

Report to the

Minister for Education and Child Development,

The Hon Jennifer Rankine MP,

on

Measures to improve operations and culture of the

Department of Education and Child Development

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Introduction

On 3 July the Minister for Education and Child Development, the Hon Jennifer Rankine MP, announced that she had commissioned a review of the Department of Education and Child Development (DECD).

This followed the public release of the Report of the Independent Education Inquiry 2012-13.

In commissioning the review, the Minister requested consideration of the relevant findings of the Independent Education Inquiry report, other matters that arise in the course of the review, and asked that recommendations address organisational changes that will help to prevent systematic failings in the future.

The Minister asked specifically that the recommended changes should support a culture of:

- accurate and timely communications between the head office of DECD and its key stakeholders, school communities and the Government;
- responsiveness to community concerns and expectations;
- accountability and responsibility; and
- core service delivery.

Shortly after the Minister commissioned this Review, the chief executive of DECD resigned: the public announcement of his resignation was accompanied by the appointment of a new chief executive, Mr Tony Harrison.

Inquiry approach

Several previously completed reports and reviews have informed this review. These include:

- The Royal Commission Report of the Independent Education Inquiry 2012-13,
- Review of the Health and Safety Services Unit, KPMG, April 2012, and the
- Department for Education and Child Development, Governance Review Stage 1, PWC, May 2013.

In addition, the department's annual reports and documentation supporting roll-out of the Department's *Brighter Futures* program outlined the reform challenges ahead of the department, and its progress in addressing them.

As part of this review, interviews were conducted with many of the direct reports to the department's Chief Executive, the former chief executive of the department, and the Chief Executive of the Premier's Department. Department staff involved in disciplinary action arising out of the Independent Education Inquiry report were not interviewed.

The review acknowledges with thanks the co-operation and assistance it received from DECD staff, the Minister for Education and Child Development, and staff in her office.

The context for organisational reform

The Department of Education and Child Development (DECD) was established less than two years ago to drive a challenging policy agenda focused on children, young people, and their life chances. The South Australian Government's policy agenda was outlined in the July 2012 discussion paper, *Every chance for every child*.

The proposed policy and program reform builds on extensive social research indicating that education, employment, healthy living conditions and social support networks all have a strong influence on a family's abilities to provide the best environment for their developing children. This evidence strongly supports the case that families with access to these services and supports are much better equipped to provide stable and healthy environments for their children.

International research also shows that investment in the early years - before children start school - has the most significant return for human development. There are also significant benefits from investment during the schooling years when the brain is still forming, compared to later in life. Despite this evidence, most developed societies appear to focus a higher level of expenditure on adults who have had a poor start, rather than the early years where the return on investment appears higher.

Both social and economic benefits from investment in a child's development appear to be considerable and include:

- better skills and knowledge,
- better education achievement,
- better physical and mental health throughout life,
- better further education and adaptability through working life,
- higher income from higher productivity,
- increased entrepreneurship, and
- reduced likelihood of poverty and increased economic well-being.

Modelling and estimates of the return on investments from high quality early childhood development programs also suggest substantial savings to any government and the community from reducing expenditure on mental health problems, substance abuse, crime and violence.

South Australia appears well placed to capitalise on these research findings. Historically, it has been a leader in providing services and support to children, young people and their families. Building on this involvement, the government determined that further gains could, and should, be made through development and delivery of coordinated, holistic efforts that address the needs of each and every child.

Existing legislation addresses particular areas relating to children and young people, such as child protection, education and adoption. To 'bring it all together' the Government has committed to introduce new legislation to provide an overarching framework to deliver the best overall outcomes for the development of children and young people.

The proposed legislation – and the consequential work of government departments and agencies – aims to support and strengthen the way all sectors of the community integrate policies, planning and support for the development of children and young people.

As foreshadowed in the *Every chance for every child* discussion paper the legislation, scheduled for introduction later this year, will aim to support and entrench:

- child development principles that inform and support work taking place across local, state and non-government organisations to create a more effective and connected approach to the development of children,
- planning across South Australia that supports the development of children and young people, with a major focus on services and structures relating to education, care, protection, and health and well-being as the central factors that influence the development of children and young people, while also having a focus on the social, economic and environmental influences that affect their development,
- coordination of systems and structures that encourage a holistic view of the development of children and young people across professional disciplines, services and regions,
- collaborative approaches across state and local government, non-government and private sector organisations that support and strengthen the quality of care and service delivery to improve the outcomes for children, young people and their families, and
- consideration of child development outcomes in all relevant policies, with general duties of cooperation and care by all toward the development of children, young people and their families.

The South Australian Government has also foreshadowed that new legislation will include provisions that will:

- provide a new ‘outcomes framework’ for children and young people to support the Government’s shared priorities for the health and well-being of children, and enable the planning, coordination and reporting of outcomes that support children and services across the State, local government and non-government sectors,
- establish a Child Development Council to guide State-wide planning that is in accord with the outcomes framework for children and young people,
- create regional ‘trusts’ for children and young people that bring together local community expertise and resources to deliver local strategies that support young people in regional communities, and
- enhance the engagement of children and young people in their communities.

This enabling legislation will also aim to enhance both community and government capacity to consider the needs of children and to work together to achieve better outcomes for all South Australians up to the age of 18.

The South Australian Government’s expectations of DECD also relate to its economic development agenda which recognises that future prosperity will require a workforce that is innovative and creative, able to adapt to new challenges and both developing higher level skills in academic and

trade related fields, and contributing to community life. Services provided by the DECD are integral to successful delivery of this agenda.

Delivery of the departments' responsibilities were accorded a significant boost in August this year when the South Australian and Australian Governments agreed on a new school funding plan that will inject an additional \$1.1billion into South Australia's government schools over the next six years (additional funding will also be provided to non-government schools).

The corollary of the increased funding is improved performance by the State's education system in delivering better learning outcomes for students.

Overall, Australia has a relatively high performing school system when measured against international benchmarks, such as the OECD's Programme for International Student Assessment (PISA). However, as noted by the 2011 Review of Funding for Schooling (Gonski Review), over the last decade the performance of Australian students has declined at all levels of achievement, most notably at the top end. This decline has contributed to the fall in Australia's international position. In 2000, only one country outperformed Australia in reading and scientific literacy and only two outperformed Australia in mathematical literacy. By 2009, six countries outperformed Australia in reading and scientific literacy, and 12 outperformed Australia in mathematical literacy.

In addition to declining performance across the board, Australia has a significant gap between its highest and lowest performing students. The performance gap is far greater in Australia than in many OECD countries, particularly those with high performing school systems. As the Gonski Review noted, a concerning proportion of Australia's lowest performing schools are not meeting minimum standards of achievement. There is also an unacceptable link between low levels of achievement and educational disadvantage, particularly among students from low socio-economic and indigenous backgrounds.

Over recent years, a number of important steps have been taken to improve schooling systems across Australia, including South Australia's. In December 2008, Education Ministers released the *Melbourne Declaration of Educational Goals for Young Australians*, setting out the national purpose and policy for Australian schooling in the decade ahead. The goals focus on improving equity and excellence in schooling, and on young Australians becoming successful learners, confident and creative individuals, and active and informed citizens. Central to realising these goals is providing all students with access to high-quality schooling.

National priorities and reforms have also been agreed by all governments through the Council of Australian Governments. Key initiatives include improving teacher quality and school leadership, greater accountability and better directed resources, integrated strategies for low socio-economic school communities, and improving outcomes for indigenous students. The *My school* website is also providing public access to information about school performance and resources.

Reforms already underway, and those foreshadowed through the *Brighter Futures* initiative, reflect a focused and robust response by the South Australian Government to these challenges.

While, by global comparisons, South Australia's school education system is a comparatively high performer, it needs to improve its performance to ensure it meets the Government's aspirations for a well-educated and high performance workforce and economy. A particular challenge is reducing a wide variability in educational outcomes between schools and across school students.

Analysis undertaken for the Review of School Funding Panel (*Schooling Challenges and Opportunities*. Melbourne Graduate School of Education, NLS and the Nous Group) highlighted that while Australia (and South Australia) is doing comparatively well on average this is because a sizable proportion of schools are producing very good results, a large number of schools are not, and a group in the middle balances this out.

Lifting performance across the board, but particularly for students and schools currently performing poorly, lies at the heart of the South Australian Government's *Every chance for every child* commitment.

The *Schooling Challenges and Opportunities* research report argues that to succeed in employment, school graduates of the future will need to have a strong foundation in mathematics and literacy, and be adaptable and resilient. They will also need to be analytical, with problem-solving capabilities and higher interactive skills, including strong capabilities to work skilfully with peers, customers and suppliers from varied backgrounds.

The research also highlighted that parents don't just look to schools to teach their children the basic curriculum to function in life and to secure good employment; they also see schools as places that help shape each persons' values and outlook. This means that factors such as school ethos and culture, as well as the expectations that teachers and parents have of children, are vitally important in determining the success of a student in school.

The overall message of this research – resonating strongly with the Government's strategic priority of *Every chance for every child* - is that policy makers and administrators need to think of schools as places where children can be helped towards realising their potential as students, citizens and contributors to the economy and society.

More broadly, the conclusion of the research is that there is a well understood set of ingredients that contribute to student performance and widen opportunities for children from all backgrounds to fulfil their potential.

Specifically, the research supports the perspective that it is not only about what happens in a school, but also an identifiable range of external factors that contribute to a student's or a school's success. In this context, key questions become:

- what can the local community do for a school, and potentially for other schools in a region?
- what services or support do other government agencies provide, and what decisions do they make that affect schools?
- what can be done to support parents to engage positively in their child's learning, not just during the school years, but beforehand?

These are all issues and challenges that the department's *Brighter futures* reforms seek to address.

Since early 2013 a wide range of engagements have been conducted by DECD staff with education and child development stakeholders to identify better ways of working across professional disciplines and locations. This process has provided the department with a better understanding of how best to deliver the outcomes the Government is seeking in establishing the new department.

Key messages from the consultations included:

- the importance of strong, sustained leadership from the department, working in partnership with the local community. Leaders should establish a clear line of sight between provision of systems and services and the benefits to children and young people; sustain a consistent commitment to 'joining up' across disciplines, professions and communities; establish clear accountability for agreed outcomes, with a holistic framework for monitoring, reporting and evaluating; and continue to cut 'red tape' and provide local leaders with the support they need to deliver successful outcomes;
- the necessity, in a financially constrained environment, of working together; redirecting resources from low benefit processes to high benefit child and family support and intervention; using sound and agreed evidence to balance universal and targeted provision; to draw on the capacity in communities via community hubs, to support children and young people; to work across current boundaries to achieve effective integration and to make services more accessible to children, young people and families by taking account of hours of operation, location and transport;
- the importance of a coherent communication strategy across the both the workforce and communities;
- the need for shared information systems to inform the progress of children and young people;
- the value of current, verified local, national and international evidence to underpin and guide practice;
- the value of engaging communities in child development;
- the need for a wider range of activities for children and young people and better engagement with them in developing and designing services;
- the importance of raising awareness of evidence-based best practice in the development of children and young people;
- the importance of children and young people attending available programs and services; and
- the benefits of balancing system wide consistency and local innovation in finding new ways of working.

The July 2013 update *Brighter Futures: Delivering the Blueprint* committed DECD to a range of projects to drive organisational change and deliver the agreed outcomes. These included:

- defining educational standards, particularly in relation to numeracy and literacy;
- implementing the national education funding reform, with a particular focus on application and accountability for the additional resources;
- establishing pre-school and school community partnerships, including a funding model and governance arrangements, alongside the winding down of current regional structures;

- establishing a new single accountability framework for schools, pre-schools and children's centres;
- developing a leadership program for pre-school and school leaders;
- bringing together national professional standards for teachers with student feedback and student results to inform teacher professional training needs and results;
- developing community engagement resources to guide staff engagement with stakeholders;
- developing a population planning guide/resource toolkit;
- developing an integrated support and service plan for each child, initially focussing on children in care;
- building DECD capacity to improve learning, and social and emotional well-being outcomes for children in priority groups;
- establishing a cross department incident management division, charged to review and revise existing policies and ensure complaints and appeals are responded to quickly and efficiently, with respect and transparency;
- establishing the policy framework and governance arrangements to support informed, accountable, local decision making and effective practice, to underpin DECD staff engagement with stakeholders.

Projected benefits of the *Brighter Futures* initiative include:

- higher standards and achievement for children and young people;
- improved health and well-being outcomes for children and young people;
- better family and carer support for children and young people; stronger community led engagement in determining local provision, and
- increased emphasis on the view of children and young people in shaping policies and practices that affect them.

Legislative reform to underpin the *Every chance for every child* priority and the associated *Brighter Futures* reforms should also provide the Government with the opportunity to address any recommendations of the Royal Commission Report of the Independent Education Inquiry that require legislative force.

Overview of the Department of Education and Child Development (DECD)

Preceding legislative reform, the new Department of Education and Child Development was established, bringing together:

- the Department for Education and Children's Services,
- Families SA, comprising child protection, early intervention and family reunification, guardianship and alternative care (including residential care), refugee children at risk and adoption,
- staff from the Primary and Population Health area in the Women's and Children's Health Network.

DECD now incorporates in a single department - reporting to the Minister for Education and Child Development – responsibility for key services for children, young people and families in the areas of education, child and family health and well being, and care and protection for children, young people and their families. The department is charged to:

- integrate services and support relevant to children and young people at any stage in their development from before birth to 18,
- focus on support, especially as children and young people move through to the next stage of development,
- support every child and young person, and particularly those who are vulnerable and disadvantaged, and
- engage and work more effectively with parents and carers as partners.

The breadth of the department's responsibilities is without parallel in Australia, and now includes early childhood care and development services for South Australian families, including local family day care, preschool education, children's centres, out of school hours care programs, plus health and well being services that support parents, carers and children; South Australia's public education system, with the goal of delivering world class primary and secondary education in all areas of the curriculum; the facilities and infrastructure for children's centres, preschools, schools, and regional offices; and a departmental workforce of more than 28,000 employees.

The department's current organisational structure is at attachment A. While the South Australian department has both a broader range of responsibilities than, for example, the Victorian Department of Education and Early Childhood Development (attachment B) or the West Australian Department of Education (attachment C) notable differences between the direct reports to the Chief Executive are that both the West Australian and Victorian departments include officials responsible for 'people services' in the executive leadership group and a closer structural connection exists between policy and operational responsibilities and accountabilities.

DECD has been charged with responsibility for delivering one of the South Australian Government's strategic priorities -the *Every chance for every child* commitment - that aims to ensure all children are safe, healthy and happy, and get the best possible chance to learn and become confident and successful adults.

The proposed child development legislation – and the work of government departments and agencies – aims to support and strengthen the way all sectors of the community integrate policies, planning and support for the development of children and young people.

In response to this brief, the department has committed itself to:

- making it easier for families to access child health and development services,
- improving the safety and protection of children
- establishing a focus on learning and achievement for young children, and
- ensuring South Australia is recognised internationally as child friendly.

The department is now responsible for driving an important and challenging change agenda - addressing the Government's *Every chance for every child* strategic priority, and the associated *Brighter Futures* reform - alongside the immediate challenges of:

- timely implementation of the recommendations of the Independent Education Inquiry 2012-13,
- re-gaining the confidence of the community, the Minister for Education and the South Australian Government in the department's organisational performance,
- implementing the Government's public sector improvement and efficiency requirements,
- improving school pupil learning, in accord with school funding reform.

Delivery of these outcomes would challenge any organisation, particularly an organisation that was created less than 2 years ago.

Unavoidably, the issues leading to the Royal Commission, the Commission's work and its subsequent report, have created significant additional demands and pressures on the department and its staff.

In his Royal Commission Report, Justice DeBelle observed, inter alia, an organisation that, at least in relation to the incident he was investigating, was:

- insufficiently aware of, and attentive to, its responsibilities to the students in its care, and their families;
- inadequately engaged with other agencies and organisations involved in responding to the offences against a child in its care;
- inattentive to ensure its Minister was advised promptly and accurately (in writing) about a serious incident and progressive follow up action;
- unable to ensure a comprehensive and well co-ordinated response to a serious and complex issue involving a range of affected stakeholders;
- unable to ensure core departmental business processes of documentation, including the creation of a comprehensive and factually accurate file;
- unable to identify and ensure officers that need to know about serious incidents involving the department are briefed, in writing, in a timely and, where necessary, ongoing way,
- inattentive to earlier recommendations from a commissioned review to engage trained and experienced investigators;
- operating with a number of outdated and questionable departmental directions that constrain comprehensive duty of care responsibilities to children and their families in receipt of department services, and

- inattentive to its responsibilities to ensure department staff, particularly senior staff, were familiar with department policies relating to their direct responsibilities.

Earlier reviews of various areas of the department, and discussions with senior managers as part of this review, paint a picture of an organisation under considerable pressure even before the Royal Commission report. Alongside staff commitment to deliver the department's ambitious new responsibilities was widespread frustration with existing structures and operational performance.

An April 2012 review of the department's Health and Safety Services Unit by external consultants (KPMG) concluded, in relation to the department's governance and management of occupational health and safety, that there was not a documented and agreed governance framework. Roles and responsibilities were seen as unclear, as were the respective roles of regions and head office.

The review highlighted that a poor organisational structure can reduce responsiveness and the speed of decision making, hamper the flow of information and work, blur accountability and frustrate staff working in the organisation.

The first stage of a governance review of the department completed by Price Waterhouse Coopers (PWC) in May 2013 identified more than 160 committees or governance structures across the department. The review reported that nearly 20% of the committees did not have finalised terms of reference or charters, and (on conservative assumptions) an estimated 11,400 hours of departmental staff time was spent each year attending committee meetings.

Alongside this significant investment, the review reported:

- confusion and inconsistency about the structures and committees that 'govern' the department,
- a lack of transparency around decision making: information flows for decision making were unclear,
- committees and groups operating with no clear purpose, terms of reference or linkage to DECD strategy. In many cases alignment with strategic business planning to drive delivery of new DECD responsibilities was unclear,
- a lack of formal discipline and processes in the conduct of (many) committees,
- roles and responsibilities relating to governance were unclear,
- silos and territorial approaches impacted on the approach to achieving DECD outcomes, and
- lack of clarity about information flows from committees to departmental leaders for decision making.

The cumulative impact of these shortcomings, reinforced by observations of senior staff interviewed during this review, was confusion about who could decide what, and whether decisions made in one section of the department could be overridden without consultation.

Interviews with senior managers to inform this review described an organisation that:

- struggled to focus on any single problem or strategy long enough to gain momentum in solving it,
- struggled to put in place implementation arrangements that could translate a good idea into delivery in the community,

- did not get the clear sense of direction, momentum and focus from senior management needed to drive delivery of outcomes,
- modified or failed to act on executive decisions with little or no follow up or accountability,
- appeared unable to establish authoritative leadership, organisation wide commitment, and the momentum necessary to deliver the challenging government strategic priority of *Every chance for every child*,
- has an organisational architecture that appears to work against the achievement of mission: department boundaries don't align with the natural processes of the work flow, and conflicting responsibilities and competitive missions and subdivisions of critical mission areas impose high communication costs, inhibit collaboration and foster internal competition,
- operates more like a group of isolated camps, looking for integrated leadership, but not at the cost of their own part of the organisation,
- has a risk averse culture, and if anything goes wrong the 'system' gets the blame.

No senior manager interviewed as part of this review disputed the conclusion that to deliver the Minister's, and more broadly Government and community expectations, significant improvement is required to the organisation's leadership, performance, accountability and culture. Unified and collaborative leadership from the senior management team was seen as a key ingredient of success. To drive these required improvements an enhanced focus on performance and delivery, new leadership roles, and a refreshed organisational structure were seen as important. Alongside staff frustration with existing structures and operational performance there appeared to be a genuine desire to deliver the department's ambitious new responsibilities.

A conclusion of this review is that the department will be able to serve the government better by focussing on a manageable number of priorities to which meaningful and measurable progress indicators can be attached. Structure should follow function to foster alignment of effort in pursuit of government priorities. Departmental performance in this regard is currently hampered by current structures and ways of working that reflect history and tradition, complicated by several years of organic growth and broadening mission. The related conclusion is that there is a powerful case to recalibrate these structures and ways of working to unlock the department's capacity to respond in genuinely innovative ways to the policy and service delivery challenges that the Government has committed itself to address.

Developing a department that delivers

Over the next few months the department's new Chief Executive has the opportunity to shape and drive the department to deliver the Government's ambitious agenda. Discussions with senior department staff indicate that there is an appetite for clear and decisive leadership across the organisation.

That said, the department needs to be stabilised as quickly as possible. The ambitious reforms required to deliver the *Every chance for every child* commitment, the eviscerating critique in the Independent Education Inquiry report, and the resignation of the (then) chief executive, means the department requires strong and decisive leadership to focus senior management attention, as quickly as possible, on establishing the whole-of-department commitment essential to deliver priority department outcomes, including the *Brighter Futures* program.

In addition, the Government's commitment to the Commonwealth Government's school funding and accountability reforms will need to be incorporated into the department's work program and key deliverables over the next 6 to 9 months.

The breadth, scale and complexity of reform would challenge any organisation, much less one now emerging from an *annus horribilis*.

Issues that will need to be addressed as quickly as possible to re-build capability and performance include:

- establishing a committed and mutually supportive leadership team that can bring together what now appear as comparatively 'stand-alone' units. While there appears to be support for 'whole-of-department' leadership, there also appears to be a residual ambivalence about ensuring that this is not at the cost of significant change to any existing programs of the department,
- establishing an unambiguous commitment across senior management to identify and deliver agreed department priorities, and an organisational capability to focus on these priorities and the implementation strategy long enough to gain the momentum necessary to deliver significant progress,
- ensuring clear lines of authority and accountability that are able to turn around current perceptions that senior management decisions can be modified or put to one side with little or no follow up or accountability,
- ensuring a timely and open flow of information within the organisation, and into the Minister's office, to assist dissemination of the positive stories about the department's work, and ensure proactive and considered responses to any emerging issues.

Critical first steps include resolving the senior leadership team and establishing unambiguous responsibility within and across the team for delivery of key results. The agreed approach to corporate decision-making and senior executive responsibility will need to be communicated widely and unambiguously throughout the department. Responsibilities and accountabilities for delivery will need to be cascaded down through the organisation to ensure every department manager is clear about their own responsibilities for delivery, and the key inter-dependencies where cross program outcomes are required.

The recent appointment of the new Chief Executive provides a timely opportunity to review and restructure the department's central office to ensure there is alignment with the service delivery model, and that key deliverables for individual business units are appropriately resourced and managed. Key outcomes should be improved corporate governance, including clear responsibilities and accountabilities within and across the department's senior management team, including executive directors, directors and branches.

The department's corporate goals and priorities are set out, broadly, in the *Brighter Futures: from blueprint to action* document. To ensure effective alignment, resourcing and accountability, further more detailed work is required to better connect the different program responsibilities of the department, (school education, early childhood services, child protection and family services) into a more integrated service delivery model.

Ideally, this work would be completed by a time-limited policy unit charged with responsibility for developing and overseeing planning and the initial implementation of the Government's *Every chance for every child* strategic priority and the associated *Brighter Futures* program. The unit would work in close collaboration with the relevant program directors. Monthly reports of progress and emerging issues would be provided to the Department's senior executive group.

Establishing priority goals and measures to enable progress to be monitored and reported are two of the most powerful leadership mechanisms available to the Chief Executive and the Minister. Ideally the goals and the ways progress is measured will communicate to all department staff both priorities and problems, motivate staff through attention and feedback, and illuminate – particularly for program leaders - where, when and why performance changes for the better or worse.

This review has concluded that this area requires significant further work, work that will more than repay the investment.

Recent experience in the United States Office of Management and Budget (OMB), for example, has reinforced both the effectiveness and the benefits of such a performance driven approach, and provides a 'road-tested' approach to better understanding and improved performance. The challenge is to use performance objectives and measures to drive steadily improving organisational performance.

The aim should be to generate insights to improve performance, as businesses commonly do, rather than the percentage of targets met. Existing approaches are generally overly subjective, creating unfair inconsistencies and frustrating disputes about what constitutes appropriate measures, targets and evaluation methods.

The suggested approach seeks to focus on better understanding the size and characteristics of the problems to be addressed, and why performance levels have changed.

The OMB experience in guiding performance management efforts supports an approach where:

- performance trends and targets are communicated, not attainment and ratings,
- performance improvement is encouraged with increased diagnostic analysis, practical experience and knowledge sharing,
- information is presented in ways that meets the needs of specific audiences, and

- accountability mechanisms are structured to encourage and inspire, not embarrass, reprimand or punish.

Underpinning any approach to better performance management should be agreement between the Minister and the Chief Executive of the department's key deliverables over the next 12 months, with progress reported via regular data-driven analysis. Informed by this agreement, progress should be monitored via regular data-driven performance reviews of progress in delivering key department responsibilities, including *Brighter Futures*, child protection, child development and school student learning.

An associated investment by DECD should be strengthening the management of performance by individual department staff. Each of the department's key deliverables relies significantly on the expertise and capability of department staff, clarity about performance expectations and accountability for performance outcomes. Delivery of the *Brighter Futures* program, for example, will also require cross-profession collaboration, where investment in built-for-purpose training is likely to significantly improve capability to deliver projected reform outcomes.

The role and contribution of an effective performance management system for department staff in supporting and driving improved performance was highlighted in recent work completed for the Australian Public Service Commission. The research report (Blackman et al, May 2013) identified the significant contribution performance management can make to aligning employees to organisational requirements; articulating and managing expectations; establishing role and goal clarity; identifying the support required to enable delivery; identifying developmental needs; monitoring and reviewing performance; ensuring that standards of performance align with expectations; and recognising good performance.

Blackman, Buick, O'Donnell, O'Flynn and West's research report identified seven areas of focus that should each be examined by the department in strengthening its people and performance management systems. These are:

- clarity and purpose: a shared understanding of high performance must be established within and across the department, alongside clear purpose, objectives and goals at the organisational, group and individual levels,
- alignment and integration: a clear line of sight must be established between departmental and individual goals; rigorous selection processes should ensure effective job-person fit; with a tight focus on the development needs of staff with regard to task, behaviours and required organisational capabilities,
- mutuality and motivation: recognising that managers and employees are mutually responsible for performance,
- adaptability and progress: a focus on performance improvement at the organisational, group and individual levels, with performance expectations responsive to changing circumstances,
- evidence and data: maintaining consistency in how performance is defined and how performance expectations are assigned,
- pragmatism: the importance of identifying what is and what is not possible, given the department's current state, while building on its strengths,

- capabilities: to achieve longer term goals and objectives, ensuring that capabilities and competencies are recognised at four levels: governance, organisational, group and individual, while ensuring a focus on improving managerial competencies in people management and, in particular, performance management. In this regard performance management should be considered a core management responsibility.

The role and importance of a well designed and implemented performance management system should be reinforced by regular review by the department's leadership team and regular updates to the Minister on progress and impact.

This investment should also aim to ensure availability of a flexible workforce trained and developed to support the delivery of services in accordance with the Department's overall strategy.

Alongside the recommended focus on lifting performance and sheeting home individual accountabilities there is likely to be considerable benefit to both management and staff of a regular measure of organisational 'climate'. Both New South Wales and Victorian governments have in place regular staff climate surveys that could provide lessons and a possible methodology for comparable work in DECD.

Consistent with the recommended focus on enhancing people management across the department there is a persuasive case for including the leader of the department's people and performance responsibilities in the department's senior leadership team, alongside the major service-delivery program leaders – schools, child protection and early childhood services – and officials responsible for the department's financial management and its' overall strategy. This senior executive leadership group needs to establish the department's priority actions, accountabilities for delivery, and the milestones that will be monitored and reported to ensure progress is robust and reportable.

Establishing and enforcing unambiguous accountabilities will be both critical to success, and send a clear message through the department that new business rules are in place.

Given the scale of the reform agenda and the importance of key professional streams, particularly school education, child development and child protection, it is also suggested that alongside the 'business' leader of the major programs, a 'practitioner leader' could be appointed to provide expert guidance and support to department staff responsible for direct service delivery.

Investment will also be required in leadership development across the department.

Developing leadership capability is a fundamental challenge for any organisation. That said, the benefits for DECD of a more strategic approach are considerable. The process of developing leadership capability should focus on identifying, training and supporting the leaders needed to support and deliver the organisation's current and future mission.

Establishment of the South Australian Institute for Educational Leadership is an important initiative in this regard, but a whole of organisation approach will also be needed to build a more professional

workforce with the knowledge and skills to deliver the Government's reform agenda. Ideally this should build on the capabilities and experience of the new Institute.

Alongside action required to deliver the Government's *Every chance for every child* strategic priority, focused action will be required to ensure department failings identified in Royal Commission Report of the Independent Education Inquiry 2012-13 are rectified and never recur.

An area that requires specific and focused attention is ensuring that all department policies and directions are reviewed regularly to ensure they reflect and take account of the department's responsibilities and contemporary requirements. Policy documentation must identify the senior officer responsible for authorising the policy, delegations of policy implementation responsibility, officials that need to be advised of any policy breach, and the date when the policy was last updated.

Associated regular and systematic attention should also be given to reviewing department delegations to ensure they include all current policies, and that delegations and responsibilities are appropriately assigned across the department.

Specific attention should also be given to ensuring the department has in place an incident reporting system that delivers timely advice to the Chief Executive, senior officials and the Minister on any and all issues that involve injury or risk to department clients and staff and/or are likely to attract media interest. While there are likely to be many suitable systems, the internet based incident reporting system now operating within the Victorian Department of Community Services offers a possible approach. All department staff should also be informed of their responsibilities to alert senior management and the Minister regarding all such incidents.

Consistent with the objective of ensuring 'good news travels fast, bad news travels faster' the Chief Executive should be asked to consolidate responsibility for all departmental internal and external communications in his office. This unit should work in close collaboration with senior departmental staff and the Minister's office, and be responsible for developing and implementing proactive, community facing dissemination of information about the department and its work.

While action is well in train within the department in response to the Report of the Independent Education Inquiry it is critical that the lessons and progress in implementing its recommendations remain 'front and centre' for the department. This will be assisted by a regular report from the Chief Executive to the Minister detailing implementation progress and any consequential issues arising from the Royal Commission's recommendations. Where recommendations relate to responsibilities of other Government agencies, advice to the Minister should include assurance that all cross-agency issues are being, or have been, addressed.

Recommendations

Recommendation 1: That the Chief Executive be asked to implement improved corporate governance, including clear responsibilities and accountabilities within and across the department's senior management team, including executive directors, directors and branches.

Recommendation 2: That the Chief Executive be asked to ensure that the department's central office structure and resource deployment is aligned with the service delivery model and that key deliverables for individual business units are appropriately resourced and managed.

Recommendation 3: That the Chief Executive be asked to establish a time-limited policy unit to develop and oversee planning and implementation of the Government's *Every chance for every child* strategic priority and the associated *Brighter Futures* program. The unit would be required to work in close collaboration with the relevant program directors. Monthly reports of progress and emerging issues should be provided to the Department's senior executive group.

Recommendation 4: That the Chief Executive be asked to conduct regular data-driven performance reviews of progress in delivery of key department responsibilities, including *Brighter Futures*, child protection, child development and school student learning.

Recommendation 5: That key deliverables by the department over the next 12 months are agreed between the Minister and the Chief Executive, with progress reported via regular data-driven reports, and a detailed review after 6 months.

Recommendation 6: That the Chief Executive be asked to provide the Minister with regular updates on development and implementation of people and performance management within the department. This investment should aim to ensure availability of a flexible workforce trained and developed to support the delivery of services in accordance with the Department's overall strategy.

Recommendation 7: That the Chief Executive be asked to consider instituting a regular staff 'climate survey' beginning in 2014.

Recommendation 8: That the Chief Executive be asked to develop a leadership development strategy that builds on the Institute for Educational Leadership initiative and extends coverage to include all DECD employees.

Recommendation 9: That the Chief Executive be asked to establish a (small) specialist unit within the Department to review, and regularly update, all department policies and directions to ensure they reflect and take account of the department's responsibilities and contemporary requirements. Policy documentation should identify the senior officer responsible for authorising the policy, delegations of policy implementation responsibility, officials that need to be advised of any policy breach, and the date when the policy was last updated.

Recommendation 10: That the Chief Executive be asked to regularly and systematically review department delegations to ensure they include all current policies, and that delegations and responsibilities are appropriately assigned across the department.

Recommendation 11: That the Chief Executive be asked to develop instructions and guidance that ensure that the Minister, and senior department officers are advised as soon as reasonably possible of any allegation of a criminal act against a client of the department or in relation to an employee of the department. (Implementation of this recommendation should take account of action in response to recommendation 7 of the Royal Commission Report)

Recommendation 12: That the Chief Executive be asked to ensure department policies and directions to staff are unambiguously clear that incidents likely to attract media interest, and any approaches from the media, are reported to the Minister, the Chief Executive and the responsible division head as quickly as possible. Guidelines distinguishing 'high' and 'low' importance matters will need to be developed to ensure 'good news travels fast, bad news travels faster'.

Recommendation 13: That the Chief Executive be asked to consolidate responsibility for all departmental internal and external communications in his Office. This unit should work in close collaboration with senior departmental staff and the Minister's office, and be responsible for developing and implementing proactive, community facing dissemination of information about the department and its work.

Recommendation 14: That the Chief Executive be asked to provide the Minister, every 3 months, with a report detailing implementation progress and any consequential issues arising from all recommendations made by the Independent Education Inquiry. Where recommendations relate to responsibilities of other Government agencies, advice to the Minister should include assurance that all cross-agency issues are being, or have been, addressed.

Attachments

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Executive Leadership Group



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