

# Machinery of Government Changes

Whole of Victorian government statement

## Overview of the Machinery of Government Changes

1. On 4 December 2014, the Premier announced a number of Machinery of Government (MOG) changes, effective 1 January 2015.
2. The MOG changes created new portfolios such as the Special Minister of State and the Minister for the Prevention of Family Violence.
3. The MOG changes reduced the number of Departments from nine to seven.
4. The MOG changes also reallocated functions between Departments.
5. A summary of the MOG changes is described in the media release attached to this statement.

## Purpose of making Machinery of Government changes

6. MOG changes are a common practice following a change of Government.
7. It is Government's prerogative to arrange government functions in a manner that it considers will assist it to deliver its priorities.
8. At a high-level, the recent MOG changes were designed to make changes to portfolios and to position Departments for delivering on the Government's priorities with respect to improving social service delivery, driving Victoria's economic development, managing Victoria's built and natural environments and increasing the accountability and transparency of government.
9. The Government's objective in consolidating Departments from nine to seven was to position Departments to collaborate on cross-portfolio policy matters, share ideas, form a coherent view on issues of strategic importance, and engage with those affected by policy outcomes.

## Roles and responsibilities

### **The Government**

10. The Premier is responsible for MOG changes that involve changes to portfolios and the transfer of functions and staff from one public service body to another.

### **The Department of Premier and Cabinet (DPC)**

11. As the First Minister's Department, DPC has responsibility for overseeing the implementation of the Premier's MOG changes.

## Departments

12. Departments are responsible for working with DPC to implement the Premier's MOG changes, as well as implementing MOG changes directly affecting their Department.

## Relevant legislation and other instruments

### General Order

13. The Premier, as First Minister of the Government, determines Ministerial portfolios and makes a General Order allocating Ministerial responsibility for all Victorian legislation. The General Order establishes the framework for other MOG changes including changes to Departments, Administrative Offices, and the transfer of staff and functions.

### Public Administration Act 2004

14. Section 10 of the *Public Administration Act 2004* (PAA), provides for a Department to be established, abolished or have its name changed.
15. Section 11 of the PAA provides for an Administrative Office to be established, abolished or have its name changed.
16. Section 30 of the PAA provides that, on the transfer of a function, the Premier may make a declaration transferring any staff who are "necessary to carry out, or support the carrying out of, that function".

### Administrative Arrangements Act 1983

17. Governor-in-Council has responsibility for making an Administrative Arrangements Order (AAO) under the *Administrative Arrangements Act 1983* (the AAA), which requires references to Departments, portfolios, and Secretaries in legislation and legislative instruments to be changed, to give effect to MOG changes.

## Implementation process

18. The MOG changes were announced on 4 December 2014 and implemented by 1 January 2015.
19. Departments had structures in place by the time they commenced on 1 January.
20. The effectiveness of this process can largely be attributed to collaboration of Departments and a collective emphasis on timeliness.

### Role of the whole-of-government Inter-Departmental Committee (IDC)

21. The implementation process was primarily coordinated by a whole-of-government IDC chaired and convened by DPC.

22. The IDC was comprised of senior public servants from all eight Departments affected by the transfer of functions. DEECD therefore was not a member of the IDC. The role of the IDC was to:
- a. agree an implementation process, including timelines, the management of financial responsibilities and the transfers of budgets;
  - b. oversee the MOG changes announced by the Premier and ensure changes were implemented consistently with the announcement;
  - c. resolve and clarify any outstanding issues such as the number of staff attached to a particular function or the definition of particular functions; and
  - d. ensure clear and consistent communication of MOG changes across the VPS.
23. All matters were resolved without escalation beyond the IDC.

### **Role of Departments**

24. The role of DPC was to prepare the following instruments to implement the MOG changes:
- a. the General Order for the Premier's signature to allocate Ministerial responsibility for legislation;
  - b. Department and Administrative Office restructure orders under the PAA (section 10 and 11 orders) for the Governor in Council's consideration and approval;
  - c. a PAA section 30 declaration for the Premier's signature to effect the transfer of functions and staff; and
  - d. an AAO for Governor in Council's consideration and approval to require that references to Ministers, Departments and Secretaries in legislation and subordinate instruments be read consistently with the MOG changes.
25. In addition to the whole-of-government IDC, representatives of Departments most affected by the changes such as DEDJTR and DELWP convened bi-lateral IDCs to determine what each Department needed with respect to resourcing and budgets. The purpose of these forums was to position Departments to commence work under the new arrangements as of 1 January 2015.
26. In accordance with the positions and processes established by the IDC, Departments were individually responsible for:
- a. working with DPC to develop relevant sections of the Declaration made under section 30 of the PAA;
  - b. procuring the agreement of their respective Secretaries, as the employers, to the proposed transfers of functions and staff; and
  - c. working together to progress the transfer and/or consolidation of corporate services such as payroll and information technology services, and with DTF on the re-alignment of their financial estimates to the new administrative structure.

### **Consulting the Community and Public Sector Union (CSPU)**

27. DPC contacted the Secretary, CSPU, to communicate the proposed changes and confirm that the changes would be implemented consistently with the Government's policy commitments that the Government would not engage in forced redundancies and that each transfer was on terms and conditions of employment that are no less favourable overall (as required by section 28 and section 30 of the PAA).
28. The Special Minister of State also sent a letter to the Secretary, CSPU, reiterating this advice.

### **Delivering the Government's priorities**

29. The MOG changes are intended to help the Government deliver its priorities. The way in which the MOG changes align with these objectives are described in more detail below.

### **Improving social service delivery**

30. The Government's intention in consolidating the former Departments of Health and Human Services is to better align functions with the following Government policy objectives:
  - a. to develop integrated and innovative policy and service delivery responses, which have a greater client focus, improve the health and wellbeing of Victorians and tackle the issues associated with social disadvantage;
  - b. to strengthen the focus on prevention and early intervention by better linking universal health services with more targeted and specialist services;
  - c. to combine the efforts of these service systems to drive improved outcomes for all Victorians, particularly those with multiple and complex needs spanning issues such as mental health, housing, drugs and alcohol, chronic health configurations and disability.
31. A number of community portfolios were transferred to DPC, including the new portfolios of Equality and Prevention of Family Violence. The objective of these transfers is to bring a whole-of-government approach to the implementation of a number of the Government's election commitments.

### **Supporting economic development priorities – jobs, innovation and competitiveness**

32. The Department of Economic Development, Jobs, Transport and Resources (DEDJTR) was created with the objective of bringing together many of the key levers and functions that drive economic development and job creation across Victoria: transport and ports, energy, investment attraction and facilitation, trade, innovation, regional development and small business, together with key services to sectors such as agriculture, the creative industries, resources and tourism.

33. The consolidation of functions within the Department is intended to facilitate better communication, coordination and alignment in relation to policy-making, service delivery and investment into the various industry sectors that the department assists.

**Managing Victoria's natural and built environments**

34. The Department of Environment, Land, Water and Planning (DELWP) is focussed on managing and protecting Victoria's natural and built environment to foster economic growth and liveable, sustainable and inclusive communities.

**Increasing accountability and transparency in government**

35. The Special Minister of State portfolio is a new portfolio in Victoria and includes transparency, integrity, accountability and public sector administration and reform.
36. DPC provides support the Special Minister of State in undertaking these responsibilities and, as such, the Department's portfolio now includes providing support in relation to integrity agencies such the Independent Broad-based Anti-corruption Commission, the Ombudsman and the Auditor-General.
37. The co-location of these integrity and accountability functions aligns with the Special Minister of State's mandate to lead the implementation of a number of important Government initiatives to improve the operation of integrity agencies.
38. The functions of digital government and public sector ICT were also transferred to DPC to assist the Special Minister of State to:
- a. reform information sharing arrangements between public sector entities and establish the necessary data capabilities across government, to enable better integrated and targeted service delivery and policy development; and
  - b. strengthen the integrity of government's management of ICT projects and provide whole of government leadership on the adoption of digital technologies to enable a more flexible, accountable and connected public sector.

**Complementary MOG changes**

39. A small number of other MOG changes were made to DET (change of name), DOJR (change of name and transfer of integrity functions to DPC) and DTF (transfer of a small number of functions, for example Industrial Relations Victoria to DEDJTR).