Public Accounts and Estimates Committee

Fiftieth Report to the Parliament
"Report on the Review of the Victorian Public Service"
October 2002

Government Response
April 2003

DEPARTMENT OF PREMIER AND CABINET
Introduction

The Public Accounts and Estimates Committee (PAEC) released its 50th Report to the Parliament, entitled “Report on the Review of the Victorian Public Service”, in October 2002. Section 4O(2) of the Parliamentary Committees Act 1968 (Vic) requires the Victorian Government to formally respond to the Parliamentary Committee within six months of tabling of the Committee’s report.

The PAEC report has identified a number of issues that present a challenge for the future capacity of the Victorian Public Service.

These include a need to:

- develop human resource and workforce planning capabilities;
- address the imbalance between whole-of-government and agency-specific approaches to people management;
- tackle recruitment, training and succession planning issues associated with the rapidly ageing workforce; and
- address significant skills gaps, particularly in policy skills.

The Public Accounts and Estimates Committee made 24 recommendations to Government to address these issues.

The purpose of this report is to provide the Government response to each of the recommendations of the Report.
Recommendations

The recommendation numbering corresponds to the numbering in the report.

Recommendation 2.1

The Office for Workforce Development research the career preferences of mid-career people, including mature-age graduates. The research should identify perceptions of the public service as a career option or employer, as well as how important various factors (such as remuneration, flexible work practices and making a contribution to the community) affect the target group's employment decisions.

Response:

The Government supports the recommendation. The Commissioner for Public Employment in conjunction with the Equal Opportunity Commissioner is undertaking a joint study into retirement and retention in the Victorian Public Service (VPS) in 2003. The Office for Workforce Development (OWD) will consider the outcome of a similar study undertaken by the Commonwealth Government and develop a research program with departments in order to identify the workforce planning implications of these preferences.

Recommendation 2.2

The Office for Workforce Development conduct more detailed research on the reasons why people leave the public service for other employment. This research should identify areas of concern, the employment sectors to which former employees move, and the extent to which management practices and employment conditions affect the decision to leave the public service.

Response:

The Government recognises the importance of retaining knowledge and expertise within the VPS and the human resource cost of employee turnover. The Government supports the recommendation. The OWD will conduct research using workforce data and survey results collected by the Commissioner for Public Employment. It will also draw on information from departmental exit surveys, and will support the introduction of improved data collection by Departments.

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Recommendation 2.3

The Office for Workforce Development research how young people perceive public service employment and careers and their overall career expectations.

Response:

The Government recognises the importance of attracting high calibre young people to the VPS, in order to address current and future workforce requirements. To this end the VPS Graduate Recruitment Program doubled its intake in 2001, and this level has since been maintained. The Government supports the recommendation in part, and the OWD, consistent with recommendations 2.7, 4.3 and 4.4 will coordinate initiatives which incorporate young people, to promote employment with the Victorian Government. These initiatives will include research on the broad attractiveness of government employment and promotion of the Victorian Government as an employer of choice.

Recommendation 2.4

The Victorian Government research the barriers to women’s progression to executive positions in the public service. This research should investigate the views of VPS4 and VPS5 staff, as well as executive officers, and identify the behaviours and attitudes to support women’s progression to more senior levels.

Response:

The Government supports the recommendation. The Government has identified promoting equal opportunity as a priority action. In 2002 the Office for Workforce Development commissioned a review of gender pay equity as part of the Government’s commitment under the enterprise agreement for VPS employment. The review was conducted jointly with the CPSU and focussed on the development of a new career structure. Following the completion of the report; the Victorian Public Service: Gender Pay Equity Review (2002), the Commissioner for Public Employment has commissioned further research into women’s employment across the Victorian public sector. The OWD is working with Departments to address issues identified in the Gender Pay Equity Review. The work will draw on research and initiatives already undertaken by individual Departments.

Some specific initiatives which have identified behaviours and attitudes include:

- The Department of Education and Training has identified a lack of flexible work options at VPS 5 and EO levels in previous research, such as Diversity Audit (2001). The Department of Education and Training is initiating further research in 2003 into flexible work options for senior management positions.
• The Department of Justice has recently completed research into the reasons why women are not well represented at higher levels within the organisation. The Justice Executive Committee will consider the report and recommendations.

Recommendation 2.5

The Office for Public Employment and the Office for Workplace Development work together to ensure Departments provide consistent and adequate data to enable more robust analysis of any gender pay equity issues identified.

Response:

The Government supports the recommendation. The Victorian Public Service: Gender Pay Equity Review recommended that statistical data collected on gender be improved. This recommendation will be implemented as part of the review of the VPS career structure. The review also recommended the collection of data by occupation. The OPE will introduce Australian Standard Classification of Occupation (ASCO) coding to identify occupations in the June 2003 workforce data collection. The Commissioner for Public Employment has commissioned further research into gender pay equity in the public sector and this review will be conducted in cooperation with the OWD.

Recommendation 2.6

The Victorian Government research Victorian Public Service employees’ satisfaction with the work/life balance that they are able to achieve, and what organisational and management practices may be barriers to such a balance.

Response:

The Government’s vision is for a community where both women and men have the opportunity to successfully balance their work and family commitments. The Government supports the recommendation. The Commissioner for Public Employment conducts an annual People Matter survey and Organisational Self Assessment across the VPS that includes data on satisfaction with work/life balance. These surveys are used to assess the extent to which Departments have in place policies and procedures to comply with the employment and conduct principles.

Information from the surveys is provided to Departments to ensure appropriate policies are in place. All Departments have implemented family friendly policies. Some Departments are undertaking further research in this area to support these policies. The response also addresses recommendation 4.5.

Recommendation 2.7

The Victorian Government consider further initiatives aimed at improving employment opportunities in the public service, in terms of representation levels and classification spread, for Indigenous people, people with a disability and people from a non-English speaking background.

Response:

The Government recognises that the diverse cultural backgrounds, languages and abilities of Victorians are some of the State’s greatest strengths. Improving the awareness of rights and the promotion of equal opportunity is identified as a priority action in the Growing Victoria Together framework. The Government supports the recommendation.

The Wur-Cum Barra indigenous employment initiative addresses indigenous employment. The Office for Public Employment will continue to work with departments on diversity initiatives through its Managing Diversity program that aims to achieve a public sector workforce that reflects the diversity of the Victorian community. The census to be undertaken in 2004 will measure the progress of these initiatives.

Departments have implemented a range of initiatives aimed at improving employment opportunities in the public service. For example, the Department of Justice has two specific initiatives developed under the Victorian Aboriginal Justice Agreement:

- Pathways to Justice; and
- Gateways to Justice.

These initiatives create opportunities for work placements and employment in the Justice field.

Recommendation 2.8

The Commissioner for Public Employment conduct a further census in two years to assess progress towards a Victorian public sector workforce that is more representative of the community it serves.

Response:

The Government supports the recommendation. The Commissioner for Public Employment has scheduled a further census for next financial year. The census information gathered will allow analysis of trends since the last census.
Recommendation 3.1

A whole-of-government approach to common Victorian Public Service people management issues, as identified and promoted by the Office for Workforce Development, be adopted.

Response:

The Government supports the recommendation. A whole-of-government approach to common VPS people management has been adopted. The OWD has established the Public Service Strategic Workforce Development Reference Group comprising Deputy Secretaries from each department to address common people management issues.

Recommendation 3.2

Agencies be required to address any relevant issues that arise from the Workplace Integrity Survey.

Response:

The Government supports the recommendation. The Commissioner for Public Employment has written to all Departments advising them of the results of the survey and recommending action. He has also published results of the study in the quarterly bulletin of Statistical Compilations of OPE (sCOPE). He will be undertaking another Workplace Integrity survey in 2004 to measure trends. A further study is being jointly undertaken by OPE and OWD into merit.

Recommendation 4.1

The Victorian Public Service, through the Office for Workforce Development, develop a service-wide approach to developing its policy skills capability. This approach may involve the co-ordinated and planned use of secondments, higher duties and other developmental opportunities.

Response:

The Government acknowledges the importance of enhanced policy skills as an integral component of increasing the capacity of the VPS to meet the expectations of the community. The Government supports the recommendation in principle. The Office for Workforce Development will work with a policy skills reference group to develop a service wide approach to building policy skills capability. Some Departments have already initiated programs, such as the Department of Innovation, Industry and Regional Development's Policy Skills program.
Recommendation 4.2

The Department of Premier and Cabinet implement an effective management reporting system in relation to the Australian Graduate School of Government to ensure that accurate performance information is regularly reported to all relevant stakeholders and information on the success of this initiative is included in the annual report of Department of Premier and Cabinet.

Response:

The Australia and New Zealand School of Government Limited has been established as a not-for-profit public company by a consortium of governments and universities. Government members include the Victorian Government, the Commonwealth Government, the New Zealand Government, the New South Wales Government and the Queensland Government. Nine universities and one business school across Australia and New Zealand are also members of the company.

Detailed reporting and accountability arrangements have been put in place for ANZSOG Limited. As a public company limited by guarantee, ANZSOG will comply with the requirements of the Corporations Act 2001 and will report as required by law to the Australian Securities and Investment Commission.

In addition to these statutory requirements, the ANZSOG Board will receive regular management reports on the performance of the company. The Victorian Government nominates one director to the Board. Mr Terry Moran, Secretary of the Department of Premier and Cabinet, currently fills this position. Government members will also receive regular reports on the progress of scholarship recipients and feedback on student satisfaction with the quality of programs offered by the School.

Due to the structure of ANZSOG, it is not appropriate for the Department of Premier and Cabinet to report performance beyond the involvement of the Victorian Public Service.

Recommendation 4.3

The Government undertake research to better identify the features of the Victorian Public Service that make it a competitive ‘employer of choice’. This research should identify the level of importance that current and prospective employees place on factors such as remuneration, terms and conditions, flexibility, training and development, and work satisfaction.

Response:

The Government supports the recommendation.
The Government refers to its response to recommendation 2.3
Recommendation 4.4

Agencies promote and emphasise the positive aspects of Victorian Public Service employment in the advertising and promotional work that they undertake.

Response:

The Government supports the recommendation.
The Government refers to its response to recommendation 2.3

Recommendation 4.5

The Victorian Government research whether a gap exists between stated agency support for a better work/life balance and the experience of Victorian Public Service employees. This research could identify barriers to such a balance and make appropriate recommendations.

Response:

The Government supports the recommendation.
The Government refers to its responses to recommendations 2.4 and 2.6.

Recommendation 5.1

The Office for Workforce Development undertake a review of its existing suite of service-wide training and development programs to ensure these programs are relevant in addressing the various skills shortages identified by the majority of Departments.

Response:

The Government supports the recommendation. This review will be undertaken following the implementation of the new career structure. In the interim, research on training and learning and development within the VPS is being undertaken by the OWD in close cooperation with departments.
Recommendation 5.2

The Office for Workforce Development, with support from Departmental Secretaries, develop appropriate strategies to address succession planning and executive mobility needs across the Victorian Public Service. These strategies may include secondments and the development of incentives to executive mobility.

Response:

Departments address succession planning as part of their workforce plans. The OWD will develop initiatives to arrange secondments and executive mobility across the Victorian Public Service. The Government supports the recommendation and it should be noted that the recent machinery of Government changes resulted in a number of executive moves.

Recommendation 5.3


Response:

The Government and the Community and Public Sector Union (‘CPSU’) agreed to review the career structure of the Victorian Public Service in the Victorian Public Service (Non-Executive Staff) Agreement 2001 (the Agreement). The review aims to reach agreement between CPSU and the Government as to reforms of the existing classification structure with implementation beginning on 1 July 2003. The aim of the review is to put in place a career structure that is more transparent and fair.

Recommendation 5.4

The Government ensure greater transparency and equity in the allocation of performance pay in the Victorian Public Service, particularly in regard to executive bonuses, and evaluate whether performance pay actually encourages or rewards superior performance.

Response:

The new career structure will support a progression system that recognises and rewards the value added by employees. Reporting on performance pay outcomes by gender and level will be required. The Government supports the recommendation in principle and the OWD will undertake a review of executive employment that will consider the role of executive bonuses. All elements of the new structure will be evaluated.
Recommendation 6.1

The Victorian Government develop a planned and strategic approach to workforce planning at both the individual agency level and across the whole Victorian Public Service.

Response:

The Government supports the recommendation. The OWD was established to enhance workforce planning across the Victorian Public Service. The OWD is working with departments to improve workforce planning at the individual agency level and across the VPS as a whole. Some Departments have also created initiatives to enhance workforce planning.

The Department of Human Services has created an organisation wide flagship project, “Investing in a Quality Workforce”. The project is providing a solid foundation and approach for developing policy direction and a planning methodology, a set of complementary organisational arrangements and workforce study programs aimed at developing three year rolling plans for identifying priority workforce areas.

Recommendation 6.2

The Government develop the human resources capability within the Victorian Public Service to ensure agencies and the public service as a whole are able to deal effectively with the significant short-term and medium-term workforce management challenges.

Response:

The Government supports the recommendation. The OWD will work with Departments to ensure that the human resources capability is appropriate. Training for human resource practitioners will accompany the introduction of the new career structure. The OWD will also promote opportunities for secondments for human resource staff to build human resource capability and awareness from a whole of government perspective. The OWD will work with the OPE to develop human resource capability.
Recommendation 6.3

The Office of Public Employment and the Office for Workforce Development work together to identify the strategies required to develop the human resources capability of the Victorian Public Service.

Response:

The Government supports the recommendation. The Government refers to its responses to recommendation 6.2

Recommendation 6.4

Victorian Government departments and agencies ensure their human resources areas are adequately staffed to develop human resources capabilities and to become a more strategic business partner.

Response:

The Government supports the recommendation. The Office for Workforce Development will assist Departments and agencies in developing human resource capabilities and ensuring that the human resource areas act as strategic business partners.

Recommendation 6.5

The Office for Workforce Development and the Office of Public Employment clarify the areas in which they work co-operatively, to ensure the workforce planning and human resources capabilities of the Victorian Public Service are effectively developed. The information relating to their respective roles and responsibilities should be communicated to all agencies.

Response:

The Government supports the recommendation. The OWD, the OPE and Industrial Relations Victoria (IRV) have developed an agreed protocol for a cooperative approach to people management in the VPS. This protocol has been distributed to all Departments.