



Western Australian Auditor General's Report

Right Teacher, Right Place, Right Time: Teacher Placement in Public Schools

Report 6 – August 2011





**THE PRESIDENT
LEGISLATIVE COUNCIL**

**THE SPEAKER
LEGISLATIVE ASSEMBLY**

RIGHT TEACHER, RIGHT PLACE, RIGHT TIME: TEACHER PLACEMENT IN PUBLIC SCHOOLS

This report has been prepared for submission to Parliament under the provisions of section 25 of the *Auditor General Act 2006*.

Performance audits are an integral part of the overall audit program. They seek to provide Parliament with assessments of the effectiveness and efficiency of public sector programs and activities, and identify opportunities for improved performance.

The information provided through this approach will, I am sure, assist Parliament in better evaluating agency performance and enhance parliamentary decision-making to the benefit of all Western Australians.

A handwritten signature in black ink, appearing to read 'C. Murphy'.

COLIN MURPHY
AUDITOR GENERAL
31 August 2011

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Auditor General's Overview

Getting the right teacher in the right place at the right time in over 750 schools spread across a state the size of Western Australia is a substantial and challenging task. Changing staffing processes carries significant risk, in meeting the often diverse needs and concerns of schools, teachers, children, the education system and the community.

For many years, a rules based central placement system has generally met only the most basic staffing requirement to have a qualified teacher in each classroom. It has not been effective at matching the best teacher to the local needs of schools, with negative impacts for teachers and schools. There has, until recently, been little action to address these shortcomings because of the risks involved and the consequences of getting it wrong.

The Department of Education (DoE) has begun to grasp the nettle, and is introducing processes that, if schools opt to use them, allow greater choice and control over who they recruit and how. The pace of change is increasing as more schools and teachers use the new processes.

There are significant potential benefits from making staffing more responsive to the needs of schools, teachers, and children. Maximising the benefits depends on managing the risks and uncertainty that come with change. Not doing so could result in teachers not engaging with the new processes, potentially being disadvantaged, and the prospect of some schools being uncompetitive in attracting the right teachers.

DoE has made a start, but needs to do more. It needs to do more in managing the risks it has identified, more in communicating with teachers to reduce uncertainty and needs to put in place the clear objectives and measures that will show whether the new placement processes are working efficiently and effectively.

Executive Summary

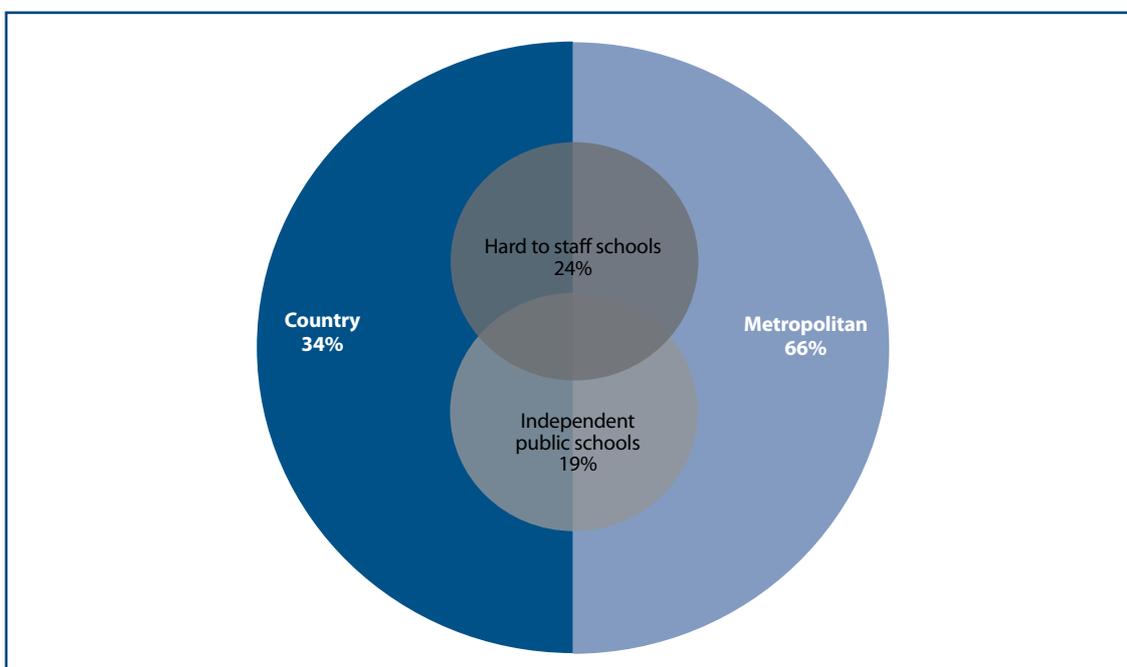
Background

The successful delivery of educational outcomes depends on having qualified and skilled teachers in every school. The minimum responsibility of the Department of Education (DoE) is to ensure that all 250 000 public school students across almost 800 public schools are supervised by a qualified teacher. A highly effective staffing system should enable DoE to put the right teacher in the right place at the right time in a cost effective manner across the whole State.

DoE employed just over 22 000 teachers during 2011. This was equivalent to 25 per cent of the entire Western Australian (WA) public sector workforce and makes DoE the largest employer in the public sector. Teacher salaries totalled just over \$2 billion (53 per cent) of DoE's 2010-11 budget of \$3.8 billion.

The teaching workforce is made up of primary teachers (59 per cent), and secondary teachers (34 per cent), with the remainder (seven per cent) on extended leave, seconded to work in central office, support staff or redeployees. Most public school teachers are permanent (79 per cent) and the remainder are on fixed term contracts (21 per cent).

DoE's challenge in managing its workforce is increased because WA is one of the most geographically dispersed education districts in the world. Just over a third of teachers are in non-metropolitan areas (7 340 teachers) and a quarter (5 498 teachers) are in schools that find it difficult to attract teachers (Figure 1).



Source: DoE and Office of the Auditor General

Figure 1: Proportion of teachers by location and type of school

Ensuring that 'hard to staff' schools have sufficient teachers has been a key driver behind developing a staffing system that can centrally transfer teachers anywhere in the State, by matching vacancies to teacher preferences. DoE has addressed the difficulties in staffing a large and dispersed state by offering incentives to teach in hard to staff schools, including permanency, financial support and increased priority to transfer back to a more desired area after time in a hard to staff school.

Using the central placement process, schools provide vacancy requests to central office staff and teachers submit requests for transfer online. A central IT system matches these two requests together through a series of business rules.

Each year approximately 8 000 to 9 000 central placements occur. Not all of these placements are teachers moving between schools. A teacher may be placed multiple times in iterative rounds of the annual bulk run. Over half of these placements are fixed term teachers, and some of these may stay in the same position.

The central placement process has focused on filling teaching vacancies using a minimum of criteria rather than aiming for a 'best fit' of the right teacher in the right place at the right time. While central placement has helped solve the problem of getting teachers to the hard to staff schools, this is only a quarter of all WA schools. Central placement has not always delivered ideal outcomes for the remaining three quarters of schools.

Introducing any significant change to staffing processes carries risks for DoE. Changes have to meet the diverse needs and concerns of schools, teachers, children, the education system and the community. Critical factors include the duty of care DoE has for students, the importance of educational outcomes, and the significant potential cost of change.

In line with the Classroom First Strategy announced in 2007, DoE has recently given schools new ways to attract teachers who are more suited to their local needs. The key changes are the Independent Public Schools (IPS) initiative announced in 2009 and the School Selection of Teaching Staff (School Select) policy announced in May 2011. Schools can apply to become an IPS or to use School Select to recruit their own staff rather than accept central placements. DoE is currently arranging for tenders to evaluate the IPS initiative.

IPSs retain the benefits of being part of the public school system and operate within relevant legislation and industrial agreements, but have greater autonomy and control over their resources. This includes responsibility for deciding their staffing structures and conducting recruitment to meet their specific needs. IPSs are no longer able to use the central placement process to source staff, other than for specialist positions or if they agree to accept a teacher who has been found excess to another schools staffing requirements (a redeployee).

The School Select policy gives principals in non-IPSs greater flexibility to fill vacancies by allowing them to recruit their own staff as needed rather than always having to use the central placement process. Schools with permanent vacancies are currently still required to participate in the annual 'bulk run' of placements that takes place prior to the start of each school year.

This audit focused on the filling of teacher vacancies in public schools at metropolitan, country and remote locations. We examined two questions:

- Are DoE's processes for filling teacher vacancies meeting its objectives?
- Has DoE identified and developed strategies for managing risks associated with all its processes for filling teacher vacancies?

The audit included an online survey of teachers providing an opportunity for them to share their experiences of staffing processes. It was completed by 544 respondents (2.5 per cent of teachers). We have used feedback from the survey illustratively in our report. The survey sample was self-selecting and is not necessarily representative of the views of all teachers. More information on the survey is available in Appendix C.

Audit conclusion

Having a staffing approach that delivers the right teacher to the right place at the right time is critical to students achieving successful educational outcomes. Despite critical findings from five reviews in 10 years DoE has been deterred, until recently, from making significant changes to its staffing processes. This has been due to the complexity of the challenge and the risk of failure.

In the past three years, DoE has incrementally introduced alternative staffing processes that allow schools to opt out of the central placement process. However, DoE has not undertaken a comprehensive and structured risk analysis of these changes to staffing processes. Doing so should be a priority as 2012 could be the first year that a majority of positions are filled through devolved processes.

DoE has informally identified some risks associated with changing staffing processes, however risk management strategies have not yet been put in place to address these. Failure to address risks could possibly result in unfilled vacancies as well as disadvantaging some schools and teachers.

DoE has not yet established measures of efficiency and effectiveness based on clear objectives to enable it to assess whether the new processes are delivering improvements and benefits for schools, teachers and students.

Key findings

The devolution of recruitment to schools through IPS and School Select means that schools should be better able to match their needs to the skills and capabilities of available teachers.

Central placement has been reviewed five times in 10 years, each time identifying problems with flexibility, timeliness, inefficiency, gaming and other unintended negative consequences. DoE has been slow to act on the recommendations from these reviews largely because of the risks involved in changing the staffing processes.

The number of IPSs is increasing and, with School Select now available to all schools, 2012 may be the first year in which the majority of teacher placements occur through devolved rather than central processes.

DoE has not undertaken a structured and comprehensive risk analysis of the implications of using a devolved model of recruitment. As a consequence the risks associated with changing these processes have not been fully identified or adequately considered.

DoE has not yet put in place strategies to address the key risks that it has identified. In the absence of risk management strategies, the needs of some teachers and schools may not be fully addressed.

DoE will not know if the changes to staffing processes are delivering benefits until it establishes clear objectives and performance measures, in particular:

- The objectives for the new staffing processes have not been fully defined and linked to strategic and operational planning.
- DoE is not tracking key data to assess the efficiency and effectiveness of its staffing processes.
- DoE has not estimated the costs of its new staffing processes, or its cost effectiveness compared to central placement.

Recommendations

To improve risk management, DoE should:

- Identify scenarios that might lead to unfilled vacancies as a direct result of increased devolution and plan possible responses to new areas of 'market failure'.
- Monitor which schools can still be considered hard to staff schools through regular reporting on vacancy management and develop plans for staffing shortages when they occur.
- Develop plans to assist schools and staff that are negatively affected or need additional support during the transition to more devolved processes.

To demonstrate that staffing processes are efficient and effective, DoE should:

- Develop detailed and clear objectives that link to high level strategies and operational plans.
- Develop regular reports to provide performance data on achievement against objectives. This should reflect the need to understand performance across a range of factors such as location, school type, teacher type and timeframes.
- Identify and regularly track the costs of staffing processes.
- Fix a time for a complete review of the efficiency, effectiveness and cost effectiveness of various staffing processes.

To support schools, DoE should:

- Extend strategies to build school administrative staff capabilities in workforce planning, recruitment and selection.
- Track workforce profiles and turnover by school to determine if some schools need additional support.

To support teachers, DoE should:

- Ensure adequate communication of the new staffing processes.
- Survey teachers for feedback on recruitment and placement processes and to identify where additional support is needed.

Response from Department of Education

As schools increasingly gain autonomy, principals expect to be able to select staff who best fit the educational context of their school. For this reason the Department of Education has been moving to devolve staffing flexibilities to schools. The advent of Independent Public Schools, along with devolution of increased flexibility to all schools, signals a significant whole of system change in the way teachers are selected.

There will always be a number of schools and specialist teaching areas that will be unable to attract teachers without central support and targeted recruitment strategies to ensure continuity of staff and uninterrupted delivery of educational programs.

The findings of this report are in general congruent with the Department's own research outcomes and reflect the premises upon which the ongoing reforms to school staffing processes are based.

Overall this report provides the Department of Education with good indicators for moving forward.

Vacancies can be filled through either a central or devolved process

The majority of vacancies are currently filled through a central process

DoE employs a diverse workforce that is dispersed throughout one of the largest education districts in the world. The remoteness of many WA schools is a major reason that some schools have difficulty in attracting and retaining teachers.

DoE regards providing schools with enough staff throughout the year as one of its core responsibilities. To ensure hard to staff schools have sufficient teachers, DoE has for many years used a rules based central placement process to place teachers in vacant positions.

The central placement process involves matching available teachers to vacancies (Appendix A). Staffing consultants liaise with school principals to obtain information about actual and potential vacancies that are then entered into a database called the Teacher Establishment System (TES). Teachers submit transfer requests into TES at particular times of the year. TES is then used to match teacher requests to vacancies via a series of business rules.

The business rules in TES provide a very basic level of matching using vacancy and teacher information. Information for the vacancy includes the start and end date, the full or part time requirement of the position and the teaching subject matter area. The teacher information includes their qualifications, proportion of full time equivalent, the school year level (for primary school) or subject area (for secondary school) and any transfer points they hold.

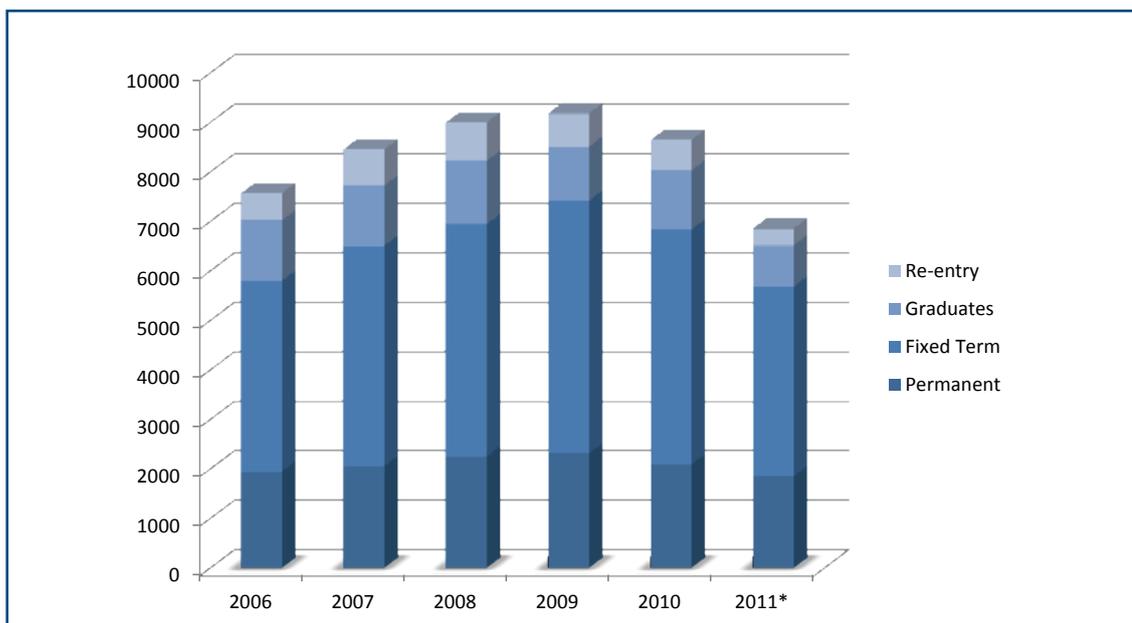
Transfer points are used as a mechanism to reward teachers who have accepted placements in hard to staff schools. The more transfer points accumulated, the more likely teachers are to get their preferred placements as they have priority over teachers with fewer points.

Accepting a placement in a hard to staff school also speeds up a probationary teacher's transition to becoming a permanent teacher. Permanent teachers have guaranteed employment as well as priority in the central placement process over fixed term staff. This is a significant incentive to take up roles in hard to staff schools.

While filling vacancies in hard to staff schools is a priority, the central placement process is also used to fill most other teaching vacancies in one 'bulk run' prior to the start of each school year. The system also places teachers throughout the year, as needed.

Generally, 8 000 to 9 000 placements take place each year. Figure 2 shows the number of placements since 2006.

Vacancies can be filled through either a central or devolved process



Source: DoE and Office of the Auditor General (* 2011 data at end July)

Figure 2: Number of central placements by employment status of teacher

Just over 41 per cent of the teaching workforce are centrally placed into a position each year. A key reason for this high level of ‘churn’ is the large number of fixed term teachers that apply for placements to renew their contract. Since 2006, 54 per cent of all central placements were fixed term whereas only 26 per cent were permanent. This means that only one in four teachers seeking central placement are already permanent in the system, a very different proportion to the rest of the workforce where four in five teachers are permanent.

Other types of teachers placed were graduates (13 per cent) and those who were re-entering the system after a period of leave who could be either fixed term or permanent (seven per cent).

Vacancies can be filled through either a central or devolved process

The IPS and School Select initiatives use a devolved recruitment process to offer schools greater autonomy and control

DoE has recently provided schools with the flexibility to hire their own staff through merit based selection processes, either by becoming an IPS or by applying the School Select policy. Appendix B outlines the key steps in these processes and Table 1 highlights the main differences between the processes. Under these initiatives, schools set their own selection criteria, which are often more detailed than those under the business rules of the central placement process.

	Central Placement	School Select	IPS
Responsibility for appointment decision	Central staff	Principal	Principal
Basis for appointment decision	Business rules match teachers to vacancies based on qualifications, transfer points, subject matter and location	A recruitment exercise where teachers are selected based on criteria (merit) based recruitment	A recruitment exercise where teachers are selected based on criteria (merit) based recruitment
System used	Teacher Establishment System	Jobs advertised online and processed through JobsWA [Recruitment Advertising Management System(RAMS)]	Jobs advertised online and processed through JobsWA (RAMS)
Key features	Central process, 'one-size fits all', solves problem of filling hard to staff vacancies, inflexible	Devolved authority, greater flexibility. Still use central pools. Must consider redeployees and place when suitable	Devolved authority, complete flexibility to determine staffing structure. Additional budget to manage recruitment. Not required to consider redeployees

Source: Office of the Auditor General

Table 1: Summary of three mechanisms for filling vacancies

The number of Independent Public Schools is increasing

There are currently 98 IPSs. Thirty-four took on IPS status in 2010, a further 64 in 2011. One hundred and nine schools were successful in the May 2011 third intake, with 73 of these planned for 2012 and 36 for 2013. A fourth intake will also take place in 2013, adding to the existing successful schools.

IPSs sit entirely outside the central placement process and control their own staff selection processes. They are required to adhere to all relevant legislation and whole of government policies but are not required to adhere to some of the Departmental staffing and recruitment policies. They choose when

Vacancies can be filled through either a central or devolved process

and how to fill their vacancies and do not place those vacancies into the central placement process. They are not required to take redeployed teachers, although they may choose to consider redeployees rather than run a full recruitment exercise. The benefit is saving time and money on a full recruitment exercise.

The number of positions advertised by IPSs increased to almost 300 in the last financial year, more than double the number advertised in the first year of IPSs (130). This is a direct result of the increase in the number of IPSs each year and is likely to increase substantially over the next few years given the addition of 109 new schools.

School Select is open to all non-IPSs but has not yet been widely used

All non-IPSs can now choose to undertake their own local recruitment and selection process through the School Selection of Teaching Staff 2011 or School Select policy. Previously only a subset of schools (367) were permitted to use local merit selection as outlined by the Local Recruitment, Selection and Appointment of Teaching Staff 2009 or Local Merit Select policy. The School Select policy replaces the Local Merit Select policy.

Introduced in May 2011, School Select allows schools to run local recruitment processes as needed, and gives principals more responsibility to make the ultimate appointment decision. Unlike IPSs, these schools do not have control of their staffing structure. School Select schools must also consider redeployees.

Prior to the introduction of School Select, schools could use Local Merit Select to undertake their own local selection process. This had been in place since 1997 but was not often used, although the high number of applications per position reflected widespread interest in the limited number of positions advertised.

Two hundred and seventy-three teaching vacancies (three per cent) were advertised through Local Merit Selection in 2009-10 with 6 575 applications received. The number of vacancies advertised was small as recruitment decisions were overturned by central staff in order to place referred or redeployed teachers. This provided a disincentive for schools to undertake a time consuming and costly recruitment exercise if they did not actually get to choose the teacher.

School Select will be used to meet DoE's legal obligation to find placements for redeployees. A redeployee is a permanent teacher who is surplus to requirements because of decreased enrolments or school closures.

'This school has been a local merit select school for the last seven years. To date, not one classroom teacher has been appointed through this process, despite the school running appropriate selection processes and identifying suitable teachers from highly competitive pools. The process has always been over ridden by central staffing processes.'

– OAG Survey Respondent

Vacancies can be filled through either a central or devolved process

Changes to staffing mechanisms are likely to reduce central placements and increase local merit based recruitment

The new School Select process addresses a number of issues that deterred schools from using Local Merit Select. As a result, it is likely that there will be an increase in vacancies filled through this method. Also, more schools can access School Select compared to only a subset when Local Merit Select was used, so this will lead to an additional increase in locally filled vacancies.

The number of vacancies filled locally by IPS are also increasing. After the recent intake of 109 schools, 37 per cent of teachers will be in IPSs.

Given these increases in School Select and IPS filled vacancies, 2012 could be a 'tipping point', where the number of local merit based processes is likely to be more than those in the central placement process.

The number of central placements that will be needed in future is uncertain, given that it will largely depend upon choices made by each school about how and in what measure they wish to apply new staffing flexibilities. Despite this uncertainty about the scale of change, the central placement process will not continue in its current form and is likely to experience a significant drop in the number of placements.

Audit focus and scope

The focus of this audit was to determine whether DoE's placement of teachers in public schools is efficient and effective. The audit focused on two lines of inquiry:

- Are DoE's processes for filling teacher vacancies meeting its objectives?
- Has DoE identified and developed strategies for managing risks associated with all its processes for filling teacher vacancies?

Our scope included the central placement and local selection processes for filling teacher vacancies (in both Independent Public Schools and School Select Schools). All Western Australian schools were included in scope, both metropolitan and country/remote schools as well as primary and secondary schools. All types of teachers were included in scope. We excluded placement of non-teaching staff.

The key methods used to gather information included review of relevant research and government reports; interviews with key stakeholders; review of DoE documentation, reviews, policies, ministerials and reports; quantitative and qualitative analysis of DoE data; data collection through a survey designed and administered by the Office of the Auditor General.

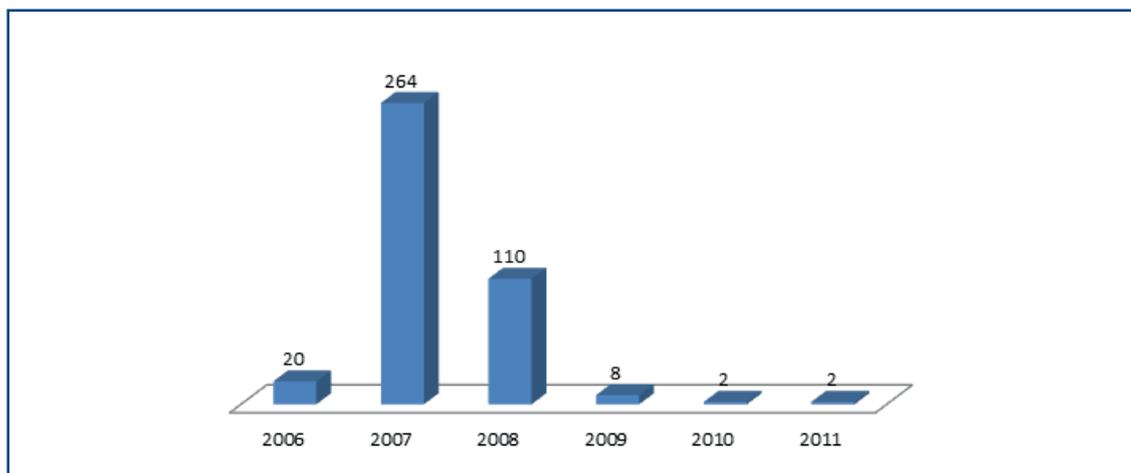
The audit was conducted in accordance with Australian Auditing and Assurance Standards.

The central placement process meets minimum requirements to staff schools however has many acknowledged problems

The central placement process meets basic objectives for DoE

The central placement process generally enables DoE to meet its minimum responsibility of having a qualified teacher in each classroom at the start of each school year. However, it does not provide assurance that schools consistently have the right teacher in the right place at the right time.

Ensuring each classroom has a teacher is DoE's only performance indicator for its staffing processes. DoE has significantly reduced the number of unfilled teaching positions in the system since 2007, when it started the school year with 264 vacancies (Figure 3). It is difficult to determine whether this improvement is due to organisational reforms or demand and supply issues as DoE has no other regularly reported measures for assessing the efficiency and effectiveness of its staffing processes.



Source: DoE and the Office of the Auditor General

Figure 3: Number of vacancies at the start of the school year

DoE has a legislated responsibility to staff all classrooms with a 'qualified' and 'registered' teacher. However, these criteria do not always ensure a good match with school requirements or a best fit of teacher to the needs of the classroom.

Being qualified is defined as having a teacher education degree with at least one year of completed pre-service teacher education in early childhood, primary, middle or secondary education. Teachers also need to be registered with the Western Australian College of Teaching (WACOT). DoE checks this prior to matching teachers to vacancies.

The central placement process meets minimum requirements to staff schools however has many acknowledged problems

The Public Sector Commission (PSC) has indicated that the central process meets compliance requirements in relation to transferring teachers without a competitive assessment of merit as defined by the Commissioner's Instruction – Employment Standard. The full definition of the merit principle in the Employment Standard states that a proper assessment be conducted taking into account:

- the extent to which the person has the skills, knowledge and abilities relevant to the work-related requirements and outcomes sought by the public sector body
- if relevant, the way in which the person carried out any previous employment or occupational duties.

Merit under central placement is defined as being qualified and registered to teach. According to the Standard, transfers are able to take place at level and without the need for a competitive process, as long as these criteria are met.

Restricting the definition of merit to only qualification and registration, without undertaking a competitive process delivers only the bare minimum in terms of meeting local school needs. This does not focus on delivering the best person for the job, only a suitable person.

In interviews and responses to our survey, numerous examples were given of teachers being placed in positions where they did not have required experience or skills. These illustrated the limitations of the central placement business rules in matching teacher characteristics to the requirements of the position.

The central placement process has been formally reviewed five times in 10 years with significant problems identified, but DoE has been slow to act on recommendations

DoE's staffing processes have been the subject of five internal and external reviews in the last 10 years. We conducted a performance audit of staffing practices in 2000, and a follow-up audit in 2004 which found very little progress in implementation of the recommendations from 2000.

After a serious and unprecedented shortfall in teacher supply in 2007, DoE engaged two external consultants and conducted an internal review, all in the same year. The internal review found that:

The existing system of school staffing, established during a period of comparatively plentiful unregulated teacher supply is universally considered a restrictive and inflexible system that has but one objective, fill the vacancies at any cost. The objective is achieved with minimal input from Principals concerning school environment and culture. Teachers often arrive at a school and enter a school environment that suits neither the teacher nor the responsible Principal.

This audit also confirmed that a number of the problems identified in previous reviews had not been addressed until recently.

The central placement process meets minimum requirements to staff schools however has many acknowledged problems

Central placement does not try to achieve the best match between the characteristics of the teacher and the needs of the school

Previous reviews found that the central placement process matches teachers to vacancies according to its own limited criteria, which do not reflect local school needs. Interviews with principals also confirmed findings that the central placement process does not sufficiently take into account local school needs.

The best fit based on experience, skills, school ethos, approach and teacher performance are not taken into account in central placements. Issues such as continuity for schools and students are also not taken into account.

‘Through the central placement process, I acted to fill a vacancy in my Science and Environment area. I specifically requested a high school teacher qualified to teach geography. However, I had to make do with a permanent referred teacher qualified to teach economics. It is particularly important in upper school that specialist subjects are taught by teachers with specialist qualifications.’ – Comment during Principal Interview

The ‘bulk run’ process is inefficient, often not timely and leaves teachers with uncertainty about their future

The ‘bulk run’ to match teachers with vacancies starts in October for the following school year, and involves considerable manual processes, extensive liaison and inefficiencies. It can take up to eight rounds of offers before the system fills all vacancies.

This often means that teachers and schools have very little notice of who will fill a vacancy, with some teachers arriving the day the term starts or later. As a result:

- Teachers do not have time to undertake lesson planning and other preparations in order to meet the specific needs of the students they will be teaching.
- Teachers are hampered in undertaking their own financial and life planning, and moving between country towns and cities can be difficult, especially for families with children in school.
- School principals often will not have met a teacher before they start work, and have no view of their skills, experience or suitability for the school and the position.

Concerns over timeliness were also reflected in the results of our survey where 59 per cent (341) of respondents indicated that they did not feel their placements had been efficient or timely.

The central placement process meets minimum requirements to staff schools however has many acknowledged problems

Central placement uses a ‘one size fits all’ approach with unintended negative consequences for teachers and schools

The central placement process places teachers based on inflexible business rules that do not take account of specific teacher and school needs. This can result in outcomes that do not suit the school or the teacher. For example, teachers may be placed up to 40 kilometres from home when positions are available at closer schools. Teachers are also sometimes transferred once they have ‘done their time’ in a hard to staff school, despite being willing to stay. Fixed term teachers are sometimes forced to move when the school wants them to stay, only to be replaced by a teacher that did not want to go to that school.

‘I know of two teachers in country towns who had to drive one hour to each other’s town, (both teaching similar year groups) and the Department would not let them swap positions.’

– OAG Survey Respondent

Some of these unsuitable placements are managed through compassionate transfer, when particular situations disadvantage an individual. These compassionate transfers are made subjectively and it can be difficult for teachers to escalate issues with central staff. Many teachers expressed their frustrations with only being able to reach a voice mail contact and the difficulty in accessing information.

‘The staffing support officers are restricted in their ability to help new graduates understand how the system works. I telephoned them twice weekly between 1 December and 31 January, each time asking questions in different ways and gleaning a little more information each time. Each week as I gleaned new information I changed my requests to better my chances at securing a job. After a few years of study and the publicity and hype screaming out for teachers, I was lucky to get a six month temporary contract. Most of the grads in my class got nothing.’

– OAG Survey Respondent

The inflexibility of the central placement process has led to ‘gaming’ by both teachers and principals

The rules based nature of the central placement process can result in placements that do not meet either the schools’ or teachers’ needs, with limited flexibility to address these outcomes. Central staff, teachers and principals have described a process of manipulating criteria and rules in TES, in order to avoid unsuitable outcomes and increase the chances of their preferred staffing outcomes. This ‘gaming’ of the system reflects the limitations of the central placement process in meeting staffing needs, is a potential source of inequity and highlights a lack of transparency in the central placement process.

The central placement process meets minimum requirements to staff schools however has many acknowledged problems

To work around the system, principals 'customise' the descriptors in the school request to improve the chance of a match with a particular teacher and to reduce the chance of a match with an unknown 'referred' permanent teacher. This 'customisation' usually means selecting an unusual combination of descriptors, such as the need for a teacher with Physical Education and Science background, and ensuring that the teacher also indicates these descriptors.

Staffing consultants sometimes assist with this process in consultation with principals, often to avoid or address outcomes that are unsuitable for both teacher and school. This can exacerbate perceptions of unfairness and inequity because staffing decisions are not always documented and this is not a formal route for addressing unsuitable placements.

Some teachers also game the system by including very specific additional subjects or fractional placements on their transfer requests. This reduces the likelihood of being placed at a school other than one they wish to teach in.

Concerns over this type of gaming, and other systemic inequities were reflected in the results of the teacher survey. Eighty-one per cent (446 respondents) said they did not feel that the current central placement process was fair or equitable. Both principals and teachers provided numerous examples of where the system had been gamed.

'I have been in the unenviable position of having a 'specialist music' teacher placed into my school only to find out that he couldn't actually play an instrument nor had he any musical experience. He simply ticked the music specialist box on the placement request to enhance his chances of getting a job. A job he got but a music specialist he wasn't!'

– OAG Survey Respondent

DoE has identified risks in changing its staffing processes but has not yet put plans in place to address them

DoE's approach to change has been gradual due to the risks involved

Although numerous reviews since 2000 have highlighted deficiencies with the central placement process, DoE has been slow to adopt the recommendations because of the uncertainty and risks of introducing new processes. A gradual approach to change has been used, giving schools options to participate rather than forcing change. This has been to avoid the risks associated with transitioning all schools and teachers to new processes at once.

The foundation for DoE's staffing reforms has been the Classroom First Strategy 2007. Classroom First promotes 'distinctive schools' to encourage the best possible learning outcomes for students, including school run merit based recruitment, selection and appointment of teachers. Subsequent initiatives such as IPS and School Select have been the mechanisms to devolve recruitment in order to meet the objectives of Classroom First.

The IPS initiative has been introduced slowly with schools allowed to opt in to the process. In the third annual round of applications, 196 schools applied for IPS status – providing an indication that many schools wish to access this mechanism, and take on responsibility for managing their own business. DoE is currently arranging for tenders to evaluate the IPS initiative.

The School Select policy was introduced in 2011, four years after the Classroom First Strategy was announced. It is also non-mandatory and is available to all non-IPS.

In the 2010-11 financial year, over 500 positions have been filled through local selection processes (IPS and School Select) with the intention to still conduct a central bulk run towards the end of 2011.

Changes to staffing processes are likely to have a more widespread effect from 2012 when more schools move to devolved processes

There is likely to be an increase in the scale of change in 2012 as more schools move to IPS and apply School Select. If all the vacancies that are currently filled through central placement were to be filled through local selection, this would increase the number of vacancies in the devolved processes from the current 500 anywhere up to 8 000 to 9 000. This would be the kind of step change that DoE has been seeking to avoid. It is not yet clear whether IPS or School Select are sufficiently developed or established to effectively fill such a large number of vacancies.

It is possible that the use of devolved processes may, over time, reduce the number of recruitments each year. One key reason is that 54 per cent of central placements are fixed term teachers, and as schools manage these locally there may be less 'churn' and greater continuity of service for fixed term teachers. Also the use of pooled recruitment exercises may reduce the number of vacancies that need to be advertised. If teachers have secured a position through local selection it is more likely to meet their needs and they will move schools less frequently. Teachers may also be deterred from changing schools because applying for local recruitment vacancies may be more time consuming than a single transfer application through central placement.

DoE has identified risks in changing its staffing processes but has not yet put plans in place to address them

DoE anticipates that the IPS and School Select initiatives will reduce total reliance on central placement processes, although central office will retain capacity to support schools. There is an assumption in DoE that both of these devolved processes 'work' based on qualitative feedback. The evaluation of the IPS initiative is unlikely to occur before central placement is scaled back. School Select processes are still too new to be fully evaluated.

DoE is planning for the Staffing Directorate to reduce in size and undertake a recruitment bureau/consultancy role for school principals and teachers instead, but DoE also expects that some central placement may be needed for particular situations.

DoE does not yet have a strategy to address the risk that changed processes may result in unfilled vacancies in the system

As previously mentioned, DoE's staffing priority has been to ensure that all teaching vacancies are filled throughout the school year. DoE's ability to use the central placement process to fill vacancies as they arise will reduce as more schools move to devolved processes. This transition is likely to speed-up in 2012, leaving DoE increasingly dependent on the 'open market' to reallocate staff. While this is likely to work in many areas, there are also likely to be areas of 'market failure' that need specific strategies.

DoE has not yet systematically assessed where unfilled vacancies are likely to occur as more schools opt in to devolved staffing processes. The risk of unfilled vacancies appears to be highest in hard to staff schools. However, a more open market that relies on how effectively schools market themselves and target their recruitment may change which schools actually struggle to attract teachers. To identify and respond to this DoE needs to track the number of unfilled vacancies in schools on a regular basis.

Examples are emerging of historically hard to staff schools that have become an IPS and had no difficulty in attracting large numbers of applicants for vacancies. The explanation for this may be that more teachers can access jobs that better match with their skill set and suit their needs or that IPSs may be better able to attract the right teacher for the right job through marketing and recruitment. However, DoE cannot rely on this for all cases. IPS may not be suitable for some hard to staff schools such as remote or small schools. Some schools might lack the capacity to conduct effective marketing and recruitment.

DoE has not yet planned how to attract teachers to hard to staff schools without the incentives provided in the central placement process such as transfer points that give priority for placement in more desired areas.

DoE is currently engaged in industrial negotiations and considering whether it can offer financial incentives. It has not decided what these will be, or whether it can offer other incentives that may be as effective as current incentives. DoE has indicated that financial incentives cannot be the main or only response to areas of market failure, as ongoing costs need to be considered.

Without central placement there will be less ability to coordinate a timely system wide response. DoE has not yet developed strategies if incentives and the best efforts of schools do not address areas of market failure.

DoE has identified risks in changing its staffing processes but has not yet put plans in place to address them

Some schools might be uncompetitive in an open market for teachers but DoE does not have plans in place to mitigate this risk

Interviews with central staff and principals, and the results of our teacher survey, showed that there are broadly held concerns that the IPS initiative will create a system where some schools are uncompetitive.

IPs have a number of perceived advantages in the open market that could result in a concentration of particular types of teachers in those schools, while other schools find it difficult to attract diverse or high quality teachers. There is the concern that some schools attract and retain the 'best' teachers, and that these schools are often good candidates for IPS status.

Based on interviews with principals, the perceived advantages are that IPs:

- can restructure their staffing and release surplus staff, who then have to be redeployed to other schools through the central placement process
- receive additional funding and training to develop more effective recruitment capability
- are not required to take redeployees.

A possible outcome in an open market is that IPs are more effective in recruiting teachers with experience and specific skills. Other schools may be left with concentrations of inexperienced staff, or a reliance on fixed term staff that causes problems with teacher continuity.

DoE needs strategies that help ensure that some schools are not uncompetitive in terms of attraction and retention of good staff. A fully effective open market in which all schools have equal capabilities may deliver this, but this situation will not exist in the immediate future.

Currently, IPs have the advantage of thorough training in human resourcing and staffing practices. School Select schools have not yet received the same depth of training, or the associated increase in budget. However, from 2012 their local recruitment processes are likely to increase, albeit with less human and financial resourcing than IPs.

DoE has not yet adequately planned for the risk that some schools lack the staff capabilities to effectively recruit and select. DoE also needs to track workforce profiles and turnover by school to determine if some schools need additional support.

DoE has not yet put communication strategies in place to ensure that all teachers understand and can use the new staffing processes

DoE has not yet implemented a communication and engagement strategy for teachers to ensure they are able to understand and engage with the new processes. The new processes will more likely be ineffective, and benefits not realised if teachers do not fully understand them or use them as intended.

Assisting the whole teaching workforce to understand changes to placement and recruitment could be difficult. DoE has not yet defined what it considers feasible and practical in terms of ongoing communication with teachers.

DoE has identified risks in changing its staffing processes but has not yet put plans in place to address them

A 2007 review of staffing found that “there is a multi-layered complexity of policy, process, procedures and business rules”. This assessment was made prior to the introduction of IPS and School Select. With three parallel processes now in place, the public school system seems even more complex. This review also found that the complexities and inefficiencies associated with central placement contributed to staff leaving the public school system, or were barriers to them entering it.

‘I am frequently frustrated by bureaucratic, inflexible staffing procedures that make it difficult to retain highly skilled fixed term teachers in the school or even in the system. At the end of each year, these outstanding practitioners are left wondering whether they will have a position into the future. Often we lose some of our best teachers to the private system for this reason.’

– OAG Survey Respondent

At June 2011, only 914 IPS principals and administrative staff (no teachers) had received training in the new staffing processes. Separate workshops are run over six months on: Workforce Management; Staff Recruitment; Budgeting and Finance; IPS Flexibilities; Complaints Management; Accountable and Ethical Decision Making; HRMIS/Payroll; Target Setting; Ministerials; Marketing and School Boards. Training will need to be extended as more schools become IPSs and as more schools use the School Select staffing processes.

Many elements of staffing processes are not well understood by teachers, given patchy communication and inconsistent advice. Existing policies and documentation do not provide teachers with the information they need about the new staffing processes to make informed decisions.

Teachers are confused about a range of issues such as whether recruitment processes were compliant with legislation, the legal entitlements in relation to permanency and transfer, the benefits and methods for accessing different processes, who is entitled to access new staffing processes, how policies will affect particular groups of teachers and how schools might apply the processes differently.

DoE has sought to ensure that new processes are merit based, transparent, equitable and uphold employee interests

The processes used for IPS and School Select recruitment are consistent with public sector legislative requirements to uphold merit, transparency, equity and employee interests. This was not always demonstrable with the central placement process.

To achieve this, DoE has used the same online system as the rest of the public sector (RAMS) and has worked with the PSC to ensure that decisions and processes meet public sector standards.

System controls include the use of shared service staff to check recruitment advertisement content and provide advice to the principal of suggested changes where required. All recruitment decisions are recorded in an open and transparent manner, including decisions to overturn recommendations. Merit

DoE has identified risks in changing its staffing processes but has not yet put plans in place to address them

is defined through selection criteria and the recruitment process is open to all qualified and registered teachers. Teachers will no longer be forced to move, providing a better match of employee interest to work requirements.

DoE's training of IPS principals and staff aims to ensure that they understand and adhere to recruitment standards of merit, transparency, equity and employee interest. The training was developed in consultation with the PSC.

DoE has not yet planned for the risk that some teachers may be disadvantaged by the new processes

The transition from the old central placement process to the new devolved systems may result in some teachers being disadvantaged. Although DoE is aware of this, it is yet to put specific strategies in place to address it.

Teachers may be unable to secure a transfer after teaching in a hard to staff school in the time they had expected

The teachers most likely to be disadvantaged are those that took placements in hard to staff schools to achieve permanency after two years and to increase their transfer points. Under the central placement process, permanency and transfer points provide priority for transfers into other schools. These teachers will expect to receive priority for a transfer from a hard to staff school. However, as devolution increases, the capacity for the central placement process to deliver on this expectation will diminish.

Given that in 2012 there may be fewer places available in metropolitan schools for central transfer, some teachers may remain in positions in hard to staff schools for longer than the two years they had anticipated, unless they are able to secure a position through IPS or School Select processes.

The total number of teachers expecting permanency in January 2012 who are currently in hard to staff schools is 470. Teachers raised this as a matter of concern in our survey. DoE has not yet developed a strategy to address this issue, nor has it communicated to teachers about how this might be managed.

DoE may have less scope to place redeployees despite being obliged to do so

DoE has an obligation to find an alternative placement for genuine redeployees, which are those permanent teachers whose positions cease to exist in their current school. The total number of redeployees at March 2011 was 721. The growth in IPS and their exemption from taking redeployees means that fewer positions are available and DoE's capacity to place them is being reduced. DoE has considered this risk and believes that School Select processes will enable it to continue to meet its obligations to place redeployees.

DoE has identified risks in changing its staffing processes but has not yet put plans in place to address them

Teachers who have not been able to access professional development and training may be disadvantaged

Teachers in rural and remote areas often do not have the same access to professional development as teachers in metropolitan areas. As a result, these teachers may be less competitive in locally run merit based recruitment.

It is not yet clear how significant a disadvantage this will be or whether DoE will need to provide support to remedy their disadvantage. DoE central staff are aware that these groups of teachers might be disadvantaged, but has no plan as yet for an appropriate strategic response. If this risk does start to eventuate and DoE does not provide a remedy, then a flow-on effect will be to make vacancies in remote schools less attractive and harder to fill.

'Teachers like myself, who have moved their family and their lives to a rural location to accrue transfer points will gain no advantage over any other teacher when applying for a position. In rural and remote locations teachers have to make many sacrifices, especially in the amount of Professional Development and mentoring that they are able to access. We are isolated and this can restrict the development of our skills. How is the department going to get staff to go to remote and rural locations if there is no guarantee of being able to return to the Metropolitan area and to friends and family? What happens to the transfer points that I have worked hard for over the past six years?' – OAG Survey Respondent

DoE has not yet established the objectives and measures to track the efficiency and effectiveness of its staffing processes

Objectives are not detailed or linked to strategic and operational plans

The lack of clear objectives for staffing was a key finding of our audit of teacher placements in 2000. Our follow-up performance audit in 2004 found that ‘It was not possible to conclude whether the overall staffing of schools has improved or deteriorated as detailed objectives and measures recommended in the 2000 report have not yet been developed by the Department of Education and Training.’

This situation has not changed. Despite significantly changing its staffing processes since 2007, DoE has not established performance measures based on clear objectives so that it can assess the new processes. Other previous recommendations which have not been addressed were to:

- Define in greater detail the key principles and objectives of school staffing, provide more comprehensive information about placements and movements, and adopt a more systematic approach to reviewing staffing matters.
- Routinely evaluate significant changes in staffing practices to verify whether planned results are being achieved and identify any adverse side effects.
- Set and measure targets and specify critical values, such as extremes in staff turnover and age or gender mix, to better inform stakeholders and trigger corrective action.

Staffing is the largest component of DoE’s budget, and affects all aspects of the public education system. Despite the importance of staffing to DoE, the only objective is to:

‘Provide efficient and effective multiple, year round entry points into the Department of Education.’

This is a high level objective which does not provide adequate linkages to the Classroom First Strategy, and nor does it clearly link to the operational plans of different business units. There also appears to be no detailed description of what ‘efficient’ or ‘effective’ might mean to DoE.

Clear objectives are essential for DoE to know and to be able demonstrate whether its staffing processes are effective and which of the processes are working best for which schools. Detailed objectives are key to the implementation of change. In implementing and being accountable for IPSs and School Select, DoE needs to know whether they are more or less efficient and effective than the central placement process.

Particular objectives for staffing might relate to a variety of elements covering:

- inputs (costs, staffing, teams)
- activities (training, communication, systems implementation, change management, risk management)
- outputs (targets for unfilled vacancies, attraction, retention, permanency, workforce diversity, timeliness)
- outcomes (stakeholder satisfaction, continuity, matching of teacher to needs of school)
- impact (educational outcomes).

DoE has not yet established the objectives and measures to track the efficiency and effectiveness of its staffing processes

Effective objectives need to be documented in a way that ensures they are specific, measurable, achievable, responsive and time based. There should be adequate description of what effective and efficient means. Better definition of objectives will enable easier measurement of performance.

DoE is not tracking relevant data so does not know how well processes are working

DoE lacks detailed measures and performance data relating to filling vacancies. This may be related to the lack of detailed objectives. Relevant and detailed data and reporting enables better understanding of all the multiple processes that are in place to staff schools and gives greater capacity to be responsive to the need to change processes.

Performance measures need to be developed as an early warning system of the success of recent changes. As devolution increases and central placements reduce in number, it will become more difficult to change direction. By tracking performance now, modifications could be made to processes prior to them becoming firmly entrenched.

Best practice research suggests a range of data that can be used to assess when recruitment processes are efficient and effective including cost, timeliness of process and client/candidate satisfaction with outcome. In order to highlight problem areas which may be hidden within averages, DoE needs to also take into account performance across a range of relevant population characteristics such as geographic location, type of school and type of teacher (fixed term or permanent).

A wide range of data is available in DoE's existing systems but is not routinely reported or related to strategic objectives. Only one measure is reported as a key performance indicator – the number of unfilled vacancies across the whole system at the start of the school year. DoE needs a better view of how its staffing processes are performing. The specific reports that DoE will need to use will depend on the detailed objectives that are set. Figure 4 shows examples of measures that could be used.

Inputs	⇒	Activities	⇒	Outputs	⇒	Outcomes	⇒	Impact
<ul style="list-style-type: none"> • Cost • Number of staff involved in recruitment 		<ul style="list-style-type: none"> • Number of policies updated • Number of staff trained • Level of compliance with awards and agreements 		<ul style="list-style-type: none"> • Total number of vacancies advertised • Number of unfilled vacancies by month by type of school • Average time to fill a vacancy • Workforce diversity profiles 		<ul style="list-style-type: none"> • Level of principal satisfaction with match of teacher to school needs • Level of community satisfaction with the teacher quality • Level of teacher satisfaction with the location and timing 		<ul style="list-style-type: none"> • Improvements in educational outcomes by school • Turnover and retention rates by school

Source: Office of the Auditor General

Figure 4: Examples of performance measures for staffing

DoE has not yet established the objectives and measures to track the efficiency and effectiveness of its staffing processes

Understanding efficiency compares what is delivered against the inputs required to deliver them. Effectiveness compares the ultimate impact against the initial detailed objectives set. Cost-effectiveness examines the inputs required to deliver particular outcomes. While DoE has some of this data available, it has not reported or monitored ongoing performance.

DoE has not estimated how much the new devolved processes will cost and whether they are cost effective

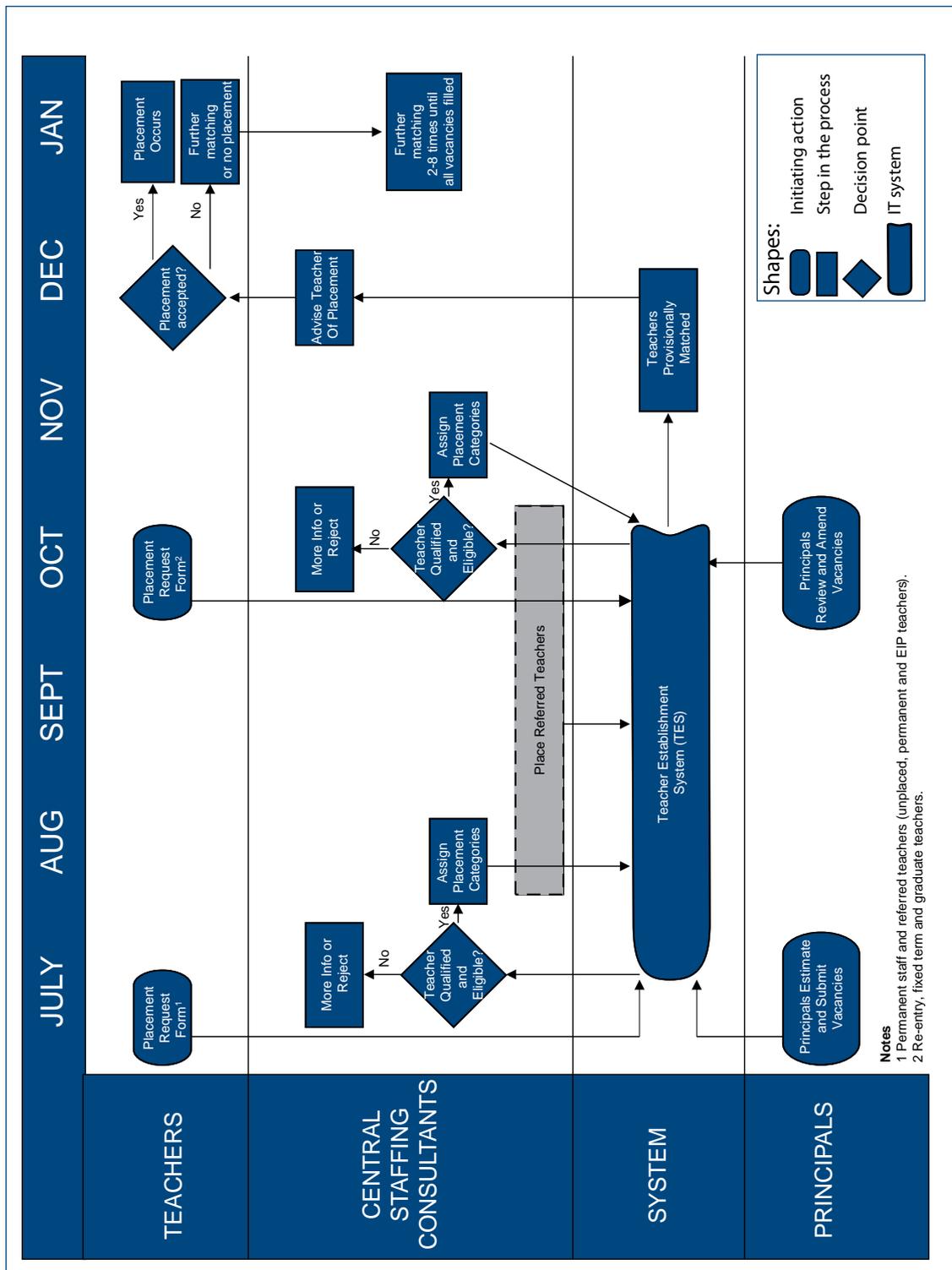
DoE has not estimated the cost of implementing changes to staffing processes at a system or individual school level. We had expected that DoE would have modelled the cost of implementing the devolved recruitment processes against a range of scenarios. Such analysis might for instance have predicted the system level cost if 200, 300 or 400 schools were made IPS.

We had also expected that DoE could provide analysis to show the implementation and ongoing service costs for a range of different sizes and types of schools. For instance, the ongoing service cost of a large metropolitan secondary school with five per cent turnover per year. Such analysis should also establish whether devolved systems are a cost effective option for all schools.

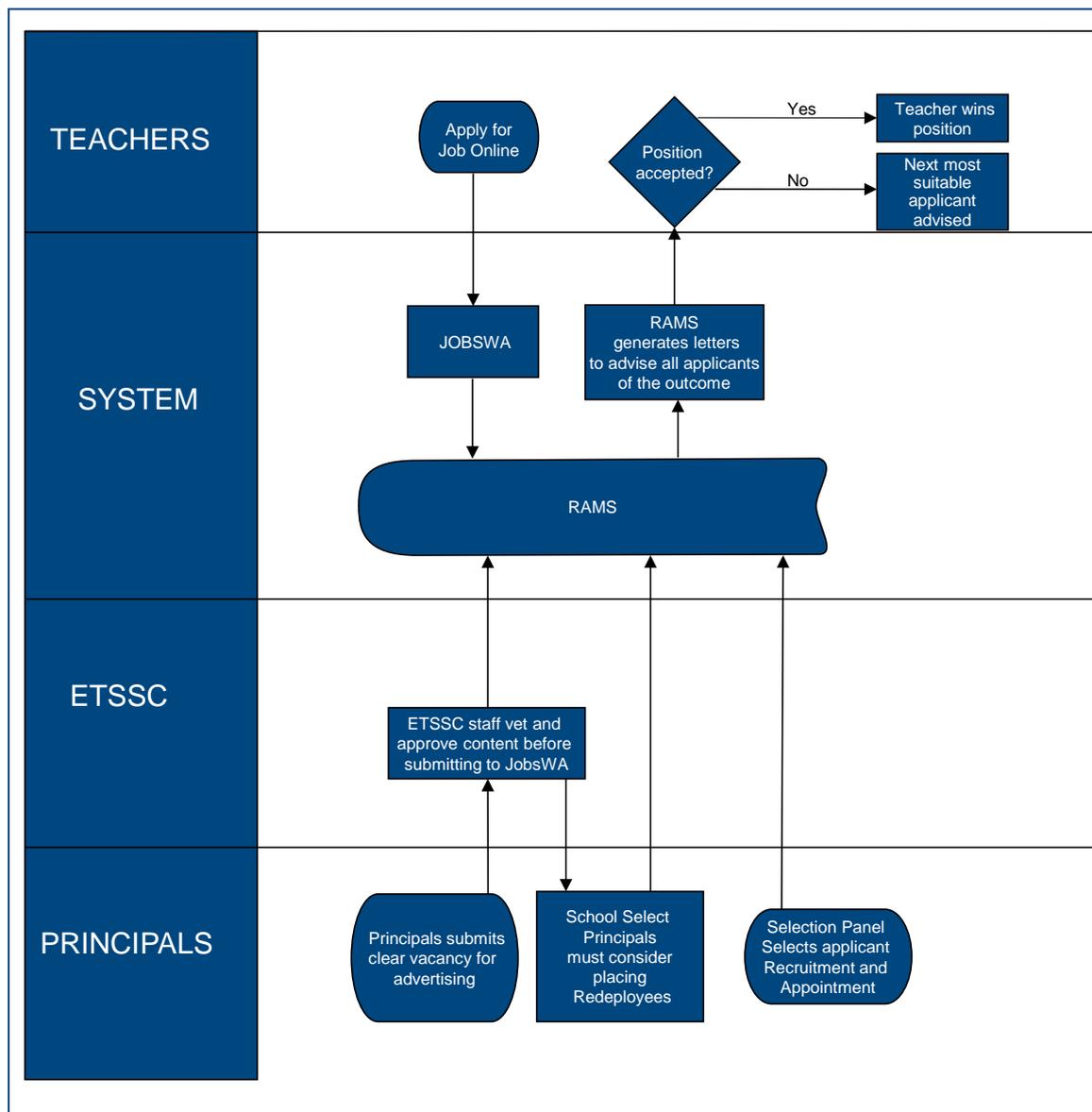
Data that is available on IPSs includes the increased budget allocation made to each school of between \$30 000 and \$50 000 to set up school based administration. Thereafter, annual funding of \$25 000 is provided. This funding is to cover the additional administration and training costs and managing local systems. Some schools choose to share administrative staff, and if savings are made, the school is still entitled to the full amount.

It is important that DoE has an understanding of the potential administrative costs to schools, as well as the potential impact this might have on the assistance required from a central recruitment bureau. Research done by the Australian National Audit Office in 2008 gives one indication of the possible full cost (financial and administrative) of devolved recruitment. It found that the average direct recruitment cost in the Australian Public Sector was 15 per cent of salary. On this basis, the average cost to schools of directly recruiting a teacher whose annual salary was \$75 000 would be \$11 250 for each position.

Appendix A: Process Map of Central Placement Process



Appendix B: Process Map of IPS and School Select Processes



Appendix C: Summary of the OAG Online Survey

Purpose of survey	To engage teachers and give all teachers an opportunity to share their experiences in relation to staffing processes.
How was the survey distributed	All teachers were invited to complete the survey via email and a link to the OAG website. The survey was available to complete from 3 to 22 June.
How results can be interpreted	The results are not intended to provide a representative sample of all teacher views, they were used as a basic supplement to confirm audit findings from other sources. As a result the survey was kept brief with four closed questions on perceptions, one open-ended question on experiences and a background question. The results were only used if they supported other findings and as such do not represent statistical reliability or validity given small sample size and the limited number of questions.
Profile of respondents	No background or demographic data was collected except for whether the respondent was commenting on an IPS, Central Placement or School Select process. Most people commented on Central Placement (88 per cent). It was apparent from the open ended question that both teachers and principals responded to the survey.
Type of measurement	There were four statements where teachers were asked to either agree or disagree. One question was an open-ended question seeking teacher comments on experiences with staffing processes.
Sample size	575 teachers/principals responded.
Summary of questions and results	
1. Current placement and recruitment processes are fair and equitable. Agree 18.1% (104) Disagree 81.0% (466) Not Applicable 1.9% (11)	
2. My school generally has the right teacher in the right place at the right time. Agree 40.5% (233) Disagree 57.6% (331) Not Applicable 3.1% (18)	
3. I have generally been placed in positions where I have the skills and experience required. Agree 73.6% (423) Disagree 22.6% (130) Not Applicable 4.2% (24)	
4. My transfers or placements have been efficient and timely. Agree 31.1% (179) Disagree 59.3% (341) Not Applicable 10.6% (61)	
5. Which process are you commenting on? Central Placement 87.8% (505) Local Select 32.2% (185) IPS 17.7% (102) Other 8.7% (50)	

Auditor General's Reports

REPORT NUMBER	2011 REPORTS	DATE TABLED
5	Public Sector Performance Report 2011 – Agency Compliance with Procurement Requirements – Managing the Priority Start – Building Policy	29 June 2011
4	Information Systems Audit Report	15 June 2011
3	Audit Results – Annual Assurance Audits completed since 1 November 2010, including universities and state training providers; and Opinion on a Ministerial Notification	25 May 2011
2	Opinion on Ministerial Notification: Ministerial decision to not provide information to Parliament in relation to the theatre production of <i>The Graduate</i>	23 March 2011
1	Raising the Bar: Implementing key provisions of the <i>Liquor Control Act</i> in licensed premises	23 March 2011

The above reports can be accessed on the Office of the Auditor General's website at www.audit.wa.gov.au

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