



Victorian Government Response to the Independent Review of the Victorian Public Service

08 December 2025

On Tuesday 2 December 2025, the Victorian Government released their response to the Independent Review of the Victorian Public Service (VPS). The Review was commissioned in early 2025 by Victorian Treasurer Jaclyn Symes, shortly after she took on the role following the retirement of long-term Treasurer Tim Pallas. The Review aims to reduce waste and inefficiency within the Victorian Public Service and create savings within the budget.

The Review, led by Helen Silver AO, was asked to:

- Identify overlaps, inefficiencies, functions and programs that can be streamlined or eliminated, with a focus on entity consolidation
- Provide recommendations to increase operational efficiency and to deliver process improvements across all VPS departments and programs
- Provide recommendations on how to reduce the VPS back towards its pre-pandemic share of employment, including an examination of the appropriate levels of executives.

Recommendations of the Review

The Review makes 52 recommendations in its Final Report. In total, Helen Silver projects the Review's recommendations would achieve around \$5 billion in savings and a reduction of more than 2,000 ongoing FTE VPS employees. In making recommendations the Review has considered the role of the government, overlapping responsibilities, and opportunities to enhance service delivery effectiveness and efficiency.

The Review focused on 7 main areas in its review of the public service

- **Fiscal management and strategy**

The Review found the need for Government to actively apply enhanced operating principles to improve financial management across the public sector it also recommends embedding savings programs in the budget process

- **Commonwealth-State Relations**

The Review recommends a renewed focus on a strategic approach to Commonwealth-State relations, including a continued negotiation with the Commonwealth agreements and responsibilities. These are seen as an opportunity to address duplication and administrative burden, improve coordination and pursue reform.

- **VPS Size and Structure**

Since 2019, the public sector workforce in Victoria has grown by around 20 per cent, or more than 54,000 people. This growth has been concentrated outside of the VPS in frontline workforce roles, such as health care workers and teachers. In the same period, the VPS grew by 16 per cent and executive numbers rose by 52 per cent. The review was tasked with bringing the VPS back to pre-COVID levels.

- **Public Entity Reform**

The Review has identified major opportunities to reduce the number of public entities currently operating in Victoria through ceasing, merging or streamlining operations. The Review has also found opportunities to improve the oversight and administration of remaining entities, and to embed best practice governance.

- **Accelerating Digitisation and Adoption of AI**

The Review recommends a staged reform model to digitise repeatable transactional services across customer services, regulatory functions, corporate services and enabling infrastructure.

- **Portfolio Reforms**

The Review recommends reforms to realise ongoing savings across portfolios by reducing duplication and improving effectiveness of expenditure.

- **Implementation**

The Review recommends Government establish a dedicated delivery unit within DTF to plan, implement, monitor and report to the budget committee on implementation of recommendations of this Review for at least the first two years.

Government Response

Of the 52 recommendations, the Government supported 27 in full, three in part, 15 in principle and rejected 7. This will see 332 Senior executive and technical roles removed, and up to 1000 jobs across the VPS, which combined with other measures will save the budget over \$4 billion over the next four years, reducing duplication in the system and helping ease the cost pressures without gutting the Public Service entirely.

The Government supported all recommendations from the Fiscal Strategy and Management section, and the Implementation recommendations. Most recommendations made in the Commonwealth-State relations section were supported, with only one supported in principle, which was to strengthen strategic capacity in the central agencies for this work.

The Government also supported most recommendations made in regard to the VPS size and structure, including the reduction of executives and a reduction in the amount of consultants and labour hire employed. The Government has also indicated in-principle support for establishing a VPS capability review program, commencing with a review of the Department of Government Services.

The Government has also indicated in principle support for all recommendations relating to AI and digital capabilities. This would include the establishment of an AI Centre of Excellence to support safe experimentation, capability uplift and adoption of AI, it would also see the development of a structured roadmap for digital reform.

This would also see investment in core digital infrastructure and a fund to support transition, innovation, and capability uplift should the government proceed with these recommendations.

A number of entities will also be changed as part of the Government's response to the review. Main changes include:

- Merging Recycling Victoria functions into the Environment Protection Authority.
- Merging the Victorian Legal Services Board and Legal Admissions Board.
- Absorbing the Parks Victoria regulatory functions into the Conservation Regulator.
- Absorbing VicHealth into Department of Health (DH).
- Absorbing HealthShare Victoria into DH.
- Abolishing Sustainability Victoria and ceasing functions.
- Abolishing Launch Vic and merging functions into Invest Victoria.

Further Information

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