

Statement from Department of Education and Training Secretary Gill Callister

27 January 2017

Today the Independent Broad-based Anti-corruption Commission (IBAC) tabled its final report on Operation Dunham, an investigation into issues relating to the Ultranet project which dates back to 2006.

The Department referred this issue to IBAC in 2014 and I welcome today's report. As with the report on Operation Ord, we accept the recommendations that relate to the Department.

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

Many people within the Department and our school communities will feel greatly let down by the people they were entitled to trust.

We have not waited for these reports to take action. We are already delivering sweeping reforms to prevent this type of behaviour from occurring in future.

The senior executives and employees involved in the corruption exposed in Operation Ord and Operation Dunham were either dismissed or resigned from the Department.

Operation Dunham highlighted the past failures in the Department's procurement systems and processes, and the lack of a strong ethical culture.

We are addressing both and have already achieved a great deal.

Our reform program is made up of more than 100 commitments, including stronger and more accountable procurement systems and processes that ensure greater scrutiny and probity and new, more rigorous conflict of interest rules.

One of the most important things unearthed by these investigations was that this behaviour came from some of the most senior and influential people in the Department. My leadership team is working with executives to make sure these cultural issues cannot take root again, including:

- Setting the bar high for ethical leadership, starting at the top, including strengthening our executive development program to ensure our people make ethical decisions and encourage staff to raise concerns
- Establishing the Integrity and Assurance Division within the Department, with a specialist fraud and corruption investigation team
- Improving financial management training for principals, business managers and school council members
- Introducing a whistleblower service to support staff to report suspected fraud and corruption.

We have learned 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.

We have already gone a long way towards building a system that will make it much harder for this sort of thing to happen in the future.

We know there is more to be done. This reform is ongoing and we have many more projects underway in 2017.

I'd like to thank IBAC for laying the foundations for the Department's organisational reform and culture change, which will remain a key priority.

I want to acknowledge the tens of thousands of teachers, principals, non-teaching staff and public servants who do an amazing job every day educating Victoria's children.

These inquiries have cast a long shadow over the Department but they should not be a reflection on the work of educators and support staff across Victoria. Their skill, dedication and passion make a difference to the lives of more than half a million children every day.

These investigations have provided a significant opportunity for us all, not just to address major failings but to ensure we model a culture of the highest ethics and integrity through our whole education system.

We will continue to work together to improve outcomes for all Victorian children, young people and families.

Background:

The Department's Integrity Reform Program includes actions to implement more than 100 commitments made in response to Operations Ord and Dunham.

Actions 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 corporate and school staff to ensure reforms are grounded in the real-world experiences of staff
- Introducing **Speak Up**, a whistleblower hotline for staff to raise concerns about suspected fraud and corruption
- Introducing a **leadership charter and development program** for all executives
- Rolling out an **executive rotation program** to break down unhealthy networks and increase knowledge sharing across the Department
- Overhauling our **corporate governance structure** to increase accountability and transparency in decision making
- Designing a new **ethical decision making tool** to embed across training programs
- Overhauling the **school audit program**, which has led to improved assurance of school finances
- **Improving accountability** for how schools spend public funds
- Introducing a **new data analytics function** to review approximately eight million school financial transactions for anomalies in real time

- **Abolishing the flawed ‘banker school’ model** and recalling ‘banker school’ funding from schools
- Rolling out a **new travel policy** to ensure each staff trip has a clear educational benefit.

Actions underway:

- Implementing **school and corporate procurement frameworks** and training programs to transform our purchasing practices and processes
- Piloting a **new governance model** to ensure greater oversight for targeted or ‘grants’ funding to schools
- Contributing to a whole of Government review of the supplier code of conduct and revising our own policies to **prevent suppliers offering inducements** that could affect contract decisions
- Reviewing **gifts, benefits and hospitality and conflicts of interest policies** to make compliance clearer and easier
- Designing targeted **training and professional development support** for business managers.

To find out more about the Department’s integrity reform program, see our recent progress report to IBAC: [Building Confidence in Our Systems and Culture](#)