## **DEPARTMENT OF EDUCATION AND TRAINING**

## **Policy statement on public–philanthropic partnerships**

This policy statement supports the Department’s corporate and school-based staff responsible for planning, managing and administering philanthropic engagements and partnerships. It articulates:

* public resource management obligations the Department must fulfil when engaging with philanthropy
* key principles of behaviour staff are advised to follow when dealing with philanthropists and not-for-profit organisations
* key collaboration and negotiation criteria the Department must apply when engaging with philanthropists and not-for-profits to set up partnerships.

With a dual focus on capability and accountability, this policy statement provides a policy framework to govern high-value philanthropic investments. The monetary threshold for applicability of the relevant obligations and criteria is $250,000 and above. This value covers both financial and in-kind contributions made by the philanthropist and/or Department or government school.

The Department can work with the philanthropic sector to achieve more than it could on its own

The Department acknowledges that improving learning and development experiences for Victorian students and young people is a shared responsibility between the Government and wider community. Improved student outcomes benefit individual students and learners, the economy and society as a whole.

The Department is better able to achieve its objectivities if it productively engages with individuals, organisations and businesses that support its practices and pursuits.

Philanthropists and not-for-profit organisations are playing an increasingly significant role in supporting Victorian students and young people. Like the Department, they are fundamentally in the business of ‘doing good’ for society. They often share similar objectives to the Department. They can enhance the Department’s service provisions by bringing extra funding and expertise, and acting as broker to expand the Department’s access to donors and networks. They can be catalysts for innovation, shifting perceptions and proposing novel approaches to help solve complex problems.

Working across sectors is not easy. It requires time, patience, understanding and trust from all parties involved. Collaboration could impose obligations and reduce independence in decision-making, which parties need to consider and be explicit about. To make cross-sector collaboration work, departmental and school-based staff need to develop capabilities and apply disciplines to build and manage partnerships effectively.

Philanthropic engagements need to have regard to responsible public resource management

The Department has legislative responsibilities to achieve a high standard of public financial management and accountability. There is no exception to such responsibilities when it comes to using resources offered by philanthropists and not-for-profits.

Philanthropic partnerships may require the Department to consider making commitments of public resources and to accept or refuse donations. In this regard, departmental and school-based staff must comply with relevant legislation and follow regulatory best practices.

In relation to expenditure of public funds, the *Financial Management Act 1994* (FMA) provides the overarching framework for financial accountability, reporting and administration obligations of the Department. Under the FMA, the *Standing Directions of the Minister for Finance 2016* requires the Department to implement and maintain effective financial management controls. To the extent the Department’s involvement in philanthropy gives rise to the acquisition of assets, goods and services, the Standing Direction 4.2.1 requires the Department to, among other matters:

* establish, maintain and embed appropriate governance arrangements
* have appropriate capability to manage the acquisition over the life cycle of the acquisition
* be able to demonstrate that any financial commitment, obligation or expenditure delivers value for money for the Department or the Government
* undertake investment planning and evaluation of performance when its planning has identified the need to acquire significant services, assets or infrastructure.

The Standing Direction 3.4 makes provision for the Department establishing comparable requirements for school councils.

Regulatory advice on donations appears in the publication *Guidance Supporting the Standing Directions of the Minister for Finance 2016*. The Department of Treasury and Finance issued this guide to provide information that supports the implementation of the Standing Directions. According to this guide, ‘giving or receiving a donation would normally require a strong rationale and a high level of approval within an Agency’ and ‘Agencies that more regularly deal with donations … should have more detailed policies and procedures in place.’[[1]](#footnote-2)

This policy statement applies to the Department’s corporate Groups and school councils

This policy statement applies to the Department’s corporate staff across the portfolio of early years, school and vocational education and training, as well as school-based staff and school councillors. It does not apply to staff of the Department’s other portfolio statutory authorities. These entities may choose to adopt similar principles and criteria to those outlined in this policy statement.

Engagement with philanthropists and not-for-profits can take a variety of forms. At one end are those with relatively low levels of contact through networking and information sharing. At the other end are those with formal and highly structured agreements that demand significant commitments from key parties.

This policy statement is concerned with arrangements the Department enters into with philanthropists and not-for-profits. For this type of public–philanthropic partnership, the defining features are:

* the joint provision of assets, funds or in‑kind contributions by key partners
* significant value, duration or complexity
* the joint decision-making by key partners in the planning, resourcing, governance or monitoring of the project or set of activities as specified in a contractual agreement.

Co-funding could involve ‘partial’ or ‘whole’ collaborative resourcing.

* Partial collaborative partnership occurs where the partners plan together and may govern and monitor together, but each contribute resources for a specific part of the project.
* Whole collaborative partnership occurs when the partners pool resources into a common pot from which the expenditure is jointly planned, governed and monitored.

Principles of collaborative behaviour are the cornerstone of effective partnership

Partnership can improve outcomes beyond what can be achieved from each of the parties working in silos. It is not straightforward to build and maintain workable relationships across the government and philanthropic sectors because partners from different backgrounds may need to adjust their role, culture and behaviour to work together. Reaching a partnership agreement can demand a large up‑front investment of time and effort to build mutual trust and understanding of individual partners.

The following principles of behaviour are common ingredients of successful cross-sector collaboration—departmental and school-based staff and school councillors are advised to adopt these engagement practices for building effective and sustainable partnerships:

*Create the right environment: engage early and act openly*

* Engage early when the potential idea or interest is first being considered.
* Explain the Government’s policy environment and how the Department or government school works.
* Agree on the problem to be addressed through the partnership.
* Consider how solving the problem contributes to shared values or objectives.
* Move beyond seeing partners as donor or service operator, and appreciate other possibilities they may bring.

*Shape partnerships and build relationships: understand the sector*

* Understand the philanthropic and not‑for‑profit sectors, their roles, policies, priorities, practices and limitations.
* Communicate any operating differences between the Department/government schools and other partners.
* Be clear about expectations, roles and responsibilities while remaining flexible in making adjustments to accommodate changing circumstances and opportunities as they arise.
* Convene the right people to the table, especially those with the seniority or authority to make decisions at critical junctures of the partnership.

*Set out clear protocols for decision making*

* Agree on an appropriate decision-making process, having regard to the requirements for transparency and accountability.
* Communicate openly and frequently throughout the partnership.
* Document the history, context and development of the partnership.
* Put in place a robust handover process to achieve seamless transition whenever staffing or structure changes occur during the partnership.

*Agree to an evaluation approach*

* Agree to a set of measures for success and the evidence required.
* Agree to an evaluation framework and provide for the necessary resources needed for the evaluation.
* Consider sustainability issues early and develop a funding plan or exit strategy as appropriate for the partnership.

The Department and government school councils must observe criteria for maximum value from partnership agreements

Deriving value from partnerships goes beyond simply building positive relationships with external partners, and is central to the Department’s and government school councils’ legislative obligations to maximise benefits for Victorians through their disposition of public resources. Achieving this objective depends on a disciplined approach to weighing the costs, benefits and risks associated with partnership agreements.

The Department and government school councils must follow these negotiation and collaboration criteria for deriving value from a partnership agreement with a philanthropist or not‑for-profit.

*The partnership must have the underpinning of a clear value proposition*

* Make outcomes for Victorian students and learners a focal point of the agreement.
* Shape the agreement to align with the Department’s strategic focuses and priorities.
* Shape the agreement for solving a well-defined problem or achieving well-specified outcomes.
* Shape the agreement to provide mutual benefits for partners where the added value to the Department is over and above what it could achieve on its own.
* Shape the agreement to deliver greater benefits than costs to the Department and individual schools, where costs include all contributions or resourcing requirements—committed and contingent—over the life of the agreement.

*The partnership must include adequate management of risk*

* Consider and manage any strategic risk that the agreement may, or may appear to, influence or divert the Department’s or government council school’s effort away from departmental and Government priorities and directions.
* Do not commit the Department or government school council beyond their known resource envelope.
* Do not cause the Department or government school council to breach, or appear to breach, their legal and regulatory responsibilities.
* Manage probity and reputational risks that may expose the Department or government schools to unnecessary public outcry.

*The partnership must demonstrate procedural transparency and openness*

* Apply a rigorous process to assess, justify and record key considerations and decisions.
* Set out terms and conditions of any significant agreement in writing to be duly signed by responsible departmental staff or partner representatives, or both.
* Undertake proportionate, evidence-based evaluation of costs, benefits and risks associated with the proposal to justify its progression or acceptance.
* Secure proper authorisation of any significant agreement from an appropriate governance committee.
* Apply a vetting process to verify the satisfaction of any relevant policies, directives and due diligence requirements (see list below).

This policy statement provides for interaction with a range of existing departmental policies

Notwithstanding its focus on substantive partnership agreement, this policy statement does not preclude the application of other departmental strategies and policies. It is important that departmental and school-based staff and school councillors consider how different policies may interact with one another. The following departmental policy documents may be relevant for particular partnership arrangements:

* [Grants Policy](https://edugate.eduweb.vic.gov.au/edrms/collaboration/PD/GPS/Policy%20Library/DET%20Grants%20Policy.pdf?Web=1)
* [Gifts, Benefits and Hospitality Policy](https://edugate.eduweb.vic.gov.au/edrms/collaboration/PD/GPS/Policy%20Library/DET%20Gifts%20Benefits%20and%20Hospitality%20Policy.docx)
* [Sponsorships Policy and Guidelines](https://edugate.eduweb.vic.gov.au/Services/communications/Guidelines/DEECD%20Corporate%20Sponsorship%20Policy%20and%20Guidelines.pdf)
* Procurement Policy
* School Policy and Advisory Guide
* [Strategic Plan](http://www.education.vic.gov.au/Documents/about/department/strategicplan.pdf) 2017–2021.

1. Department of Treasury and Finance, *Guidance Supporting the Standing Directions of the Minister for Finance 2016*, p. 103. [↑](#footnote-ref-2)