

Statement from DET Secretary Gill Callister

29 April 2016

Today the Independent Broad-based Anti-corruption Commission (IBAC) tabled its final report on Operation Ord.

We welcome the report and will accept the recommendations that relate to Government.

IBAC examined and exposed patterns of conduct that are completely unacceptable and that have no place in the public sector, particularly in the Department responsible for the education and development of our children and young people.

I am deeply committed to reforming the culture and practices that contributed to that conduct.

While it is stark to see this level of past corrupt conduct laid out in detail, we have not been waiting for the final report to take action.

None of the senior executives involved in this corruption work in the Department any more, and we have taken employment action against the other employees involved.

We have abolished the banker school model that allowed corrupt behaviour to take place.

We have resolutely set out to change the practices and culture of the Department.

Our reform program falls into two broad categories: strengthening our processes, procedures, accountability and transparency across a range of areas including finance, procurement and conflicts of interest; and building a strong ethical culture in line with public sector values.

It is extraordinary that this behaviour came from some of the most senior and influential people in the Department.

It is therefore critically important that we model ethical behaviour from the top down, which is why we have set new standards for ethical leadership, which all executives must uphold.

These include a leadership charter for executives, embedding the public sector value of integrity in all executive officer performance plans, and beginning all executive board meetings with a discussion about some aspect of integrity and how it relates to our everyday work.

This practice is flowing down into discussions among every executive and staff group across the Department.

We have strengthened our financial management training for principals, school councils and business managers.

We have established a new specialist fraud and corruption investigation branch.

We are learning from the mistakes of the past and are resolutely making changes to ensure integrity is at the heart of everything we do.

Our public education system provides immeasurable value to Victoria's children and young people, and to the economic and social prosperity of our state.

As such, we must uphold the highest ethical standards and ensure that as servants of the public interest, our conduct consistently meets the public's highest expectations of integrity.

Together with my colleagues on the Victorian Secretaries Board, I am committed to reforming the culture and the practices that have contributed to that conduct.

Background:

The Department's integrity reform program includes actions to implement over 100 commitments made in response to Operations Ord and Dunham.

Steps already completed include:

- Establishing an Integrity and Assurance Division to lead the Integrity Reform Program and provide central oversight of the Department's integrity performance;
- Establishing five Integrity Leadership Groups across our regions and central office made up of peer-nominated corporate and school staff to identify integrity issues, contribute to decisions and promote integrity across our workplaces;
- Introducing Speak Up, an independently hosted whistle-blower service for staff to raise concerns about unethical conduct;
- Appointing two independent ethics experts to the Department's Integrity Committee to strengthen program oversight;
- Introducing a new leadership charter for all executives;
- Designing resources to support staff in schools and offices to talk about and make ethical decisions;
- Introducing a new data analytics tool to review approximately 8 million school financial transactions for anomalies in real time; and
- Rolling out a new travel policy to ensure value for money and that each trip has a clear educational benefit.

Steps currently being implemented:

- Rolling out an executive rotation program to break down unhealthy networks and increase knowledge sharing across the Department;
- Taking action to prevent suppliers offering inducements that could affect contract decisions;
- Overhauling the school auditing process to include a risk-based approach so those schools with unusual transactions or increases in spending face increased scrutiny; and
- Reviewing gifts, benefits and hospital and conflicts of interest policies to make compliance clearer and easier.

IBAC made six recommendations to the Department of Education and Training, the Victorian Auditor-General's Office and the Department of Premier and Cabinet.