

# TRANSCRIPTS

## STANDING COMMITTEE ON LEGAL AND SOCIAL ISSUES

### Subcommittee

#### Inquiry into machinery of government changes

Melbourne — 21 July 2015

#### Members

Mr Edward O'Donohue — Chair

Mrs Inga Peulich

Mr Cesar Melhem

Mr Gordon Rich-Phillips

Mr Daniel Mulino

#### Staff

Secretary: Ms Lilian Topic

Research officer: Ms Annemarie Burt

#### Witness

Ms Gill Callister, secretary, Department of Education and Training.

**Necessary corrections to be notified to  
executive officer of committee**

**The CHAIR** — I declare open this public hearing of the Legislative Council legal and social issues committee. This hearing is in relation to the machinery of government inquiry. I welcome Ms Gill Callister, the Secretary of the Department of Education and Training. Thank you, Ms Callister, for making yourself available for this hearing.

I caution that all evidence taken at this hearing is protected by parliamentary privilege as provided by the Constitution Act 1975 and further subject to the provisions of the Legislative Council standing orders. Therefore the information you give today is protected by law. However, any comment repeated outside this hearing may not be so protected. All evidence is being recorded. You will be provided with a proof version of the transcript in the next couple of days.

We have allowed half an hour for this session. To ensure there is sufficient time for questions the committee asks that any opening comments be kept to approximately 5 to 10 minutes. We invite you to make an opening statement. Thank you again for your presence this morning.

**Ms CALLISTER** — Thank you, Chair. I do have very short opening comments. Good morning. I appear before the committee in my capacity as the Secretary of the Department of Education and Training and as a representative of the ministers for the education and training portfolio. I understand that the purpose of my attendance is to give evidence regarding the process, cost and effectiveness of any changes that resulted from machinery of government changes following the November 2014 election.

On 4 December 2014 the Premier announced a number of machinery of government changes to be effective 1 January 2015. For my department, the Department of Education and Training, portfolios were established for the Minister for Families and Children, the Minister for Education and the Minister for Training and Skills. The impact of these changes were minimal for the Department of Education and Training as all of the previous functions in the department were retained and no structural changes were required. The only practical change was the renaming of the department to the Department of Education and Training from the previous name of the Department of Education and Early Childhood Development. That renaming of the department was designed to reflect the government's priorities with respect to improving social service delivery and driving Victoria's economic development.

The process to rename the department was straightforward. The department had the capability and the capacity to complete the tasks through business-as-usual activities. The estimated cost to rename the department was \$10 200. That estimated cost comprises the write-off of some redundant stock of stationery. While most of our stationery is held electronically, there is a small stock of printed items such as envelopes and business cards that were then written off. Essentially, given there were no functions removed from the department and no functions brought into the department and the essential focus was on that renaming of the department, that is the extent to which any machinery of government changes have affected us. I leave my opening comments there.

**The CHAIR** — Thank you, Ms Callister. I take this opportunity to introduce members of the committee who are present today. Mr Melhem will be joining us shortly. There is Mr Mulino, me, Mr Rich-Phillips and Mrs Peulich. I will hand over to Mr Rich-Phillips for the first question.

**Mr RICH-PHILLIPS** — Ms Callister, welcome. I do not have a lot of questions with respect to the education department, obviously on the back of what you have said about machinery of government and there not being interdepartmental transfers with respect to your department. But with respect to the structure within your department, you have had a number of different ministerial portfolios appointed that your department is responsible to. Have you made any internal changes to the structure of your department or are you planning to make any internal changes to the structure of your department?

**Ms CALLISTER** — I have not made any significant internal changes to the structure of the department at this point. From time to time secretaries will make structural changes depending on the emphasis that we want to give to particular functions or, in my case, whether I think I have enough dedicated capacity around particular functions. I have created an assistant deputy secretary position, early childhood, to bring a stronger focus to how we are working in the early childhood area, but I would not call that a particularly large structural change. It is about bringing a more senior emphasis to that part of the portfolio. As I said, I have not made any structural changes at this point. I may at some point. It is not something I have a current plan for.

**Mr RICH-PHILLIPS** — In respect of the current structure, how many direct reports do you have as secretary? I assume they are at the deputy secretary level.

**Ms CALLISTER** — I have seven direct reports, and I have said that the new head of the integrity division will also report to me, so that will be eight.

**Mr RICH-PHILLIPS** — I wanted to come to the issue of integrity. Obviously there has been some public discourse around issues in previous iterations of your department and you have said you will make some changes with respect to that. Can you outline to the committee what you are proposing around integrity in view of some of those public disclosures to date?

**Ms CALLISTER** — I think that is pretty well outlined in the statement that I made to the IBAC hearing, which is a public statement now. There are a large number of commitments in that statement about how the department will go forward, both in a systems sense and in a culture sense, right from the department through to the school system about how we improve integrity. One of those, as I said, is the creation of a separate integrity division in the department with a direct report to the secretary. There is a whole range of other commitments in that statement that I have made publicly that I think speak for themselves about the way we are taking things forward.

**Mr RICH-PHILLIPS** — Just on the structural aspect, will the integrity division be headed by a deputy secretary at the dep sec level, so on a peer level with your other seven dep secs?

**Ms CALLISTER** — We are currently considering the best way to head up that division. It will certainly be a very senior position.

**Mr RICH-PHILLIPS** — Close to you? Close to the secretary's office, so there is the direct — —

**Ms CALLISTER** — That is right.

**Mr RICH-PHILLIPS** — Just with respect to costs outlined, the submission from the secretary of DPC came through last night. You referred to 10 200 in the submission for direct costs. I note that when PAEC asked for costs with respect to MOG changes, they were advised at that time that there had not been any costs. Ten thousand two hundred seems very low. I note you said that it is the write-off of stationery — business cards for 100 people would cost \$10 000. Does that reflect the full cost of all your senior people getting new stationery, new business cards et cetera, plus physically changing signage and — —

**Ms CALLISTER** — To the best of my knowledge, it does. Yes, to the best of my knowledge, that is essentially our costs.

**Mr RICH-PHILLIPS** — Are your syndicates still using old stationery? Is it literally on a replacement need basis? Would there still be old stationery in circulation? It just seems very low, business cards for 100 people. I assume you have more than 100 people with business cards, for example?

**Ms CALLISTER** — I am not sure about that. The old stationery that might be in circulation might be being used internally, for internal kind of use, but new stationery would have to be used for public use. But as I said, most of that is electronic; we try and not have too much pre-printed stationery. And I did ask the question about signage, and we have not gone to changed signage.

**Mr RICH-PHILLIPS** — Thank you.

**The CHAIR** — That will come down the track, presumably.

**Ms CALLISTER** — It may.

**Mr MULINO** — Thank you very much for making time for the hearing, Ms Callister; I know that you are very busy. As you said, your department was not affected in a particularly significant way given that there were not interdepartmental transfers. But I was wondering if you have views about some areas in other departments that you might have interactions with in a policy sense. I was thinking, for example, of some areas in DEDJTR like industry, employment, trade and innovation. Some of the changes in that department, for example, are

trying to bring together areas that might have synergies and where alignment might be useful. Do you see potentially some indirect benefits in the way in which you might interact with other policy areas?

**Ms CALLISTER** — Yes. So we are building a strong relationship with DEDJTR around particularly the role of education and higher education and skills in building stronger economic outcomes and agenda. Certainly education plays a very strong role in both the social fabric of the community but also the economic fabric, and our role in the VET system and the higher education system is quite critical to a lot of what DEDJTR do, so we have a strong relationship with that department and are looking for those connections quite actively. The secretary and I have met on a number of occasions about that.

**Mr MULINO** — Good. Thanks.

**Mrs PEULICH** — Congratulations on heading up what I think is an exciting opportunity.

**Ms CALLISTER** — Thank you.

**Mrs PEULICH** — Just a couple of questions. One of the challenges for any head of department in education is managing its physical resources — assets, schools, maintenance — and the interface between capital works and maintenance needs and maintaining a track of maintenance needs and funding. Are you implementing any new processes for dealing with those challenges?

**Ms CALLISTER** — Not at this stage. I have not looked at any particularly new structural changes around capital, other than we have a very strong focus on our building program. There are a number of new capital programs for schools, and capital investment for schools, so there is certainly an increased emphasis in that area. What we have done is increased the capacity there so we can deliver on that bigger capital program.

**Mrs PEULICH** — So is your plan to continue with regular audits of schools' maintenance needs as a process for the department to inform its decision-making?

**Ms CALLISTER** — Yes.

**Mrs PEULICH** — Annual? An annual audit?

**Ms CALLISTER** — I would have to take that on notice. We have just recently done a very large piece of work to get a picture of the maintenance needs of schools across the state.

**Mrs PEULICH** — So you have undertaken a full audit since the change of government?

**Ms CALLISTER** — No, I think that has happened over the previous 12 months. So I think we have a good picture of the current — —

**Mrs PEULICH** — So the one that was undertaken by the previous government?

**Ms CALLISTER** — Yes.

**Mr MULINO** — Chair, can I just ask for a bit of clarity about the scope of what we are looking at today and just whether or not internal processes around capital management are really a machinery of government change? Because this was something that was within the department's purview previously; the machinery of government has not changed that. I just want to be careful about us veering off into all sorts of policy issues.

**Mrs PEULICH** — If it covers process cost and effectiveness — —

**Mr MULINO** — If it — —

**The CHAIR** — With regard to the point of order which I think you are making, this is fundamentally an inquiry about machinery of government changes of course. Members have the opportunity to confirm that certain things they may have knowledge of have not changed, and I think that is what Mrs Peulich was doing. But this is an inquiry about the machinery of government changes, so I do not uphold the point of order. I think Ms Callister has answered the question from Mrs Peulich.

**Mrs PEULICH** — Thank you. Just more question, if I may. We were recently briefed on the broad role of Infrastructure Victoria and learnt that indeed it covers social infrastructure as well. So in terms of the changes to the machinery of your department, it clearly has a strategic role, a coordinating role. Have you considered how that may impact upon your department and how you would interface with that body?

**Ms CALLISTER** — Infrastructure Victoria is being developed. There has been some early consultation with secretaries. I would say I will wait to see how Infrastructure Victoria is actually bedded down and understand then what the right synergies and interface will be with education. I could not yet give you a firm view about that.

**Mr MULINO** — Just to reinforce a point you have already made, we have basically said machinery of government changes after almost every change of government, and this is governments trying to — largely what they are trying to do, of course, is realign policy arms together so they work better. One of the incidental impacts can be stationery, for example, but it sounds like what you are saying is that those kinds of costs can be pretty effectively managed by departments, given that they are moving more and more towards electronic documents, and it does sound like that is a pretty minor issue for the department.

**Ms CALLISTER** — I think it has been a minor issue for the Department of Education and Training.

**Mr RICH-PHILLIPS** — Ms Callister, I have another question with respect to a cost issue we are seeking clarification on. It relates to a contract your department has recently concluded. I will give you the number, which may not mean much to you, but CW6938, which was a six-week, or thereabouts, engagement from late May to early July with the company Bevington Consulting Pty Ltd for \$121 979 for what is described as ‘understanding the role of senior advisors’. That is the published description of this particular engagement. I am keen to understand what that is about. I am assuming that relates to interaction between the department and government. Are you able to clarify the nature of that engagement?

**Ms CALLISTER** — I think it will be better if I take it on notice in order to be absolutely accurate, but just to be clear, the senior advisers that I believe to the best of my knowledge that it is about are the senior advisers to schools that we have out in our regions. So I believe this is about the role of our senior advisers who we have had in place for quite some time.

**Mr RICH-PHILLIPS** — Do you want to take advice or receive advice?

**Ms CALLISTER** — I am just checking whether I am getting a nod or not. But I think it is probably best if I take it on notice to give the committee an accurate understanding.

**Mr RICH-PHILLIPS** — If we just clarify if it relates to schools — —

**Ms CALLISTER** — Yes, but to the best of my knowledge it is about the role of our senior advisers in regions who work with schools, just to be clear. That is what I believe. If I am wrong, I will correct it.

**Mr RICH-PHILLIPS** — Okay. Thank you.

**The CHAIR** — Ms Callister, thank you very much for your presentation this morning and for your answering of questions. I note that the committee is not required to table a final report prior to 1 May next year. If in the subsequent period your department determines that signage changes are necessary as a result of the name change referred to, advice to the committee about the costs associated with that would be appreciated and expected. Thank you for your presence this morning.

**Witness withdrew.**