



Dear Families,

Over recent days, Edmund Rice Education Australia (EREA) received a report from the Catholic Education Commission of Victoria (CECV) about areas of the administration of EREA that require improvement. The CECV had engaged KPMG to undertake a culture and organisational capability review of TERE, as it relates to the Victorian schools. The Review specifically excludes the approach to the Board governing structure, and the proposed subsidiary structure and supporting work going forward.

I felt it was important to reach out to you directly, provide some context from EREA's perspective, and share an update on where we are up to with our ongoing reform and transformation.

The Culture and Capability Review has been distributed beyond Victoria, and while I do not have full insight into who will receive this Review, I wanted to ensure we have an open line of communication should you wish to discuss anything further. While this Review relates to Victoria specifically, these are lessons and processes we will bring to our EREA schools across the country.

The Review recognises areas that are most deserving of our attention and lays out a strong case for change at EREA. It also provides a valuable roadmap for reform that closely aligns with and informs the work that is underway at EREA, especially this year. While much of the work we have done was not part of the Terms of Reference of this Review, it is reassuring to know that we are aligned on what is needed to continue our transformation as an important provider of Catholic education.

Over the past two years, we have reflected deeply on our organisation and the changes needed in our processes, governance, human resources and communication. We have listened, we are continuing to evaluate every aspect of our organisation, and we are responding to ensure impact and outcomes.

This process of reform and transformation is not complete, but we are making significant progress. Consequently, I wanted to share some of these updates with you to not only be transparent about this process, but also reassure you that we are taking this seriously. These are not just words on a page, but actions with genuine implications that will advance EREA schools and their students.

EREA's Reform & Regeneration in Relation to Review Themes

Below is an overview of the changes we are making in relation to the key themes and corresponding recommendations referenced in the Culture and Capability Review. Our focus has been on transforming EREA's clarity of and adherence to governance, shifting from generalist to specialist capabilities, and embedding a proactive child safety culture, but I felt it was important to explain how these focus areas and corresponding activities relate to the key themes of the Review so you know change is underway in the areas that matter.

Over recent months, we have worked hard to engage Victorian School Principals, visited School Leadership Teams and worked through the implications of the Incorporation and the new MO1359 Child Safety Standards and what that means for schools. These effective and informative changes have been well received, and we will continue to review and improve our engagements as we continue to work with schools in a more active way.

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To address **areas of accountability and delegation of authority** (Theme 1), we overhauled our organisational structure to create clear lines of authority and accountability, which we are pleased to announce will take effect from 1 November 2022. We appointed renowned education consultant and cultural transformation leader, Dr Stephen Brown, as Executive Chair, to strengthen insights and accountability between EREA's Executive and the Board. We are also embedding data and metrics to enhance accountability throughout EREA's entire network, including through annual performance reviews, policy management cycles, and regular, structured collaboration between schools, subsidiaries and the Board.

To address **core capability gaps in governance** (Theme 2), we created a new incorporated governance structure, EREA Ltd, with its own Board of Directors in July 2022, and appointments for three of the subsidiary boards were finalised in September 2022. Both of these changes will come into effect on 1 January 2023. These structural changes were significant, not least because we moved from 31 mainstream colleges, two special schools and 22 flexi schools in one entity to five subsidiary entities. For EREA's Flexi schools in particular, this evolution will bring our governors closer to our schools, and result in more focused governance, compliance and HR policies, alongside fit-for-purpose escalation paths.

We conducted an in-depth evaluation of EREA's talent pool and recognised the need to evolve from generalist capabilities to specialist skillsets. As part of this, we are in the process of hiring for 10 new specialist roles, in areas including child safety and risk. We have also conducted an in-depth review of our internal culture to understand where we need to improve and how we can transform EREA from the inside out. We have identified core behaviours that contribute to a baseline of EREA's existing culture, and we are working on processes and initiatives that enable staff to feel empowered to contribute to a trusted environment that not only supports EREA's transformation, but also embeds accountability into the fabric of our organisation.

I was pleased to see that the Review recognised our efforts to enhance **child safeguarding, transparency and clarity** (Theme 3), noting that all schools in Victoria consistently reflected child-safe values, support structures and leadership. We are continuing to prioritise this area, with a commitment to six new child safety roles. We appointed a Manager of Safeguarding and Standards in March 2022 and we are in the process of appointing three child safeguarding officers who provide a first and second line of risk management for all EREA students. We are also in the process of hiring a Director of Child Safeguarding, who will oversee our national efforts to instil a proactive child safety culture, as well as a child safety analyst, who will support these efforts through the integration of data and metrics.

We recognise that in past years, our approach to child safety has been quite reactive – this needed to change, so we have put plans in place to ensure that we don't just respond effectively, but we also proactively identify, mitigate and eliminate risks before they become a reality. Our new policy management cycle is part of this, where key EREA staff will be responsible for keeping child safety policies up to date with regulations and the strategic direction of EREA.

Enhancing our **collaboration in communication** (Theme 4) has been supported by persistent stakeholder engagement, including monthly meetings with EREA Principals and face-to-face engagements with school leadership teams. Just last week, we hosted two workshops with every staff member at two schools in Victoria regarding the new MO1359 Child Safety Standards and the implications of this on the school community. These workshops will be rolled out nationally from January 2023. We are also pleased to be announcing a new CEO for EREA schools in Victoria on Thursday 6 October, who will be supported by a Child Safety & Compliance Officer. We have also recognised the need to embed a communications specialist within EREA, so we will hire a Director of



Communications in the first half of 2023 to ensure our internal and external communications appropriately and transparently update and engage all interested parties on the substantial changes underway throughout our organisation.

To **tighten our core human resources** (Theme 5), we have evaluated the roles and responsibilities of our entire team, and we are introducing a series of processes to embed collaboration and accountability into the culture of EREA. Our shift from generalist capabilities to specialist skillsets was fundamental to this, which is in part reflected in our near-appointment of a new Director of HR. We are also integrating an industry-leading responsibility assignment matrix, called RACI, which will ensure clear lines of responsibility and accountability for each policy, process and initiative within EREA. We are also integrating improved performance management techniques, starting with regular, 360 performance reviews, and in the long-term, looking at how we can integrate real-time feedback into our ways of working.

Finally, to improve areas of **risk management, legal and general compliance** (Theme 6), we are in the final stages of approving Services Agreements between all schools and subsidiary Boards from 1 January 2023. These Agreements outline performance standards, as well as expectations regarding compliance, child safeguarding and risk management. Schools and subsidiary Boards will also participate in annual reviews, with the Services Agreements providing a best-practice baseline to ensure all parties are held to account. We appointed Geoffrey Bell as EREA's Chief Risk Officer in March 2022, and to address gaps in legal advice, we appointed James Coyne as General Counsel and Company Secretary in August 2022.

In Summary

I hope this goes to show that the work we have been doing for many months is not a reaction to the Culture and Capability Review, but driven by a genuine desire to transform EREA, and deliver a safe and supportive environment for every single person within the EREA network. Our team has been working hard to make this a reality, and I am deeply grateful for their dedication and perseverance in getting us this far. While we still have work to do, I am confident we are on the right path.

We are finalising an in-depth report about EREA's vision for the future, which provides a more cohesive look at our renewed organisational strategy, including the changes we have and are continuing to make. This report will show that we are on track to meet all requirements laid out in the enforceable undertaking, delivered by the Victorian Regulations and Qualifications Authority (VRQA), and establish a new structure that is not only better, but also reflects our commitment to the mission of Catholic education. I will share this report with you when it is complete in the near future.

In the meantime, please don't hesitate to contact me to discuss the Culture and Capability Review, anything I've referenced in this letter, or additional questions about changes underway at EREA.

We embark on this next phase of our evolution as a system of schools with optimism that our heightened operational processes, coupled with our new governance structure, will add great value to EREA schools and the mission of Catholic Education across Australia.

Yours sincerely,

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