



Legislative Assembly for the ACT

STANDING COMMITTEE ON EDUCATION

2002-2003 Annual and Financial Report:
Department of Education, Youth and Family
Services

2002 Annual Report:
Canberra Institute of Technology

FEBRUARY 2004

Committee membership

Ms Karin MacDonald MLA, Chair

Mr Steve Pratt MLA, Deputy Chair

Ms Roslyn Dundas MLA

Secretary: Ms Kerry McGlinn

Administration: Mrs Judy Moutia

Resolution of appointment

To examine matters relating to early childhood education and care, primary, secondary, post secondary and tertiary education, non-government education, arts and culture, sport and recreation.

Terms of reference

1. Inquire into and report on the annual and financial reports for the calendar year 2002 according to the Schedule determined by the Assembly.

The schedule defines the following annual and financial reports to be referred to the Standing Committee on Education:

Department of Education, Youth and Family Services 2002-2003

Canberra Institute of Technology 2002

Building and Construction Industry Training Fund Board 2002-2003¹.

¹ Minutes of Proceedings No. 74, 25 September 2003, page.941-943.

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Summary of recommendations

RECOMMENDATION 1

2.13 The committee recommends that future annual reports be professionally edited to ensure consistency and accessibility.

RECOMMENDATION 2

2.17 The committee recommends that an organisational chart be incorporated in future annual reports to provide a clear and concise outline of the changes in functions in the department.

RECOMMENDATION 3

2.28 The committee recommends that DEYFS ensure the incorporation of and adherence to the Chief Minister's Annual Reports Directions.

RECOMMENDATION 4

2.29 The committee recommends that DEYFS in its annual report provide full and frank information regarding judicial decisions that have an impact on the departments operations.

RECOMMENDATION 5

3.8 The committee recommends that CIT undertake annual destination surveys of former students to ascertain the educational and vocational outcomes being achieved by students who have successfully completed CIT courses.

RECOMMENDATION 6

3.10 The committee recommends that CIT include more detailed information in dedicated sections of the annual report regarding the activities and performance of the individual faculties within CIT.

RECOMMENDATION 7

3.13 The committee recommends that the ACT Government lobby the Commonwealth in relation to the visa requirements for overseas students studying in vocational education institutions to remove barriers to access.

1. Introduction

1.1 On 25 September 2003, the Assembly referred the 2002-2003 annual and financial reports to standing committees for inquiry and report by the first sitting day of 2004.²

1.2 The Standing Committee on Education is responsible for the following reports:

Department of Education, Youth and Family Services 2002-2003

Canberra Institute of Technology 2002

Building and Construction Industry Training Fund Board 2002-2003.

1.3 The Committee inquired into the Department of Education, Youth and Family Services (DEYFS) and the Canberra Institute of Technology (CIT) annual reports, but made no comment regarding the Building and Construction Industry Training Fund Board report.

Purpose and intent of annual reporting

1.4 Annual and financial reports are predominantly accountability documents and the principle way in which agencies report to the community, the Assembly and the Government. The reports should allow readers to link the outcomes and achievements of the agency with financial and budget performance statements.

1.5 Annual and Financial Reports are bound by the requirements of the Chief Minister's Annual Reports Directions (the Directions), which are issued under the *Annual Reports (Government Agencies) Act 1995*, and provide the detailed requirements for reporting. Financial Statements, which are subject to audit opinion from the Auditor-General prior to publication, are also bound by the *Financial Management Act 1996*.

1.6 The NSW Audit Office identifies that in order to demonstrate accountability for public monies, annual reports should:

report objectives that are clear and measurable;

focus on results and outcomes;

discuss results against expectations;

² Minutes of Proceedings No.74, 25 September 2003, page.941-943.

be complete and informative;
explain changes over time;
provide evidence of value for money;
discuss risks, strategies and the external operating environment.”³

1.7 It is in this perspective that the committee has analysed the above annual reports. The committee also looked for:

the impact of major external scrutiny on department responsibilities;
a well analysed summary of the outcomes, challenges, and achievements of the department; and
clear and concise qualitative links to budget papers and performance measures.

1.8 The committee has produced a report, which critically analyses the DEYFS 2002-2003 Annual Report against the Directions and has also raised matters where it feels that reporting can be improved.

Conduct of Inquiry

1.9 The committee advertised for submissions to this inquiry in *The Canberra Times* and *The Chronicle* in late October 2003. In response, the committee received no submissions.

1.10 The committee conducted one public hearing on Tuesday 4 November 2003. The committee heard from the Minister for Education, Ms Katy Gallagher MLA, and officials within the Department of Education, Youth and Family Services.

1.11 The 2002 CIT annual report was tabled in the Assembly on 11 March 2003. The committee examined this report on 3 June 2003.

1.12 The committee thanks the Minister and departmental officials for their co-operation and frankness during this process.

³ Reporting, performance: a guide to preparing performance information for annual reports. The Audit Office of New South Wales, November 2000, page.2.

2. Department of Education, Youth and Family Services

2.1 DEYFS Annual Report states that the Department 'delivers high quality education services through government schools; registers non government schools; administers vocational education and training in the ACT and facilitates and delivers support to children, young people and families of the ACT'⁴.

2.2 DEFYS reports on these activities of the Department and is bound by all the requirements of the Annual Report Directions.

2.3 The DEYFS Annual Report subsumes the Schools Authority and also includes the following annexed reports:

- ACT Accreditation and Registration Council
- ACT Vocational Education and Training Authority
- Children's Services Council
- Government School Education Council
- Official Visitor's Report – *Children and Young People Act 1999*
- Board of Senior Secondary Studies.

Compliance with Chief Minister's Annual Reports Directions (June 2003)

2.4 The Chief Minister's Annual Reports Directions are issued under the *Annual Reports (Government Agencies) Act 1995*, and state clearly that annual reports are the principal way in which agencies account for management performance through the Government, the Assembly and the community. The Annual Reports are regarded primarily as accountability documents.

2.5 The *Annual Reports Act* prescribes which public bodies provide annual reports, the format of the reports, and the deadlines for presentation and tabling of reports; the Chief Minister's Directions prescribe publication standards for modest reports, using a minimum of colour and photographs.

2.6 The committee observed that the majority of the DEYFS Annual Report complied with the Chief Minister's Directions, but is critical of the lack of

⁴ Department of Education, Youth and Family Services Annual Report 2002-2003, page.15.

compliance in the area of external scrutiny, and this is discussed in detail later in the report.

2.7 Information on departmental achievements dominate the report, but they need very close and detailed examination to expose real business performance issues or how challenges faced during the year were handled within strategic and operational plans and allocated budgets, for example, the overspend on projects (Amaroo Primary School), the changes in administrative arrangements in July 2002, and the impact of the 2003 January bush fires.

2.8 The committee believes that this type of correlated information and data provides a detailed picture of performance and should be readily accessible in a specific location within the report.

Transmittal certificate

2.9 The committee notes that under the Directions that 'ALL reports must include a transmittal certificate on agency letterhead signed by the Chief Executive'⁵. Although the transmittal certificate is to be found on page 3 of the Annual Report, it does not comply with this direction in that it is not on Departmental letterhead.

Report format

2.10 Unfortunately the committee was only provided with photocopied versions of the final coloured version of the DEYFS Report. This affected the clarity of graphs, charts and tables, which were incorporated into the report, therefore they were extremely difficult to read and interpret. Also, the report easily fell apart.

2.11 The Committee believes it appropriate that DEYFS, in future, ensure that colour copies of the report are provided for tabling and to access points for members of the community such as national and local libraries.

Aids to access

2.12 There are a number of areas where the committee feels that the overall consistency and accessibility of this report could be improved by incorporating the following:

- consistent use of terminology for example % or per cent, 33 or thirty-three, and the increased use of cross referencing;

⁵ Chief Minister's Annual Reports Directions, June 2003, page.12.

- the name, position, phone, fax, email and web address of the relevant contact officer in each division;
- the name, position, phone, fax, email and web address of the contact officer responsible for obtaining general information on and copies of the DEYFS annual report in the contents;
- labelling of all the graphs ⁶ and photographs.⁷

Recommendation 1

2.13 The committee recommends that future annual reports be professionally edited to ensure consistency and accessibility.

Organisational profile

2.14 In July 2002, the Department of Education and Community Services, was restructured as the newly constituted Department of Education, Youth and Family Services (DEYFS) and its role and function changed to focus on the 'core functions of education and training, children's, youth and family services'⁸.

2.15 'Therapy services from the Child Health and Development Service, the Supported Accommodation and Assistance Program and community resource functions including the ACT Government concessions program were transferred to the Department of Housing and Community Services'⁹.

2.16 The committee noted that in November 2002 the Youth Services Branch was created to strengthen policy and programs for young people by bringing together a range of formerly unrelated services and functions.

Recommendation 2

2.17 The committee recommends that an organisational chart be incorporated in future annual reports to provide a clear and concise outline of the changes in functions in the department.

⁶ For example refer to page 221.

⁷ For example pages 25, 27, 42, 62, 171

⁸ Department of Education, Youth and Family Services 2002-2003 Annual Report, page.15

⁹ *ibid.*,page.15

External scrutiny

2.18 The Committee is highly critical that the 2002-2003 Annual Report provides no information of the impact on the Department, specifically the Family Services Branch, from the two Coronial Inquests that occurred during the reporting period 2002-2003, nor does it appear in the Compliance Index.

2.19 The Directions mandate that 'It is a requirement that the annual report must provide information on the most significant developments in external scrutiny of the agency and the agency's response, including particulars of:

Judicial decisions and decisions of administrative tribunals that have had, or may have, a significant impact on the operations of the department.'¹⁰

2.20 The first report regarding the Daisy Osborne Coronial Inquest was handed down on 25 February 2003, the second (the name is suppressed) on 20 June 2003.

2.21 At its public hearing of 4 November 2003, the committee put the following question to the DEYFS Chief Executive 'The coronial decision that came down on 20 June 2003, do you believe it had an impact on the operations of the department?' The committee disagrees with the answer provided by the DEYFS Chief Executive namely 'No, I don't believe that it did.'¹¹

2.22 The committee was further advised that 'the only action that the Department took as a result of the coronial decisions was to write formal letters to individuals who had not fulfilled their obligations under mandatory reporting legislation. We wrote to them and we drew their attention to the coroner's findings'¹².

2.23 The committee sought clarification from the Chief Executive as to why these specific actions were not incorporated in the Annual Report and was advised 'There's limited space within the annual report to respond in detail to every area. The key findings of the coroner didn't relate to this particular agency'¹³.

2.24 On further scrutiny the committee noted that at the Standing Committee on Community Services and Social Equity Public Hearing on 4 December 2003, that committee was advised by the Community Advocate,

¹⁰ Chief Minister's Annual Reports Directions, June 2003, page.15.

¹¹ Transcript of evidence, 4 November 2003, page 10.

¹² *ibid.*, page.10.

¹³ *ibid.*, page.6.

that a major outcome for Family Services from at least one of the inquests was the development of the 'Re-Focus' Process, which moved 'some of our resources away from individual advocacy in the children and young people area into systemic advocacy work'¹⁴.

2.25 The Community Advocate further advised 'I can say that it is my very firm belief that the outcome of the inquest into the death that I have spoken to your committee about has indeed been very great... So I can tell you that at that level it has had a very significant impact.'¹⁵

2.26 The committee notes with interest that in the ACT Health Annual Report 2002-2003, it is reported:

'The recommendations from a coronial inquest in June 2003 have led to substantial revision of the processes surrounding child protection within the ACT Health Sector. Community Health has been working closely with the Department of Education, Youth and Family Services to review practice and to revise the service agreements, which were made some years ago. Roles of each of the agencies have been clarified, new policies developed and put in place, and work begun on scoping a major education and training initiative for mandated reports in the health sector, which will be carried out in partnership with Family Services. Protocols will be developed across the sector through an inter-agency collaboration'¹⁶.

The committee is of the view that this should have also been incorporated in the DEFYS report.

2.27 The committee considers it is essential for public accountability that the response to external scrutiny such as the above Inquest is reported honestly in annual reports. The Annual Report should not only provide the reader with an overview of the positive future directions of the department, but should also include major issues and difficulties encountered during the reporting period.

Recommendation 3

2.28 The committee recommends that DEYFS ensure the incorporation of and adherence to the Chief Minister's Annual Reports Directions.

¹⁴ Transcript of evidence, 4 December 2003, page.3.

¹⁵ *ibid.*, page.3.

¹⁶ ACT Health Annual Report 2002-2003, page.66.

Recommendation 4

2.29 The committee recommends that DEYFS in its annual report provide full and frank information regarding judicial decisions that have an impact on the Department's operations.

Financial and performance reporting

2.30 The committee relies on the independent audit opinion of the Auditor-General and notes to the financial statements, to ensure that DEYFS have fulfilled their requirements under the *Financial Management Act 1996*.

2.31 The committee believes that the presentation of statistical information in the report should be reviewed and used only where they convey meaningful information, and that DEYFS should also link the outcomes and achievements of the Department with its financial and budget performance statements.

Advisory and consultative boards and committees

2.32 The committee believes that DEYFS should improve its reporting on Advisory and Consultative Boards and Committees and incorporate the following information to further enhance accountability and accessibility:

- terms of reference
- functions
- membership including the name of the member and organisation they are representing
- term of appointment
- amount of remuneration, if any, that members are entitled to
- the number of meetings held and the meetings attended by each member
- the name and contact details, of a contact officer responsible for the each of the committees and councils.

3. Canberra Institute of Technology 2002 Annual Report

Background

3.1. The Canberra Institute of Technology (CIT) 2002 Annual Report was tabled in the Assembly on 11 March 2003. Since the committee has a strong interest in the activities of CIT, it wished to examine the organisation's report once it became available. It held a short public hearing on 3 June 2003 to discuss the report with the Minister for Education and senior officials from CIT.

3.2. In this report, the committee wishes to make several comments and recommendations about how CIT can improve its reporting to better reflect the performance of the organisation.

3.3. The committee thanks the Minister and officers from CIT for their cooperation.

Issues

Student follow-up

3.4. During the course of the public hearing, the committee was advised that CIT plans to establish an alumni in the future.¹⁷ However, the committee is aware that CIT does not currently undertake systematic follow-up with former students to measure their success in taking up employment opportunities.

3.5. The committee believes that a formal destination survey mapping the progress of students in their educational and vocational career after their time at CIT would be an extremely useful performance measure. As the leading provider of vocational education and training in the ACT, the committee believes that a survey of this type has the capacity to show how students have managed to translate their studies at CIT into finding work or further study. This information will also be useful in providing feedback to existing students and prospective students in what former students have achieved.

¹⁷ Transcript of evidence, 3 June 2003, page.10.

Recommendation 5

3.8 The committee recommends that CIT undertake annual destination surveys of former students to ascertain the educational and vocational outcomes being achieved by students who have successfully completed CIT courses.

More information on individual faculties

3.9 On reviewing CIT's 2002 Annual Report, the committee found a lack of detail in the activities and performance of the individual faculties, which comprise the CIT. The committee was advised that the report is prepared in line with the minimum standards for reporting set out by the Chief Minister's Department. The committee believes a more fulsome reporting framework is appropriate and not just the minimum standard. While there is information presented on faculties' activities variously throughout the report, the committee would like to see more detailed information provided in dedicated sections of the annual report regarding the performance of individual faculties within CIT.

Recommendation 6

3.10 The committee recommends that CIT include more detailed information in dedicated sections of the annual report regarding the activities and performance of the individual faculties within CIT.

Efficiencies

3.11 In discussion with the committee, the Minister informed the committee that CIT is an extremely efficient organisation and that the attainment of further efficiencies was unlikely. The committee agrees that CIT has achieved excellent operational efficiency in recent years and concurs with the Minister that there is very little room to move regarding further efficiencies at CIT. The committee is of the view that in order for CIT to continue to grow, more funding will be required.

Visa

3.12 The committee learned that visa requirements for overseas students studying at institutions delivering vocational courses are more rigid than the requirements for overseas students studying at university. CIT saw this as an impediment to the effective marketing and take-up of its courses by overseas students. The committee believes that the ACT Government should engage in

discussions with the Commonwealth about the impact that stringent visa requirements are having on the organisation.

Recommendation 7

3.13 The committee recommends that the ACT Government lobby the Commonwealth in relation to the visa requirements for overseas students studying in vocational education institutions to remove barriers to access.

4. Conclusion

4.1 In conclusion the committee made the following comments.

4.2 DEYFS's Annual Report provides an overview of the major achievements and the future direction of the Department, however it should also include the challenges and difficulties faced during the reporting period, such as the impact of judicial decisions on the Department's operations.

4.3 The committee considered that the overall presentation of the DEYFS report, its content, readability, information access and layout is uncomplicated. It also believes that it gives a good overview of the Department's priorities and achievements, however the quality of the content is detracted by the inconsistency in terminology.

4.4 With regards to the CIT report, the committee would like to see the expansion of information provided in dedicated sections of the annual report regarding the performance of individual faculties within CIT.

4.5 The committee looks forward to DEYFS and the CIT continuing to improve their annual reporting in future reports to ensure informed scrutiny, consistency and accessibility.

A handwritten signature in black ink, reading "Karin MacDonald". The signature is written in a cursive, flowing style.

Karin MacDonald MLA
Chair

4 February 2004

Appendix 1 – Witnesses at public hearings

The committee heard from the following witnesses at a public hearing on 3 June 2003:

1. Ms Katy Gallagher MLA, Minister for Education, Youth and Family Services
2. Mr Peter Veenker, Chief Executive Canberra Institute of Technology
3. Mr Aidan O’Leary, General Manager, Corporate Services, CIT
4. Mr Tom Toshack, Budget Accountant, CIT.

The committee heard from the following witnesses at a public hearing on 4 November 2003:

1. Ms Katy Gallagher MLA, Minister for Education, Youth & Family Services
2. Ms Fran Hinton, Chief Executive, Education, Youth & Family Services
3. Mr Trevor Wheeler, Executive Director, Corporate and Vocational Education and Training
4. Mr Frank Duggan, Acting Executive Director, Youth & Family Services
5. Ms Robyn Calder, Director, Children’s Services
6. Ms Barbara Baikie, Director, Family Services
7. Mr Rob Donnelly, Director, Budget and Facilities
8. Ms Anne Thomas, Director, Human Resources
9. Ms Anne Houghton, Director, Vocational Education and Training.