



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

2009-10 AND 2010-11 FINANCIAL AND PERFORMANCE OUTCOMES QUESTIONNAIRE — PART TWO

DEPARTMENT OF PREMIER AND CABINET

Question 1

As outlined in DPC's *2009-10 Annual Report* (p.21), one of the key achievements for the Department's Innovation and Projects Group in 2009-10 involved benchmarking Victoria's performance in key areas against national and international peers.

- (a) Please outline the key areas where benchmarking took place.

Department of Premier and Cabinet's (DPC) Innovation and Projects Group (IPG) benchmarked Victoria's performance against national and international peers in:

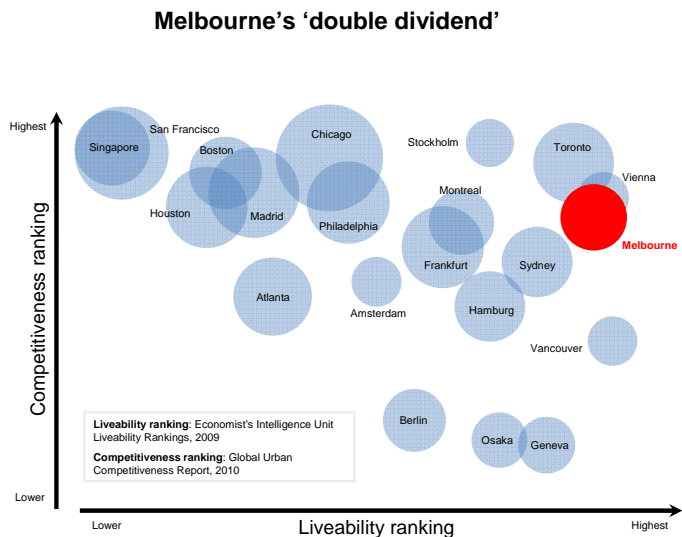
- **GSP growth**
- **Productivity growth at the aggregate and sector levels**
- **Employment and jobs growth**
- **Economic competitiveness**
- **International and interstate exports**
- **Innovation performance**
- **Patents, hi-tech jobs, high income jobs, expenditure on research and development**
- **Sector-level strengths**
- **Innovation capabilities, including information and communication technology, design, life sciences, knowledge industries**
- **Liveability**
- **Health and education performance.**

- (b) Please provide benchmarking details where Victoria out-performed its national and international peers by the greatest extent (please describe the three highest performing areas).

Based on IPG's research and analysis, Victoria out-performed peers by the greatest amount in:

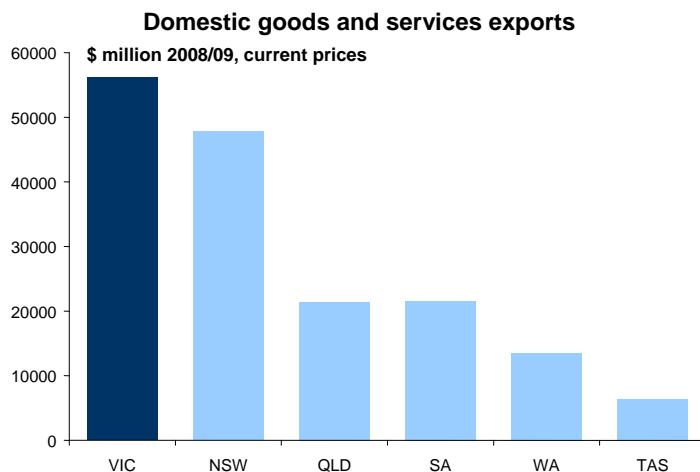
1. Liveability and competitiveness

In 2009-10, Melbourne was ranked as one of the most liveable cities in the world, and Australia was ranked as one of the most competitive economies in the world.



2. Interstate exports

In 2009-10, Victoria led the nation in domestic goods and services exports



3. Innovation capabilities, including information and communication technology, design, life sciences, and knowledge industries.

In 2009-10, IPG analysis found:

- **Broadband:** Victoria is home to the technology centre of the National Broadband Network Company, Telstra and a rapidly growing applications sector
- **Design:** Victoria has significant exports of architecture, engineering and technical services, and strengths

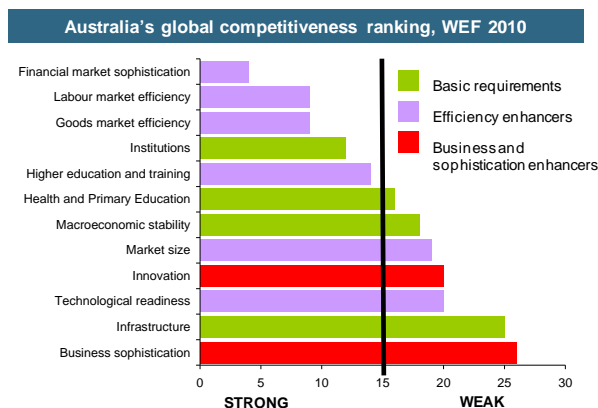
- across urban and digital design, and advanced manufacturing
- Life sciences:** Victoria attracts a share of medical research grants that is 70 percent more than any other state
- Knowledge capital:** Melbourne ranks behind only London, Boston and Tokyo as a Global University city.

(c) Please provide benchmarking details where Victoria under-performed its national and international peers by the greatest extent (please describe the three lowest performing areas).

Based on IPG's research and analysis, Victoria under-performed when assessed against its peers by the greatest amount in:

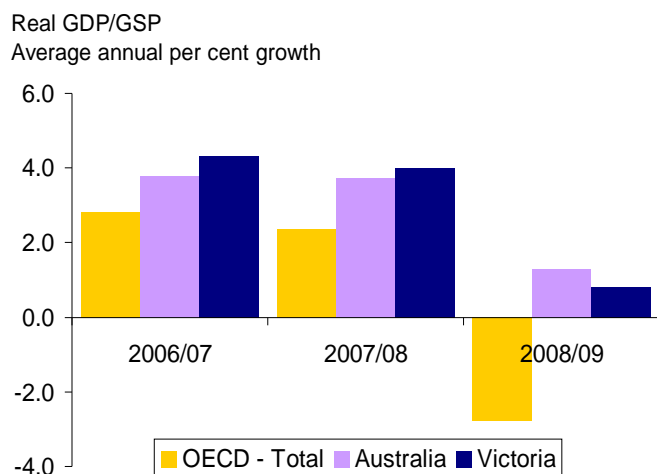
1. Innovation and business sophistication

World Economic Forum data indicated Australia did not perform well on innovation and business sophistication. IPG work confirmed this was also true for Victoria.



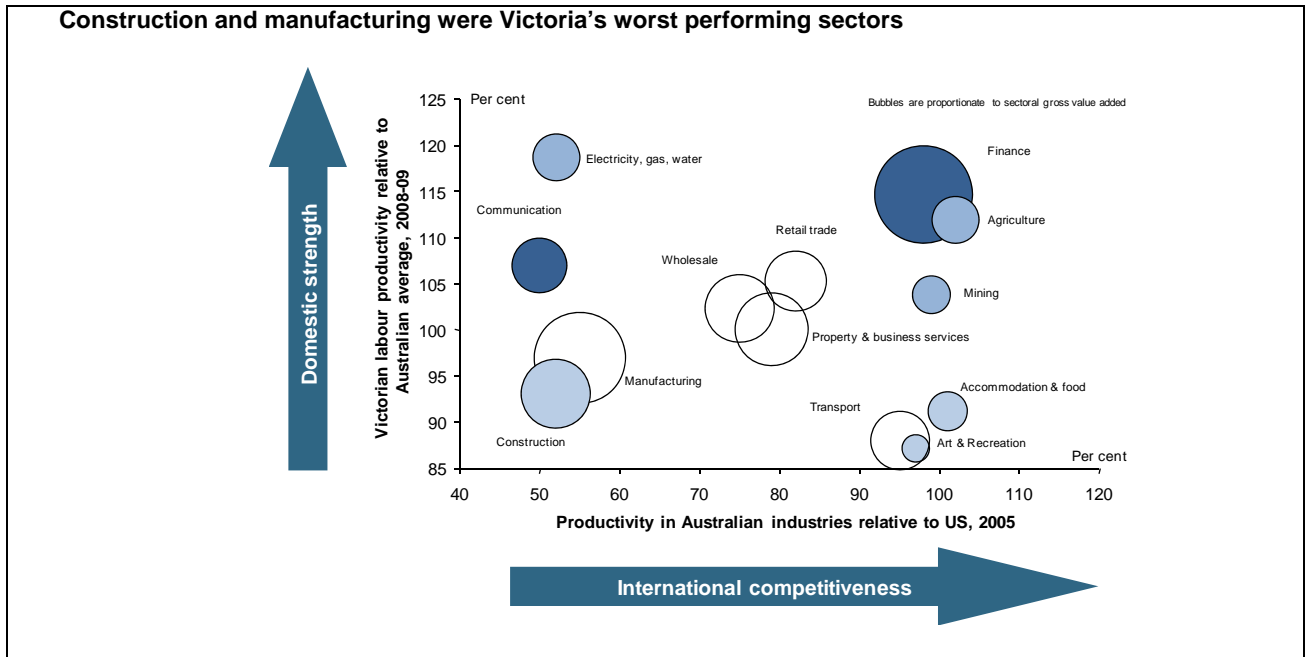
2. Productivity growth

Victoria's productivity growth was less than the national average (but still better than the OECD average)



Source: OECD.Stat Extracts;
 ABS, Australian National Accounts: State Accounts, Cat. No. 5220.0

3. Construction and manufacturing sectors



(d) What plans or strategies have been put in place based on the benchmarking exercise?

IPG was the principal author of "Victoria: The Innovation State", the first comprehensive economic statement issued in Victoria since 2004.

This economic statement was released in October 2010 by the previous Victorian government.

Question 2

The *VPS Innovation Action Plan* was launched in 2009 with a number of initiatives to be implemented in 2009-10 and 2010-11, with DPC responsible for co-ordinating the implementation.

- (a) Were all of the initiatives scheduled for 2009-10 and 2010-11 (as detailed on p.14 of the Plan) implemented? If not, please detail which ones were not and why.

All initiatives were completed with the exception of Micro Challenge. As this was similar in nature to Innovation Challenge, it was deferred with a view to incorporating in the next iteration of Innovation Challenge.

- (b) The Plan explains (p.14) that ‘*A performance measurement framework will be developed to track the plan’s outcomes*’. Has this framework been developed? If not, why not? If so, please detail the actual achievements compared to the targets in the framework.

Instead of a framework, an independent evaluation was conducted to assess the outcomes of the Innovation Action Plan. The evaluation found the Plan raised awareness of innovation and achieved positive outcomes.

Question 3

Please provide further details on the achievements of the Department’s Resources and Infrastructure Branch mentioned in the annual reports for 2009-10 and 2010-11, outlining the particular activities undertaken by the Branch with respect to the following achievements:

- (a) ‘*The branch continued to support the implementation of the Victorian Transport Plan*’ (2009–10)¹; and

In addition to work on the Regional Rail Link and Melbourne Metro projects, DPC continued to support the implementation of the former government’s Victorian Transport Plan by:

- working with the Department of Transport and the Linking Melbourne Authority to commence the Peninsula Link Project;
- supporting the government to deliver a new railway station, Coolaroo Station, and removing the level crossing at Springvale Road, Nunawading; and
- supporting the government in the procurement of 50 new low floor trams.

- (b) ‘*The branch continued to support the improvement of Victoria’s transport network and the delivery of key projects, including the Regional Rail Link*’ (2010-11).²

- Supported Government to implement new governance arrangements for the delivery of the Regional Rail Link and progress the project’s development, including the commencement of early works.
- Worked with the Department of Transport to develop a proposal for Commonwealth funding for the Melbourne Metro project.
- Through the Project Steering Committee, helped to oversee the Metropolitan Taxi Licence Release and establishment of a Taxi Industry Inquiry headed by Professor Allan Fels, to investigate the problems with Victoria’s taxi industry.
- Facilitated the declaration of the Regional Rail Link project under the *Major Transport Projects Facilitation Act 2009*.

¹ Department of Premier and Cabinet, *Annual Report 2009-10*, September 2010, p.28

² Department of Premier and Cabinet, *Annual Report 2010-11*, September 2011, p.22

Question 4

DPC disclosed in its *Annual Report 2010-11* (p.3) that organisational improvements in 2010–11 have built on the Department's *People and Culture Strategy 2009–12*, with recruitment and payroll transitioning to a shared arrangement with the Department of Education and Early Childhood Development (DEECD) and a dedicated human resources team established internally.³

From a shared services point of view to achieve economies of scale, please provide details relating to the following:

- (a) expected and actual efficiency savings achieved in 2010-11 from the shared arrangement with DEECD;

The objective of the shared service arrangement with Department of Education and Early Childhood and extension of the internal human resource (HR) team was to implement DPC's People and Culture Strategy initiatives:

- **Establish a dedicated internal HR team**
- **Provide better quality services**
- **Provide better support for DPC employees through more assessable and consistent HR advice**
- **Improve communication and better match customer service with expectations**
- **Ensure HR strategies are aligned with DPC values and organisational culture**
- **Initiate evidence based approach to workforce planning strategies**
- **Increase productivity and efficiency by ensuring DPC priorities are addressed appropriately and timely**
- **Increase risk management through the establishment of HR systems supported internally**
- **Reduce in role duplication by having both external and internal HR teams**

While the expected and actual efficiency savings of the shared service arrangement are neutral, DPC ensures ongoing fiscal responsibility and accountability.

- (b) whether there has been any impact on the operation of the payroll function from this arrangement;

The successful transition of payroll function from Accenture (using the CHRIS21 payroll system) to Department of Education and Early Childhood (using the eduPay payroll system) was seamless and there was no impact on delivery of payroll function for any employee.

- (c) whether there is scope for extending this service to other agencies so that the payroll function is utilised to its maximum capacity; and

The payroll service is operated through Department of Education and Early Childhood (DEECD). Questions regarding the scope of extension of the service to other Agencies/Departments should be directed to DEECD.

- (d) whether there is a service level agreement with the DEECD for this arrangement and whether or not the agreed standards were achieved in 2010-11.

The shared arrangement with Department of Education and Early Childhood is governed by a Memorandum of Understanding (MoU). The MoU contains a Service Level Agreement which is measured monthly by a Balanced Scorecard. The agreed standards were met for the 2010-11 period.

³ Department of Premier and Cabinet, *Annual Report 2010-11*, September 2011, p.3

Question 5

According to outcomes outlined in DPC's annual reports for 2009-10 and 2010-11, there were 13 referred reviews underway or completed by the State Services Authority (SSA) in 2009-10 and nine in 2010-11. These reviews are aimed at improving service delivery, governance and/or public administration efficiency and effectiveness.⁴

- (a) Please describe any procedures employed by the SSA to measure the impact of the results of these reviews on improving service delivery, governance and/or public administration efficiency and effectiveness.

The SSA undertakes reviews at the request of the Premier, Ministers or Secretaries to identify opportunities to improve the delivery and integration of government services and report on service delivery outcomes and standards.

The SSA undertakes these reviews from within the Executive. The SSA's function, therefore, is not to inform the public or Parliament about the public sector but to provide advice to the Executive about how best to enhance the governance and effectiveness of public sector entities. As the SSA's recommendations have no binding status, Ministers/Secretaries have discretion about how to respond to recommendations that the SSA might make in a review. Whether to release the findings and recommendations of reports is a matter for the Premier, Minister or Secretary.

A further consequence of this is that the SSA does not monitor agencies' use of review recommendations. It would be inappropriate for the SSA to insist upon the implementation of recommendations or to attempt to hold a Minister to account for how recommendations are acted upon. Decisions on how to use review findings rest with Ministers and entity administrators.

A table which outlines the reviews the State Services Authority undertook during 2009-10 and 2010-11 is at Attachment A.

Note that as at November 2011, five of the reviews commenced in 2010-11 (numbers 4-8) are still underway or with the commissioning Minister/Secretary for consideration.

- (b) Please provide an overall comment on the SSA's effectiveness in 2009-10 and 2010-11 in terms of improving service delivery, governance and/or public administration efficiency and effectiveness.

The SSA exists to foster the development of an efficient, integrated and responsive public sector which is highly ethical, accountable and professional in the way it delivers services to the Victorian community.

The SSA provides timely, in-house consulting advice on the efficiency and effectiveness of public entities and service delivery, as required by Government. This work is complemented by the SSA's broader activities in the areas of governance, public administration and workforce planning where the SSA's role is to provide information and resources for use and implementation by public sector entities on the 'how to'. The suite of products developed by the SSA includes toolkits, guidelines and research papers.

Specific examples where the SSA has contributed to improvements in 2009-10 and 2010-11 include:

Governance

Provision of additional public sector governance materials, including:

- updated policy guide on **Gifts and Hospitality**;
- extensively revised 'Good Governance' website (in conjunction with Chartered Secretaries Australia);
- **Directory of Public Boards in Victoria 2010**;
- **Public Entity Directors: Supply, Selection and Appointments**;
- **Recruitment & Appointment to the Board – a governance officers toolkit**;
- **Recruitment & Appointment to the Board – Overview of Ministerial, Departmental and Board Responsibility**;
- **Guide to Whole of Government Legislative Compliance Obligations for Public Sector**; and
- **guidelines on the Legal Form and Governance Arrangements for Public Entities** to assist in the establishment of new public entities.

⁴ Department of Premier and Cabinet, *Annual Report 2009-10*, September 2010, pp.38 and 129 and Department of Premier and Cabinet, *Annual Report 2010-11*, September 2011, p.132

Information resources

- Increase in the uptake and utility of the *People Matter Survey* report of public sector employees' opinions regarding organisational climate, performance and well-being by public organisations (both the rate of participation and the breadth of entities undertaking the survey has increased);
- Enhanced reporting of strategic information to employers to support improved planning for the future (e.g. Separations in the Victorian Public Sector, 2005-06 to 2009-10 Research Report).

Workforce

Development and production of a series of myth and facts sheets and other publications for public service and sector managers to improve their people management ability in the areas of recruitment, secondment and performance management.

Key publications have included:

- Getting Recruitment Right;
- Mastering the Art of Interviewing and Selection;
- Talking Performance;
- Making Flexible Work a Success.

Supported the implementation of the Kareeta Yirramboi (Victorian Aboriginal Public Sector Employment and Career Development Action Plan) which included:

- the development of an Employer Toolkit (in final publishing stage);
- undertaking a base line data collection exercise;
- the inclusion of a Karreeta Yirramboi webpage to promote Aboriginal public sector career opportunities; and
- the review of the GRADS program and the addition of an Aboriginal stream in 2013.

ATTACHMENT A

2009-10 and 2010-11 Reviews

Note: 2009-10 DPC Annual Report states 13 referred reviews underway/completed to end June 2010
2010-11 DPC Annual Report states 9 referred reviews underway/completed to end June 2011

Number	Title	Reference source
2009-10		
1.	Developing Public Sector Managers: Great Manager, Great Results	Annual Work Program
2.	Review of the State Services Authority Annual Workforce Data Collection	Annual Work Program
3.	Integrity and Anti-Corruption System Review	Premier to PSSC
4.	Strengthening the Capacity of the Victorian Public Sector's Workforce to Respond to Significant and Complex Emergency Events	SC&MC
5.	Review of the Governance and Accountability of Adult Education Agencies	s.50 Minister for Skills and Workforce Participation
6.	Review of Gifts and Hospitality Policies, Procedures and Reporting	Premier
7.	Growing the Supply of Potential Board Members	Annual Work Program
8.	Talking Performance	Annual Work Program
9.	Review of the Mining Warden	s.50 Minister for Energy and Resources
10.	Review of the Shrine of Remembrance	s.50 Premier
11.	Review of Skills Victoria	s.50 Minister for Skills and Workforce Participation
12.	Review of the Compensation Framework – Victorian Funds Management	s.50 Treasurer

Number	Title	Reference source
	Corporation	
13.	Child Protection Workforce Review	Secretary, DHS
2010-11		
1.	Emergency Workforce Capacity (Part 2)	SC&MC (pursuant to Part 1)
2.	Review of Department of Education and Early Childhood Development's Complaint Guidelines	Secretary, DEECD to PSSC
3.	Lessons Learnt from VBRRA's Approach to Community Engagement	CEO, VBRRA
4.	Portability of Benefits for Staff Moving Between Employment Types	Premier to PSSC
5.	Review of Department of Planning and Community Development Grants Business Processes and Structures	Secretary, DPCD
6.	Special Inquiry into the Command, Management and Functions of the Senior Structure of Victoria Police	s.52 Premier
7.	Review of the Governance Relationship between the Victorian Institute of Forensic Medicine and the State Coroner	s.50 Attorney-General
8.	Review of Governance Arrangements for Sustainability Victoria	Chair, Sustainability Victoria
9.	Review of Arts Victoria Management Systems	Secretary, DPC

CONTACT DETAILS

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The completed questionnaire must be returned by no later than COB, Tuesday, 13 December 2011.

Please return the response (including an electronic version) of the questionnaire to:

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