

## **CHAPTER 5: DEPARTMENTAL WORKFORCE – COMPARATIVE ANALYSIS**

### **Key findings of the Committee:**

- 5.1** Committee analysis of staffing data provided by eight government departments, parliamentary departments, and nine major budget funded agencies, indicates a likely increase of around 5114.1 EFT numbers (3.1 per cent) between 30 June 2007 and 30 June 2009.
- 5.2** Three departments and one budget funded agency have indicated that they expect staff numbers to decrease by 30 June 2009, while all other departments and agencies for whom data was submitted expect staffing levels to increase.
- 5.3** The Committee identified four departments and one agency where staffing levels were expected to increase by more than 10 per cent. Departments and major budget funded agencies should identify significant staffing changes (greater than 10 per cent) in budget papers, explaining the reasons for those changes.
- 5.4** Numbers of executive staff are forecast to rise by 2.9 per cent in the eight departments for which the Committee was provided complete data. The Department of Sustainability and Environment was the only department that expects to reduce the number of executive officers, while the Department of Planning and Community Development and the Department of Primary Industries both expect executive numbers to rise by more than 20 per cent.

## **5.1 Introduction**

As part of its 2008-09 Budget Estimates inquiry, the Committee sought information from departments on their actual equivalent full time (EFT) staff numbers at 30 June 2007 compared with the expected actual for 30 June 2008 and 30 June 2009. The Committee's request covered both departments and their major budget funded agencies.

The purpose of seeking such information was to identify any trends on staffing numbers within departments and budget funded agencies, and to consider any additional information provided by departments on matters impacting on staffing numbers such as machinery of government changes and targeted efficiency savings.

Departmental staffing costs are key components of output or recurrent expenditure. All departments and budget funded agencies are expected to continuously review their staffing profiles under their various programs to ensure delivery of program objectives in an efficient and economical manner.

The Committee considers that the number of staff is a key raw indicator of efficiency and effectiveness for government and its agencies. It accepts that any analysis also needs to take into account the level of staff and their skills as applied in a particular program, while acknowledging that, in a macro sense, there will be productivity gains to be made in virtually all programs in terms of staff by virtue of the application of new technology and continuous improvement in work practices.

On the basis of the expectation of productivity gains over time, the Committee judges that there should be incremental savings in staffing costs in the absence of any program changes or increases. In that context, any increase in staffing numbers by departments and agencies needs to be fully explained and justified.

The Committee sought to follow up with departments and selected agencies, staff numbers against budgets and historical data. Therefore, what follows is not a full analysis of public sector employment. The Committee intends to undertake a more comprehensive analysis of public sector employment in its *Report on the 2007-08 Financial and Performance Outcomes*.

## **5.2 Analysis of Departmental Staff Numbers**

The detailed information provided by each department in relation to staff numbers was presented in the Report on the 2008-09 Budget Estimates - Part One which was tabled in Parliament on 29 May 2008.

Table 5.1 brings together the aggregate EFT staff numbers furnished by departments and the expected percentage movement in those numbers between 30 June 2007 and 30 June 2009.

Table 5.1 indicates a likely increase of around 1249.4 EFT staff numbers, or 4.2 per cent, from the actual position in June 2007 to June 2009 and an increase of around 290.7 EFT staff numbers, or 1.0 per cent, from the estimated position in June 2008.

**Table 5.1: Departmental staff numbers excluding major budget funded agencies  
(equivalent full-time, rounded) June 2007 to June 2008**

Department	30 June 2007 (Actual) (EFT)	30 June 2008 (Estimate) (EFT)	30 June 2009 (Estimate) (EFT)	Variation between 2007 and 2009 (%)	Variation between 2008 and 2009 (%)
Parliament	540.3	590.2	589.2	9.0	-0.2
Department of Education <sup>(a)</sup>	1834.2	2,393.5	2,355.5	28.4	-1.6
Department of Human Services	11,515.0	11,180.0	11,314.0	-1.7	1.2
Department of Infrastructure	1,059.8	1,188.5	1,230.6	16.1	3.5
Department of Innovation, Industry and Regional Development	915.0	993.7	928.0	1.4	-6.6
Department of Justice	6,491.7	7,032.1	7,195.3	10.8	2.3
Department for Planning and Community Development	686.0	962.1	1,004.2	46.4	4.4
Department of Premier and Cabinet	335.4	350.5	350.5	4.5	0.0
Department of Primary Industries	2,632.8	2,583.0	2,566.0	-2.5	-0.7
Department of Sustainability and Environment	2,831.0	2,520.4	2,545.4	-10.1	1.0
Department of Treasury and Finance	597.1	603.0	609.0	2.0	1.0
<b>Total</b>	<b>29,438.3</b>	<b>30,397.0</b>	<b>30,687.7</b>	<b>4.2</b>	<b>1.0</b>

Notes (a) Department of Education figures do not include school staff. Variations from the figures contained within the Department's Annual Report 2006-07 are a consequence of separation of school and non-school data.

Source: Responses from Departments to the Committee's 2008-09 Budget Estimates Questionnaire (question 13)

Responses from Department of Innovation, Industry and Regional Development and Department of Premier and Cabinet, to the Committee's Clarification Questions (Appendix 3)

The Department of Education, Department of Infrastructure and Department of Planning and Community Development identified respective staff number increases of 28.4 per cent, 16.1 per cent and 46.4 per cent between 2007 and 2009. This represents an increase of 1010 EFT staff in these departments.

The staffing increases in these three departments relate primarily to:

- Department of Education and Early Childhood Development – The Department identified a significant increase in the numbers of Allied Health Workers at the AH2 and AH3 levels. These increases equate to 122 EFT staff. The department also identified 199 EFT equivalent staff in new classification areas, an additional 99 staff at VPS levels five and six and a further 96 in the VPS ranges from one to four. These changes all occurred between June 2007 and June 2008 and the department has identified no significant changes between June 2008 and June 2009. These changes were to a large extent, the result of the Machinery of Government changes instigated during August 2007.
- Department of Infrastructure – The Department identified increases at all levels of employment other than at Executive Officer level, between June 2007 and June 2009. They identified an increase of 66 EFT equivalent staff at VPS levels five and six and a further 90 in the VPS ranges from one to four. The Department also identified a 135 per cent increase in the number of Principle Scientists employed, from 8.0 EFT in June 2007 to 18.8 EFT in June 2009.
- Department of Planning and Community Development – The Department identified an increase of 185 EFT staff employed within VPS levels five and six and a further 125 employed within the VPS ranges from one to four between June 2007 and June 2009. Eighty seven per cent of the increase in staff numbers during this time period is anticipated to have occurred between June 2007 and June 2008 and is likely a result of the August 2007 Machinery of Government changes.

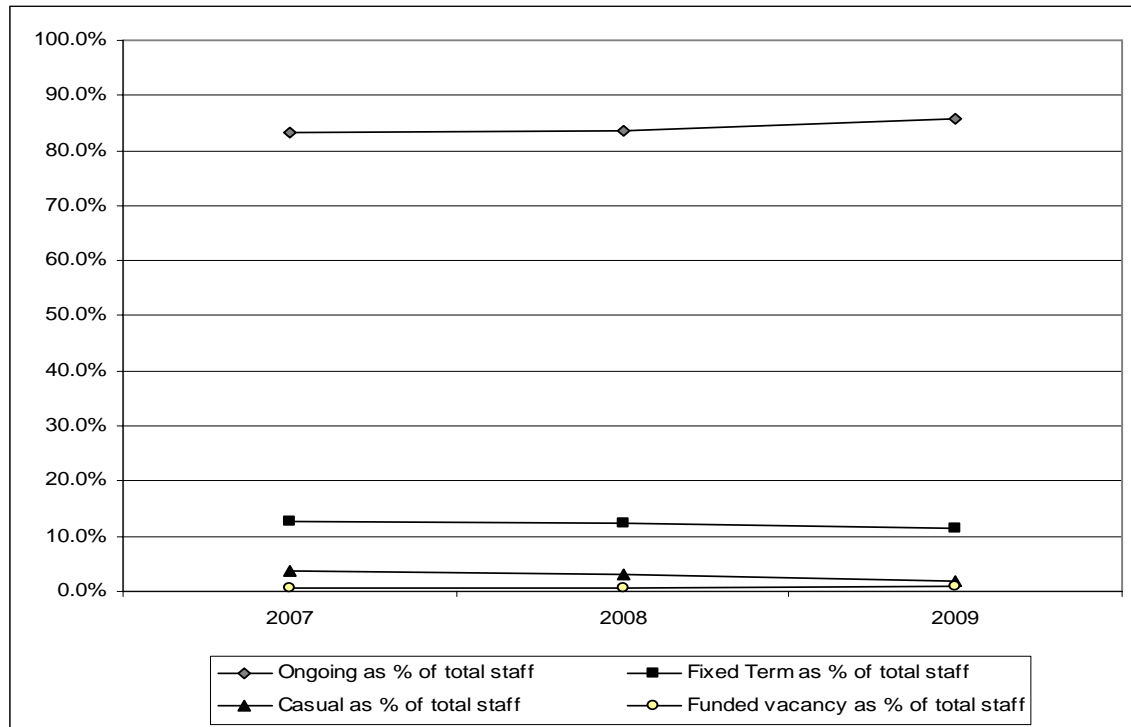
The Department Human Services, Department of Primary Industries and the Department of Sustainability and Environment anticipate a decrease in staff numbers of 1.7 per cent, 2.5 per cent and 10.1 per cent respectively. This represents a decrease of 553.4 EFT staff in these departments.

There was a significant improvement in the quality and completeness of workforce data provided to the Committee compared with previous years. The Department of Human Services has taken significant steps to improve the workforce data relating to public hospitals and residential aged care centres and the Department of Innovation, Industry and Regional Development provided a breakdown for two years according to key categories such as executive officers and Victorian public service officers.

**Recommendation 8:**

**All departments and their budget funded agencies ensure that complete and accurate information on staffing levels and costs are available to the Committee in future years.**

**Figure 5.2: Ratio of ongoing / fixed term / casual / funded vacancies across all government departments**



Notes: (a) The Department of Human Services, Department of Innovation, Industry and Regional Development and the Department of Premier and Cabinet did not provide data for 2009.  
(b) Figures do not include school staff.

Source: Responses from Departments to the Committee's 2008-09 Budget Estimates Questionnaire.

During 2007, 83.2 per cent of staff employed directly by government departments were employed on an ongoing basis. Departments predict that this figure will rise to 85.7 per cent by 2009. During the same period the ratio of staff employed on a fixed term and casual basis are expected to fall by around one per cent each.

The Department of Infrastructure identified an increase in the percentage of staff employed on an ongoing basis between 2007 and 2009 of 7.5 per cent, a reduction of 5.3 per cent of staff employed on a fixed term basis and a reduction of funded vacancies of 2.2 per cent. The classification area of most significant change was Principle Scientists. In addition to increasing the number of staff employed under this classification from eight EFT to 18.8 EFT, the department also moved all Principle Scientist staff from a fixed term basis to an ongoing basis.

The Department of Sustainability and Environment and the Department of Treasury and Finance each identified a decrease in the percentage of staff employed on an ongoing basis of 2.3 per cent and 0.1 per cent respectively. The Department of Sustainability and Environment identified an increase in the percentage of funded vacancies of 2.2 per cent.

### **5.3 Analysis of Major Budget Funded Agency Staff Numbers**

The detailed information provided by departments in relation to the staff numbers of nine major budget funded agencies was presented in the *Report on the 2008-09 Budget Estimates - Part One* which was tabled in Parliament on 29 May 2008.

Table 5.3 brings together the aggregate EFT staff numbers furnished by departments in relation to the major budget funded agencies and the expected percentage movement in numbers between 30 June 2007 and 30 June 2009.

Table 5.3 indicates a likely increase of around 3865 EFT staff numbers, or 2.9 per cent, from the actual position in June 2007 to June 2009 and an increase of around 1673 EFT staff numbers, or 1.2 per cent, from the estimated position in June 2008.

The Southern and Eastern Integrated Transport Authority (SEITA) was the only agency where the identified variation represented a decrease in overall staffing numbers between June 2007 and June 2009. SEITA was established in July 2003 to facilitate the EastLink urban road project.<sup>119</sup> The Department of Infrastructure indicated to the Committee that once the East Link project has been completed in 2008-09, most of the staff currently employed with SEITA will return to the Department of Infrastructure or VicRoads.

The Shared Services Centre (SSC) was the only agency which identified a significant (greater than 10 per cent) increase in EFT staff numbers between June 2007 and June 2008. The SSC identified an increase of 52.4 EFT staff (77.5 per cent), mainly at VPS level three and VPS level 6 where EFT numbers more than doubled from 27.6 EFT to 62.6 ETF.

Regarding public hospitals and aged care centres, the Department of Human Services indicated to the Committee, that they have been working with the major payroll providers that supply payroll services to public hospitals and have implemented a new minimum workforce database (MDS) that provides for the collection of a wider range of staffing profiles and payroll data on a regular basis. At present 43 agencies (approximately 50 per cent), are reporting through the MDS. The Department advised that all payroll providers have completed necessary IT specification work and the software is currently being tested at lead agencies by payroll providers yet to come online.<sup>120</sup>

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<sup>119</sup> Southern and Eastern Integrated Transport Authority Annual Report 2006-07, September 2007, p.11.

<sup>120</sup> Department of Human Services, Departmental Response to PAEC Budget Estimates 2008-09 Questionnaire, p.30.

**Table 5.3:** Staff numbers for nine major budget funded agencies  
(equivalent full-time, rounded)  
June 2007 to June 2008

Department	30 June 2007 (Actual) (EFT)	30 June 2008 (Estimate) (EFT)	30 June 2009 (Estimate) (EFT)	Variation between 2007 and 2009 (%)	Variation between 2008 and 2009 (%)
Southern and Eastern Integrated Transport Authority	32.3	32.3	30.8	-4.6	-4.6
Essential Services Commission	58.1	73.5	62.5	7.5	-15.0
Shared Services Centre	67.6	119.4	120.0	77.5	0.5
State Revenue Office	443.6	468.0	462.0	4.1	-1.3
Police (Public Servants)	2,532.0	2,589.7	2,583.6	2.0	-0.2
VicRoads	2,729.3	2,772.0	2,903.0	6.4	4.7
Police (Police, Reservists & Recruits)	11,163.4	11,196.5	11,262.0	0.9	0.6
Schools (a)	51,068.9	51,490.0	51,730.0	1.3	0.5
Public Hospitals and Aged Care Centres (b)	66,468.0	68,014.0	69,274.0	4.2	1.9
<b>Total</b>	<b>134,563.2</b>	<b>136,755.4</b>	<b>138,427.9</b>	<b>2.9</b>	<b>1.2</b>

Notes: (a) Variations from the figures contained within the Department's Annual Report 2006-07 are a consequence of separation of school and non-school data.

(b) The Department of Human Services noted that this data was collected either electronically from payroll providers or by survey from hospitals.

Source: Responses from Departments to the Committee's 2008-09 Budget Estimates Questionnaire (question 13)