

# Strengths and Weaknesses of Victorian Administrative Arrangements

by **John Mant**

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## Introduction

The Victorian Administrative Arrangements have a small number of departments, which have been formed by amalgamating various existing departments under single CEOs. There has been no lessening of the number of Ministers however.

## Strengths

### Coordination and Implementation

- Small number of ‘super departments’.
- CEOs of the Departments have their contracts with the Premier
- Premier regularly meets with CEOs as a group. They are able to report on issues of concern
- Premier can play a mediating role if there are issues between a Minister and the CEO
- CEO of Premier's Department meets with CEOs regularly. They form a public service executive able to manage whole of government initiatives and implement Cabinet decisions

### Retains Ministers

- No reduction in number of Ministers, despite reduction in number of Departments. Therefore politically no loss of status for members of Parliament.
- Because there are more ministers than departments there are specific ministers publically representing groups of particular stakeholders, as well as in Parliament and Cabinet.

## Weaknesses

### Are Responsibilities of the Super Departments the Right Mix?

- Generally they are, but there are some anomalies. This is partly because the old organizations that have been stuck together into single departments were essentially responsible for specialist inputs or outputs (guild organizations).

### Guilds survive despite the CEO

- For the most part, the traditional output/input focused guild organizations remain in existence beneath the CEO level. This is because most Departments have not undergone a bottom up restructure that separates Outcome and Output responsibilities (a real purchaser/provider split). While CEO leadership can help overcome this lower level fragmentation, it is a constant battle to push responsibility for the achievement of complex outcomes below the CEO level. The colonial model of fragmented service delivery essentially remains.
- The retention of traditional guild structures is aided by the existence of separate Ministers for the traditional outputs. The CEO may achieve a degree of integration, but, for example, in addition to the main Minister, the Infrastructure Department has three separate ministers for the different transport outputs – i.e., Roads, Public Transport, Ports. Policy. Actions that, with difficulty, may have been brought together internally have to be fragmented for the program announcements. Internally the turf wars remain, with each guild organization seeking legislation to override other providers in the same department.
- For example, there are five ministers with separate responsibilities for the different programs for which the Department for Communities is responsible. Each Minister represents one or more of the programs of the departments that were brought together into one Department in order to achieve ‘integration’. Things are marginally better (a common form for the many community grant programs but no real integration of grants on an outcome basis), but responsibilities for complex outcomes such as specific ‘places’ or ‘communities’ are very difficult to achieve. Coordinating committees instead of individual officer responsibility are commonly used.
- For example, a co-ordinating committee of CEOs is required to run a trial community building exercises in Shepperton, rather than a single outcome manager being appointed and empowered.
- The internal frictions between the guild organizations that have been ‘sticky taped’ together can be exacerbated by appeals by the guild organizations to the separate Ministers and to the separate stakeholders. Subordinates can undermine CEOs amongst the ministers.

- These fragmenting pressures can impose considerable pressure on the CEOs and on the viability of the new super departments.

#### Portfolio Ministers seeking roles

- The portfolio ministers can feel as if they are also-rans and, rather than facilitating integration, it can encourage ‘look at me’ behaviour. This can be especially so where the team of ministers with responsibility for a department are from different factions.

#### **Solutions**

Adopt the successful parts of the Victorian system – small number of super departments.

Have CEO contracts with Premier.

Have regular meetings (monthly) between CEOs and Premier. Establish regular meetings (weekly or fortnightly) of CEOs with CEO of Premiers as chair.

Attempt to get a better rationale for collecting the many departments under super department headings. Geographic, resources, services, or doers and regulators?

Ideally have only the same number of Ministers as there are departments – say 10 -12.

Alternatively, have Portfolio and Assistant ministers, with clearly defined roles, which are not designed to support the traditional structures.

Therefore avoid the Victorian solution, which is to have the old department responsibilities represented by separate ministers. Where particular interests need symbolic or real representation; eg the need to have a separate Minister for Local Government; then set up other effective means of involving members of Parliament, or establish advisory bodies, agreements about outcomes, etc. Or, if absolutely necessary, give the Assistant Minister have a particular role of ‘with special responsibility for local government’, but not a separate ministry with separate staff.

Make certain that each minister does not have their own press staff, or even advisors.

Provide some models for internal restructuring and/or some benchmarks for restructuring, preferably along outcome/outputs lines, the outcomes being for example: catchments, learning, healthiness, households (support services, etc), communities, accessibility (transport and land use), with the provider side being corporatised.

Move to outcome budgets where the outcome money is first granted to the outcome department with funds being made available to the provider agencies. For example, the budget money for roads goes first to the Accessibility (Transport) Department before being given to the Roads Corporation. Housing assistance money goes first to

the Shelter Department before being granted to the Community or Public Housing Corporations.

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