

Question on Notice

Portfolio:	Jobs and Industry
Witness:	Secretary, Department of Jobs, Skills, Industry and Regions
Committee Member:	Nick McGowan
Page of transcript:	3

Relevant text:

Nick McGOWAN: Mr Ada, a separate question really, but in respect to the Supreme Court proceedings against the department by Victorian businesses that suffered massive losses due to the COVID second wave – and that was the hotel quarantine fiasco – can you tell us how much the department has incurred in terms of the costs associated with that action and how that is illustrated in this budget?

Tim ADA: My understanding is, Mr McGowan, that that responsibility lies with the Attorney-General and her department. As to what, if any, costs have been incurred by my department, I will take that question on notice.

Answer:

To date, DJSIR's total direct costs incurred for this matter are \$61,683.75. The Victorian Managed Insurance Authority (VMIA) have confirmed that this amount will be reimbursed in accordance with the applicable insurance policy.

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Page/s of transcript:	4

Question 1

Relevant text:

Nick McGOWAN: Thank you very much. Secretary, again another question, in respect to question 20 of the questionnaire – and this concerns staffing numbers: at the bottom of page 122 it says the department had 2027.3 FTE as of 30 June 2023. The table also states that you expect to have 1745.3 FTE as of 30 June 2024. That is a reduction of 282 staff. Do you know how many of those staff were made redundant?

Tim ADA: Mr McGowan, if I can just step through that question. Obviously there has been a significant workforce reduction in the department. Those projected numbers for the end of June this year as of April this year – that number does include some vacancies that we are undertaking some recruitment for, but there has been a reduction. That largely is accounted for by the department's contribution to public service savings announced in last year's budget, together with a reduction in staff associated with the Commonwealth Games. Consistent with the Victorian government policy associated with those decisions last year, there have been a number of voluntary redundancy programs that staff in the department have had access to. As to the specific number of people that have accessed those programs, I could take that on notice.

Nick McGOWAN: Okay. Thank you, Secretary.

Answer:

1. As at 30 April 2024, 149 employees had accepted exit packages from DJSIR.
2. As at 30 April 2024, 130 employees had received their exit package payments from DJSIR.

Question 2

Relevant text:

Nick McGOWAN: Could you tell the committee how much these job cuts – the nearly 300 job cuts – have saved the department in employee costs up to April 2024?

Tim ADA: Sorry, your question again, Mr McGowan?

Nick McGOWAN: How much it saved in terms of the associated on-costs to do with staffing?

Tim ADA: Again, that is a question that I would have to take on notice to make sure I am giving you an accurate answer. Obviously the reductions in the department are proportionate with the savings allocated by the government, and as I have just said, we have met those savings targets. Just to go

back to my earlier point, the reduction in staff shown in the questionnaire is as of April, and that does include some vacancies that we are actively recruiting to at the moment.

Answer:

Approximately \$25 million in salary and employee related on-costs per year will be saved as a result of 149 employees receiving separation payments and leaving the department.

Question 3

Relevant text:

Nick McGOWAN: Okay. Thank you, Secretary. Further to that, can you tell us how much the department has actually achieved in terms of savings – because obviously this was a budget measure – in respect to those job cuts?

Tim ADA: Well, I think the savings that were allocated to the department are set out in the questionnaire, if

Nick McGOWAN: Questionnaire, page 119.

Tim ADA: If I can take you to page –

Nick McGOWAN: I do not think it actually pointed out to us what the total annual actual savings were.

Tim ADA: If I can take you to page 82 of the questionnaire, Mr McGowan, it sets out the savings that were allocated to the department in the 2023–24 budget.

Nick McGOWAN: And you have achieved those?

Tim ADA: Yes, we have

Nick McGOWAN: Okay. Further to that, could you advise, up to 30 April 2024, how much in total was paid out by the department in redundancies for the 2023–24 financial year?

Tim ADA: Again, consistent with your earlier question, I would have to take that on notice as well.

Answer:

As at 30 April 2024, the total payments made for separation packages is around \$11.7 million (excluding employee entitlements).