, Maureen. The 'new style' principal: Roles, reflections and reality in a self-managing school. *The Practising Administrator* (4) 2000.

Bonnor, C. Let a thousand flowers bloom: The self-managing schools debate. *Principal Matters*, n.43, p.18, April 2000

Briggs, Kerri L. and Wohlstetter Priscilla. Key Elements of a Successful School-Based Management Strategy. *School Effectiveness and School Improvement* 2003, Vol. 14, No. 3

Caldwell, B. School self-management: A positive impact on learning. *Principal Matters*, n.43, pp.12-14, April 2000

Charlesworth, C. and Davies, J. Partnerships and governance: The South Australian experience. *Principal Matters*, n.46, pp.36-38, January 2001

Clarke, S. Understanding small school leadership: Listening to the practitioners. *Practising Administrator*, Vol. 24,n.3, pp. 28-29, 32, 2002

Gurr, D. A search for the Holy Grail. *Principal Matters*, n.43, pp.16-18, April 2000

Lynch, P.J. A review of New Zealand's education system: Ten plus years onwards. *Catholic School Studies*, Vol. 73, n.2, pp.57-59, October 2000

McCormick J. Systems thinking, professional autonomy and collegiality. *Practising Administrator* v.22n.4p.8, 44, 2000

Morgan, B. Is the changing role of the head teacher leading to a new concept of autonomy? *Leading and Managing*, Vol. 7,n.1, pp.15-31, Autumn/Winter 2001

²⁷ References were located through searching EdResearch Online (ACER), The Education Research Information Clearinghouse (ERIC) and Australian Public Affairs Information Service (APAIS).

Mulford Bill, Hogan David & Lamb Stephen. Professional and Lay Person's Views on School Councils in Tasmania. *Leading and Managing*, Vol 7, No. 2, 2001, pp. 109-130.

Mulford Bill and Hogan David. Local School Management: The Views of Tasmanian Principals and Teachers. *Leading and Managing*, Vol 5, No.2, 1999 pp. 139-161

Smyth, J. A high school teacher's experience of local school management: A case study of the 'system behaving badly towards teachers' *Australian Journal of Education*, Vol. 47, n.3, pp. 265-282, November 2003

Stoddart, C. Self-management or self-delusion? *Principal Matters*, n.45, pp.26-27, October 2000

Thomson, P. School-based management: Let's drop the dodgy arguments and get on with really important conversations. *Principal Matters*, n.45, pp.28-30, October 2000

Townsend, T. There's more than one road to Sydney. *Principal Matters*, n.45, pp.31-35, October 2000

Other States' Documents

New South Wales Department of Education and Training: *Global Funding Guidelines and Procedures*, 2004

Education Queensland: *2004 State Schools Grants and Allowances Guidelines*.

South Australia Department of Education, Training and Employment: *2004 Global Budget Notes*

Tasmanian Department of Education: *2003 School Resource Package*.

Victorian Department of Education: *Guide to the 2004 Indicative School Global Budget*.

Inquiry into the Provision of Public Education in New South Wales (Vinson Report), May 2002

ACT Departmental Documents (in date order)

Schools Authority Act, 1976 (Updated as at November 1996)

Enhancing School Based Management in the ACT: Operational Arrangements and Allocation Mechanisms for 1997. Consultation Document prepared by the Department

Review of Schools' Funding Trends 1996 to 1998, a Report prepared for the School Resources Group August 1999.

School Based Management: A Progress Report by the School Resources Group, July 2000

O'Keefe, Terry. Resource Management in ACT Government Schools – Draft Report, November 2002

School Management Manual 2001

School Board Resource Manual 2002

School Development Report 2002

School Boards: Partnership and Participation reprinted January 2003

School Improvement Framework: Guidelines for School Improvement, February 2004

Various Departmental files on the history of School Based Management

The consultants also held discussions with the relevant state departments in NSW, Victoria, South Australia, Northern Territory and Tasmania regarding their SBM guidelines.