



Public Accounts and Estimates Committee

2015-16 Budget Estimates Hearing

The Hon Gavin Jennings MLC

Special Minister of State

State of the public sector

Public Service		Public Entities	
40	Departments and Offices	3,800	Public entities
33,000	Full Time Equivalent employees	216,000	Full Time Equivalent employees

The public sector accounts for almost 15% of Gross State Product



The Victorian public sector workforce is resilient, diverse and flexible but previous cuts skewed the workforce profile, didn't achieve the intended savings, affected capability and reduced morale

*In 2014, 84% of Victorian public sector respondents stated their organisation was an **employer of choice***

***Employee engagement** is strong compared to other jurisdictions*

*However, the public service **lost 4,455 people (11%)** between June 2011 and June 2013 due to cuts. This included **1,017 rural and regional job losses**.*

*VPS Grades fell the most, while Departments employed higher, more expensive classifications. This meant cuts reduced salaries by \$185m per year, **yet only \$138m in savings was achieved***

*The level of staff agreement that the VPS is a **career public service** fell from 81% to 74% between 2010 and 2012*

The agenda for a strong and dynamic public sector

The 2015-16 State Budget provides funding to restore:

Confidence

- *Establishment of Infrastructure Victoria, Projects Victoria and Service Victoria*

Capability

- *Additional funding for the Victorian Public Sector Commission*

Transparency and accountability

- *Additional funding for Office of the Public Access Counsellor, Public Records Office of Victoria, and Office of the Chief Parliamentary Counsel*

Restoring confidence

Infrastructure Victoria

- \$40 million over four years will establish Infrastructure Victoria, at \$10 million per year
- Infrastructure Victoria will identify Victoria's current and future needs relating to State and nationally significant infrastructure; and provide independent and expert advice on infrastructure priorities, setting a long term strategy for infrastructure investment including a pipeline of projects

Projects Victoria

- \$10 million over four years will establish Projects Victoria, at \$2.5 million per year
- Projects Victoria will make sure projects stay on track

Service Victoria

- \$15 million for the first year will begin the planning phase for Service Victoria
- Service Victoria will make it easier for people to deal with government. The annual cost to Government of transactions is \$461 million. If nothing is done to streamline these services, future growth will push this to more than \$700 million in less than a decade

Restoring capability

Victorian Public Sector Commission

- Additional \$2.0 million for 2015-16 will enable the VPSC to develop a strategic plan and deliver programs and priority organisation reviews aligned with the Government's reform ambitions for a high performing public sector
- Compared to similar organisations in other States and Territories, the VPSC's budget has been low (e.g. around 75 per cent lower than the NSW Public Service Commission)

Restoring transparency and accountability

Office of the Public Access Counsellor

- \$16 million over four years for the Office of the Freedom of Information Commissioner which will change to the Office of the Public Access Counsellor. The Office of the Public Access Counsellor will have a broader mandate to help Victorians understand how to access Government information

Public Records Office of Victoria

- \$5.3 million over four years (\$1.2 million output and \$4.1 million asset funding) to upgrade the digital archive to meet increased demand
- \$5.0 million over four years (\$1.4 million output and \$3.6 million asset funding) for an asset maintenance and renewal program to ensure the continued conservation of the collection

Office of the Chief Parliamentary Counsel

- \$2.4 million over four years to provide drafting services to implement the Government's legislative program, and facilitate the provision of access to the law in its role as government printer