



# Ensuring the public sector is focused on what matters most

DECEMBER 2025

# ACKNOWLEDGEMENT OF COUNTRY

The Victorian Government acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and the oldest continuing culture in human history. We proudly acknowledge Victoria's Aboriginal communities and recognise the value and ongoing contribution of Aboriginal people and communities to Victorian life. We pay our respect to Elders past and present.

As we work to ensure Victorian Aboriginal communities continue to thrive, the government acknowledges the invaluable contributions of generations that have come before us, who have fought tirelessly for the rights of their people and communities towards self-determination. We reflect on the continuing impact of government policies and practices and recognise our responsibility to work together with and for Aboriginal and Torres Strait Islander peoples towards improved cultural, social and economic outcomes.

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## Introduction

Cost of living pressures mean Victorian families have to carefully consider every dollar. They rightly expect their government to do the same.

The Victorian Labor Government is making sure the public sector is focused on Victorians and their priorities: good schools, good hospitals, safe communities – and helping families with the cost of living.

Victoria's public service is characterised by professionalism, dedication and hard work, made up of people who deliver high quality services to Victorians. It is the responsibility of the government to focus the public sector on what matters most, ensuring services are delivered efficiently and sustainably by achieving better value for money.

Earlier this year, the government commissioned an independent review to zero in on waste and inefficiency, with a focus on returning the non-frontline public service towards its pre-pandemic share of employment.

The Victorian Government welcomes the Independent Review of the Victorian Public Service: Final Report, by Ms Helen Silver AO, former Secretary of the Victorian Department of Premier and Cabinet. The government thanks Ms Silver for the comprehensive review and report.

In making recommendations the Review has considered the role of the government, overlapping responsibilities, and opportunities to enhance service delivery effectiveness and efficiency.

The Victorian Labor Government will be implementing the majority of these recommendations, and as a result will deliver over \$4 billion of savings.

We will deliver these savings through measures including:

- removing 332 executives and executive-like roles in the public service, which the Review estimates will save \$359 million
- further reducing spending on consultants and labour hire, saving \$113 million
- cutting CBD office costs now that more Victorians are working from home, saving over \$50 million.

We will also address duplication by merging government entities that serve the same function, such as:

- combining the separate food safety regulators for dairy and meat into a new Safe Food Victoria
- combining the authorities for fishing and hunting into a new Outdoor Recreation Victoria
- bringing the public health promotion work of VicHealth into the larger Department of Health
- winding up entities that are no longer needed, such as Sustainability Victoria, which doubles up functions of the Department of Energy, Environment and Climate Action.



This government has been clear that we will never make cuts to the frontline services that families rely on.

We have rejected recommendations affecting frontline services including kinders, TAFEs, and dental care for children.

Today, there are more frontline services for Victorians than before the pandemic.

Compared to 2019 there are:

- an extra 671 police and Protective Services Officers – an increase of 4.1 per cent
- an extra 3,890 teachers in our government school system – an increase of 9 per cent
- an extra 10,282 nurses and midwives – an increase of more than 30 per cent.

This response lays out the immediate actions the Victorian Labor Government is taking to rebalance the public service and reform government entities: making sure the public sector is focused on what matters most.

It is an important part of our responsible economic and fiscal plan.

We are reducing debt as a proportion of the economy and are on track to deliver an operating surplus, all while continuing to deliver the services and infrastructure Victorians rely on.

Victoria's economy is growing, having grown faster in relative terms than any other state over the past decade. Business investment is at elevated levels, and the labour market remains healthy. Victorian contributions such as abolishing stamp duty for commercial and industrial property, cutting the regulatory burden by \$500 million by 2030, driving innovation in the health care sector and committing to reducing the number of regulators will contribute to a more productive economy.

Empowering the public service and equipping workers with the right tools will boost productivity in the public sector – enhancing service delivery, delivering better outcomes for Victorians, and reducing costs for businesses and communities to unlock productivity in the economy.

**By zeroing in on inefficiency and non-priority programs, the government is able to continue investing where it matters most to Victorians.**



## Executive summary

The Labor Government's implementation of the Review and actions to reform the Victorian public sector will create more than \$4 billion in savings, ensuring government spending is focused on what matters most to Victorians.

The government is:

- continuing disciplined and responsible fiscal management
- rebalancing the public service following the pandemic
- reforming government entities to remove duplication and boost productivity
- continuing advocacy for Victoria's fair share of Commonwealth funding
- focusing the public sector on what matters most and providing the frontline services Victorians deserve.

### Disciplined and responsible fiscal management

The Victorian Labor Government has set out its fiscal strategy to restore the budget after the COVID-19 pandemic, and it is working.

The government is growing our state's economy and reducing debt as a share of the economy, while continuing to deliver the services and infrastructure Victorians rely on.

We will deliver an operating surplus and will be the first government on the eastern seaboard to achieve this in 2025-26.

### Rebalancing the public service following the pandemic

The government will reduce executive and executive-like roles by 332 across the public service, which the Review estimates will save \$359 million from 2025–26 and over the forward estimates.

We will also rebalance the proportion of senior VPS5 and VPS6 positions, estimated by the Review to save \$125 million over the forward estimates. This will help to return the public service to its pre-pandemic profile and create opportunities for more junior and graduate positions.

The government will also further reduce consultants and labour hire contractor expenditure by 10 per cent. While the Review noted that spending on consultants and labour hire contractors has declined to below pre-pandemic levels, the government will deliver further savings of \$113 million over the forward estimates.



## Reforming government entities to remove duplication and focus on excellence in service delivery

Building on the *Economic Growth Statement* and the work already underway to cut the number of business regulators by half, the government will now streamline and further reduce the number of government entities.

This is to be achieved by merging entities with similar functions, returning functions to government departments, or by winding down entities that are no longer required.

These activities will bring about further red tape reduction and make it easier for businesses and the public to navigate government. Specifically, the government will:

- establish Safe Food Victoria to replace the complex mix of Dairy Food Safety Victoria, PrimeSafe, Department of Health, and local councils
- create the Business and Professions Regulator, by expanding the role of the Business Licensing Authority to cover architects, surveyors, and veterinarians
- merge the Victorian Legal Services Board and Legal Admissions Board
- absorb HealthShare Victoria and VicHealth into the Department of Health
- absorb the Health Complaints Commissioner into Safer Care Victoria
- absorb the functions of Recycling Victoria into the Environment Protection Authority.

Earlier this year, the new Building and Plumbing Commission brought together the Victorian Building Authority, Domestic Building Dispute Resolution Victoria, and building insurance functions.

By halving the number of business regulators by 2030, Victoria will have the lowest number of business regulators of any state.

## Advocating for Victoria's fair share of Commonwealth funding

The Review highlights that Victoria's share of Commonwealth Government funding relative to its population share has been consistently below that of other large states.

Victoria has received \$31 billion less than its population share since the GST was introduced and Victoria has received \$9.4 billion less than its population share in infrastructure funding over the past 10 years.

The Victorian Government will continue to advocate for better funding for Victoria, and work with the Commonwealth to find ways to address this imbalance.





## Providing frontline services for Victorians

The Review notes that, to address service gaps, Victoria has made decisions to fund services that are traditionally delivered by the private sector or are the responsibility of the Commonwealth. We will always ensure Victorians can access the high-quality services they need, and we make no apology for stepping up. These services are important and that is why the government is not adopting some recommendations made by the Review. The government stands by its commitment to not cut frontline services.

## Disciplined and responsible fiscal management

The Victorian Labor Government has set out a clear path to restore the Budget after the COVID-19 pandemic.

- **Step 1:** creating jobs, reducing unemployment and restoring economic growth
- **Step 2:** returning to an operating cash surplus
- **Step 3:** returning to operating surpluses
- **Step 4:** stabilising net debt levels as a proportion of Gross State Product (GSP)
- **Step 5:** reducing net debt as a proportion of GSP.

This strategy is working.

The government is growing our state's economy and reducing debt as a share of the economy, while continuing to deliver the services and infrastructure Victorians rely on.

Our balance sheet is strong.

We have an operating surplus, and we will be the first government on the eastern seaboard to achieve this in 2025-26. We are also strengthening accountability with the first major reform of the *Financial Management Act 1994* in 30 years.

The changes:

- introduce an 'early warning system' for agencies to report any emerging financial risks to the Department of Treasury and Finance Secretary
- introduce enhanced responsibility for Accountable Officers and Chief Finance Officers for the financial management, financial performance and financial sustainability of their department or agency.

Now, we are taking further steps to reinforce our strong financial decision-making framework.



## Rebalancing the public service

Victoria's public service is professional, highly skilled and plays a fundamental role in delivering the services that matter most to Victorians. The government will make sure the public service makes prudent use of resources, while delivering high-quality and cost-effective services for Victorians.

Since the end of the pandemic, the government has worked consistently to return the public service to its pre-pandemic share of employment, with the public service consistently decreasing as a proportion of the public sector workforce since 2021. Public service FTE as a percentage of the total public sector workforce was 17.4 per cent at June 2024, decreasing from its highest level of 19.6 per cent at June 2021.

But the Review found the public service has become 'top-heavy' in recent years, with a disproportionate growth of senior roles. It recommends rebalancing the workforce to reduce the proportion of senior roles and levels of hierarchy, while granting greater autonomy to employees at middle levels and creating more entry-level roles.

The government supports this approach and confirms that frontline services will not be affected by these changes.

Rebalancing the public service, better empowering non-executive public servants and maintaining fiscal discipline is critical for ensuring that funding is directed to the priorities of Victorians.

The government will:

- **reduce executive and executive-like roles** by 332 across the public service, which the Review estimates will save **\$359 million** over the forward estimates
- **reduce the proportion of senior VPS5 and VPS6 positions**, estimated by the Review to save **\$125 million** over the forward estimates.

The public service workforce will be rebalanced through careful workforce planning, natural attrition and staff consultation.

Public service body heads will have regard to the *Public Administration Act 2004* and the Victorian Public Service Enterprise Agreement 2024 in implementing these changes.

We will support the public service to keep delivering high-quality services and advice to government while implementing these reforms through forward-looking capability reviews. These will assess agency capabilities and ensure departments are able to meet future challenges and deliver on the priorities of Victorians.

The Review notes that spending on consultants and contractors is now less than before the pandemic, but we will go further and reduce reliance on external services and seek to retain expertise in the public service.

The government will:

- **reduce consultant and contractor** spend by another 10 per cent.



## Reforming public entities to remove duplication and focus on excellence in service delivery

Just as the needs of the community have evolved over time, so too must public services.

Last December's *Economic Growth Statement* contained key commitments to reduce the regulatory burden on business and make it easier to navigate approvals.

For example, recent reforms are saving hospitality businesses up to \$7,000 by removing duplication requiring them to get both a planning permit and a liquor licence to serve alcohol.

A new digitisation and Artificial Intelligence (AI) program will speed up approvals, saving businesses even more time and money.

The Review identifies that a range of public entities and boards that once served an important purpose are no longer needed.

By merging similar bodies, returning functions to core government departments, or winding down bodies that have achieved their policy goals, the government will **reduce the number of public entities and boards by 29**.

The government has also chosen not to act on some of the Review's recommendations. In many instances, there are significant reforms underway that require completion before further structural changes can be contemplated. For some recommendations, more detailed assessment is required.

But in other areas, the government has been able to go further than the recommendations of the Review, identifying additional ways to reduce duplication.

### Halving the number of business regulators by 2030

The Victorian Government is already working to cut red tape by halving the number of business regulators by 2030. Announced in the *Economic Growth Statement*, this will mean Victoria will have the lowest number of regulators of any state in the nation.

The government has already:

- merged the Victorian Building Authority, Domestic Building Disputes Resolution Victoria and the domestic building insurance arm of the Victorian Managed Insurance Authority to create the new **Building and Plumbing Commission**, which commenced operation on 1 July 2025
- announced the creation of **Safe Food Victoria**, which will combine the regulatory activities of PrimeSafe, Dairy Food Safety Victoria, local councils and the Department of Health. Safe Food Victoria is planned to begin operations in mid-2026.



After carefully considering the findings of the Silver Review, the government is now announcing the next phase of regulator consolidations:

- bringing the Architects Registration Board, Surveyors Registration Board and the Veterinary Practitioners Registration Board into the Business Licensing Authority to form a new **Business and Professions Regulator**
- creating **Outdoor Recreation Victoria** by bringing together the Game Management Authority and the Victorian Fisheries Authority
- absorbing Recycling Victoria into the **Environment Protection Authority**
- combining the Victorian Legal Services Board and its Commissioner with the Legal Admissions Board into a single **Legal Practitioner Regulator**.

## Merging or streamlining entities with similar functions

The Review has identified opportunities to reduce duplication by merging entities with overlapping or similar functions. In response, the government will:

- amalgamate the functions of the Office of the Racing Integrity Commissioner and the Victorian Racing Integrity Board into a new integrity assurance body, the **Racing Integrity Commission Victoria**
- merge the Community Safety Building Authority into the **Victorian Infrastructure Delivery Authority**
- merge Emergency Recovery Victoria into **Emergency Management Victoria**
- abolish the Victorian Environmental Assessment Council and transfer its investigation and assessment functions to the **Commissioner for Environmental Sustainability**
- abolish the Firearms Appeal Committee and transfer functions to the **Victorian Civil and Administrative Tribunal**
- merge the **Judicial College of Victoria** and the **Judicial Commission of Victoria**, bringing the management of complaints regarding judicial officers together with education and professional development functions
- absorb the Health Complaints Commissioner into **Safer Care Victoria**
- re-focus **Infrastructure Victoria** on its core statutory functions, primarily the review and updating of Victoria's rolling 30-year infrastructure strategy, and reduce its operating budget to reflect this targeted focus
- reduce the number of Victorian Mental Health and Wellbeing Commissioners to create operational efficiencies and deliver similar outcomes with fewer resources
- consolidate the management of investment funds into the **Victorian Funds Management Corporation**, who currently oversee the investment of more than \$95 billion on behalf of the government and 31 Victorian public authorities and related organisations.



## Moving functions into government departments

The Review found there are some entities and boards whose functions are not (or no longer) required to operate at arm's length from government, or functions overlap with the existing work of core departments. Consolidating functions into departments enables clearer lines of accountability and makes government less complex to navigate for citizens and business.

The government will:

- move **VicHealth** and **HealthShare Victoria** into the Department of Health
- transfer the functions of the **Victorian Government Purchasing Board** to the Department of Government Services
- transfer the functions of the **Mine Land Rehabilitation Authority** to the Department of Energy, Environment and Climate Action
- transfer the functions of the **Motor Car Traders Claims Committee** to the Department of Government Services
- move the regulatory functions of **Parks Victoria** into the **Conservation Regulator**
- phasing out **Court Services Victoria** as a separate government entity, while preserving Courts Council and separation of functions critical to ensuring judicial independence
- consolidate **mRNA Vic** and **Medical Research, Innovation and Technology** functions within the Department of Jobs, Skills, Industry and Regions.

## Winding-up entities that are no longer needed

The government will also cease entities that have achieved their original intent and are no longer required, with any residual functions transferring to other entities or departments.

The government will abolish:

- **Sustainability Victoria**, with its focus on environmental sustainability now having been adopted by other related Victorian Government entities
- **Cladding Safety Victoria** at the end of its remit to rectify extreme and high-risk buildings, which is expected in December 2025
- **Latrobe Health Assembly**, whose functions can now be carried out by Local Public Health Units, which were subsequently established to deliver health promotion communications and activities for local communities
- the **Trade and Investment Advisory Board**, which has been superseded by new forums including the Premier's Business Council
- the **Police Informants Royal Commission Implementation Monitor**
- the **Victorian Public Sector Commission Advisory Board**
- the **Victorian Marine and Coastal Council**
- the **Road Safety Camera Commissioner and Reference Group**.



## Reducing the number of advisory committees

The government agrees with the Review's finding that 90 Victorian Government advisory committees is too many and that more modern, efficient and flexible methods for seeking policy advice are available to ministers and departments.

The government has already commenced an assessment of ongoing need for a range of advisory committees to further reduce waste, inefficiency and spending in areas that aren't the priority for Victorians.

## Advocating for Victoria's fair share of Commonwealth funding

Victoria is home to more than a quarter of Australians, and our population is continuing to grow. But, as the review highlighted, Victoria has historically missed out on our fair share of Commonwealth funding.

Since the GST was introduced, Victoria has received \$31 billion less than its population share. That has had an impact on the State Budget.

The government will continue to:

- **advocate for the Commonwealth** Government to find ways to address this funding imbalance
- **seek a fair GST system** that does not leave Victoria and other states worse off, while WA receives all the benefits
- **advocate for better data sharing arrangements with the Commonwealth** to support improved targeting of concessions and other supports.

The government will draw on the findings of the Review to strengthen its existing advocacy in national forums.

The Review notes that Victoria has stepped in to fund services that are the responsibility of the Commonwealth. These decisions addressed service gaps and stopped Victorians from falling between the cracks. Our government will continue to engage proactively with the Commonwealth to ensure these critical services are funded appropriately.



## Focusing the public sector on what matters most

### Making it easier to invest in Victoria

Delivery of key supports for innovation and commercialisation, together with ongoing management of existing investments, will be consolidated – bringing together the capabilities of Breakthrough Victoria and LaunchVic.

The government will continue to ‘crowd-in’ private capital to turbocharge investment in Victoria, while reducing overall investment and the level of risk exposure from direct equity investments, including closing the Equity Investment Attraction Fund pilot program and reducing funding allocated to Breakthrough Victoria.

As part of its *Economic Growth Statement*, the government announced a single-entry point for business on all investment-related engagements through Invest Victoria. This investment ‘front door’ is intended to provide dedicated facilitation support to businesses looking to invest in Victoria. An Investment Coordinator General role was also established to help ensure regulators and agencies meet approval deadlines.

Building on these measures, the recently released Victorian Industry Policy provides a coherent framework for the government’s relationship with industry – focused on competitiveness, productivity and economic resilience.

### Strengthening our TAFE network

Free TAFE has helped more than 212,600 students get the skills they need for the job they want. It also ensures we have the right skills mix for in-demand industries, supporting economic growth.

The Review recommended targeted mergers of TAFEs – something this government will only support when they are voluntary.

Improving digital infrastructure and administrative functions means TAFEs can operate more efficiently and focus on student outcomes. The government will strengthen the role of the Office of TAFE Coordination and Delivery to drive innovation across the TAFE network.

The government continues to work collaboratively with the TAFE Network to maximise value for money and student outcomes, including through sale of underutilised assets to support re-investment in the sector. This strategy, co-designed with the TAFE Network, is underway and seeks to protect training provision and plan and respond to growth.

The Labor Government has a track record of building better TAFEs: upgrading facilities, modernising learning spaces, and building brand new campuses in our growing suburbs.

The government will undertake a targeted approach to land sales, informed by the TAFE Network Asset Strategy, which is unlikely to produce the revenue identified by the Review.



## Investing in Education

Victoria is proudly the Education State.

We have nation-leading NAPLAN results, and more than half of all new government schools built in Australia over the past decade are here in Victoria.

The government supports many of the Review's recommendations to improve backroom efficiency and make sure education funding is directed where it's needed most.

The School to Work program connects students with valuable real-world learning opportunities. But take-up is low.

In line with the Review's recommendations, we will look at more efficient and effective ways to deliver the program, making sure it reaches more students.

We will also make changes to the funding model for the English as an Additional Language program so that it is focused on those who need it.

However, some of the Review's recommendations are not accepted.

Programs like Doctors in Secondary Schools make sure vulnerable and disadvantaged students can access the health and mental health care they need at their school.

The Smile Squad is saving families time and money on trips to the dentist, while supporting good oral health in young Victorians.

The government will look to improve access to the Secondary Instrumental Music Program, which gives students the opportunity to learn to play an instrument – even if their families can't afford it.

## Providing affordable and accessible childcare

Affordable and accessible childcare is vital to Victorian families. The Labor Government's Best Start, Best Life reform is giving women more options – meaning they have more economic power – and driving gender equality across every aspect of work and life.

To help address the current shortage of available childcare places, the government will continue its commitment to establish new integrated childcare centres in areas where it is most needed to deliver childcare, kinder and Pre-Prep. Where possible, Victoria will leverage the Commonwealth's Building Early Education Fund.

Early Learning Victoria's centres have been established by the government in areas with the greatest need for available and affordable childcare.

The government does not support the recommendations to pause the rollout of these centres or transfer the operation of existing centres to private sector providers.





## Water corporations and catchment management

The government does not support the compulsory merger of water authorities or Catchment Management Authorities (CMAs), though there are opportunities for more sharing of back-office functions.

The services provided by individual water corporations vary significantly – particularly across regional Victoria, reflecting the different needs and infrastructure requirements of local communities.

Similarly, CMAs have deep local connections, including with Traditional Owners, overseeing things like native vegetation restoration, pest and weed control, riverbank stabilisation, and fencing waterways to benefit both farmers and the environment.

## Reducing office accommodation costs

The Victorian Government will legislate a right to work from home, two days a week.

This reflects the conditions of the public service.

Working from home works for families and it's good for the economy.

As the Review identified, it also delivers savings for government, requiring less office space for the public service.

We have already taken steps to consolidate office space across the Treasury Precinct, and will continue to reduce office costs.

## Adopting new technologies

The Victorian Government will always look to adopt new technologies that help to make services better, fairer, and more efficient. New technologies have the potential to improve service delivery, reduce administrative costs and improve productivity.

Investment in critical digital infrastructure and skills is already improving how government works together to meet the needs of the Victorian community by:

- developing new shared services through the Common Corporate Platforms to standardise human resources and payroll platforms across government
- delivering a significant ICT shared services strategy to drive efficiency through greater standardisation of digital services across the public sector
- scaling up digital customer services through Service Victoria, which already delivers over 140 government services online.

We support the recommendation to develop a structured roadmap for digital reform. A roadmap will make sure that new technology is used to gain efficiency, while maintaining and improving services provided to the community.



AI has the potential to transform how government works, making us more efficient, and better able to deliver the services Victorians rely on.

It can streamline processes in the back office that allow more focus on the frontline.

We're already investing in new ICT services and AI – as part of the *Economic Growth Statement* we've provided specific funding for departments and agencies to implement new AI technologies.

An AI Centre of Excellence will drive implementation and adoption of AI across the VPS, as well as uplift the skills and capabilities needed. The government will look at models for AI Centres of Excellence across Australia and the world, and we will have more to say about it in due course.

Victoria is positioned to be a national leader in the AI evolution. We have already announced a \$5.5 million investment to become the data centre capital. The Sustainable Data Centre Action Plan will leverage our critical assets – land, energy and talent – to unlock projects worth up to \$25 billion in potential capital expenditure.

## Implementation

The Review highlights the importance of effective governance and oversight to ensure the successful implementation of the actions outlined in this response.

The Victorian Secretaries' Board will oversee implementation of this strategy, as recommended by the Review. The Board's monitoring role will be supported by the Department of Premier and Cabinet and the Department of Treasury and Finance.

Implementation will start immediately.



## Appendix A – Summary of recommendations and government position

Recommendations		
Chapter 3 recommendations		Government position
3.1	Actively apply enhanced financial management operating principles to support strong fiscal management.	Support
3.2	<p>Commit to consistently applying 10 enhanced financial management rules, across 4 distinct phases each year, to deliver on the fiscal strategy:</p> <ol style="list-style-type: none"><li>1. Strengthen and embed an annual budget plan that aligns with longer-term planning at the start of the annual budget cycle.</li><li>2. Limit all new resource allocation decisions to the annual budget decision window.</li><li>3. Reinforce current practice that decisions on funding must be supported by robust information and business cases that meet DTF's Investment Life Cycle guidelines.</li><li>4. Embed a planning and review window in the annual budget cycle.</li><li>5. Expand systematic expenditure evaluations in the annual budget cycle.</li><li>6. Hold Secretaries and CEOs to account for their departmental and entity financial performance as part of the annual budget cycle.</li><li>7. Replace the General Efficiency Dividend (GED) in the savings framework by embedding more systematic evaluation and discrete savings targets in each budget.</li><li>8. Reduce the number of fixed term funded programs.</li><li>9. Mandate and deliver public sector financial training for executives.</li><li>10. Embed systematic job rotation for financial officers between DTF and other departments.</li></ol>	Support
Chapter 4 recommendations		Government position
4.1	Develop an overarching Commonwealth-State relations strategy for more effective strategic engagement, to unlock funding and savings, and to have a more proactive role in national reform.	Support
4.2	Continue to highlight the major consequences for Victoria and other states and territories of the Commonwealth's Western Australia Goods and Services Tax (GST) agreement, and work with states and territories to maintain the Commonwealth no-worse-off guarantee.	Support
4.3	Strengthen strategic capacity in the central agencies for Commonwealth-State relations work.	Support in principle
4.4	Identify current Victorian-funded activities that fall under Commonwealth responsibility and develop options to withdraw or divest from these programs.	Support



<b>4.5</b>	Advocate to the Commonwealth to fully fund Victoria's 12 state-funded Urgent Care Clinics.	<b>Support</b>
<b>4.6</b>	Advocate strongly for better data sharing to improve the ability of states and territories to better target programs and tax expenditures that address disadvantage and cost of living pressures.	<b>Support</b>
<b>4.7</b>	Advocate for the Commonwealth to recommence state and territory funding from the DisabilityCare Australia Fund (DCAF), which is funded by the Medicare levy increase to support the provision of disability services.	<b>Support</b>
<b>4.8</b>	Advocate for a renewed national approach and related incentives that can improve services and drive private and public sector productivity in Victoria and nationally.	<b>Support</b>
<b>Chapter 5 recommendations</b>		<b>Government position</b>
<b>5.1</b>	Reduce SES and STS roles by 332 FTE in departments and some large entities capped at 15 per cent for departments, to return towards 2019 executive to staff ratios.	<b>Support</b>
<b>5.2</b>	Rebalance the proportion of VPS5 and VPS6 positions, capped at 15 per cent, towards pre-pandemic profiles that included more staff at junior classifications, and create space for additional graduate positions.	<b>Support</b>
<b>5.3</b>	Require Secretaries, in implementing staff and salary reductions, to: <ul style="list-style-type: none"> <li>• Restructure departments with a view to removing layers and widening spans of control, consistent with principles of good organisational design, including removal of any non-standard roles not aligned to a level in the classification structure.</li> <li>• Adopt new ways of working and delegating that remove excessive layers of clearance.</li> </ul>	<b>Support</b>
<b>5.4</b>	Improve VPS employee data systems by introducing a workforce identifier.	<b>Support in principle</b>
<b>5.5</b>	Establish and implement a protocol between the executive government and the VPS that defines roles, recognises capacity constraints and promotes shared stewardship of government effectiveness.	<b>Support in principle</b>
<b>5.6</b>	Establish and invest in a VPS capability review program, commencing with a review of DGS.	<b>Support in principle</b>
<b>5.7</b>	Task and equip the VPSC, supported by DPC, to play a stronger VPS workforce strategy development role, including: <ul style="list-style-type: none"> <li>• Designing and leading the implementation of a capability review program</li> <li>• Issuing new guidance on organisational design</li> <li>• Disseminating advice on work value and re-sizing roles</li> <li>• Monitoring departments' implementation (in partnership with DTF) of the structural changes recommended by the Review.</li> </ul>	<b>Support in principle</b>
<b>Self-initiated</b>	Further reduce consultants and labour hire contractor expenditure by 10%.	<b>Support</b>



Chapter 6 recommendations		Government position
6.1	<p>Reduce the number of public sector entities by 78 through a process of consolidation and removal, including:</p> <ul style="list-style-type: none"> <li>• Regulatory system reform</li> <li>• Water and land management reform</li> <li>• Policy advice and research</li> <li>• Funds and investment management</li> <li>• Abolishing some entities and ceasing their functions</li> <li>• Absorbing the functions of entities into departments or other bodies</li> <li>• Merging entities with overlapping functions.</li> </ul>	<b>Support in part – see individual recommendations</b>
6.2	Confirm the need for 90 advisory committees, with the assumption that 90 per cent will cease and other mechanisms could be utilised if a need for external advice exists.	<b>Support</b>
6.3	Pursue a pragmatic approach to entity changes by taking early administrative actions to start realising reform and savings while developing appropriate executive actions and legislative change.	<b>Support</b>
6.4	<p>Improve the ongoing oversight and administration of public entities, and embed best practice governance, by:</p> <ol style="list-style-type: none"> <li>1. Strengthening and publishing refreshed guidelines for the establishment of public sector entities to prevent further unnecessary proliferation</li> <li>2. Defaulting to a single executive governance model, and where boards are needed, streamline them over time to a smaller number of members</li> <li>3. Improving entity data collection and reporting, ensuring consistent data capture across all entities, and fit-for-purpose reporting requirements</li> <li>4. Enforcing public sector entity review and sunset by default after 5 years</li> <li>5. Extending reviews to other forms of public sector entities (including branded divisions within departments and statutory roles).</li> </ol>	<b>Support</b>
Chapter 7 recommendations		Government position
7.1	Realign DGS to lead shared platforms and manage repeatable service delivery, return strategic corporate functions to DPC and DTF, and remove direct regulatory accountability from DGS.	<b>Support in principle</b>
7.2	Develop a structured roadmap for digital reform: scale regulatory and customer platforms; standardise corporate processes; and onboard departments with complex corporate needs once core modules stabilise.	<b>Support in principle</b>
7.3	Establish a DGS-led AI Centre of Excellence to support safe experimentation, capability uplift and adoption of AI.	<b>Support in principle</b>
7.4	Invest in core digital infrastructure (identity, cloud, Application Programming Interface protocols and data standards) with workforce identifiers and common workflows prioritised in years 1-2 of the roadmap.	<b>Support in principle</b>



<b>7.5</b>	Establish strong central governance and accountability through a Digital Government Steering Committee, VSB and annual public scorecards.	<b>Support in principle</b>
<b>7.6</b>	Create a fund to support transition, innovation, and capability uplift – with co-investment and return on investment expectations from departments.	<b>Support in principle</b>
<b>Chapter 8 recommendations</b>		<b>Government position</b>
<b>8.1</b>	Pause the commitment to Early Learning and Childcare Centres beyond the first 18 already operating and under construction.	<b>Do not support</b>
<b>8.2</b>	Transition operation of the 18 Early Learning and Childcare Centre sites to non-government service providers over time.	<b>Do not support</b>
<b>8.3</b>	Consolidate industry support activities currently delivered by the Department of Jobs, Skills, Industry and Regions (DJSIR), Department of Energy, Environment and Climate Action (DEECA) and their portfolio entities into Invest Victoria and reduce overall investment in this activity.	<b>Do not support</b>
<b>8.4</b>	Consolidate LaunchVic's grant and facilitation and capacity uplift program activity into Invest Victoria and abolish LaunchVic as a standalone entity. <i>[see also 6.1.18]</i>	<b>Support in principle</b>
<b>8.5</b>	As part of the government's current Commercialisation and Innovation Review: <ul style="list-style-type: none"> <li>consolidate the management of existing equity investments currently with LaunchVic and DTF into one entity - Breakthrough Victoria</li> <li>reduce overall investment and the level of risk exposure from equity funds investment by government.</li> </ul>	<b>Support in part</b>
<b>8.6</b>	Mandate and accelerate shared service reforms across the TAFE sector over the next 3–4 years, focusing on common platforms, digital infrastructure and administrative functions, building on existing efforts.	<b>Support</b>
<b>8.7</b>	After 3–4 years, and based on progress and outcomes of shared services implementation, consider further TAFE consolidation opportunities, ranging from targeted mergers to a single TAFE entity.	<b>Support in principle</b>
<b>8.8</b>	Immediately develop and implement a long-term asset strategy to sell under-utilised TAFE assets.	<b>Support in part</b>
<b>8.9</b>	Update and implement the VPS Flexible Work Policy and guidance to set clearer expectations about the default position of 3 days in the office and provide practical guidance and tools for managers to support adherence.	<b>Support</b>
<b>8.10</b>	Require DGS to provide Secretaries with attendance data for relevant offices on a quarterly basis.	<b>Support</b>
<b>8.11</b>	Reduce the current accommodation footprint and related expenses to support a 3 days per week office presence.	<b>Support</b>



<b>8.12</b>	Implement an immediate plan to reduce costs in current accommodation, including mothballing unused floors, consolidating weekend access of all buildings to only support existing demand, and adjusting building and maintenance services accordingly.	<b>Support</b>
<b>8.13</b>	Cease outdated Student Resource Package funding lines and redirect funding to support alternative, higher-priority school needs.	<b>Support in principle</b>
<b>8.14</b>	Cease Secondary Instrumental Music Program funding.	<b>Do not support</b>
<b>8.15</b>	Cease the current funding model for Victoria's 31 Local Learning and Employment Networks.	<b>Support</b>
<b>8.16</b>	Change the funding model for the English as an Additional Language program from a proxy-based funding model to a student proficiency-based funding model.	<b>Support</b>
<b>8.17</b>	Cease the Doctors in Secondary Schools program.	<b>Do not support</b>
<b>8.18</b>	Cease the COVID-19 paid special leave for health workers.	<b>Support</b>
<b>8.19</b>	Maintain Smile Squad activity and funding at 2024-25 levels and focus on core service delivery.	<b>Do not support</b>
<b>8.20</b>	Cease grants to Melbourne City Council for transport initiatives.	<b>Support</b>
<b>8.21</b>	Improve contract management processes and recoup underspent funds from Community Service Organisations that have not delivered on service target deliverables in service agreements.	<b>Support in principle</b>
<b>8.22</b>	Reduce funding to the Better Boating Fund.	<b>Do not support</b>
<b>Chapter 9 recommendations</b>		<b>Government position</b>
<b>9.1</b>	Establish a dedicated delivery unit within DTF to plan, implement, monitor and report to VSB and the budget committee on implementation of recommendations of this Review for at least the first two years.	<b>Support</b>
<b>9.2</b>	Empower and support departmental Secretaries to prioritise and implement reforms in their departments and associated entities.	<b>Support</b>
<b>9.3</b>	Recognise the VSB as a key governance forum to help steward system-wide reform alignment and accountability, review reform performance and risks, and champion consistent reform expectations across portfolios.	<b>Support</b>



Entities recommendations		Government position
<b>Regulatory System Reforms</b>		
<b>6.1.1</b>	<b>Create a Consumer Protection Regulator</b> Brings together Consumer Affairs Victoria (DGS), Business Licensing Authority, Commissioner for Residential Tenancies (DGS), Veterinary Practitioners Registration Board (DEECA) and Working with Children Check into a new regulatory entity.	<b>Support in part</b>
<b>6.1.2</b>	Merge Recycling Victoria functions into the Environment Protection Authority (EPA).	<b>Support</b>
<b>6.1.3</b>	<b>Create a new Built Environment Regulator</b> Merges the new Building and Plumbing Commission (that is bringing together the Victorian Building Authority, Domestic Building Disputes Resolution Victoria and the Domestic Building Insurance function of the Victorian Managed Insurance Authority) with the Surveyors Registration Board and Architects Registration Board (DTP) and Energy Safety Victoria.	<b>Support in principle</b>
<b>6.1.4</b>	Absorb the Victorian Pharmacy Authority into the Health Regulator.	<b>Do not support</b>
<b>6.1.5</b>	<b>Create a Racing Integrity and Welfare Regulator</b> Merges the regulatory and integrity responsibilities of Racing Victoria, Greyhound Racing Victoria (DJCS), Harness Racing Victoria (DJCS), the Office of the Racing Integrity Commissioner and Board to create a new regulatory entity.	<b>Support in part</b>
<b>6.1.6</b>	<b>Establish a new Food Safety Regulator</b> Consolidates PrimeSafe (DEECA) (meat, poultry, and seafood), Dairy Food Safety Victoria (DEECA) (dairy), and the Department of Health (licensing, food safety).	<b>Support</b>
<b>6.1.7</b>	<b>Establish a new Workplace Regulator</b> Consolidates Wage Inspectorate Victoria (DTF), Portable Long Service Authority (DTF) and Labour Hire Authority (DTF) into a single body.	<b>Support in principle</b>
<b>6.1.8</b>	Merge Victorian Legal Services Board (DJCS) and Legal Admissions Board.	<b>Support</b>
<b>6.1.9</b>	Absorb the Parks Victoria (DEECA) regulatory functions into the Conservation Regulator (DEECA).	<b>Support</b>
<b>6.1.10</b>	<b>Create a new Outdoor Regulator</b> Merges the Victorian Fisheries Authority (DJSIR) and Game Management Authority (DJSIR) to form a unified regulatory body for wildlife management.	<b>Support</b>
<b>6.1.11</b>	Merge Heritage Council of Victoria (DTP) functions into Heritage Victoria (DTP).	<b>Do not support</b>
<b>6.1.12</b>	Absorb the Housing Registrar into the Social Services Regulator.	<b>Support in principle</b>





Water and land management reforms		
6.1.13	Consolidate 14 water corporations into 3, forming metro-regional water partnerships.	Do not support
6.1.14	Merge Catchment Management Authorities (CMAs) into 3 regionally aligned bodies.	Do not support
Policy advice and research		
6.1.15	Abolish Better Regulation Victoria and Economic Growth Victoria.	Do not support
6.1.16	Abolish Infrastructure Victoria and cease its strategic advisory functions.	Support in part
Funds and investment management		
6.1.17	Consolidate funds being managed by Victorian Legal Services Board, Residential Tenancies Bond Authority, and Victorian Legal Practitioners Liability Committee into the Victorian Fund Management Corporation.	Support in principle
6.1.18	Abolish Launch Vic and merge functions into Invest Victoria.	Support in principle
Abolishing entities and ceasing functions		
6.1.19	Abolish Sustainability Victoria and cease functions.	Support
6.1.20	Abolish Geelong Authority and cease functions.	Do not support
6.1.21	Abolish Office of the Local Jobs First Commissioner and cease functions.	Do not support
Absorbing functions into departments or other bodies		
6.1.22	Absorb HealthShare Victoria into DH as a branded division.	Support
6.1.23	Absorb VicHealth into Department of Health (DH).	Support
6.1.24	Absorb corporate service functions of Court Services Victoria (CSV) into DJCS.	Support
Self-initiated	Merge the Judicial College of Victoria and Judicial Commission of Victoria.	Support
6.1.25	Absorb Emergency Recovery Victoria (ERV) and Emergency Management Victoria (EMV) into DJCS as a single branded division.	Support in part
6.1.26	Absorb Victims of Crime Commissioner into DJCS.	Support in principle
6.1.27	Absorb the Victorian Small Business Commission into VCAT.	Do not support
Merging entities with overlapping functions		
6.1.28	<b>Merge human rights offices and commissioners within the Victorian Equal Opportunity and Human Rights Commission (VEOHRC)</b> Brings together the Commissioner for LGBTIQ+ Communities, Commission for Gender Equality in the Public Sector, Commission for Children and Young People (CCYP), the Victorian Multicultural Commission and the Office of the Public Advocate within VEOHRC.	Support in principle
6.1.29	Merge the commercial functions of Racing Victoria, Greyhound Racing Victoria and Harness Racing Victoria under one entity.	Do not support

