

**The State of the
Public Sector in
Victoria
2007-08**



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ABOUT THE STATE SERVICES AUTHORITY

The Victorian Government has vested the State Services Authority with functions designed to foster the development of an efficient, integrated and responsive public sector which is highly ethical, accountable and professional in the ways it delivers services to the Victorian community.

The key functions of the Authority are to:

- identify opportunities to improve the delivery and integration of government services and report on service delivery outcomes and standards;
- promote high standards of integrity and conduct in the public sector;
- strengthen the professionalism and adaptability of the public sector; and
- promote high standards of governance, accountability and performance for public entities.

The Authority seeks to achieve its charter by working closely and collaboratively with public sector departments and agencies.

The Honourable John Brumby, MP
Premier of Victoria

Dear Premier

Section 74 of the *Public Administration Act 2004* requires the State Services Authority to report to you annually on:

- its operations during the year;
- the adherence by public officials to public sector values during the year and their compliance with any applicable code of conduct;
- the application during the year of the public sector values, public sector employment principles, codes of conduct and standards;
- the profile of the public service and the public sector; and
- any other matter which the Authority considers it appropriate to include in its report.

For the 2007–08 year this responsibility is again being met through two separate reports. The first is the Authority's Annual Report which describes its operations during the year and was tabled in Parliament in October 2008. The second is this report, *The State of the Public Sector in Victoria 2007-08*, which meets the balance of the reporting obligations. It is first and foremost a report to you and your government. It will also be of value to those with an interest in the public sector including those who work in the sector, and interested observers from the community at large.

Section 74(4) of the *Public Administration Act 2004* requires that you lay a copy of this report before each House of Parliament within seven sitting days after receiving it.

Thank you for your support of the Authority and its activities in 2007–08.

Yours sincerely

Bruce C Hartnett
Chair
State Services Authority

CONTENTS

Executive summary	1
Chapter 1: The Victorian public sector in an era of reform	11
Introduction	11
The role of the Victorian public sector	11
Public sector bodies and employees	13
Key outputs	17
Funding our actions and services	18
The challenges for Victoria	19
Evolving strategies	24
Conclusion	34
Chapter 2: The Victorian public sector workforce	35
Introduction	35
Workforce snapshot	36
Occupation	38
Employment arrangements	40
Superannuation arrangements	40
Employee characteristics	41
Professionalism	46
An attractive career option	48
Attracting and recruiting new employees	51
Attracting staff to rural and regional Victoria	55
Conclusion	58
Chapter 3: Delivering responsible and accountable government	59
Introduction	59
Governance	60
Accountability	68
Public sector values	69
Conflicts of interest – maintaining public trust	71
Conclusion	72

Chapter 4: Challenges for Victoria's future	73
Introduction	73
Meeting the needs of rural and regional Victoria	73
Planning for Victoria's future	79
Building a sustainable transport system	82
Managing water in an era of drought and climate change	87
Conclusion	92
Appendix 1: Major workforce profiles within the public sector	93
The Victorian Public Service	94
The public health sector	103
The government schools sector	107
TAFEs and other education entities	111
Police and emergency services	113
The water and land management sector	117
The workforce in the balance of the public sector	119
Appendix 2: Profile of the Victorian public sector workforce by region	121
Metropolitan workforce	122
Barwon South Western Region	123
Grampians Region	124
Loddon Mallee Region	125
Hume Region	126
Gippsland Region	127
Appendix 3: Reporting on public sector values and employment principles	129
Introduction	129
The value of having values	130
The relationship between the public sector values and organisational values	131
Leadership	132
Factors that prompt a values-based culture	133
Encouraging compliance	134
The values journey	135
Wider results from the People Matter Survey 2008	136
Conclusion	136
Appendix 4: Executive remuneration	137
Leadership and management in the Victorian public sector	137
The Victorian Public Service (VPS)	137
The Victorian public sector	139
References	143

List of tables

Table 1.1	The major functions of the Victorian public sector	12
Table 2.1	Statistical snapshot of the Victorian public sector workforce	37
Table 2.2	Distribution of public sector by general occupational areas	38
Table 2.3	Proportion of women by occupation - Victorian public sector compared to the Victorian labour market	44
Table 2.4	Victorian public sector recruits by age 2007-08	45
Table 2.5	Separation patterns of ongoing staff by age	45
Table A1.1	Statistical snapshot of the Victorian Public Service	94
Table A1.2	Distribution of public service workforce and salary ranges by generic VPS grade classifications at June 2008	96
Table A1.3	Distribution of public service workforce by occupational classifications at June 2008	97
Table A1.4	Statistical snapshot of the public health sector	103
Table A1.5	Salary ranges for nurses at June 2008	104
Table A1.6	Salary ranges for selected health professionals at June 2008	105
Table A1.7	Statistical snapshot of the government schools sector	107
Table A1.8	Salary ranges for teachers and school services officers	109
Table A1.9	Statistical snapshot of TAFEs and other education entities	111
Table A1.10	Statistical snapshot of police and emergency services	113
Table A1.11	Salary ranges for ambulance paramedics and police officers at June 2008	115
Table A1.12	Statistical snapshot of the water and land management sector	117
Table A1.13	Statistical snapshot of the workforce in the balance of the public sector	119
Table A2.1	Population and workforce profile in metropolitan Melbourne	122
Table A2.2	Population and workforce profile in Barwon South Western region	123
Table A2.3	Population and workforce profile in Grampians region	124
Table A2.4	Population and workforce profile in Loddon Mallee region	125
Table A2.5	Population and workforce profile in Hume region	126
Table A2.6	Population and workforce profile in Gippsland region	127
Table A4.1	Total number of contracted VPS executives 2006-08	138
Table A4.2	VPS executives by total remuneration package range	139
Table A4.3	VPS executives by band and gender	139
Table A4.4	Number of GSERP executives by portfolio 30 June 2008	140
Table A4.5	CEO remuneration 2007-2008	141

List of figures

Figure 1.1	Composition of the employing organisations in the Victorian public sector and the distribution of public sector employees (at June 2008)	14
Figure 1.2	General government operating expenditure on main service groupings 2007-08	18
Figure 1.3	General government capital expenditure on main service groupings 2007-08	18
Figure 2.1	Distribution of Victorian public sector employees by five year age group at 2003 compared to 2008	42
Figure 2.2	Age and gender profile of Victorian public sector employees	43
Figure 3.1	Accountability framework and relationships	62
Figure A1.1	Change in selected Victorian Public Service occupational groups with more than 1000 FTE employees, 2000/01 - 2008	101

Figure A1.2	Change in selected Victorian Public Service occupational groups with less than 1000 FTE employees, 2000/01 - 2008	102
Figure A1.3	Change in hospital occupational group numbers, FTE employees, 2000- 2008	106
Figure A1.4	Change in government schools' occupational groups, FTE employees, 2000 - 2008	110
Figure A2.1	Victorian government regional boundaries and local government areas	121
Figure A4.1	2008 GSERP Market Indicator compared to General Market 25th percentile	142

List of case studies

Case study 1	Agency profiles – VicForests and the Victorian Taxi Directorate	16
Case study 2	<i>Future Coasts</i> – preparing Victoria's coasts for climate change	21
Case study 3	DSE's <i>ecoTender</i>	22
Case study 4	Consumer Affairs Victoria - leading consumer protection national reform	25
Case study 5	Responding to the equine influenza outbreak – State and Commonwealth cooperation	26
Case study 6	<i>StormSmart and FloodSmart</i> – preparing communities for storms and floods	27
Case study 7	<i>The Strengthening Community Organisations Action Plan</i>	29
Case study 8	<i>The Blueprint for Education and Early Childhood Development</i>	31
Case study 9	<i>It's your move!</i> – making unhealthy habits old school	33
Case study 10	Improving school leadership in Victorian Government schools	47
Case study 11	Employee profiles	49
Case study 12	Recruitment campaign for Sheriff's Officers	52
Case study 13	Recruitment campaign for Project Fire Fighters	53
Case study 14	Recruiting child protection workers from the UK and Ireland	54
Case study 15	Nursing career pathway model	56
Case study 16	Career change program for teachers	57
Case study 17	DPCD – Renewing governance arrangements	65
Case study 18	Board members and their roles	66
Case study 19	Film Victoria brings Nicholas Cage, Steven Spielberg & WWII to rural Victoria	75
Case study 20	Satyam Computer Services chooses Victoria	76
Case study 21	A regional response to engaging with the community	77
Case study 22	The Gippsland community partnership responding to local floods	78
Case study 23	Managing Melbourne's growth and change – taking action to maintain our liveability	81
Case study 24	<i>Meeting Our Transport Challenges</i> (MOTC) initiative increases bus patronage	84
Case study 25	EastLink	86
Case study 26	<i>arrive alive</i> Victoria's road safety strategy	87
Case study 27	Building the Goldfields Superpipe	89
Case study 28	Changing consumer behaviour towards water	90



EXECUTIVE SUMMARY

Background to this report

The *State of the Public Sector in Victoria 2007–08* reports on the people and activities of the Victorian public sector and how they have supported the Victorian Government and worked with the community to meet government objectives for Victoria and Victorians.

This year's report once again details improvements to the Victorian public sector. The report highlights the influence of the Council of Australian Governments (COAG) reform agenda on the sector's activities, much of which reflects initiatives of the Victorian Government since 2005 and has grown in significance over the course of the last year. In particular, the report focuses on the ways in which the sector's structures, policy making, service delivery and skill base are changing to address the human capital and environmental sustainability challenges facing the State.

The report also details the Victorian public sector's adherence to public sector values, codes of conduct and employment standards.

While recent economic events may have an impact on the Victorian Government's operations in the near future, the broad directions outlined in this report should remain relevant.

Chapter 1: The Victorian public sector in an era of reform

The Victorian public sector is working in innovative ways, utilising the latest knowledge and public policy practices to help our State flourish in the face of economic, social and environmental challenges.

The Victorian public sector

In 2007–08, Victoria's 1,855 public sector employing entities and 246,844 public sector staff continued their partnership role with the Government and the community to deliver important services across a wide range of areas to Victorians. This included providing core services, encouraging economic development, overseeing public assets and managing major projects.

Many of these functions are longstanding, but all are being modernised, refocused and in many cases expanded to implement the public sector's continuous improvement strategy and make progress towards achieving the goals of the State.

The public sector employing entities comprise:

- 210 public service and other public sector organisations that employ between 50 and 13,000 people, including some of the largest employers in the State;
- the teaching service comprising 59,000 people working as teachers and school services staff in government schools;
- 57 public entities that employ less than 50 people; and
- 1,587 school councils that generally employ less than 5 people on casual terms.

The challenges facing Victoria

The challenges faced by the Victorian public sector are in large part defined by the State's economic profile as a fast-growing, largely non-mineral resource state and by the imperative of environmental sustainability.

Public policy is therefore focused on building on Victoria's human capital resources to meet projected increased demand for highly skilled employees through improvements to education and training services and social policy that aims to increase workforce participation among socially disadvantaged individuals and communities.

Public policy is also of necessity pursuing environmental sustainability, including measures to help Victoria mitigate and adapt to climate change, particularly the impact on water resources of reduced rainfall and river flows.

The Victorian public sector workforce is being developed in crucial areas to address these new needs and these changes are discussed in Chapter 2.

Accountability processes and the public sector values are being strengthened and are discussed in Chapter 3.

Service and project delivery are also changing and this is discussed in Chapter 4.

The strategies employed

Meeting these challenges is changing the way the Victorian public sector helps Government develop policy.

This has led to a greater focus on strategic policy coordination, through major Government policy statements, beginning centrally with *Growing Victoria Together* in 2001 and working outwards through sector-specific statements such as *Maintaining the Advantage* and *Our Water Our Future*.

Policy development is also increasingly informed by the national reform agenda outlined in Victoria's *Third Wave of National Reform* document of 2005, including the major concepts of human capital, social inclusion and environmental sustainability.

This involves a commitment to continual improvement and innovation, through the reorganisation and rethinking of public sector structures and priorities.

New ways of working

Addressing these concerns is leading to an increased emphasis on joined-up government – between the Victorian Government, the Commonwealth (primarily through COAG and numerous ministerial forums), local governments and community organisations. Knowledge gains in areas like early childhood development and chronic disease prevention are also driving a new focus on early intervention and prevention practices.

Chapter 2: The Victorian public sector workforce

The Victorian public sector is working to attract and retain the best people as it improves, broadens and modernises the services it offers to Victorians.

Workforce snapshot

The public's views about public sector employment are often based on outdated misconceptions, viewing it as generic, bland, regimented and conservative. The reality is much different. Around half of all public sector employees are professionals working in a wide variety of disciplines.

The Victorian public sector today offers numerous occupational choices – not just those one usually thinks of, like administration, teaching, nursing and emergency services, but also in other highly sought after professions like law, architecture, economics, Information and Communications Technology (ICT) and business analysis.

Each public sector organisation is responsible for employing its own staff, and employment arrangements and salaries vary across the sector.

The Victorian public sector workforce is, on average, older, more part-time and more highly feminised than the Victorian labour force generally. Even traditionally male-dominated occupations have higher relative proportions of women, suggesting the Victorian public sector is an employer of choice for females.

The public sector is a major employer in rural and regional Victoria. One-third of all public sector employees work in rural and regional communities and they comprise 10 per cent of the total non-metropolitan Victorian workforce.

An increasingly attractive career option

The Victorian public sector is an attractive career option, with many positive factors, including: flexible work arrangements, job security, training opportunities and the opportunity to make a difference to the community.

The 2008 People Matter Survey (PMS 2008) found that the sector's employees reported high job satisfaction levels, found the work challenging and creative, and had confidence in their organisation's integrity and accountability to the community. Eight out of ten members of the Victorian Public Service (VPS) said they were proud to work for it (89 per cent) and regarded the VPS as a good career choice (84 per cent). Three quarters of those surveyed agreed that the Victorian public sector was innovative.

New levels of professionalism

Employment in the sector is changing to meet the new public policy needs, with new positions requiring higher level skills and qualifications. In the human capital area for instance, the workforce is being developed in important ways:

- a new early childhood workforce strategy is being developed to meet the goals of *The Blueprint for Education and Early Childhood Development* by increasing the qualifications of Victoria's early childhood development workforce;
- to raise teacher quality, the Victorian Government concluded a new pay deal in 2007–08 to raise the pay of graduate and experienced teachers, announced a new *Teach First* program and new executive contracts for principals to encourage high achieving teachers and school leaders to work in the most educationally disadvantaged schools; and
- industry experts are being encouraged to take up TAFE teaching to help meet the State's goal of providing 172,000 additional TAFE places over four years.

Attracting and recruiting new employees

Faced with these emerging areas of growth and a tight labour market, the Victorian public sector is responding with improved recruiting processes.

The State Services Authority is supporting Victorian public sector employers to implement a strategy to improve recruitment and workforce planning – *Future Directions for Workforce Planning: Actions to Improve Workforce Planning for the Victorian Public Sector*. The strategy involves a number of actions, including:

- the development of a clear new employment brand to attract entrants;
- the use of 'best practice' recruitment and selection processes;
- measures to increase the number of people studying relevant disciplines;
- the effective utilisation of existing employees through more part-time and job sharing arrangements; and
- expanding the pool of potential recruits in cooperation with schools, vocational education providers and universities.

Attracting staff to rural and regional Victoria

One of the Victorian public sector's recruitment priorities is attracting and retaining staff in rural and regional communities to help meet the goal of the Government's 2006 *Moving Forward* statement.

The rural and regional public sector workforce is ageing and expanding at a time when services are being increased to meet population growth and economic development. This has resulted in staffing pressures in some locations, particularly in health, school teaching, TAFE, park services, science, town planning and urban engineering occupations.

In 2007–08 the State Services Authority completed research on ways to increase the public sector workforce in rural and regional Victoria. Public sector organisations are now responding with a number of staff attraction and retention strategies.

Chapter 3: Delivering responsible and accountable government

The Victorian public sector's accountability processes and values are being strengthened as the sector modernises and improves the services it provides. While 'what we do' changes, our values will not.

Governance arrangements in the Victorian public sector

Governance arrangements in the public sector reflect the sector's unique accountability obligations compared to the private sector, with departments, agencies and entities responsible through their ministers to the Parliament and ultimately to the people.

The typical forms of organisations in the Victorian public sector are public service bodies (Departments, Administrative Offices and the State Services Authority) and public entities.

Consistent with other jurisdictions in the Westminster tradition, the role and status of Victorian Public Service departments are not specified in precise detail in legislation or the Constitution. This approach has the advantage of providing flexibility, allowing departments to better adjust to changing demands.

There are also a small number of non-departmental agencies like the Victorian Ombudsman and the Auditor-General whose staff are part of the public service but operate under arrangements which reflect their need for greater autonomy.

Victoria has a long tradition of using entities outside departments to perform functions or provide services on behalf of government. These entities take a range of legal forms including corporations, statutory authorities, advisory committees, unincorporated bodies and incorporated associations. The governance framework for Victorian public entities is set out in the *Public Administration Act 2004*.

Appointment to the boards of public entities provides an opportunity for Victorians from all walks of life to make a contribution to the delivery of public services.

The sheer numbers of organisations involved makes managing and optimising the performance of public entities a complex but crucial task. Boards of public entities are responsible for ensuring their activities contribute to the Government's overall strategic direction and that they operate with integrity according to Victorian public sector values and employment principles.

Departments are taking an active approach to advising government on the performance of the State's public entities and supporting the recruitment of the right people with the right skills to serve on boards. A number of relevant reference materials have been created, including the web-based *Good Practice Guide on Governance for Victorian Public Sector Entities* and the *Directors' Code of Conduct* which is binding on all members of public entity boards.

Accountability

Accountability is primarily concerned with making organisations and individuals responsible for their actions and open to external scrutiny.

External scrutiny is provided by a number of oversight organisations and mechanisms, including: the Public Accounts and Estimates Committee, the Auditor-General, the Victorian Ombudsman, specialised commissioners, the *Freedom of information Act*, mandated annual reporting by individual organisations and whole-of-government reporting.

Openness and transparency is central to public sector accountability. The provision of information to citizens and to the media also supports their ongoing engagement in the processes of government.

Public sector values

The *Public Administration Act 2004* defines the values and employment principles that underpin the operations and culture of the Victorian public sector. The public sector values are: responsiveness, integrity, impartiality, accountability, respect, leadership and a commitment to human rights. The employment principles are: merit, fair and reasonable treatment, equality of employment opportunity, avenues of redress, human rights and, for the public service only, fostering a career public service.

The Public Sector Standards Commissioner has developed three binding codes of conduct – two for public sector employees (general and employees in special bodies) and another for directors of public entities.

Values contribute to accountability by encouraging public sector employees and board members to be conscious always of their obligations to the people of Victoria and their need to act in an ethical way. They also enable organisational change by encouraging leadership, responsiveness and innovation.

Two studies by the State Services Authority in 2007–08 – the People Matter Survey (PMS 2008) and the Public Sector Agency Research Project (the Values Project) – show that public sector organisations are making good progress towards implementing the Victorian public sector values and employment principles.

The PMS 2008 shows that most public sector employees agree that the public sector values are applied well within their organisation, particularly the values of responsiveness, human rights and integrity. Employees also believe that the employment principles are applied well, particularly equal employment opportunity.

The Values Project suggests that there is a good understanding of the benefits of having a strong values orientation within the public sector. Values were believed to be an important tool for improving service standards, internal cohesion, staff morale and retention.

Conflicts of interest – maintaining public trust

The identification and management of conflicts of interest is absolutely crucial for maintaining public trust in the workings of both the Victorian public sector and the State's wider democratic processes.

Efforts to recognise and manage conflicts of interest are becoming more important as the complex interactions between the public, private and not-for-profit sectors increase. Surveys undertaken by the State Services Authority have found that the *Code of Conduct for Victorian Public Sector Employees* has been successful in setting a benchmark for ethical behaviour. PMS 2008 found, for instance, that over eight in ten survey respondents agreed that their workplaces acted strongly to avoid conflicts of interest.

While these findings are positive, there remain a number of issues relating to conflicts of interest that need to be better understood:

- managing *potential and perceived* conflicts is just as important as managing *actual* conflicts;
- a skill-development focus is required to help all public sector employees recognise relevant conflicts and manage them appropriately; and
- while everyone has a responsibility, management must take a leadership role.

Chapter 4: Challenges for Victoria's future

The Victorian public sector in partnership with Government and the community is engaged in major research, planning and infrastructure development to prepare the State for a number of projected challenges, including population increase, rising demand for housing and transport, carbon pollution and water scarcity.

Four areas of government policy – rural and regional Victoria, planning, transport and water – are examined to demonstrate how the Victorian public sector is helping the Government to:

- create economic growth through investing in infrastructure and human capital;
- promote fairness and participation; and
- cope with climate change.

These priorities are leading to public sector innovation, including:

- increased emphasis on agile, joined-up government that works with the Commonwealth, across-government within the Victorian public sector, local government and with the community;
- departmental restructuring to provide the necessary policy focus;
- joint public-private funding arrangements to provide the necessary scale of investment;
- new forms of project management, including higher levels of community engagement; and
- environmental sustainability principles and actions being incorporated into everything the Victorian public sector does.

In 2007–08 a number of major projects were delivered and strategic planning was refocused to take into account changing circumstances, most notably some radically revised projections of Victorian population growth.

Meeting the needs of rural and regional Victoria

Since 2005 rural and regional policy has been guided by the State Government's *Moving Forward* strategy. In 2007–08 the strategy was renewed after extensive community consultations and focused on five areas of assistance:

- promoting economic growth and change;
- developing new industry sectors;
- developing regional skills;
- improving regional and rural infrastructure; and
- tackling drought and climate change in rural and regional Victoria.

The various actions of the strategy reflect the challenges facing Victoria including human capital development, social inclusion and environmental sustainability. They also reflect the Government's commitment to community strengthening. Examples include:

- the strong rural and regional focus of the *A Fairer Victoria* strategy;
- the Northern Victoria Irrigation Renewal Project; and
- the Gippsland Resource Infrastructure Development organisation's project to find future possible uses for Gippsland's coal resources.

Planning for Victoria's future

Urban planning lies at the centre of the Victorian Government's efforts to combine economic growth, community development and environmental sustainability.

In the absence of planning to ensure optimal use of land, resources and services, revised population growth projections would create enormous pressure for the continual expansion of Melbourne's suburban boundaries, reducing the effectiveness of existing public infrastructure and services and posing serious consequences for the city's liveability.

Responsibility for responding to these issues lies within the recently established Department of Planning and Community Development (DPCD).

The broad regulatory framework for Melbourne's future urban development – *Melbourne 2030* – was first created in 2002 and is now well established. The first five-year audit of the policy, which involved extensive public and expert input, was completed in 2007–08. The Audit Expert Group's report published in March 2008 endorsed the objectives of the original strategy and, whilst dismissing many myths about the policy, noted that additional progress was required in some key areas.

In June 2008 the Victorian Government responded to these findings with amendments to the *Melbourne 2030* strategy, including the creation of Development Assessment Committees and new Activity Centre Zones.

Other relevant policy developments in 2007–08 included the establishment of the new Urban Growth Zone to fast-track rezoning land for homes in growth areas across Melbourne.

To drive a more determined implementation of the *Melbourne 2030* strategy and monitor its progress a new Melbourne 2030 Implementation Unit was established within DPCD.

Building a sustainable transport system

Transport is another area that involves large scale planning. Its sheer scale and complexity make it a major legislative, planning, logistical and financial responsibility for the Victorian Government and a catalyst for public sector innovation.

In 2007–08 the public sector responded to this challenge to complete sizeable infrastructure projects and make significant progress in planning for future road, rail, tram, bus, cycling and pedestrian upgrades.

To maintain the necessary pace of change, in April 2008 the Victorian Government created a new Department of Transport (DoT), responsible to the Minister for Public Transport and the Minister for Roads and Ports. To drive transport strategy planning the new DoT includes a division of Integrated Transport Planning, as recommended in the report *Investing in Transport* by Sir Rod Eddington.

In March 2008, the Victorian Government released the final version of the *Investing in Transport* report, which makes 20 recommendations for improving east-west transport connections across Melbourne. A comprehensive new Victorian transport plan based on this report and associated consultations is scheduled to be released by the end of 2008.

Planning for future transport infrastructure, service and safety requires considerable research efforts, and in 2007–08 DoT's research outputs included a number of major reports, including the second *Estimating Time Use in Melbourne* report and the VISTA07 survey.

DoT also provided a wide range of transport information to the public, such as the *Transport Demand Information Atlas 2008*.

The Victorian public sector's strong coordination work to increase transport safety also continued with the start of the next phase of the *arrive alive* strategy.

In 2007–08 Victoria continued to deliver major transport upgrades, most notably Eastlink.

Managing Victoria's water in an era of drought and climate change

Another example of Victorian public sector innovation is its efforts to ensure Victoria has sustainable water supplies in an era of drought and climate change.

Unless usage can be further reduced, demand for water across the State will continue to grow as the population increases. This will be made more difficult by drought and climate change, which are reducing the water yield from our catchments even further.

The combination of drought and climate change require a change in the basis of water planning from reliance on one major source of supply (our reservoirs) to a portfolio of diverse water sources (reservoirs, water conservation, non-rainfall dependent sources and water recycling). This new approach forms the basis of the Victorian public sector's future water security planning and infrastructure efforts, as outlined in the second stage of the *Our Water Our Future* plan, which was initiated in 2007–08. The plan sets out five separate steps to diversify the State's water sources:

- creating non-rainfall dependent sources of water;
- modernising Victoria's irrigation infrastructure;
- expansion of the water grid;
- increasing recycling; and
- continuing existing water conservation programs.

Fulfilling these steps requires the Victorian public sector to find new ways of delivering large-scale infrastructure and behavioural change projects. These new ways of operating include:

- the creation of new water and construction governance and financing arrangements; and
- public education and legislative changes to continue behavioural change to lower water consumption.

The first twelve-month progress report into the second stage of *Our Water Our Future* strategy was released in mid 2008 and showed that in 2007–08 the Victorian public sector was on or ahead of its target on each of the projects involved.

CHAPTER 1: THE VICTORIAN PUBLIC SECTOR IN AN ERA OF REFORM

The Victorian public sector is working in innovative ways, utilising the latest knowledge and public policy practices to help our State flourish in the face of economic, social and environmental challenges.

Introduction

In 2007–08 the Victorian public sector continued to provide core services to the Victorian people and expert policy advice and support to the Victorian Government. The sector also continued to address the challenges posed by Victoria's profile as a fast-growing, predominantly non-mineral resource State facing increasingly serious environmental constraints. In doing so it showed the increasing emphasis being given to the priorities known broadly as 'the new reform agenda', which have been pioneered by the State Government.

The role of the Victorian public sector

In 2007–08 the Victorian public sector continued its role of delivering important services across a wide range of areas to the Victorian people on behalf of the State Government. It did this by providing public services directly, funding non-government organisation service delivery, supporting Ministers in developing and implementing policies and legislation, building and maintaining physical and social infrastructure, managing resources and administering State finances.

Many of the functions outlined in Table 1.1 are longstanding and highly visible, others more recently introduced and sometimes less well known. But all are being modernised, refocused and in many cases expanded to implement the sector's continuous improvement strategy and respond to rapid economic, social and environmental change. This has helped make progress towards achieving the goals of the State's reform agenda.

This chapter outlines the major challenges for the public sector, including the state of our economy, society and environment, the changes taking place and how the public sector is responding with new public policy and services.

Table 1.1: The major functions of the Victorian public sector

Function	Action
Core service delivery	<ul style="list-style-type: none"> • operating public health, aged care and hospital services • operating schools and TAFE institutions • providing police and emergency services, courts, dispute resolution, mediation, consumer protection, food safety regulation and running the corrections system • overseeing welfare services for children, families, older Victorians and people with disabilities • protecting the State's biodiversity • funding and hosting arts and cultural events • constructing and maintaining major roads • managing the public transport system • funding a wide range of community organisations to deliver services on behalf of the Government
Economic development	<ul style="list-style-type: none"> • regulating economic systems and undertaking regulatory reform • supporting industry development • providing or funding technical and scientific support for the agricultural and health industries • promoting innovation in key industries like biotechnology and ICT
Overseeing public assets	<ul style="list-style-type: none"> • managing, regulating and protecting national parks, marine parks, alpine resorts, state forests, coastal foreshores, water catchments, irrigation services, cemeteries, crematoriums and other public land • managing major heritage buildings, public buildings and facilities, such as Federation Square, Olympic Park and the National Tennis Centre; as well as major cultural institutions, such as the National Gallery of Victoria, the Melbourne Museum, Scienceworks, the Botanical Gardens and Wilson's Promontory • developing town planning frameworks
Promoting major projects	<ul style="list-style-type: none"> • promoting tourism and major events such as the Grand Prix, the Motorcycle Grand Prix and the Castlemaine State Festival • promoting cultural events such as the Melbourne Writers' Festival, Melbourne International Comedy Festival and the Melbourne International Arts Festival
Financial management	<ul style="list-style-type: none"> • collecting taxation, subsidies and levies • managing the State's finances

Public sector bodies and employees

These functions are the responsibility of Victoria's public service departments and public entities. As shown in Figure 1.1 there are in total 1,855 organisations in the public sector which employ 246,844 staff. These organisations include:

- 210 public service and other public sector organisations that employ between 50 and 13,000 people, including some of the largest employers in the State;
- the teaching service comprising 59,000 people working as teachers and school services staff in government schools;
- 57 public entities that employ less than 50 people; and
- 1,587 school councils that generally employ less than 5 people on casual terms.

There are many other public entities that have no employees. These entities typically have legislatively specified functions and a board of management, generally comprised of volunteers. They include most cemetery trusts (approximately 500) and some of the committees that manage Victoria's 12,000 Crown land reserves.

In most cases, public sector staff are responsible for direct service provision (for example hospitals, government schools, emergency services and water authorities), regulatory enforcement (for example the Environmental Protection Authority, the Essential Services Commission), and for the activities of organisations such as those supporting the Victorian Auditor-General and the Victorian Ombudsman, who report directly to Parliament. In other cases public sector organisations manage contracts for the delivery of services by non-government agencies, monitoring service delivery performance to ensure that contracted services are of high quality.

Figure 1.1: Composition of the employing organisations in the Victorian public sector and the distribution of public sector employees (at June 2008)

<p>Victorian Public Sector 1,855 Employer Public Sector Bodies Employees: 246,844 FTE: 200,134</p>	<p>Victorian Public Service 28 Public Service Bodies Employees: 36,382 FTE: 33,422</p>	<p>Departments (10) Employees: 31,954 FTE: 29,211</p>	<p>Education and Early Childhood Development Human Services Innovation Industry and Regional Development Justice Planning and Community Development Premier and Cabinet Primary Industries Sustainability and Environment Transport Treasury and Finance</p>
		<p>Authorities and Offices (18) Employees: 4,428 FTE: 4,211</p>	<p>Designated as Public Service employers by specific legislative reference</p> <ul style="list-style-type: none"> • Emergency Services Superannuation Board • Essential Services Commission • Office of the Chief Commissioner of Police • Office of the Legal Services Commissioner • Office of the Ombudsman • Office of Police Integrity • Office of the Privacy Commissioner • Office of Public Prosecutions • Office of Victorian Electoral Commission • State Services Authority • Victorian Auditor-General's Office <p>Designated as Administrative Offices under Public Administration Act 2004</p> <ul style="list-style-type: none"> • Office of Chief Parliamentary Counsel • Office of the Child Safety Commissioner • Office of the Governor • Office of the Shared Services Centre • Environment Protection Authority • Public Record Office Victoria • Victorian Government Solicitor's Office
<p>Victorian Public Entities Employer Bodies 1,827 Employees: 210,462 FTE: 166,712</p>		<p>Teaching Service & Schools 1,588 Entities Employees: 62,794 FTE: 52,881</p>	<p>Schools (1,587) Teaching Service inc. school services staff</p>

Other Education 24 Entities Employees: 18,049 FTE: 1,247	Technical & Further Education institutions (18) Miscellaneous (6)
Health Sector 96 Entities Employees: 89,407 FTE: 65,432	Health research and other bodies (4) Hospitals and Health Services (85) Professional Registration Boards (7)
Police & emergency services 8 Entities Employees: 19,008 FTE: 17,982	Alexandra and District Ambulance Service Country Fire Authority Emergency Services Telecommunications Authority Metropolitan Ambulance Service Metropolitan Fire and Emergency Services Board Rural Ambulance Victoria Victoria Police (Sworn officers) Victoria State Emergency Service
Water & land management 43 Entities Employees: 7,252 FTE: 6,836	Alpine Resorts Management Boards (5) Catchment Management Authorities (10) Water bodies (19) Miscellaneous (9)
Other 68 Entities Employees: 13,952 FTE: 12,334	Arts Agencies (8) Cemetery trusts (11) Facilities management (6) Finance and Insurance (9) Regulators (8) Sport and recreation (11) Transport (9) Miscellaneous (6)

Source: State Services Authority 2008 Workforce Data Collection

Notes

1. Water and land management sector employment numbers were overstated in the State of the Public Sector in Victoria 2006-07 report. The correct figures for June 2007 were 6,950 employees and 6,610 FTE.

CASE STUDY 1: AGENCY PROFILES – VICFORESTS AND THE VICTORIAN TAXI DIRECTORATE

Department of Treasury and Finance – VicForests

VicForests is responsible for the sustainable harvest and commercial sale of Victoria's valued forest timber. VicForests' role is to secure the greatest financial value from Victoria's timber.

VicForests commenced operations in August 2004 in East Gippsland, the heart of the State's forest industry.

It was set up to develop an open and competitive sales system for our publicly-owned timber to ensure that the Victorian community secures the greatest possible returns for the valued hardwood timbers.

One of VicForests's responsibilities is for the sustainable harvest of timber from allocated forest areas. Approximately 0.2 per cent of Victoria's state forest is allocated for logging each year after a sustainability and biodiversity assessment. That allows for sufficient high-conservation areas to be protected, for no more than one-fifth of our public forests ever to be harvested, and for 80 to 100 years to pass between final harvests of the allocated areas. About 30 years after harvest, 'thinning' is carried out in the harvested coupe to selectively remove inferior trees and allow the better trees in the stand to attain their full value.

Forest rehabilitation and silviculture is a major focus of the agency, with VicForests being responsible for the forest coupes that are harvested until they are successfully regenerated and rehabilitated. Only then are the coupes handed back to DSE control. Expertise in these areas has been developed from practical experience and from the work of Australia's forest research centres, notably the Forest Science Centre at Melbourne University, which was established in 2000.

Department of Transport – Victorian Taxi Directorate

Established in 1994, the Victorian Taxi Directorate (VTD) oversees a large part of the transport sector by regulating the taxi and hire vehicle industries and issuing Driver Instructor Authorities.

The VTD is an integral part of the Department of Transport's Public Transport Division, and it works closely with the regulated industries, service users, regulated corporations, community groups and government to ensure the services provided are customer focused.

Metropolitan taxi licences can only be bought through industry brokers. Brokers who deal with the transfer or assignment of metropolitan taxi licences must be licensed by BSX Services Pty Ltd (a member of the Bendigo Stock Exchange Group). As at July 2008, there were more than 4,600 taxis in Victoria and metropolitan taxi licences had an approximate market value of \$465,000 each, not including the value of the vehicle. Owners can hold multiple licences, and more than 60 per cent of owners do not operate the licences they own.

There are more than 2,000 non-metered hire vehicles in Victoria, including limousines, wedding cars and motorbikes.

In addition, the VTD:

- monitors the industries it regulates to ensure they comply with relevant legislation and regulations;
- liaises and consults with these industries and with consumers; and
- provides business and information technology support to the industries it regulates.

The VTD has about 130 staff, including 36 Transport Safety Officers who inspect taxis and hire vehicles. The Victorian Government does not deliver the services provided by its regulated industries or employ the people who work within them.

Key outputs

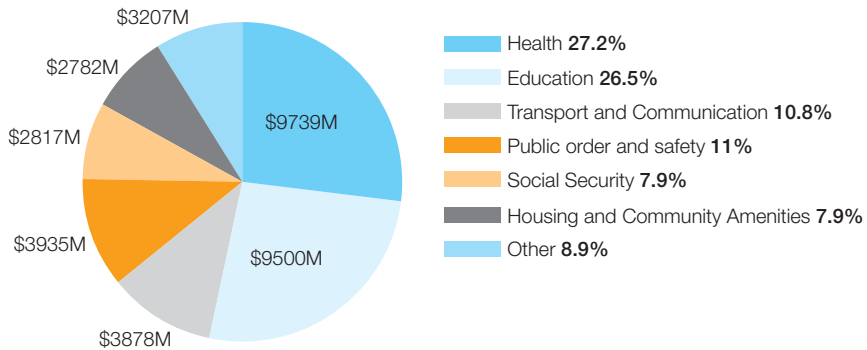
In 2007–08 the Victorian public sector continued its efforts to increase the quantity and quality of its services, contributing to a number of economic, social and environmental successes, including continuing strong economic growth, a low unemployment rate, above national average school completion rates, falling crime rates and increased public transport patronage. Highlights included:

- the treatment of 50,000 more patients in Victoria's public hospital emergency departments than in the previous year, with 1.35 million emergency presentations;
- 69 new beds and 10 additional community care units were opened for mental health patients;
- 1,296 new social housing dwellings were acquired and another 2,346 renovations were made to existing public housing properties;
- early childhood services supported families with 67,080 babies (0-1 years) accessing community based maternal and child health services, 55,153 prep students helped by school nurses and 59,465 children funded to participate in kindergarten;
- Victoria Police responded to 723,286 calls for assistance and 227,299 Working with Children Checks were conducted by the Department of Justice;
- the overall crime rate fell for the seventh consecutive year, with a decrease of 1.9 per cent from the previous year;
- Victoria's courts dealt with 359,248 matters – up approximately 25,000 from 2006–07;
- delivery of Australia's largest urban road project – Eastlink;
- extensions were opened on the Calder Freeway, the Goulburn Valley Highway and the Princes Freeway;
- metropolitan and country trains and buses and Melbourne trams carried 476 million passengers – up 8 per cent from 2006–07;
- 1,736 kilometres of river works were undertaken to improve river health;
- Department of Innovation, Industry and Regional Development contributed to the creation of 8,212 (FTE) jobs (including 2,766 in the regions) and facilitated more than \$3.25 billion in confirmed investments (\$1.19 billion in the regions);
- expenditure by international tourists increased by 14.6 per cent (to \$3.1 billion) and domestic tourist spending increased by 9.6 per cent (to \$11.8 billion);
- investment facilitation services were provided to 280 projects, with a total capital expenditure of \$24.8 billion, creating a minimum of 10,900 jobs; and
- 400 project companies and artists and 23 arts festivals were funded and there were 8,875,000 users of or attendances to the seven State-owned cultural agencies.

Funding our actions and services

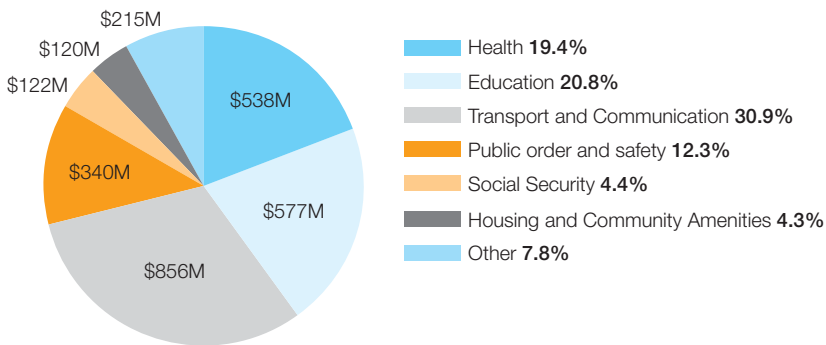
General government operating and capital expenditure on these services for the 2007–08 year is \$38.6 billion and the allocation across the main service areas is shown in Figure 1.2 (for operating expenditure) and Figure 1.3 (for capital expenditure). Health and education activities comprise about half of total general government expenditure.

Figure 1.2: General government operating expenditure on main service groupings 2007–08



Source: Department of Treasury and Finance, Financial Report for the State of Victoria 2007–08: Table 5.13.

Figure 1.3: General government capital expenditure on main service groupings 2007–08



Source: Department of Treasury and Finance, Financial Report for the State of Victoria 2007–08: Table 5.14

Approximately 34 per cent of state revenue is raised from Victorian Government taxes such as land and payroll tax, 8 per cent from sales of goods and services and 12 per cent from 'other' revenue including investment incomes, fees and fines, interest and other miscellaneous sources¹.

The remaining 46 per cent of revenue comes from the Commonwealth Government consisting of 'tied' and 'untied' grants. Tied grants, or Specific Purpose Payments (SPPs), are provided under certain agreed conditions including that they are spent on nominated services as agreed with the Commonwealth, and in some cases 'matched' by State Government funds. Untied grants are funded from the Goods and Services Tax (GST), which is collected by the Commonwealth and passed on for spending at the Victorian Government's discretion.

The challenges for Victoria

The challenges faced by the Victorian public sector are in large part defined by the State's economic profile as a fast-growing, largely non-mineral resource State and by the imperative of environmental sustainability.

Economic outlook, challenges and assets

In broad economic terms recent results have been highly positive, but the future is less certain. Both the Victorian and national economies have grown strongly in recent times – over the past decade, the Victorian economy has grown at an average annual rate of 3.2 per cent – the highest of the non-mineral resource states. Our labour market has also performed well, with historically low levels of unemployment, solid employment growth and high levels of participation. These successes have been supported by very strong population growth, the expansion of our capital stock and historically high terms of trade and associated income gains. These fundamental drivers of growth are expected to persist over the coming years, although inflationary pressures, easing international growth and uncertainty in the global economy are expected to be a moderating influence.

Lacking a strong mineral resource base, public policy has concentrated in large part on adding to Victoria's human resources, which are of the highest quality. Victoria remains a strong performer in education and training, with:

- national literacy and numeracy scores well above the national average since 2001;
- year 12 or equivalent completion rates of 86.1 per cent – also above the national average; and
- higher than average tertiary completions per head of population.

1 Department of Treasury and Finance, *Financial report for the state of Victoria 2007-08*, p.57.

With demand for workers with advanced skills projected to double from 2005 levels by 2015, our education and training performance must continue to improve.

Reducing social disadvantage is also crucial. Policy makers now agree that reducing disadvantage produces higher levels of social and workforce participation and therefore productivity. While strong progress has been made in recent years in reducing disadvantage in Victoria, some people, groups and places continue to face significant barriers to participation in economic and social life due to low income, intergenerational family poverty, low skills, poor health, limited English language skills, disabilities and injuries, discrimination and geographic isolation – what policy makers now refer to as forms of ‘social exclusion’. Much disadvantage is concentrated in specific locations, with wide differences recorded between localities in socio-economic status, unemployment, school completions, one-parent families and other measures. Reducing these forms of disadvantage is an important goal of the Victorian Government and public sector.

Environmental constraints on Victoria’s success

As elsewhere in the world, Victorian public policy and service delivery faces significant constraints caused by the need for environmental sustainability in the face of climate change, pollution and biodiversity loss. Victoria’s environment has intrinsic national worth, and preserving it is an important end in itself. But it is also a valuable state asset that plays an important role in our economy:

- providing clean air and water and recreational opportunities to ensure our physical health and wellbeing;
- boosting our ‘liveability’ to help attract new people and business investment; and
- constituting important eco-system services essential to human life – air, water, soils, plants and animals necessary for industries like agriculture and tourism.

Today these resources are under serious pressure as a result of salinity, soil degradation, loss of biodiversity and reduced rainfalls and river flows connected to drought and climate change. Global warming is also projected to increase the occurrence of severe weather events, threatening our coastal regions and making severe droughts more common.²

Managing Victoria’s natural resources has become a major driver of innovative and across-government policy strategies, as discussed later in this chapter.

² Victorian Government 2005, *Our Environment, Our Future: Victoria’s Environmental Sustainability Framework*; Victorian Government 2007, *Our Water Our Future: The Next Stage of the Government’s Water Plan*.

CASE STUDY 2: FUTURE COASTS – PREPARING VICTORIA'S COASTS FOR CLIMATE CHANGE

An example of the Victorian public sector's priorities – including its use of the latest scientific research, early intervention strategies and partnership with the Commonwealth and local communities – is the *Future Coasts* program by the Department of Sustainability and Environment (DSE). *Future Coasts* is part of the Victorian Government's *Climate Change Adaptation Program*.

The program uses the latest digital imaging technology to create a digital elevation model (DEM) of Victoria's 2,000 kilometres of coastline. The DEM will show the lie of the land from 10 metres above to 20 metres below sea level, at a scale and level of detail never previously achieved in Australia.

The program will also involve modelling of extreme sea levels to identify the risk of flooding and of coastal erosion.

The data collected will provide a basis to help federal, state and local governments to improve infrastructure planning and develop contingencies for improved protection of people, their property and important ecosystems.

A program control board and a technical experts group have been established to support the program. A DSE-led stakeholder reference group has also been created, including representatives from the Victorian Coastal Council, Insurance Australia Group, Municipal Association of Victoria, the Victorian Department of Planning and Community Development and the Commonwealth Department of Climate Change.

In 2007–08, significant progress was made in collecting the information required to assess the risks that climate change poses to coastal environments. CSIRO has completed storm surge modelling across the whole coast, and land-based DEM data was acquired for most of the coastline and is now available.

The project, which received \$3.137 million in Victorian Government funding in 2007-08, is a crucial element of Victoria's climate change adaptation planning.

CASE STUDY 3: DSE'S ECOTENDER

EcoTender is just one part of ecoMarkets – a market-based solution to redress landscape decline that is an initiative of the Victorian Government's 2006 *Environmental Sustainability Action Statement*.

ecoMarkets is a world-leading approach that rewards landholders for managing land and water in ways that conserve and regenerate the environment.

Over the next three years, the ecoMarkets initiative will invest \$14 million to run three ecoTender demonstrations in a number of Victorian Catchment Management Authority regions. The ecoTender approach works by providing incentives for private landholders to manage their land in ways that conserve and enhance the environment.

Examples of specific environmental outcomes could include river and estuary health that contributes to a more secure water supply, a reduction in carbon emissions, more habitats for native plants and animals, a reduction in salinity, healthier soils and the overall protection of our cherished landscape.

ecoTender uses a competitive tendering process to allocate funds. Participating ecoTender landholders receive periodic payments for the delivery of environmental management actions under voluntary and flexible contractual agreements designed to suit individual needs.

The ecoMarkets investment also includes the development of new scientific capabilities to understand and predict the effect on catchments of any given land or water use, which will help ensure future public investment can be allocated on the basis of 'best environmental value for money'.

DSE commenced the first ecoTender demonstration in November 2007 in the Corangamite catchment area in partnership with the Corangamite Catchment Management Authority.

Following a large degree of public interest, DSE field staff have now evaluated potential EcoTender sites in the Hovells, Bellarine, Mid Barwon, Thompsons and Moorabool zones. Landholders are being provided with information to assist them with the tender process and contracts will be awarded shortly to successful landholders for their contribution to native vegetation management or revegetation on their private land.

A second ecoTender demonstration will start in late 2008 in the Port Phillip and Westernport region, with expressions of interest to participate being called for in late 2008.

Meeting the challenge – new directions

The Victorian Government, supported by the Victorian public sector, is meeting these challenges by setting broad new directions in public policy, re-orienting service delivery and planning and building new infrastructure. These directions have been set out in a number of major Victorian Government policy statements, including:

- *Growing Victoria Together*;
- *A Fairer Victoria*;
- *Maintaining the Advantage: Skilled Victorians*;
- *The Blueprint for Education and Early Childhood Development*;
- *The Victorian Greenhouse Strategy*;
- *Our Environment, Our Future*;
- *Our Water Our Future*; and
- *Moving Forward*.

A number of additional strategies are currently being developed with the public's input, some of which are discussed below.

The Victorian Government and the Victorian Public Service have led important conceptual work bringing together a number of strategies – most notably through the development of the Council of Australian Governments (COAG) reform agenda as articulated in the *A Third Wave of National Reform* document in August 2005. As a result of this and other work, the Victorian public sector is now acknowledged as a national leader in public policy reform.

This agenda has three key components, broadly defined as 'human capital', 'fairness and participation' and 'environmental sustainability' – which in today's knowledge-based, carbon-constrained world, are inter-linked.

Developing our human capital, creating a fairer more participatory society and moving to a more sustainable environment is leading the Victorian public sector in new directions, changing the way traditional services have been provided and creating new ones. The key conceptual tools include:

- *knowledge creation*: increasing our knowledge and skills through investments in education and training;
- *liveability*: attracting talented people through better transport and social infrastructure, community safety and cultural vibrancy;
- *healthier people*: investing to make people healthier and improving the performance of our health system;
- *rural and regional Victoria*: new and traditional regional industries have a big role in the knowledge economy and information and communications technologies can link our regions to the world;
- *social inclusion*: increasing workforce participation in the most disadvantaged communities and groups of people;
- *competitive businesses*: a low-cost business environment to attract cutting edge manufacturing and service businesses;
- *more efficient transport*: a more efficient transport system to reduce congestion, pollution and greenhouse gas emissions;
- *a future for farming*: the future for farming lies in more sustainable use of the land and water;

- *securing Victoria's water supplies*: saving, recycling and creating new water is a must for every industry and every community;
- *cutting greenhouse gas emissions*: this will not only help lower the probability of dangerous climate change, it will also generate new opportunities through new technologies, industries and jobs; and
- *preserving Victoria's natural resources*: natural resources and biodiversity not only support prosperity they provide personal enjoyment that adds to the State's liveability.

Evolving strategies

In 2007–08 the Victorian public sector continued to provide high quality and publicly accountable policy advice to the Victorian Government and service delivery to Victorians. The need to tackle the emerging challenges – including the human capital, fairness and environmental sustainability issues outlined above – is driving significant change. The findings of recent research are creating new policy priorities. New and more flexible ways of delivering services are being explored and implemented. Departments and public entities are being realigned and reorganised to reflect the new policy priorities. New policy developments are aligning State resourcing with new understandings of policy best practice and new programs are delivering services in innovative ways. A number of common themes continue to be the focus.

Joined-up government

The first theme is joined-up government. Reform is driving collaboration between the Victorian Government, the Commonwealth (primarily through the Council of Australian Governments (COAG) and numerous ministerial forums), local governments and community organisations.

COAG

Shared objectives and overlapping responsibilities between the Commonwealth, the states and local governments and the imbalance between their spending and taxing powers makes collaboration between them through COAG and other forums essential. The COAG reform agenda was given new impetus at the December 2007 and March 2008 COAG meetings. At these meetings COAG established intergovernmental working groups in seven key reform areas: (1) productivity (including education, training and early childhood); (2) health and ageing; (3) infrastructure; (4) climate change and water; (5) business regulation and competition; (6) Indigenous reform; and (7) housing.

The meetings also resolved to overhaul Commonwealth-State financial relations through the establishment of new generation Specific Purpose Payments and the creation of new National Partnerships Payments to make shared investments in new programs and enable and reward significant reforms. This means that reform across important areas of Victorian public activity will now be based on statements of shared objectives and outcomes based on agreed reporting frameworks. In addition, COAG has established a single governance framework for the Murray Darling Basin.

CASE STUDY 4: CONSUMER AFFAIRS VICTORIA - LEADING CONSUMER PROTECTION NATIONAL REFORM

Consumer Affairs Victoria has championed and led national reform in consumer protection over the last five years in framing innovative legislative solutions, promoting and developing evidence based policy reform and in groundbreaking enforcement action.

Victoria introduced unfair contract terms legislation in 2003 building on international developments. The Productivity Commission in its review of Australia's consumer policy framework acknowledged Victoria's leadership including the effectiveness of its implementation program. COAG has agreed to the Victorian model with some modifications being adopted in the new national consumer law.

Consumer Affairs Victoria was actively involved in the Productivity Commission review into the national consumer protection framework coordinating the Victorian Government's three submissions to the review. The Productivity Commission drew heavily on these submissions in its final report. The Victorian Government has endorsed the continuing role of Consumer Affairs Victoria in protecting consumers and emphasise the need to have a state-based consumer protection agency to provide a filter for government proposals affecting consumers.

Victoria's Consumer Credit Review (2006) was the first major review of the Consumer Credit Code and related legislation in a decade. Its recommendations, adopted by the Victorian Government have directly influenced the central role of compulsory external dispute resolution and credit card reforms.

Recognising the importance of product safety, Victoria was instrumental in getting the issue on the Ministerial Council on Consumer Affairs strategic agenda. Consumer Affairs Victoria undertook the early policy development work on a single law, multiple regulator model. In May 2008, the Ministerial Council on Consumer Affairs agreed to the development of a single national product safety law to be jointly administered by the Commonwealth, states and territories.

Victoria has also taken a leadership role in the Ministerial Council on Consumer Affairs and Standing Committee of Officials on Consumer Affairs, chairing the Uniform Consumer Credit Code Management Committee and the National Education and Information Advisory Taskforce.

The Government has enhanced enforcement powers in both the *Fair Trading Act 1999* and other legislation and Consumer Affairs Victoria has actively built its enforcement capacity to achieve landmark decisions to protect consumers, including successful High Court actions. These decisions provide important precedents for other agencies going forward. In addition, in 2007-08 Consumer Affairs Victoria recovered over 5 million dollars for Victorian consumers from its dispute resolution and compliance work.

CASE STUDY 5: RESPONDING TO THE EQUINE INFLUENZA OUTBREAK – STATE AND COMMONWEALTH COOPERATION

Equine influenza (EI) or horse flu, is an acute, highly contagious viral disease that, if not contained, has the potential to devastate the horse and racing industries. The first suspected case of EI was detected at Eastern Creek Quarantine Station in New South Wales on 17 August 2007 and was confirmed in horses in NSW on 25 August 2007.

As the lead agency responsible for animal disease emergencies, the Department of Primary Industries (DPI) set up a disease control headquarters at its Attwood centre to coordinate the Victorian response to the outbreak under protocols established by the national Australian Veterinary Emergency Plan (AUSVETPLAN).

Victoria's Chief Veterinary Officer (CVO) Dr Hugh Millar immediately recommended a ban on the movement of all horses, ponies and donkeys into and within the state, which was put into effect by Ministerial Order from 25 to 31 August. This action almost certainly prevented EI from entering the state.

Victoria's CVO was actively involved in decision making at the national level through regular meetings of the Consultative Committee on Emergency Animal Disease. This coordinating committee provided advice on response policy and funding mechanisms to the National Emergency Animal Disease Management Group for implementation.

DPI also launched a \$950,000 state-wide advertising campaign involving television, radio, print and billboard announcements, and community information sessions urging people to follow biosecurity measures to help keep Victoria EI free, particularly during Victoria's 2007 Spring Racing Carnival in October and November.

Border restrictions were eventually relaxed on 1 February 2008 and in March Victoria received 'Provisional Freedom' from EI. Since first detection of the disease, DPI completed 1,315 rapid diagnostic and surveillance samples and dispensed 20,862 doses of the EI vaccine. A total of 450 staff were involved in the response in a range of activities including border security and surveillance, diagnostics, community liaison, legal, media and issues management until 30 June 2008, when Australia was declared EI free.

The Spring Racing Carnival went ahead, bringing an estimated \$541 million in gross economic benefit to Victoria. The Australian Bureau of Agricultural and Resource Economics (ABARE) estimated that keeping EI out of Victoria saved the state more than \$230 million over 20 years.

Place-based partnerships

Strong coordination also continues to take place between the Victorian public sector and Victoria's local government sector, particularly in areas related to health, welfare and cultural programs which aim to improve social capital and reduce social exclusion.

CASE STUDY 6: STORMSMART AND FLOODSMART – PREPARING COMMUNITIES FOR STORMS AND FLOODS

It is estimated that with adequate preparations and some warning, the actual damage to a community during a flood event can be reduced by up to 60 per cent of potential damage. Likewise, simple preparations can limit the impacts of significant storm events on communities, places of employment and workplaces.

VICSES is the lead agency for combating the impacts of storms and floods across Victoria. It has developed and implemented *StormSmart* and *FloodSmart*, programs aimed at communities particularly at risk of severe flooding and storm damage. Successful *StormSmart* and *FloodSmart* pilot programs have already been rolled out in Wodonga and Benalla respectively. A *StormSmart* program is currently being developed for the City of Maroondah and a *FloodSmart* program for Wangaratta.

These initiatives engage the local community in identifying risks, appropriate responses and treatments. The programs prepare residents and businesses for the impacts of severe weather events with the aim of protecting life and minimising damage to property. The programs assist the community to understand storm and flood risk within their local area by providing information on actions the community can take before, during and after a flood to minimise the impact.

The Benalla *FloodSmart* program involved VICSES volunteers visiting at-risk properties, providing flood preparation material and installing water meter stickers identifying the level of risk of flooding for each property.

The Wodonga *StormSmart* program provides information to residents in the local area on how to prepare for a storm and what to do in the event one occurs. Information provided to the community also documents the history of storm activity and the impact of previous severe storms.

By informing communities of the risks they face, the *StormSmart* and *FloodSmart* programs are helping minimise the future impact of climate change in Victoria.

Community strengthening

The second theme is community strengthening. An important objective of the Victorian public sector is to implement the Victorian Government's policy of creating economically flourishing and liveable communities. Whether they're a growing community in outer Melbourne, a rural town facing major industry change or an established suburb with intergenerational unemployment, some communities develop clusters of needs that reinforce each other in a cycle that can prove difficult to break. Coordinating business investment and service provision across areas like early childhood, schooling, skills training, community health, housing, transport and welfare can help break these cycles by creating jobs and rejoining people with the mainstream economy. The Victorian public sector is working in partnership with the Victorian Government, local communities, municipalities and the Federal Government to reduce social exclusion.

- *A Fairer Victoria* is doing this through programs like: *Neighbourhood Renewal*, *Community Renewal*, the *Strengthening Community Organisation Action Plan*, *Workforce Participation Partnerships*, the *Public Tenant Employment Program*, the *Community Building Initiative* (which focuses on 102 small rural towns affected by drought and bushfire) and the *Neighbourhood House* program.
- *Local Learning and Employment Networks* are bringing employers, the community and education institutions together to help more young people make a successful transition from school to employment.
- An important element of community strengthening is the creation of planning partnerships between the Victorian public sector along with local government and local businesses – as is currently happening in Caroline Springs where the new Department of Planning and Community Development (DPCD) is working with the community to coordinate the construction and sharing of important community infrastructure and engaging residents in planning transport and other needs.
- The Department of Human Services (DHS) is involving the community in health planning through its new *Enhancing Community Engagement in the Planning and Delivery of Health Services* program. Numerous programs are also promoting volunteering, encouraging the establishment of community enterprises, building stronger community organisations and training community sector leaders.
- Programs based on the *Moving Forward* statement are taking a similar approach by working with rural and regional communities to attract business investment, improve built and human infrastructure and build community resilience and capacity.

Many of these initiatives are discussed in more detail in Chapter 4.

CASE STUDY 7: THE STRENGTHENING COMMUNITY ORGANISATIONS ACTION PLAN

The public sector is ultimately an extension of the community and works best when the community is strong. This is because non-government networks and volunteer efforts can amplify public sector messages and extend the reach of programs deeper into the community. Non-government organisations are also important sources of intelligence about social trends, how well programs are performing and why. The increasing trend to place-based programs in the community services area is also engaging non-government organisations more directly in state government planning and decision making. As the social scientists confirm, this 'social capital' is an invaluable asset and the Victorian public sector is increasing its efforts to harness it.

Victoria currently has around 120,000 not for profit organisations which are creating economic value through activities like encouraging health and wellbeing, helping people re-enter the workforce, tackling the multiple causes of social disadvantage and engaging in local conservation activities. Some \$2.2 billion of the Victorian Budget is allocated to community organisations each year to assist them in their efforts.

To ensure Victoria gains maximum benefit from all of this government and non-government investment, in April 2008 the Victorian Government released a major new *Strengthening Community Organisations Action Plan*. The Plan has five major themes and 25 major actions.

Its starting point is to ensure community organisations are 'getting on with their day job' and not spending excessive time on administration. The Action Plan therefore is streamlining the interaction between community organisations and government by reforms to reduce the burden of reporting and audit requirements.

Another key objective is capacity building through a number of leadership and workforce development initiatives.

Innovation is crucial for increasing the community sector's effectiveness and to do this the Victorian Government is funding initiatives to bring community sector innovators together with philanthropists and social venture capital investors. One successful innovation now helping improve Victorian social programs is the establishment of new 'community enterprises', which are community-based companies that perform valuable community services and train unemployed Victorians in a business-like context. One good example is the Brotherhood of St Laurence's *Phoenix Fridges* project, which trains disadvantaged jobseekers to repair, recycle and retrofit unwanted refrigerators to make them more energy efficient.

Another important way the Victorian Government is helping community organisations is giving them improved access to facilities and funding by encouraging public infrastructure sharing and by investing directly in local community foundations.

To bring all these actions together, the State Government is establishing a new Office for the Community Sector to lead the implementation of the Plan.

Early intervention and prevention

The third theme is early intervention and prevention. Recognising that early intervention and prevention increases the effectiveness of Victorian Government initiatives has driven changes to public sector activities. This is being informed by new scientific understandings, for instance, about the causal links between childhood development and life chances and between lifestyle and disease.

The transformative effect of the human capital agenda on the Victorian public sector's services and strategies is being demonstrated by efforts to improve early childhood development across the State. In response to government policy, the Victorian public sector has focused new effort on the importance of early childhood education – a priority driven by new scientific and economic research which tells us that: (1) the first 8 years of a child's life are crucial to the formation of the intellectual, emotional and physical capacities needed for a successful and fulfilling life; (2) the right early childhood development services can help children overcome deficiencies stemming from socio-economic disadvantage; and (3) the rate of return on investment in early childhood development is greater than returns from investment at later stages of life. This means that early childhood development services are crucially important programs which hold the promise of raising future workforce participation levels, productivity and prosperity.

Victoria already performs well in these areas by national and international standards, but continuing reform is necessary to ensure that Victorian children keep pace with the rest of the world. To coordinate policy and service development in this area the Victorian Government has established a Minister for Children (2004), a Victorian Children's Council (2005), an Office of Children (2005) and a Department of Education and Early Childhood Development (DEECD) (2007).

CASE STUDY 8: THE BLUEPRINT FOR EDUCATION AND EARLY CHILDHOOD DEVELOPMENT

The new *Blueprint for Education and Early Childhood Development* was officially launched on 2 September 2008 by the Honourable John Brumby, MP, Premier of Victoria. It outlines an integrated reform agenda designed to improve performance and promote excellence across Victoria's schools and early childhood services. The *Blueprint* articulates specific actions to achieve the Government's goals, organised under three major strategies:

System improvement – ensuring all children and young people and their families have access to high quality schools and early childhood services, through:

- integration and transitions;
- high quality, accessible early childhood services; and
- excellent school education.

Partnerships with parents and communities – ensuring parents and families are valued partners in their children's development and learning, through:

- working with families, communities and business; and
- opportunity for all Victorians.

Workforce reform – ensuring schools and early childhood services have skilled and committed staff who are supported to deliver their very best, through:

- modern careers and workplaces; and
- a culture of strong leadership and professional learning.

The *Blueprint* builds on and extends recent policies and reforms, most notably

- the Blueprint for Government Schools (2003)
- Victoria's plan to improve outcomes in early childhood (2007)
- the creation of the Department of Education and Early Childhood Development, and
- the commitment of significant resources in the 2008 State Budget, to supplement the Government's major investment in school infrastructure through the Victorian Schools Plan.

The Department of Education and Early Childhood Development is continuously working to establish the systems and processes needed to provide the necessary foundations for an effective organisation and to support the successful integration of early childhood development and education. The Department's vision 'that every young Victorian will thrive, learn and develop, to enjoy a productive, rewarding and fulfilling life, while contributing to their local and global community' will ensure that Victoria's children's services, from maternal and child health to senior secondary education, meets the needs of families and children.

New knowledge about the importance of early intervention is also driving changing public sector practices in preventative health care.

For the first time in our history, more Victorians are dying from non-communicable diseases than communicable diseases. Addressing this is not only of benefit to individuals, it is an important economic and social equity issue, especially when it comes to chronic health problems. In 2004–05, 77 per cent of Australians were judged to have at least one long-term chronic health condition (eg. asthma, osteoarthritis, depression and diabetes)³. These diseases accounted for around 6 per cent of all hospital admissions and 60 per cent of allocated health expenditures. Research shows that there are strong links between poor health and poverty, leading to illness, pain and lower life expectancy. This poor health in turn contributes further to lower educational and employment participation, social exclusion and lower economic productivity.

Many of these chronic diseases are avoidable and the answer often lies in addressing multiple and complex causes. About one third of the chronic disease burden is attributable to common risk factors, such as smoking, excess weight, physical inactivity and poor diet. Also, the risk factors increase with social disadvantage. Measures to prevent these poverty-related chronic diseases include encouraging physical activity and better nutrition, improving oral health, preventing family violence, reducing indigenous social disadvantage and improving mental health services.

In line with new knowledge about preventative health, Victoria is taking a preventative approach to reduce and minimise the impact of chronic disease by adopting new ways of tackling health problems and closer coordination between service providers. For example:

- Department of Human Services is promoting a range of programs (eg. Hospital Admissions Risk Program, Early Interventions in Chronic Diseases Management in Community Health) to better deliver integrated, comprehensive health and social services to people with chronic disease, or at risk of chronic disease, to improve their wellbeing and to avoid hospitalisation.
- WorkSafe is supporting a *WorkHealth* initiative to screen and assess workers at risk of developing chronic diseases such as diabetes and heart disease, which often contribute to workplace injuries.
- The *Go For Your Life* initiative aims to promote healthy eating and increased levels of physical activity. As part of this initiative the *Life! – Taking Action on Diabetes* program has been developed to support Victorians most at risk of developing Type 2 Diabetes.
- An *Alcohol Action Plan*, including an awareness campaign to encourage responsible drinking is being undertaken to reduce the harm caused by excessive alcohol consumption and alcohol-related violence.
- A new *Victorian Mental Health Strategy* is promoting awareness of mental health issues, concentrating on prevention and investing in additional mental health services.

In 2007–08 Victoria produced the *Next Steps in Australian Health Reform* proposal which asks Federal, state and local governments across Australia to significantly increase the proportion of health spending that goes to preventative and public health measures as an integral part of a comprehensive reform of the health systems. This emphasis on prevention by reducing the socio-economic causes of chronic illnesses is supported by the COAG reform agenda and the *National Preventative Health Care Strategy*.

3 AIHW 2006, *Chronic Diseases and Associated Risk Factors in Australia 2006*, CAT No Phe 81, Canberra, P. IX

CASE STUDY 9: IT'S YOUR MOVE! – MAKING UNHEALTHY HABITS OLD SCHOOL

Pies with sauce, chocolate frogs in brown paper bags and the humble vanilla slice are what many people remember from their school canteens. But in what some will see as a break with tradition, fried and fatty foods are being expelled from school canteens.

It is all part of *It's your move!* – a community-based obesity prevention project funded by the Department of Human Services under the *Go for your life* initiative. The aim of the project is to promote healthy eating patterns, regular physical activity and healthy bodies among youth (aged 12-17 years) in five secondary schools in East Geelong and Bellarine. It aims to promote healthy eating and increase the levels of physical activity among all Victorians.

The *Go for your life* Community Education Program has now reached more than 32,000 schoolchildren through visits to more than 200 primary and secondary schools in Victoria.

Geelong High student and *It's your move!* ambassador, Brad Batterham, is doing whatever he can (well, at least during his lunch breaks) to make his school a healthier one.

“So far we've made some changes to our canteen, including replacing normal soft drinks with diet varieties, offering more water and colour coding our menus,” Brad said.

“Our colour coded menus make choosing healthier foods easy. It basically splits up healthy, moderately healthy and unhealthy foods into a traffic light of choices. Green foods are the healthy ones. They include foods like apples, salad rolls and fruit salads. Amber foods are things with a bit of sugar that you can have in moderation, like muesli bars. And red foods are the unhealthy ones, like soft drinks, deep fried foods, donuts and pies – all the things to stay away from,” Brad said.

Reactions to the changes have been overwhelming. “The students want it. They are now demanding healthier alternatives. It's really good,” Geelong High School teacher Janet Duviani said.

But *It's your move!* is not just about healthy eating, it's also about encouraging students to get more physically active.

Fellow Geelong High student and enthusiastic soccer fan Michael Todorvic is very passionate about encouraging students to be physically active in his ambassador role. “Being involved in the soccer tournaments has been a great experience. Just being able to teach kids who haven't played soccer before and seeing them be so enthusiastic about it while being physically active, has been really great,” Michael said.

Conclusion

During 2007–08 the Victorian public sector delivered core services to Victorians and progressed the objectives of the *Growing Victoria Together* statement and related strategies. Services witnessed an increasing focus on the broad priorities set out in the *Third Wave of National Reform*. These include human capital development through education and early childhood development, health and social inclusion programs, and environmental sustainability through additional greenhouse pollution reduction, water conservation and natural resource management programs. New policy strategies were released, new programs were initiated and new departments and agencies were created to implement them with greater strategic focus and vigour. The new directions taken by the COAG throughout the year suggest the priorities of the Victorian Government and delivery approaches pioneered by the Victorian public sector are influencing public sector reform on a national scale.

CHAPTER 2: THE VICTORIAN PUBLIC SECTOR WORKFORCE

The Victorian public sector is working to attract and retain the best people as it improves, broadens and modernises the services it offers to Victorians.

Introduction

Chapter 1 discussed the policy and service delivery priorities for the Victorian Government and its delivery agencies in an era of change. This chapter provides a snapshot of the size, composition, skills and geographical distribution of the public sector's workforce and how change is transforming it, most notably in the areas of early childhood development, teaching, TAFE and health services. The chapter describes the range of interesting, challenging and rewarding career opportunities offered by the Victorian public sector. It also outlines the measures the public sector is taking to attract and retain the best people.

Workforce snapshot

Research has found that Victorians often hold negative perceptions about public sector employment, viewing it as generic, bland, regimented and conservative.⁴ The reality is very different.

Around half of all public sector employees are professionals working in a wide variety of disciplines. As well as the roles one usually thinks of – administrators, managers, teachers, nurses, emergency service workers and police – the public sector also employs lawyers, ICT professionals, architects, town planners, accountants, economists, and business analysts, as well as staff in many other sought-after and dynamic professional areas. In fact, just under 70 per cent of employees working in the public sector have tertiary qualifications.

The Victorian public sector is a major employer in the State. As at June 2008 nine per cent of the total Victorian labour force or 246,844 people worked in the sector. These people work in a mix of full time, part time and temporary roles. After taking into account the time fraction worked by these people, this headcount figure converts to a full time equivalent (FTE) count of 200,134. At June 2007 full time equivalent staff count was 194,441⁵, indicating effective staffing growth of 2.9 per cent across the sector over the 2007-08 year. Further detail on headcount and FTE staffing levels for all the major workforce sectors within the overall public sector can be found in Figure 1.1 in Chapter 1 of this report.

Table 2.1 provides a statistical snapshot of the people in the Victorian public sector's workforce, taken from the State Service Authority's annual Workforce Data Collection.

4 State Services Authority, *Future Directions for Workforce Planning: Analysis and Discussion, 2007*, p.4.

5 This figure differs slightly from that published in *State of the Public Sector in Victoria 2006-07* due to one organisation correcting their workforce data after publication of the report.

Table 2.1: Statistical snapshot of the Victorian public sector workforce

Total employees (headcount)	246,844	Regional Distribution	
Employees by sector		CBD	14%
Victorian public service	36,382	Other Melbourne Metropolitan	
Government schools	62,794	Eastern	16%
TAFE and other education	18,049	North and West	24%
Public health	89,407	Southern	14%
Police and emergency services	19,008	Total	54%
Water and land management	7,252	Regional Victoria	
Other	13,952	Barwon South Western	8%
Ongoing/non-ongoing		Gippsland	6%
Ongoing	74%	Grampians	6%
Temporary (fixed term, or casual*)	26%	Hume	6%
Full time/part time (all employees)		Loddon Mallee	6%
Full time	60%	Total	32%
Part time	40%	Occupational category***	
Base salary**		Managers	5%
<\$40,000	19%	Professionals	53%
\$40,000-\$59,999	35%	Community and Personal Service Workers	21%
\$60,000-\$79,999	34%	Clerical and Administrative Workers and Sales Workers	13%
\$80,000+	12%	Technicians and Trades Workers	3%
Gender		Labourers, Machinery Operators and Drivers	5%
Male	34%	Education	
Female	66%	Doctoral / masters degree	9%
Age		Graduate diploma / certificate	21%
<30 years	17%	Bachelor degree / honours	28%
30-49 years	51%	Advanced diploma / diploma	11%
50+ years	32%	Certificate level / trade	13%
Country of birth		Year 12 or equivalent or less	19%
Australia	82%	Indigenous status	
Overseas	18%	Indigenous Australian	0.5%
Language spoken at home		Non-Indigenous	99.5%
English only	85%	Disability status	
Language other than English	15%	Disability	4%
		No disability	96%

Source: 2008 Workforce Data Collection, 2008 People Matter Survey

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

*** These occupational categories are those used in the Australian Bureau of Statistics' occupational classification system - the Australian and New Zealand Standard Classification of Occupations

Occupation

Table 2.2 shows that over 80 per cent of the sector's employees are in six general occupational areas.

Table 2.2: Distribution of public sector by general occupational areas

	Percentage of employees in sector
Doctors, nurses and other health care professionals	24%
Teachers and other education professionals (schools and TAFE)	23%
General administration and support employees	18%
Welfare, aides and care providers	11%
Police, firefighters and ambulance officers	7%
Managers	5%

Source: 2007 Workforce Data Collection

A range of other professionals and technicians account for around 10 per cent of the public sector workforce. While these occupations individually represent only a small proportion of the sector workforce, they are critical to the delivery of services.

Accountants and actuaries	Foresters
Agricultural scientists	Laboratory technicians
Biologists	Lawyers
Chemists	Park rangers
Computing professionals	Policy analysts
Economists	Physicists
Engineers (civil, mechanical and electrical)	Town planners

Other occupational groups include:

- catering, cleaning and laundry staff, who are primarily employed in hospitals; and
- trades, technical, machine operators and other labouring staff.

There is a range of trades employed, including: food trades, horticulture, mechanical and automotive, construction, plumbers and electricians.

Research undertaken by the State Services Authority identified the following occupational areas with critical workforce shortages:

- *Health and aged care* including nursing, general practice and medical specialists;
- *Infrastructure project management* including general engineering, technical engineering specialities, contract management, risk management and design/development;
- *TAFE* including the TAFE teaching workforce, administration and planning;
- *Water services* including water planning, policy officers, engineering and construction and maintenance grades;
- *ICT* particularly IT strategists and planners at CIO/IT director level, systems and enterprise architects, IT project managers and analysts and general systems administrators; and
- *Scientific skills* including environmental and geo-science, agricultural science, health science (eg. epidemiology) and emerging science (eg. nano-science).⁶

In addition, there are a number of occupations important to the Victorian public sector that have been identified as being in short supply by the Department of Education, Employment and Workplace Relations. These are:

- *Social welfare professionals*, who provide guidance to clients, in social, educational, vocational and relationship matters. They include occupations such as child protection officers, community corrections officers, counsellors and psychologists;
- *Miscellaneous health professionals*, including dentists, pharmacists, occupational therapists, optometrists, physiotherapists, speech pathologists, radiographers, veterinarians and dieticians;
- *Miscellaneous health and welfare associate professionals*, primarily ambulance officers;
- *Miscellaneous social professionals* such as town planners, economists and lawyers;
- *Building and engineering professionals and technicians*, such as architects, surveyors, engineers, building inspectors and engineering technicians;
- *Accountants* who are employed in small numbers in all workforce sectors; and
- *Natural and physical science professionals*, such as medical scientists, foresters, park rangers, agricultural scientists, chemists, physicists and zoologists.⁷

The public sector response to these pressures is described later in this chapter under the heading *Attracting and recruiting new employees*.

6 State Services Authority, *Future Directions for Workforce Planning: Actions to Improve Workforce Planning Outcomes Across the Victorian Public Sector*, 2007, p. 9.

7 Department of Education, Employment and Workplace Relations, *Skill Shortage List Victoria*, May 2008

Employment arrangements

In public sector organisations employment powers are generally vested with the Board or the Chair for the Chief Executive position and with the Chief Executive for other employees. The detail of employment arrangements is complex and varies across the public sector.

Employment of Public Service staff and executives, teachers and police is governed under arrangements established in specific legislation, which are outlined in Appendix 1. Elsewhere in the sector employees are engaged under arrangements that apply in the community generally.

Conditions and remuneration are governed through awards and agreements under the Federal Government industrial relations system, subject to the Victorian Government's industrial policy guidelines. The vast majority of public sector employees are covered by federally registered industrial agreements.

Common pay structures do not apply across the various Victorian public sector organisations. Conditions and remuneration structures are determined through the enterprise bargaining process. Pay rates reflect responsibility and skill.

Generally agreements vary from organisation to organisation to reflect the needs and requirements of those organisations and their employees, although some such as the public health organisations and TAFE Institutes collaborate to conclude multi-employer agreements. Single agreements cover the teachers in government schools, Victorian Public Service employees and sworn police officers, reflecting the legislation that governs their employment. Examples of pay structures applying to major public sector employee groups are provided in Appendix 1 in the relevant workforce sectors.

The Government Sector Executive Remuneration Panel, which is supported by the State Services Authority, is responsible for the implementation of government executive employment policy in the public sector and endorses the remuneration arrangements of all public sector chief executives. Further information on executive employment and remuneration is provided in Appendix 4.

Superannuation arrangements

Historically, superannuation schemes varied between agencies and employers but over the last 20 years there has been a concerted effort to bring these into line with community standards.

The majority of employees in the sector (79 per cent) are members of accumulation schemes where the employer contribution is 9 per cent of salary, as required under Commonwealth legislation. The most common of these schemes is VicSuper. These schemes provide a benefit on retirement which is based on the amount contributed to the scheme by the employer and the employee.

The remaining 21 per cent of employees are members of defined benefit schemes. These schemes provide a benefit on retirement which is related to the employee's salary at the time of retirement and their length of time in the scheme. Employees who are members of defined benefit schemes are required to contribute to the scheme at a rate determined by the scheme.

Members of defined benefit schemes fall into two broad categories.

(1) The Emergency Services Superannuation Scheme, which is the only defined benefit scheme that remains open to new entrants. This scheme is open to operational police, fire, ambulance, and state emergency services staff, and covers 16,236 employees, representing 85 per cent of the Police and Emergency Services Sector.

(2) Other defined benefit schemes, which are now closed to new entrants. (The public service pension scheme closed in 1988.) At June 2008 there were 52,256 current employees who were members of these schemes. The proportion of staff in each sector is as follows:

School teachers and support staff	33%
Public Service staff	24%
TAFE and other education sector staff	12%
Water and land management sector staff	9%
Public health sector staff	1%
Balance of the public sector	18%

The number of employees in these schemes is decreasing each year as people decide to retire.

Employee characteristics

Employment type

The Victorian public sector workforce is comprised of a core workforce that is employed on an ongoing basis and a temporary workforce that is employed for a fixed period or on casual arrangements.

The mix of ongoing and temporary employees has remained stable since 2003 - 74 per cent of staff being employed on an ongoing basis and 50 per cent are full time and ongoing.

Temporary staff members are engaged to meet a short-term demand that arises from peak workloads, tasks with a defined completion, or to replace on-going staff who are on leave. Sixty-two per cent of temporary staff are fixed term employees.

The Victorian public sector has a higher rate of part time employment than the Victorian labour market generally – 40 per cent compared to 30 per cent. The full time-part time mix has also remained stable since 2003.

This higher rate of part time employment reflects the gender, industry and occupation make up of the Victorian public sector. The Productivity Commission⁸ reports the Health and Community Service, Education and Culture and Recreation industries as being amongst the five industries with the highest shares of part time employment.

Health professionals, and carers and aides have very high proportions of part time work (56 per cent and 69 per cent respectively). Clerical employees (38 per cent) and social welfare professionals (35 per cent) also have relatively high proportions of part time employment.

8 Productivity Commission, *Part Time Employment: The Australian Experience*, 2008.

Public sector employers in rural and regional Victoria tend to have a higher proportion of part time employees (47 per cent compared to 37 per cent in metropolitan areas). They also have higher proportions of part time managers, clerical employees, health professionals, carers and aides, accountants and miscellaneous business and information professionals such as human resources and other operational corporate services professionals.

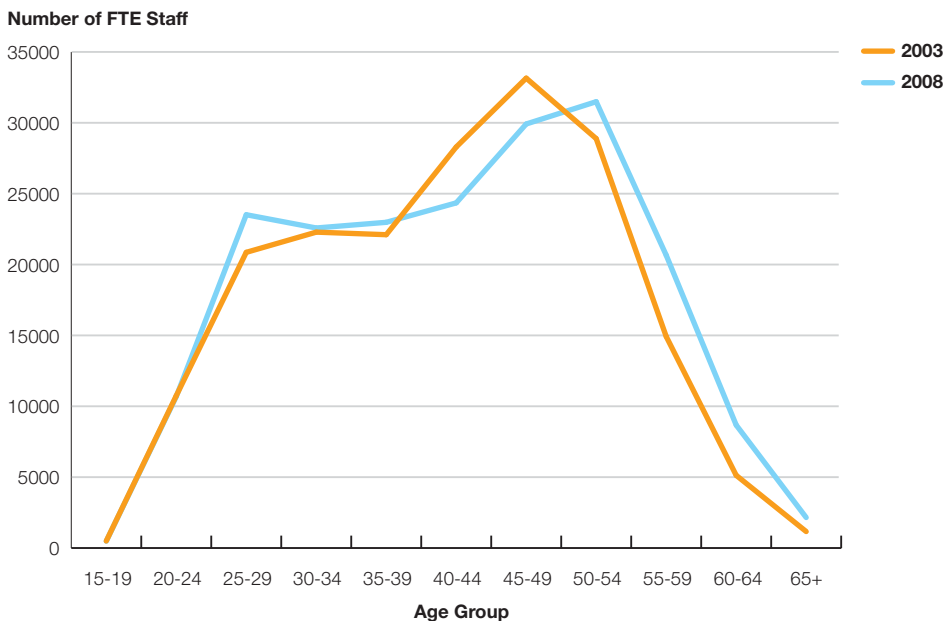
The Productivity Commission reports that there is demand for part time work to facilitate caring for children, particularly from mothers. With part time employment in the public sector highest among women in their 30s and 40s, it is clear that public sector organisations respond well to the demand for employees with caring responsibilities to work part time.

Age distribution

The Victorian public sector has a different age profile from the Victorian labour market, reflecting the different mix of occupations employed. The average age of public sector employees is 43. People under the age of 25 are under represented in the public sector workforce and people between 40 and 60 are over represented, reflecting the older and longer serving teaching workforce in TAFE institutions and government schools.

The change in the age profile of the sector over time is illustrated below.

Figure 2.1: Distribution of Victorian public sector employees by five year age group at 2003 compared to 2008*



Source: 2003 and 2008 Workforce Data Collections

* Chart plots information on employees of organisations reporting data in both 2003 and 2008. Reasons organisations did not report in both years are that they were not covered by the prevailing statutory definition of the public sector, or they did not have data available.

The age profile of public sector staff has generally retained the same shape over time. The number of staff has increased in most age groups. This reflects both:

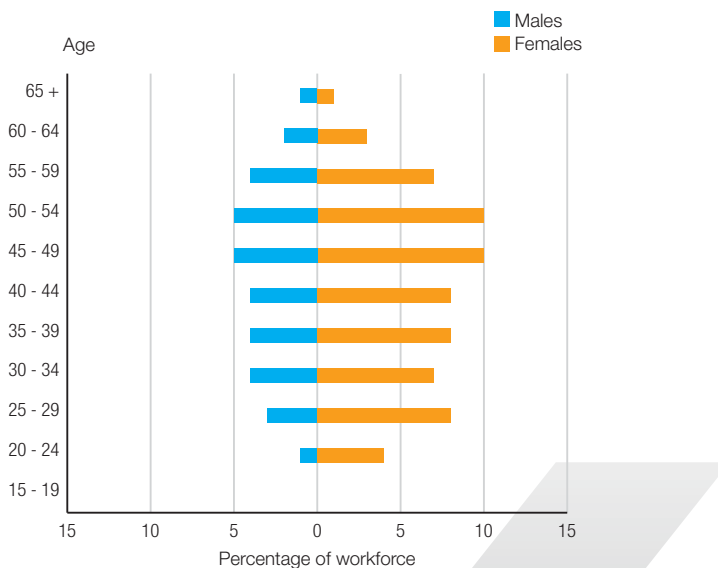
- ageing of the workforce across all workforce sectors, illustrated by the increase in the number of employees in the 50+ age groups between 2003 and 2008; and
- general growth across the sector to support expanded service delivery.

In aggregate, just over 70 per cent of the growth in employment illustrated in the chart is in key service delivery areas of the public sector, that is: the health sector (40 per cent of the growth), Government schools and TAFE (20 per cent), Police and the other Emergency Services (10 per cent) and in the water and land management functions (2 per cent). A similar proportion of the growth in the public service (accounting for 20 per cent of the total growth in the sector) is in the funding and service delivery departments associated with these service areas – the Departments of Human Services, Education and Early Childhood Development, Justice, Sustainability and Environment and the Office of the Chief Commissioner of Police. The remaining 10 per cent of growth has occurred in the balance of the sector, covering areas such as roads and transport, public finance and insurance and sport and cultural activities.

Men and women

There are high numbers of women in the Victorian public sector (66 per cent). Indeed, women outnumber men across all age groups (Figure 2.2). The age and gender profile for the public sector as a whole has remained consistent since 2003. However, the hiring of graduate teachers and the retirement of older teachers is increasing the proportion of younger staff employed in government schools.

Figure 2.2: Age and gender profile of Victorian public sector employees



Source: 2008 Workforce Data Collection

There is a high proportion of female employment because the public sector workforce includes several large female dominated occupational groups, for example teaching and nursing make up 50 per cent of public sector employees.

Table 2.3 illustrates that where occupations comprise a high proportion of women in the labour market generally, the proportion who are women in the public sector is similarly high.

Table 2.3: Proportion of women by occupation - Victorian public sector compared to the Victorian labour market

Occupation	Percentage of women in Victorian public sector	Percentage of women in Victorian labour market
School teachers	73%	68%
Nursing professionals	90%	92%
Clerical employees	82%	76%
Carers and aides	83%	89%
Welfare workers	64%	67%

Source: 2007 Workforce Data Collection and 2006 Census of population and housing, Australian Bureau of Statistics, CData Online

Also notable is the fact that there are more women employed in a range of traditionally male-dominated office-based professions in the public sector than in the workforce as a whole. This includes managers (40 per cent in the public sector compared to 32 per cent in the labour market) and miscellaneous business and information professionals (61 per cent compared to 52 per cent).

The People Matter Survey reveals that women are more likely to view the public sector as an attractive career option and are committed to working in the public sector for much of their career. Women also report higher levels of job satisfaction than men.

The workforce in metropolitan and regional Victoria

The Victorian public sector is a major employer in regional and rural Victoria, employing 76,161 people and accounting for 10 per cent of the non-metropolitan Victorian workforce. Thirty one per cent of all public sector employees work outside metropolitan Melbourne, where 27 per cent of Victorians live⁹.

A similar mix of services is required in both metropolitan Melbourne and rural and regional Victoria. In both regional Victoria and metropolitan Melbourne, hospitals and schools are the major employers, and other service delivery areas comprise similar proportions of the workforce. However, a higher proportion of employees in rural and regional areas work in the water and land management sector and a smaller proportion of employees work in the Victorian Public Service.

The regional public sector workforce is slightly older than that in metropolitan areas, with a high number of managers in their fifties. Almost 70 per cent are women and more staff work part-time than in metropolitan regions.

The employment profiles of metropolitan regions and each of the rural Victorian regions are detailed in Appendix 2.

9 Australian Bureau of Statistics, Cat. No. 6291.0.55.001 – Labour Force, Australia, Detailed – Electronic Delivery, August 2008

Recruitment and separations

Employment in the public sector is far from static. Large numbers of employees across all age groups both commence and leave public sector organisations each year.

Over 24,000 people, representing 13 per cent of the public sector workforce, commenced employment with a public sector organisation in the 2007–08 year. The majority of new staff are employed as ongoing employees, although a third were employed for a fixed term. Both ongoing and fixed term staff are engaged across all ages.

Table 2.4 illustrates how public sector organisations recruit their staff from across the age range.

Table 2.4*: Victorian public sector recruits by age 2007–08

Age Group	Under 25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
No. of Ongoing employees	2,327	2,858	2,386	2,171	2,013	1,838	1,230	714	334	94
No. of Fixed term ** employees	1,572	1,784	1,485	1,033	861	751	427	308	114	43
Total	3,899	4,642	3,871	3,204	2,874	2,589	1,657	1,022	448	137

Source: 2008 Workforce Data Collection

* Figures exclude people commencing employment as teachers and support staff in government schools, where only limited information on recruitment is available.

** Fixed term employees are temporary staff employed for a fixed period. The average employment term of fixed term employees is two years. This data only covers newly recruited fixed term employees. That is, such employees whose contracts are extended are not included.

For most occupations, between 25 and 50 per cent of employees recruited in 2007-08 by public sector organisations are aged under 35 years. Notable exceptions are carers and aides and managers, where recruits tend to be from older age groups.

Public sector employers recruit staff from private sector as well as from other agencies within the Victorian public sector. In fact, 46 per cent of employees worked in the private sector prior to commencing with a public sector organisation.

Table 2.5 illustrates separation patterns of ongoing staff (ie. it excludes fixed term employees who cease employment at the end of their contract period).

Table 2.5: Separation patterns of ongoing staff by age

Age Group	Under 25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
No. of People	1067	2,533	2,417	2,088	1,853	1,995	2,088	2,027	1,431	608
Separation Rates	15%	14%	12%	9%	8%	7%	7%	10%	16%	27%

Source: 2008 Workforce Data Collection, and Department of Education and Early Childhood Development ongoing separations data

Separation and recruitment patterns are typical of the general community with younger people moving between employers to explore options and develop their careers, middle age mid career employees exhibiting more stable employment behaviour, and separation rates increasing for older employees as they move into retirement.

According to data reported to the State Services Authority by public sector organisations, key public sector occupations with high separation rates include medical practitioners (29 per cent), health professionals (18 per cent), social welfare professionals (16 per cent), accountants (14 per cent), building and engineering employees (11 per cent) and natural and physical science professionals (10 per cent).

Professionalism

Chapter 1 discussed how a number of public policy priorities were changing the role of the Victorian public sector through:

- investing in human capital, especially in early childhood education;
- promoting social inclusion and workforce participation;
- greater emphasis on early intervention and prevention in health and human services; and
- environmental sustainability.

These new priorities are beginning to influence the skill profile of the Victorian public sector in important ways, driving the creation of new positions requiring higher qualifications.

In health, for instance, Victoria is set to share a proportion of the 50,000 new training places being created nationally over the next three years in priority health occupations under the Commonwealth's Productivity Places Program. This will increase the number of more highly qualified health sector workers.

In education the changes are even more profound and far-reaching.

- A new *Early Childhood Workforce Strategy* is being developed as part of the *Blueprint for Education and Early Childhood Development*. The strategy's major goal will be to increase the professionalisation and qualification levels of the sector's workforce. It will build on the directions outlined already in the *Maternal and Child Health Service Workforce Strategy*, which has already made progress in a number of similar areas, and will complement similar workforce development initiatives being undertaken through COAG.¹⁰
- Driven by research which finds a strong link between better teaching and improved school performance, new efforts are being made to improve the quality of the teaching profession and direct more highly qualified teachers to the most educationally disadvantaged schools. To boost the standing of teaching in the community and attract higher quality recruits, in May 2008 the Victorian Government concluded a new pay deal with the teachers' union which will lift the pay of graduate entry teachers to \$51,184 and the maximum pay of classroom teachers to \$75,500.¹¹ A *Teach First* style program was announced encouraging high achieving university graduates to take up teaching in educationally disadvantaged schools. The *Blueprint for Education and Early Childhood Development's* exit strategy will assist disengaged teachers to leave the profession. The Executive Class is being introduced as a means of attracting high performing principals and school leaders into areas of need including underperforming schools and a new Institute of educational leadership is being created.¹²
- To raise TAFE standards and enable it to provide 172,000 additional places over the next four years 250 places will be offered to encourage industry experts to enter TAFE teaching and new professional development assistance will be offered to existing TAFE staff.¹³

10 Victorian Government, *Blueprint for Education and Early Childhood Development*, 2008, pp.32-34.

11 Media release by the Premier, *Pay Deal a Win for Students, Families and Teachers*, 5 May 2008.

12 Media release by the Premier, *Blueprint Makes Victoria Education Revolution Ready*, 2 September 2008.

13 Victorian Government, *Securing Jobs for Your Future - Skills for Victoria*, 2008, pp.27-8.

CASE STUDY 10: IMPROVING SCHOOL LEADERSHIP IN VICTORIAN GOVERNMENT SCHOOLS

The Organisation for Economic Cooperation and Development (OECD) has recently recognised that the Victorian Government school system is well positioned to become an international authority on systems improvement and leadership development.

In its recent study of the Department of Education and Early Childhood Development's school leadership strategy, the OECD concluded that 'in international terms, the Victorian model of leadership development is at the cutting edge'. The Victorian Government school system was one of only three school systems selected for analysis by the OECD, along with Finland and the United Kingdom, and was emphatically endorsed as providing 'a working model of system wide school leadership development from which other systems can learn.'

The Victorian strategy for improving school leadership is based on an extensive body of research that continues to confirm that leadership is a critical factor in school improvement. The *Developmental Learning Framework for School Leaders* underpins the strategy, which involves, among other things, 19 leadership development programs, catering for a range of current and potential school leaders at various stages of development.

A Victorian Government teacher who has engaged with the strategy in various ways over a number of years, to her benefit and the system's, is Jane Maine, Principal of Hawkesdale P-12 College.

Jane first accessed the strategy via the *Eleanor Davis School Leadership Program* - a program for women with high leadership potential. Following five years in the Barwon South Western Region in a leadership role implementing Early Years strategies, Jane commenced as principal at Hawkesdale. During her tenure she actively developed her leadership capabilities by undertaking a number of roles within her network and professional associations.

In late 2006, Jane was selected to pursue research around the middle years of schooling through the *Development Program for High Performing Principals*. This research took her to New York to investigate a Middle Years' literacy strategy, and to a Harvard University summer school program focusing on utilising data as a driver for strategic improvement.

Jane was also invited, in 2007, to be a member of the Department's *Principals' Common*, a forum which provides principals the opportunity to explore proposals, initiatives and educational issues, often with visiting academics and senior departmental managers, without interruption or judgement.

Since then, Jane has re-engaged with the *Eleanor Davis* program, this time as a mentor contributing to the development of other high potential leaders in the system. She has operated in a system leadership role as an Acting Senior Education Officer and is about to embark on the new role of Regional Network Leader – a role designed to support and lead school improvement in those areas that need it most.

An attractive career option

The Victorian public sector continues to offer a variety of challenging occupations. It is also an attractive career option that offers competitive remuneration and employment conditions. There are many positive factors to working in the Victorian public sector:

- good working conditions, flexible work arrangements and job security;
- a sense of pride and corporate belonging;
- the diversity of the workforce; and
- autonomy, training opportunities and flexibility.

Each year the State Services Authority undertakes the *People Matter Survey* to measure public sector employee perceptions of how well public sector values and employment principles are applied, determine levels of job satisfaction and gauge how effectively organisations, managers and workgroups operate. The findings are summarised in Appendix 3. The results indicate that most Victorian public sector employees think highly of their organisation and the Victorian public sector as a whole:

- perceptions of the organisation's responsiveness, integrity and impartiality were particularly strong;
- ninety per cent or more reported that neither cultural background, gender, age nor disability are barriers to success in their careers;
- employees recorded high job satisfaction levels, specifically relating to positive relationships with their fellow employees, job security and work/life balance; and
- employees believed their qualifications, talent and creativity were matched by the challenging nature of the work, opportunities to use initiative and the chance to make a positive contribution to the community.

The majority of Victorian Public Service* employees:

- are proud to work for the Victorian Public Service (89 per cent);
- regard the Service as a good career choice (84 per cent);
- would recommend the Service to friends (82 per cent); and
- are committed to working in it for much of their careers (80 per cent).

Three quarters of staff surveyed believed the Victorian public sector was innovative and that employment in the public sector enhanced career prospects in the private sector.

* These questions of PMS 2008 relate only to the Victorian Public Service, not the public sector as a whole.

CASE STUDY 11: EMPLOYEE PROFILES

Daen Dorazio: Economist

Daen Dorazio is just one of the many economists who work for the Department of Treasury and Finance (DTF). The reputation that DTF has for innovation and forward thinking was one of the main reasons that Daen was drawn to work for the Department. Working for the Department provided him with the opportunity to work with and learn from the wealth of experience and knowledge that could be found there.

Like many other people working in the Department Daen had previously worked in the Commonwealth public sector but was enticed by the challenges and the variety of opportunities offered in DTF. Currently as a Senior Economist in the Climate Change team Daen's focus is on the water issues in Victoria including reform of the Murray-Darling region and water issues facing the rural markets. This work has put Daen at the forefront of policy advice on issues that effect everyday Victorians. This is continuing his previous experience working on projects relating to Victoria's Emissions Trading and State and Commonwealth relations in the areas of health, education and workforce participation. As an economist in DTF, Daen's main role and that of those people around him is to be the main source of advice to the Treasurer on any issues that the Government is involved in.

Eva Dyhr-Christensen: YES trainee

Eva Dyhr-Christensen is someone who loves her job. Employed as a tenancy officer within the Department of Human Services (DHS) Housing and Community Building Division, Eva jokingly describes herself as a 'landlord' for the areas of Mitcham and Forest Hill.

Two years ago Eva entered the Department as a Youth Employment Scheme (YES) trainee within the Human Resources Branch and quickly progressed to a permanent, full time job.

"I never would have thought that when I applied for a trainee job with DHS I would end up working in a job that I value and have a passion for" Eva said.

Eva's continuous progression within the department is something she attributes to the confidence the YES traineeship gave her, the training and development provided by her superiors, and her determination to succeed.

Human Resources consultant Arthur Pittis recalls Eva's entry into the YES traineeship scheme.

"Eva rang me out of the blue one day because she was working in casual jobs that she felt didn't offer her much of a future and had heard about the YES traineeship from our website" Arthur said.

“There happened to be a vacancy available at the time, so we arranged an interview for Eva and she was offered the job” added Arthur.

Six months into her YES traineeship, Eva applied for a position as a Housing Services Officer at the Ringwood office. Up against over 100 other applicants she was successful in gaining the position with the Housing and Community Building Division.

“The YES traineeship gives you many opportunities for skill development that just aren’t available elsewhere” explained Eva. “It also gave me the chance to extend my studies beyond year 12 level.”

Eva encourages other people who are looking for a traineeship to consider the Department’s YES program.

“If your heart’s in the right place, you can do it” says Eva.

Simon Adams: Project Engineer

Simon Adams joined the Department of Transport as a graduate engineer through the Graduate Recruitment and Development Scheme in 2006 after studying Engineering and Science at the University of Melbourne.

Simon’s first contact was at the university careers fair and he was attracted by the chance to work on some of the biggest projects in the state, such as the Melbourne Convention Centre, the Southern Cross Station and the Wodonga Rail Bypass.

Learning and development opportunities were another drawcard, including the opportunity to undertake courses in project management fundamentals, contract management and procurement.

“My official title is Project Engineer but my work encompasses a wide variety of tasks with new challenges every day. I get to work with a team whose role is to develop the business case, go through the tender process to procure a design and construction contractor, then deliver the project – the fundamentals any project engineer needs to know.”

Attracting and recruiting new employees

Like all employers, the Victorian public sector has been operating in a tight labour market caused by low unemployment, skill shortages, an ageing national workforce and an increasingly global labour market. The SSA is working with Victorian public sector employees to implement a strategy to improve recruitment and workforce planning – *Future Directions for Workforce Planning: Actions to Improve Workforce Planning for the Victorian Public Sector*. The strategy has six major goals which are to:

- improve attraction and recruitment strategies;
- increase labour supply in selected areas;
- target investment in staff development;
- make employment practices more agile;
- improve participation and retention of high risk work categories; and
- improve workforce planning governance and capability.

Under the strategy a number of initiatives have been undertaken.

The Victorian public sector is developing a clear new employment brand to overcome some of the misconceptions of public sector employment and aid recruitment. The brand is being based on the positive factors mentioned earlier: competitive remuneration; good working conditions; flexible employment practices that allow for work/life balance; and the ability to work for the greater good of the community.

The State Services Authority has evaluated the effectiveness of recruitment and selection practices within the Victorian public sector, and made recommendations on tools and selection techniques to improve the quality and speed of recruitment.

A tool kit, including a training program, has been developed to assist the sector in achieving best practice standards in recruitment and selection techniques. This will assist in providing a consistent approach to recruitment and selection and help improve the overall effectiveness and efficiency of recruitment processes.

A career planning kit for secondary school career coordinators and students has also been introduced. The kit includes a guide and lesson plan for career coordinators, an online resource for students, a matrix of twelve job families and the departments and agencies offering roles in the public sector.

The *Graduate Recruitment and Development Scheme (GRADS)* recruits talented young people into the public service with 140 graduates selected from a field of 1,887 applicants in 2008. The *Australian Association of Graduate Employers Candidate Survey 2008* found that the Victorian Government has the best graduate program of all state and local governments across Australia and New Zealand and was ranked 9th out of 68 organisations for offering the best opportunities for graduates.

CASE STUDY 12: RECRUITMENT CAMPAIGN FOR SHERIFF'S OFFICERS

Sheriff's Officers are officers of the Supreme Court who are responsible for actioning warrants, enforcing sanctions against people who do not comply with court orders, collecting outstanding debts and fines and seizing property to satisfy warrants. They are in a sense the backstops of the justice system, without whom the system's financial penalties become meaningless. But whilst their job is always undertaken in a law and order environment, it is ideally not about the application of force. Sheriff's Officers today need to possess the right combination of human qualities, like problem solving, firmness, sensitivity and empathy. This makes getting the right people important.

To seek them out, in 2007–08 the Department of Justice (DoJ) comprehensively overhauled the way it recruits Sheriff's Officers.

The task, which was previously outsourced, was insourced to the DoJ HR Recruitment Services Team.

The traditional one-dimensional process of advertising and interviewing was replaced with a more diverse and rigorous process. A new position description was first developed, aligned with the VPS Capability Framework and followed by information evenings and a sophisticated print advertising campaign which attracted 137 recruits in the February 2008 round and approximately 190 in the second in June 2008.

The number of candidates was progressively reduced via phone screening and suitability testing. In each round, 40 to 45 people were invited to an assessment centre, where a group of 30 Sheriff's Officers, human resource consultants and Sheriff's head office personnel participated in assessor training and interviewing. This stage in the recruitment process consisted of group exercises, work scenarios, and behavioural interviews, which allowed the assessors to evaluate the candidates' relevant qualities.

Each of the two recruitment rounds led to the employment of around 15 men and women as new Sheriff's Officers. Training prior to placement as operational staff members included an on-line component, classroom teaching conducted by Holmesglen Institute of TAFE and a field work program. This is also the first time Sheriff's operations has introduced nationally accredited training, with all recruits required to achieve Certificate IV in Government (Court Compliance) within their first year of employment.

The new approach to recruitment and the integrated training package are proving highly effective in attracting high quality staff and meeting the DoJ's objective of modernising and broadening the capabilities of the Sheriff's Officer workforce.

It is also an excellent example of how Victorian public sector agencies can build in-house capacities in fields such as recruitment.

CASE STUDY 13: RECRUITMENT CAMPAIGN FOR PROJECT FIRE FIGHTERS

Every year the Department of Sustainability and Environment (DSE) recruits just under 700 Project Fire Fighters (PFFs) (around 321 full-time equivalent positions) to cope with the peak summer bushfire season, assist with spring and autumn planned burns and undertake other fire prevention works. These PFFs are the infantry of the State's firefighting force and are trained in firefighting and bushcraft skills, such as operating chainsaws, 4X4 firefighting vehicles, tankers and bulldozers, as well as map reading and working as part of a team. A number are also trained as helicopter-borne rappellers and hover exit firefighters. PFFs are employed on fixed-term contracts of between 18 and 34 weeks per year, with peak numbers over the summer months.

In the past all PFF positions were re-advertised and re-opened annually. Today, though, DSE puts a greater emphasis on retaining skills, and offers 3 year contracts to 150 PFFs, with higher pay rates to recognise competencies and experience, and a pathway for a small number to become permanent employees as vacancies arise within DSE and Parks Victoria. Each 3 year contracted PFF is given an individual fire role development plan that assesses their current skills and outlines their skill development goals.

Recruiting these PFFs is the Victorian public sector's single largest recruitment program each year, and so a big effort is put into refining processes to improve efficiency and increase the return rate of experienced firefighters.

In recent years recruitment has undergone a major change management process which has featured the introduction of e-recruitment and the creation of a corporate database able to hold all previous applicants' and employees' data. Gradually replacing a paper-based system, e-recruitment now receives around 60 per cent of all applications online. The new recruiting system is reducing paperwork, speeding up assessment of applicant information and notifying successful applicants instantly. All data is located in one central database, which means there are no duplications.

A firefighter return rate of 70 per cent has been achieved, which is meeting DSE's goal of improving the capability of Victoria's firefighting forces by retaining more experienced people and their higher level skills.

Over the longer term, the Victorian public sector is researching ways to increase the available labour supply in the skill areas of highest priority, including working with schools and tertiary institutions to increase the number of people studying relevant skill areas.

Increased participation of people from under represented groups such as indigenous Australians, people with disabilities, and people from culturally diverse backgrounds is being pursued. Skilled migrants are also being recruited where appropriate.

Other means of meeting the Victorian public sector's staffing needs involve better utilisation of existing staff. This includes preparing targeted staff to fill future workforce gaps, actively managing succession risk and implementing strategies to attract and retain older workers. Promoting work life balance, flexible work arrangements and improving staff health and wellbeing all contribute to attraction, retention and improved productivity.

CASE STUDY 14: RECRUITING CHILD PROTECTION WORKERS FROM THE UK AND IRELAND

The Department of Human Services (DHS) is meeting difficult-to-fill vacancies for child protection workers through a recruitment campaign in the UK and Ireland.

While DHS has generally found it easy to recruit locally for entry level child protection workers, it's a much harder task finding people who are experienced in work with children and families.

The Department therefore is looking overseas to add this additional depth to its skill base.

The UK and Ireland are the logical places to look, as their graduates have comparable qualifications and the UK child protection system mirrors many of the features of Victoria's new Every Child Every Chance reforms.

The new recruits will not only help some of Victoria's most disadvantaged children have a better life directly, they will improve the overall child protection system by disseminating their knowledge throughout the Victorian child protection workforce in formal and informal ways.

DHS has successfully recruited social workers and others from overseas before. It is on track to meet the target of 40 employees by February 2009.

Attracting staff to rural and regional Victoria

While Victoria's public sector workforce in rural and regional Victoria is generally stable, it is experiencing high rates of turnover in a small but significant number of areas.

One of the Victorian public sector's recruitment priorities is attracting staff in rural and regional communities to help meet the goal of the 2006 *Moving Forward* statement (to make rural and regional Victoria the best place to live, work, invest and raise a family).

In the last five years staff numbers in rural and regional public sector entities including health services, TAFE colleges and water bodies have increased significantly in line with rising levels of investment in public infrastructure and demand for services.

This growth is creating new challenges. Public sector organisations face more acute recruitment and retention problems than in metropolitan regions, leading to staffing pressures in some communities and professions.

To investigate and recommend solutions to this problem the State Services Authority has produced the research report *Recruiting and Retaining the Rural and Regional Public Sector Workforce*.

The research found shortages and staff attraction and retention problems in a number of professions, including:

- doctors and nurses;
- allied health staff including physiotherapists, occupational therapists, psychologists and dieticians;
- child protection workers;
- town and urban planners and engineers;
- scientists in specialised areas;
- park rangers in remote locations;
- TAFE teachers in the traditional trades and Division 2 nursing;
- school teachers in specific disciplines and locations; and
- finance, ICT and human resources staff.

Report recommendations suggest public sector organisations respond with a number of staff attraction and retention strategies, including:

- marketing regional and rural lifestyles;
- targeting recruitment strategies at groups most likely to move to regional areas, such as young people born in regional areas, over 45s, tree-changers and sea-changers;
- expanding opportunities for school leavers, graduates and mature aged workers to study courses in areas with staff shortages;
- providing more career opportunities at senior levels to retain staff;
- providing flexible work to retain more parents and older workers;
- expanding succession management and workforce planning capability within public sector organisations;
- improving relocation services;
- redesigning jobs to make maximum use of scarce professional staff; and
- monitoring the competitiveness of salaries and working conditions.

The two case studies set out below illustrate some of the innovative ways in which public sector organisations are responding to these staffing and skills shortages.

CASE STUDY 15: NURSING CAREER PATHWAY MODEL

The Moira Health Alliance has set out to tackle the region's nursing shortage through an innovative new model that combines recruitment, training and the development of a career path to create a sustainable future workforce.

One of the problems faced by the employers of professionals and para-professionals in rural areas is high staff turnover rates. Those drawn from metropolitan areas are often harder to keep than those from country backgrounds, and can be lured away because of the lack of well-defined pathways for promotion.

To build a sustainable workforce, the Moira Health Alliance nursing career pathway model draws recruits from among local residents more likely to stay committed to the area. Under the scheme local school leavers and mature-age workers are given a career track to eventually become a qualified Division One Nurse.

Trainees first complete a Certificate III qualification in Home Care and can complete a Certificate IV in Allied Health whilst being employed as a patient care assistant by the Moira Health Alliance.

Whilst working in a hospital as a patient care assistant, staff can train to become a Division 2 Nurse and, subsequently a Division 1 Nurse and Qualified Allied Health Worker. Program participants are encouraged to upgrade their qualifications and are supported along the way with bursaries, study leave and scholarships, graduating eventually with a bachelor's degree in nursing from either La Trobe or Charles Sturt Universities.

The program is a collaboration between the Health Alliance (which covers four regional hospitals), the Moira Shire Council and a number of education and training organisations, including Integrated Learning Solutions (a Yarrowonga-based registered training organisation), La Trobe University, Charles Sturt University and the Goulburn Valley Hospital.

The program is helping provide new nurses for the people of the Moira Shire region across a wide range of areas, including dementia care, community-based care and hospital nursing.

The program is now exploring the prospect of providing more postgraduate opportunities for its nurses.

CASE STUDY 16: CAREER CHANGE PROGRAM FOR TEACHERS

Rural and regional schools face two areas of need. The first is meeting staffing shortages in rural and regional schools, which generally find it more difficult to recruit staff than their metropolitan counterparts.

The second is raising the quality of graduates entering the teaching profession. Educational policy experts now stress the importance of raising teaching quality. One of the best ways of doing this is attracting high achieving professionals from other disciplines into teaching in our schools, bringing new professional perspectives and attitudes to our classrooms.

A number of programs have been created to address these issues. One of the most successful has been the Career Change Program for Teachers.

The program offers professionals from non-teaching backgrounds employment as trainee teachers in hard-to-staff vacancies in mainly rural secondary schools. Whilst gaining this supervised classroom teaching experience the participants undertake part-time study towards a teaching qualification through flexibly delivered programs at Victoria University. At the end of the program, successful participants will be offered an ongoing teaching position in the school where they trained.

The program has met with strong success. Twenty nine professionals entered the program in 2005, 32 in 2006 and a further 32 in 2007, with the overwhelming majority continuing until completion.

In its 2009 intake, the program is seeking applications specifically from engineers, scientists, mathematicians, tradespeople and information technology professionals. Successful applicants will participate in a preparatory summer school before commencing classroom duties at the beginning of the 2009 school year. They will also undertake a school-based induction program and receive ongoing support from experienced school-based mentors. Payment will be \$43,014 plus a taxable lump sum allowance of up to \$14,000 to assist with the costs of study and relocation, and a retention allowance of \$4,000.

Conclusion

The stereotype of public sector employment as staid, conservative and offering few opportunities for career advancement is well out of date. The Victorian public sector today offers many occupational choices, competitive employment conditions and remuneration packages and the chance to make a real difference to the community. Opportunities for part time work and an emphasis on work/life balance continue to make the public sector an attractive career option for women. Employment in the sector is changing to meet the new public policy needs, with new positions requiring higher level skills and qualifications. Faced with these emerging areas of growth and a tight labour market, the Victorian public sector is responding with improved attraction and recruitment processes, particularly in rural and regional areas.

However, the public sector must continue to review and improve its workforce planning and management as other sectors also introduce innovative employment practices. Actively managing succession risk, implementing strategies to attract and retain older workers, promoting work life balance, flexible work arrangements and improving staff health and wellbeing all contribute to the attraction and retention of staff and improved productivity.

CHAPTER 3: DELIVERING RESPONSIBLE AND ACCOUNTABLE GOVERNMENT

The Victorian public sector's accountability processes and values are being strengthened as the sector modernises and improves the services it provides. While 'what we do' changes, our values will not.

Introduction

Good governance provides the foundation for high public sector performance. It strengthens community confidence in public sector organisations, maintains and enhances their reputations, enables them to perform efficiently and effectively, and helps them to respond strategically to changing demands.

Good governance is about both:

- *performance* – how an organisation uses governance arrangements to contribute to its overall performance and the delivery of goods, services or programs; and
- *conformance* – how an organisation uses governance arrangements to ensure it meets the requirements of the law, regulations, published standards and community expectations of probity, accountability and openness.

It follows that governance failures reduce the capacity of public sector organisations to deliver goods and services and erode the community's confidence in them.

This chapter builds on last year's report, *The State of the Public Sector in Victoria 2006–07*, to examine the continuing evolution of Victorian public sector governance arrangements and ethical standards. It outlines the governance arrangements now in place, the formal and informal accountability mechanisms used, the problems posed by potential conflicts of interest (particularly as interactions between the public and private sectors increase) and the crucial and dynamic role played by public sector values.

Governance

Governance encompasses the processes by which organisations are directed, controlled and held to account. It includes the processes through which important decisions are taken, communicated, monitored and assessed. Its major elements include authority, accountability, stewardship, leadership, direction and control.

Governance arrangements in the public sector reflect the sector's unique accountability obligations, with departments and other public sector organisations responsible through their ministers to Parliament and ultimately to the people.

The typical forms of organisation in the Victorian public sector are public service bodies (Departments, Administrative Offices and the State Services Authority) and public entities.

Departments

Departments are the central policy advisers and program administrators for Ministers and government, and operate in a rapidly changing environment. Even in a State with clear overarching policy goals (such as *Growing Victoria Together* and the *Environmental Sustainability Framework*) departments still need to be able to adjust rapidly to emerging scenarios and deal with considerable levels of ambiguity.

Consistent with other jurisdictions in the Westminster tradition, the role and status of departments are not specified in precise detail in legislation or the Constitution. The *Public Administration Act 2004*, for instance, defines a department simply as a body 'existing by virtue of an order under section 10'.

This approach has the advantage of providing greater flexibility allowing departments to adjust better to changing demands. To balance this greater degree of flexibility, departments also have a higher degree of engagement with, and accountability to, Ministers.

In some cases legislation specifies particular roles for the relevant department. For example, the *Education and Training Reform Act 2006* provides that there will be a department responsible for the administration of education and training in Victoria (section 5.1.1). It gives its Secretary employment powers (section 5.3.1) and responsibility 'for implementing any policy or decision of the Minister or of the [Victorian Skills] Commission' (section 5.3.2), together with powers to delegate, commission reviews and so on. This framework preserves departmental flexibility. The Minister's and Department's scope for action under that Act is wider than that given to other bodies it mentions.

There are a small number of non-departmental agencies which are part of the public service but operate under arrangements which reflect their need for greater autonomy, such as the Ombudsman and the Auditor-General.¹⁴ Their important role in strengthening accountability is dealt with in more detail below.

14 Hon Steve Bracks, Second Reading Speech, *Public Administration Bill*, VicHansard 16 November 2004, pp1550-3

Public entities

Entities outside the departmental structure and at 'arm's length' from Ministers generally have more clearly defined goals or objectives and limitations on their exercise of authority, either through statute or other enabling instrument. As a rule of thumb, entities undertake those functions of government that have defined boundaries. These include:

- service delivery, such as hospitals, schools and catchment management authorities;
- specialist advice to Ministers on areas of government activity;
- management functions such as the Victorian Arts Centre Trust and the Melbourne Cricket Ground Trust;
- commercial activities such as those conducted by South East Water Limited and the Transport Accident Commission;
- administering regulatory powers; and
- undertaking quasi judicial functions such as the Accident Compensation Conciliation Service and the education sector's Merit Protection Boards.

Victoria has a long tradition of using entities outside departments to perform functions or provide services on behalf of government. These entities take a range of legal forms including corporations, statutory authorities, advisory committees and incorporated associations.

The governance framework for public entities

The governance framework for Victorian public entities is established by a combination of the specifics of the entities' enabling legislation, and the umbrella requirements set out in the *Public Administration Act 2004* ('the Act').

The Act:

- defines public entities by reference to a set of criteria – for example, for a body corporate to be a public entity, the Minister or the Governor in Council must have the right to appoint at least half of the entity's directors;
- includes directors of public entities in the definition of public officials (alongside the employees of those entities) – allowing the Public Sector Standards Commissioner (PSSC) to issue a code of conduct which binds this group of officials, and
- provides rules for the operation of all public entities (Part 5) – including a power for the Premier to order entities to comply with a whole of government policy direction, and to provide certain types of information to the Premier and the Treasurer.

Part 5 of the Act also contains several other important elements of the governance framework which form part of general guidance for entities. These include the duties of directors, chairpersons, and the entities; the accountability of entities to their portfolio Ministers; and provisions relating to the removal, suspension or standing down of directors.¹⁵

The Commonwealth *Corporations Act 2001*, the Victorian *State Owned Enterprises Act 1992*, entities' own enabling legislation, other Acts of Parliament and the *Directors' Code of Conduct* mandate some, but not all, of the governance provisions set out in Part 5 of the Act.

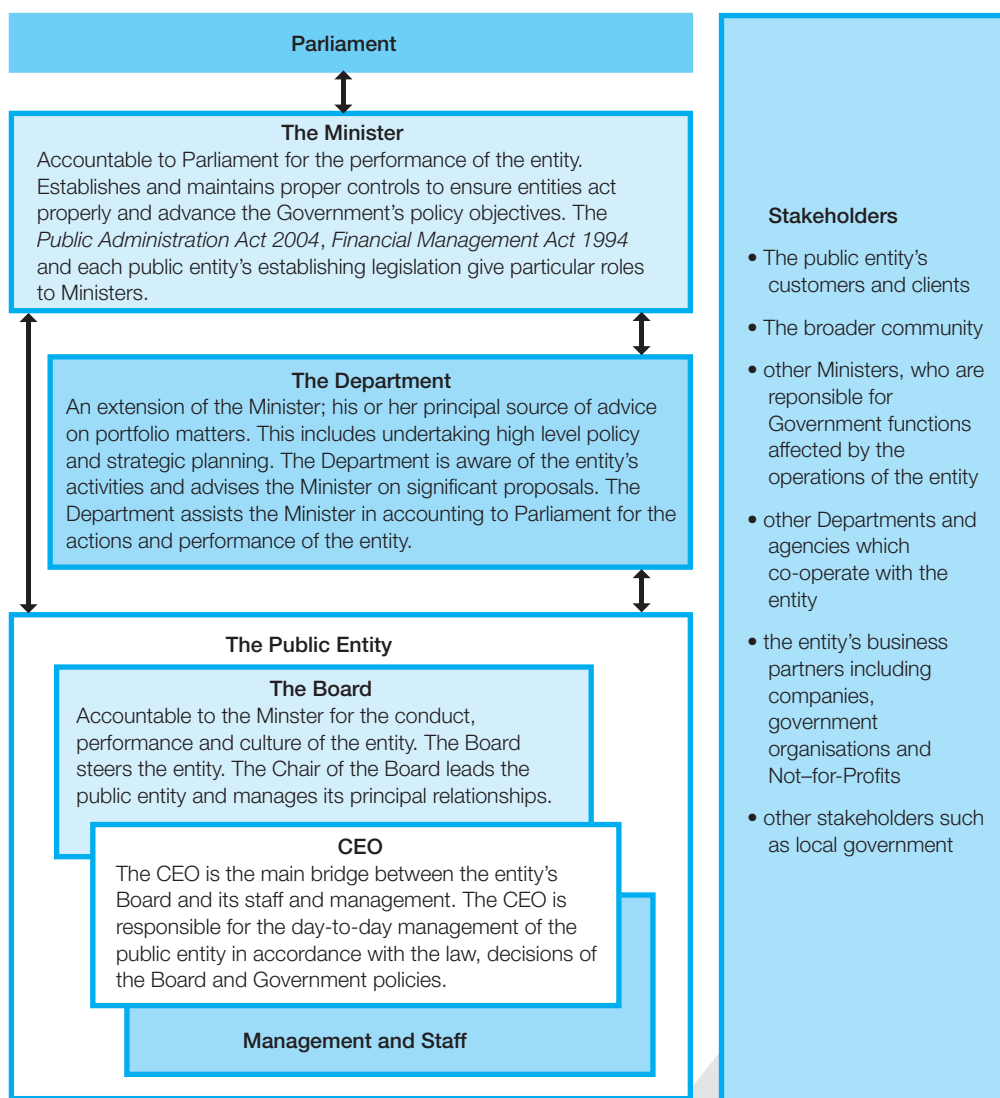
15 For more detail see the public sector governance material on the State Services Authority website: <http://www.ssa.vic.gov.au>

The Act does not automatically apply all of the requirements in Part 5 to all public entities, acknowledging the wide variety of public entities that exist, and the need to avoid a one size fits all approach to their governance arrangements.¹⁶ These requirements are however applied to new entities (unless explicitly exempted); and in addition, the *Water (Governance) Act 2006* applies all of Part 5 to existing water authorities and to catchment management authorities.

Public entities - governance arrangements in practice

The roles of those responsible for the governance of public entities in Victoria are illustrated in Figure 3.1.

Figure 3.1: Accountability framework and relationships



Source: State Services Authority, *Welcome to the Board*, 2007

16 Steve Bracks, Second Reading Speech, *Public Administration Bill*, *VicHansard* 16 November 2004, p1552

The roles of each of the three players in the relationship are multifaceted and complementary.

The Minister

Ministers are accountable to Parliament for ensuring that public entities spend money and exercise powers in a proper manner and in a way that advances the Government's policy objectives.

The roles and responsibilities of Ministers (including some which are unique to the Premier and Treasurer) include exercising powers to:

- make or recommend the appointment and removal of directors;
- subject to applicable legislation, to give directions and request information; and
- initiate reviews of the public entities' management systems, structures or processes.

The Department

Departments are an extension of the Minister and are his or her principal source of advice on the performance of public entities within his or her portfolio and on emerging risks. Departments assist with liaison between the public entity and the Minister and between the public entity and central agencies (the Departments of Premier and Cabinet and Treasury and Finance).

Departments advise Ministers on board appointments and entity performance expectations, monitor entities' performance, and alert the Ministers to significant developments, including emerging risks and advice on remediation.

The entity and its board

The board of the entity has to account for the entity's adherence to the rules that it operates under, such as applicable legislation, guidelines and directions. It has also to undertake the internal governance functions. These include:

- appointing and monitoring the performance of the CEO;
- developing and reviewing organisational strategy consistent with overall government policy and directions;
- ensuring compliance with applicable rules and board decisions;
- promoting a positive and ethical culture within the organisation; and
- ensuring effective communication with stakeholders.

Relationships between Ministers, departments and entities

Good relationships between Ministers, their department, and public entity boards and their senior managers are essential. The parties must share a common understanding of their roles, responsibilities and interactions.

Ministers want to build and maintain constructive and professional relationships with each of their entities that recognise the statutory role and the responsibilities of each party.

The arm's length and legal separation of public entities from Ministers, coupled with Ministers' expectations for professional relationships between departments and entities, can make this a complex relationship to manage requiring sophisticated skills and abilities.

In general these relationships will be assisted where:

- the Minister, department and board have a clear and agreed understanding of their respective roles;
- the Minister sets clear expectations of the entity, including the supply of information allowing the Minister to be held to account by Parliament; and
- departments and boards represent the others' views in accurate terms, and the Minister, department and entity each adopt a 'no surprises' approach.

Various Acts of Parliament establish the legal rights and responsibilities of all the parties to this relationship, supported by guidance provided by the State Services Authority and by portfolio departments.

Governance reform has an important role to play in improving the performance and accountability of public entities. Departments are taking an active approach to advising government on the performance of the State's public entities and finding the right people with the right skills to serve on boards.

The Department of Planning and Community Development case study below provides an example of the way in which departments are renewing the way they manage their governance responsibilities.

CASE STUDY 17: DPCD – RENEWING GOVERNANCE ARRANGEMENTS

Development of a governance framework

The establishment of the Department of Planning and Community Development (DPCD) in 2007 provided an opportunity to review and formalise a governance structure throughout the Department.

DPCD developed its governance framework following a review of literature and governance models from the State, the Commonwealth government and private industry. The development of the framework also included input from various stakeholders across DPCD and was endorsed by the Department's Senior Executive Group.

What is in the framework?

- A statement of how the business will be managed, controlled and shaped
- Explicit expectations around accountabilities, roles and responsibilities, transparency, performance monitoring, structures and relationships
- Commitment to manage risk, compliance obligations and DPCD's relationship with public entities

The framework integrates these components of governance to allow for analysis and monitoring to drive continuous improvement, and to assist the Department to achieve its strategic directions as outlined in the Corporate Plan.

Implementation

The framework has an accompanying action plan. This plan lists a set of initiatives to strengthen governance across the Department during 2008–09. Examples include:

- Customising formal relationships with each portfolio public entity
- Embedding risk management into the business planning and reporting processes
- Reviewing the role of the Audit Committee and internal audit
- Setting up a governance intranet site for staff with a suite of tools and governance instruments

Progress on implementation of the framework and the action plan is monitored by the DPCD Audit Committee.

The framework is reviewed on an annual basis to ensure continued alignment with best practice and that it still remains relevant to the current business environment.

Community contribution to public entity governance

Participation in the governance of a public entity through government appointment or election to its governing board enables Victorians from all walks of life to make a contribution to the delivery of public services. And thousands do, almost all on a voluntary basis.

CASE STUDY 18: BOARD MEMBERS AND THEIR ROLES

Marika McMahon

Marika McMahon is the Chair of the Bendigo Health Care Group and was recently appointed Chair of Ambulance Victoria.

Born in Bendigo, Marika returned to her home city in 1994 to do her articles after completing her law degree from Monash University, determined to put something back into the community. Her interest in women's issues led her to get involved with Loddon Mallee Women's Health. In November 2000 she applied to join the Board of Bendigo Health, which was widely advertised, becoming chair in 2006.

Marika believes her legal background made her attractive to Bendigo Health, as it provided her with skills much in need at the public entity board level.

Her position requires attending at least 2 to 3 meetings per month and a lot of 'thinking time' and telephone conversations. The position is paid – which Marika believes allows the Board to legitimately expect a higher level of commitment from members than otherwise – but at a lower rate than she could earn in her legal practice. For Marika, though, the benefits are much wider, giving her experience of chairing large organisations and a role in running a huge and critically important public enterprise.

Her motivation to get involved in Ambulance Victoria is even simpler. "I wanted to be a good country citizen and providing people in rural and regional areas with better ambulance services in my view is one of the best ways to help them and keep them."

Julius Roe

Julius Roe is a member of the board of the Victorian Skills Commission.

A long-term union activist and official (in his day job he is the National President of the Australian Manufacturing Workers' Union) Julius has had a lifetime commitment to providing skills to industry and working Australians, and has been a past member of training bodies including the National Training Board, the National Training Quality Council and the Australian National Training Authority. He is regarded as one of the most knowledgeable experts on vocational education and training in the country.

The amount of time Julius spends on Board duties varies depending on the work program of the Commission. Typically, though, his duties take up to five hours per week. And while he too is paid for his Board service, all the monies go straight to his employers. Julius believes the Commission is tightly run, with strong adherence to the *Directors' Code of Conduct* and good management practices.

Board membership gives Julius the opportunity to influence skills policies, providing him with a good level of contact with the Minister, although, as is the case with many boards, there is sometimes a degree of tension between the Department and the Commission over policy detail. But Julius acknowledges that the decision to seek advice from the Department or the Commission is properly the Minister's alone.

Currently the Commission is looking at important issues like how best to increase completion rates for apprenticeships and traineeships and how to address the Government's new emphasis on a more market-based approach to allocating training places.

Collette Tayler

Collette Tayler is a member of the board of the Victorian Curriculum and Assessment Authority (VCAA). She has been appointed by Governor-in-Council on nomination by the Minister of Education for a 3 year term. As a member of the board she is especially pleased to be working on the development of a new Early Years Development and Learning Framework, a major strategic project of the VCAA in 2008–09.

Collette was born in Beaudesert, a rural town an hour from Brisbane and has lived in city, rural and remote locations. Collette's post-secondary teacher training established her life-long passion to support children and families, in particular those with challenging life circumstances.

Collette's commitment to raise the quality of child care and preschool programs experienced by children has motivated her to study the effect that social, family and educational policies and practices have on a child's outcomes.

As the Chair of Early Childhood Education and Care (ECEC) at the University of Melbourne, Collette spends her time and expertise promoting approaches that assist children to follow their interests, explore the world and develop meaningful and lasting learning habits.

Between 1992 and 1993, Collette worked at Chung-Ang University, Seoul, South Korea. In 2004, she worked in Paris at the Organisation for Economic Cooperation and Development (OECD). In recent years, as part of the OECD Thematic Review of ECEC provision she has undertaken research in comparative studies. She also co-authored the findings that were published in *Starting Strong II*, a report which has shaped ECEC policy direction and development across all member countries. In Australia the new ECEC initiatives relate to ideas proposed in *Starting Strong II*.

Accountability

Accountability is primarily concerned with making organisations and individuals responsible for their decisions and actions and open to appropriate external scrutiny.

Formal accountability mechanisms

Longstanding accountability mechanisms ensure there is strong public oversight of the activities of all Victorian public sector organisations.

External scrutiny is provided by a range of formal mechanisms.

- *The Public Accounts and Estimates Committee (PAEC)*. PAEC is a joint house investigatory committee of the Victorian Parliament constituted under the *Parliamentary Committees Act 2003*. It has three major functions: reviewing public accounts; acting as an estimates committee to review budget documents and seek information about proposed government expenditure and departmental performance; and an auditing function through appointment and limited oversight of the Auditor-General's Office.¹⁷
- *The Auditor-General*. The Auditor-General is an independent officer of the Victorian Parliament, appointed under legislation to examine the management of resources within the public sector. The Auditor-General is not subject to control or direction by either Parliament or government, and his independence is enshrined in Victoria's *Constitution Act 1975*. This independence ensures that findings which arise from a range of financial and performance audits are communicated to Parliament without interference, fear or favour. Audit findings and recommendations address:
 - the degree to which value-for-money has been achieved for taxpayers' dollars;
 - the effectiveness of organisations in meeting government objectives;
 - the quality of management and use of resources;
 - improvements in management practices and systems of government organisations;
 - the fair presentation of annual financial statements prepared by agencies; and
 - compliance with legislative and other requirements.¹⁸
- *The Victorian Ombudsman*. The Ombudsman is also an independent officer of the Victorian Parliament. The Ombudsman investigates complaints about administrative actions and decisions taken by government authorities and about the conduct or behaviour of their staff. The Ombudsman's powers to conduct investigations are deliberately broad. Unlike specialist review tribunals or commissions, the Ombudsman reviews the lawfulness of agencies' actions or decisions as well as the reasonableness and fairness of these actions in the circumstances. The Ombudsman's goal (as set out in the Ombudsman Victoria vision statement) is to provide Victorians with fair and ethical public administration.¹⁹
- *Specialised commissioners*. Victoria has a number of public commissioners whose role is to receive complaints and improve services or strengthen protections for Victorian citizens. These include: the Health Services Commissioner; the Child Safety Commissioner; the Victorian Equal Opportunity and Human Rights Commission; the Commissioner for Environmental Sustainability; and the Privacy Commissioner.

17 <http://www.parliament.vic.gov.au/paec/responsibilities.html>

18 http://www.audit.vic.gov.au/about_us/role_of_the_auditor-general.aspx#WhatdoesAGdo

19 <http://www.ombudsman.vic.gov.au/www/html/41-about-us.asp>

- *Freedom of information.* Victoria's *Freedom of Information Act 1982* promotes public accountability by giving people the right to access their personal and non-personal information held by government agencies. Under the Act information can be requested from Ministers, government departments, local councils, most semi-government agencies and statutory authorities, public hospitals and community health centres, and universities, TAFE institutes and schools.²⁰
- *Annual reporting by agencies and bodies.* Victorian public sector organisations are required by the *Financial Management Act 1994* (or other Acts) to prepare an annual report at the end of each financial year for tabling in Parliament by the relevant Minister.
- *Whole of government reporting.* Every year in the Budget the Government reports on progress against the broad social, economic and environmental objectives set out in its *Growing Victoria Together* strategy, providing a means for it to be held to account for meeting its overall priorities for the State.

Informal accountability mechanisms

Openness and transparency is central to public sector accountability. The provision of information to citizens and to the media also supports their ongoing engagement in the processes of government.

This community engagement can be face-to-face through attendance at community cabinets or departmental public forums. Examples in 2007-08 included:

- consultations with more than 30 stakeholder groups by the Audit Expert Group in September and October 2007 as part of its review of the Melbourne 2030 Strategy; and
- community forums held throughout the year to engage the parents of prospective students in the creation of a new secondary school in Albert Park.

Openness and transparency is also supported by the provision of information on Victorian public sector websites. For example, information about the members of the boards of Victorian public sector entities, and whether they are remunerated is now available at the Public Board Appointments Victoria website (<http://www.publicboards.vic.gov.au/>).

Public sector values

Underpinning all of these accountability mechanisms are the public sector values and employment principles supported by the codes of conduct.

The *Public Administration Act 2004* defines the values and employment principles that must underpin the operations and culture of the Victorian public sector. The seven public sector values are responsiveness, integrity, impartiality, accountability, respect, leadership and a commitment to human rights. The employment principles are merit, fair and reasonable treatment, equality of employment opportunity, avenues of redress, human rights and for the public service only, fostering a career public service.

These values have been developed by the Public Sector Standards Commissioner into three binding codes of conduct – two for public sector employees (general, and employees of special bodies) and another for directors of public entities.

20 <http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/Home/Your+Rights/Freedom+of+Information/JUSTICE++Freedom+of+Information++Home>.

Values contribute to accountability by encouraging public sector employees and board members to be conscious in all situations of their obligations to the people of Victoria and their need to act in an ethical way. Far from preventing necessary change to the way the public sector operates, values add a dynamic element. For instance, the employees' codes of conduct require public sector employees to demonstrate leadership and responsiveness to drive innovation and improvements in the services they offer the Victorian Government and people. These codes also encourage Victorian public sector members to use the values and guiding principles to determine how to act in unforeseen situations where judgement and initiative are required.²¹

The ultimate embodiment of this principle of integrity and service to the people is the creation of the *Whistleblower's Protection Act 2001* which is designed to protect people who disclose information about serious wrongdoing within the public sector and to make sure these matters are properly investigated and resolved.²²

Progress towards a stronger values agenda

The State Services Authority has a responsibility under the *Public Administration Act 2004* to report to the Premier on the application of and adherence to the public sector values and employment principles. In 2008, the State Services Authority conducted two research projects (both of which are discussed at greater length in Appendix 3) to measure performance against these principles.

- In the *People Matter Survey* (PMS 2008) more than 90 per cent of employees stated that they were aware of their organisation's code of conduct and stated values.
- In the *Public Sector Agency Research Project* (the Values Project) participants articulated a number of benefits of having a strong values orientation within agencies. Most importantly, values were regarded as an expression of 'what the organisation stands for' and a reference point that helped organisations set standards for the behaviour of their employees. Values were found to be an important tool for improving service standards, internal cohesion, employee morale and staff retention.

Overall, the results of the PMS 2008 show most employees are proud to work in the public sector and believe that their organisation upholds high ethical standards.

Significant positive findings for 2008 are:

- most public sector employees agree that the public sector values are applied well within their organisation, particularly the values of responsiveness, human rights and integrity;
- overall, public sector employees believe that the employment principles are applied well in their organisations, particularly that of equal employment opportunity;
- nearly all believe that the Victorian public are treated fairly and objectively and that Government policies and program are implemented equitably; and
- most employees are satisfied with their job and are happy with their relationships with their colleagues and the chances they have to make a positive contribution.

21 State Services Authority, *Code of Conduct for Victorian Public Sector Employees*, 2007, p.v1.

22 <http://www.justice.vic.gov.au/wps/wcm/connect/DOJ+Internet/Home/Your+Rights/Whistleblowers/JUSTICE++Whistleblowers++Home>

Conflicts of interest – maintaining public trust

The identification and management of conflicts of interest is absolutely crucial for maintaining public trust in the workings of both the Victorian public sector and the State's wider democratic processes.

Understanding and minimising conflicts of interest are becoming more important as the complex interactions between the public, private and not-for-profit sectors increase through outsourcing, contracting out, Public Private Partnerships (PPPs), self-regulation, sponsorships and the greater interchange of personnel.²³

Surveys undertaken by the State Services Authority have found that the codes of conduct for Victorian public sector employees have been successful in setting a benchmark for ethical behaviour in the Victorian public sector. PMS 2008 found, for instance, that over eight in ten survey respondents agreed that:

- their work colleagues were open, honest and transparent in their behaviour;
- their organisation has the necessary systems and procedures to avoid conflicts of interest; and
- their managers encourage employees to avoid conflicts of interest.

Whilst these findings are generally positive it is acknowledged that conflicts of interest will always remain difficult to manage and requires constant vigilance and refinement of accountability processes.

A number of issues relating to the identification and management of conflicts of interest need to be better understood:

- managing *potential* and *perceived* conflicts of interest is just as important as managing *actual* conflicts;
- a skill-development focus is required to help all public sector employees recognise relevant conflicts of interest and manage them appropriately; and
- while everyone has a responsibility, management must take a leadership role in minimising actual and perceived conflicts by: setting a personal example; working strenuously to promote ethical behaviour in their organisation; and creating a culture that encourages employees to speak up where they believe there is actual or potential conflicts of interest.

23 These issues are discussed at greater length in the Victorian Ombudsman's report *Conflict of interest in the public sector*, March 2008.

Conclusion

The governance and ethics frameworks of the Victorian public sector reflect the need to maintain strong public confidence in democratic accountability and integrity.

All public sector organisations are ultimately responsible to the Victorian people through their Minister and the Parliament, within a legislative structure framework that allows the flexibility necessary to respond to change.

While formal public sector accountability mechanisms are strong – through established bodies such as the Auditor-General, PAEC and the Ombudsman – informal mechanisms that empower citizens to influence policy development and service provision are growing in importance.

Good leadership is crucial, particularly when combating perceived and real conflicts of interest.

Underpinning accountability within the sector are the public sector values, which are set out in the *Public Administration Act 2004*. Research by the State Services Authority has found a strong awareness among Victorian public sector employees of the importance of values and suggests that many organisations are making good progress toward developing ethics frameworks that meet their unique needs.

CHAPTER 4: CHALLENGES FOR VICTORIA'S FUTURE

The Victorian public sector in partnership with Government and the community is engaged in major research, planning and infrastructure development to prepare the State for a number of projected challenges, including population increase, rising demand for housing and transport, carbon pollution and water scarcity.

Introduction

Four areas of Government policy – rural and regional Victoria, planning, transport and water – are examined here to demonstrate how the Victorian public sector is helping the Government to:

- create economic growth through investing in infrastructure and human capital;
- promote fairness and participation; and
- cope with climate change.

These priorities are leading to public sector innovation, including:

- increased emphasis on agile, joined-up government that works upwards with the Commonwealth, across-government within the Victorian public sector and with local government and the community;
- departmental restructuring to provide the necessary policy focus;
- joint public-private funding arrangements to provide the necessary scale of investment;
- new forms of project management, including higher levels of community engagement; and
- environmental sustainability principles and actions being incorporated into everything the Victorian public sector does.

Meeting the needs of rural and regional Victoria

Most areas of the Victorian public sector are involved in delivering services to communities in rural and regional Victoria. Strategic policy is led by Regional Development Victoria (RDV), an agency of the Department of Innovation, Industry and Regional Development (DIIRD) responsible to the Minister for Rural and Regional Development. Its focus is on investment attraction, job creation, export development and creating stronger local economies, communities and infrastructure in rural and regional Victoria.

Moving forward

Since 2005 regional and rural policy has been guided by the State Government's *Moving Forward* strategy. In that time *Moving Forward* has helped increase rural and regional Victoria's population by 92,000, created 134,000 new jobs and started 172 new infrastructure projects.²⁴

In November and December 2007 extensive community consultations were held as part of a review of the *Moving Forward* strategy to help refocus it in light of recent developments in rural and regional Victoria. The result was a renewal of the plan with a new set of objectives and funded programs. A number of key findings are now informing the next stage of the strategy:

- forecasts show Victoria's population will grow by more than one million people by 2020, ten years earlier than originally predicted;
- our regions must manage this growth alongside the worst drought in 100 years and a changing climate, the effects of which are uneven across the state; and
- global economic competition is driving demand for new skills and infrastructure.

These pressures have refocused the Victorian public sector's efforts into five areas of strategic assistance. In broad terms the Victorian public sector's approach to rural and regional policy and service delivery mirrors the changes elsewhere, with emphases on developing human capital, creating stronger communities and pursuing environmental sustainability. The emphasis is on innovation and infrastructure modernisation to create businesses and jobs that have an economically sustainable future. These pressures are driving changes across the Victorian public sector's activities, from strategic policy making to the delivery of fire services and water to farmers.

Promoting economic growth and change

To promote growth the Victorian Government is requiring the public sector to put an increased emphasis on the development of long-term regional and sub-regional planning, based on policy approaches that have been applied successfully to metropolitan Melbourne. Changes include the creation of a new regionally-focused Deputy Chair of the Priority Development Panel to undertake review functions, a new Ministerial Taskforce to oversee decision making, the extension of the Urban Development Program to the regions and the employment of 15 additional planners to speed up planning processes.

New ways are being used to promote regional and rural economic development, including supporting buy locally campaigns and extending the community enterprises concept to small towns. To help the brown coal-rich region of Gippsland make the adjustment to a more carbon constrained future, the Gippsland Resource Infrastructure Development organisation is examining possible uses for local resources including coal drying, gasification and conversion to diesel, fertilizers and other products.

Developing new industry sectors

The Victorian public sector is providing support to small and medium sized businesses through a range of new business programs to help drive investment in economically and environmentally sustainable industries. In addition to continuing to promote Victorian

²⁴ Information in this section is from: Victorian Government, *Moving Forward: Update the Next Two Years 2008 to 2010*, 2008.

products overseas, including wine and tourism, other programs will help industry use water more efficiently, for instance to take advantage of the Northern Victoria Irrigation Renewal Project in the Goulburn Murray region, the Wonthaggi desalination plant and other major projects. Bio-energy and geoexchange projects are also being established to explore future economic opportunities in these low and zero-emission transport, heating and cooling technologies.

CASE STUDY 19: FILM VICTORIA BRINGS NICHOLAS CAGE, STEVEN SPIELBERG & WWII TO RURAL VICTORIA

The Victorian screen industry (which includes production, broadcasting, digital animation, electronic games and services such as casting, film editing and titling) had a record year in 2007–08, recording its largest production expenditure of \$262 million – an 80 per cent increase over the previous 12 months. At least 57 film, television and digital media productions were created in Victoria in 2007–08 capitalising on the State’s world-class facilities, expertise and locations. Amongst these projects was significant production expenditure in television. All this activity is estimated to have created more than 7,800 full-time employment opportunities.

Through Film Victoria and Multimedia Victoria, the Department of Innovation, Industry and Regional Development supports the development and growth of a strong Victorian screen industry and promotes Victoria as a preferred location for screen industry investment and production. This promotional activity includes an emphasis on location work in rural and regional Victoria.

One of the big success stories of the year saw Victoria playing host to two major international productions: Steven Spielberg’s miniseries *The Pacific* and the feature film *Knowing*, starring Nicholas Cage. Both productions provided local practitioners with invaluable employment opportunities and hands-on industry experience. Combined, *Knowing* and *The Pacific* created over 3,000 jobs and brought \$125 million to the State’s economy.

Film Victoria successfully worked with international companies to secure *The Pacific* for Victoria by promoting our outstanding locations and facilities. The majority (80 per cent) of pre production and filming took place in Melbourne and rural and regional Victoria.

Film Victoria’s Regional Location Assistance Fund (RLAF) is an incentive aimed at encouraging productions to utilise the beauty and flexibility of rural and regional Victoria as a filming destination. Local productions such as *Bed of Roses*, starring Kerry Armstrong, contributed enormously to the 240 per cent increase in regional production activity since 2006–07.

Bed of Roses used locations in and around Foster and Meenyan, South Gippsland, while *The Pacific* was filmed in and around Geelong and Beveridge, and *Knowing* used sites around Mount Macedon.

Additional Australian productions used locations in Daylesford, Sale, Mildura, Ararat and Wilsons Promontory, using accommodation services and local providers for catering and other services. In 2007–08 RLAF drove more than \$3.9 million in production expenditure to rural and regional communities throughout Victoria.

CASE STUDY 20: SATYAM COMPUTER SERVICES CHOOSES VICTORIA

In April 2008, Indian ICT multinational Satyam Computer Services announced its decision to locate their \$75 million technology and learning centre at Deakin University, Waurin Ponds.

This exciting development will create 2,000 new jobs in the Geelong region by 2015 and boost the Victorian economy by \$175 million annually within a decade.

Multimedia Victoria and Invest Victoria both worked closely with Deakin University and the City of Greater Geelong to secure Satyam's new software development and training campus. Satyam will construct purpose-built facilities to emulate those based in Hyderabad, India. The development will house activities such as core product development and support, research and development, collaboration, training and administration, and will also include accommodation and recreation facilities.

The new centre will train and employ local ICT professionals to develop and provide holistic IT solutions for Satyam's 570 customers, including major Australian corporations.

Satyam delivers software development services, engineering services, systems integration, enterprise resource planning solutions, customer relationship management, supply chain management, product development, electronic commerce, consulting and IT outsourcing.

Developing regional skills

The Victorian public sector is adopting a number of innovative strategies to meet the human capital needs of rural and regional Victoria. These include public awareness campaigns to market and promote regional and rural employment opportunities, cadetships that give tertiary students in relevant areas the chance to obtain regional work experience during their semester break, the development of local workforce development strategies and the strengthening of professional networks. The *Future Farming* strategy is boosting regional education and training opportunities related to farming and its support industries.²⁵

25 Victorian Government, *Future Farming: Productive, Competitive, Sustainable*, April 2008

A greater regional focus for service delivery

Recent years have seen a major improvement in the coordination of public sector planning and delivery as it affects the regions.

Victorian Government departments have now been aligned to eight standard regions (five rural and regional and three metropolitan) that correspond to local government boundaries. Inter-departmental coordination is provided through Regional Management Forums that comprise senior officers from each State Government department and relevant council CEOs. A departmental secretary is responsible for taking the lead role as champion for each of the separate regions.

A number of State Government functions have also been relocated or established in rural and regional Victoria.

Case study 21 illustrates how the Department of Justice (DoJ) has restructured to improve access to its services in rural and regional Victoria. This new structure will also give the department a better understanding of what is happening on the ground, and allows it to be more flexible and effective in responding to complex and changing needs within local communities.

CASE STUDY 21: A REGIONAL RESPONSE TO ENGAGING WITH THE COMMUNITY

The Department of Justice (DoJ) is realigning its organisation to give Victorians better access to its services and a visible presence no matter where they live.

By July 2009 a new structure will be in place that includes regional head offices and executive-level regional directors in each of the State's eight regions, including the five rural and regional regions. This will give all Victorians a central point of contact with DoJ and equal access to its important services, regardless of where they live. The proposed new structure builds on the achievements of regional coordinators and network committees established in 2005 to support the Victorian Government's *Growing Victoria Together* and *A Fairer Victoria* strategies.

This new approach will aim to engage with Victorians to deliver justice-related initiatives and services across the State. It will include the continued operation of the Justice Bus, which currently tours the regions, giving people the opportunity to drop by and have their questions answered.

CASE STUDY 22: THE GIPPSLAND COMMUNITY PARTNERSHIP RESPONDING TO LOCAL FLOODS

When Gippsland suffered its worst floods in decades in June and July 2007 a number of households in Cowwarr (located in the municipality of Latrobe City) faced a serious health risk due to the lack of fresh water. While there was no specific structural damage to this group of homes, without a supply of fresh water the residents would have been forced to relocate to temporary relief centres. The Gippsland regional office of the Department of Human Services (DHS) worked with local government to restore access to water to help the residents stay at home.

Under the direction of Lance King, the Latrobe City Municipal Emergency Management Coordinator, temporary water storage units were acquired and shipped to Cowwarr minimising the disruption faced by the affected families, who had also previously suffered through damaging bushfires.

As Mr King said, the partnership developed over time between DHS and the municipality produced the best outcome for the Cowwarr residents. Both the municipality and DHS are rightly proud of their achievement.

Cowwarr was just one example of the DHS Gippsland Recovery Team's relief efforts during the floods, which also worked with colleagues in East Gippsland and Wellington shires.

As well as establishing relief centres the shire teams established one-stop shop recovery centres where residents could access a range of services from emergency grants, to personal support, to organising septic tank cleaning and, bizarrely, snake removal! When people were allowed to return to their homes many were greeted not just by devastation and debris but by snakes. One householder counted 52 in her home. The DHS helped drive them out.

DHS is currently developing a municipal emergency recovery planning guide, which is anticipated to be released at the end of 2008.

Planning for Victoria's future

Like transport, planning lies at the centre of the Victorian public sector's efforts to combine economic growth, community development and environmental sustainability.

The rapid growth of Victoria's and Melbourne's population makes good planning and coordinated service provision a necessity. Melbourne's population is growing at 1,200 people per week and is expected to reach five million by 2020, a decade earlier than previously expected.

As well as growing, Melbourne's population is also ageing and changing. Average household size has been declining and the number of one and two-person households is increasing.

In the absence of planning to ensure optimal use of land, resources and services, this growth would create enormous pressure for the continual expansion of the city's suburban boundaries, reducing the effectiveness of existing public infrastructure and services and posing serious consequences for the city's liveability and the world's environment. In fact, this population growth has cut the land supply for future urban growth from 25 years to just 15 years.

Responsibility for responding to these issues lies within the recently established Department of Planning and Community Development (DPCD), particularly its two major policy groups: Planning and Local Government, and Community Development.

The broad regulatory framework for Melbourne's future urban development – *Melbourne 2030* – was first created in 2002 and is now well established. In broad terms it sets a boundary for urban expansion on the city's fringes and promotes urban consolidation around activity centres whilst protecting important green wedges within the city's boundaries. The objective is to find the appropriate balance between urban development and maintaining the city's liveability and the efficiency of its infrastructure.

The first five-year audit of the policy, which involved extensive public and expert input, was completed in 2007–08. The Audit Expert Group report published in March 2008 confirmed that population growth and the rising urgency of dealing with climate change meant the strategy is more relevant than ever before. The audit endorsed the objectives of the original strategy and, whilst dismissing many myths about the policy, noted that more growth needed to be made in some key areas:

- redirecting residential growth from the fringe to established areas of the metropolis;
- promoting residential or mixed use development in and around major activity centres; and
- making further improvements to public transport to promote environmentally sustainable growth.

The audit also recommended measures to encourage greater community ownership of the *Melbourne 2030* strategy, more productive partnerships between local and state governments to make the plan work and improved central policy coordination.²⁶

Future planning to meet Melbourne's growth needs will therefore be met through a restructure of the relevant Victorian public sector decision making processes and a new emphasis on partnership between the public sector and local government and more intensive engagement with interest groups and citizens.

In June 2008 the Victorian Government responded to these findings with amendments to the *Melbourne 2030* strategy.²⁷

- A new Melbourne 2030 Implementation Unit was created within DPCD to drive a more determined implementation of the 2030 Strategy and monitor progress.
- New Development Assessment Committees are being formed to get state and local government planning working together to resolve difficult planning issues with local and city-wide implications. These committees will comprise an independent chair, two State Government nominees and two Local Government nominees, to assess development proposals in Principal Activity Centres and Geelong.
- To enable smoother urban consolidation, the Victorian Government will work with local government to set new Housing Growth Requirements, setting out the amount and diversity of housing required in metropolitan municipalities.
- New Activity Centre zones will be established in each of Melbourne's 26 Principal Activity Centres to provide councils and developers with greater certainty through having one development zone.
- To improve stakeholder and citizen engagement a new Planning and Development Industry Round Table is being established and regular local government forums on urban issues will be held.

Other relevant policy developments in 2007–08 included the establishment of the new Urban Growth Zone to fast-track rezoning land for homes in growth areas across Melbourne.

All of these planning policy changes will be coordinated with the transport, environmental and water directions set out elsewhere in this document. Importantly, they will also be coordinated with Victorian public sector service provision to ensure social equity. Since 2005 planning for social equity across the State has been done through the *A Fairer Victoria* strategy, coordinated by DPCD.

26 Victorian Government, *Melbourne 2030 Audit Expert Group Report*, March 2008, p.22.

27 Victorian Government, *Planning For All of Melbourne: the Victorian Government Response to the Melbourne 2030 Audit*, June 2008.

CASE STUDY 23: MANAGING MELBOURNE'S GROWTH AND CHANGE – TAKING ACTION TO MAINTAIN OUR LIVEABILITY

Melbourne is a growing, successful international city. However, rapid population growth, combined with the challenges of climate change, housing affordability and transport require decisive action.

In response to these pressures, and to help maintain the State's competitive edge, The Department of Community Development (DPCD) is leading a number of major reforms to Victoria's land use planning. These reforms have been designed to increase liveability, improve housing affordability and move towards long-term environmental sustainability.

The reforms include the application of the Urban Growth Zone across all broad acre land in growth areas, covering both residential and employment land.

Urban Growth Zone

The creation of a new zone across all broad acre areas inside the Urban Growth Boundary is an important tool to achieve better, faster developments in the growth areas. The new zone merges the strategic planning and land rezoning approval processes into one step. This significantly simplifies the planning process and allows the Government, through the Growth Areas Authority, and local councils to focus on the development of Precinct Structure Plans. This will help bring forward the development of more than 90,000 new homes in the five growth areas – Casey-Cardinia, Hume, Melton, Whittlesea and Wyndham

This new zone, and associated precinct structure planning in the growth areas, will help to save about a year in the development approval process. This will help to meet the strong demand for residential land and help with housing affordability.

As part of these changes, Precinct Structure Plans for these new suburbs will set out where roads, shopping centres, schools, parks, housing, employment and connections to transport will be located. This will mean that, as new communities are established, important local services and infrastructure are also developed.

Precinct Structure Plans

DPCD also has a significant role to play in the development of Precinct Structure Planning. DPCD helps to ensure that space is set aside in new development areas for important community infrastructure including sports facilities and community centres. A number of funding programs within DPCD also fund the construction of community facilities, particularly those shared by a variety of users.

Building a sustainable transport system

Transport is another area that involves large scale planning. It brings together a wide range of Victoria's strategic issues: coping with population growth, supporting economic development, growing rural and regional Victoria, tackling climate change and promoting social inclusion by maintaining access to vital services for everyone. This makes it a major whole-of-government and across-government policy coordination issue. The scale and complexities involved in delivering transport services also makes transport a major financial and logistical issue, necessitating sizeable public outlays, the bringing together of public and private financing and major research and planning efforts. This combines to make it a catalyst for public sector innovation.

In 2007–08 the Victorian public sector delivered major projects and continued to consult, conduct research and plan other ongoing projects which are coming to fruition.

The scale of the job

In 2007–08 Melbourne's roads and public transport infrastructure enabled 13.5 million person trips across the city each working day and supported an annual road freight task of around 11 billion tonne kilometres and 2 million container movements.²⁸

The pressure for improvements to transport infrastructure and service delivery is being driven largely by population growth – not just in the cities but in major regional centres, coastal towns and places in commuting distance of Melbourne. This population growth will continue to increase demand for transport services in outer metropolitan municipalities like Cardinia, Casey, Hume, Melton, Whittlesea and Wyndham.²⁹

This population growth has major implications for policy development and service delivery, creating more demand for cross-city commuting and travel between the city and regional centres and between regional centres.

The implications of a population increase of one million extra Victorians are significant for our transport system and would result in 3.8 million more trips per day. At the current rates this would mean:

- 400,000 extra public transport trips;
- 3.2 million extra car trips; and
- 200,000 extra cycling and walking trips.³⁰

Population ageing will also affect transport planning, leading to additional shorter trips during the day and more public transport options for those older Victorians who elect not to drive.

And to keep greenhouse gas pollution down, smarter, cleaner and healthier forms of transport will be required. Transport is the third largest emitter of greenhouse gases in Australia, accounting for 14.8 per cent of total CO₂ emissions when the latest data was collected in 2005, with road transport responsible for 90 per cent of the emissions and rising quickly.³¹ This means Victorians must make less use of cars and more use of public

28 Victorian Government, *Investing in Transport: Overview of the East West Link Needs Assessment*, March 2008, p.12.

29 Victorian Government, *Meeting Our Transport Challenges*, May 2006, pp.9-10.

30 Victorian Government, *Your Say: Community Feedback on Victoria's Transport Challenges*, August 2008, p.7.

31 Victorian Government, *Transport Research and Policy Analysis Bulletin - Autumn 2008*; Victorian Government, *Your Say: Community Feedback on Victoria's Transport Challenges*, August 2008, p.9.

transport, walking and bicycles. It will require the Victorian public service to employ new transport technologies, traffic management and safety devices.

A new department to lead transport policy

To maintain the necessary pace of change, in April 2008 the Victorian Government created a new Department of Transport (DoT), responsible to the Minister for Public Transport and the Minister for Roads and Ports. Transport had previously been a responsibility of the Department of Infrastructure (DoI). The new Department's major tasks will be to meet growing public transport service demand, drive project developments to completion, increase the integration of public transport and roads and coordinate efforts across government. To drive transport strategy planning DoT includes a new division of Integrated Transport Planning.³²

Integrated strategic transport planning

Working with Government, the Victorian public sector has in recent years developed a number of integrated strategic plans to meet the State's future transport needs, including the major reports *Victorian Ports Strategic Framework*, *The Melbourne Transit Cities Strategy*, *The Victorian Taxi Safety Strategy*, and *Meeting Our Transport Challenges: Connecting Victoria's Communities*. The *Melbourne 2030* strategy also continues to play an ongoing role in transport planning. The DoT has also been undertaking a major review of Victoria's transport legislation, involving major public input. The relevant discussion papers and submissions can be found on DoT's website.³³

In March 2008 the Victorian Government released the final version of *Investing in Transport*, a report by Sir Rod Eddington, which makes 20 recommendations into improving east-west transport connections across Melbourne. A comprehensive new Victorian transport plan based on the *Investing in Transport* report and the consultations associated with it will be released by the end of 2008.

Importantly, the *Investing in Transport* report called for cooperation with the Commonwealth to help fund infrastructure recommendations and complement it with other urban congestion tackling measures, making this a potential basis for additional state-federal cooperation. It also called for the consideration of new funding structures and a re-evaluation of current road tolling policy. The report's call for a new single statutory authority to be created to drive the program was a catalyst for the creation of the new DoT and its new Integrated Transport Planning Division.

32 <http://www.doi.vic.gov.au/DOI/Internet/Home.nsf/AllDocs/308EBFB5BDB0D9B74A256AC30029BB39?OpenDocument>

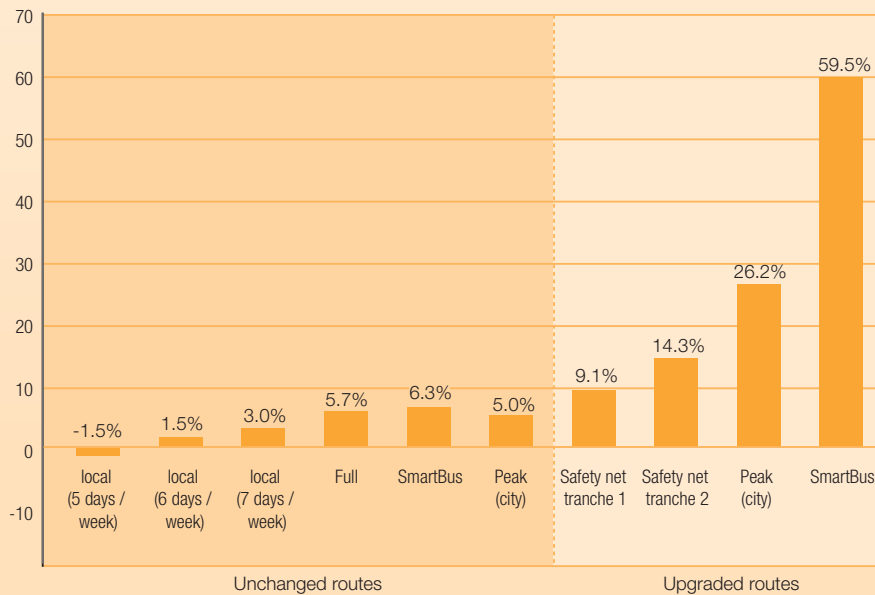
33 <http://www.doi.vic.gov.au/DOI/Internet/planningprojects.nsf/AllDocs/5B9DF9312B4B1037CA25735A000909DA?OpenDocument>

CASE STUDY 24: MEETING OUR TRANSPORT CHALLENGES (MOTC) INITIATIVE INCREASES BUS PATRONAGE

MOTC sets out an action blueprint for Victoria’s transport system into the future. This 2006 initiative is already producing significant positive outcomes, with strong patronage growth on metropolitan bus services that have been improved as a result of the program.

MOTC identifies improvements for trunk bus services, broadly categorised as either “mass transit” or “social transit”. The trunk service improvements are primarily to reduce congestion, by encouraging people to use buses rather than cars. They focus on major circumferential routes, known as SmartBus routes, or routes serving the CBD in corridors that lack rail or tram. The “social transit” improvements are local bus service upgrades that are intended to ensure that travel options are available for all people most of the time, to assist social inclusion.

The chart below shows patronage growth rates on Melbourne’s bus services over the twelve months to May 2008. It shows routes that have been upgraded under MOTC and categorises them by service function.



Source: Bus Association Victoria

Routes that operate five days a week (i.e. not on weekends) are mainly in Melbourne's outer suburbs. Upgrading such routes to daily service is a major focus of the MOTC "social transit" component. The routes that operate five days a week but were yet to be upgraded by May 2008 tended to lose patronage over the twelve months to May 2008, in spite of high fuel prices and high interest rates. Patronage on local services which were already operating seven days a week grew at an average rate of 3 per cent. Routes with higher frequencies (described as full service in the chart above) showed patronage growth of a high 5.7 per cent, with existing SmartBus services growing even faster. These strong growth rates show the benefits of previous service enhancement initiatives.

Services which have been upgraded under MOTC are shown as "upgraded routes" in the chart. Local services which have been upgraded under the first and second tranches of MOTC have shown very strong patronage growth of 9.1 per cent and 14.3 per cent respectively. Mass transit routes that have been upgraded under MOTC have been even more successful, with upgraded peak freeway routes serving the CBD showing patronage growth of 26.2 per cent in the twelve months to May 2008 and upgraded SmartBus routes (Wellington and Stud Roads) showing huge growth of almost 60 per cent. These patronage outcomes show the benefits of well targeted policies and programs.

Delivering major transport infrastructure upgrades

In 2007–08 the Victorian public sector managed the delivery of Australia's largest urban road project – EastLink. The project successfully combined notable public sector policy innovations, including the use of PPPs, the protection of valuable environmental and heritage assets, tree plantings to offset carbon emissions, water treatment and re-use, community involvement and walking and cycling paths.

* For the purposes of this section, transport-related actions undertaken by DoI in the earlier part of the 2007-08 year will be referred to as the responsibility of DoT.

CASE STUDY 25: EASTLINK

EastLink was opened on 29 June 2008, five months ahead of schedule. EastLink was also the State's most significant Public Private Partnership in 2007-08 with the \$2.5 billion project delivered in partnership by concessionaire ConnectEast, its construction contractor Thiess John Holland and the Victorian Government through its agency the South Eastern Integrated Transport Agency (SEITA).

EastLink is significantly improving travel through Melbourne's east and south east, slashing a trip between Mitcham and the Frankston Freeway to 24 minutes and reducing congestion on surrounding arterial roads. The opening of EastLink is delivering an anticipated \$15 billion boost to the Victorian economy and creating an additional 6,500 jobs during operation.

EastLink is a 39km motorway linking Mitcham and Frankston and featuring 17 interchanges, 6km of toll-free bypasses, 88 bridges, a 35km shared use path, more than 3.6 million plants, 60 wetlands and twin 1.6km three-lane tunnels under the Mullum Mullum Valley. A drive along the EastLink motorway is unique thanks to Wood Marsh Architects' vibrant design and four major sculptures installed by ConnectEast.

A key environmental aspect of the project is its wetlands. The wetlands are located along EastLink to treat water run-off from the motorway. These wetlands help maintain healthy waterways and provide a valuable habitat for local fauna. Any water that goes back into local waterways must meet strict water quality performance requirements. Some of the bigger wetlands have created new recreational areas for residents and feature boardwalks, shelter areas and playgrounds. A significant wetland is located at Oakwood Park in Noble Park, next to the Princes Highway interchange. Plantings at this wetland include native and exotic trees, including Algerian oak trees which reflect the history of the area.

Community involvement in the EastLink project has been unprecedented and over 150,000 people attended the EastLink Community Open Day on 15 June 2008.

Improving safety

Victoria has traditionally been a world leader in the area of travel safety, particularly through its innovative efforts to keep down the road toll. One of the reasons for this success has been strong policy coordination between Government, its agencies and the wider community, overseen by the Ministerial Council for Road Safety. These advice and decision making structures have allowed road safety practices to respond quickly to the latest research on how best to reduce road crashes. These efforts continued in 2007-08 through a number of legislative, regulatory and policy actions, most notably the start of the next phase of the *arrive alive* strategy.

CASE STUDY 26: ARRIVE ALIVE - VICTORIA'S ROAD SAFETY STRATEGY

Victoria's new road safety strategy *arrive alive 2008-2017* was launched in February 2008. It builds on the significant achievements of *arrive alive 2002-2007* which helped prevent around 580 deaths. There were 332 fatalities in 2007, a 25 per cent reduction compared with the 2001 road toll of 444.

arrive alive 2008-2017 sets a further ambitious target to reduce deaths and serious injuries by 30 per cent by 2017. The strategy adopts the Safe System approach which recognises that while some crashes will inevitably occur, road and vehicle design and driver behaviour can all contribute to lowering the road toll. *arrive alive* therefore focuses on building and maintaining safer roads and roadsides, increasing the proportion of safer vehicles on the road and improving driver behaviour through public awareness, driver education and strict policing to reduce speeding, drink and drug driving, fatigued driving and driver distraction.

The strategy will be delivered through three shorter term action plans and is dependent on maintaining strong and coordinated partnerships between government, its agencies and the wider community. VicRoads, TAC, Victoria Police and the Department of Justice are responsible for delivering key initiatives under the strategy, and will rely heavily on maintaining and building stakeholder and community involvement. Local government and RoadSafe Community Road Safety Councils will continue to be important road safety partners at the local level.³⁴

Promoting smarter and healthier travel

To promote smarter and healthier travel that relies less on cars and more on walking, cycling and public transport use, the Victorian Government created the TravelSmart program. In 2007–08 the second round of the TravelSmart and Local Area Access Grants was released and funded projects in ten separate Victorian local government areas. TravelSmart is another example of cooperation between the Victorian public sector and local governments and of how the public sector is working with the community to change personal individual behaviour.³⁵

Managing water in an era of drought and climate change

In 2007–08 the Victorian public sector continued to work with the Government and the community to ensure Victoria has sustainable water supplies in an era of drought and climate change.³⁶

34 Victorian Government, *Victoria's Road Safety Strategy: Arrive Alive 2008-2017*, 2008.
<http://www.arrivealive.vic.gov.au>

35 <http://www.travelsmart.vic.gov.au/web4/tsmart.nsf/AllDocs/F0B707DB5428675DCA2571C3001490F5?OpenDocument&Expand=3.1&>

36 Information and conclusions in this section come from: Victorian Government, *Our Water Our Future: The Next Stage of the Government's Water Plan*, 2007; Victorian Government, *Our Water Our Future: The Next Stage of the Government's Water Plan: 12 Month Progress Report*, 2008.

Drought and climate change

Unless usage can be reduced considerably, demand for water across the State will continue to grow as population increases. This will be made more difficult by drought and climate change, which are reducing the water yield from our catchments even further.

- Victoria's average rainfall over the last 10 years has been significantly below the average. Due to the efficiency of run-off falling by two to three times the rate that rainfall decreases, inflows into the Murray since 1997 have been only half that of the pre-1997 average.
- CSIRO scientists now believe it is possible that Victoria is suffering a major long-term reduction in average rainfall due to climate change and that current low levels of rainfall and streamflow may become the norm by 2055.

The conclusion is clear: the combination of drought and climate change require a change in the basis of water planning from reliance on one major source of supply (our reservoirs) to a portfolio of diverse water sources (reservoirs, water conservation, non-rainfall dependent sources and water recycling). This new approach forms the basis of the Victorian public sector's future water security planning and infrastructure efforts.

A five-part approach to water security

To secure the State's water supplies the Victorian Government established the *Our Water Our Future* plan in 2004. The second stage of the plan was initiated in 2007 and sets out five separate steps to diversify the State's water sources.

- *Non-rainfall dependent sources of water.* A new desalination plant will be constructed to provide water for Melbourne and its surrounding towns, which will generate up to 150 billion litres of water per year.
- *Northern Victoria Irrigation Renewal Project.* The irrigation system in the Murray Goulburn region will be modernised, saving up to 450 gigalitres of water. The Sugarloaf Pipeline will transfer up to 75 billion litres of this water to add to the Melbourne water grid. The rest of the water will be retained for irrigation and to boost river flows.
- *Expansion of the water grid.* Melbourne's water authorities will expand the network of rivers, channels and pipes linking Victoria's major water systems.
- *Increasing recycling.* Melbourne's Eastern Treatment Plant will be upgraded to produce up to 100 billion litres of tertiary treated recycled water for non-potable residential, industrial, agricultural and environmental uses. Other options are also being considered.
- *Continuing existing water conservation programs.* Water conservation measures will be continued, such as the Water Smart Gardens and Homes Rebate Scheme which provide rebates for rainwater tanks, grey water systems and dual flush toilets and encourage individuals to use less water.

The following case studies detail a significant water infrastructure project and two initiatives to change behaviour towards water usage.

CASE STUDY 27: BUILDING THE GOLDFIELDS SUPERPIPE

The Goldfields Superpipe is a \$278 million project to secure water supplies for Bendigo and Ballarat for the next 50 years. The project is a key part of Victoria's expanded water grid and will cater for the consequences of drought, climate change and anticipated population growth in these regions. The superpipe has the capacity to deliver up to 20 gigalitres of drinking water per year to Bendigo and up to 18 gigalitres of drinking water per year to Ballarat.

The Victorian Government contributed a total of \$101 million to the project and the federal government contributed \$115 million. The remainder was funded by Coliban Water and Central Highlands Water. Central Highlands Water and Coliban Water have entered into an unincorporated joint venture agreement to operate and maintain the Goldfields Superpipe into the future.

Bendigo leg

The Coliban system serves a population of more than 100,000 and includes the Bendigo, Castlemaine, Kyneton and Heathcote areas. The \$98 million Bendigo leg of the project involved the construction of a 46.5 kilometre pipeline from the Waranga Western Channel near Colbinabbin to Lake Eppalock. From Lake Eppalock, an existing pipeline transfers the water to Bendigo's Sandhurst Reservoir.

The transfer of water also involved the construction of two new pump stations, the Goulburn-Campaspe Link Pump Station near Colbinabbin and the Eppalock Sandhurst Booster Pump Station approximately nine kilometres west of Lake Eppalock on the existing Eppalock to Sandhurst pipeline.

Construction on the Bendigo leg began in February 2007 and this section of the pipeline was delivered on time and on budget on 31 August 2007.

By September 2007, Coliban Water had purchased 10 gigalitres of water from willing sellers.

The Bendigo leg of the pipe reached its full operating capacity of 150 megalitres per day on 1 November 2007.

Ballarat leg

The Ballarat leg of the Goldfields Superpipe provides additional water resources to 97,000 residents across the Central Highlands Water region including Ballarat and district, Ballan, Creswick, Smythesdale and Skipton. This is approximately 90 per cent of Central Highlands Water's total customer base.

The \$180 million Ballarat leg involved the construction of an 86 kilometre pipeline from the Sandhurst Reservoir to Ballarat's White Swan Reservoir. The Ballarat leg included the construction of three new pump stations, one adjacent to the Sandhurst Reservoir, one north of the Wombat Forest at Yandoit and one near the Midland Highway at Blampied.

Central Highlands Water commenced construction of the Ballarat leg in July 2007, with construction fast-tracked due to ongoing drought conditions affecting Ballarat's water supply. Approximately 85 per cent of the pipeline for the Ballarat leg was laid on the existing power line easement which allowed the construction to occur rapidly and reduced the impacts on landholders along the pipeline route. This leg was completed on 19 May 2008, six weeks ahead of schedule.

The Ballarat leg of the pipe initially delivered about 25 megalitres per day to White Swan Reservoir. The pipe's ultimate capacity of 55 megalitres per day will be reached following further commissioning.

Central Highlands Water has currently secured approximately five gigalitres of permanent entitlements. It is anticipated that it may take another two seasons to secure its target of 10 gigalitres of permanent entitlements. In the meantime, Central Highlands Water has been supplementing its water supply through temporary trades and an urban qualification for the system.

CASE STUDY 28: CHANGING CONSUMER BEHAVIOUR TOWARDS WATER

Showerheads exchange program

Since the Showerheads Exchange program started in 2006, City West Water, South East Water and Yarra Valley Water have exchanged 211,952 showerheads across the metropolitan area.

The Department of Sustainability and Environment (DSE) has distributed 24,500 showerheads across regional Victoria through the regional urban water corporations. In 2008, the Minister for Water approved the purchase of a further 25,000 showerheads to extend the program in regional Victoria. These additional showerheads were delivered in June 2008 and will be progressively exchanged over the next 12 months.

WaterSmart behaviour change program

WaterSmart, a new initiative by the Victorian Government in 2007, is a voluntary behaviour change approach to reduce water consumption in the home. In a new approach for water saving campaigns, the program works by direct advice to households on water saving.

DSE is managing the program which includes two schemes: a metropolitan scheme involving 100,000 households and a regional scheme with 10,000 households in Ballarat, Bendigo and Geelong.

The program is being implemented by City West Water, South East Water and Yarra Valley Water in the metropolitan area and Barwon Water, Central Highlands Water and Coliban Water in regional Victoria.

Rollout to metropolitan households commenced in June 2008 with more than 1,730 households signed up to participate in the program by the end of June.

New ways of working for the Victorian public sector

The five-point strategy for water security requires the Victorian public sector to find new ways of delivering large-scale infrastructure and behaviour change projects. These new ways of operating include:

- unprecedented levels of federal-state cooperation through COAG to fund developments and reform irrigation behaviour to get rivers flowing;
- the creation of new water and construction governance arrangements to oversee projects and manage modernisation of irrigation systems;
- working with the public to continue behavioural change to reduce water consumption;
- the introduction to Victoria of new technologies, such as desalination, and associated environmental safeguards and systems, which in turn involve significant levels of research and public consultation;
- the public purchase of renewable energy on a large scale to ensure projects are carbon neutral; and
- the consideration of alternative models such as Public Private Partnerships and joint federal-state-local water authority arrangements to fund the projects.

The five-point strategy demonstrates that awareness of climate change is now built into the strategic decisions and everyday actions of the Victorian public sector. We are, in a very real way, entering a new age of environmentally sustainable public sector activity.

The first twelve-month progress report into the second stage of the *Our Water Our Future* program was released in mid 2008 and showed that in 2007–08 the strategy was on or ahead of its target on each of the projects involved.

Conclusion

In 2007–08 the Victorian Government continued to address future challenges, including higher than expected population projections, greater pressure on Melbourne’s metropolitan boundaries, increasing use of roads and public transport, rising greenhouse gas emissions and the possibility that by 2055 today’s drought conditions may be the norm.

In response, the Victorian public sector is implementing major updates of Government’s strategic planning frameworks, most notably its *Moving Forward* plan for rural and regional Victoria, the ten-year *Meeting Our Transport Challenges* strategy for roads, trains, trams and buses; the *Melbourne 2030* planning framework; and the second phase of the *Our Water Our Future* program for water security. These were augmented by the release of major reports such as *Investing in Transport* by Sir Rod Eddington.

To provide focus and follow-through on these strategies new departments like DoT and DPCD have been created, with new planning and delivery arms such as DoT’s Integrated Transport Planning Division and DPCD’s Melbourne 2030 Implementation Unit.

2007-08 also saw the completion of major infrastructure projects like the EastLink toll road and continuing work on others such as the food bowl modernisation project and the Goldfields Superpipe.

Victorian public sector projects continued to lead the way through the innovative use of joint public-private funding arrangements, engagement with the Commonwealth through COAG, the active engagement of local communities in project design and delivery, the incorporation of environmentally sustainable technologies, designs and processes and important behaviour change initiatives.

APPENDIX 1: MAJOR WORKFORCE PROFILES WITHIN THE PUBLIC SECTOR

Contents

The Victorian Public Service	94
The public health sector	103
The government schools sector	107
TAFEs and other education entities	111
Police and emergency services	113
The water and land management sector	117
The workforce in the balance of the public sector	119

The Victorian Public Service

Table A1.1: Statistical snapshot of the Victorian Public Service

Total Employees	36,382	Turnover of ongoing employees	
Full time Equivalent	33,422	Separation Rate	11%
Employment type (FTE)		Separations by age	
Ongoing	85%	less than 30 years	17%
Fixed Term / Casual*	15%	30 – 54	9%
Base salary**		Over 55	13%
<\$40,000	19%	Recruitment by age	
\$40,000-\$59,999	36%	less than 30 years	32%
\$60,000-\$79,999	29%	30 – 54	62%
\$80,000+	17%	Over 55	6%
Part Time Employment		Age and Gender	
Overall	21%	Men	40%
Women working part time	29%	Women	60%
Men working part time	10%	Average Age (All staff)	42
Regional Distribution		Men	44
CBD	48%	Women	41
Other Melbourne Metropolitan		Age and gender profile of Victorian Public Service	
Eastern	8%	Age	■ Males ■ Females
North and West	15%	65 +	
Southern	6%	60 - 64	
Total	28%	55 - 59	
Regional Victoria		50 - 54	
Barwon South Western	6%	45 - 49	
Gippsland	4%	40 - 44	
Grampians	5%	35 - 39	
Hume	4%	30 - 34	
Loddon Mallee	5%	25 - 29	
Total	24%	20 - 24	
		15 - 19	

Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

The Victorian Public Service is comprised of ten government departments and eighteen authorities and offices (see Figure 1.1 for more detail). The role and status of departments, authorities and offices is discussed in Chapter 3.

Departments not only provide Parliament and Ministers with policy and administrative support required by Government, they also carry out the statutory responsibilities that are assigned to Ministers including funding or directly providing a broad range of services to the public.

Some of the major service delivery functions for which Departments are responsible include:

- child protection, welfare services for families and people with disabilities and public housing services;
- providing advice to the community on public health issues and consumer issues;
- maintenance and management of state forests and fisheries;
- bush fire prevention and suppression on public land;
- delivering education through the Government schools system;
- provision of research and other support to agriculture industries;
- running the courts and the corrections system, including prisons; and
- public registries such as the Land Titles Office and the Registry of Births, Deaths and Marriages.

Departments are also responsible for funding and co-ordinating the delivery of services by service providers such as:

- public health services;
- public transport, roads and ports;
- TAFE and adult education;
- water and sewage supply and environmental management; and
- public buildings, and other cultural assets like the Zoological Gardens, and the Arts Centre.

In contrast Authorities and Offices are established to undertake specific tasks, such as:

- provide administrative support to police officers (Office of the Chief Commissioner of Police);
- to undertake public audits as required by the Parliament (Victorian Auditor General's Office);
- to manage and conduct elections (the Victorian Electoral Commission); and
- to advocate for protection of the environment, regulate for environmental standards, and prosecute breaches of environmental laws (Environment Protection Authority).

Victorian Public Service employees

Public service staff are employed under the *Public Administration Act 2004*, by their Department Secretaries and authority/office Heads to undertake all these functions.

These staff, the Secretaries and office heads comprise the public service, which represents 15 per cent of the Victorian public sector. Secretaries are responsible to their Minister for the efficient operation of their departments, but exercise their responsibilities as employers of individual staff independently.

Secretaries and other senior managers in the public service – the executives – are employed on a standard contract which specifies remuneration and terms and conditions. Executives are appointed to a role for a fixed period of not more than five years.

Sixty per cent of the public service workforce is employed in the generic Victorian Public Service grade classification structure. This structure is common to all departments and covers the general occupational groups of public service employees. Women form a majority at every level other than executive and senior technical specialist level. Table A1.2 shows the salary range and distribution of the public service workforce across the generic grade classification structure.

The occupations covered include program and project delivery staff and managers, IT support officers and administrators, clerical employees, policy advisers, accountants and business administration professionals.

Table A1.2: Distribution of public service workforce and salary ranges by generic VPS grade classifications at June 2008

Classification ³⁷	Minimum	Maximum	% of VPS workforce
VPS Grade1	\$31,325	\$35,961	1%
VPS Grade2	\$37,121	\$47,670	13%
VPS Grade3	\$48,714	\$59,148	12%
VPS Grade4	\$60,307	\$68,424	11%
VPS Grade5	\$69,584	\$84,190	13%
VPS Grade6	\$85,350	\$114,216	9%

Source: 2008 Workforce Data Collection, Victorian Public Service Agreement 2006

The remaining 40 per cent of public service employees work in specialised roles that are covered by occupation-specific classifications. These classifications are associated with service delivery work and in most cases are specific to a department.

Table A1.3 shows the distribution of the public service workforce across the occupation-specific grade classification structure.

37 Victorian Public Service Agreement 2006

Table A1.3: Distribution of public service workforce by occupational classifications at June 2008

Classification	Total
Allied Health	4%
Child Protection Worker	4%
Clerk of Courts	1%
Community Corrections Officers	1%
Custodial Officer	5%
Disability Development and Support Officer	15%
Forestry Field Staff	1%
Forensic Officer	1%
Housing Services Officers	1%
Juvenile Justice Worker	1%
Legal Officers	<1%
Nurses	1%
Science Officers	3%
Sheriff Officers	<1%
Other	1%

Source: 2008 Workforce Data Collection

Key classification groups are:

Disability Development and Support Officers

Employed within the Department of Human Services, these staff members provide care and support to people with a disability, including those living in residential care.

Total Employees	5228	Salary Range	\$32,116 – \$97,611
Full time Equivalent	4201		
Employment type (FTE)		Age and Gender	
Ongoing	77%	Men	31%
Fixed Term / Casual	23%	Women	69%
Part Time Employment	56%	Average Age	45

Source: 2008 Workforce Data Collection, Department of Human Services

Custodial Officers

Employed within the Department of Justice, this classification category covers the officers who manage prisoners and provide security in the State's public sector adult prisons.

Total Employees	1688	Salary Range	\$35,961 – \$114,215
Full time Equivalent	1616		
Employment type (FTE)		Age and Gender	
Ongoing	89%	Men	73%
Fixed Term / Casual	11%	Women	27%
Part Time Employment	9%	Average Age	44

Source: 2008 Workforce Data Collection, Victorian Public Service Agreement 2006

Child Protection Workers

Primarily employed in the Department of Human Services, people working in this classification assess cases and intervene as necessary to protect children and young people from abuse and neglect. They also provide case management for adoption and permanent care cases, support children and young people who are humanitarian refugees, and support adopted people and their families through the release of confidential information in locating family members.

Total Employees	1559	Salary Range	\$37,121 – \$114,215
Full time Equivalent	1424		
Employment type (FTE)		Age and Gender	
Ongoing	86%	Men	15%
Fixed Term / Casual	14%	Women	85%
Part Time Employment	20%	Average Age	38

Source: 2008 Workforce Data Collection, Victorian Public Service Agreement 2006

Juvenile Justice Workers

Employed in Department of Human Services, these employees supervise young people who have been sentenced to serve time in a youth training centre, are on parole, or have been placed on a community based order. They also provide advice to the courts on young people and offer access to services that support young people at risk of re-offending.

Total Employees	445	Salary Range	\$37,121 – \$114,215
Full time Equivalent	403		
Employment type (FTE)		Age and Gender	
Ongoing	71%	Men	13%
Fixed Term / Casual	29%	Women	87%
Part Time Employment	41%	Average Age	41

Source: 2008 Workforce Data Collection, Victorian Public Service Agreement 2006

Allied Health

Employed in the Department of Human Services, Education and Early Childhood Development, and Justice, this category includes psychologists, guidance officers, speech pathologists, social workers, welfare workers, occupational therapists, and dieticians. They provide services to students in primary and secondary schools, people serving custodial sentences and clients of community welfare services.

Total Employees	1071	Salary Range	\$37,121 – \$84,190
Full time Equivalent	900		
Employment type (FTE)		Age and Gender	
Ongoing	80%	Men	13%
Fixed Term / Casual	20%	Women	87%
Part Time Employment	41%	Average Age	41

Source: 2008 Workforce Data Collection, Victorian Public Service Agreement 2006

Nurses

This group of employees are Registered Nurses. They are primarily employed in the Department Education and Early Childhood Development, undertaking health screening checks for primary school students. In 2007-08 57,000 prep aged students were assessed by school nurses. A small number of staff in this category are employed in the Department of Human Services to provide health screening tests for refugees and other identified at risk groups.

Total Employees	254	Salary Range	\$59,828 – \$74,647
Full time Equivalent	194		
Employment type (FTE)		Age and Gender	
Ongoing	87%	Men	6%
Fixed Term / Casual	13%	Women	94%
Part Time Employment	52%	Average Age	46

Source: 2008 Workforce Data Collection, Department of Education and Early Childhood Development

Housing Services

Employed within the Department of Human Services, these officers manage the relationship with tenants and applicants for public housing. They provide advice to clients and assess applications for housing assistance, manage rental accounts and assess property maintenance needs.

Total Employees	433	Salary Range	\$40,000 – \$59,999
Full time Equivalent	405		
Employment type (FTE)		Age and Gender	
Ongoing	88%	Men	27%
Fixed Term / Casual	12%	Women	73%
Part Time Employment	17%	Average Age	40

Source: 2008 Workforce Data Collection, Victorian Public Service Agreement 2006

Forensic Officers

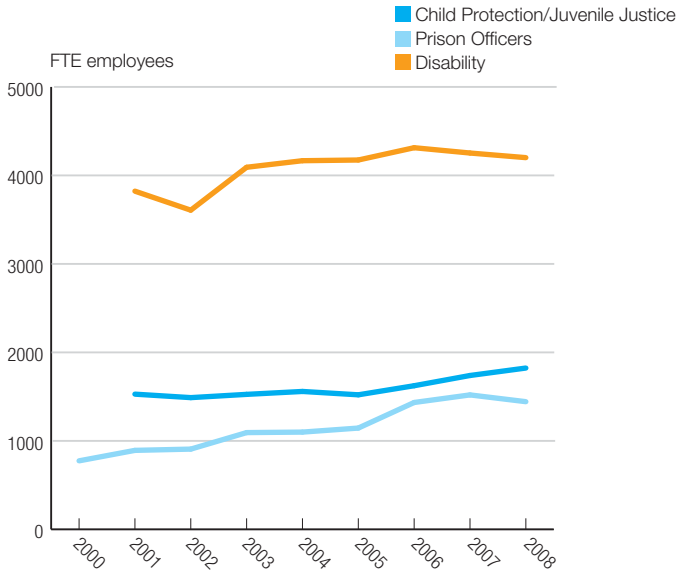
Primarily employed within Victoria Police, Forensic Officers are technicians and scientists who assist sworn police in the collection of forensic evidence and assess collected material using forensic science techniques. A small number are employed by the Department of Justice at the Victorian Institute of Forensic Medicine (16 people, 12 FTE).

Total Employees	212	Salary Range	\$39,676 – \$115,338
Full time Equivalent	197		
Employment type (FTE)		Age and Gender	
Ongoing	86%	Men	39%
Fixed Term / Casual	14%	Women	61%
Part Time Employment	16%	Average Age	38

Source: 2008 Workforce Data Collection, Victorian Public Service Agreement 2006

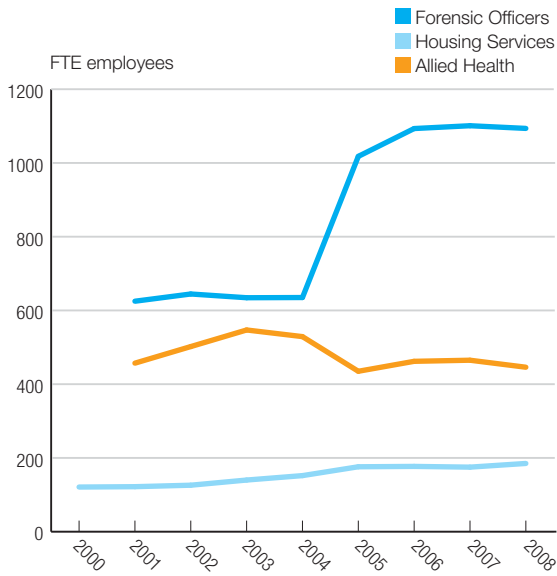
Changes in numbers of staff working in key occupations

Figure A1.1: Change in selected Victorian Public Service occupational groups with more than 1000 FTE employees, 2000/01 – 2008



Source: Based on information provided by the Department of Human Services and the Department of Justice

Figure A1.2: Change in selected Victorian Public Service occupational groups with less than 1000 FTE employees, 2000/01 – 2008



Source: Based on information provided by the Department of Human Services, the Department of Justice, and the Workforce Data Collections 2005 to 2008

1. Changes were introduced to the public service classification structure in 2005 that converted health professionals employed in the Departments of Justice and Education from the VPS classification structure to the Allied Health classification
2. Housing Service Officer figures are influenced by a review of the housing services function in 2004-05. This review resulted in some employees previously classified as Housing Service Officers being translated to the VPS classified structure.

The public health sector

Table A1.4: Statistical snapshot of the public health sector

Total Employees	89,407	Turnover of ongoing employees	
Full time Equivalent	65,432	Separation Rate	13%
Employment type (FTE)		Separations by age	
Ongoing	80%	less than 30 years	19%
Fixed Term / Casual*	20%	30 – 54	12%
Base salary**		Over 55	14%
<\$40,000	28%	Recruitment by age	
\$40,000-\$59,999	36%	less than 30 years	33%
\$60,000-\$79,999	26%	30 – 54	60%
\$80,000+	10%	Over 55	7%
Part Time Employment		Age and Gender	
Overall	58%	Men	22%
Women working part time	64%	Women	78%
Men working part time	38%	Average Age (All staff)	42
Regional Distribution		Men	43
CBD	4%	Women	42
Other Melbourne Metropolitan			
Eastern	21%	Age and gender profile of public health sector	
North and West	30%		
Southern	12%		
Total	63%		
Regional Victoria			
Barwon South Western	9%		
Gippsland	6%		
Grampians	7%		
Hume	5%		
Loddon Mallee	6%		
Total	33%		

Age	Males (%)	Females (%)
65 +	1.5	1.5
60 - 64	1.5	3.5
55 - 59	2.5	6.5
50 - 54	3.5	8.5
45 - 49	4.5	10.5
40 - 44	4.5	10.5
35 - 39	4.5	10.5
30 - 34	4.5	10.5
25 - 29	3.5	9.5
20 - 24	2.5	6.5
15 - 19	1.5	1.5

Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis.

Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

The public health sector is comprised of government owned hospitals, health and aged care services, and a small number of related bodies including research institutions, professional registration bodies, and health promotion and ancillary service bodies. Included are the large metropolitan health services that each run multiple hospital campuses (for example, Northern Health), the specialist hospitals (for example, Peter McCallum Cancer Centre, the Royal Children's Hospital), regional hospitals (Bendigo Health Care Group, LaTrobe Regional Hospital, Goulburn Valley Health Services), and the rural health services (Swan Hill District Hospital, Otway Health and Community Services, Yarram and District Health Service).

Each year Victorian public hospitals are treating a growing number of patients. Increasing demands on the hospital system can be attributed to population growth, an ageing population, the availability of more treatment options and higher community expectations of, and interest in, health services.

Over 50,000 more patients were treated in Victoria's public hospital emergency departments than in the previous year, with over 1.35 million emergency presentations in 2007–08. This occurred in a year when public hospital patient separations were over 1.39 million, 36,000 more than the previous year.

Public health sector employees

Each organisation in the public health sector is a separate and discrete employer with its own management structure.

Employees in this sector work in a wide variety of occupations. These encompass professional staff (including doctors, nurses, scientists, therapists, radiographers), social and welfare workers (including child care, personal care and nursing assistants, psychologists, and counsellors), clerical and administrative support (including operational and project staff and managers, IT support officers and administrators), ancillary services (including cleaning, catering, patient services, and maintenance trades) and management roles. The vast majority of employees in the public health sector are employed in the hospitals and health services.

As shown in Table 1.5, common pay structures are applicable across the public health sector for health professionals and nurses.

Table A1.5: Salary ranges for nurses at June 2008

Nurses ³⁸	Minimum	Maximum
Registered Nurse Grade 1 - Division 2	\$31,656	\$44,149
Registered Nurse Grade 2 - Division 1	\$44,389	\$58,765
Clinical Nurse Specialist	\$60,486	N/A
Registered Nurse Grade 3	\$61,200	\$63,635
Registered Nurse Grade 4	\$67,004	\$71,363
Registered Nurse Grade 5	\$71,347	\$81,426
Registered Nurse Grade 6	\$72,791	\$93,737
Registered Nurse Grade 7	\$72,791	\$115,147

³⁸ Nurses (Victorian Public Health Sector) Multiple Business Agreement 2007-2011

Table A1.6: Salary ranges for selected health professionals at June 2008

Health Professionals ³⁹	Minimum	Maximum
Welfare Worker	\$29,534	\$53,410
Medical Imaging Technician	\$32,621	\$100,750
Radiation Therapist	\$32,621	\$129,174
Nuclear Medical Technician	\$32,621	\$101,115
Scientists	\$33,424	\$109,818
Dental Technician	\$38,231	\$44,608
Physiotherapist	\$40,776	\$101,115
Social Worker	\$40,776	\$101,115
Psychologists	\$41,005	\$97,351
Audiologist	\$41,772	\$97,351
Dietician	\$42,465	\$102,174
Pharmacists	\$44,832	\$119,178
Radiation Engineers	\$45,740	\$96,548
Research Assistant	\$46,032	\$66,868
Medical Physicist	\$48,649	\$135,926
Research Officer	\$64,542	\$80,858
Research Fellow	\$78,532	\$119,193

The level of part time employment is significant in the health sector with 59 per cent of health sector employees working part time. In rural and regional Victoria this proportion is 69 per cent compared to 53 per cent in metropolitan Melbourne.

The health sector is also highly feminised – 78 per cent of employees are women. Women represent an even bigger proportion of the rural and regional health workforce (82 per cent) whereas 76 per cent of the metropolitan health workforce are women.

³⁹ *Health Services Union of Australia - Health Professionals - Victorian Public Sector – Multiple- Business Agreement 2004–2007, Medical Scientists, Pharmacist and Psychologist Workplace Agreement 2008-2012, Health Services Union of Australia - Health and Allied Services, Administrative Officers - Victorian Public Sector – Multi-Employer Certified Agreement 2006-2009*

Changes in numbers of staff working in key occupations in the hospitals

In response to the increase in the demand for services there has been an expansion in the number of hospital beds and improved nurse-patient ratios in hospitals. Figure A1.3 illustrates the increases in the health service occupational groups to support these initiatives.

Figure A1.3: Change in hospital occupational group numbers, FTE employees, 2000- 2008



Source: Based on information supplied by the Department of Human Services

Notes

1. The occupational group numbers comprise employees in government hospitals and health services, and in non-government hospitals that receive public funds to deliver public health services.
2. 'Medical support and ancillary staff' includes technicians and therapists. 'Other' includes nursing attendants, hospitals systems officers, administration and clerical staff, biomedical engineers, engineers, trades, and food and domestic staff.

The government schools sector

Table A1.7: Statistical snapshot of the government schools sector

Total Employees	62,794	Turnover of ongoing employees***	
Full time Equivalent	52,881	Separation Rate	5%
Employment type (FTE)		Separations by age	
Ongoing	76%	less than 30 years	4%
Fixed Term / Casual*	24%	30 – 54	3%
Base salary**		Over 55	11%
<\$40,000	17%	Age and Gender	
\$40,000-\$59,999	34%	Men	24%
\$60,000-\$79,999	42%	Women	76%
\$80,000+	8%	Average Age (All staff)	44
Part Time Employment		Men	44
Overall	37%	Women	44
Women working part time	42%	Age and gender profile of government schools sector	
Men working part time	21%		
Regional Distribution		Age	■ Males ■ Females
CBD	0.3%	65 +	
Other Melbourne Metropolitan		60 - 64	
Eastern	18%	55 - 59	
North and West	27%	50 - 54	
Southern	21%	45 - 49	
Total	66%	40 - 44	
Regional Victoria		35 - 39	
Barwon South Western	8%	30 - 34	
Gippsland	6%	25 - 29	
Grampians	5%	20 - 24	
Hume	6%	15 - 19	
Loddon Mallee	8%		
Total	33%		

Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

*** Separation rates based on ongoing separations data supplied by the Department of Education and Early Childhood Development. Information on Recruitment by Age is not reported for Government Schools because only limited information on recruitment is available.

The government schools sector covers government primary and secondary schools. In 2008 there were a total of 1,587 government schools including both primary and secondary schools.

Developing strong literacy and numeracy skills in primary school is the basis for later achievement in education and training, and for full social and economic participation. The percentage of year 3 and year 5 Victorian students achieving the national literacy and numeracy benchmarks has been at or above the national average since 2001 (data prior to 2001 is not comparable with later years). In 2006 more than 91 per cent of Victorian year 3 students achieved the national benchmarks in reading, writing and numeracy. At year 5, more than 94 per cent of students achieved the writing and numeracy benchmarks and 89.9 per cent achieved the reading benchmark.

The completion of year 12 or its equivalent qualification, such as an apprenticeship or traineeship, is a foundation for stable and rewarding employment. Data from the Survey of Education and Work⁴⁰ is used to estimate the number of Victorians young people aged 20 to 24 that have attained Year 12 or a vocational certificate at the Australian Qualifications Framework Level Two or above. In 2007, 86.1 per cent of Victorians aged 20 to 24 had completed year 12 or its educational equivalent. This has increased from 81.8 per cent in 2000 and was above the 2007 national average of 83.5 per cent.

Employees in government schools

Staff employed in this sector include the school based teachers, teacher aides, and the administrative and support staff (school services staff) employed by the Department of Education and Early Childhood Development as well as the ancillary staff employed directly by school councils.

Teachers and school services staff are employed under the *Education and Training Reform Act 2006* which designates the Secretary of the Department of Education and Early Childhood Development as their employer. Collectively, teachers and school services staff form the Teaching Service. They are responsible to their School Principal. Principals are responsible for the management of their school and report to senior managers in the Department of Education and Early Childhood Development. The Secretary of the Department has overall management responsibility.

People employed by school councils are employed on a casual basis and include canteen managers, computer technicians, integration aides, teacher assistants, general maintenance staff and emergency teachers.

There is a common pay structure for teachers and occupations covered by the *School Services Officers Agreement 2004*.

40 Australian Bureau of Statistics, *Survey of Education and Work*, Cat. No. 6227.0, 2007

Table A1.8: Salary ranges for teachers and school services officers

Teachers ⁴¹	Minimum	Maximum
Graduate Teacher	\$40,947	\$52,643
Accomplished Teacher	\$44,549	\$62,312
Expert Teacher	\$51,643	\$75,500
Grading Teacher	\$62,415	\$82,530
Assistant Principals	\$90,818	\$131,174
Principals	\$90,818	\$147,791
School Services Officer (SSO) 1	\$31,851	\$42,756
SSO 2	\$44,006	\$58,341
SSO 3	\$61,721	\$85,679

Source: Department of Education and Early Childhood Development

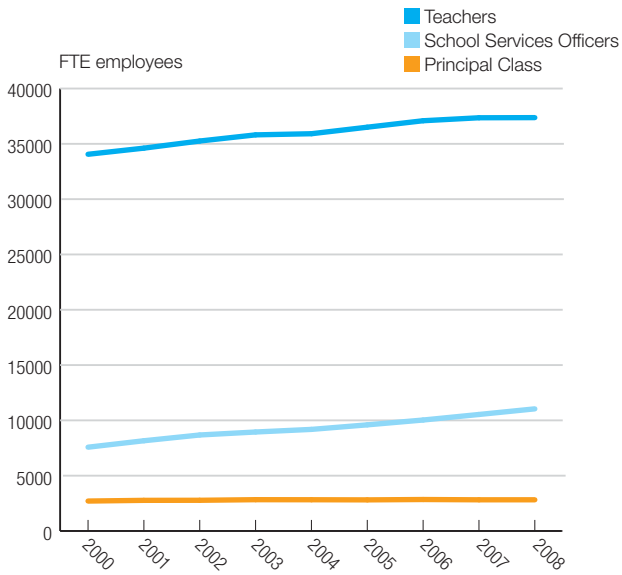
While the average age of employees in government schools has remained steady at 44 years since 2003, the proportion of employees in the 25-34 year age group is increasing, reflecting the intake in recent years of graduate teachers.

Part time employment in this sector has increased from 30 per cent in 2003 to 37 per cent in 2008. In rural areas part time employment is more common (40 per cent) than in metropolitan areas (35 per cent). Growth in part time employment has been similar in rural and metropolitan areas from 2003 to 2008.

Changes in numbers of staff working in key occupations in government schools

The Government's policy commitment to smaller average class sizes, alongside the addition of teacher aides, integration aides and administrative staff in schools, has resulted in increases in the numbers of teachers and support staff in schools. Numbers in the principal category (principals, deputy principals and assistant principals) have increased by over 100, reflecting enhanced educational leadership within the government school system. Figure A1.4 illustrates the impact of these changes on government school staffing numbers.

Figure A1.4: Change in government schools' occupational groups, FTE employees, 2000–2008



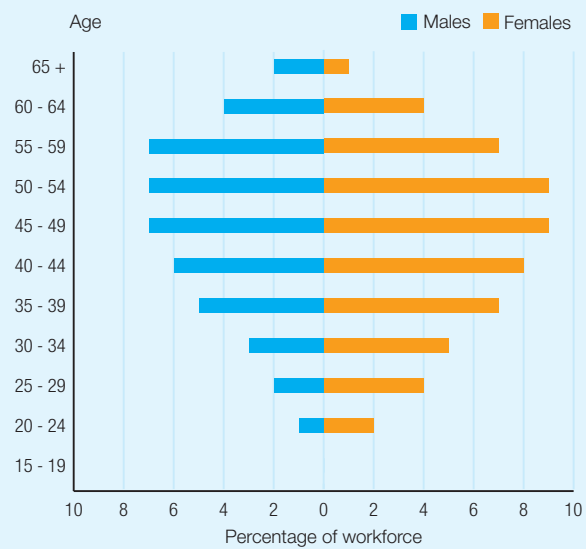
Source: Based on information provided by the Department of Education and Early Childhood Development

TAFE and other education entities

Table A1.9: Statistical snapshot of TAFE and other education entities

Total Employees	18,049	Turnover of ongoing employees	
Full time Equivalent	11,247	Separation Rate	14%
Employment type (FTE)		Separations by age	
Ongoing	61%	less than 30 years	22%
Fixed Term / Casual*	39%	30 – 54	13%
Base salary**		Over 55	15%
<\$40,000	12%	Recruitment by age	
\$40,000-\$59,999	42%	less than 30 years	19%
\$60,000-\$79,999	41%	30 – 54	67%
\$80,000+	5%	Over 55	14%
Part Time Employment		Age and Gender	
Overall	56%	Men	44%
Women working part time	62%	Women	56%
Men working part time	48%	Average Age (All staff)	46
Regional Distribution		Men	47
CBD	12%	Women	49
Other Melbourne Metropolitan		Age and gender profile of TAFE and Other Education	
Eastern	17%	Age	
North and West	24%	65 +	
Southern	23%	60 - 64	
Total	64%	55 - 59	
Regional Victoria		50 - 54	
Barwon South Western	7%	45 - 49	
Gippsland	4%	40 - 44	
Grampians	2%	35 - 39	
Hume	6%	30 - 34	
Loddon Mallee	5%	25 - 29	
Total	24%	20 - 24	
		15 - 19	

Age and gender profile of TAFE and Other Education



Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

The sector comprises TAFE institutes, the TAFE divisions within the four dual sector universities and other non school bodies engaged in education and training related activities (the Centre for Adult Education, Adult Multicultural Education Service, the Driver Education Centre, the Victorian Institute of Teaching, the TAFE Development Centre and the International Fibre Centre).

The TAFE institutions provide vocational training and education services to industry, as well as to school leavers and adults enrolling in apprenticeships and other training courses and programs. Industry provides advice on training needs through Skills Victoria.

The Centre for Adult Education provides short education, training and hobby courses targeted at adults. The remaining organisations provide specialist training services or support the professional status and development of teachers.

Each organisation is a discrete and separate employer with its own management structure.

Employees in TAFE and other education entities

The vast majority of employees in this sector work in the TAFE institutions. Teachers are the major employee group. Other categories include non-teaching professionals, administrative and clerical, computing, technical and general maintenance staff.

Overall a majority of the workforce are women, but men are a majority in the 60 and over age group.

This sector has the oldest workforce of any of the sectors. Comparatively few employees are employed in the under 40 age group – most of these are non teaching staff.

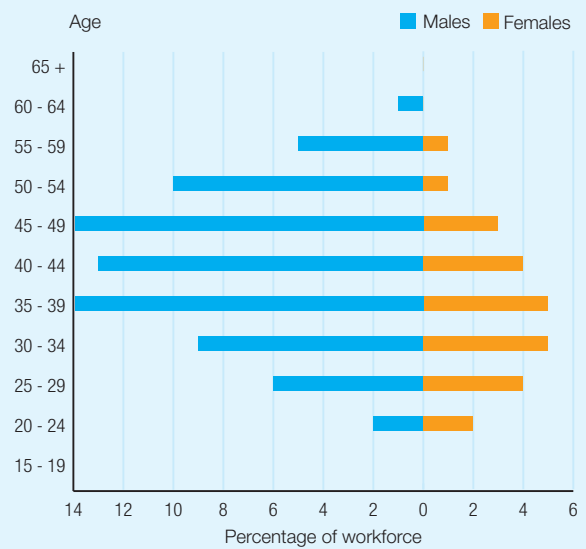
The age and gender profile is consistent with the expectation that teachers will bring industry experience to their teaching.

Police and emergency services

Table A1.10: Statistical snapshot of police and emergency services

Total Employees	19,008	Turnover of ongoing employees	
Full time Equivalent	17,982	Separation Rate	4%
Employment type (FTE)		Separations by age	
Ongoing	96%	less than 30 years	4%
Fixed Term / Casual*	4%	30 – 54	3%
Base salary**		Over 55	16%
<\$40,000	2%	Recruitment by age	
\$40,000-\$59,999	23%	less than 30 years	47%
\$60,000-\$79,999	67%	30 – 54	49%
\$80,000+	9%	Over 55	4%
Part Time Employment		Age and Gender	
Overall	9%	Men	75%
Women working part time	25%	Women	25%
Men working part time	4%	Average Age (All staff)	41
Regional Distribution		Men	42
CBD	18%	Women	37
Other Melbourne Metropolitan		Age and gender profile of police and emergency services	
Eastern	22%		
North and West	19%		
Southern	12%		
Total	53%		
Regional Victoria			
Barwon South Western	6%		
Gippsland	5%		
Grampians	6%		
Hume	6%		
Loddon Mallee	6%		
Total	29%		

Age and gender profile of police and emergency services



Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

The police and emergency services sector includes employees of the country and metropolitan fire services, the ambulance services, the State Emergency Service, sworn police and the employees of the Emergency Services Telecommunications Authority.

Victoria Police deliver a diverse range of law enforcement services that are aimed at the prevention, detection, investigation and prosecution of crime and disorderly behaviour. During 2007-08 Victoria Police responded to 723,286 calls for assistance, including emergencies, serious incidents and routine calls. The overall crime rate fell for the seventh consecutive year, with a decrease of 1.9 per cent on the previous year.

Metropolitan Ambulance Service and Rural Ambulance Victoria provide pre-hospital patient treatment in emergency and non-emergency situations and ambulance transport services along with various public education services. From 1 July 2008 Metropolitan Ambulance Service and Rural Ambulance Victoria will be operating as one organisation, Ambulance Victoria. In 2007-08, Victorian ambulance services attended to approximately 437,200 emergency road patient treatment and transport cases and 264,000 non-emergency road patient transport cases.⁴²

Demand for ambulance services increased by nine per cent in 2007-08. Four new and three upgraded ambulance branches commenced operation in 2007-08 alleviating some caseload and response time pressures.

Victoria's fire services are delivered by three agencies.

The Metropolitan Fire Brigade (MFB) provides fire prevention, fire suppression and emergency response services to Melbourne's CBD, inner and middle suburbs and a large portion of Port Phillip Bay.⁴³

The Country Fire Authority (CFA) is responsible for providing fire service to the remainder of rural Victoria and parts of metropolitan Melbourne. The CFA has 1,211 brigades and 1,268 tankers. In addition to career officers and paid fire fighters, the CFA draws on a fire suppression force of over 58,000 volunteers.

The Department of Sustainability and Environment (DSE) is responsible for the public land which comprises one-third of Victoria and maintains an effective fire detection system of lookout towers. DSE employs about 800 additional seasonal fire fighters during the fire season. In addition, employees from DSE, the Department of Primary Industries (DPI), and Parks Victoria are trained and available for fire duties. (DSE and DPI staff are included in the sector profile of the Victorian Public Service. Parks Victoria staff are included in the Water and Land Management workforce sector profile.)

The State Aircraft Unit, on behalf of DSE and CFA, manages a fleet of between 20-30 specialised contracted aircraft to assist with fire suppression during the fire season.

42 Budget papers No. 3, pp.89-90, 2007-08 Expected Outcome.

43 Information sourced from the websites of the Metropolitan Fire Brigade, Country Fire Authority and Department of Sustainability and Environment.

Employees of emergency service organisations

Each of the emergency service organisations is a discrete and separate employer with their own management structure.

The main occupational groups within this sector are operational firefighters, ambulance officers and sworn police. Sworn police are a majority of staff in this sector. Also covered are staff of the emergency, fire, and ambulance services in the support occupations: clerical and administration (including operational and project staff and managers and IT support officers and administrators), call takers in call centres, maintenance trades, and technicians. Volunteers are not included in staffing figures.

Sworn police are technically not employees, they are officers engaged under the *Police Regulation Act 1958* and include police officers, protective services officers, and recruits in training. They are responsible to the Chief Commissioner of Police and collectively form the Victorian Police Force.

Professional, technical and support staff working within Victoria Police are public service employees. They are excluded from this analysis but included in the analysis of the Victorian Public Service workforce.

The pay structures for ambulance paramedics and police officers is shown in Table A1.11.

Table A1.11: Salary ranges for ambulance paramedics and police officers at June 2008

Ambulance Paramedics ⁴⁴	Minimum	Maximum
Student Ambulance Paramedic	\$38,090	\$44,499
Ambulance Paramedic	\$43,774	\$49,744
MICA Paramedic	\$51,058	\$54,922
MICA Flight Paramedic	\$56,419	\$59,224
Roster Ambulance Paramedic	\$48,847	\$65,173
Clinical Specialist	\$50,193	\$59,876
Senior Reserve Paramedic	\$53,619	\$63,150
Assistant Station Officer	\$48,842	\$58,374
Station Officer	\$50,469	\$61,617
Duty Team Manager	\$68,005	\$77,093
Team Manager	\$57,482	\$71,342

44 *Metropolitan Ambulance Service MX Award 2005, Rural Ambulance Victoria MX Award 2005, Victoria Police Certified Agreement 2007.*

Police Officers	Minimum	Maximum
Constable	\$48,206	\$53,659
Senior Constable	\$58,867	\$68,213
Leading Senior Constable	\$68,895	\$74,142
Sergeant	\$71,637	\$78,068
Senior Sergeant	\$79,492	\$84,627
Inspector	\$97,860	\$108,659
Superintendent	\$110,584	\$125,419

The proportion of women working in this sector is increasing, up to 34 per cent from 18 per cent in 2003. This results from the increasing number of women working as police and ambulance officers. Growth in part time employment has also been observed following removal of restrictions on access to part time employment in Victoria Police and increases in the use of part time employment in the ambulance services.

This sector has the youngest age profile of all the sectors, reflecting the requirement for operational staff to be physically fit in order to undertake physically demanding and potentially dangerous work.

The water and land management sector

Table A1.12: Statistical snapshot of the water and land management sector

Total Employees	7,252	Turnover of ongoing employees	
Full time Equivalent	6,836	Separation Rate	10%
Employment type (FTE)		Separations by age	
Ongoing	87%	less than 30 years	15%
Fixed Term / Casual*	13%	30 – 54	9%
Base salary**		Over 55	11%
<\$40,000	10%	Recruitment by age	
\$40,000-\$59,999	48%	less than 30 years	37%
\$60,000-\$79,999	23%	30 – 54	56%
\$80,000+	19%	Over 55	7%
Part Time Employment		Age and Gender	
Overall	11%	Men	66%
Women working part time	27%	Women	34%
Men working part time	3%	Average Age (All staff)	42
Regional Distribution		Men	44
CBD	14%	Women	38
Other Melbourne Metropolitan		Age and gender profile of water and land management sector	
Eastern	9%		
North and West	10%		
Southern	10%		
Total	29%		
Regional Victoria			
Barwon South Western	10%		
Gippsland	14%		
Grampians	7%		
Hume	18%		
Loddon Mallee	8%		
Total	57%		

Age	Males (%)	Females (%)
65 +	1.5	0.5
60 - 64	4.0	1.0
55 - 59	8.5	2.5
50 - 54	10.0	3.0
45 - 49	9.5	4.0
40 - 44	8.0	4.0
35 - 39	8.5	5.5
30 - 34	7.0	6.5
25 - 29	4.5	5.5
20 - 24	2.5	2.5
15 - 19	0.0	0.0

Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

The sector is comprised of a range of organisations that have responsibility for water resources and the administration of public land. The sector includes:

- the metropolitan water retailers who provide and service water supply to domestic and commercial users in metropolitan Melbourne;
- Melbourne Water and the regional water authorities that manage the State's water storage, sewage and distribution systems and retail water in rural and regional Victoria;
- Catchment Management Authorities that plan, promote and co-ordinate water and land management within their regions to support sustainable use, conservation and rehabilitation; and
- other land management and planning organisations, such as Parks Victoria, VicForests, the Alpine Resort Management Boards, VicUrban and the Growth Areas Authority.

Employees in the water and land management sector

Organisations in the water and land management sector employ people in a wide variety of occupations including: foresters, park rangers and other environmental professionals, water and waste engineers and other technical officers, reticulation and purification maintenance and other operational mechanical and maintenance staff, as well as operational and project officers and managers and IT support staff and administrators.

There is gender clustering in the water & land management sector, with men dominating in management, science, building and project administration roles as well as labourers and mechanical operational roles. Women dominate in clerical roles. However, significant numbers of women are employed in science, management, building and engineering and business administration.

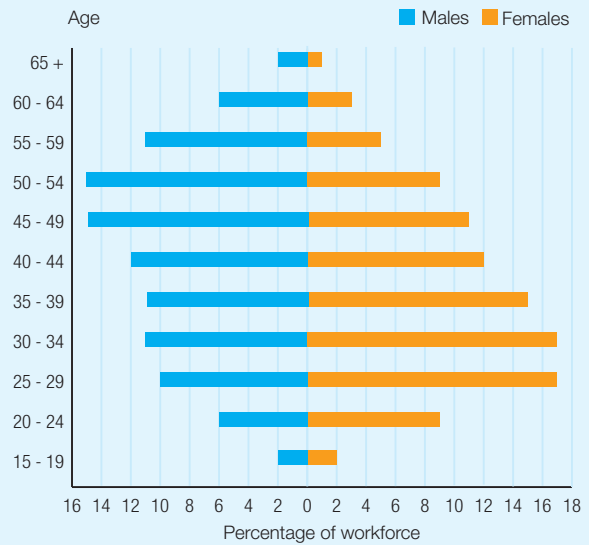
Men are also significantly older than women, with men clustering in the 45–59 age groups and women clustering in the 25–39 age groups. This clustering does not appear to be related to occupation as women are younger than men across all occupations in the sector.

The workforce in the balance of the public sector

Table A1.13: Statistical snapshot of the workforce in the balance of the public sector

Total Employees	13,952	Turnover of ongoing employees	
Full time Equivalent	12,334	Separation Rate	15%
Employment type (FTE)		Separations by age	
Ongoing	86%	less than 30 years	23%
Fixed Term / Casual*	14%	30 – 54	12%
Base salary**		Over 55	14%
<\$40,000	14%	Recruitment by age	
\$40,000-\$59,999	39%	less than 30 years	42%
\$60,000-\$79,999	25%	30 – 54	53%
\$80,000+	23%	Over 55	5%
Part Time Employment		Age and Gender	
Overall	21%	Men	54%
Women working part time	31%	Women	46%
Men working part time	12%	Average Age (All staff)	41
Regional Distribution		Men	43
CBD	52%	Women	38
Other Melbourne Metropolitan		Age and gender profile of the balance of the public sector	
Eastern	13%	Age	
North and West	13%	65 +	
Southern	6%	60 - 64	
Total	84%	55 - 59	
Regional Victoria		50 - 54	
Barwon South Western	4%	45 - 49	
Gippsland	4%	40 - 44	
Grampians	3%	35 - 39	
Hume	2%	30 - 34	
Loddon Mallee	3%	25 - 29	
Total	16%	20 - 24	
		15 - 19	

Age and gender profile of the balance of the public sector



Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

The balance of the public sector comprises 69 entities, which include arts agencies (the Museum Victoria, the State Library, Victorian Arts Centre Trust), cemetery trusts (large cemeteries, for example the Necropolis Springvale, Fawkner Crematorium and Memorial Park), facilities management entities (for example the Shrine of Remembrance Trust, Melbourne Convention and Exhibition Centre), finance and insurance entities (for example Transport Accident Commission, State Trustees Ltd, Victorian Funds Management Corporation), regulators (for example Building Commission, Victorian Energy Networks Corporation, Architects Registration Board), sports and recreation entities (Melbourne and Olympic Parks Trust, Royal Botanical Gardens Board), transport entities (VicRoads, Victorian Regional Channels Authority), and a small group of other entities.

The number of employees in each entity varies from over two thousand in the largest organisations to less than five in the smallest. Given the disparate nature of the activities undertaken and the number of staff employed, an analysis of each workforce (as has been done for each of the major sectors above) is not meaningful. However, individual entities report on their activities and staffing profile through annual reports, which can be accessed by contacting the relevant agency.

APPENDIX 2: PROFILE OF THE VICTORIAN PUBLIC SECTOR WORKFORCE BY REGION

Appendix 2 provides further information to support the discussion in Chapter 2 on the Victorian public sector workforce in rural and regional Victoria.

Figure A2.1 below illustrates the coverage of each of the regions and the local government areas contained within each of these regions.

Figure A2.1: Victorian government regional boundaries and local government areas



Metropolitan workforce

Table A2.1: Population and workforce profile in metropolitan Melbourne

Population		Average Annual Rates of Population Growth			
Total Population	3,744,982	North and West Metropolitan			
Population by Age		1996 – 2001	1.3%	2001 – 2006	1.98%
Under 15	19%	Eastern Metropolitan			
15-34	30%	1996 – 2001	0.7%	2001 – 2006	0.6%
35-54	29%	Southern Metropolitan			
54-65	10%	1996 – 2001	1.3%	2001 – 2006	1.7%
65+	13%	Percentage of population in workforce			
Public sector workforce		Turnover of ongoing employees			
Total Employees	170,339	Separation Rate		10%	
Full time Equivalent	139,399	Separations by age			
Employment type (FTE)		less than 30 years		15%	
Ongoing	79%	30 – 54		9%	
Fixed Term / Casual*	21%	Over 55		13%	
Base salary**		Recruitment by age***			
<\$40,000	18%	less than 30 years		34%	
\$40,000-\$59,999	34%	30 – 54		59%	
\$60,000-\$79,999	35%	Over 55		7%	
\$80,000+	13%	Age and Gender			
Part Time Employment		Men		34%	
Overall	37%	Women		66%	
Women working part time	45%	Average Age (All staff)			
Men working part time	21%	Men		43	
Distribution by Sector		Women		41	
Health	35%	Age and gender profile of Metropolitan employees			
Government Schools	25%	Age			
Police and E.S.	8%				
TAFE and Other Education	8%				
Water and land management	2%				
Public Service	16%				
Other	6%				
Main Occupational Groups					
Health Professionals	23%				
School Teachers & Other Ed	21%				
Clerical Group	12%				
Carers and Aides	6%				
Police Officers	6%				
Managers	5%				
Welfare Workers	3%				

Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

*** Figures exclude people commencing employment in Government Schools, where only limited information on recruitment is available

Barwon South Western Region

Table A2.2: Population and workforce profile in Barwon South Western region

Population		Average Annual Rates of Population Growth	
Total Population	355,297	1996 – 2001	0.88%
Population by Age		2001 – 2006	0.88%
Under 15	20%		
15-34	25%	Percentage of population in workforce	45%
35-54	28%		
54-65	11%		
65+	16%		
Public sector workforce		Turnover of ongoing employees	
Total Employees	20,175	Separation Rate	8%
Full time Equivalent	15,954	Separations by age	
		less than 30 years	12%
		30 – 54	6%
		Over 55	11%
Employment type (FTE)		Recruitment by age***	
Ongoing	86%	less than 30 years	31%
Fixed Term / Casual*	14%	30 – 54	60%
		Over 55	9%
Base salary**		Age and Gender	
<\$40,000	22%	Men	32%
\$40,000-\$59,999	36%	Women	68%
\$60,000-\$79,999	35%	Average Age (All staff)	43
\$80,000+	7%	Men	44
		Women	43
Part Time Employment		Age and gender profile of Barwon South region employees	
Overall	47%	Age	
Women working part time	60%	■ Males ■ Females	
Men working part time	21%	Percentage of workforce	
Distribution by Sector			
Health	42%		
Government Schools	26%		
Police and E.S.	6%		
TAFE and Other Education	7%		
Water and land management	4%		
Public Service	12%		
Other	3%		
Main Occupational Groups			
Health Professionals	27%		
School Teachers & Other Ed	20%		
Clerical Group	10%		
Carers and Aides	9%		
Police Officers	4%		
Managers	5%		
Welfare Workers	5%		

Source: 2008 Workforce Data Collection

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Grampians Region

Table A2.3: Population and workforce profile in Grampians region

Population		Average Annual Rates of Population Growth	
Total Population	214,733	1996 – 2001	0.69%
Population by Age		2001 – 2006	0.63%
Under 15	20%		
15-34	24%	Percentage of population in workforce	45%
35-54	29%		
54-65	12%		
65+	15%		
Public sector workforce		Turnover of ongoing employees	
Total Employees	15,491	Separation Rate	10%
Full time Equivalent	12,140	Separations by age	
Employment type (FTE)		less than 30 years	16%
Ongoing	84%	30 – 54	8%
Fixed Term / Casual*	16%	Over 55	12%
Base salary**		Recruitment by age***	
<\$40,000	26%	less than 30 years	31%
\$40,000-\$59,999	37%	30 – 54	62%
\$60,000-\$79,999	30%	Over 55	7%
\$80,000+	7%	Age and Gender	
Part Time Employment		Men	32%
Overall	48%	Women	68%
Women working part time	62%	Average Age (All staff)	43
Men working part time	21%	Men	44
Distribution by Sector		Women	43
Health	46%	Age and gender profile of Grampians region employees	
Government Schools	24%	Age	
Police and E.S.	8%		
TAFE and Other Education	3%		
Water and land management	3%		
Public Service	14%		
Other	2%		
Main Occupational Groups			
Health Professionals	26%		
School Teachers & Other Ed	19%		
Clerical Group	12%		
Carers and Aides	10%		
Police Officers	4%		
Managers	5%		
Welfare Workers	4%		

Age Group	Males (%)	Females (%)
65 +	1.5	1.5
60 - 64	2.5	3.5
55 - 59	4.0	8.0
50 - 54	6.0	11.0
45 - 49	5.0	12.0
40 - 44	4.0	9.0
35 - 39	4.0	7.0
30 - 34	2.5	6.0
25 - 29	2.0	6.0
20 - 24	1.5	4.0
15 - 19	0.5	1.0

Source: 2008 Workforce Data Collection

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*** Figures exclude people commencing employment in Government Schools, where only limited information on recruitment is available

Loddon Mallee Region

Table A2.4: Population and workforce profile in Loddon Mallee region

Population		Average Annual Rates of Population Growth	
Total Population	304,511	1996 – 2001	1.02%
Population by Age		2001 – 2006	0.73%
Under 15	21%		
15-34	23%	Percentage of population in workforce	44%
35-54	28%		
54-65	12%		
65+	15%		
Public sector workforce		Turnover of ongoing employees	
Total Employees	16,935	Separation Rate	9%
Full time Equivalent	13,524	Separations by age	
Employment type (FTE)		less than 30 years	10%
Ongoing	83%	30 – 54	7%
Fixed Term / Casual*	17%	Over 55	15%
Base salary**		Recruitment by age***	
<\$40,000	22%	less than 30 years	26%
\$40,000-\$59,999	37%	30 – 54	64%
\$60,000-\$79,999	35%	Over 55	10%
\$80,000+	6%		
Part Time Employment		Age and Gender	
Overall	45%	Men	34%
Women working part time	58%	Women	66%
Men working part time	18%	Average Age (All staff)	43
		Men	44
		Women	43
Distribution by Sector		Age and gender profile of Loddon Mallee region employees	
Health	37%	Age	■ Males ■ Females
Government Schools	32%		
Police and E.S.	7%	65 +	
TAFE and Other Education	6%	60 - 64	
Water and land management	4%	55 - 59	
Public Service	12%	50 - 54	
Other	3%	45 - 49	
Main Occupational Groups		40 - 44	
Health Professionals	23%	35 - 39	
School Teachers & Other Ed	22%	30 - 34	
Clerical Group	10%	25 - 29	
Carers and Aides	9%	20 - 24	
Police Officers	5%	15 - 19	
Managers	4%		
Welfare Workers	5%		

Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

*** Figures exclude people commencing employment in Government Schools, where only limited information on recruitment is available

Hume Region

Table A2.5: Population and workforce profile in Hume region

Population		Average Annual Rates of Population Growth	
Total Population	261,067	1996 – 2001	1.13%
Population by Age		2001 – 2006	0.77%
Under 15	21%		
15-34	24%	Percentage of population in workforce	46%
35-54	29%		
54-65	12%		
65+	15%		
Public sector workforce		Turnover of ongoing employees	
Total Employees	15,924	Separation Rate	12%
Full time Equivalent	12,733	Separations by age	
Employment type (FTE)		less than 30 years	9%
Ongoing	81%	30 – 54	11%
Fixed Term / Casual*	19%	Over 55	18%
Base salary**		Recruitment by age***	
<\$40,000	18%	less than 30 years	33%
\$40,000-\$59,999	39%	30 – 54	58%
\$60,000-\$79,999	34%	Over 55	9%
\$80,000+	9%	Age and Gender	
Part Time Employment		Men	34%
Overall	45%	Women	66%
Women working part time	58%	Average Age (All staff)	43
Men working part time	16%	Men	44
Distribution by Sector		Women	42
Health	36%	Age and gender profile of Hume region employees	
Government Schools	28%	Age	■ Males ■ Females
Police and E.S.	7%	65 +	
TAFE and Other Education	8%	60 - 64	
Water and land management	9%	55 - 59	
Public Service	11%	50 - 54	
Other	2%	45 - 49	
Main Occupational Groups		40 - 44	
Health Professionals	25%	35 - 39	
School Teachers & Other Ed	22%	30 - 34	
Clerical Group	10%	25 - 29	
Carers and Aides	8%	20 - 24	
Police Officers	4%	15 - 19	
Managers	5%		
Welfare Workers	4%		

Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

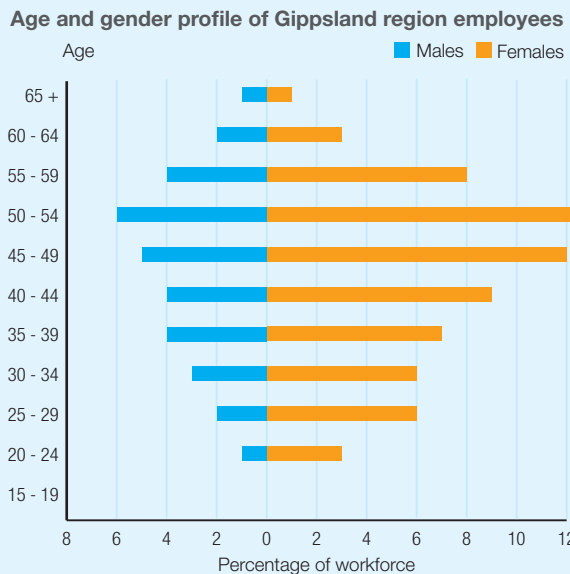
** Base salary information is provided here for all active ongoing and fixed term staff

*** Figures exclude people commencing employment in Government Schools, where only limited information on recruitment is available

Gippsland Region

Table A2.6: Population and workforce profile in Gippsland region

Population		Average Annual Rates of Population Growth	
Total Population	247,720	1996 – 2001	0.55%
Population by Age		2001 – 2006	0.65%
Under 15	20%	Percentage of population in workforce	43%
15-34	23%		
35-54	28%		
54-65	13%		
65+	17%		
Public sector workforce		Turnover of ongoing employees	
Total Employees	15,867	Separation Rate	10%
Full time Equivalent	12,433	Separations by age	
Employment type (FTE)		less than 30 years	18%
Ongoing	81%	30 – 54	8%
Fixed Term / Casual*	19%	Over 55	12%
Base salary**		Recruitment by age***	
<\$40,000	25%	less than 30 years	31%
\$40,000-\$59,999	34%	30 – 54	60%
\$60,000-\$79,999	33%	Over 55	9%
\$80,000+	8%	Age and Gender	
Part Time Employment		Men	32%
Overall	48%	Women	68%
Women working part time	61%	Average Age (All staff)	43
Men working part time	21%	Men	44
Distribution by Sector		Women	43
Health	38%	Age and gender profile of Gippsland region employees	
Government Schools	28%	Age	
Police and E.S.	7%		
TAFE and Other Education	6%		
Water and land management	7%		
Public Service	11%		
Other	3%		
Main Occupational Groups			
Health Professionals	23%		
School Teachers & Other Ed	23%		
Clerical Group	10%		
Carers and Aides	9%		
Police Officers	5%		
Managers	4%		
Welfare Workers	4%		



Source: 2008 Workforce Data Collection

* Casuals are employees who are typically employed on an hourly or sessional basis. Such employees may be rostered to work regularly or engaged to work on an 'as and when required' basis.

** Base salary information is provided here for all active ongoing and fixed term staff

*** Figures exclude people commencing employment in Government Schools, where only limited information on recruitment is available



APPENDIX 3: REPORTING ON PUBLIC SECTOR VALUES AND EMPLOYMENT PRINCIPLES

Introduction

The State Services Authority has a responsibility under the *Public Administration Act 2004* to report to the Premier on the application of and adherence to the public sector values and employment principles.

- The public sector values are: responsiveness, integrity, impartiality, accountability, respect, leadership and a commitment to human rights.
- The employment principles are: merit, fair and reasonable treatment, equal employment opportunity, reasonable avenues of redress, human rights and for the public service only, fostering a career public service.

In 2008, the SSA conducted two research projects to measure the application of and adherence to the public sector values and employment principles. These were the People Matter Survey (PMS 2008) and the Values Project.

The People Matter Survey measures public sector employees' perceptions of how well the public sector values and employment principles are applied within organisations. It asks employees to respond to a series of statements about the application of the values and employment principles by their organisation, their manager and their workgroup.

PMS 2008 was distributed to a sample of 49,808 employees in 125 public sector organisations. A total of 13,222 questionnaires were completed, resulting in a 27 per cent response rate.

The Values Project involved qualitative research on organisations' adherence to the values and employment principles. The research aimed to gain a better understanding of the process by which the values and employment principles become embedded in the organisational cultures of the public sector. This was informed by the approach to the values and employment principles taken by the Public Sector Standards Commissioner and set out in the publications *An Ethics Framework* and *How Positive is Your Workplace?* While this research does not allow generalisation about the entire public sector, it provides valuable information about the benefits and issues involved in adhering to the values and employment principles for public sector organisations.

The Values Project explored senior public sector leaders' and managers' adherence to the public sector values and employment principles through a series of structured interviews. A total of twenty one interviews were conducted with senior leaders and managers in eight public sector organisations, representing the following categories: the public service (2); water authorities (1); health (2); police and emergency services (1); TAFE (1); and regulators (1).

The main themes which emerged from the Values Project and PMS 2008 are described below.

The value of having values

Participants in the Values Project expressed a range of views about 'the value of having values'. All efforts to embed values within organisations were informed by a belief that a set of defined values and behaviours can have a positive effect on performance. This was the case even in workplaces where little progress had been made. Some of the articulated benefits included:

- improvements in quality of service delivery;
- development of a positive workplace and collaborative culture;
- management of risk, ethical practice, protection of public sector reputation and enhanced ability to manage in ambiguous situations; and
- improvements in staff attraction and retention in a competitive labour market.

Participants believed that having a set of values played an important role within their organisation by expressing what the organisation stands for and by establishing clear standards of behaviour for staff. As one interviewee put it, having a clear set of values:

"...assists in providing consistency, uniformity and reliability in the way we operate and the services that we provide. ...if you have the appropriate values and behaviour framework at the same time as having good jobs and good people to work with then you'll actually get superior performance."

An embedded set of values also acts as a guide with which to navigate the grey areas that are so pervasive across the public sector – as one interviewee put it, values provide "a professional moral compass".

Interviewees also agreed that running publicly funded bodies according to public sector standards of accountability and integrity makes an important statement to the public about the importance of integrity when handling taxpayer's money and making decisions that affect people's rights and welfare.

Participants reported that embedding values had led to direct improvements in the quality of service delivery, compliance with occupational health and safety standards and responsiveness to clients generally, even for organisations at the start of the process.

Backing up the qualitative assessments, PMS 2008 demonstrated a strong positive association between employee perceptions of fair and reasonable treatment and employee job satisfaction. Logistic regression analysis of responses to selected PMS 2008 survey questions demonstrates that employee perceptions of responsiveness ('my organisation provides high quality services to the Victorian community'), integrity ('people in my workgroup are honest, open and transparent in their dealings'), leadership ('senior managers model the values') and respect ('senior managers listen to staff') have a statistically significant impact on the extent to which they agree that 'I often think about leaving this organisation'.

The relationship between the public sector values and organisational values

Values can make a powerful statement about what a department, agency or entity stands for. Most of the organisations participating in the Values Project had developed, or were developing, their own set of values and behaviours, but most had undertaken some sort of cross checking of their values for alignment with the public sector values.

Some regarded the public sector values as ready for adoption 'off the shelf', but others disagreed. A number of interviewees believed that the best results were gained from having values generated from within the organisation itself. It was remarked that unless this happened behaviour simply wouldn't change.

Other organisations, however, adopted the Victorian public sector values as their own for reasons of simplicity.

For some, the public sector values provided a neutral position from which to build a more organisationally specific values set. For a range of reasons, these bodies were not yet ready to develop their own values set. Most described the process as an ongoing journey.

A number of interviewees discussed the importance of linking the values set to their particular workplace rather than the public sector as a whole, as many of their staff members regarded themselves not so much as generic 'public servants' but as employees of their organisation.

The PMS 2008 reveals that a large majority (over 90 per cent) of employees were aware of their organisation's code of conduct and stated values, although some respondents' comments suggest a lack of knowledge of the model public sector values among some employees.

Leadership

It is clear that employees and managers believe that leadership is crucial for the successful development of values based public sector workplaces. Interviewees stated that the chief executive and the entire leadership team must actively promote values initiatives and be role models for them. Strong partnerships between the human resources function and the executive leadership team also helped embed values. As one interviewee put it:

“I have a fundamental view that the CEO’s got to be really a champion of this sort of stuff and if you start to delegate this, people just don’t take it as seriously as they might.”

Leadership by example is crucial. Where leaders don’t display the values in their day-to-day interactions with staff, values initiatives are likely to be met with cynicism, values-fatigue and mistrust.

Leadership must be supported by management at all levels. A number of interviewees noted concerns about the capacity of managers and supervisors to undertake difficult conversations necessary to ensure appropriate behaviour is modelled and followed. According to a health sector interviewee, success requires: “having local managers with the right skills to address aberrant behaviours and steer them in the right direction.”

Some frustration was expressed at the lack of accountability within current performance management systems for behaviour even where behavioural standards are incorporated into the performance management process.

Nonetheless, all interviewees considered it vital that leaders support efforts to embed values and employment principles. One HR manager described how leadership support assisted values initiatives in their organisation:

“We always get our budgets approved. We always have a good training budget. We have a good life balance budget. We have an agenda item at executive leadership meetings for people matters. Not all organisations get a spot at the table like that. (Our values) are really embedded.”

Responses to the PMS 2008 suggest there is some room for improvement in values leadership in the Victorian public sector. While most employees agreed that their colleagues understood what values meant in practice and made decisions based on them, they were less likely to say the same about their senior managers. The variable ‘senior managers model the values’ has a statistically significant impact on the probability of respondents agreeing that ‘working for my organisation makes me proud’ and ‘I view my organisation as an employer of choice’.

Factors that prompt a values-based culture

The Values Project found that three main factors prompted a move toward a values-based culture within public sector organisations: (1) a serious ethical challenge or risk; (2) an external review; or (3) a new CEO or management team.

In one small, regional organisation surveyed, a consultant's report on workplace culture uncovered gaps in consistency, transparency and possibly compliance with legislation, resulting in the appointment of a full-time human resources manager with the chief executive's imprimatur to create an organisational development strategy.

In four of the organisations, a new leader initiated processes that included reviews of their culture and values. As one chief executive explained:

"The first thing I did when I got here was (1) re-institute orientation and (2) realise that we didn't have a strategic plan with a clear set of values either. So we redefined them... I ran forums asking people whether they could tell me what our vision was. There wasn't one person that could tell me because it was about three sentences long. I felt strongly that we had to re-define it."

Interviews revealed that in most cases the creation of a values framework was part of a wider strategic planning project that asked questions like: 'What are the necessary values and behaviours that support our organisation's strategic direction?' As one interviewee put it, "it's never a direct project around the values".

The strategic planning cycle therefore provides a good opportunity for continual reflection and refreshing of internal values.

It was also evident that particular organisational types produced a greater focus on values, particularly those that dealt directly with clients, as in the areas of health and water. Such organisations operate within a highly regulated environment in which meeting legislated standards of performance is necessary and values help them to do this.

Encouraging compliance

Values Project interviewees revealed a broad range of approaches to encouraging values-based behaviour.

Performance management plays a fundamental role. The workplaces with the best values based culture were those that refused to make a trade-off between means and ends. Such organisations based their performance management systems on a genuine 50:50 split between outcomes and values. Meeting measurable targets isn't enough for employees or units to attain a high performance rating. As one interviewee said:

"If you have been a superstar in your work but have trampled everyone to get there and caused morale issues, you'll just get 'meets', because you haven't succeeded in helping us meet our overall goals..."

Making such values-based behaviour non-negotiable requires strong leadership, sometimes involving hard decisions. As one interviewee remarked:

"Putting (values) in the performance appraisal system will either work or not depending on whether it's enforced... If you measure it and reward it positively or negatively, then it will have an effect."

The PMS 2008 reveals room for improvement in performance management. The proportion of employees who agree that their manager deals with poor performance adequately has been increasing gradually since 2004 but remains relatively low on 67 per cent.

In all of the organisations that participated in the Values Project, human resources departments played a big role in embedding values. While good human resource management got results, enforcement and leadership through the performance management system were the keys to success. So was consistency. Without 'peer to peer' calling to account by leaders, values frameworks are vulnerable to claims of hypocrisy and being undermined by employee cynicism.

Interviewees also described a variety of incentives to encourage values awareness and compliance, including reward and recognition schemes that focussed attention on the 'how not what' of performance and provided opportunities for the chief executive to engage the staff in reflection on how values can best be put into practice.

The values journey

The participating organisations all had different starting points and were at different stages of progress in embedding values into their culture. All regarded the process as a journey and many used the phrase ‘values journey’ to describe it.

There were a wide variety of responses to a question about the extent of progress made. Even interviewees from workplaces that had made strong progress recognised values formation as “a journey without end” and “a continual reinvention process”.

The study revealed the many and varied ways that organisations went about embedding values and employment principles. Interviewees described a range of approaches, but no organisation used all of the approaches. Aside from the key methods of leadership and performance management, other methods of embedding values included:

- making values part of induction training, which occurred in most of the participating organisations;
- direct values training (this was not that prominent but was reported to be most effective when it was practical and scenario-based);
- reward and recognition schemes;
- the inclusion of values and employment principles in position descriptions and their use in recruitment processes;
- the inclusion of values in leadership and management training;
- mentoring and guidance in values by senior public servants;
- collaborative activities, such as the development of artwork that reflected the organisational values; and
- the use of various materials to promote the values, such as posters, handbooks, fridge magnets and mouse pads.

Organisations with numerous worksites and shift-work employees – like health services and emergency services – used the most creative approaches to educating staff about values.

Importantly, many participants spoke of the need to refresh their organisation’s values on an ongoing basis.

Wider results from the People Matter Survey 2008

Analysis of PMS 2008 shows that, in general, most Victorian public sector employees are satisfied with their jobs, are proud to work in the public sector and believe that their workplace upholds high ethical standards. The key positive findings for 2008 are:

- most public sector employees agree that the public sector values are applied well, particularly the values of responsiveness, human rights and integrity;
- overall, public sector employees believe that the employment principles are applied well, particularly in the area of equal employment opportunity;
- nearly all believe that the Victorian public are treated fairly and objectively and that government policies and programs are implemented equitably; and
- most employees are satisfied with their job and are happy with their relationships with their colleagues and the chances they have to make a positive contribution.

There are some further opportunities for improvement, particularly in the area of leadership and management of poor performance. Most notably, approximately 30 per cent of public sector employees are concerned about the potential negative consequences for their careers of lodging a grievance against a fellow employee or superior. And while there has been an increase in the proportion of public sector employees who are aware of their rights under the *Whistleblowers' Protection Act* (up from 44 per cent to 47 per cent), this figure is still considered too low.

Conclusion

The PMS 2008 and the Values Project provide generally positive reports about the seriousness with which public sector employees and their organisations take values and good employment practices. Over 90 per cent of employees are aware of the public sector code of conduct and their organisation's stated values. All the leaders who participated in the Values Project research appeared to understand the beneficial effects of having well-embedded values and ethical employment practices on performance, service delivery quality, workforce morale and staff retention. All participating organisations had adopted or were adopting model or internally-generated ethics frameworks. The research confirmed the importance of persistent and example-based leadership in achieving the adoption of positive values and employment practices – which earmarks leadership as an issue for further public sector policy discussion and development.

APPENDIX 4: EXECUTIVE REMUNERATION

Leadership and management in the Victorian public sector

Executives form the key leadership and management group of the Victorian public sector.

The key themes of government executive employment policy are employer accountability, clear processes and full disclosure. The policy provides government with a tool to ensure executive remuneration is not excessive, rewards effort and, where appropriate, increases in line with community wage movements and wider public sector wage levels.

The State Services Authority and the Department of Premier and Cabinet act as key advisers to government on executive employment policy matters. The Authority also provides advice and support to the operations of Government Sector Executive Remuneration Panel (GSERP).

In the Victorian Public Service an executive is a person employed pursuant to the *Public Administration Act* and subject to policies approved by government. In the public sector executive employment and remuneration policy is established by government and managed by the GSERP.

The Victorian Public Service

In the Victorian Public Service the administration of the government's executive employment policy is the responsibility of the executive's employer, ie. public service body heads and administrative office CEOs. The State Services Authority provides support and guidance to employers in the Victorian Public Service to assist them in meeting the requirements of the policy.

The Victorian Public Service consists of the ten government departments and the eighteen authorities and offices referred to in Part 3 of the Act (see Figure 1.1 for detail). For the purposes of reporting, a public service executive is a person employed pursuant to Division 5, Part 3 of the Act. The data presented here is sourced from the Authority's executive database as supplied by the requisite public service bodies. Table A4.1 shows the number of executives by portfolio (as at 30 June 2006, 30 June 2007 and 30 June 2008). Table A4.2 details the number and percentage of executives employed as at 30 June 2008, by remuneration package range. Table A4.3 provides a gender breakdown by Victorian Public Service executive officer band.

Table A4.1: Total number of contracted VPS executives 2006-08

Portfolio	Organisation	30 Jun '06	30 Jun '07	30 Jun '08
Premier and Cabinet	Department of Premier and Cabinet	30	30	30
	Office of the Chief Parliamentary Counsel	3	3	4
	Office of the Governor	-	-	1
	Public Records Office	-	1	1
Premier and Cabinet Total	33	34	36	
Treasury and Finance	Department of Treasury and Finance	70	74	77
	Emergency Services Superannuation Board	5	8	7
	Essential Services Commission	6	5	5
	Office of the Shared Services Centre	-	1	1
	State Revenue Office	6	6	6
Treasury and Finance Total	87	94	96	
Human Services	Department of Human Services	112	110	109
Justice	Department of Justice	64	62	65
	Office of Police Integrity	3	4	4
	Office of Public Prosecutions	2	1	2
	Office of the Legal Services Commissioner	2	3	3
	Victoria Police	15	17	18
Justice Total	86	87	92	
Sustainability and Environment	Department of Sustainability and Environment	48	50	43
	Environment Protection Authority	4	5	6
	Sustainability Victoria	3	3	4
Sustainability and Environment Total	55	58	53	
Primary Industries	Department of Primary Industries	19	23	24
Education & Early Childhood Development	Education & Early Childhood Development	70	58	62
Innovation, Industry and Regional Development	Department of Innovation, Industry and Regional Development	40	54	54
Planning & Community Development	Department of Planning & Community Development	30	29	36
Transport	Department of Transport	66	56	41
Victorian Auditor General's Office	Victorian Auditor General's Office	20	21	21
State Services Authority	State Services Authority	6	5	8
Ombudsman	Ombudsman	2	1	3
Total		626	630	635

Source: Victorian public service departments and agencies

Notes: The recorded figures refer to active contracted executives as at 30 June of each year. This excludes Governor-in Council appointments, sworn police, executives in statutory authorities, non-executives acting in executive positions, inactive executives (such as those on long-term leave or secondment) and vacant executive positions as at 30 June of each year.

Table A4.2: VPS executives by total remuneration package range

Salary Range	Number	Percentage
\$120,000-\$129,999	24	3.8%
\$130,000-\$139,999	90	14.2%
\$140,000-\$149,999	101	15.9%
\$150,000-\$159,999	68	10.7%
\$160,000-\$169,999	87	13.7%
\$170,000-\$179,999	80	12.6%
\$180,000-\$189,999	44	6.9%
\$190,000-\$199,999	27	4.3%
\$200,000-\$209,999	32	5.0%
\$210,000-\$219,999	12	1.9%
\$220,000-\$229,999	6	0.9%
\$230,000-\$239,999	16	2.5%
\$240,000-\$249,999	0	0.0%
\$250,000+	48	7.6%
Total	635	100.0%

Table A4.3: VPS executives by band and gender

Band	Female	Male	% Female	% Male	Total
Secretary	3	7	30%	70%	10
EO-1	6	12	33%	67%	18
EO-2	76	143	35%	65%	219
EO-3	158	230	41%	59%	388
Total	243	392	38%	62%	635

The Victorian public sector

In the Victorian public sector, the Government Sector Executive Remuneration Panel (GSERP) is responsible for the implementation of government policy to ensure a rigorous approach to the management of executive employment. While not interfering with the employer's direct employment powers, GSERP's specific responsibilities ensure compliance with government's overall executive employment policy in the broader public sector. Under this policy GSERP:

- represents the government as the owner of public entities by setting the remuneration packages of all Chief Executives in the public sector;
- advises government on executive remuneration policy and practice in the public sector; and
- monitors implementation of this policy by public sector employers.

The following represents information on the composition and remuneration of executives in the Victorian public sector, as reported to GSERP. The data is provided by the public entities and reported in such a way as to protect the identification of organisations and individuals. This is particularly necessary in the public sector as there are many small employers employing very low numbers of executives.

For the purposes of this report, an executive is defined as a chief executive or subordinate executive who earns a total remuneration package, excluding bonuses, of \$124,001 per annum or more and has a material business responsibility. This definition therefore does not include technical specialist roles (eg. medical specialists).

Portfolio entity executive profile (excluding Victorian Public Service executives)

At June 2008 there were a total of 890 executives in the public sector as detailed in Table A4.4. Executives in the Victorian Public Service are specifically excluded and are detailed separately in Table A4.1.

Table A4.4 includes chief executives of public entities and other public entity staff who meet the definition of an executive.

Table A4.4: Number of GSERP executives by portfolio 30 June 2008

	2008			2007			Change 2007-08		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Department of Education		1	1		1	1	0	0	0
Department of Human Services	102	179	281	105	169	274	-3	+10	+7
Department of Innovation, Industry and Regional Development	39	84	123	39	77	116	0	+7	+7
Department of Transport	20	83	103	30	110	140	-10	-27	-37
Department of Justice	18	74	92	19	75	94	-1	-1	-2
Department of Premier and Cabinet	12	14	26	11	15	26	+1	-1	0
Department of Primary Industries	5	15	20	5	18	23	0	-3	-3
Department of Sustainability and Environment	14	116	130	11	129	140	+3	-13	-10
Department of Treasury and Finance	16	62	78	17	67	84	-1	-5	-6
Department of Planning and Community Development	10	26	36	8	13	21	+2	+13	+15
Total	236	654	890	245	674	919	-9	-20	-29

Note: Table includes Declared Authorities

CEO remuneration levels as at 30 June 2008

Total CEO remuneration packages across the public sector as at the end of the reporting period are presented in Table A4.5. This table provides a consistent view of remuneration and allows comparisons not distorted by one-off payments (such as end of contract payments or bonuses). The definition of total remuneration package used is the total salary

(annual value of cash component), employer superannuation contributions, and the cost of any fringe benefits (plus associated fringe benefits tax).

Table A4.5: CEO remuneration 2007-2008

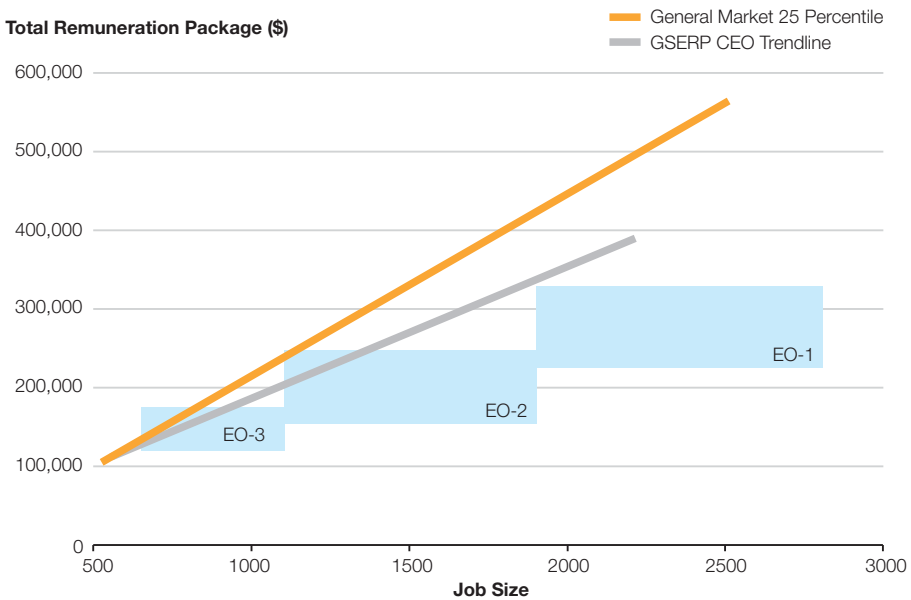
TRP Band	Number
<\$100,000	8
\$100,000-\$109,999	10
\$110,000-\$119,999	4
\$120,000-\$129,999	14
\$130,000-\$139,999	7
\$140,000-\$149,999	11
\$150,000-\$159,999	14
\$160,000-\$169,999	15
\$170,000-\$179,999	15
\$180,000-\$189,999	6
\$190,000-\$199,999	7
\$200,000-\$209,999	18
\$210,000-\$219,999	11
\$220,000-\$229,999	7
\$230,000-\$239,999	6
\$240,000-\$249,999	8
\$250,000-\$259,999	11
\$260,000-\$269,999	5
\$270,000-\$279,999	5
\$280,000-\$289,999	1
\$290,000-\$299,999	5
\$300,000-\$309,999	9
\$310,000-\$319,999	2
\$320,000-\$329,999	5
\$330,000-\$339,999	0
\$340,000-\$349,999	2
\$350,000-\$359,999	4
\$360,000-\$369,999	1
\$370,000-\$379,999	1
\$380,000-\$389,999	0
\$390,000-\$399,999	1
\$400,000-\$409,999	0
\$410,000-\$419,999	1
\$420,000-\$429,999	1
>=\$430,000	0

Note: 8 CEO Positions were vacant as at 30 June 2008
Table excludes Governor in Council appointments

General market remuneration comparison

Average remuneration practice for roles of lower work value compares more favourably to the general market than the average practice for larger roles (see Figure A4.1). This reflects the intent of the policy of conservative remuneration outcomes for public sector executives.

Figure A4.1: 2008 GSERP Market Indicator compared to General Market 25th percentile



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