



Resetting the Victorian Public Service: What the Silver Review Means for VPS Leaders

The Victorian Public Sector (VPS) is entering a period of significant transition as the Silver Review moves from report to implementation. For senior leaders, the challenge is not only grasping the scale of reform but steering their organisations through change in a way that protects service quality, workforce capability, and public trust. In this four-part series from Protiviti Australia, we will explore the challenges and opportunities faced by VPS leaders as they navigate the work ahead to implement the commitments made by the government.

Why this Review, why now?

The Silver Review was commissioned against a backdrop of sustained expenditure growth, rising debt and increasing interest costs that are constraining Victoria's operating budget and limiting future policy flexibility. It argues that without a reset centred on stronger fiscal discipline and a sharper focus on core services, today's pressures risk becoming tomorrow's budget crisis, with flow-on effects for service delivery across Victoria.

What the Silver Review recommended

The Review sets out a system-wide agenda that extends beyond traditional efficiency measures. It recommends strengthened financial management and budget processes, a rebalanced VPS workforce with fewer senior and non-frontline roles, significant consolidation of public entities and boards, and an accelerated digital and AI program to modernise service delivery and internal operations. Collectively, these reforms are intended to create ongoing savings while reshaping how the VPS is structured, governed, and supported to deliver for the community.

How the Victorian Government has responded

The Government has broadly accepted the direction of the Silver Review and committed to implementing most recommendations over the coming years. Public announcements point to multi-billion-dollar savings targets, the reduction of executive and public sector positions, and consolidation of entities and advisory structures, alongside a stated intention to protect frontline services wherever possible. Ministers have also



emphasised that implementation must be careful and sequenced, so that necessary budget repair does not inadvertently undermine essential services or community outcomes.

Voices from the workforce and unions

Employees and unions are closely scrutinising the reforms through the lens of job security, workload and the future role of government. Commentary has often supported tackling perceived “executive bloat” and duplication, while raising concerns about broader job losses, increased spans of control and a narrative that government should “do less” at a time of complex social and economic need. These perspectives will shape the environment in which reforms are delivered and need to be factored into any implementation and communication strategy.

What this means for VPS leaders

VPS leaders sit at the intersection of seemingly competing expectations: they are expected to deliver material savings and implement structural reform while safeguarding frontline services, workforce wellbeing and institutional reputation. Practically, this will mean consolidation of responsibilities as entities are merged or abolished, executives managing broader spans of control, and new processes and systems being introduced in areas where corporate knowledge may have been lost through departures. At the same time, the reforms create an opportunity to review and streamline processes, simplify decision-making,



reduce duplication and address longstanding structural and capability issues. Specifically:

- Strengthening governance, risk and controls: To succeed, leaders will need to focus on what must be strengthened as much as what must be reduced. Financial governance will need to keep pace with tighter budget guardrails, with clearer decision rights, stronger scrutiny of base expenditure, improved management of strategic projects, and more robust performance monitoring. Risk assessments should be revised to ensure the specific risks of restructuring, entity consolidation, and accelerated digital change are captured and managed, including emerging digital, cyber, and AI risks. Internal controls and key processes, particularly those that affect frontline services, vulnerable cohorts or regulatory functions, will need to be tested for resilience and efficiency as responsibilities shift and teams are reconfigured.
- Leading the human side of change: Equally, implementation will hinge on effective change management rather than purely technical and logistical plans. A clear and consistent case for change, transparent communication, early engagement with unions and staff, and targeted support for impacted teams will be critical to sustaining reform without eroding morale or capability. Leaders who actively listen to workforce concerns, involve staff in process redesign and monitor cultural impacts through the transition will be better placed to embed new ways of working.
- Doing fewer things, better: Across all of this, there is value in adopting a “do fewer things, better” mindset. Rather than applying across-the-board reductions, departments can identify and prioritise the portfolios, programs and entities that are most closely aligned to critical community outcomes. Aligning structural changes, budget decisions, digital investments and risk settings with a clear view of public value provides a more sustainable path to meeting fiscal expectations while protecting the services that matter most.

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What's next?

This introductory blog has focused on the context and implications of the Silver Review for VPS leaders, and on the need to treat implementation as a system-level reform challenge rather than a narrow savings exercise. In the remainder of this series, Protiviti will unpack the finance, technology/AI and change management implications of the Review, examining how specific leadership cohorts can respond and how Protiviti's audit and assurance services can support:

- **Blog 2: Digitising the VPS – Shared Platforms, AI and the Responsibilities of Technology Leaders** focuses on the digital and AI dimensions of the Review, and how CIOs and CTOs can enable responsible, value-driven technology transformation.
- **Blog 3: Silver Review Implications for VPS CFOs – Guardrails, Savings and Financial Stewardship** explores how finance leaders can navigate strengthened fiscal settings, uplift financial governance and reporting, and provide assurance over savings delivery.
- **Blog 4: Assuring the Silver Review Reforms – The Critical Role of Risk Management and Assurance** will discuss how leaders, including Audit and Risk Committees and Chief Risk and Audit Officers can facilitate strategic assurance over workforce, entity, digital and change management reforms, and elevate internal audit as a key partner in safeguarding public value.

Find out more about Protiviti Australia's [internal audit and assurance services](#), or get in touch with [Elly Maddy](#), [Daniel Agosta](#) or [Lauren Brown](#).

About the authors



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Elly is a director at Protiviti Australia and provides internal audit services to federal and state government departments and agencies. Elly is known for her innovative problem-solving approach and for providing her clients with new approaches to their operational issues. Over 13 years, she has accumulated valuable experience that provides a sound understanding of the complexities, challenges and unique funding and regulatory environment in which her clients operate.

She currently leads the delivery of outsourced and co-sourced internal audit and assurance services to several government departments and agencies across Victoria and the ACT, working directly with senior leadership and chief audit executives to deliver high-quality, risk based internal audit programs.



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Daniel is an associate director at Protiviti Australia and delivers internal audit, risk management, and compliance services to public sector, corporate, healthcare, and medical research clients. Known for his client-centric solutions and analytical approach, Daniel combines practical knowledge with a commitment to continuous improvement to help organisations navigate complex operational and regulatory challenges.

With seven years as an internal audit professional and recently qualified CPA, he has developed deep expertise in internal audit, operational performance improvement, and compliance audits. Daniel currently leads the delivery of tailored internal audit and advisory projects for public sector departments and agencies, working closely with public sector leaders, CFOs, and chief audit executives to provide assurance over risk management and controls.

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