



PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

108TH REPORT TO THE PARLIAMENT

Review of the Auditor-General's Reports January-June 2009 and follow-up of PAEC Reports 82, 86 and 91

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**Parliament of Victoria
Public Accounts and Estimates Committee**

*Review of the Auditor-General's Reports January-June 2009 and follow-up of PAEC
Reports No. 82, 86 and 91*

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PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE MEMBERSHIP — 57TH PARLIAMENT

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DUTIES OF THE COMMITTEE

The Public Accounts and Estimates Committee is a joint parliamentary committee constituted under the *Parliamentary Committees Act 2003*.

The Committee comprises seven members of Parliament drawn from both Houses of Parliament.

The Committee carries out investigations and reports to Parliament on matters associated with the financial management of the State. Its functions under the Act are to inquire into, consider and report to the Parliament on:

- any proposal, matter or thing concerned with public administration or public sector finances;
- the annual estimates or receipts and payments and other budget papers and any supplementary estimates of receipts or payments presented to the Assembly and the Council; and
- any proposal, matter or thing that is relevant to its functions and has been referred to the Committee by resolution of the Council or the Assembly or by order of the Governor in Council published in the Government Gazette.

The Committee also has a number of statutory responsibilities in relation to the Office of the Auditor-General. The Committee is required to:

- recommend the appointment of the Auditor-General and the independent performance and financial auditors to review the Victorian Auditor-General's Office;
- consider the budget estimates for the Victorian Auditor-General's Office;
- review the Auditor-General's draft annual plan and, if necessary, provide comments on the plan to the Auditor-General prior to its finalisation and tabling in Parliament;
- have a consultative role in determining the objectives and scope of performance audits by the Auditor-General and identifying any other particular issues that need to be addressed;
- have a consultative role in determining performance audit priorities; and
- exempt, if ever deemed necessary, the Auditor-General from legislative requirements applicable to government agencies on staff employment conditions and financial reporting practices.

ACRONYMS AND ABBREVIATIONS

CHAPTER 1: Management of School Funds

CASES21	Computerised Administrative System Environment in Schools
CAV	Consumer Affairs Victoria
DEECD	Department of Education and Early Childhood Development
Response by the Minister for Finance	<i>Response by the Minister for Finance to the Auditor General's reports issued during 2008-09</i>
VMIA	Victorian Managed Insurance Authority

CHAPTER 2: Withdrawal of Infringement Notices

The Act	<i>Infringements Act 2006</i>
DOJ	Department of Justice
ISAC	Infringements Standing Advisory Committee
ISOU	Infringements Systems Oversight Unit
PSA	Police Service Area
QA	quality assurance

CHAPTER 3: Connecting Courts – the Integrated Courts Management System

CTG	Courts Technology Group
DOJ	Department of Justice
DTF	Department of Treasury and Finance
Gateway Review	<i>Victorian Government's Gateway Review Process</i>
ICMS	Integrated Courts Management System
IT	information technology
JOIN	Judicial Officers Information Network

CHAPTER 4: Implementing Victoria Police's Code of Practice for the Investigation of Family Violence

The Code	<i>Code of Practice for the Investigation of Family Violence</i>
SAFER	Safety and Accountability in Families: Evidence and Research

CHAPTER 5: Status of PAEC Recommendations

AusVELS	Australian Victorian Essential Learning Standards
DEECD	Department of Education and Early Childhood Development
DOH	Department of Health
DOT	Department of Transport
DPC	Department of Premier and Cabinet
DPCD	Department of Planning and Community Development
DPI	Department of Primary Industries
DTF	Department of Treasury and Finance
FRD	Financial Reporting Direction
PSD	Program for Students with Disabilities
TAFE	Training and Further Education
VCAMS	<i>Victorian Children and Adolescent Monitoring System</i>
VET	Vocational Education and Training
VGPB	Victorian Government Purchasing Board
VicHealth	Victorian Health Promotion Foundation

APPENDIX: Department Responses to Follow-up Questionnaires

AHPCC	Aboriginal Health Promotion and Chronic Care
BCA	Building Code of Australia
CCAP	Construction Contracts Advisory Panel
CEIPS	Centre of Excellence in Intervention and Prevention Science
COAG	Council of Australian Governments
CSR	Construction Supply Register
DBI	Department of Business and Innovation
DEECD	Department of Education and Early Childhood Development
DIIRD	Department of Innovation, Industry and Regional Development
DOH	Department of Health
DOT	Department of Transport

DPC	Department of Premier and Cabinet
DPCD	Department of Planning and Community Development
DPI	Department of Primary Industries
DSM	Docklands Studios Melbourne Pty Ltd
DTF	Department of Treasury and Finance
ESM	Essential Services Measures
FMA	<i>Financial Management Act 1994</i>
FMCF	Financial Management Compliance Framework
FRD	Financial Reporting Direction
ITABs	Industry Training Advisory Bodies
KIT	Knowledge and Information Technology
KPI	key performance indicator
LGA	Local Government Authority
MAMS	Master Agency Media Services
MCCS	Melbourne Central City Studios Pty Ltd
MCV	Magistrates' Court of Victoria
MEAS	Major Events Assessment Statement
MPHWP	Municipal Public Health and Wellbeing Plan
NAPLAN	National Assessment Program – Literacy and Numeracy
NPAPH	<i>National Partnership Agreement on Preventive Health</i>
PCP	Primary Care Partnership
PPR	Procurement Process Report
SCI	Statement of Corporate Intent
SRV	Sport and Recreation Victoria
VAGO	Victorian Auditor-General's Office
VCAMS	Victorian Children and Adolescent Monitoring System
VELS	Victorian Essential Learning Standards
VEMD	Victorian Emergency Minimum Dataset
VET	Vocational Education and Training

VGPB	Victorian Government Purchasing Board
VHM	<i>Victorian Health Monitor</i>
VPS	Victorian Public Service
VRQA	Victorian Registration and Qualifications Authority
VSC	Victorian Skills Commission
VTP	<i>Victorian Transport Plan</i>
WoVG	Whole of Victorian Government

CHAIRMAN'S FOREWORD

Under its functions and powers set out in sections 14 and 33 of the *Parliamentary Committees Act 2003*, the Public Accounts and Estimates Committee follows-up the status of findings and recommendations made in a selection of audit reports tabled in the Parliament by the Victorian Auditor-General.

During 2011, the Committee reviewed the audit reports tabled by the Auditor-General between January and June 2009 and prioritised six audits for follow up by the Committee. Two of the audits were the subject of public hearings (Priority 1 follow-ups), the findings of which were presented to Parliament in the following reports:

- *Review of the Auditor-General's Report on Preparedness to Respond to Terrorism Incidents: Essential Services and Critical Infrastructure* (December 2011); and
- *Review of the Auditor-General's Report on Access to Public Hospitals: Measuring Performance* (February 2012)

This report includes the findings and recommendations made by the Committee from its follow-up review of the remaining four audits. These are:

- *Management of School Funds* (Chapter 1);
- *Withdrawal of Infringement Notices* (Chapter 2);
- *Connecting Courts – The Integrated Courts Management System* (Chapter 3); and
- *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence* (Chapter 4).

The audits had been rated as Priority 2 follow-ups by the Committee and as such the Committee's review was confined to the responses of the relevant agencies to Committee questionnaires.

The topics reviewed are diverse and highlight audit issues which either remain outstanding or which the Committee consider require further attention.

It is hoped that the recommendations put forward by the Committee in this follow-up of a number of the Auditor-General's 2009 reports will provide further impetus to improve public sector management in the areas reviewed.

Chapter 5 of this report also includes a review of the status of recommendations made by the Committee in three of its previous reports. These reports are:

- *Review of the findings and recommendations of the Auditor-General's Reports tabled July 2006-February 2007* (PAEC's 82nd Report);
- *Review of the findings and recommendations of the Auditor-General's Reports tabled July 2006-February 2007* (PAEC's 86th Report); and
- *Review of the findings and recommendations of the Auditor-General's Reports tabled July 2006-February 2007* (PAEC's 91st Report).

As a result of this review, the Committee has sought to identify issues and recommendations which have been satisfactorily actioned by the relevant entities and has also highlighted

instances where original responses provided to the Committee have not been followed through or where limited action has been undertaken to address Committee recommendations.

In undertaking this review, the Committee sought the responses of relevant agencies on the status of the Committee's recommendations and any previously foreshadowed actions.

The Committee's review found that a significant proportion of the Committee's past recommendations have been satisfactorily actioned by agencies. However, there were a couple of notable exceptions. These are the subject of further recommendations by the Committee which it is hoped will be given more serious consideration by the responsible agencies in the future. The main areas which require further attention are recommendations made in relation to the:

- asset management of Public Sector Residential Aged Care Facilities, managed by through Department of Health (PAEC's 82nd Report);
- planning, implementation and monitoring of Health Promotion programs and initiatives, managed through the Department of Health and the Department of Education and Early Childhood Development (PAEC's 86th Report); and
- monitoring and review of agricultural science research investment, managed by the Department of Primary Industries (PAEC's 91st Report).

Overall, it is hoped that the follow-up of responses made by public sector agencies to the Committee's previous recommendations signal to all agencies that the actions detailed in their responses are the subject of serious scrutiny by this Committee and that in the future, they need give greater attention to addressing the matters raised in a more timely fashion.

The Committee has been assisted in its inquiry by a number of government departments and public sector agencies and I thank them for their advice and assistance in undertaking these follow-up reviews of issues raised by the Auditor-General.

I also thank the Committee Secretariat for their assistance in producing this report.



Philip R. Davis MP
Chairman

FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE

CHAPTER 1: MANAGEMENT OF SCHOOL FUNDS

Section 1.1 *Introduction*

<p>FINDING</p> <p>In May 2009, the Auditor-General released his report, <i>Management of School Funds</i> which evaluated the effectiveness of funds management by schools and the role played by the Department of Education and Early Childhood Development in facilitating the effective management of Victorian government school resources.</p>	page 1
<p>FINDING</p> <p>As at 30 June 2011, funds held by Victoria's 1548 government schools totalled approximately \$710.7 million.</p>	page 1

Section 1.5 *Introduction: operation and monitoring of school co-operatives*

<p>FINDING</p> <p>Under the <i>Education and Training Reform Act 2006</i>, school councils are not permitted to obtain loans or credit facilities however, a school community may establish a school co-operative, under the <i>Co-operatives Act 1996</i>, to borrow funds in order to build or improve facilities on school property. School councils have primary responsibility for meeting the loan repayments of school co-operatives from the schools' "own-sourced" income.</p>	page 3
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Section 1.6 *Compliance by school co-operatives with legislation and other requirements – Support and oversight by the Department of Education and Early Childhood Development*

<p>FINDING</p> <p>Action taken by the Department of Education and Early Childhood Development in relation to advice provided to support the operation of school co-operatives has focussed on the recording of financial transactions through the school accounting system, CASES21. Very little advice has been provided in relation to the reporting obligations of school co-operatives under the <i>Co-operatives Act 1996</i>.</p>	page 7
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<p>FINDING</p> <p>The Committee considers that comments made by the Department of Education and Early Childhood Development that school co-operatives' reporting requirements are not their responsibility are unhelpful.</p>	<p>page 7</p>
<p>FINDING</p> <p>The Department of Education and Early Childhood Development has a duty to ensure that schools are provided with comprehensive information to assist them in understanding and fulfilling all their legislative compliance obligations including those which the Department of Education and Early Childhood Development consider to be "outside" the Education purview.</p>	<p>page 8</p>
<p>RECOMMENDATION 1</p> <p>The Committee recommends that the Department of Education and Early Childhood Development ensure that schools and School Councils are made fully aware of, and understand, the legal compliance responsibilities of school co-operatives under the <i>Co-operatives Act 1996</i>.</p>	<p>page 8</p>

Section 1.7 *Legality of borrowings by school co-operatives*

<p>FINDING</p> <p>Legal opinion obtained by the Department of Education and Early Childhood Development concluded that school cooperatives could borrow funds without contravention of the <i>Education and Training Reform Act 2006</i>, provided that "arms length" arrangements were established between the co-operative and the relevant School Council.</p>	<p>page 9</p>
<p>FINDING</p> <p>The Department of Education and Early Childhood Development has not provided advice to School Councils to define an "arms length" arrangement for legal purposes to ensure that schools and their school councils have a clear understanding of the term and its implications.</p>	<p>page 9</p>
<p>RECOMMENDATION 2</p> <p>The Committee recommends that the Department of Education and Early Childhood Development provide appropriate advice to ensure that School Councils are fully apprised of the legal restrictions on borrowings by the School unless through a school co-operative and providing "arms length" arrangements are established between the school co-operative and the School Council. In doing so, the Department of Education and Early Childhood Development should ensure that School Councils have a clear understanding of the legal criteria for establishing an "arms length" arrangement for these purposes.</p>	<p>page 9</p>

Section 1.8 *Insurance cover for school facilities partly funded through co-operative loans*

<p>FINDING</p> <p>Guidelines and procedures related to school insurance, issued by the Department of Education and Early Childhood Development, state that rebuilding or replacement of school buildings is based on consideration of entitlement, enrolments and availability of funds. In addition, the procedures state that buildings deemed “excess to entitlement” will unlikely be replaced under the Department’s insurance arrangements regardless of how the facility was originally financed (i.e. by the Department or through school generated funds).</p>	<p>page 13</p>
<p>FINDING</p> <p>The Committee considers that the issue raised by the Auditor-General concerning the lack of definitive advice on insurance arrangements for school facilities which have been jointly funded by the Department and the school itself remain, particularly where the facility is within a school’s “entitlement”.</p>	<p>page 13</p>
<p>FINDING</p> <p>Issues surrounding the potential for “under insurance” or financial exposure by schools over facilities which are deemed by the Department to be “excess to entitlement” and the practicality and/or affordability of insurance for facilities jointly funded by the Department and the school, as noted by the Auditor-General, remain in need of clarification.</p>	<p>page 13</p>
<p>RECOMMENDATION 3</p> <p>The Committee recommends that the Department of Education and Early Childhood Development:</p> <ul style="list-style-type: none"> (a) take action to assess the extent of any “under insurance” amongst government schools in relation to facilities deemed excess to entitlement by the Department and ensure that schools and school councils are fully aware of insurance requirements in relation to these facilities; and (b) clarify the Department’s insurance and reinstatement procedures as they relate to facilities which are within entitlement but which have been financed by the school itself or jointly with the Department. 	<p>page 14</p>

CHAPTER 2: WITHDRAWAL OF INFRINGEMENT NOTICES

Section 2.1 Introduction

<p>FINDING</p> <p>Within Victoria, over 130 enforcement agencies, including Victoria Police, local councils, industry regulatory agencies, universities and hospitals are authorised to issue infringement notices for a wide variety of minor offences such as traffic offences, public transport offences, breaches of local by-laws, and breaches of consumer safety and industry regulations.</p>	<p>page 15</p>
<p>FINDING</p> <p>In 2009-10, Victorian enforcement agencies issued over 4.65 million infringement notices. The majority of these were issued by Victoria Police (58 per cent) while local councils issued around 36 per cent.</p>	<p>page 15</p>
<p>FINDING</p> <p>In 2006, the Department of Justice introduced a new infringements framework aimed at providing a fairer infringement system. The Department established the Infringements Standing Advisory Committee and the Infringements System Oversight Unit to administer the new system.</p>	<p>page 15</p>

Section 2.2 The Audit

<p>FINDING</p> <p>The Auditor-General undertook an audit to determine the extent to which the Department of Justice had complied with its responsibilities to monitor the operation of the infringements system and whether selected enforcement agencies were only withdrawing infringement notices in accordance with the <i>Infringements Act 2006</i>.</p>	<p>page 16</p>
<p>FINDING</p> <p>The Auditor-General made a total of 17 recommendations covering: monitoring and oversight by the Department of Justice; procedures, guidelines and quality assurance processes within enforcement agencies; legislative and procedural requirements within Victoria Police; and the provision of services to people with special circumstances in regional centres.</p>	<p>page 18</p>

Section 2.3.4 Communication on operational matters

<p>FINDING</p> <p>The Department of Justice has established the Enforcement Agency Working Group which seeks to encourage information sharing between enforcement agencies with a focus on examples of best practice. The Group has met quarterly since May 2009 in Melbourne and occasionally in regional Victoria and all enforcement agencies are invited to these meetings.</p>	<p>page 23</p>
<p>RECOMMENDATION 4</p> <p>The Committee recommends that the Department of Justice should stress with enforcement agencies the importance of their attending forums conducted by the Agency Working Group. The Department should publish on its website and/or in its annual report those who do not attend.</p>	<p>page 23</p>

Section 2.4 Agencies – the withdrawals system in practice

Section 2.4.2 Multiple reviews

<p>FINDING</p> <p>The <i>Infringements Act 2006</i> provides for the application of one review to be conducted in relation to any one infringement offence and therefore prohibits additional internal reviews from being conducted.</p>	<p>page 27</p>
<p>FINDING</p> <p>On the basis of the responses provided by the four councils, the Committee concluded that instances of multiple reviews are not significant in the context of the total number of infringement notices issued. However, the Committee considers that further clarification is needed on the legality of multiple reviews conducted by councils, given that the Act specifically allows only one review per infringement notices.</p>	<p>page 27</p>
<p>FINDING</p> <p>Two councils advised that they did not collect specific data in relation to the number of multiple reviews. The Committee considers that this lack of documentation makes it difficult to assess compliance with the legislation.</p>	<p>page 28</p>
<p>RECOMMENDATION 5</p> <p>The Committee recommends that the Department of Justice should seek to confirm the legal status of multiple assessments in the context of section 22(2)(e) of the <i>Infringements Act 2006</i>.</p>	<p>page 28</p>
<p>RECOMMENDATION 6</p> <p>The Committee recommends that the Department of Justice emphasise to all enforcement agencies, the need to maintain an appropriate level of detail on multiple reviews to ensure that such reviews are actioned expeditiously in accordance with the legislation and guidelines.</p>	<p>page 28</p>

Section 2.4.3 Special circumstances – services to regional centres

<p>FINDING</p> <p>The Auditor-General observed that the lack of direct access to the <i>Magistrates' Court Enforcement Review Program</i> for people with special circumstances in regional areas was a disincentive and an impediment to the intended operation of the Act.</p>	<p>page 30</p>
<p>FINDING</p> <p>The Department of Justice acknowledged that expanding the <i>Magistrates' Court Enforcement Review Program</i> throughout Victoria to increase access to its specialist services, would be of benefit, however, further consideration was required as to the most appropriate model of service delivery within resource constraints.</p>	<p>page 31</p>
<p>FINDING</p> <p>The Committee considers that access to the <i>Magistrates' Court Enforcement Review Program</i> needs to be more widely available to persons with special circumstances regardless of where they reside in the State.</p>	<p>page 31</p>
<p>RECOMMENDATION 7</p> <p>The Committee recommends that the Department of Justice consider expanding the <i>Magistrates' Court Enforcement Review Program</i>, to allow persons with special circumstances living in regional and rural Victoria greater access to the specialist services offered by the program.</p>	<p>page 31</p>

Section 2.4.5 Procedural requirements in Victoria Police

<p>FINDING</p> <p>The Auditor-General found that Victoria Police had not complied with the guidelines for the withdrawal of infringement notices and that inadequate records to justify withdrawals were maintained at police stations.</p>	<p>page 34</p>
<p>FINDING</p> <p>Victoria Police advised that in March 2009 the assessment and scrutiny of police exemptions under the road rules had been devolved to Police Service Area managers. Victoria Police also advised that the Victoria Police Manual outlining the policy and process had been updated and communicated. The Traffic Camera Office now has responsibility for overseeing the process and recording all review decisions.</p>	<p>page 34</p>
<p>FINDING</p> <p>The Committee notes the action taken by Victoria Police on this issue but further emphasises the importance of Victoria Police maintaining adequate records to justify the withdrawal of infringement notices by Victoria Police officers.</p>	<p>page 34</p>

<p>RECOMMENDATION 8</p> <p>The Committee recommends that the Department of Justice's internal audit should undertake periodic reviews of the Department's compliance with the procedural requirements for withdrawing infringement notices related to Victoria Police officers.</p>	<p>page 34</p>
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Section 2.5 *Quality assurance and analysis by agencies*

<p>FINDING</p> <p>The Committee notes the Auditor-General's conclusion that a robust quality assurance program is central to avoiding inappropriate withdrawal of infringement notices and to demonstrating that decisions to withdraw a notice are fair and appropriate.</p>	<p>page 35</p>
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Section 2.5.1 *Framework for measuring the performance of infringement systems*

<p>FINDING</p> <p>The Auditor-General reported that the overall effectiveness and adequacy of agencies' quality assurance processes varied and the existing quality assurance measures were failing to detect infringement notices which may have been inappropriately withdrawn.</p>	<p>page 36</p>
<p>FINDING</p> <p>The Department of Justice advised that it has encouraged agencies to monitor their own performance and that the Department's Stakeholder Engagement Manager maintains close links with agencies and provides ongoing support to agencies in relation to their performance and reporting requirements.</p>	<p>page 36</p>
<p>FINDING</p> <p>On basis of the information provided, the Committee was unable to determine whether local councils had developed comprehensive performance measurement frameworks or had consulted sufficiently with the Department of Justice to develop such frameworks.</p>	<p>page 37</p>
<p>RECOMMENDATION 9</p> <p>The Committee recommends that the Department of Justice should emphasise to all enforcement agencies, the need to maintain a comprehensive performance measurement framework for their infringement systems.</p>	<p>page 37</p>

Section 2.6 Overall conclusion by the Committee

<p>FINDING</p> <p>The Committee concludes that progress has been made by the Department of Justice and the enforcement agencies reviewed by the Auditor-General on the recommendations made in the report however, greater effort is needed across all enforcement agencies to ensure that their infringement systems operate in compliance with the legislation, regulations and guidelines governing the withdrawal of infringement notices.</p>	<p>page 39</p>
<p>FINDING</p> <p>The Committee also emphasises the need for the Department of Justice to continually monitor compliance by enforcement agencies with the relevant legislative and regulatory requirements.</p>	<p>page 39</p>

CHAPTER 3: CONNECTING COURTS – THE INTEGRATED COURTS MANAGEMENT SYSTEM (JUNE 2009)

Section 3.1 Introduction

<p>FINDING</p> <p>The Integrated Courts Management System (ICMS) is a major initiative within the Department of Justice to modernise and upgrade the technology of all Victorian courts and tribunals, covering both criminal and civil jurisdictions.</p>	<p>page 41</p>
<p>FINDING</p> <p>An amount of \$45.1 million to be spent over four years was provided in the 2005-06 Budget for ICMS, comprising \$32.3 million in capital funds and \$12.8 million in operating funds. The Department of Justice estimated that the ICMS program would incur operational costs totalling \$52.6 million over ten years. The project commenced in July 2005 and was scheduled for completion by June 2009.</p>	<p>page 42</p>

Section 3.3 Program status

<p>FINDING</p> <p>At the time of the audit in June 2009, the ICMS project was 14 months behind schedule with the scheduled completion date revised from June 2009 to August 2010.</p>	<p>page 43</p>
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Section 3.3.1 *Update on the progress of implementing ICMS*

<p>FINDING</p> <p>In July 2011, the Department of Justice provided the Committee with an update of the ICMS program implementation which advised that the case management software had been implemented in the Supreme Court in September 2009 and that all outstanding issues associated with the implementation in that court were expected to have been resolved by November 2011. The Department advised that work was continuing to implement the system across other court jurisdictions.</p>	page 44
<p>FINDING</p> <p>Given the ongoing delays associated with the implementation of the ICMS program and the consequent cost overruns, the Committee considers that the Department of Justice should report publicly on the anticipated timetable for the roll-out of the ICMS across courts and tribunals.</p>	page 45
<p>RECOMMENDATION 10</p> <p>To enhance accountability and transparency, the Department of Justice should publicly disclose in its annual report and/or on its website:</p> <ul style="list-style-type: none"> (a) details of the revised timelines for the roll-out of the Integrated Courts Management System to jurisdictions and tribunals, together with the reasons for their re-scheduling; (b) revised estimates for the total development and operational costs of the Integrated Courts Management System; and (c) a complete analysis of the major cost overruns and implementation delays of the Integrated Courts Management System. 	page 45

Section 3.3.2 *Service Readiness Plan*

<p>FINDING</p> <p>The Committee was pleased to note that, as recommended by the Auditor-General, the Department of Justice had developed a Service Readiness Plan and communicated this to relevant stakeholders to prepare for transition to service of the new system.</p>	page 46
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Section 3.3.3 *Gateway post-implementation review*

<p>FINDING</p> <p>Following the Gateway Review for service readiness, conducted by the Department of Justice in July 2009, the Courts Technology Group within the Department had catalogued service level commitments with court jurisdictions however to date these service level agreements had not been formalised.</p>	pages 46-47
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RECOMMENDATION 11 In the interests of accountability, the Department of Justice's Courts Technology Group should, at the earliest opportunity, formalise service level agreements with jurisdictions.	page 47
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Section 3.3.4 *Benefits to be derived from ICMS*

FINDING In 2009, the Department of Justice estimated that the ICMS would generate savings totalling \$49.9 million over ten years. The Department has revised this estimate of savings over the ten year period down to \$30.4 million due to delays in program implementation. It is anticipated that the full cost savings can still be realised but over a longer term.	page 47
FINDING The Department of Justice has not calculated the impact of the delays in the implementation of the ICMS on the total cost of the program to determine the revised cost/benefit ratio of the program.	page 48
RECOMMENDATION 12 The Committee recommends that the Department of Justice conduct a cost/benefit analysis to reaffirm that the benefits of the Integrated Courts Management System still outweigh the costs involved. This analysis should identify what other additional but avoidable costs have been or will be incurred because of the delay in roll-out of the System.	page 48
RECOMMENDATION 13 Within two years of full implementation of the Integrated Courts Management System, the Auditor-General audit the extent to which benefits have been realised, including the success of the integration of all system components and the effectiveness of ongoing program monitoring.	page 48

Section 3.3.5 *Lessons learned from supplier delay*

FINDING The Committee was pleased to note that the Department of Justice had undertaken and documented risk reviews in relation to the supplier and the program delays experienced. In addition, a post-implementation review had been conducted to identify lessons learned to assist with the ongoing implementation of the ICMS and for reference in future technology initiatives.	pages 48-49
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Section 3.4 Planning for ICMS

<p>FINDING</p> <p>The Auditor-General found that although the business case developed for the project conformed to relevant government guidelines, there were some critical gaps in the assessment of the proposed case management solution with regard to costs and supplier capability. The Auditor-General made two recommendations directed at assisting the Department with future large IT transformation projects.</p>	<p>pages 49-50</p>
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Section 3.4.1 Assessment of the supplier market

<p>FINDING</p> <p>The Department of Justice has since adopted the Department of Treasury and Finance business case development guidelines as a basis for supplier market assessments and has introduced a <i>Project Management Excellence Framework</i> within the Department which will further assist future project supplier assessments.</p>	<p>page 50</p>
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Section 3.4.2 System sizing analysis tools

<p>FINDING</p> <p>The Auditor-General's report was critical of the extent of analysis undertaken by the Department of Justice as part of the ICMS business case to estimate the size, complexity and cost of the project. The Department of Justice has not yet mandated the use of a system sizing analysis tool as there have not been any major IT transformation projects initiated since the recommendation.</p>	<p>pages 50-51</p>
<p>RECOMMENDATION 14</p> <p>The Department of Justice include in its <i>Project Management Excellence Framework</i>, comprehensive guidance on how to realistically and accurately determine the size and complexity of IT transformation programs and to more accurately estimate program development costs.</p>	<p>page 52</p>

Section 3.5 Program control

<p>FINDING</p> <p>The Auditor-General assessed the effectiveness of program controls over the implementation of the ICMS program and made seven recommendations. Three recommendations related specifically to the implementation of the ICMS program and four related to the implementation of future IT projects. The Department of Justice has taken action through the development of the <i>Project Management Excellence Framework</i> to address the audit recommendations.</p>	<p>pages 52-55</p>
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<p>FINDING</p> <p>The Department of Justice advised that the <i>Project Management Excellence Framework</i> has been drawn from a number of projects and seeks to capture best practice and provide a solid foundation for future project management.</p>	<p>page 54</p>
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Section 3.5.4 External periodic reviews

<p>FINDING</p> <p>The Department of Justice has appointed an independent representative to the ICMS Steering Committee to provide an independent perspective on the implementation process. The Department is also looking to incorporate an “IT program health check” as part of its <i>Project Management Excellence Framework</i> which will provide reporting of project and program performance.</p>	<p>page 56</p>
<p>FINDING</p> <p>The Committee considers that independent IT specialist reviews, conducted at critical stages throughout the program delivery, provide a useful governance tool for measuring and analysing project and program performance.</p>	<p>page 56</p>
<p>RECOMMENDATION 15</p> <p>The Department of Justice’s <i>Project Management Excellence Framework</i> should include a requirement for periodic independent specialist reviews for all large and complex IT transformation projects.</p>	<p>page 56</p>

Section 3.5.6 Use of independent expertise

<p>FINDING</p> <p>The Committee agrees with the views expressed by the Auditor-General and in the Department’s own Gateway Review that implementation of the ICMS would have benefited from the input of independent specialist IT advice.</p>	<p>page 58</p>
<p>RECOMMENDATION 16</p> <p>The Department of Justice should include independent IT specialist representation in its governance arrangements for future complex IT transformation projects.</p>	<p>page 58</p>

CHAPTER 4: IMPLEMENTING VICTORIA POLICE'S CODE OF PRACTICE FOR THE INVESTIGATION OF FAMILY VIOLENCE

Section 4.1 Introduction

<p>FINDING</p> <p>Family violence results in serious physical, emotional and financial consequences for individuals, families and the community. With family violence affecting one in three Australian women, it is the main cause of preventable death, disability and illness in Victorian women aged between 15 and 44 years, and costs an estimated \$2 billion annually.</p>	<p>page 59</p>
<p>FINDING</p> <p>In 2004, Victoria Police introduced a <i>Code of Practice for the Investigation of Family Violence</i>, which introduced a mandatory police response to family violence reports and includes compulsory risk assessment and management procedures for all family violence incidents.</p>	<p>page 59</p>
<p>FINDING</p> <p>Subsequent to the Auditor-General's report in June 2009, Victoria Police launched a second edition to the Code of Practice to reflect the themes identified by the Auditor-General and legislative changes to the <i>Family Violence Protection Act 2008</i>, the <i>Children, Youth and Families Act 2005</i>, the <i>Evidence Act 2008</i> and the <i>Victims' Charter Act 2006</i>; risk management issues; and increased clarity about the role of Victoria Police in investigating breaches of intervention orders.</p>	<p>page 60</p>

Section 4.2 The Audit

<p>FINDING</p> <p>The Auditor-General noted that there had been an increase in the number of police attendances at family violence incidents; the number of intervention orders and criminal charges; and the number of investigations and prosecutions related to family violence incidents since the Code of Practice was introduced.</p>	<p>page 61</p>
<p>FINDING</p> <p>The Auditor-General found that Victoria Police data was inconclusive in assessing the effectiveness of the new <i>Code of Practice for the Investigation of Family Violence</i> in terms of improving the outcomes for victims of family violence or in breaking the cycle of violence.</p>	<p>pages 61-62</p>

Section 4.3 Procedural compliance

Section 4.3.1 Spot checks, benchmarks and monitoring

<p>FINDING</p> <p>The Committee was interested in understanding why Victoria Police would not consider measuring the costs and time taken to manage the operating and administrative functions associated with the investigation of family violence incidents. As advised by Victoria Police, the organisational priority is to deliver the right response to family violence and keep victims safe and, while there will always be an attempt to do this efficiently, time and cost implications are a secondary priority.</p>	<p>page 64</p>
<p>FINDING</p> <p>The Committee believes that striving for a quality outcome should not obviate the need to undertake investigations of family violence incidents efficiently. The Committee therefore considers that the time and costs involved in investigations should be captured and monitored.</p>	<p>page 64</p>
<p>RECOMMENDATION 17</p> <p>In the interests of ensuring that investigations of family violence incidents are undertaken efficiently, the Committee recommends that Victoria Police capture and analyse the time spent in undertaking investigations and associated costs against suitable benchmarks.</p>	<p>page 64</p>

Section 4.4 Response effectiveness

Sections 4.4.1 - 4.4.2 Intervention orders & Criminal prosecutions

<p>FINDING</p> <p>The Committee agrees with the Auditor-General that, with regard to applying the Code's criminal option whereby police have the power to investigate and prosecute perpetrators of family violence, to gauge the effectiveness of this activity, there would need to be a way of measuring and monitoring:</p> <ul style="list-style-type: none"> • the success of prosecutions, that is the proportion of police-laid charges that are proved; • trends in offence seriousness, which could indicate the Code's effectiveness in controlling family violence; and • whether charges relate to repeat offenders and repeat victims. 	<p>page 66</p>
<p>RECOMMENDATION 18</p> <p>The Committee recommends that Victoria Police review the need to develop data systems that will enable the impact that police applications for intervention orders and the findings of criminal prosecutions are having on the safety of victims of family violence.</p>	<p>page 66</p>

Section 4.4.3 Referral outcomes

<p>FINDING</p> <p>Victoria Police advised that there is no current resource or technical capacity to track referrals through the service system. There are, however, some regional initiatives that monitor repeat attendances and action taken, such as formal referrals, to ensure as much as possible within a voluntary system that victims and perpetrators have access to services.</p>	<p>page 66</p>
<p>FINDING</p> <p>With regard to enabling sufficient information to be available to assess whether the referral system is effective, Victoria Police will need to develop systems to track referrals through the service system and related outcomes.</p>	<p>page 67</p>
<p>RECOMMENDATION 19</p> <p>The Committee recommends that Victoria Police ensure the development of technological capacity to track referrals through the service system and monitor referral outcomes.</p>	<p>page 67</p>

Section 4.4.4 Data gaps, baseline measures and targets

<p>FINDING</p> <p>A public report against the objectives of the <i>Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14</i> is to be released in late 2011.</p>	<p>page 68</p>
<p>FINDING</p> <p>As part of this process, to enhance accountability for efficient and effective service delivery, the Committee reinforces the need for performance to be assessed against measures and targets that relate to the objectives of the Strategy and public reporting to be geared around such a framework.</p>	<p>page 68</p>
<p>RECOMMENDATION 20</p> <p>The Committee recommends that Victoria Police ensure that performance measures and targets form part of the process of publicly reporting against the objectives of the <i>Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14</i>.</p>	<p>page 68</p>

Section 4.5 Governance and management

Section 4.5.1 Effectiveness of the Code

<p>FINDING</p> <p>The Committee believes that in view of the introduction of the <i>Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14</i> and the release of the second edition of <i>Victoria Police's Code of Practice for the Investigation of Family Violence</i> in December 2010, it is now timely for the Government to commission a formal evaluation of the Whole of Government family violence reform agenda. A major part of such an evaluation would include an assessment of whether the Victoria Police Code is effective and is creating better outcomes for the victims and perpetrators of family violence.</p>	<p>page 69</p>
<p>RECOMMENDATION 21</p> <p>The Committee recommends that the Government commission a formal evaluation of the whole-of-government family violence reform agenda.</p>	<p>page 70</p>

Section 4.5.3 Regional structure – family violence advisors and liaison officers

<p>FINDING</p> <p>In response to the criticism by the Auditor-General that appointments of family violence liaison officers are made without entering into a competitive recruitment process, Victoria Police explained that:</p> <p><i>Resources and numbers of operational police make the transition of the family violence liaison officer positions to competitive selection processes unachievable at this point of time. This also needs to be balanced with the fact that family violence is core general duties work and all police should be responding effectively to family violence and further specialisation may diminish responses.</i></p>	<p>page 71</p>
<p>FINDING</p> <p>The Committee endorses the view expressed by the Auditor-General in relation to the adoption of competitive selection processes.</p>	<p>page 71</p>
<p>RECOMMENDATION 22</p> <p>The Committee recommends that Victoria Police ensure that the position of family violence liaison officers be strengthened through undertaking a competitive recruitment process.</p>	<p>page 71</p>

CHAPTER 5: STATUS OF PAEC RECOMMENDATIONS

Section 5.3 *PAEC 82nd Report to Parliament - Review of the Findings and Recommendations of the Auditor-General's Reports tabled July 2006– February 2007*

Section 5.3.1 *Part A – Government Advertising*

<p>FINDING</p> <p>Many of the recommendations made in the Committee's follow-up of Government Advertising have been satisfactorily addressed by the Department of Premier and Cabinet.</p>	<p>page 75</p>
<p>FINDING</p> <p>More detailed information is now provided via the Department's website and for the media trust fund account in the Department's Annual Report in an effort to improve the transparency of expenditure relating to advertising and communications.</p>	<p>page 75</p>
<p>FINDING</p> <p>The revision of the <i>Guidelines for Victorian Government Advertising and Communications</i> was finally completed in late 2009.</p>	<p>page 75</p>
<p>FINDING</p> <p>Under <i>Financial Reporting Direction 22B</i> (FRD22B), details of major promotional, public relations and marketing activities are available on request, subject to the provisions of the <i>Freedom of Information Act 1982</i>. The requirements of FRD22B have not been further reviewed by the Department of Treasury and Finance with a view to improving transparency and disclosure in relation to government advertising activities.</p>	<p>page 76</p>
<p>FINDING</p> <p>The Committee was unable to identify any details in relation to the existence or activities of a "Government Advertising Review Panel" referred to by the Department of Treasury and Finance in their response and by the Premier at budget estimates hearings in May 2011.</p>	<p>page 76</p>
<p>FINDING</p> <p>The Committee looks forward to the findings of the Auditor-General's most recent audit of government advertising and communications which is examining compliance of selected advertising activities and campaigns with relevant guidelines and policies.</p>	<p>page 76</p>
<p>RECOMMENDATION 23</p> <p>The Committee recommends that the Department of Treasury and Finance complete their review of the Financial Reporting Directions as they relate to the expenditure of public funds on advertising and public relations activities in an effort to further improve the transparency and quality of public reporting.</p>	<p>page 77</p>

Section 5.3.2 Part B – New Ticketing System Tender

<p>FINDING</p> <p>The Committee notes that some action has been taken on the recommendations made in relation to the follow-up of the procurement practices surrounding the tender for the new public transport ticketing system.</p>	<p>pages 77-78</p>
<p>FINDING</p> <p>The DTF has reviewed its <i>Good Practice Guidelines for the Conduct of Commercial Engagement in Government</i> to ensure that advice relating to probity, security of documentation, confidentiality and conflicts of interest is adequate and appropriate.</p>	<p>page 77</p>
<p>FINDING</p> <p>The use of the Probity Practitioner Services Panel remains mandatory for departments only. Its use by other public sector entities is optional.</p>	<p>page 78</p>
<p>FINDING</p> <p>The implementation of new procurement policy framework has been identified as a strategic priority of the Victorian Government Purchasing Board during 2011-12.</p>	<p>page 78</p>
<p>FINDING</p> <p>The <i>Investment Lifecycle Guidance</i> which covers practices to support government investment decision-making is currently being restructured by the Department of Treasury and Finance to simplify practices and provide greater certainty of investment success.</p>	<p>page 78</p>
<p>FINDING</p> <p>The Committee concluded that there is an extensive amount of good quality material available in relation to tendering and purchasing policies and guidelines to support the procurement processes of government departments. However, the Committee continues to support the Auditor-General's original recommendations for these policies and guidelines to be equally mandatory for both departmental and non-departmental/statutory entities.</p>	<p>page 78</p>
<p>RECOMMENDATION 24</p> <p>The Committee recommends that the Department of Treasury and Finance take action to ensure that all major tenders undertaken by public sector entities (departmental and non-departmental) use the Probity Practitioner Services Panel and comply with all relevant government procurement and tendering policies and guidelines.</p>	<p>page 79</p>

Section 5.3.3 **Part C – Condition of Public Sector Residential Aged Care Facilities**

<p>FINDING</p> <p>The Department of Health is working with the Department of Treasury and Finance to further implement the Asset Management Framework and develop relevant key performance indicators for buildings and facilities within the health portfolio.</p>	<p>page 79</p>
<p>FINDING</p> <p>The Committee re-emphasises the importance of aged care providers being fully apprised of, and compliant with, the relevant asset management policies, principles and minimum performance standards in relation to their aged care facilities provided under Service Agreements with the State. To this effect, regular monitoring by the Department of Health, of Aged Care service provider performance and compliance remains critical.</p>	<p>page 80</p>
<p>FINDING</p> <p>The 2006 state-wide “fabric survey” of aged care facilities was not completed until November 2009. The Committee endorses the Department of Health’s efforts in seeking alternative methods of data survey/review to expedite the collection of information about the physical condition of aged care facilities. Such information is vital to strategic asset management decision-making including both the prioritisation of capital works resources and the effective management of infrastructure risks.</p>	<p>page 80</p>
<p>RECOMMENDATION 25</p> <p>The Committee recommends that the Department of Health ensure that all current Service Agreements with public sector residential aged care providers include details of the relevant State asset management policies, principles and minimum performance standards with which providers must comply.</p>	<p>page 80</p>
<p>RECOMMENDATION 26</p> <p>The Committee recommends that the Department of Health ensure that an appropriate and reliable performance management system is in place to monitor the compliance of residential aged care service providers with the terms and conditions of Service Agreements as they relate to the condition of aged care buildings and facilities.</p>	<p>page 80</p>
<p>RECOMMENDATION 27</p> <p>The Committee recommends that the Department of Health seek to implement a system or method of asset review which enables information about the current physical condition of aged care buildings and facilities to be collected and updated in a timelier manner.</p>	<p>page 80</p>

Section 5.3.4 Part D – Priority Two follow-ups

FINDING Committee recommendations in relation to the “priority two” follow-ups of the audits of the Docklands Film and Television Studios and Vocational Education and Training have been satisfactorily addressed by the Department Business and Innovation and the Department of Education and Early Childhood Development (Skills Victoria).	pages 81-82
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Section 5.4 PAEC 86th Report to Parliament - Review of the Findings and Recommendations of the Auditor-General's Reports 2007 (June 2009)**Section 5.4.1 Part A – Report on State Investment in Major Events**

FINDING The Committee considers that the Department of Business and Innovation has sought to address most of the follow-up recommendations made in relation to the audit of State investment in major events. Based on the available information, the Committee concluded that the Department makes serious efforts to analyse and evaluate the economic benefits to the State from the staging of major events.	page 83
FINDING While the Committee was advised that guidelines for the economic assessment of major events had been developed, it was unable to find evidence of these on department websites. Further, the Committee was concerned that the guidelines, as advised, only relate to major events funded up to \$10 million per annum by the State and do not extend to major events funded in excess of \$10 million per annum.	page 83
RECOMMENDATION 28 The Committee recommends that the Department of Business and Innovation, in consultation with the Department of Treasury and Finance, seek to formalise guidance for the economic assessment of major events which have been funded in excess of \$10 million per annum by the State.	page 83

Section 5.4.2 Part B – Maintaining Victoria's Rail Infrastructure Assets

FINDING The Committee acknowledges the actions advised by the Department of Transport in regard to monitoring rail maintenance and renewal activities. The Committee restates the comments made in its original report about the importance of a meaningful and comprehensive performance monitoring and reporting framework which includes relevant key performance indicators for each part of the rail network.	page 84
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Section 5.4.3 Promoting Better Health through Healthy Eating

<p>FINDING</p> <p>The Committee noted a number of recent developments in the area of preventative health which focus on the forthcoming period 2011 to 2015. In particular, the signing of a National Partnership Agreement on Preventative Health, establishment of a new research centre in prevention science, and the release in September 2011 of the <i>Victorian Public Health and Wellbeing Plan 2011-2015</i>.</p>	<p>page 85</p>
<p>FINDING</p> <p>The Department of Health advised that it is still reviewing its health promotion funding formula but intends to factor in changes in demographics and data on the incidence of disease across the State into future funding allocations. The Committee notes that the Department originally advised of this funding review in November 2009.</p>	<p>page 85</p>
<p>FINDING</p> <p>There have been significant delays in publishing reports containing the results of data collected through the <i>Victorian Health Monitor</i> in relation to cardiovascular disease and diabetes risk factors and the food and nutrition survey.</p>	<p>page 86</p>
<p>FINDING</p> <p>In July 2011, the Department of Health introduced new mandatory reporting requirements and monitoring arrangements for partnerships funded through the Aboriginal Promotion and Chronic Care program.</p>	<p>page 86</p>
<p>FINDING</p> <p>The Committee was unable to find evidence of evaluation by the Department of Health of a number of health promotion strategies which had recently come to an end. The Committee considers that the evaluation of the <i>Go for your life Strategic Plan</i>, the <i>Cancer Action Plan</i> and the <i>Diabetes Prevention and Management Strategic Framework</i> would provide useful input to the design and implementation of preventative health programs and interventions under the <i>Victorian Public Health and Wellbeing Plan 2012-2015</i> to capitalise on lessons learned and to avoid fragmentation of health policy initiatives from one period to the next.</p>	<p>page 86</p>
<p>FINDING</p> <p>The Committee considers it important for the Department of Health to ensure that state preventative health programs are coordinated with initiatives funded through National Partnership Agreements on Preventative Health and on Indigenous Health to minimise the risk of duplication and ensure the most efficient application of resources towards common objectives.</p>	<p>page 87</p>

<p>RECOMMENDATION 29</p> <p>The Committee recommends that the Department of Health finalise its review and update of the health promotion funding formula as originally advised in November 2009. The most recent health status data across various population groups should be referenced in determining funding allocations.</p>	<p>page 87</p>
<p>RECOMMENDATION 30</p> <p>The Committee recommends that the Department of Health finalise the publication of the results collected through the <i>Victorian Health Monitor</i> in relation to cardiovascular disease and diabetes risk factors and the food and nutrition survey.</p>	<p>page 87</p>
<p>RECOMMENDATION 31</p> <p>The Committee recommends that the Department of Health consider undertaking evaluations of the Department's past health plans and strategies such as the <i>Go for your life Strategic Plan 2006-10</i>, the <i>Cancer Action Plan 2008-11</i> and the <i>Diabetes Prevention and Management Strategic Framework 2007-10</i>, to assess the their effectiveness in achieving specified objectives and also to provide input to future strategic health prevention actions.</p>	<p>page 87</p>
<p>RECOMMENDATION 32</p> <p>To avoid the risk of duplication and inefficient application of resources, the Committee recommends that the Department of Health ensure that State preventative health programs and initiatives do not duplicate health initiatives being implemented under National Agreements on Preventive Health and Indigenous Health.</p>	<p>page 87</p>
<p>FINDING</p> <p>Sport and Recreation Victoria, within the Department of Planning and Community Development indicated that it has taken action to ensure that program funding recipients provide qualitative and quantitative information at the conclusion of projects. The Department advised that future programs which build on the '<i>Go for your life</i>' program will reference the lessons learned from these evaluations.</p>	<p>pages 87-88</p>
<p>FINDING</p> <p>In September 2010, the Parliamentary Education and Training Committee released the report on its <i>Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living</i>. The Inquiry made nine recommendations related to developing health promotion in Victorian schools. Further, the National Partnership Agreement on Preventative Health includes a "Healthy Children" initiative directed at the development of health promotion policy and intervention to promote children's healthy eating and physical activity.</p>	<p>page 88</p>

<p>FINDING</p> <p>Overall the responses of the Department of Education and Early Childhood Development to the Committee's recommendations were disappointing with very little evidence of concrete action taken to address the issues raised in the Committee's Report. The Department's responses suggest that much about health promotion and prevention strategies in schools is under consideration at present.</p>	<p>page 89</p>
<p>FINDING</p> <p>The Committee considers that the "stop-start" nature of many of the health promotion programs and initiatives in schools and the lack of program evaluation are to the detriment of the achievement of the State's long term health objectives.</p>	<p>page 89</p>
<p>FINDING</p> <p>Documentation reviewed by the Committee indicate that both the Department of Education and Early Childhood Development and the Department of Health view good health as a prerequisite for effective learning and that the development of healthy habits in relation to eating and physical activity in children, assist lifelong health and wellbeing of adults. This philosophy is also supported by the Council of Australian Governments, as evidenced through the National Partnership Agreement on Preventative Health.</p>	<p>pages 89-90</p>
<p>FINDING</p> <p>There was no information available on the Department of Education and Early Childhood Development website in relation to the National Partnership Agreement on Preventative Health (Healthy Children's Initiative) as alluded to in the Department's response to the Committee so it was difficult to determine the extent of the Department's involvement with this Agreement. The Committee assumes that this is yet to be determined.</p>	<p>page 90</p>
<p>FINDING</p> <p>The Committee considers greater effort is needed to:</p> <ul style="list-style-type: none"> • Improve inter-sectoral collaboration and coordination between health and education; • Ensure that health programs in school are sustainable; • Establish timelines and targets for regular assessment of the implementation and outcomes of health promotion programs and initiatives in Victorian schools; and <p>Make better use of the available data from child and adolescent health and wellbeing surveys to identify and target the required health promotion interventions and activities.</p>	<p>page 90</p>

<p>RECOMMENDATION 33</p> <p>The Committee recommends that the Department of Health and the Department Education and Early Childhood Development need to establish a means to improve inter-sectoral collaboration and coordination in relation to preventative health initiatives to ensure that:</p> <ul style="list-style-type: none"> (a) public health promotion goals and objectives are clearly articulated and understood; (b) the implementation of health promotion programs and initiatives in schools is monitored; and (c) the impacts/outcomes of programs and initiatives are evaluated. 	page 91
<p>RECOMMENDATION 34</p> <p>The Committee recommends that the Department of Health and the Department Education and Early Childhood Development seek to improve the sustainability of health prevention programs in schools with a view to maximising the impact of those programs on long-term public health objectives.</p>	page 91
<p>RECOMMENDATION 35</p> <p>The Committee recommends that the Department Education and Early Childhood Development establish timelines and target dates for the implementation of the recommendations of the Parliamentary Education and Training Committee's <i>Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living</i>.</p>	page 91
<p>RECOMMENDATION 36</p> <p>The Committee recommends that the Department Education and Early Childhood Development ensure that school health promotion programs and initiatives are regularly assessed and the outcomes measured so that proven initiatives can be incorporated into regular and sustained practices within the school curriculum and school environment.</p>	page 91
<p>RECOMMENDATION 37</p> <p>The Committee recommends that the Department Education and Early Childhood Development make better use of the data and reports produced through the Victorian Children and Adolescent Monitoring System, VicHealth and the Australian Health Promoting Schools Association to assist in identifying and targeting the required health promotion interventions and activities in schools.</p>	page 91

Section 5.4.5 Part D – Priority Two follow-ups

<p>FINDING</p> <p>Responses from the Department of Health indicated that satisfactory action taken has been taken on the Committee's follow-up recommendations in relation to the management of emergency demand in public hospitals.</p>	page 92
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<p>FINDING</p> <p>A review of the status of the Committee's recommendations in relation to the raising and collection of fees across departments indicated that while the Department of Treasury and Finance advised that the Financial Management Compliance Framework makes it clear that charges for goods and services must be reviewed annually, the Committee was unable to gauge the extent to which departments comply with these guidelines.</p>	<p>pages 92-93</p>
<p>FINDING</p> <p>The responses on the status of the recommendations made in relation to the audit of the key administrative functions of the Melbourne Magistrates' Court indicated that all had been satisfactorily actioned with the exception of the recommendation for the development of staff rotation and secondment opportunities which whilst recognised as worthy, appears difficult to implement.</p>	<p>page 93</p>
<p>RECOMMENDATION 38</p> <p>The Committee recommends that the Department of Justice finalise the draft Workforce Plan of the Melbourne Magistrates' Court of Victoria and continue to investigate staff rotation and secondment opportunities for the administrative staff of the Court.</p>	<p>page 93</p>

Section 5.5 *PAEC 91st Report to Parliament - Review of the Findings and Recommendations of the Auditor-General's Reports 2007-08 (September 2009)*

Section 5.5.1 *Part A – Improving our Schools: Monitoring and Support*

<p>FINDING</p> <p>The Department of Education and Early Childhood Development has engaged the University of Melbourne to undertake a longitudinal study of the Regional Network Model to assess its effectiveness in assisting school performance. The study is expected to conclude in 2014.</p>	<p>page 94</p>
<p>FINDING</p> <p>A School Performance Summary is now included in School Annual Reports in March each year and is accessible via the Victorian Government website and the Victorian Registration and Qualifications Authority website.</p>	<p>page 95</p>
<p>FINDING</p> <p>The Committee notes that significant progress has been made in the monitoring and evaluation of student outcomes in Victorian government schools and looks forward to further developments in this area aimed at achieving better outcomes for Victorian students in the future.</p>	<p>page 95</p>

Section 5.5.2 *Part B – Funding and Delivery of Two Freeway Upgrade Projects*

<p>FINDING</p> <p>The Committee notes that all of the Committee's follow-up recommendations to VicRoads on the audit of the funding and delivery of the freeway upgrade projects have been satisfactorily addressed.</p>	<p>page 95</p>
<p>FINDING</p> <p>The Committee notes that the freeway works for the \$1.39 billion Monash-City Link-West Gate (M1) Upgrade are now substantially complete. The Committee looks forward to the Parliament being informed of the benefits of the project following the final project evaluation by VicRoads.</p>	<p>page 96</p>
<p>FINDING</p> <p>The Department of Treasury and Finance indicated that it is looking into piloting a "Gateway Review Process Lessons Learned" website and implementing a formal training package through the University of Melbourne and the Commonwealth Department of Infrastructure and Transport to increase knowledge and capacity in this area. Also best practice policies and guidelines on "alliancing" contracts are now available on the DTF website.</p>	<p>page 96</p>

Section 5.5.3 *Part C – Priority Two follow-ups*

<p>FINDING</p> <p>A risk assessment of the Agricultural Science Investment Framework has been undertaken but "treatment actions" to address significant risks are being implemented progressively.</p>	<p>page 97</p>
<p>FINDING</p> <p>A review of the effectiveness of the Department of Primary Industries' Agricultural Science Investment Framework is yet to be undertaken and has been postponed since the end of 2009. The Department has advised that the delay has been caused by a lack of available resources.</p>	<p>page 97</p>
<p>FINDING</p> <p>Limited progress has been made by the Department of Primary Industries in the development of a single data collection system for information relating to agricultural research and investment programs.</p>	<p>page 97</p>

<p>FINDING</p> <p>It is disappointing to note that the responses of the Department of Primary Industries indicate that limited action has been taken to address the issues raised in the Auditor-General's report and later re-iterated in the Committee's follow-up report. The Committee is unable to ascertain whether the lack of action is the result of resourcing issues or because the matters are not considered important compared to other activities in the Department.</p>	<p>page 97</p>
<p>RECOMMENDATION 39</p> <p>The Committee recommends that the Department of Primary Industries implement treatment actions to address all "significant risks" identified in the risk assessment of the Department's agricultural research investment framework as soon as possible.</p>	<p>page 97</p>
<p>RECOMMENDATION 40</p> <p>The Committee recommends that the Department of Primary Industries undertake an independent review of its Agricultural Science Investment Framework to test the validity and effectiveness of the Department's current approach to research investment.</p>	<p>page 98</p>
<p>RECOMMENDATION 41</p> <p>The Committee recommends that the Department of Primary Industries review the agricultural and scientific research information systems used in other Australian jurisdictions to identify an appropriate system for adoption in Victoria to reduce the current duplication of agricultural research investment data collection systems within the Department and assist in streamlining the Department's reporting framework.</p>	<p>page 98</p>
<p>FINDING</p> <p>The actions taken by the Department of Education and Early Childhood Development in relation to the follow-up of the accountability framework in place for the Program for Students with Disabilities were considered satisfactory.</p>	<p>page 98</p>

CHAPTER 1: MANAGEMENT OF SCHOOL FUNDS (MAY 2009)

1.1 Introduction

The *Education and Training Reform Act 2006* together with guidelines issued by the Department of Education and Early Childhood Development (DEECD) provide the framework and rules for the management of school funds. The Act requires a school to establish a School Council to take responsibility for the governance and financial management of the school.

In May 2009, the Auditor-General released his report, *Management of School Funds* which evaluated the effectiveness of funds management by schools and the role played by the DEECD in facilitating the effective management of Victorian government school resources.

The report noted the recent initiatives by the DEECD in assisting schools to manage their funds through the introduction of the school administration and finance system CASES21 (Computerised Administrative System Environment in Schools) and professional development programs offered to school administrators. The Auditor-General stated that these initiatives had contributed to the effective management of funds by schools.¹

As at 30 June 2011 funds held by Victoria's 1548 government schools totalled approximately \$710.7 million.²

1.1.1 Audit objective and scope

The objective of the audit was to assess whether government schools manage their funds appropriately and also to evaluate the adequacy of support and monitoring provided by the DEECD in this area of school management.³

Specifically the audit assessed whether:⁴

- schools had established adequate policies over the management of funds and were complying with relevant legislation, DEECD policies and guidelines, and sound investment practices;
- the DEECD adequately supported and monitored schools in their management of funds; and
- the use of school co-operatives to borrow funds was consistent with legislative requirements, adequately overseen by the DEECD and properly managed and recorded by the school.

1 Victorian Auditor-General, *Management of School Funds*, May 2009, Foreword, p.v

2 Mr K. Peake, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 23 September 2011, Attachment A, p.1

3 Victorian Auditor-General, *Management of School Funds*, May 2009, p.6

4 *ibid.*

The Auditor-General's audit covered a sample of 21 government schools. Of these, 15 were located in the metropolitan area and 6 were located in regional Victoria.⁵ Of the 21 schools reviewed, 7 had established co-operatives to obtain finance to partially fund construction of facilities at their schools.⁶

1.2 Audit findings and recommendations

The Auditor-General found that with some minor exceptions, most schools were managing their funds in accordance with the relevant legislation and departmental policies and guidelines, including sound investment management practices.⁷

With regard to the role of the DEECD, the Auditor-General concluded that the DEECD had an effective quality assurance regime in place to adequately support and monitor schools.⁸

The issues and recommendations arising from the audit related to the operation of school co-operatives. Specifically, the Auditor-General recommended that the DEECD should:⁹

- reinforce to schools the importance of school co-operatives fulfilling all of their legislative annual reporting requirements in a timely manner (audit recommendation 5.1);
- address the legislative anomaly regarding school borrowings (audit recommendation 5.2); and
- provide guidance to schools regarding the insurance implications for school facilities jointly funded by the Department and the school. This should include clarification of the respective financial obligations of the parties in the event of damage to the facility and the availability of school insurance (audit recommendation 5.3).

1.2.1 *Response provided by the Department of Education and Early Childhood Development*

The DEECD welcomed the report and the recommendations agreeing that the effective management of school funds is important to the ongoing financial viability of government schools. All recommendations were accepted and the DEECD indicated it intended to undertake action to address each one.¹⁰

The DEECD's response as included in the *Response by the Minister for Finance to the Auditor-General's reports issued during 2008-09* (Response by the Minister for Finance) provided an update on the DEECD's actions in implementing the audit recommendations. These responses have been noted by the Committee in the following paragraphs.

5 ibid., pp.6-7

6 ibid., p.14

7 ibid., p.1

8 ibid.

9 ibid., p.2

10 ibid., pp.3-4

1.3 Scope of the Committee's follow-up

The purpose of this follow-up review by the Committee is to provide an update on progress made by the DEECD in implementing the recommendations made in the Auditor-General's report.

The scope of the Committee's review was as follows:

- the audit recommendations and responses by the DEECD in the Response by the Minister for Finance were reviewed;
- in July 2011, the Committee sought details from the DEECD as to specific actions taken to address the audit recommendations;
- the Committee invited the Auditor-General to provide comments on the actions taken by the DEECD; and
- in September 2011, the Committee sought further clarification in regard to some of the issues raised in the Auditor-General's report.

Where considered appropriate and necessary the Committee has made recommendations in an effort to further progress the implementation of the audit recommendations and to enhance public sector accountability.

1.4 School compliance with fund management requirements

The Auditor-General noted that only 3 of the 21 schools sampled had failed to comply with all of the policies and procedures governing the management of school funds. Further the Auditor-General stated that the DEECD '*provides an adequate range of support and guidance to assist schools in managing their funds and this work contributes to an effective quality assurance regime*'.¹¹

The Committee notes the satisfactory conclusion of the Auditor-General in relation to school funds management. The following paragraphs therefore focus on actions taken to address issues raised by the Auditor-General in relation to the operation and monitoring of school co-operatives.

1.5 Introduction: operation and monitoring of school co-operatives

Under the *Education and Training Reform Act 2006*, school councils are not permitted to obtain loans or credit facilities however, a school community may establish a government school co-operative, under the *Co-operatives Act 1996*, to borrow funds in order to build or improve facilities on school property. A co-operative is established as a non-trading incorporated entity with limited liability. Membership of the co-operative is open to any person (parent, staff member or supporter with a link to the school) who is allocated a share/s in the co-operative.¹²

¹¹ *ibid.*, p.9

¹² *ibid.*, p.14

School Councils have primary responsibility for meeting the loan repayments of school co-operatives out of the schools' 'own-sourced' income. In practice, guarantees for the repayment of loans by school co-operatives are provided by the Treasurer of Victoria.¹³

The Auditor-General noted in his report that as at 30 June 2008, there were 157 government school co-operatives with Treasurer's guarantees totalling \$16.1 million. Loans obtained by co-operatives range from \$21,000 to \$800,000, with the average loan being \$185,000.¹⁴ The Committee requested an update of these figures from the DEECD but was advised that the DEECD does not hold data on loan amounts, guarantees or number of co-operatives. The DEECD advised that the information is held by Consumer Affairs Victoria.¹⁵

1.6 Compliance by school co-operatives with legislation and other requirements – audit recommendation 5.1

The Auditor-General examined the extent to which the seven government school co-operatives were compliant with the *Co-operatives Act 1996* and relevant guidelines issued by the Department of Treasury and Finance and Consumer Affairs Victoria in relation to the establishment, financial obligations and annual reporting requirements of the co-operative.¹⁶

1.6.1 Annual reporting requirements

The Auditor-General found that in the schools examined, all seven co-operatives had been legally established and were compliant with various operating requirements with the exception of some non-compliance with the annual legislative reporting requirements. These were noted in the report as follows:¹⁷

- a significant number of annual returns had not been submitted to Consumer Affairs Victoria on time and a number of returns had not been submitted at all;
- in three of the seven co-operatives, audited financial statements had not been tabled at the annual general meetings due to late preparation of the statements;
- in the case of two co-operatives, annual general meetings had not been held for over two and three years respectively; and
- in many cases, the minutes of annual general meetings could not be produced for audit review.

The deficiencies in reporting by co-operatives made it difficult for School Councils to effectively execute their responsibilities in relation to monitoring and oversight of the school entity's financial activities and weakened the accountability of schools for these school

13 ibid.

14 ibid.

15 Mr K. Peake, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 23 September 2011, Attachment A, p.1

16 Victorian Auditor-General, *Management of School Funds*, May 2009, p.15

17 ibid., p.16

co-operatives. In addition, the Auditor-General noted that filing and record keeping at all seven co-operatives was generally of a poor standard.¹⁸

1.6.2 Department of Education and Early Childhood Development support and oversight of school co-operatives

In relation to support and oversight by the DEECD of the activities of schools in establishing and operating school co-operatives, the Auditor-General found that no direct assistance or advice had been provided to schools nor until recent times had the DEECD monitored the operations of school co-operatives. This was because the DEECD viewed school co-operatives as separate legal entities under the *Co-operatives Act 1996* for which the DEECD had no legislative responsibility. However, the Auditor-General noted that the DEECD had recently acted to oversee the financial transactions of school co-operatives by directing the recording of transactions in CASES21 and in the school's annual financial statements.¹⁹

The Auditor-General recommended that the DEECD reinforce to schools the importance of school co-operatives meeting their legislated annual reporting requirements in a timely manner (audit recommendation 5.1).²⁰

1.6.3 Response by the Department of Education and Early Childhood Development

The DEECD's response as detailed in the Response by the Minister for Finance stated that the DEECD would ensure that resources made available to schools include relevant information on the financial reporting requirements of school co-operatives.²¹

The DEECD's response also states that the *School Finance Manual* contains advice to schools about co-operatives and that articles on the responsibilities of school co-operatives are planned for the 2009 and 2010 calendar year editions of the *CASES21 Bulletins*.²²

1.6.4 Subsequent information obtained by the Committee

The Committee's search of available information on the DEECD's website in relation to guidance available on the reporting responsibilities of school co-operatives revealed the following:

- The Finance Manual for Victorian Government Schools contains a section describing what a "Co-operative Loan" is and its legal basis together with advice on how it should be recorded in the CASES21 accounting system. The section also states:²³

18 *ibid.*, pp.1, 16-17

19 *ibid.*, p.17

20 *ibid.*, p.19

21 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General's reports issued during 2008-09*, December 2009, p.21

22 *ibid.*

23 Department of Education and Early Childhood Development, *Finance Manual for Victorian Government Schools*, November 2011, Section 10.1, p.59

Schools must also ensure that co-operative accounts are independently audited on an annual basis...Schools must also comply with reporting requirements as outlined by Consumer Affairs Victoria.

- The Finance Manual refers schools to Consumer and Business Affairs Victoria for detailed information and assistance.²⁴
- A Departmental policy on *School Generated Funding* (last updated July 2011) notes that a school may raise loans through a co-operative. The policy makes a brief reference to the requirement to provide a report each financial year to the Registrar of Cooperatives, Department of Justice, Consumer Affairs Victoria. Schools are advised that a “Kit” about co-operatives is available from the Registrar and a postal address and web address for Consumer Affairs is provided.²⁵
- A Department of Education letter dated 19 June 2007 to school principals titled *Managing and Reporting of School Cooperative Loans on CASES21 Finance* directs that all co-operative bank accounts must be recorded on CASES21 Finance and refers to the CASES21 manual for information about processing transactions related to Co-operative Accounts.²⁶

In September 2011, the Committee requested information from the DEECD as to actions taken to reinforce the reporting requirements of school co-operatives and requested copies of the CASES21 Bulletins issued by the DEECD and the extent of liaison between the DEECD and Consumer Affairs to improve compliance in this area.

The DEECD advised that the *CASES21 Bulletins* are one of the primary mechanisms in delivering financial policy and operational advice to schools.²⁷ A copy of the article included in the June 2010 *CASES21 Bulletin* was provided to the Committee.

The Committee also asked the DEECD to advise whether it considered the web links noted in its *School Generated Funding* policy to be an adequate reference in terms of providing ‘guidance to schools’ on the establishment and operation of co-operatives.

The DEECD advised:²⁸

Co-operatives are separate legal entities under the jurisdiction of Consumer Affairs Victoria (CAV) and not the Department of Education and Early Childhood Development. Where the DEECD does not have primary responsibility for policy such as the case with co-operatives, the policy documentation process is to reference the primary source of information in documents rather than duplicate the information. This ensures that users accessing the information will obtain the most up to date and relevant data

24 ibid.

25 Department of Education and Early Childhood Development, ‘School Generated Funding’, <www.education.vic.gov.au/management/governance/spag/finmanagement/funding/generatedfunding.htm>, accessed 2 November 2011

26 Department of Education, *Managing and Reporting of School Cooperative Loans on CASES21 Finance*, 19 June 2007

27 Mr K. Peake, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 23 September 2011, Attachment A, p.2

28 ibid., pp.2-3

from the primary source. The School Finance manual provides a contact phone number for the CAV, the School Policy and Advisory Guide provides a web link to CAV.

With regard to any joint actions taken by the DEECD and the CAV to assist schools to comply with the prescribed requirements for co-operatives, the DEECD advised that representatives of the two agencies had met and information regarding schools and community co-operatives had been exchanged. The DEECD advised the Committee that a process was ‘*underway to assist schools with co-operatives to comply with the requirements*’.²⁹

No specific details of this “process” were provided to the Committee.

1.6.5 Review and conclusion

The Committee notes that action taken by the DEECD in relation to school co-operatives has focussed on the recording of loans and transactions through the CASES21 finance system. Very little advice has been provided in relation to the reporting obligations under the *Co-operatives Act 1996*.

A review of the June 2010 CASES21 Bulletin provided by the DEECD, indicated that the “article” included on co-operative accounts focussed on: the maximum term of the loan being not in excess of 15 years; the need to record the loan as a non-current liability in CASES21; and also record the associated bank account in CASES21. No mention was made in the Bulletin of the legislative annual reporting requirements of school co-operatives. Once again a reference to Consumer Affairs Victoria together with a contact phone number for CAV comprised the full extent of the DEECD’s guidance to schools on the operational requirements of a school co-operative.³⁰

It was the view of the Committee that there is room for improvement in the ease of access to the relevant information concerning co-operatives responsibilities and requirements in terms of annual general meetings, preparation and tabling of financial statements, annual audits and annual returns submitted to the Registrar of Co-operatives, Consumer Affairs Victoria within 28 days of the annual general meeting.

The Committee does not consider the actions referred to in the DEECD’s response to have satisfactorily addressed the Auditor-General’s recommendation which was focussed on the legislative reporting requirements of school co-operatives not how their transactions should be recorded in schools’ financial systems. In addition, the Committee considers comments from the DEECD stating that the co-operative reporting requirements are not their responsibility, are unhelpful.

The Committee considers that the Financial Services Division within the Office for Resources and Infrastructure within the DEECD could be more proactive in providing schools with appropriate guidance to assist them in meeting their statutory obligations notwithstanding that the obligations are administered by another public sector department/agency.

²⁹ *ibid.*, p.3

³⁰ Mr K. Peake, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 23 September 2011, Attachment B (*CASES21 Bulletin, issue #4, June 2010, V1.00*), pp.8-9

Further, the limited details provided to the Committee on the specifics of action being taken by the DEECD in cooperation with Consumer Affairs Victoria does not engender much confidence that school co-operatives in Victorian schools are any clearer on their annual statutory reporting obligations than they were at the time of the Auditor-General's report in May 2009.

The Committee considers that the DEECD has a duty to ensure that schools are provided with appropriate and meaningful information to assist them with all their legislative compliance obligations including those which the DEECD may consider to be technically “outside” the Education portfolio.

RECOMMENDATION 1:

The Committee recommends that the Department of Education and Early Childhood Development ensure that schools and School Councils are made fully aware of, and understand, the legal compliance responsibilities of school co-operatives under the *Co-operatives Act 1996*.

1.7 Legality of borrowings by school co-operatives – audit recommendation 5.2

The Auditor-General noted in his report that while it is clear that the school co-operative is the entity entering into a loan agreement, the co-operative is a controlled entity of the school and in essence it could be construed that the school has borrowed the funds. In which case, the school could be in contravention of the *Education and Training Reform Act 2006*.³¹

The Auditor-General recommended that the DEECD take action to address the legislative anomaly that allows a controlled entity of the school to borrow funds for use by the school but does not permit the school to borrow funds in its own right (audit recommendation 5.2).³²

1.7.1 Response by the Department of Education and Early Childhood Development

The DEECD's response as detailed in the Response by the Minister for Finance report in December 2009 stated that the DEECD was seeking legal opinion to ensure that the issue is managed appropriately and any “perceived” breach is addressed. The DEECD stated that the Auditor-General would be advised of the outcome.³³

1.7.2 Subsequent information obtained by the Committee

In July 2011, the Committee requested further details from the DEECD regarding resolution of this matter and in particular advice subsequently provided to school's concerning the legal implications of loan arrangements entered into by school co-operatives.

31 Victorian Auditor-General, *Management of School Funds*, May 2009, pp.17-18

32 *ibid.*, pp.2, 19

33 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General's reports issued during 2008-09*, December 2009, p.21

The DEECD advised the Committee that the legal opinion obtained by the DEECD had concluded that there was no breach of the *Education and Training Reform Act 2006* and that ‘school co-operatives could borrow funds provided “arms length” arrangements were established with school councils’. The DEECD further advised that the Secretary of the DEECD had been briefed and a letter had been sent to the Auditor-General advising of the outcome of the DEECD’s review of the matter.³⁴

The Auditor-General advised the Committee that his Office had sighted and accepted a letter from the DEECD regarding the legal opinion although the actual opinion had not been evidenced.³⁵

In September 2011, the Committee asked the DEECD what advice had been provided to schools to define an “arms length” arrangement for legal purposes to ensure the terminology was clearly understood by schools and School Councils.

The DEECD advised that no advice on the issue had been provided to schools.³⁶

1.7.3 Review and conclusion

The Committee considers that it would be legally prudent for the DEECD to ensure that schools and their School Councils in particular are informed and advised about the legal criteria for establishing an “arms length” arrangement to assist schools in avoiding any risk of breaching the provisions of the *Education and Training Reform Act 2006*.

RECOMMENDATION 2:

The Committee recommends that the Department of Education and Early Childhood Development provide appropriate advice to ensure that School Councils are fully apprised of the legal restrictions on borrowings by the School unless through a school co-operative and providing “arms length arrangements” are established between the school co-operative and the School Council. In doing so, the Department of Education and Early Childhood Development should ensure that School Councils have a clear understanding of the legal criteria for establishing an “arms length” arrangement for these purposes.

1.8 Insurance cover for school facilities partly funded through co-operative loans – audit recommendation 5.3

The DEECD insures all buildings on government school grounds under an *Industrial Special Risks Policy* through the Victorian Managed Insurance Authority (VMIA).

34 Ms K. McVey, Manager, Parliamentary Support, Executive and Ministerial Services, Department of Education and Early Childhood Development, email to the Committee, received 28 July 2011

35 Mr A. Greaves, Assistant Auditor-General, Performance Audit, Victorian Auditor-General’s Office, email to the Committee, received 10 August 2011

36 Mr K. Peake, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 23 September 2011, Attachment A, p.3

The Auditor-General noted that where a school building or facility has been jointly funded by the DEECD and the school, through for example, a school co-operative loan, the DEECD will only repair and/or replace the facility up to the amount which it has funded. The remaining “share” financed by the school itself is not covered by the DEECD. As such, the Auditor-General concluded that ‘*where the cost of full insurance is prohibitive or part insurance impractical, the school is exposed to financial risk*’.³⁷

The report cited an example of a school which had contributed \$500,000 to a facility with a total replacement value of \$2 million. In the event of the facility being completely destroyed, the school had a financial exposure of \$500,000 (including a co-operative loan of \$150,000) being the “uninsured” component of the value of the facility.³⁸

The Auditor-General also found that the DEECD’s funding entitlement policy was unclear in situations where a jointly funded school building is only partly damaged. In this case it was not clear whether the DEECD would bear the full cost of repairs to the building.³⁹

The Auditor-General recommended (audit recommendation 5.3) that the DEECD provide guidance to schools in regard to the insurance implications of facilities jointly funded by the DEECD and the school. This guidance should include:⁴⁰

- clarification of the respective financial obligations of the DEECD and the school should a facility be destroyed or damaged; and
- information about the availability of school level insurance.

1.8.1 Response by the Department of Education and Early Childhood Development

The DEECD’s response as detailed in the Response by the Minister for Finance stated that the DEECD was in the process of conducting a review of the risk and insurance arrangements and that the review is focussed on the use of school facilities by a third party and the insurance implications for jointly funded facilities.⁴¹

The DEECD further advised that circulars and fact sheets relating to new building projects under the *Building the Education Revolution — Primary Schools for the 21st Century* program provided an opportunity for insurance arrangements to be clarified with schools and also advise of any changes to arrangements as a result on the insurance and risk review. Any such changes were expected to be implemented by December 2009.⁴²

37 Victorian Auditor-General, *Management of School Funds*, May 2009, p.18

38 *ibid.*, pp.18-19

39 *ibid.*, p.19

40 *ibid.*

41 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General’s reports issued during 2008-09*, December 2009, p.21

42 *ibid.*

1.8.2 Subsequent information obtained by the Committee

In July 2011, the Committee requested details from the DEECD of any changes made to insurance arrangements as a result of the DEECD's *Review of Risk and Insurance Arrangements* and the subsequent advice provided to schools regarding their financial obligations in situations where buildings have been jointly funded by the school and the DEECD.

The DEECD advised the Committee that:⁴³

- clear advice in relation to the reinstatement of buildings which are damaged or destroyed is provided to schools through the 'School Policy and Advisory Guide'; and
- schools have been provided with a series of fact sheets regarding the community use of school facilities and in particular advice regarding public liability insurance responsibilities and requirements.

The Committee asked the Auditor-General to comment on the DEECD's response. The Auditor-General was concerned to ensure that schools were fully informed about the insurance implications of jointly funded buildings before they were built rather than after an event resulting in damage or loss and also schools' exposure to capital losses incurred through natural disasters such as fire or flood.⁴⁴

In September 2011, the Committee requested further clarification from the DEECD as to exactly what action had been taken to address the issue identified by the Auditor-General concerning insurance cover for school buildings/facilities which have been jointly funded by the School and the DEECD and the risk exposure of schools which may be under insured" in the event of loss or damage. In particular:

- details of any specific points or recommendations flowing from the DEECD's *Review of Risk and Insurance Arrangements* which have resulted in changes to school insurance arrangements;
- action/s taken by the DEECD to clarify the respective financial obligations of the DEECD and schools in the event of damage to jointly funded school facilities;
- evidence of the advice/communication provided to schools on insurance including the availability of "school level insurance" before they enter into building arrangements;
- any recent incidents of schools being found to have been "under insured" or exposed financially as a result of damages caused through natural disasters for example, bushfires or floods;
- whether the DEECD is satisfied that Victorian government school infrastructure is adequately covered by current insurance arrangements; and

43 Ms K. McVey, Manager, Parliamentary Support, Executive and Ministerial Services, Department of Education and Early Childhood Development, email to the Committee, received 28 July 2011

44 Mr A. Greaves, Assistant Auditor-General, Performance Audit, Victorian Auditor-General's Office, email to the Committee, received 10 August 2011

- whether the DEECD has knowledge of any risk exposure in schools and the extent to which this is monitored by the DEECD.

In September 2011, the DEECD advised that:⁴⁵

- following the *Review of Risk and Insurance Arrangements*, the requirement for community groups using school facilities to have \$10 million public liability insurance was removed as this was viewed as a barrier to these groups making use of facilities. The change related only to public liability insurance and did not alter the DEECD's "Entitlement Policy" or insurance arrangements for school facilities. In communicating this change to schools, the DEECD developed and distributed a "Community Use Fact Sheet" and guidelines;
- *Insurance Arrangement Guidelines for Schools* has been published on the DEECD's intranet site. The Committee noted that the Guidelines were published in March 2011;
- in the event of damage to school buildings from fire, flood or other major incident, the DEECD assesses the facilities and the impact of the loss on the school's "ongoing accommodation entitlement". The DEECD's current policy is that '*reinstatement funding is provided for works that fall within a school's facility entitlements that are in accordance with the approved facilities schedules for primary schools and secondary colleges*'. These schedules are listed on the DEECD's intranet site and the policy is outlined in the *Procedures for the Reinstatement Program Manager* guideline also on the DEECD's intranet site;
- the DEECD insures all schools for catastrophic events such as bushfire and flood through the VMIA. Under this policy school buildings are covered for their full replacement cost so there are no "under insurance" clauses in this policy; and
- a review is currently being undertaken with the VMIA to assess the current levels of insurance and also the DEECD's elected "Self Insured Retention" limits.

Copies of the *Insurance Arrangement Guidelines for Schools* (March 2011) and the *Procedures for the Reinstatement Program Manager* (August 2011) were provided to the Committee by the DEECD.

1.8.3 Review and conclusion

The Committee noted the insurance implications to schools of references made in the procedural documents provided by the DEECD. The DEECD's *Procedures for the Reinstatement Program Manager* note that, schools must '*self insure for those facilities provided with the school's own funds or community funds that are beyond entitlement*'.⁴⁶

The *Insurance Arrangement Guidelines for Schools* state:⁴⁷

45 Mr K. Peake, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 23 September 2011, Attachment A, pp.4-5

46 Department of Education and Early Childhood Development, Infrastructure Division, *Procedures for the Reinstatement Program Manager*, August 2011, p.6

47 Department of Education and Early Childhood Development, Financial Services Division, *Insurance Arrangements Guidelines for Schools*, March 2011, p.7

Facilities that are over entitlement (i.e. – locally funded or originally provided by the Department when the school had a larger student population) will not necessarily be reinstated by the Department...

...

If a school council wants any over entitlement facilities to be replaced when they are damaged or destroyed, they can obtain separate insurance cover for these facilities from the commercial sector. Any reputable insurance company or broker could assist in providing insurance cover. The cost of such insurance must be borne by the school council.

The Committee notes also that the DEECD *School Policy and Advisory Guide – Building Insurance* states that:⁴⁸

Rebuilding or replacement of school buildings occurs following consideration of:

- *entitlements*
- *enrolments*
- *future viability and availability of funds.*

These Departmental references make it clear that school buildings/facilities deemed excess to entitlement (based on enrolments and/or the DEECD’s “approved facilities schedules”) will unlikely be reinstated under the DEECD’s insurance arrangements regardless of whether they were originally funded by the DEECD or from school generated funds. Reinstatement or replacement is dependent on an assessment of a school’s “entitlement”.

However, the Committee considers that the issue raised by the Auditor-General in relation to definitive advice regarding the insurance arrangements for school facilities which have been jointly funded by the DEECD and the school itself remain unclear, particularly where the facility is within a school’s “entitlement”.

The procedural documents provided by the DEECD are not clear on whether a school needs to obtain insurance cover for any part or portion of a facility or building (within entitlement) which the school itself has financed or which has been financed jointly with funds provided by the DEECD.

In addition, the Committee notes the DEECD’s advice that the VMIA policy covers school buildings for full replacement cost and so it did not consider there to any “under insurance” of school buildings, as such. However, the Committee is concerned about whether any schools may in fact be “under insured” or financially exposed in those situations where they have buildings or facilities deemed by the DEECD to be “excess to entitlement” and also whether there are issues for government schools, as were alluded to in the Auditor-General’s report, in regard to the affordability of insurance in these instances or the practicability of “part insurance” for the portion of the facility funded by the school itself.⁴⁹

48 Department of Education and Early Childhood Development, ‘Buildings Insurance’, <www.education.vic.gov.au/management/governance/spag/finmanagement/insurance/buildings.htm>, accessed 26 August 2011

49 Victorian Auditor-General, *Management of School Funds*, May 2009, p.18

RECOMMENDATION 3:

The Committee recommends that the Department of Education and Early Childhood Development:

- (a) take action to assess the extent of any “under insurance” amongst government schools in relation to facilities deemed excess to entitlement by the Department and ensure that schools and school councils are fully aware of insurance requirements in relation to these facilities; and**
- (b) clarify the Department’s insurance and reinstatement procedures as they relate to facilities which are within entitlement but which have been financed by the school itself or jointly with the Department.**

CHAPTER 2: WITHDRAWAL OF INFRINGEMENT NOTICES (JUNE 2009)

2.1 Introduction

Within Victoria, over 130 enforcement agencies are authorised to issue infringement notices for a wide variety of minor offences, such as vehicle and traffic offences, public transport offences, breaches of local laws and breaches of consumer safety and industry regulations. Minor offences are covered by more than 60 Victorian Acts, and are administered by various state and local government agencies, including Victoria Police, local councils, industry regulations agencies, universities and hospitals.⁵⁰

In 2009-10, Victorian enforcement agencies issued over 4.65 million infringement notices. The majority of these were issued by Victoria Police (58 per cent), while local councils issued around 36 per cent of total infringement notices.⁵¹

2.1.1 *Infringements Framework*

In 2006, the Department of Justice (DOJ) introduced the new infringements framework which aims to provide a fairer infringement system.⁵² To administer the new system, DOJ established the Infringements Standing Advisory Committee (ISAC) and the Infringements System Oversight Unit (ISOU).

Infringements Standing Advisory Committee

ISAC comprises a diverse range of stakeholders, including representatives of Victoria Police, the Department of Transport, the Financial and Consumer Rights Council, the Homeless Person's Legal Clinic and VicRoads. The Committee meets on a quarterly basis to consider developments in infringement policy and practice.⁵³

Infringements Systems Oversight Unit

ISOU was established in 2006 to support the Attorney-General's responsibilities in connection with the *Infringements Act 2006* (the Act). ISOU is responsible to provide whole-of-government monitoring and oversight of the infringements system and to advise both the Attorney-General and government on infringements policy.⁵⁴

Governing legislation and guidelines

The Attorney-General administers the *Infringements Act 2006*. The objectives of the Act are to:⁵⁵

- ensure fairness;

50 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.13

51 Department of Justice, *Attorney-General's Annual Report on the Infringements System*, 2009-10, March 2011, p.3

52 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.15

53 Department of Justice, *Attorney-General's Annual Report on the Infringements System*, 2009-10, March 2011, p.2

54 *ibid.*

55 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.15

- improve the community's rights and options in the process; and
- better protect vulnerable persons inappropriately caught up in the system.

Under section 5 of the *Infringements Act 2006*, the Attorney-General may issue guidelines about offences suitable for being dealt with as infringement notices, the level of penalty suitable for them and any other matters relating to the Act. These guidelines cover matters such as the policy on infringement offences, eligibility criteria for payment plans, principles to consider when conducting internal reviews, principles underlying special circumstances and assistance for agencies when interpreting the Act.⁵⁶

Enforcement agencies are required to prepare operational guidelines consistent with the Attorney-General's guidelines and legislative intent.⁵⁷

Key elements of the infringements system are presented in Table 2.1.

Table 2.1: Key elements of the infringements system

Key element	Description
Right of review	Enforcement agencies are required to have in place a review process to enable those who receive infringement notices to test the lawfulness and fairness of those decisions.
Withdrawal of infringement notices	The Act provides for two approaches to withdrawing infringement notices: <ul style="list-style-type: none"> • general discretion: whereby an enforcement agency, of its own initiative, may withdraw an infringement notice that has been issued; and • internal review: the recipient of an infringement notice may apply for an internal review on prescribed grounds.
Recognising special circumstances	The Act seeks to divert vulnerable people from the infringement system, e.g. a person who does not have the ability to understand the consequences of their actions.
Fine payment options	The Act requires agencies to offer a payment plan to persons meeting certain eligible criteria such as a person who holds a health care card or pensioner concession card.

Source: Victorian Auditor General's Office, *Withdrawal of Infringement Notices*, June 2009, pp.15-18

2.2 The audit

2.2.1 Audit objective and scope

In undertaking this audit, the Auditor-General sought to determine:⁵⁸

- *the extent to which the Department of Justice has complied with its responsibilities to monitor the operation of the infringements system, specifically in relation to the withdrawal of infringement notices and the conduct of internal reviews*
- *whether selected enforcement agencies are withdrawing infringement notices appropriately in compliance with the Act.*

56 Department of Justice, 'Attorney-General's Guidelines to the Infringements Act 2006', <www.justice.vic.gov.au/home/fines+and+penalties/the+infringements+system/justice+-+attorney-generals+guidelines+to+the+infringements+act+2006+%28pdf%29>, accessed 8 September 2011

57 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.15

58 *ibid.*, p.19

The Auditor-General chose the following five enforcement agencies for in-depth review:⁵⁹

- Victoria Police;
- City of Ballarat;
- City of Greater Geelong;
- City of Port Phillip; and
- City of Stonnington.

The Committee notes that in the period of audit, 2007-08, almost 4.2 million infringement notices were issued and over 210,000 notices were withdrawn.⁶⁰ Also that, the five agencies reviewed by the Auditor-General account for around 64 per cent of all infringements issued during 2007-08.⁶¹

2.2.2 Overall audit conclusions and findings

The Auditor-General concluded that ISOU had made progress in establishing the infringements system monitoring and oversight function, but was not yet fully effective in monitoring the operation of the system. The audit found several areas of non-compliance and noted that *‘ISOU has not undertaken any assessment of whether the State’s infringements system is operating as intended and the Act is being properly administered by enforcement agencies.’*⁶²

The audit found that ISOU conducted only limited “desktop” reviews to check if agencies were applying and interpreting the legislation for internal review and the withdrawal of notices and relied heavily on its stakeholder advisory committee to inform it of issues in the field.⁶³

The Auditor-General concluded that *‘in the absence of specific operational information, ISOU cannot effectively monitor and oversee the infringements system and facilitate improvements.’*⁶⁴

The audit report noted that ISOU had undertaken action to address some of the key issues raised by the audit to enhance monitoring and oversight of the infringements system.⁶⁵

In relation to the operation of the infringements system within enforcement agencies, the audit found inconsistencies in the application of the legislative requirements by agencies and issues of non-compliance with the legislation and the agencies’ own guidelines:⁶⁶

59 ibid.

60 ibid., p.2

61 ibid., p.19

62 ibid., p.2

63 ibid., p.3

64 ibid.

65 ibid.

66 ibid.

Key areas of non-compliance included:

- *inadequate procedures to support the withdrawal of notices, and lack of guidance for assessing appeals claiming special circumstances;*
- *poor records to justify decisions to withdraw notices;*
- *failure to adequately verify claims or a lack of evidence that agency processes had been followed; and*
- *inadequate classification of appeals, data capture and reporting to ISOU.*

The audit found that the infringement system was becoming fairer in accordance with key infringement indicators measured over the period 2006-07 to 2007-08.⁶⁷

The Auditor-General noted in his report that the audit findings on the five agencies he examined in detail were likely to be indicative of practices in other enforcement agencies.⁶⁸

The audit report contained 17 recommendations which covered the following key areas:

- monitoring and oversight by ISOU (five recommendations);
- procedures, guidelines and quality assurance processes within enforcement agencies (eight recommendations);
- legislative and procedural requirements within Victoria Police (three recommendations); and
- provision of services to people with special circumstances in regional centres (one recommendation for the Department of Justice).

2.2.3 Scope of the Committee's review

As part of this follow-up review, the Committee sought written information from the Department of Justice and the five selected enforcement agencies on the implementation of the recommendations made by the Auditor-General. The Committee also sought written comments from the Auditor-General regarding the implementation of the recommendations by the Department and the selected agencies reviewed as part of the audit. These responses have been included where appropriate.

2.3 ISOU – system oversight

ISOU collects information on the operation of the infringements system and provides advice and guidance to agencies issuing infringement notices.⁶⁹ Enforcement agencies are required to supply ISOU with information that is specified in the regulations issued under the Act.⁷⁰

The Auditor-General made five recommendations to assist ISOU in its monitoring and oversight role of the infringements system.

⁶⁷ *ibid.*, p.23

⁶⁸ *ibid.*, p.4

⁶⁹ *ibid.*, p.23

⁷⁰ *ibid.*, p.25

2.3.1 *Audit recommendation 4.1 – Quality assurance*

The audit found that complying agencies were providing the information to ISOU. However, the Auditor-General concluded that ISOU's quality assurance mechanisms, designed to check the accuracy and completeness of agency information, were inadequate and, as a result, its monitoring of agency initiatives and proposed improvements was compromised.⁷¹

The Auditor-General recommended that ISOU should, on an ongoing basis, review and maintain the robustness of its quality assurance mechanisms for agency information and clarify its responsibility for detecting non-compliance with the Act by enforcement agencies, and undertake remedial action.⁷²

Response by the Department of Justice

The DOJ advised the Committee that it supported the first part of the recommendation relating to quality assurance and had put in place a number of quality assurance mechanisms.⁷³ The Committee notes the following initiatives by the DOJ to improve its quality assurance procedures:⁷⁴

During the audit, ISOU:

- developed electronic and manual checklists, staff procedures and agency follow up procedures;
- conducted a series of information sessions with enforcement agencies; and
- provided support to enforcement agencies in relation to their reporting requirements.

Post the audit, ISOU:

- changed the reporting template making it clearer and easier to use, including the use of colour coding and the re-ordering of information;
- built an electronic checking mechanism into the template that identifies common errors and has a pop-up warning message; and
- developed and provided additional written materials to assist agencies to complete the reporting template aimed at preventing common errors.

The Committee was interested to learn from the DOJ how these initiatives have assisted agencies to ensure that reported information is accurate. The DOJ advised the Committee that the implementation of checklists and other procedures have assisted small agencies to develop consistency in reporting and these initiatives have helped with the training of new staff for all agencies.⁷⁵ The DOJ further advised that information sessions have enabled agencies to

71 *ibid.*

72 *ibid.*, p.27

73 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.1

74 *ibid.*

75 *ibid.*

learn from both ISOU and from each other and also that feedback from agencies has led to the instructions in the reporting templates being more relevant to enforcement agencies.⁷⁶

The Committee enquired as to whether the DOJ has clarified its responsibility for detecting non-compliance with the Act. In its response, the Department informed the Committee that it has neither the legislative power nor any other mandate to address non-compliance by enforcement agencies and that it is not the role of the DOJ to ensure compliance by independent enforcement agencies with regard to the exercise of their discretion in relation to withdrawal of notices.⁷⁷ The DOJ views its role as one of engagement, support and guidance.⁷⁸ The DOJ indicated that ultimately it is the responsibility of each agency to ensure that its administrative processes and determinations are lawful.⁷⁹

The Committee acknowledges the role of the DOJ is to provide support and guidance to enforcement agencies and the incumbency on enforcement agencies to ensure that they have in place appropriate effective and efficient processes to administer their infringements system. This includes ensuring that reported information is accurate and the determinations are in compliance with the legislation and guidelines.

2.3.2 Audit recommendation 4.2 – Legislative compliance

The Auditor-General recommended that ISOU should assess how the infringements system is working and whether enforcement agencies are using the Act and the Attorney-General's 2006 guidelines as intended. The Auditor-General further recommended that any development or challenges identified should be reported in the Attorney-General's annual report.⁸⁰

The audit report highlighted that at the time of the audit, ISOU had not assessed whether the infringements system was operating in accordance with the legislation. The audit acknowledged the difficulties involved to accurately determine whether the objectives of the Act have been met, given that the infringements system had been in operation under the amended legislation for only two years.⁸¹

Response by the Department of Justice

The DOJ advised the Committee that the process of review is ongoing.⁸²

The Committee notes that the DOJ has undertaken a number of reviews pertaining to various aspects of the system. These reviews include internal audit of infringeable offences, stakeholder consultation, reporting requirements and the Attorney-General's guidelines.⁸³

76 *ibid.*

77 *ibid.*, p.2

78 *ibid.*

79 *ibid.*, p.1

80 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.28

81 *ibid.*

82 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.3

83 *ibid.*, pp.3-4

The Committee further notes that concurrent with the change of Government in 2010, the DOJ has undertaken a policy and operational review to identify those parts of the system that work well and those that will need refining to support the system into the future.⁸⁴ This review found that the infringements system is generally working well but ongoing refinement is required.⁸⁵

The Committee was interested to learn that the DOJ is currently undertaking research and policy work in relation to potential refinements and reform, including re-examination of the Attorney-General's Guidelines to the Act.⁸⁶

The Committee enquired as to how often the DOJ will be reviewing the infringements system. In its response, the DOJ indicated that the infringements system is large, diverse and complex and as such, it considers a process of ongoing review to be the most appropriate approach.⁸⁷ The DOJ stated that *'the infringements system needs to be sufficiently flexible to adapt and remain relevant and responsive to changes in community expectations, Government law enforcement agenda and stakeholder needs.'*⁸⁸

The Committee acknowledges the complexities inherent in the infringements system and notes the recent initiatives by the DOJ to refine and improve the system. The Committee notes that the DOJ has adopted a process of ongoing review as an appropriate approach.

2.3.3 Audit recommendation 4.3 – Good practice advice

The Auditor-General concluded that the guidance and assistance provided by ISOU to enforcement agencies has been timely, relevant and useful. However, agencies have expressed a desire for additional guidance such as on operational policies and procedures.⁸⁹

The audit recommended that ISOU should, use its monitoring and oversight role more effectively, by collating and distributing examples of good practice to enforcement agencies.⁹⁰

Response by the Department of Justice

The DOJ supported this recommendation.⁹¹

The Committee enquired as to how ISOU uses its monitoring and oversight role to disseminate good practice to enforcement agencies.

The DOJ advised that ISOU regularly engages with enforcement agencies and provides formal and informal training, using the following mechanisms:⁹²

84 *ibid.*, p.4

85 *ibid.*

86 *ibid.*

87 *ibid.*

88 *ibid.*

89 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.30

90 *ibid.*

91 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.6

92 *ibid.*

- *disseminating examples of good practice through a variety of mechanisms such as via working groups and newsletters...*
- *a quarterly enforcement agency working group, which is well-attended by enforcement agencies. Meetings consist of information sharing between the department and agencies, as well as between agencies, with a focus on examples of best practice*
- *a quarterly newsletter for enforcement agencies covering current issues, such as changes to relevant laws and roadshow dates, as well as information pieces on various aspects of the system, including special circumstances and lodging with the Court*
- *ad hoc individual meetings with agencies to discuss particular issues, and*
- *regular email contact between the stakeholder engagement manager and agencies.*

The DOJ reported that it has received positive feedback from agencies at various enforcement agency workshops and roadshows. By way of example, the DOJ advised that agencies have stated that they have been very appreciative of the support and opportunity to share experiences.⁹³

The DOJ informed the Committee that ISOU has observed improvements in the standards of reporting across agencies. Moreover, the level of engagement between agencies and the DOJ, and among agencies themselves, has significantly increased and promoted collaborative working relationships with enhanced understanding of good practice.⁹⁴

The Committee notes the positive actions taken by ISOU on this recommendation and encourages ongoing interaction between ISOU and enforcement agencies to promote better practice in the management of the infringements system.

2.3.4 *Audit recommendation 4.4 – Communication on operational matters*

The Auditor-General observed that heavy reliance is placed by ISOU on ISAC to identify system issues where assistance is needed, and indicated that direct engagement with enforcement agencies is necessary to inform ISOU in its management of the infringements system and address the needs of enforcement agencies.⁹⁵

The Auditor-General recommended that ISOU should meet regularly with enforcement agencies (in addition to ISAC) to assist in identifying issues and the sharing of knowledge.⁹⁶

93 *ibid.*

94 *ibid.*, p.7

95 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.31

96 *ibid.*

Response by the Department of Justice

The DOJ supported this recommendation, stating that it had commenced holding individual meetings and informal sessions with enforcement agencies.⁹⁷

The Committee notes that in response to this recommendation, the DOJ has established the Enforcement Agency Working Group. The Committee was advised that this forum has met quarterly since May 2009 in Melbourne and occasionally in regional Victoria. The Committee understands that all enforcement agencies are invited to these meetings which regularly attract 20-30 attendees. In addition, the DOJ regularly meets with individual agencies on an ad-hoc basis.⁹⁸

The Committee notes the importance of these forums to assist in identifying issues, sharing knowledge and address the needs of enforcement agencies. The Committee considers that enforcement agencies should attend these forums at every opportunity.

RECOMMENDATION 4:

The Committee recommends that the Department of Justice should stress with enforcement agencies the importance of their attending forums conducted by the Agency Working Group. The Department should publish on its website and/or in its annual report those who do not attend.

The Committee was advised that information “roadshows” are held each year in approximately ten metropolitan and regional locations. The roadshows typically involve an interactive information session, followed by questions and answers and an opportunity for agencies to raise issues in an open forum with the DOJ.⁹⁹ The DOJ indicated that the 2011 roadshow commenced in June 2011 and that these sessions have been very well attended, while feedback has been positive.¹⁰⁰

2.3.5 Audit recommendation 4.5 – Performance information

The audit recommended that ISOU should, expand the performance information included in the Attorney-General’s annual report to provide more detailed information and analysis of the operations of the infringements system.¹⁰¹

The Committee notes the most recent annual report of the Attorney-General on the Infringements system ‘*provides an overview of the Infringements system for 2009-10 and outlines key trends since the commencement of the Infringements Act 2006 and the associated regulations and guidelines in July 2006.*’¹⁰²

97 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.8

98 *ibid.*

99 *ibid.*

100 *ibid.*

101 Victorian Auditor-General’s Office, *Withdrawal of Infringement Notices*, June 2009, p.32

102 Department of Justice, *Attorney-General’s Annual Report on the Infringements System*, 2009-10, March 2011, p.1

Statistical data contained in the Attorney-General's annual report is sourced from the six-monthly reports submitted by enforcement agencies. In relation to the 2006-07 annual report, (the first prepared under the *Infringements Act 2006*) the Auditor-General concluded that '*the annual report should have been enhanced by the inclusion of more comprehensive information and analysis of the operations of the State's infringements systems.*'¹⁰³

The Committee examined the level of detail contained in the 2009-10 report and considers that it contains comprehensive information and analysis including:¹⁰⁴

- statistical analysis and trends covering infringement activity over the years since the introduction of the Act in 2006;
- fines awareness information services;
- major initiatives during 2009-10; and
- enforcement options.

The DOJ stated its commitment to facilitating continual improvement of the content of the annual report.¹⁰⁵

2.4 Agencies – the withdrawals system in practice

The audit assessed whether the selected enforcement agencies are withdrawing infringement notices appropriately in compliance with the Act.¹⁰⁶

The audit found several consistent findings among the five agencies reviewed, including:¹⁰⁷

- lack of procedures or inadequate procedures to guide the withdrawal of infringement notices;
- failure of agencies to comply with their own procedures or the Act in the withdrawal of notices; and
- lack of quality assurance and management analysis for continuous improvement.

The Auditor-General indicated that these findings are likely to be indicative of practices in other enforcement agencies and therefore should be considered by all enforcement agencies.¹⁰⁸

The Auditor-General made nine recommendations in relation to the infringement withdrawal system in practice.

103 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.32

104 Department of Justice, *Attorney-General's Annual Report on the Infringements System*, 2009-10, March 2011

105 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.9

106 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.34

107 *ibid.*

108 *ibid.*

2.4.1 **Audit recommendation 5.1 – Policies, procedures and guidelines**

The Auditor-General examined ‘*whether agencies have established up-to-date and clear procedures to guide review officers in undertaking internal reviews, decision guidelines to inform the assessment of appeals, as well as matters considered in the case of discretionary withdrawals.*’¹⁰⁹

The audit found that:¹¹⁰

- with the exception of Ballarat, the enforcement agencies reviewed had adequate procedures to assist internal reviews and in exercising discretion. The audit report noted that Ballarat had established practices but they were not documented or formally approved;
- none of the five agencies reviewed had guidelines for assessing appeals by offenders with special circumstances;
- all councils had some undocumented practices which leads to a greater chance of inconsistent decision-making and inappropriate and inequitable withdrawal of infringement notices; and
- no agency had reviewed its guidelines in the context of a fairer system, particularly in addressing the needs of people with special circumstances.

The Auditor-General recommended that enforcement agencies should periodically review their infringement policies, procedures and guidelines to make sure they are consistent with legislative requirements, are comprehensive, reflect current practices and are approved by the governing body.¹¹¹

The Committee sought to ascertain how often agencies reviewed their infringement policies, procedures and guidelines and how they ensured that these policies, procedures and guidelines are comprehensive, reflect current practice and are consistent with legislation. Table 2.2 lists the responses from the five agencies.

109 *ibid.*, p.35

110 *ibid.*, p.38

111 *ibid.*

Table 2.2: Agency responses to the Committee regarding audit recommendation 5.1

Agency	Summary of responses
Victoria Police ^(a)	<ul style="list-style-type: none"> The Traffic Camera Office has comprehensive guidelines, which are reviewed quarterly and updated when changes to legislation or Victoria Police guidelines impact. The guidelines are approved by the Officer in Charge, Traffic Camera Office. The most recent complete review of policies procedures and guidelines was conducted in April 2010. Amendments to policy and procedure were disseminated to staff in April 2011.
City of Ballarat ^(b)	<ul style="list-style-type: none"> Policies, procedures and guidelines are reviewed annually. Procedures were last reviewed in October 2010. Guidelines have been approved by both the Management Leadership Team and Council.
City of Greater Geelong ^(c)	<ul style="list-style-type: none"> Policies are scheduled for review every 3 years, or less if warranted by legislative changes. The last review of the procedure was conducted in August 2007. The Committee was recently advised that the review scheduled for 2010 was deferred as it was thought by various stakeholders that the process did not require changing at that time. The Committee was further advised that Council is currently reviewing the withdrawal of infringement management procedure to include additional steps for withdrawing infringements.^(d) Guidelines and delegations are revised annually where required and the procedure is currently being revised.
City of Port Phillip ^(e)	<ul style="list-style-type: none"> Infringement policies, procedures and guidelines are reviewed annually. Where changes are identified by the Department of Justice, they are updated as required by legislation. The most recent review was conducted in May 2011.
City of Stonnington ^(f)	<ul style="list-style-type: none"> Reviews of the guidelines are ongoing. Guideline documentation was last updated in October 2010. Guidelines were last reviewed in July 2011. Qualified Council officers review legislation and legislative changes and liaise with relevant organisations such as the Department of Justice and Municipal Association Victoria. In house legal counsel is also available. Policies, procedures and guidelines are endorsed by Council.

Sources:

- (a) Mr K. Lay, Acting Chief Commissioner, Victoria Police, email to the Committee, received 5 August 2011
- (b) Mr A. Schinck, Chief Executive Officer, City of Ballarat, letter to the Committee, received 29 July 2011
- (c) Mr S. Griffin, Chief Executive Officer, City of Greater Geelong, letter to the Committee, received 9 August 2011
- (d) Mr S. Sodomaco, Manager Health and Local Laws, City of Greater Geelong, email to the Committee, received 3 October 2011
- (e) Mr R. Burke, Manager Compliance & Parking, City of Port Phillip, letter to the Committee, received 9 August 2011
- (f) Mr S. Draffin, General Manager, Planning & Development, City of Stonnington, letter to the Committee, received 29 July 2011

The Committee notes that each of the five agencies reviewed in the audit have developed policies and guidelines governing their respective infringements system, which are subject to periodic review.

The Committee emphasises the continued imperative for all enforcement agencies to maintain comprehensive policies, procedures and guidelines to effectively manage their infringements system in accordance with the legislative and regulatory requirements. These policies, procedures and guidelines should be regularly reviewed and updated on a needs basis.

2.4.2 Audit recommendation 5.2 – Multiple reviews

In relation to multiple reviews, the Committee is aware that the *Infringements Act 2006* provides for the application of one review to be conducted in relation to any one infringement offence and therefore prohibits additional internal reviews from being conducted on that particular infringement.¹¹² The Auditor-General stated that ‘*agencies can exercise discretion and do additional reviews, however, the resulting decision is not then considered an ‘internal review’.*’¹¹³

The Auditor-General explained in the audit report that it is common practice for councils (not Victoria Police) to undertake several discretionary reviews of an infringement notice where an appellant is dissatisfied with the internal review decision and offers additional information.¹¹⁴ The Auditor-General noted that in the case of the Cities of Port Phillip and Stonnington, contractor staff often finalised the internal review decisions without all relevant information from the appellant, which has led to multiple reviews being done by council staff.¹¹⁵

The Auditor-General concluded that situations, such as the above, impact on the efficiency of council operations. Also, that it is inconsistent with the principles of the Attorney-General’s guidelines and the infringements legislation in that multiple reviews ‘*can offer a level of fairness in excess of the Act.*’¹¹⁶ Consequently, the audit recommended that ‘*enforcement agencies should ascertain the extent to which they use multiple reviews and if significant, confirm that these reviews comply with the Act; and they are a cost-effective use of resources.*’¹¹⁷

The Committee asked councils to quantify the level of multiple reviews conducted and to explain how they ensured that multiple reviews comply with the legislation and are cost effective.

On the basis of the responses provided by the four councils, the Committee concludes that instances of multiple reviews are not significant in the context of the overall number of infringement notices issued. Although the City of Ballarat does not have formal systems to capture instances of multiple reviews, it estimated less than 5 per cent of infringement notices are subject to multiple reviews.¹¹⁸ The City of Greater Geelong stated it conducted 44 multiple reviews in the 2009 financial year,¹¹⁹ while the City of Stonnington advised that 350 multiple reviews were conducted in the period January to July 2011.¹²⁰ The City of Port Phillip advised that it had not determined how often multiple reviews are conducted as the Act and its infringement reporting to the Department of Justice only recognised one review.¹²¹

112 *Infringements Act 2006*, s. 23

113 Victorian Auditor-General’s Office, *Withdrawal of Infringement Notices*, June 2009, p.41

114 *ibid.*

115 *ibid.*

116 *ibid.*, p.42

117 *ibid.*

118 Mr A. Schinck, Chief Executive Officer, City of Ballarat, letter to the Committee, received 29 July 2011

119 Mr S. Griffin, Chief Executive Officer, City of Greater Geelong, letter to the Committee, received 9 August 2011

120 Mr S. Draffin, General Manager, Planning & Development, City of Stonnington, letter to the Committee, received 29 July 2011

121 Mr R. Burke, Manager Compliance & Parking, City of Port Phillip, letter to the Committee, received 9 August 2011

The City of Stonnington explained to the Committee that internal reviews are conducted in accordance with Council's policies, procedures and guidelines. Council requires that persons have a right to have the decision reviewed if additional information is available regarding the circumstances surrounding the issuing of the infringement. Council considers this to be a reassessment of the decision and not a review as prescribed in the Act.¹²²

The City of Stonnington further explained that such reassessments are undertaken to ensure that staff contracted to undertake internal reviews for the Council are complying with Council guidelines and the Act. The Council further indicated that while the process is primarily a check and balance to ensure fair outcome of reviews, the Council endeavours to ensure the process is cost effective.¹²³

Notwithstanding any justification for multiple reviews in certain cases, the Committee considers that further clarification is needed about the legality of these multiple reviews conducted by councils, given that the Act stipulates specifically, there is to be only one review per infringement.

RECOMMENDATION 5:

The Committee recommends that the Department of Justice should seek to confirm the legal status of multiple assessments in the context of section 22(2)(e) of the *Infringements Act 2006*.

As noted above, two councils, the cities of Ballarat and Port Phillip advised that they did not collect specific data on multiple reviews. In the opinion of the Committee, such evidence may not provide a sound basis for action on infringement notices. Consequently, it may not be possible for these councils to ensure that multiple reviews comply with the Act. The Committee considers that these councils and all enforcement agencies conducting multiple reviews need to maintain an appropriate level of detail on multiple reviews to ensure that such reviews are actioned expeditiously in accordance with the legislation and guidelines.

RECOMMENDATION 6:

The Committee recommends that the Department of Justice emphasise to all enforcement agencies, the need to maintain an appropriate level of detail on multiple reviews to ensure that such reviews are actioned expeditiously in accordance with the legislation and guidelines.

2.4.3 Audit recommendations 5.3, 5.4 and 5.5 – Special circumstances

The *Infringements Act 2006* contains provisions to divert people with special circumstances out of the infringements system.¹²⁴ Special circumstances apply to persons without the ability to understand the consequences of their actions, or who are unable to control their offending.

The Act refers specifically to:¹²⁵

122 Mr S. Draffin, General Manager, Planning & Development, City of Stonnington, letter to the Committee, received 29 July 2011

123 *ibid.*

124 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.43

125 *Infringements Act 2006*, s. 3

- persons ‘with a mental or intellectual disability, disorder, disease or illness’;
- persons ‘having serious addiction to drugs, alcohol or a volatile substance’; and
- homelessness that ‘results in the person being unable to control conduct which constitutes an offence’.

The Committee understands that agencies are required to identify cases, in which special circumstances may apply early in the infringement process, and to either resolve the matter or refer it to court.¹²⁶

The Auditor-General noted that the level of appeals involving special circumstances were generally low in the five agencies reviewed (less than one per cent of the total appeals).¹²⁷

The audit found that review officers within agencies are not sufficiently aware of what constitutes ‘special circumstances’ or what is required in assessing and processing claims with special circumstances.¹²⁸

The Auditor-General concluded that persons with special circumstances who receive infringements need to be made more aware about their rights and the options for internal review of their infringement matter.¹²⁹ The Auditor-General also concluded that several systemic and operational practices diminished the effectiveness of diverting offenders with special circumstances from the infringements system.¹³⁰

The Auditor-General made three recommendations in relation to these findings on special circumstances.

Audit recommendation 5.3 – Guidelines for special circumstances

The Auditor-General recommended that enforcement agencies should, in consultation with the Department of Justice, develop ‘*guidelines that clearly articulate operational processes consistent with legislative requirements for appeals claiming special circumstances.*’¹³¹

The DOJ informed the Committee that it has developed and is currently finalising a set of ‘best practice’ guidelines on various aspects of the infringements system, and that it expects to release these guidelines by the end of 2011. The DOJ noted the ‘valuable’ contribution by agencies in developing the guidelines, which will be subject to ongoing review and improvement.¹³²

The Committee welcomes the DOJ’s completion of these ‘best practice’ guidelines as soon as practical and looks forward to its noting in the DOJ’s 2011-12 annual report as an achievement.

126 Victorian Auditor-General’s Office, *Withdrawal of Infringement Notices*, June 2009, p.43

127 *ibid.*

128 *ibid.*

129 *ibid.*, p.44

130 *ibid.*

131 *ibid.*, p.45

132 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.10

Audit recommendation 5.4 – Legislative requirements for special circumstances

A specific finding of the audit was the high level of special circumstance appeals denied by Victoria Police. The audit found that over 76 per cent of special circumstance appeals (751 cases) were denied by Victoria Police.¹³³ The Auditor-General considered this high level of denials to be at variance with the Attorney-General's 2006 Guidelines and the intent of the Act.¹³⁴ Consequently, the Auditor-General recommended that Victoria Police should, in consultation with ISOU, clarify the legislative requirements for appeals claiming special circumstances.¹³⁵

In addressing this issue, the Infringements Standing Advisory Committee (ISAC), sought to better understand the concerns and complexities facing Victoria Police in assessing internal review applications. ISAC noted that the vast majority of internal review applications received by Victoria Police relate to driving offences and accordingly, when applying their discretion under the Act, it is important that police officers appropriately consider safety issues affecting all road users.¹³⁶

The Committee was advised that Victoria Police attend roadshows on the internal review process and special circumstances and receive the enforcement agency newsletters covering these topics. In addition there have been conversations between the DOJ and Victoria Police to fully explore the complexities involved in the day-to-day administration of internal reviews. The DOJ informed the Committee that all parties now have a better understanding of the need to balance consideration of special circumstances with public safety outcomes.¹³⁷

Victoria Police informed the Committee that it continually engages with the DOJ on matters of policy and practice issues and participates in information sessions provided by ISOU.¹³⁸

Audit recommendation 5.5 – Services to regional centres

The Auditor-General observed a lack of direct access for people with special circumstances in regional areas to the *Magistrates' Court Enforcement Review Program*, (available for persons suffering from mental, addictive or accommodation problems and who have outstanding fines) as a disincentive and an impediment to the intended operation of the Act.¹³⁹

In relation to this issue, the audit report highlighted that the City of Ballarat often abandoned the prosecution of infringement cases as the Council did not have the time and resources to travel to Melbourne. Furthermore, when the Council does not attend, the matter is struck out by the court and the offender does not access the program. The Auditor-General indicated that this situation may be indicative of other councils outside the Melbourne metropolitan area.¹⁴⁰

133 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.43

134 *ibid.*

135 *ibid.*, p.45

136 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.11

137 *ibid.*

138 Mr K. Lay, Acting Chief Commissioner, Victoria Police, email to the Committee, received 5 August 2011

139 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.44

140 *ibid.*

The Auditor-General recommended that the DOJ should review the provision of services to people with special circumstances in regional centres.¹⁴¹

The DOJ indicated to the Committee that, while Magistrates throughout Victoria may consider special circumstances, the Melbourne Magistrates' Court specialises in these matters. The DOJ acknowledged that expanding the program throughout Victoria to increase access to its specialist services, would be of benefit, however, this requires further consideration in order to devise an appropriate service delivery model within budget constraints.¹⁴²

The Committee believes that access to the *Magistrates' Court Enforcement Review Program* needs to be more widely available to persons with special circumstances regardless of where they reside within the State. The Committee is of the view that the DOJ should consider expanding the *Magistrates' Court Enforcement Review Program*, to allow persons with special circumstances living in regional and rural Victoria greater access to the specialist services offered by the program.

RECOMMENDATION 7:

The Committee recommends that the Department of Justice consider expanding the *Magistrates' Court Enforcement Review Program*, to allow persons with special circumstances living in regional and rural Victoria greater access to the specialist services offered by the program.

2.4.4 Audit recommendation 5.6 and 5.7 – Staff competencies and capabilities

The Auditor-General examined the internal review process within the five agencies and found a level of non-compliance with decision guidelines that was concerning.¹⁴³

The Auditor-General concluded that:¹⁴⁴

- no agency reviewed had guidelines for assessing specialist circumstance appeals;
- agency guidelines are being over-ridden by internal review staff without justification and with incorrect and inconsistent results for appellants; and
- in many cases, the reasons for withdrawals in the field were inappropriate, not objectively based or not recorded.

Audit recommendation 5.6 – Staff competencies

The Auditor-General recommended that '*enforcement agencies should undertake annual reviews of the competencies and capabilities of personnel involved in processing internal reviews and they should implement a targeted training strategy to address knowledge gaps.*'¹⁴⁵

¹⁴¹ *ibid.*, p.45

¹⁴² Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.12

¹⁴³ Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.49

¹⁴⁴ *ibid.*, p.33

¹⁴⁵ *ibid.*, p.49

Having noted the above audit conclusions, the Committee is concerned at the apparent lack of skills and capabilities of staff involved in processing internal reviews. The Committee sought information from the agencies examined in the audit as to whether they had reviewed the skills and capabilities of staff involved in processing internal reviews and, if so, had they developed a targeted training strategy for relevant staff.

The Committee was advised by agencies that, with the exception of the City of Port Phillip, agency staff members responsible for processing internal infringement reviews are subject to annual assessment reviews.

The City of Port Phillip indicated that in the future, performance reviews will be undertaken annually as recommended by the Auditor-General.¹⁴⁶

The four councils advised the Committee that they have training strategies in place.

Victoria Police advised that it had not, at this stage, developed a specific targeted training strategy, but indicated that the Traffic Camera Office will be considering training options based on a recent independent Consultant's report, which related to some training initiatives that could be explored.¹⁴⁷

The Committee acknowledges the responses provided by the five agencies. However, this information was lacking in detail and consequently the Committee is not in a position to determine the effectiveness of performance reviews or the adequacy of staff training in these agencies. Given the deficiencies in skills and competencies of internal review staff which were identified by the Auditor-General, the Committee confirms its support for the Auditor-General's recommendation and strongly advises all enforcement agencies to consider the audit recommendation to improve their internal review processes.

Audit recommendation 5.7 – Quality assurance processes

The Auditor-General questioned the integrity of the review process where assessments are not adequately documented and where decisions that do not align with agency guidelines are not justified.¹⁴⁸ In this context, the Auditor-General recommended that:¹⁴⁹

Enforcement agencies should strengthen their quality assurance processes to confirm that:

- *personnel are maintaining full, accurate and timely records of actions to support decisions*
- *decisions comply with approved policies and guidelines*
- *internal review and withdrawal processes comply with the legislation.*

The Committee sought information from the agencies about their quality assurance process for internal review and withdrawal processes, and was particularly interested to learn of any improvements made to quality assurance processes as a result of the Auditor-General's report.

¹⁴⁶ Mr R. Burke, Manager Compliance & Parking, City of Port Phillip, letter to the Committee, received 9 August 2011

¹⁴⁷ Mr K. Lay, Acting Chief Commissioner, Victoria Police, email to the Committee, received 5 August 2011

¹⁴⁸ Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.49

¹⁴⁹ *ibid.*

Having reviewed the responses received from the five agencies, the Committee notes that action has been taken by the agencies to improve their quality assurance processes. The Committee notes initiatives in each agency, as shown in Table 2.3.

Table 2.3: Agency responses to the Committee regarding audit recommendation 5.7

Agency	Quality assurance initiatives
Victoria Police ^(a)	<ul style="list-style-type: none"> The Traffic Camera Office has a full time internal auditor who randomly checks the work performed by staff members. The internal review process is oversighted by a direct line supervisor who is available to assist in the appropriate application of policies and guidelines. Quality assurance activities have resulted in compliance with the <i>Infringements Act 2006</i> and in accordance with internal review processes.
City of Ballarat ^(b)	<ul style="list-style-type: none"> Internal reviews have been both internally and externally audited. Significant changes were made as a result of the Auditor General's report. Given that the significant improvements in the review process have been put into place recently, the quality assurance undertaken has verified that there is compliance with policies and procedures.
City of Greater Geelong ^(c)	<ul style="list-style-type: none"> On a regular basis Council reviews procedure and assurance processes. Internal audit quality assurance is conducted on an annual and bi-annual basis with a view of reviewing policy, guidelines and correspondence templates based on legislative requirements and aimed at a consistent approach. Within the next 12 months, internal audit will review this area and report to the executive and the independent audit advisory committee based on a broad audit scope.
City of Port Phillip ^(d)	<ul style="list-style-type: none"> All recommendations of the Auditor General's report were adopted, specifically in relation to the classification of reviews and the documented evidence of checks having been undertaken in the infringements module used by Council and Contractor.
City of Stonnington ^(e)	<ul style="list-style-type: none"> Quality assurance is an ongoing process via reassessment of internal reviews. Monthly and Quarterly audits of contractor performance and Monthly Contract Performance meetings. Every reassessment review is checked for quality and compliance with the Act and Council guidelines. Improved auditing and monitoring has provided improved compliance with the Act and Council guidelines and a reduction in infringement withdrawal.

Sources:

- (a) Mr K. Lay, Acting Chief Commissioner, Victoria Police, email to the Committee, received 5 August 2011
- (b) Mr A. Schinck, Chief Executive Officer, City of Ballarat, letter to the Committee, received 29 July 2011
- (c) Mr S. Griffin, Chief Executive Officer, City of Greater Geelong, letter to the Committee, received 9 August 2011
- (d) Mr R. Burke, Manager Compliance & Parking, City of Port Phillip, letter to the Committee, received 9 August 2011
- (e) Mr S. Draffin, General Manager, Planning & Development, City of Stonnington, letter to the Committee, received 29 July 2011

The Committee emphasises the need for all enforcement agencies to have a robust quality assurance process to ensure the integrity of the decision making process in relation to internal reviews, appeals and infringement withdrawals.

2.4.5 **Audit recommendation 5.8 – Procedural requirements in Victoria Police**

The audit found that Victoria Police had not complied with guidelines in seeking to have Victoria Police officers infringement notices withdrawn, and at the police station level, adequate records to justify withdrawals of notices were not maintained.¹⁵⁰

The Auditor-General recommended that '*Victoria Police should better educate staff of the procedural requirements in seeking an exemption from complying with the road rules, and proactively monitor their compliance*'.¹⁵¹

The Committee was informed by Victoria Police that in March 2009, Victoria Police devolved the assessment and scrutiny of police exemptions under the road rules to Police Service Area (PSA) managers. Victoria Police indicated that this involved local area management becoming actively involved in overseeing police driver behaviour for the personnel who they are responsible for. Victoria Police advised that this process has been internally marketed and advice provided where requested. Victoria Police also advised that the Victoria Police Manual, outlining the policy and process has been amended and disseminated.¹⁵²

Victoria Police indicated to the Committee that the Traffic Camera Office has responsibility for overseeing this process and recording all outcomes of the decisions that are made regarding personnel seeking exemptions from complying with the road rules. The Traffic Camera Office is still responsible for the issue of Infringement Notices and Official Warning Notices to persons where relevant.¹⁵³

The Committee was interested to know how Victoria Police is monitoring compliance with the procedural requirements and was informed that '*compliance is the responsibility of the PSA managers and should be part of the continuous improvement processes that are adopted by local management*'.¹⁵⁴ The Committee was also informed that '*the Traffic Camera Office has a permanent resource that is responsible for the management of this process*'.¹⁵⁵

The Committee notes that appropriate action has been taken on this recommendation but wishes to emphasise the need for Victoria Police to ensure that adequate records are maintained to justify withdrawals of notices related to Victoria Police officers.

The Committee considers that monitoring of compliance with the procedural requirements for withdrawing infringement notices related to Victoria Police officers would be further strengthened by way of periodic reviews conducted by the DOJ's internal audit function.

RECOMMENDATION 8:

The Committee recommends that the Department of Justice's internal audit should undertake periodic reviews of the Department's compliance with the procedural requirements for withdrawing infringement notices related to Victoria Police officers.

¹⁵⁰ Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.52

¹⁵¹ *ibid.*

¹⁵² Mr K. Lay, Acting Chief Commissioner, Victoria Police, email to the Committee, received 5 August 2011, p.7

¹⁵³ *ibid.*

¹⁵⁴ *ibid.*

¹⁵⁵ *ibid.*, pp.7-8

2.4.6 **Audit recommendation 5.9 – Information provided to the community**

The audit examined information that is provided to the community by enforcement agencies about the infringements system, including a person's right to request an internal review.¹⁵⁶ The Auditor-General highlighted that more could be done by all enforcement agencies to inform the public about their rights and obligations and the internal review process.¹⁵⁷

The Auditor-General recommended that *'enforcement agencies should periodically review the information they provide to the community so that it adequately includes information on appellant rights and options, the internal review process and agency requirements.'*¹⁵⁸

All four councils advised the Committee that information pertaining to appellant's rights and options, the review process and agency requirements are reviewed on a regular basis and at least annually. The Committee notes that all four councils had undertaken a review within the past 12 months. Victoria Police did not provide details regarding whether they had undertaken a recent review.

The Committee notes that dissemination of information about the infringements process to the community by enforcement agencies is facilitated via agency websites. The Committee visited and examined the websites of the five agencies and was satisfied that the websites now contain appropriate, up-to-date information on infringement processes, including explanation of rights and the appeals process.¹⁵⁹

2.5 **Quality assurance and analysis by agencies**

The Auditor-General examined whether enforcement agencies had established quality assurance processes to monitor internal review and infringement withdrawal practices and had analysed information from the appeals process and withdrawals to inform continuous improvement.¹⁶⁰

The Committee notes the Auditor-General's conclusion that *'proper discretionary withdrawals, assured by a robust QA [quality assurance] program is core to avoiding inappropriate withdrawals and demonstrating decisions are fair and appropriate.'*¹⁶¹

156 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.53

157 *ibid.*, p.55

158 *ibid.*

159 The internet websites of the five enforcement agencies included in the Auditor-General's performance audit were: Victoria Police, 'Information about the Victorian infringements process', <online.fines.vic.gov.au/fines/?ReadForm&l=Home~&2=~&3=~>, accessed 3 February 2012; City of Ballarat, 'PARKING AND APPEALS', <www.ballarat.vic.gov.au/streets-and-roads/parking/parking-and-appeals.aspx>, accessed 10 January 2012; City of Greater Geelong, 'Fines', <www.geelongaustralia.com.au/ct/tag/fines/1523.aspx>, accessed 3 February 2012; City of Port Phillip, 'Parking Infringements', <www.portphillip.vic.gov.au/parking_infringements.htm>, accessed 10 January 2012; and City of Stonnington, 'Process of a fine', <www.stonnington.vic.gov.au/residents-and-services/parking-and-transport/process-of-a-fine/>, accessed 3 February 2012

160 Victorian Auditor-General's Office, *Withdrawal of Infringement Notices*, June 2009, p.58

161 *ibid.*, p.61

The audit report provided three recommendations in relation to quality assurance of infringements information by enforcement agencies.

2.5.1 *Audit recommendation 6.1 – Framework for measuring the performance of infringement systems*

The audit found that, with the exception of the City of Ballarat, agencies had established QA processes.¹⁶² However, the audit noted that the overall effectiveness and adequacy of agencies' QA processes were variable and that existing quality assurance measures are failing to detect infringement notices inappropriately withdrawn.¹⁶³

The Auditor-General recommended that enforcement agencies, in consultation with the Department of Justice, should develop a framework for measuring the performance of their infringements system. The audit report stated that a framework *'should include key performance indicators, benchmarks and reporting arrangements for assessing the extent to which the enforcement agency has fulfilled its obligations under the Act'*.¹⁶⁴

The Auditor-General indicated in his report that agencies needed to establish indicators and periodically measure performance to enable more reliable monitoring and assessment of agency performance in administering infringement systems.¹⁶⁵ In relation to this matter, the Committee sought information from the DOJ about support provided to agencies and reporting requirements, and asked agencies whether they had developed a performance measurement framework, in consultation with the DOJ, for their infringements system.

The DOJ informed the Committee that it has encouraged agencies to monitor their own performance. The DOJ explained that its Stakeholder Engagement Manager maintains close links with agencies and offers ongoing support for agencies especially in relation to their performance and reporting requirements.¹⁶⁶

In relation to reporting requirements and support, the DOJ advised that it has provided guidelines about the information each agency is required to collect and report on twice each year and that it (the DOJ) quality assures this data by undertaking an electronic and desktop review and contacting agencies to work through questions.¹⁶⁷

Victoria Police advised the Committee that it had not developed a specific performance measurement framework however, its internal review process is reported on in monthly management reports covering internal reviews.¹⁶⁸ Victoria Police indicated that the Traffic Camera Office will be considering performance options based on a recent independent consultant's report which recommended some reporting and milestone initiatives that could be incorporated into normal business processes.¹⁶⁹

162 *ibid.*, p.58

163 *ibid.*, p.61

164 *ibid.*, p.62

165 *ibid.*, p.61

166 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.13

167 *ibid.*

168 Mr K. Lay, Acting Chief Commissioner, Victoria Police, email to the Committee, received 5 August 2011, p.9

169 *ibid.*, pp.9-10

On the basis of limited information provided to the Committee by the four councils, the Committee was unable to determine whether these councils had developed comprehensive performance measurement frameworks or had consulted sufficiently with the DOJ on developing a framework, as proposed in the audit recommendation.

The Committee considers that a comprehensive performance measurement framework, based on the legislation and regulatory guidelines, is essential for assessing the performance of enforcement agencies and ensuring effective monitoring of the administration of the infringements system. In this context, the Committee considers that as part of its oversight role, the DOJ should emphasise to all enforcement agencies the need to have in place a comprehensive performance measurement framework for their infringement systems.

RECOMMENDATION 9:

The Committee recommends that the Department of Justice should emphasise to all enforcement agencies, the need to maintain a comprehensive performance measurement framework for their infringement systems.

2.5.2 *Audit recommendation 6.2 – Infringement information*

The Auditor-General noted in the five agencies audited, deficiencies with the integrity and accuracy of infringement and appeal data.¹⁷⁰ The audit concluded that *‘the incidence of error in agency data is unsatisfactory and leads to mis-statement of overall infringement details and distorts any analysis undertaken.’*¹⁷¹

The Auditor-General recommended that enforcement agencies should:¹⁷²

- strengthen their quality assurance processes to confirm that performance information reported to ISOU is accurate and reliable; and
- analyse infringement information with a view to achieving potential improvements in issuing infringements and appeals and withdrawals processing.

The Committee requested from the DOJ, details of any improvements in the performance information reported to ISOU since the Auditor-General’s report.

In responding to this request, the DOJ informed the Committee that since the audit, the quality of the six monthly agency reports has improved, with quality assurance mechanisms identifying fewer concerns. The DOJ indicated that benchmarking reports show that agencies are performing relatively consistently according to size and type, taking into account the individual differences in approach by agencies.¹⁷³

The Committee notes the DOJ’s comments about improvements in the quality of performance information provided by agencies to ISOU.

170 Victorian Auditor-General’s Office, *Withdrawal of Infringement Notices*, June 2009, p.62

171 *ibid.*, p.57

172 *ibid.*, p.64

173 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 26 July 2011, p.14

The Committee enquired as to what extent agencies had strengthened the quality assurance process to ensure performance information reported to ISOU is accurate and reliable and whether they had analysed infringement information to improve the issuing of infringements, as well as appeals and withdrawals.

In their responses, agencies advised of initiatives which have strengthened the quality assurance process in some measure. However, responses to the Committee's question were not exhaustive and made it difficult for the Committee to assess whether agencies have adequately addressed the audit recommendation. Notwithstanding, the Committee notes the initiatives taken by agencies, as shown in Table 2.4.

Table 2.4: Agency responses to the Committee regarding audit recommendation 6.2

Agency	Initiatives
Victoria Police ^(a)	<ul style="list-style-type: none"> A redesign of the internal review cover sheet was carried out to accurately reflect the type of review and action taken for reporting purposes.
City of Ballarat ^(b)	<ul style="list-style-type: none"> The Pathway system (used by many Councils across Victoria) has now improved the reporting capacity as a result of an upgrade which enables automated reports. This system now has the capacity to provide the reliable data which is needed for reporting purposes. A number of areas have been significantly improved to assist with both issuing and review processes.
City of Greater Geelong ^(c)	<ul style="list-style-type: none"> A full analysis of infringement information to improve the issuing of infringements, as well as appeals and withdrawals was undertaken 18 months ago with the view to outsource the module.
City of Port Phillip ^(d)	<ul style="list-style-type: none"> A process has been introduced to minimise and reduce multiple infringements being issued to vehicles where it is a continuing offence.
City of Stonnington ^(e)	<ul style="list-style-type: none"> In consultation with ISOU, the DOJ has re programmed its infringement system data base. Systems have been changed to ensure accuracy in monthly reporting. For infringement reviews training needs for review staff have been identified and improved monitoring has been implemented.

Sources:

- (a) Mr K. Lay, Acting Chief Commissioner, Victoria Police, email to the Committee, received 5 August 2011, p.10
- (b) Mr A. Schinck, Chief Executive Officer, City of Ballarat, letter to the Committee, received 29 July 2011
- (c) Mr S. Griffin, Chief Executive Officer, City of Greater Geelong, letter to the Committee, received 9 August 2011, p.4
- (d) Mr R. Burke, Manager Compliance & Parking, City of Port Phillip, letter to the Committee, received 9 August 2011
- (e) Mr S. Draffin, General Manager, Planning & Development, City of Stonnington, letter to the Committee, received 29 July 2011

The Committee acknowledges the measures taken by enforcement agencies in improving their infringements information systems to enable accurate and reliable reporting to ISOU. The Committee encourages all enforcement agencies to maintain effective quality assurance processes over their respective infringements information system and to continually analyse infringement information with a view to improving the infringements system process.

2.5.3 **Audit recommendation 6.3 – Internal review statistics in Victoria Police**

The audit found that in 2007-08, Victoria Police had overstated its internal review statistics and review withdrawals, and understated discretionary withdrawals as items were incorrectly classified as internal reviews.¹⁷⁴ Consequently, the Auditor-General recommended that ‘Victoria Police should assess the accuracy of its 2007-08 internal review statistics and, if necessary, re-submit the data to the Department of Justice for analysis.’¹⁷⁵

Victoria Police informed the Committee that it had not undertaken this assessment, as the task would require significant resource hours to manually examine each review and assess each individual classification and, in any event it could not do so as the records for this period had been destroyed in accordance with the *Victoria Police Manual VPMG* [Guidelines] – *Information Disposal*.¹⁷⁶

Victoria Police advised that the Traffic Camera Office has put in place internal practices to reduce the potential for incorrect classification of internal reviews.¹⁷⁷

The Committee understands the impracticality of Victoria Police undertaking the assessment. However, in relation to this matter, the Committee wishes to reinforce the need for Victoria Police and all enforcement agencies to maintain accurate and reliable statistical information on their respective infringements systems data base.

2.6 **Overall conclusion by the Committee**

In overall terms, the Committee concludes that progress has been made by the Department of Justice and the five agencies examined as part of the Auditor-General’s report on the withdrawal of infringement notices.

The Committee notes the finding of the Auditor-General that the system is becoming fairer, which is a primary purpose of the new infringements system. However, the Committee considers that greater effort is required across all enforcement agencies to ensure their infringements system operates in compliance with the legislation, regulations and guidelines, governing the withdrawal of infringement notices.

The Committee emphasises the need for enforcement agencies to maintain appropriate frameworks for managing their respective infringements system and for the Department of Justice to continually monitor enforcement agencies’ compliance with the legislative and regulatory requirements.

174 Victorian Auditor-General’s Office, *Withdrawal of Infringement Notices*, June 2009, p.62

175 *ibid.*, p.64

176 Mr K. Lay, Acting Chief Commissioner, Victoria Police, email to the Committee, received 5 August 2011, p.11

177 *ibid.*

CHAPTER 3: CONNECTING COURTS – THE INTEGRATED COURTS MANAGEMENT SYSTEM (JUNE 2009)

3.1 Introduction

The Integrated Courts Management System (ICMS) is a major initiative within the Department of Justice (DOJ) to modernise and upgrade the technology of all Victorian courts and tribunals, covering both the criminal and civil jurisdictions. The ICMS program is designed to implement a single, integrated technology platform and a set of computer applications for all Victorian Courts and Tribunals to modernise courts' administrative processes.¹⁷⁸

The objectives of ICMS are to:¹⁷⁹

- enable the courts and tribunals to deal with the increasing volume and complexity of cases;
- improve the productivity of the justice system in case management; and
- improve the community and legal practitioner experience when dealing with the justice system.

The ICMS program consists of five components as shown in Table 3.1.

Table 3.1: Components of the Integrated Courts Management System

ICMS Component	Description
Case Management System	A computerised system for management of cases in the Justice system from start to finish. The case management system is the main component of ICMS around which the other components are constructed.
Smart Courts	An advanced audio-visual capability for courts essential for protecting 'at risk' or 'vulnerable' witnesses in criminal cases.
Judicial Officers Information Network (JOIN)	An on-line knowledge management system for Victoria's judicial officers and their support staff.
eServices	Providing web-based services, including payment, document lodgement and search facilities.
Courts data warehouse system	Data collection and analysis to support administrative efficiency.

Source: Victorian Auditor General's Office, *Connecting Courts — the Integrated Courts Management System*, June 2009, pp.18-19

The ICMS program covers the following court and tribunal jurisdictions:

- Supreme Court of Victoria;
- County Court of Victoria;

¹⁷⁸ Budget Paper No.3, *2005-06 Service Delivery*, May 2005, Appendix A, p.298

¹⁷⁹ Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.10

- Magistrates' Court, including the Coroner's Court and the Victims of Crime Assistance Tribunal;
- Victorian Civil and Administrative Tribunal;
- Dispute Settlement Centre Victoria; and
- Children's Court of Victoria.

An amount of \$45.1 million to be spent over four years was provided in the 2005-06 Budget for ICMS, comprising \$32.3 million in capital funds and \$12.8 million in operating funds.¹⁸⁰ The DOJ estimated that the ICMS program will incur operational costs totalling \$52.6 million over ten years.¹⁸¹

The project commenced in July 2005 and was originally scheduled to be completed by June 2009.¹⁸²

3.2 The audit

3.2.1 Audit objective

The objective of the audit undertaken by the Auditor-General in 2009 was '*to assess whether the progress of the ICMS program has conformed with its original investment objectives.*'¹⁸³ This involved examining:¹⁸⁴

- program planning, including the development of the funding proposal;
- procurement strategy, planning and processes; and
- program controls, including monitoring and review.

3.2.2 Overall audit conclusions and findings

The Auditor-General concluded that the rationale for the ICMS program was and remains sound and that the DOJ had adopted a number of effective practices to deal with the complexities inherent in the ICMS program.¹⁸⁵ However, the audit found some major flaws in program planning and control from which important lessons needed to be learned.¹⁸⁶

180 Budget Paper No.3, *2005-06 Service Delivery*, May 2005, Appendix A, pp.297, 300

181 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.27

182 *ibid.*, p.15

183 *ibid.*, p.12

184 *ibid.*, p.2

185 *ibid.*, pp.2-3

186 *ibid.*, p.3

The audit found that there had been a significant delay in the ICMS program and that implementation costs have increased.¹⁸⁷ The audit report cited unsatisfactory supplier performance as a major factor in the time and cost overruns and the inadequacies in planning and managing the ICMS program had also contributed to the program's difficulties.¹⁸⁸

The Auditor-General made 12 recommendations concerning the implementation of information technology (IT) programs within the DOJ. Five recommendations related specifically to the ICMS program, while seven recommendations were directed more broadly to the implementation of large IT transformation programs.

3.2.3 Response provided by the Secretary, Department of Justice

In responding to the audit report, the Secretary, Department of Justice, expressed confidence that the governance and program management arrangements the DOJ has in place for the ICMS program reflects best practice and asserted that the ICMS program had delivered tangible benefits to Victoria's courts.¹⁸⁹

The Secretary, Department of Justice indicated that the DOJ will implement all of the Auditor-General's recommendations and is '*continuing to enhance its approach to the development and delivery of major ICT [Information Communication Technology] projects utilising the VAGO [Victorian Auditor-General's Office] practice guide and independent advice.*'¹⁹⁰

3.2.4 Scope of the Committee's review

As part of this follow-up review, the Committee sought written information from the Department of Justice on the implementation of the recommendations made by the Auditor-General. The Committee also sought written comments from the Auditor-General regarding the audit findings and implementation of the recommendations by the DOJ. These responses have been included where appropriate.

3.3 Program status

In his report, the Auditor-General provided an update of each of the five components making up the ICMS program, noting that, at the time of the audit – June 2009, the project was 14 months behind schedule. The scheduled completion date had been revised from June 2009 to August 2010.¹⁹¹

The audit found that by June 2009, the estimated capital cost of the project had increased to \$44.0 million, which was \$11.7 million more than the original estimate of \$32.3 million. The audit report cited a number of reasons for this increase, including the delays in the delivery of the case management system and complexity in the procurement process.¹⁹²

187 *ibid.*, p.2

188 *ibid.*

189 *ibid.*, p.8

190 *ibid.*

191 *ibid.*, p.16

192 *ibid.*, p.20

The audit report indicated that the delay in the case management system had lifted the running costs of the program office.¹⁹³ The DOJ estimated that, based on the new projected deadline of August 2010, \$4.6 million in extra running costs would be added, notwithstanding, the DOJ had negotiated compensation from the contracted supplier to substantially offset costs incurred due to supplier delay.¹⁹⁴

The audit found that two of the program's five components were delivered on time, namely: Smart Courts and JOIN. However, the remaining three components had been delayed. The audit highlighted delays in the delivery of software from the Case Management System supplier as contributing significantly to both the delay and the cost increases.¹⁹⁵ The Committee notes that procurement of the Case Management System was delayed by nine months because the market was unable to supply the Case Management System in the form originally required by the DOJ.¹⁹⁶

Overall, the audit attributed the variations to both program schedule and cost to the following three factors:¹⁹⁷

- performance and contractual issues with the program supplier of the case management system;
- inadequacies in DOJ's reassessment of the original planning assumptions when it changed its approach to the case management system solution; and
- a change in DOJ's corporate strategy, affecting the warehouse system required to support ICMS.

3.3.1 Update on the progress of implementing ICMS

In July 2011, the DOJ provided the Committee with an update of the progress of implementing the ICMS program.

The Committee was informed that ICMS implemented the "CourtView" case management software into the Supreme Court jurisdiction in September 2009 and that a joint working party involving the DOJ and the Supreme Court has been established to resolve a number of priority issues, including functionality with the automated court order processing and the document management system. The DOJ expected that these issues would be resolved by November 2011.¹⁹⁸

The DOJ also advised that work is currently underway to implement CourtView in other jurisdictions, with progress at the following stages:¹⁹⁹

- Coroner's Court – user acceptance testing phase;

193 *ibid.*

194 *ibid.*

195 *ibid.*, p.16

196 *ibid.*, p.19

197 *ibid.*, p.20

198 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.1

199 *ibid.*

- County Court – build stage; and
- Magistrate’s Court – design stage for the unique Victorian requirements.

The DOJ further advised that since December 2009, the Department has:²⁰⁰

- completed a further update to the business case; and
- terminated its agreement with the systems integrator and assumed the role of systems integrator internally.

Given the ongoing delays experienced by the DOJ in implementing the ICMS program and the consequent cost overruns on the program, the Committee believes that accountability and transparency would be enhanced through public disclosure of the delays, the reasons for the delays and the impact on both the development and operational costs of the program. The Committee considers that the DOJ should release a timetable disclosing the anticipated roll-out of the program across the jurisdictions and tribunals.

RECOMMENDATION 10:

To enhance accountability and transparency, the Department of Justice should publicly disclose in its annual report and/or on its website:

- details of the revised timelines for the roll-out of the Integrated Courts Management System to jurisdictions and tribunals, together with the reasons for their rescheduling;**
- revised estimates for the total development and operational costs of the Integrated Courts Management System; and**
- a complete analysis of the major cost overruns and implementation delays of the Integrated Courts Management System.**

The Auditor-General made three recommendations concerning the status of the ICMS program. Two of these recommendations related specifically to the implementation of ICMS (audit recommendations 4.1 and 4.2), while one recommendation (audit recommendation 4.3) applied more broadly to the implementation of large IT transformation programs within the DOJ.

3.3.2 Audit recommendation 4.1 – Service readiness plan

The Auditor-General recommended that, in preparation for the transition to service, the DOJ should produce and communicate to stakeholders, a comprehensive service readiness transition plan, utilising industry best practice program management guidelines and the Victorian Government’s Gateway Review Process (Gateway Review), which provides specific guidance on readiness for service, to assist delivery of ICMS benefits.²⁰¹

²⁰⁰ *ibid.*

²⁰¹ *ibid.*, p.21

The DOJ stated that a Service Readiness Plan was developed and communicated to stakeholders and also that this plan was tabled at a combined steering committee and project board meeting in August 2009.²⁰²

The Committee enquired as to how the DOJ ensured that the plan conformed with program management best practice and Gateway Review guidelines. The Committee was also interested to learn how the plan assisted the DOJ in implementing ICMS.

In response, the DOJ advised the Committee that the *ICMS Service Readiness Plan* (version 2.0, dated 20 September 2009), was based on key elements of the *Gateway Review, Gate 5 – Readiness for Service* guidelines and took into account elements of the Project Management Institute (PMI) Global Standards for Program Management (monitoring and controlling process group) and best practice examples of service readiness/transition planning documents.²⁰³

The DOJ indicated that the Service Readiness Plan:²⁰⁴

- *had assisted in verifying the completeness of core system deliverables and monitoring progress to ensure all acceptance criteria for implementation were met prior to cutover;*
- *was reviewed by the program's technical board, the ICMS project board and at steering committee level prior to authorising the 'go live' event;*
- *was regularly reviewed by all stakeholders which helped to ensure all key tasks were identified and completed, all risks were monitored and accepted, and any exceptions were documented; and*
- *gave the senior responsible officers the confidence to approve the transition to the new case management system.*

The Committee is pleased to see that a Service Readiness Plan was developed and communicated to stakeholders and noted that the DOJ had benefited from the use of the plan.

3.3.3 *Audit recommendation 4.2 – Gateway post-implementation review*

The Auditor-General recommended that the DOJ use the Gateway Review process to assess readiness for service and the realisation of benefits to be derived from the program.²⁰⁵

The Committee was informed that a Gateway Review for service readiness was conducted in July 2009.²⁰⁶

202 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General's Reports issued during 2008-09*, December 2009, p.75

203 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.2

204 *ibid.*

205 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.21

206 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.3

The Committee enquired into the findings of this review and was informed that the *Gateway Review 5 - Readiness for Service* identified the main obstacle facing the ICMS program was the quality of the “CourtView” (case management) software.

The Committee was provided with a schedule detailing eleven recommendations arising from the Gateway Review and the status of the action taken on each recommendation. The schedule detailed that the DOJ had completed action on ten recommendations and partially completed action on one other.²⁰⁷ On this latter recommendation, the DOJ advised that following the Gateway Review, the Courts Technology Group (CTG) within the DOJ had catalogued and presented service level commitments for jurisdictions. However, the DOJ advised that no service level agreements have been signed with the courts.²⁰⁸ The Committee considers that in the interests of accountability, CTG should, at the earliest opportunity, formalise these service level agreements with jurisdictions.

RECOMMENDATION 11:

In the interests of accountability, the Department of Justice’s Courts Technology Group should, at the earliest opportunity, formalise service level agreements with jurisdictions.

3.3.4 Benefits to be derived from ICMS

In the audit report, the Auditor-General identified that the benefits to be derived from ICMS included:²⁰⁹

- reduced workload for justice and courts staff;
- lower cost for justice related services; and
- improved quality and availability of information for reporting and operational decision making.

At the time of the audit in 2009, the Auditor-General identified ICMS savings totalling \$49.9 million over ten years, based on Department of Justice data.²¹⁰ The Committee was made aware that a revised estimate outlined in a recent business case update of the program identified that, over the ten-year period, the estimated savings is most likely to be \$30.4 million due to program delays.²¹¹ The updated business case indicated that the program will still realise the original benefit of \$50 million, however this will take longer than originally expected.²¹²

The DOJ has acknowledged the delays in implementing the ICMS program in court jurisdictions. However, it is not clear what impact these delays have had on the estimated total cost of the program. This raises a concern as to whether the DOJ’s estimates of the ratio of cost to benefits of the ICMS program are sufficiently favourable to warrant its continuation.

207 *ibid.*, pp.3-6

208 *ibid.*, p.5

209 Victorian Auditor-General’s Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.29

210 *ibid.*, p.30

211 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.5

212 *ibid.*

The Committee considers that it would be timely for the DOJ to conduct a cost/benefit analysis to reaffirm that the identified benefits of the program still outweigh the costs involved. When taking account of the program costs, the Committee considers that it would be appropriate for the DOJ to identify what other additional but avoidable costs have been or will be incurred because of the delay in roll-out of ICMS. For example, the Committee notes a previous Auditor-General's report – *Problem-Solving Approaches to Justice*, tabled in the Parliament in April 2011, which found that the DOJ's 'Trackcare' client management data base was installed because ICMS was not ready.²¹³ It can be reasonably argued that this is a cost of the ICMS project and should be accounted for as such.

RECOMMENDATION 12:

The Committee recommends that the Department of Justice conduct a cost/benefit analysis to reaffirm that the benefits of the Integrated Courts Management System still outweigh the costs involved. This analysis should identify what other additional but avoidable costs have been or will be incurred because of the delay in roll-out of the System.

The DOJ advised that it has not undertaken a post-implementation Gateway Review to assess whether the benefits of ICMS have been realised because the program application – "CourtView" is still to be deployed in the other Victorian jurisdictions.²¹⁴

The DOJ informed the Committee that the expected benefits to be derived from ICMS are contingent on deployment of the "CourtView" application across all jurisdictions, and that once implementation is complete a benefits realisation Gateway Review will be done.²¹⁵

RECOMMENDATION 13:

Within two years of full implementation of the Integrated Courts Management System, the Auditor-General audit the extent to which benefits have been realised, including the success of the integration of all system components and the effectiveness of ongoing program monitoring.

3.3.5 Audit recommendation 4.3 – Lessons learned from supplier delay

The Auditor-General recommended that for large IT transformation programs, the DOJ should review the lessons learned from supplier delay, and apply these to current and future due diligence assessments of supplier capability.²¹⁶

The DOJ informed the Committee that risk reviews relating to the supplier and the delays have been conducted and documented.²¹⁷ The Committee was pleased to note that the ICMS Program team had conducted a lessons learned and post-implementation review following the

213 Victorian Auditor-General's Office, *Problem-Solving Approaches to Justice*, April 2011, p.19

214 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.3

215 *ibid.*

216 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.21

217 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.7

implementation of “CourtView” into the Supreme Court and that it will use this information in subsequent stages of the ICMS implementation.²¹⁸

Additionally, the DOJ advised the Committee that the *Project Management Excellence Framework*, to be implemented Department-wide in September 2011, will require completed lessons learned and post-implementation review reports for all projects in the DOJ and also that governance bodies will consider the documented evidence of these at key decision points throughout the project.²¹⁹

The Committee welcomes the positive action taken by the DOJ to review lessons learned from the implementation of the ICMS program, particularly concerning the supplier issues impacting on the progress of the program’s delivery, and encourages the DOJ to apply knowledge gained to current and future due diligence assessments of technology initiatives.

3.4 Planning for ICMS

The Auditor-General examined the business case developed for the project, including the identified expected benefits, key assumptions and risks and the adopted approach to ICMS procurement.

The audit found that the business case conformed to relevant guidelines issued by the Department of Treasury and Finance (DTF).²²⁰ However, in his report, the Auditor-General indicated that although the business case had a robust rationale based on policy and business needs, there were critical gaps in the assessment of the proposed case management solution with respect to costs and the capability of the supplier market.²²¹

The Auditor-General detailed a number of deficiencies in the business case, including the following:²²²

- an options analysis for the case management system was done without effectively engaging the supplier industry to understand the capability of the case management suppliers in the market place;
- the business case failed to:
 - adequately address uncertainties in costs and risks associated with supplier selection and management for such a large scale project;
 - identify, assess and cost the effort required to address the impact of the program on key systems and processes. Consequently, jurisdictions did not fully understand the costs of implementing the new case management system; and
 - adequately address specific risks related to uncertainty in system definition, system costs and supplier management.

218 *ibid.*

219 *ibid.*, p.8

220 Victorian Auditor-General’s Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.25

221 *ibid.*, pp.23,24

222 *ibid.*, pp.27-31

The audit found that the procurement of the ICMS program followed the governance steps outlined by the Victorian Government's procurement policy framework and the DOJ's procurement guidelines.²²³ However, the audit report indicated that the procurement strategy for ICMS was not well defined. The report noted that the DOJ had adopted a 'non-traditional approach' to managing the relationship with multiple suppliers, however, the risks inherent in following this approach had not been properly planned for.²²⁴

The Auditor-General made two recommendations to assist the DOJ in its planning of future large IT transformation programs.

3.4.1 *Audit recommendation 5.1 – Assessment of the supplier market*

The audit report highlighted that where a program involves buying products, there needs to be a clear understanding of what is available in the market so that the program can effectively plan and buy.²²⁵ In relation to the major component of ICMS, the case management system, the audit found that there were critical gaps in the DOJ's analysis and assessment of the capability of the supplier industry.²²⁶

The audit recommended that the DOJ should incorporate a thorough assessment of the supplier market, as per the DTF business case development guidelines, on its funding proposals for large IT transformation projects.²²⁷

The Committee notes that this recommendation was supported and the DOJ has since adopted the DTF business case development guidelines as a basis for supplier market assessments.²²⁸ The DOJ advised the Committee that the introduction of the *Project Management Excellence Framework*, which will align with the DOJ's Procurement Reform Project (to be conducted in June 2012), is expected to further assist projects in setting guidelines for supplier assessments.²²⁹

The Committee is pleased to acknowledge the effective action taken by the DOJ on this audit recommendation and understands that the DOJ's *Project Management Excellence Framework* will include further guidance on supplier market assessment.

3.4.2 *Audit recommendation 5.2 – System sizing analysis tools*

The Auditor-General highlighted a number of shortcomings in the cost analysis contained in the business case, including the uncertainty in estimating the size, complexity and cost of the case management system, and insufficient analysis of the cost implications for the jurisdictions to implement the case management system.²³⁰

223 *ibid.*, p.32

224 *ibid.*, p.36

225 *ibid.*, p.24

226 *ibid.*

227 *ibid.*, p.37

228 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.8

229 *ibid.*

230 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.28

The audit report stated that during the development phase of the business case, independent advice to the DOJ was that further analysis was needed to help assess the cost and complexity of the system. The audit found that this analysis was not undertaken, the consequences being that cost estimates continued to have a high degree of uncertainty and the costs and risks associated with implementing change were not adequately identified.²³¹

The audit report recommended that for IT transformation projects, the DOJ should incorporate the use of system sizing analysis tools used in the IT industry as an objective basis for assessing.²³²

- the fit of candidate solutions to business requirements; and
- system development costs.

The DOJ indicated support for this recommendation. However, it has not mandated a system sizing tool as there has not been a large IT transformation project initiated since this recommendation was made.²³³

The DOJ informed the Committee that:²³⁴

- *the Project Management Excellence framework under development by the Department provides guidelines for project level controls, i.e. governance, and includes guides on how to size projects;*
- *Project Management Excellence is currently producing a high-level Summary Guide to standardise the approach to requirements management across the department so that solutions are ‘fit for purpose’. This summary Guide will focus on the approach and processes rather than on the tools; and*
- *the Department has used the IBM Rational RequisitePro requirements management tool. This tool is not mandated but has assisted larger projects to assess project size and scale based on the number of requirements entered into the system. Additionally, it provides a means of maintaining traceability and impact analysis.*

The Committee considers that a more rigorous cost analysis of the Case Management System component of ICMS may have identified more precisely the risks involved in implementing such a complex IT transformation program, in which case, the DOJ could have more effectively mitigated the program risks; some of which were realised. On this issue, the Committee emphasises the need for the DOJ to include in its *Project Management Excellence Framework*, comprehensive guidance on how to realistically and accurately determine the size and complexity of IT transformation programs and to more accurately estimate program development costs.

231 *ibid.*, p.29

232 *ibid.*, p.37

233 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.10

234 *ibid.*

RECOMMENDATION 14:

The Department of Justice include in its *Project Management Excellence Framework*, comprehensive guidance on how to realistically and accurately determine the size and complexity of IT transformation programs and to more accurately estimate program development costs.

3.5 Program control

The Auditor-General assessed the effectiveness of program controls over the implementation of the ICMS program. This involved examination of the following areas:²³⁵

- ICMS program organisation – governance and stakeholder involvement;
- clarity of information – maintenance of the business case and the program management plan;
- program monitoring – independent review, reporting and supplier coordination; and
- management of risks.

With regard to program controls over the implementation of ICMS, the Auditor-General made seven recommendations, three of which related specifically to the implementation of the ICMS program (audit recommendations 6.1, 6.2 and 6.3) and four relating to the implementation of future IT transformation projects within the Department (audit recommendations 6.4, 6.5, 6.6 and 6.7).

3.5.1 Audit recommendations 6.1 and 6.4 – Program supplier issues

The Auditor-General examined the program's procurement strategy and noted in relation to the largest component – the Case Management System, that the DOJ had chosen a 'non-traditional' approach to managing the relationship with multiple suppliers. The audit found that the DOJ had underestimated the risks involved with this approach.²³⁶

The Auditor-General concluded that:²³⁷

DOJ's supplier coordination ability was less than robust and there were gaps in the risk management approach that resulted in the realisation of some key risks.

And also that:²³⁸

DOJ has lacked an effective supplier-monitoring measure. Suppliers have reported progress of deliverables on a percentage complete and due date basis rather than 'effort remaining' basis.

235 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, pp.40-50

236 *ibid.*, p.2

237 *ibid.*

238 *ibid.*, pp.47-8

Reporting based on percentage complete has little bearing on identifying the work or time remaining to complete an activity and hence is a poor measure of progress.

The audit report made two recommendations related to the program's suppliers.

Audit recommendation 6.1 – Status of supplier deliverables

The Auditor-General recommended that the DOJ put in place a mechanism for monitoring and reporting the status of supplier deliverables using the “effort remaining” measures and clearly allocate associated responsibilities between the DOJ and the systems integrator,²³⁹ (who specialises in ‘*bringing together the constituent components of a system into a whole and ensures that they work together*’).²⁴⁰

The DOJ stated that an “effort remaining” metric was added to the ICMS Steering Committee reporting effective from June 2009, and the allocation of responsibilities between the DOJ and the systems integrator is regularly reviewed by ICMS Program Executives.²⁴¹

The Committee was informed that this recommendation will be supported Department-wide via the standard reporting component of the *Project Management Excellence Framework*, which seeks to provide consistency in the way that suppliers present information to the DOJ.²⁴²

Audit recommendation 6.4 – Approach to supplier coordination

The audit report recommended that the DOJ should review its approach to supplier coordination in the ICMS program to guide the development of future procurement strategies.²⁴³

In its response, the DOJ stated that ‘*the ideal model would be an engagement of a prime supplier to define all accountability for large IT transformation projects*’.²⁴⁴

However, the DOJ advised the Committee that it undertakes a multitude of projects, which in some circumstances, may deviate from the traditional supplier (system integrator) model. In such cases, where there are multiple contracts to suppliers, the DOJ acknowledges that accountabilities, roles and responsibilities must be clearly defined between all responsible parties and that risk mitigation and specialist expertise would be required to manage the projects.²⁴⁵

239 ibid., p.51

240 ibid., p.32

241 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General's Reports issued during 2008-09*, December 2009, p.76

242 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.11

243 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.51

244 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.14

245 ibid.

The DOJ advised that based on current procurement processes and the future *Project Management Excellence Framework*, lessons learned and post-implementation review will be incorporated into the DOJ 's project management practice and methodology.²⁴⁶

The DOJ further advised that the *Project Management Excellence Framework* has been drawn from a multitude of projects to capture best practice and provide solid direction for future projects.²⁴⁷

The Committee considers the *Project Management Excellence Framework*, particularly as it relates to clarifying roles and responsibilities where multiple parties are involved, should address the supplier management issues raised in the audit report. The Committee looks forward to reviewing the Framework document once it is completed and formally adopted by the DOJ.

3.5.2 Audit recommendation 6.2 – Program documentation

The Auditor-General asserted that the two most important documents for effective program control are:²⁴⁸

- *the business case; and*
- *a program management plan.*

The audit found that the ICMS business case was not kept current over a significant period and as a result, *'the Department lacked sufficient information to validate the ongoing viability of the ICMS program and to take preventative action to address uncertainty.'*²⁴⁹

In relation to the ICMS program management plan, the Auditor-General observed that the plan provided a high-level view of the various components of the ICMS program. However, the Auditor-General considered that the plan lacked detail in some areas, including the allocation of program costs and key activities. The audit concluded that:²⁵⁰

Gaps in the program management plan have meant that the program management office and the steering committee, have at times lacked important data for effective supervision and control of the program.

The audit recommended that the DOJ should *'appropriately document and maintain the business case and the program management plan as per the project and program management methodology adopted by the ICMS program.'*²⁵¹

246 *ibid.*

247 *ibid.*

248 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.43

249 *ibid.*, p.44

250 *ibid.*, p.45

251 *ibid.*, p.51

The DOJ supported this recommendation and advised the Committee that both the business case and program management plan have been updated and will be regularly reviewed for the remainder of the ICMS program.²⁵² The DOJ stated that key elements of the program plan are reviewed by the ICMS Steering Committee on a monthly basis.²⁵³

The Committee welcomes the positive action taken by the DOJ in relation to this recommendation.

3.5.3 *Audit recommendation 6.3 – Reporting the progress of ICMS*

The audit observed that status reports to the ICMS Steering Committee and the DOJ's senior management contained detailed information on the progress of ICMS.²⁵⁴ However, the audit reported that status updates to the ICMS Steering Committee at times lacked critical information for the effective control of the ICMS program. The Auditor-General cited as an example that finance reports did not track costs as allocated in the business case.²⁵⁵

The audit recommended that the DOJ should '*clearly report the progress of the ICMS program against the costs and schedule reference data outlined in the business case.*'²⁵⁶

The DOJ informed the Committee that following the audit, the financial reporting information was enhanced to include:²⁵⁷

- detailed funding source information for the current financial year in addition to the total program information;
- detailed budget and expenditure reporting by key cost component/project for the total program in addition to the summary total information for the current financial year; and
- detailed budget and expenditure reporting by key cost and stage component.

In relation to activity scheduling, the Committee received advice that, since the audit, the activity schedule report (referred to as the ICMS traffic light report), has been modified to include any movements to schedule dates for key activities in each jurisdiction, including 'effort to complete'.²⁵⁸

The Committee commends the improvements made by the DOJ to the monitoring of ICMS progress against the costs of the program and schedule reference data.

252 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.12

253 *ibid.*

254 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.47

255 *ibid.*

256 *ibid.*, p.51

257 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.13

258 *ibid.*

3.5.4 **Audit recommendation 6.5 – External periodic reviews**

The audit report noted that the DTF had conducted two types of independent review of the ICMS program, namely the Gateway Review Process and the Quarterly Asset Investment Reporting process.²⁵⁹

The audit report indicated that the DOJ did not act on some recommendations arising from these independent reviews.²⁶⁰

The Auditor-General concluded that:²⁶¹

The major project reporting process has been historically limited by a lack of ability by the Department to independently verify information from the projects being reviewed, which was also the case for these reviews of the early stages of the ICMS program.

The audit recommended that for future IT transformation programs, the DOJ should ‘undertake periodic reviews by external organisations specialising in IT program health-checks’.²⁶²

In responding to this recommendation, the DOJ informed the Committee that it has appointed an independent representative to the ICMS Steering Committee to provide independent advice. The DOJ also informed the Committee that it has recognised the value of an independent representative through the provision of, among other things, additional program management support, governance advice, development of successful partnering relationships and risk reviews.²⁶³

The DOJ advised the Committee that an ‘IT program health check’ is to be further developed and incorporated as part of the *Project Management Excellence Framework* which will include a full implementation of standardised project reporting across the DOJ. Also, that these new project management requirements will provide for the conduct of health checks, which measure and analyse project and program performance for improvement purposes.²⁶⁴

The Committee considers that independent IT specialist reviews conducted at critical stages of program delivery are a useful governance tool for measuring and analysing project and program performance. The Committee encourages the DOJ to include independent IT specialist reviews in its *Project Management Excellence Framework* for application to future IT transformation programs.

RECOMMENDATION 15:

The Department of Justice’s *Project Management Excellence Framework* should include a requirement for periodic independent specialist reviews for all large and complex IT transformation programs.

259 Victorian Auditor-General’s Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.46

260 *ibid.*

261 *ibid.*

262 *ibid.*, p.51

263 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.15

264 *ibid.*

3.5.5 **Audit recommendation 6.6 – Risk management**

The Committee notes that the DOJ prepared a risk management plan for the ICMS project.²⁶⁵ However, the Auditor-General found deficiencies in the risk management approach to ICMS, particularly in the early stages of the program. The audit found that:²⁶⁶

[DOJ] underestimated key risks which later materialised with adverse effects. For a large part of the ICMS program, the lack of up-to-date program control documentation hindered DOJ's ability to critically assess the program's ongoing viability.

The audit recommended that for large IT transformation programs, the DOJ should align its risk management approach with the DTF *Project Risk Management Guidelines* (promulgated in February 2009).²⁶⁷

In December 2009, the DOJ indicated that it is in the process of aligning its risk management approach to the DTF *Project Risk Management Guidelines*.²⁶⁸

In June 2011, the Committee sought clarification from the DOJ on whether the DOJ's risk management approach now aligns with the DTF *Project Risk Management Guidelines*.

In response, the Secretary to the Department of Justice advised the Committee that the DOJ will adopt the *Project Management Excellence Framework*, which recommends that projects use the DTF *Project Profile Model* in assessing project risk.²⁶⁹ The DOJ further advised that the Framework's *Risk Management Strategy* and *Risk Register templates* will be released and available for use by the DOJ in September 2011.²⁷⁰

The Committee considers that the *Project Management Excellence Framework*, incorporating the DTF *Project Risk Management Guidelines*, will be of valuable assistance for the successful implementation of future IT transformation projects within the DOJ.

3.5.6 **Audit recommendation 6.7 – Use of independent expertise**

The Auditor-General observed the complex nature of the ICMS program and in so doing, considered that the ICMS organisation and governance model '*would have benefited from the inclusion of an independent representative with specialist expertise to assist with the challenges associated with a major IT-driven transformation program.*'²⁷¹

265 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.49

266 *ibid.*, p.5

267 *ibid.*, p.51

268 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General's Reports issued during 2008-09*, December 2009, p.78

269 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.16

270 *ibid.*

271 Victorian Auditor-General's Office, *Connecting Courts – the Integrated Courts Management System*, June 2009, p.5

The Committee notes that a Gateway Review of the ICMS program also recommended the DOJ seek specialist advice.²⁷² However, the Committee notes that the DOJ did not include independent representation in the governance model for the ICMS program.²⁷³

The Auditor-General recommended that for future large IT transformation programs, the DOJ should ‘*incorporate independent representatives with specialist expertise into governance bodies*’.²⁷⁴

On this matter, the Committee was informed that in August 2009, the DOJ invited an independent IT consultant specialising in providing IT advice to the ICMS Steering Committee.²⁷⁵

The Committee sought information as to whether the DOJ had commenced any other large IT transformation programs and whether these have included an independent representative to offer specialist advice. In response, the DOJ advised that it has not commenced any other large IT transformation project, but has included independent representatives with specialist expertise on the steering committees of a number of large, complex projects.²⁷⁶

The Committee agrees with the views expressed in both the Auditor-General’s report and the Gateway review that the implementation of ICMS would have benefited from the input of independent specialist IT advice. The Committee considers that for future complex IT transformation programs, the DOJ should include independent representation in the program’s governance arrangements.

RECOMMENDATION 16:

The Department of Justice should include independent IT specialist representation in its governance arrangements for future complex IT transformation projects.

272 *ibid.*, p.42

273 *ibid.*

274 *ibid.*, p.51

275 Ms P. Armytage, Secretary, Department of Justice, letter to the Committee, received 2 August 2011, p.17

276 *ibid.*

CHAPTER 4: IMPLEMENTING VICTORIA POLICE'S CODE OF PRACTICE FOR THE INVESTIGATION OF FAMILY VIOLENCE (JUNE 2009)

4.1 Introduction

The Committee notes from its review of the Auditor-General's performance audit findings outlined in his June 2009 report titled *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence* that the consequences of family violence are both compelling and disturbing. As reported by the Auditor-General, family violence results in serious physical, emotional and financial consequences for individuals, families and the community. With family violence affecting one in three Australian women, it is the main cause of preventable death, disability and illness in Victorian women aged 15-44 years and costs Victoria about \$2 billion annually.²⁷⁷ As outlined by Victoria Police, family violence is responsible for about one quarter of all recorded assaults.²⁷⁸

Victoria Police advised that it took a leadership role in the whole of government family violence reform agenda and contributes holistically to key initiatives that aim to improve responses to family violence.²⁷⁹ Victoria Police introduced a *Code of Practice for the Investigation of Family Violence* (the Code) in 2004, which formed an integral part of Victoria's family violence reform strategy known as the *Integrated Family Violence Strategy*. Requiring a mandatory police response to family violence reports, the Code introduced new practices, including compulsory risk assessment and management procedures for all incidents involving family violence.²⁸⁰ The Code required police to:²⁸¹

- provide the first official response to a family violence incident;
- secure the victim's immediate safety; and
- refer the victim to support services and interventions as appropriate.

The Code had four outcomes:²⁸²

- to provide for the safety of victims;
- to investigate and prosecute perpetrators where appropriate;
- to make appropriate referrals; and
- to disrupt the cycle of violence.

277 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.1

278 Victoria Police, *Code of Practice for the Investigation of Family Violence*, 2nd Edition, December 2010, Foreword

279 Mr T. Purton, Commander, Victoria Police, email to the Committee, received 5 August 2011, p.17

280 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.1

281 *ibid.*

282 *ibid.*, p.29

The Committee notes that a key action item of the new strategy titled *Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14* is to continue to monitor, review and embed implementation of the Code of Practice and associated protocols. In line with this action item, a second edition of the Code of Practice was launched by the then Chief Commissioner of Victoria Police in December 2010.²⁸³

As advised by Victoria Police, revisions to the code reflect the themes identified in the Auditor-General's report, and key amendments encompass, but are not limited to, legislative updates to include the provisions of the *Family Violence Protection Act 2008*, *Children Youth and Families Act 2005*, *Evidence Act 2008* and the *Victims' Charter 2006*; a new section on risk assessment and risk management; and increased clarity about the role of police in investigating breaches of family violence intervention orders.²⁸⁴

The Committee notes that the outcomes espoused by the December 2010 Code of Practice involve the following:²⁸⁵

Attending police and their supervisors must consider if the action they have taken has resulted in:

- *safety of the affected family members and others affected by the family violence;*
- *needs of children being considered and addressed independently;*
- *sensitivity to the complexities of our diverse communities;*
- *appropriate referral/s being made;*
- *perpetrator accountability through investigation and prosecution where appropriate; and*
- *disruption to the cycle of family violence.*

The Committee also notes that one of the areas where increases in crime statistics are considered by Victoria Police to represent a positive outcome relates to its efforts in responding to family violence and violence against women and children. As reported by Victoria Police in its 2010-11 annual report, increased reporting signifies that community members have increasing confidence to report family violence to police.²⁸⁶ As such, Victoria Police claims that the *Code of Practice for the Investigation of Family Violence* continues to support victims of family violence, with a 31.0 per cent increase in the number of assault offences recorded which arose from police attendance at Family Violence Incidents.²⁸⁷

283 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.1

284 *ibid.*, pp.1-2

285 Victoria Police, *Code of Practice for the Investigation of Family Violence*, 2nd edition, December 2010, p.3

286 Victoria Police, *Annual Report 2010-11*, p.19

287 *ibid.*, p.17

4.2 The audit

4.2.1 Audit objective

The objective of the audit undertaken by the Auditor-General in 2009 was to determine whether Victoria Police provided safety and support services to victims and perpetrators of family violence and reduced the impact of family violence in the community.²⁸⁸

4.2.2 Overall audit conclusions and findings

The audit found that Victoria Police was complying with the operational, investigatory and administrative requirements of Victoria Police's 2004 *Code of Practice for the Investigation of Family Violence*. Since the Code was introduced, it was evident that:²⁸⁹

- police attendance at family violence incidents had increased;
- police had applied more intervention orders and laid more criminal charges against perpetrators; and
- the number of investigations and prosecutions related to family violence incidents had risen.

Importantly, however, the Auditor-General concluded that police data did not demonstrate whether this increase in activity had been effective in terms of the appropriateness of service referrals and how successful prosecutions had been in improving outcomes for victims of family violence and breaking the cycle of violence.²⁹⁰

In terms of findings, the audit revealed that:²⁹¹

- while police were responding to all family violence reports as specified under the Code, they were not complying in all cases with the requirement of the Code to use a referral option, which was only used in 78 per cent of incidents attended by police;
- the introduction of the Code had been supported through suitable training;
- there had been a marked increase in police response activity since the introduction of the Code in 2004;
- there was no information to demonstrate how effective Victoria Police had been, particularly in relation to improving outcomes for victims of family violence or breaking the cycle of violence;
- the increasing incidence and use of the Code's civil and criminal options showed that police were considering the safety of victims of family violence;

288 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.2

289 *ibid.*, p.3

290 *ibid.*

291 *ibid.*, pp.2-3

- it was difficult to determine to what degree high levels of police activity had improved victim safety;
- police had been actively prosecuting offenders, reflecting a more thorough level of investigation applied under the Code, which resulted in the identification of crimes associated with family violence that were not reported previously; and
- the number of repeat attendances at family violence incidents had remained at around 32 per cent.

The Auditor-General made 14 recommendations that focused on:²⁹²

- monitoring compliance with the Code;
- developing benchmarks for operational and administrative functions;
- improving data sharing with the courts administration;
- developing protocols with services agencies to monitor referrals and access to services;
- identifying data gaps that inhibit the effective measurement of the outcomes of the Code;
- introducing a continuous improvement framework to encourage good practice; and
- strengthening the roles of family violence advisors and liaison officers.

4.2.3 Response provided by the then Chief Commissioner of Victoria Police

In responding to the audit report, the then Chief Commissioner of Victoria Police acknowledged that family violence was a complex social policy area and that Victoria Police plays an integral role in service delivery. However, given that Victoria Police was one of over 80 government and non-government agencies that together contribute to the safety of victims and their children, the opinion of the then Chief Commissioner was that a single agency review that focused on Victoria Police's response to family violence did not enable an examination to take place of the entire integrated system response.²⁹³

In relation to the recommendation to establish benchmarks to manage operational and administrative functions, the then Chief Commissioner advised that the organisational priority was to deliver the right response to family violence and keep victims safe. In delivering this response, while an attempt was always made to provide policing services in an efficient and effective manner, the then Commissioner indicated that the time and cost implications of this response would never be the main priority.²⁹⁴ Additionally, the long-term health costs of family violence to victims meant that the current reforms could take many years to achieve a financial saving to the government and the broader community.²⁹⁵

292 *ibid.*, p.5

293 *ibid.*, p.7

294 *ibid.*, p.8

295 *ibid.*

The then Chief Commissioner welcomed the recommendations which involved work that was underway to review the 2004 Code of Practice, establish continuous improvement frameworks, knowledge manage good practice within regions and work more closely with the courts to share data.²⁹⁶

4.2.4 Scope of the Committee's review

As part of this follow-up review, the Committee sought written advice from the Acting Chief Commissioner of Victoria Police on the implementation of the recommendations made by the Auditor-General. These responses have been included where appropriate.

4.3 Procedural compliance

4.3.1 Audit recommendation 4.1 – Spot checks, benchmarks and monitoring

The Auditor-General recommended that Victoria Police:²⁹⁷

- introduce spot checks across all police regions to determine compliance with the *Code of Practice for the Investigation of Family Violence*'s completion and the quality assurance requirements for the Family Violence Risk Assessment and Management Report (the L17 form);
- establish benchmarks for timely and accurate completion of the L17 form; and
- set up and monitor benchmarks for the costs and time associated with the administrative functions of family violence incidents.

In response, Victoria Police advised that spot checks currently occur in some regions²⁹⁸ and responsibility for ensuring compliance with the L17 form rests with the Sergeant overseeing each shift.²⁹⁹ With the aim to remove duplication, the Committee was advised that a streamlined version of the L17 form was trialled between May and July 2011 and an evaluation of the pilot would be undertaken in order to contribute to ongoing improvement and monitoring of compliance with the form.³⁰⁰

The Committee was advised that *Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14* outlines a clear direction and commitment from Victoria Police to provide a comprehensive response to victims. As indicated earlier, a key action item of the Strategy is to continue to monitor, review and embed implementation of the Code of Practice and associated protocols. In line with this action item, a second edition of the Code of Practice was launched by the then Chief Commissioner in December 2010.³⁰¹

296 *ibid.* p.9

297 *ibid.*, p.25

298 Mr T. Purton, Commander, Victoria Police, email to the Committee, received 5 August 2011, p.17

299 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General's Reports issued during 2008-09*, December 2009, p.70

300 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, pp.2-3

301 Mr T. Purton, Commander, Victoria Police, email to the Committee, received 5 August 2011, pp.18-19

The Committee understands that:³⁰²

- a Family Violence Scorecard has been established to assess achievements against the *Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14*; and
- data provided by the scorecard will include a target figure and a performance figure, which will provide an indication of how particular Police Service areas are performing against the measure.

The response to the Committee's lines of inquiry also highlighted that Victoria Police and government partners, through the *Safety and Accountability in Families: Evidence and Research* (SAFER) project, are considering the option of evaluating the Code of Practice to assess its effectiveness against the objectives.³⁰³

The Committee maintains that, as it is essential that incidents of family violence are subject to a thorough investigation in all regions, it supports the commissioning of an evaluation of the effectiveness of the Code of Practice.

The Committee was interested in understanding why Victoria Police would not consider measuring the costs and time taken to manage the operating and administrative functions associated with the investigation of family violence incidents. As advised by Victoria Police, the organisational priority is to deliver the right response to family violence and keep victims safe and, while there will always be an attempt to do this efficiently, time and cost implications are a secondary priority.³⁰⁴

The Committee believes that striving for a quality outcome should not obviate the need to undertake investigations of family violence incidents efficiently. The Committee therefore considers that the time and costs involved in investigations should be captured and monitored.

RECOMMENDATION 17:

In the interests of ensuring that investigations of family violence incidents are undertaken efficiently, the Committee recommends that Victoria Police capture and analyse the time spent in undertaking investigations and associated costs against suitable benchmarks.

4.4 Response effectiveness

4.4.1 Audit recommendation 5.1 – Intervention orders

The Committee notes that the Auditor-General experienced difficulty in determining whether higher levels of police activity had been entirely effective in improving the safety of victims as there was no conclusive data to indicate a marked increase in the proportion of court-granted intervention orders.³⁰⁵

302 Mr T. Purton, Commander, Victoria Police, email to the Committee, received 5 August 2011, p.17

303 *ibid.*, pp.16-17

304 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.3

305 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.34

The Auditor-General called for: the rate at which police-initiated applications of intervention orders are granted by the court to be measured and reported; the victims of family violence to be surveyed about whether police actions and intervention orders secured their safety; and share data with the courts to identify the success rate of police applications for intervention orders.³⁰⁶

The Committee notes that Victoria Police and the Magistrates' Court of Victoria, through the *Victoria Police and Magistrates' Court of Victoria Family Violence Committee*, have been jointly monitoring the rates at which police-initiated applications for intervention orders are being granted after-hours. According to Victoria Police, this working relationship has led to increased data sharing and analysis to improve responses to family violence.³⁰⁷ However Victoria Police pointed out that implementation of the Auditor-General's recommendation is dependent on data system capacity and at present there is insufficient capacity to establish a separate data system to monitor this recommendation.³⁰⁸

The Committee learnt that, while it is not currently possible, nor appropriate, for Victoria Police to survey victims of family violence, the potential for including questions surrounding police actions and intervention orders in population surveys would be explored by Victoria Police.³⁰⁹ The Committee encourages Victoria Police to pursue this matter further as a means of measuring its effectiveness in addressing family violence.

4.4.2 *Audit recommendation 5.2 – Criminal prosecutions*

In the audit report, the Auditor-General indicated that the number of criminal charges laid was a useful indicator of operational activity and police commitment to pursue prosecutions in line with the thrust of the Code.³¹⁰ As the Auditor-General found that data on prosecution outcomes from police charges was difficult to obtain from court records, the Auditor-General recommended that Victoria Police should, in conjunction with courts' administration, develop a system that identifies and collects the findings of criminal prosecutions related to family violence.³¹¹

As is the case with monitoring the granting of intervention orders by the courts, Victoria Police informed the Committee that implementation of the Auditor-General's recommendation is dependent on data system capacity and that Victoria Police does not, at this point in time, have the capacity to establish a separate data system to monitor the outcomes of criminal prosecutions in family violence matters.³¹²

306 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.35

307 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.4

308 *ibid.*

309 Mr T. Purton, Commander, Victoria Police, email to the Committee, received 5 August 2011, p.15

310 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.35

311 *ibid.*, p.36

312 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.5

The Committee agrees with the Auditor-General that, with regard to applying the Code's criminal option whereby police have the power to investigate and prosecute perpetrators of family violence, in gauging the effectiveness of this activity, there would need to be a way of measuring and monitoring:³¹³

- the success of prosecutions, (i.e. the proportion of police-laid charges that are proved);
- trends in offence seriousness, which could indicate the Code's effectiveness in controlling family violence; and
- whether charges relate to repeat offenders and repeat victims.

RECOMMENDATION 18:

The Committee recommends that Victoria Police review the need to develop data systems that will enable the impact that police applications for intervention orders and the findings of criminal prosecutions are having on the safety of victims of family violence.

4.4.3 Audit recommendation 5.3 – Referral outcomes

The Auditor-General found that monitoring and analysis of police referral data was insufficient in determining whether police had made appropriate referrals for the victims and perpetrators of family violence in terms of improving outcomes, particularly with regard to whether victim safety was more secure and whether there were enough services for perpetrators.³¹⁴

In terms of assessing the effectiveness of the Code, the Auditor-General found that if police could improve their referral data, it would enable them to improve information about.³¹⁵

- the appropriateness of referrals made;
- whether victims and perpetrators accessed these referrals; and
- the outcomes of victim and perpetrator referrals.

In view of these findings, the Auditor-General recommended that protocols with service agencies be established by Victoria Police in order to monitor formal referrals and track access to services, particularly for repeat offenders.³¹⁶

In response, Victoria Police advised that there is no current resource or technical capacity to track referrals through the service system. There are, however, some regional initiatives that monitor repeat attendances and action taken, such as formal referrals, to ensure (as much as possible within a voluntary system) that victims and perpetrators have access to services.³¹⁷

313 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.35

314 *ibid.*, pp.37-8

315 *ibid.*, p.38

316 *ibid*

317 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.7

With regard to enabling sufficient information to be available to assess whether the referral system is effective, Victoria Police will need to develop systems to track referrals through the service system and together with their related outcomes.

RECOMMENDATION 19:

The Committee recommends that Victoria Police ensure the development of technological capacity to track referrals through the service system and monitor referral outcomes.

4.4.4 *Audit recommendation 5.4 – Data gaps, baseline measures and targets*

On the subject of improving performance measurement, the Auditor-General found that:³¹⁸

When data is used to assess police performance, it mainly relates to activity levels rather than to outcomes. This is a common criticism of public sector data measurements, where organisational process and activity measures are considered before client or program outcomes.

For sustained and continued public investment in family violence strategies, valid explanations and indications of the medium and long-term affects of the initiatives are necessary. Although this data doesn't exist, Victoria Police already has an idea about how this could be measured. Similarly, some local intelligence units are working on their own projects to improve policing in their area.

...Police must demonstrate the impact of policing strategies, particularly whether they can reduce the incidence and severity of family violence and protect victims.

In view of these findings, the Auditor-General recommended that Victoria Police identify data gaps that prevent effective performance measurement relating to family violence procedures and related outcomes, as well as establish baseline measures and targets that align with family violence objectives and strategies aimed at breaking the cycle of family violence.³¹⁹

The Committee was advised by Victoria Police that gaps in data are addressed through its themed Compstat (the comparison of statistics) process,³²⁰ which was delivered in March 2010. Victoria Police stated that the issue of family violence is considered at every regional Compstat against the measures listed in *Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14*, while performance benchmarks for family violence are also being established through the Violence Against Women and Children strategy.³²¹ As indicated earlier, the Committee was also informed that a Family Violence scorecard for measuring the performance of Police

318 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, pp.40-1

319 *ibid.*, p.41

320 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General's Reports issued during 2008-09*, December 2009, p.72

321 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.8

Service Areas was under development and will assist in monitoring performance at the local level.³²²

The Committee was also interested to learn that a Steering Committee had been established to oversee the *Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14* and that progress against the objectives of the Strategy is to be reported to this forum³²³. The key objectives of the Strategy focus on:³²⁴

- responding to, and investigating family violence more effectively;
- driving integrated service delivery;
- reducing risk to children through prevention and early intervention; and
- increasing members' understanding of family violence.

A public report against the Strategy's objectives is to be released in late 2011.³²⁵

As part of this process, to enhance accountability for efficient and effective service delivery, the Committee reinforces the need for performance to be assessed against measures and targets that relate to the objectives of the Strategy and public reporting to be geared around such a framework.

RECOMMENDATION 20:

The Committee recommends that Victoria Police ensure that performance measures and targets form part of the process of publicly reporting against the objectives of the *Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14*.

4.5 Governance and management

4.5.1 Audit recommendation 6.1 – Effectiveness of the Code

By way of background, the Family Violence Unit (the Unit) is part of the Sexual Offences and Child Abuse Coordination Office, which forms part of the Crime Department within Victoria Police. The Unit develops and applies strategies to improve the police response to family violence, which includes coordinating police involvement with government and community agencies.³²⁶

322 *ibid.*

323 *ibid.*

324 *ibid.*

325 *ibid.*

326 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, pp.43-4

The Auditor-General found that the Unit needed to develop a strategic approach to evaluating the Code of Practice that focused on its main operational functions and intended outcomes.³²⁷ As such, the Auditor-General recommended the Unit determine whether the Code was effective and was creating better outcomes for victims and perpetrators of family violence.³²⁸

In response to this recommendation, Victoria Police advised the Committee that it monitors its response to family violence at a corporate and local police level to identify avenues for improving service delivery. The overall aim of the Code was to increase the effectiveness and volume of actions taken by police at family violence incidents. Victoria Police statistics demonstrate that action taken by police in this regard has increased. Victoria Police pointed out, however, that the audit recommendation reviews the police response to family violence in isolation of government partners and whole of government family violence reforms.³²⁹

The Committee sought information from Victoria Police on how it measures outcomes for the victims and perpetrators of domestic violence. In this regard, the Committee was informed that Victoria Police measures and reports on:³³⁰

- the number of Family Violence Incidents attended – it is expected that as victims' confidence in the effectiveness of police response grows, they will be more likely to seek assistance from police;
- the number of Intervention Orders and Family Violence Safety Notices issued by police;
- the proportion of total assault charges that arise from police attendance at family violence incidents; and
- decreasing levels of community concern about becoming a victim of family violence in the next 12 months (measured through the independently conducted National Survey of Community Satisfaction with Policing).

The Committee believes that in view of the introduction of the *Living Free from Violence, Upholding the Right: Victoria Police Strategy to Reduce Violence Against Women and Children 2009-14* and the release of the second edition of *Victoria Police's Code of Practice for the Investigation of Family Violence* in December 2010, it is now timely for the Government to commission a formal evaluation of the whole of government family violence reform agenda. A major part of such an evaluation would include an assessment of whether the Victoria Police Code of Practice is effective and is creating better outcomes for the victims and perpetrators of family violence. The Committee notes that the Auditor-General's report outlines a number of areas that could form part of such an evaluation, which importantly involves a conclusion to be reached on whether the Code safeguards and supports the victims of family violence.³³¹

327 *ibid.*, p.45

328 *ibid.*, p.46

329 Department of Treasury and Finance, *Response by the Minister for Finance to the Auditor-General's Reports issued during 2008-09*, December 2009, p.73

330 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, pp.9-10

331 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.45

RECOMMENDATION 21:

The Committee recommends that the Government commission a formal evaluation of the whole-of-government family violence reform agenda.

4.5.2 Audit recommendation 6.2 – Identification of good policing practice

The Auditor-General recommended the development of a continuous improvement framework that identifies and encourages good practices for police responses to, and management of, family violence matters.³³²

The Committee was advised that a mapping exercise to identify areas of specialised police responses to, and management of, family violence incidents was completed in 2010. This exercise identified examples of good practice in terms of police responses, which were fed into whole-of-government planning for improving responses to family violence within the integrated system.³³³

The Committee supports the dissemination of examples of good practice as a means of encouraging continuous improvement.

4.5.3 Audit recommendation 6.3 – Regional structure - family violence advisors and liaison officers

The Auditor-General recommended that Victoria Police should review its regional structure for family violence and the roles of family violence advisors and liaison officers so that advisors can play a bigger role in promoting good practice and training, and liaison officer positions can be subject to a more competitive selection process.³³⁴

Victoria Police informed the Committee that revised police boundaries (four regions compared to five) were rolled out on 1 July 2010 as a result of the whole of Victoria Police review of regional boundaries. The change allows for closer alignment on whole-of-government initiatives as the new boundaries are aligned to the geographical boundaries used by most other government departments and authorities. Service delivery has been re-aligned to support the new boundaries.³³⁵

As advised by Victoria Police, the roles and responsibilities of family violence advisors and liaison officers were clarified in the second edition of the Code of Practice launched in December 2010.³³⁶ As defined in the second edition of the Code, the role of family violence advisors is, among other things, to:³³⁷

332 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.46

333 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.10

334 Victorian Auditor-General's Office, *Implementing Victoria Police's Code of Practice for the Investigation of Family Violence*, June 2009, p.51`

335 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.12

336 *ibid.*

337 Victoria Police, *Code of Practice for the Investigation of Family Violence*, 2nd edition, December 2010, p.48

- ensure that operational police are aware of the issues and impact of family violence and violence against women upon the affected family members and the general community; and
- coordinate, develop and conduct training workshops for operational police.

In response to the criticism by the Auditor-General that appointments of family violence liaison officers are made without entering into a competitive recruitment process, Victoria Police explained that:³³⁸

Resources and numbers of operational police make the transition of the family violence liaison officer positions to competitive selection processes unachievable at this point of time. This also needs to be balanced with the fact that family violence is core general duties work and all police should be responding effectively to family violence and further specialisation may diminish responses.

The Committee endorses the view expressed by the Auditor-General in relation to the adoption of competitive selection processes for family violence liaison officers.

RECOMMENDATION 22:

The Committee recommends that Victoria Police ensure that the position of family violence liaison officers be strengthened through undertaking a competitive recruitment process.

338 Mr K. Lay, Acting Chief Commissioner, Victoria Police, letter to the Committee, received 8 August 2011, p.12

CHAPTER 5: STATUS OF PAEC RECOMMENDATIONS

5.1 Introduction

In 2008 and 2009 the Committee tabled three reports which followed-up on the issues raised and recommendations made in a selection of 17 performance audit reports tabled by the Auditor-General between July 2006 and February 2008. The audits covered in each of the Committee's three reports are as follows:

PAEC 82nd Report to Parliament - *Review of the Findings and Recommendations of the Auditor-General's Reports tabled July 2006 – February 2007* (November 2008)

- Government Advertising
- New Ticketing System Tender
- Condition of Public Sector Residential Aged Care Facilities
- Delivering Regional Fast Rail Services
- Rail Gauge Standardisation Project
- Docklands Film and Television Studios
- Vocational Education and Training: Meeting the Skill Needs of the Manufacturing Industry

The Committee made a total of 38 recommendations in its Report to further progress actions taken on the issues raised in the Auditor-General's audits. The recommendations were directed at a number of agencies across the public sector. The Government Responses to the Committee's recommendations were provided in May 2009.

PAEC 86th Report to Parliament - *Review of the Findings and Recommendations of the Auditor-General's Reports 2007* (June 2009)

- Report on State Investment in Major Events
- Maintaining Victoria's Rail Infrastructure Assets
- Promoting Better Health through Healthy Eating and Physical Activity
- Managing Emergency Demand in Public Hospitals
- Raising and Collection of Fees and Charges by Departments
- Administration of Non-Judicial Functions of the Magistrates' Court of Victoria
- Contracting and Tendering Practices in Selected Agencies

In this Report, the Committee made a total of 41 recommendations directed at a number of agencies to further progress actions taken on the issues raised in the Auditor-General's audits. The Government Responses to the Committee's recommendations were provided in November 2009.

PAEC 91st Report to Parliament - *Review of the Findings and Recommendations of the Auditor-General's Reports 2007-08* (September 2009)

- Improving our Schools: Monitoring and Support
- Funding and Delivery of Two Freeway Upgrade Projects
- Agricultural Research Investment, Monitoring and Review
- Program for Students with Disabilities: Program Accountability

The Committee made a total of 24 recommendations directed at a number of agencies to further progress actions taken on the issues raised in the Auditor-General's audits. The Government Responses to the Committee's recommendations were provided in March 2010.

5.2 Committee review process

In 2011, the Committee determined to review the status of actions taken by departments and agencies on the recommendations made by the Committee in these earlier reports and to highlight any matters which are yet to be satisfactorily addressed.

The Committee reviewed the Government Response provided to each of the three reports and in June 2011, wrote to departments and agencies requesting an update on the status of action taken to implement recommendations. Where necessary, further information was sought in order to clarify the responses originally provided in the Government Response.

These responses, additional requests for information and the Committee's assessment of the actions advised by departments/agencies on the recommendations made in each of the three Committee reports are provided as the Appendix to this report. A summary of the audits followed-up, actions taken by departments/agencies to address the issues, and the Committee's conclusions on each is presented in the following sections.

5.3 PAEC 82nd Report to Parliament – *Review of the Findings and Recommendations of the Auditor-General's Reports tabled July 2006 – February 2007* (November 2008)

5.3.1 Part A – Government Advertising

This was a “priority one” Inquiry by the Committee. The Inquiry comprised a public hearing and detailed written responses from the departments and agencies to follow-up the status of the Auditor-General's recommendations surrounding the compliance of public sector advertising and communications activities with government advertising policies and guidelines. Specifically the audit covered matters of reporting and disclosure; procurement practices and compliance.³³⁹

339 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports tabled July 2006 – February 2007, Part A – Government Advertising*, November 2008, pp.25-6

The Committee made a total of eleven recommendations in its follow-up Inquiry. Of these, six were directed at the Department of Premier and Cabinet and two were directed at the Department of Treasury and Finance (two other recommendations were addressed to the Auditor-General).³⁴⁰ Initially all recommendations were accepted or accepted in part or in principle.³⁴¹

The Committee's review of the most recent responses provided by the Department of Premier and Cabinet (DPC), indicate that many of the recommendations made in the Committee's follow-up of Government Advertising have been satisfactorily addressed. Specifically, the DPC's responses indicate that:³⁴²

- More detailed information is now provided via the DPC's website and, for the Media Trust Fund account, in the DPC's Annual Report in an effort to improve the transparency of expenditure relating to advertising and communications.
- The revision of the *Guidelines for Victorian Government Advertising and Communications* was finally completed in late 2009 and the revised Guidelines are available via the DPC website.
- Changes have been made to the forms for the approval of advertising expenditure with the responsible officer certifying that the expenditure complies with the *Guidelines* and that the responsible Minister has been briefed on the campaign.
- The revised *Guidelines for Victorian Government Advertising and Communications* highlight the need to avoid any alleged or overt political advantage to an incumbent government and stress the need for fairness, probity and public responsibility in government communications and advertising campaigns.
- The DPC completed a review of the *Victorian Government Communication Evaluation Guidelines* under which mandatory evaluations are required for all new campaigns with an estimated cost in excess of \$150,000. The *Evaluation Guidelines* suggest that 10 per cent of the campaign budget be set aside for assessing the extent to which the objectives of a campaign have been met.

In its report, the Committee also recommended that the Department of Treasury and Finance (DTF) review the annual reporting requirements of public sector entities to improve the transparency and disclosure of public sector expenditure on advertising and communications and also to improve public reporting on the effectiveness of this expenditure.

The responses provided by the Department of Treasury and Finance advised that:³⁴³

- *Financial Reporting Direction (FRD) 22B Standard Disclosures in the Report of Operations* allows for "additional information available on request" (subject to the provisions of the *Freedom of Information Act 1982*). The DTF also stated that it was

340 *ibid.*, pp.9-11

341 State of Victoria, *Government Responses to the Recommendations of Public Accounts and Estimates Committee's 82nd Report on the Review of the findings and recommendations of the Auditor-General's reports tabled July 2006 – February 2007*, May 2009, pp.3-7

342 Ms H. Silver, Secretary, Department of Premier and Cabinet, letter to the Committee, received 7 November 2011

343 Mr G. Hehir, Secretary, Department of Treasury and Finance, letter to the Committee, received 29 July 2011

in the process of reviewing the requirements of FRD 22B in conjunction with the DPC to improve transparency on government advertising.

- A “Government Advertising Review Panel” had been established within DPC to review government advertising campaigns.

In February 2012, the Committee reviewed the websites of the Department of Treasury and Finance and the Department of Premier and Cabinet. The Committee notes that FRD 22B does require that details of major promotional, public relations and marketing activities to develop community awareness of the entity and its services be maintained and “available on request”. The 2008-09 Guidance notes provided by DTF to assist entities in their compliance with FRD 22B state that *‘details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services’*.³⁴⁴

Only includes activity designed “to develop community awareness of the entity and its services”, but does not include activities designed to raise awareness within the entity itself. This is not all promotional public relations and marketing activity.’

In reference to the DTF’s advice that the disclosure requirements of FRD 22B in relation to disclosures on government advertising, the Committee did not find any evidence of subsequent revision of the FRD 22B. Also, the Committee was unable to identify any details in relation to the existence or activities of the Government Advertising Review Panel, referred to by the DTF, on either of the departmental websites.³⁴⁵ Furthermore, the Committee notes the commitment of the Government, reaffirmed by the Premier at the budget estimates hearings, to create an independent Government Advertising Review Panel and notes that as yet that Panel has not been established.

The Committee directed two recommendations (Recommendation 1 and Recommendation 6) in its Report at the Auditor-General seeking regular reviews to be conducted of government advertising and communications campaigns in excess of \$500,000 and for these reviews to include a wide cross-section of communication activities and campaigns.

The Committee notes that the Auditor-General is currently in the process of finalising an audit of government advertising and communications which is examining compliance of selected advertising activities and campaigns with relevant guidelines and policies.³⁴⁶ The Committee looks forward to the findings of this upcoming audit review. In particular, the extent to which the Auditor-General considers current reporting and disclosure of these activities provides a satisfactory level of public accountability and scrutiny.

344 Department of Treasury and Finance, ‘Guidance on additional information available on request under FRD 22B’ <[http://www.dtf.vic.gov.au/CA25713E0002EF43/WebObj/FRD22BGuidancefor2008-09FINAL--D08-115572/\\$File/FRD%2022B%20Guidance%20for%202008-09%20FINAL%20--%20D08-115572.DOC](http://www.dtf.vic.gov.au/CA25713E0002EF43/WebObj/FRD22BGuidancefor2008-09FINAL--D08-115572/$File/FRD%2022B%20Guidance%20for%202008-09%20FINAL%20--%20D08-115572.DOC)>, accessed 6 February 2012

345 Department of Treasury and Finance, search results: “government advertising review panel”, <www.dtf.vic.gov.au>, accessed 27 February 2012; Department of Premier and Cabinet, search results: “government advertising review panel”, <www.dpc.vic.gov.au>, accessed 27 February 2012

346 Victorian Auditor-General’s Office, ‘Audits in progress’, <www.audit.vic.gov.au/audits_in_progress/audit_details.aspx>, accessed 25 January 2012

RECOMMENDATION 23:

The Committee recommends that the Department of Treasury and Finance complete their review of the Financial Reporting Directions as they relate to the expenditure of public funds on advertising and public relations activities in an effort to further improve the transparency and quality of public reporting.

5.3.2 Part B – New Ticketing System Tender

This “priority one” Inquiry followed-up the status of the Auditor-General’s recommendations surrounding the conduct of the tendering process for the new public transport Ticketing System. Specific areas audited included, matters relating to the planning, governance, management and probity of the tender.³⁴⁷

The Committee made a total of twelve recommendations in its follow-up report. Of these eleven were directed at the Department of Treasury and Finance (one recommendation was addressed to the Auditor-General).³⁴⁸

Initially two of the recommendations were rejected by the DTF with the remaining either accepted outright or accepted in part/principle.³⁴⁹ The most recent responses advising the Committee of the current status of its recommendations indicate that the requirement to comply with Victorian government procurement policies and guidelines (issued by the Victorian Government Purchasing Board) continues to apply in the main to departmental entities only. However, the DTF maintains that all public sector entities are encouraged to comply with the government procurement guidelines.

The DTF’s responses indicated the following developments since the Committee’s report was made:³⁵⁰

- The DTF advised that a new procurement policy framework was being considered by the Government.
- The DTF has reviewed its *Good Practice Guidelines for the Conduct of Commercial Engagement in Government* to ensure that advice relating to probity, security of documentation, confidentiality and conflicts of interest is adequate and appropriate.
- A review of the membership of the Probity Practitioner Services Panel is now undertaken annually.
- The use of the Probity Practitioner Services Panel remains mandatory only for departmental entities. The Panel may be used by other public sector agencies if the agency so desires.

347 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General’s Reports tabled July 2006 – February 2007, Part B – New Ticketing System Tender*, November 2008, p.73

348 *ibid.*, pp.13-15

349 State of Victoria, *Government Responses to the Recommendations of Public Accounts and Estimates Committee’s 82nd Report on the Review of the findings and recommendations of the Auditor-General’s reports tabled July 2006 – February 2007*, May 2009, pp.8-11

350 Mr G. Hehir, Secretary, Department of Treasury and Finance, letter to the Committee, received 29 July 2011

- The government procurement and tendering policies and guidelines remain mandatory for government departments only and do not extend to non-departmental/statutory entities. The DTF encourages entities to benchmark their procurement activities against government procurement policies and guidelines.
- The DTF is yet to determine a set period for the regular review of procurement guidance material.
- To facilitate continuous improvement of procurement management practices, action has been taken to identify strengths and weaknesses in project management through “Gateway Reviews” of high and medium risk projects.
- Risk analysis has been identified as an important component in the most recent guidelines for developing a business case for State procurement contracts.

In noting the DTF’s advice that a new procurement policy framework was under consideration, a review of the Victorian Government procurement portal accessed via the DTF website states that implementation of the new procurement framework has been identified as a strategic priority of the Victorian Government Purchasing Board (VGPB) for 2011-12. The website states:³⁵¹

The VGPB remains committed to overseeing implementation of a new procurement framework. In 2011-12, the VGPB will focus on providing the necessary guidance to ensure consistency of its application across Government. Supporting departments in their transition to the new framework will be a substantial task for the VGPB...

Further the Committee notes from the DTF website that, the *Investment Lifecycle Guidance*, which covers practices to support government investment decision-making, is currently being restructured. The DTF notes that the aim of the restructure is to simplify practices and provide greater certainty of investment success.³⁵²

The Committee has concluded that there is an extensive amount of good quality material available in relation to tendering and purchasing policies and guidelines to support the procurement processes of government departments. However, the Committee notes that, in the interests of promoting best practice across the public sector as a whole, a number of the Auditor-General’s recommendations, supported by the Committee’s follow-up, called for these policies and guidelines to be equally mandatory for both departmental and non-departmental/statutory entities.

The DTF continues to maintain that it supports all public sector entities considering the use of probity services available and following the VGPB policies and guidelines in their procurement practices, however compliance is not mandatory.

351 Government of Victoria, Victorian Government Procurement, ‘Procurement reform’, <www.procurement.vic.gov.au/CA2575BA0001417C/pages/procurement-reform>, accessed 6 February 2012

352 Department of Treasury and Finance, ‘Lifecycle Guidance Material’, <www.lifecycleguidance.dtf.vic.gov.au/section.php?section_ID=1>, accessed 2 February 2012

RECOMMENDATION 24:

The Committee recommends that the Department of Treasury and Finance take action to ensure that all major tenders undertaken by public sector entities (departmental and non-departmental) use the Probity Practitioner Services Panel and comply with all relevant government procurement and tendering policies and guidelines.

5.3.3 Part C – Condition of Public Sector Residential Aged Care Facilities

This “priority one” Inquiry followed-up the status of the Auditor-General’s recommendations in relation to the effectiveness of the Department of Health’s (DOH’s) management of the physical condition of public sector residential aged care facilities.³⁵³

In its follow-up report, the Committee made a total of 9 recommendations directed at the Department of Health (formerly part of the Department of Human Services).³⁵⁴ Developments noted by the Committee from the DOH’s most recent responses are as follows:³⁵⁵

- The *Fire Risk Management Guidelines* for health services were updated in 2008 and were scheduled for revision in 2011. Fire Safety Audits are undertaken in accordance with the *Building Code of Australia* and annual fire safety certification by service providers is now more comprehensive.
- Work is ongoing with the Department of Treasury and Finance to further implement the Asset Management Framework and develop relevant key performance indicators for buildings and facilities.
- While recurrent allocations for maintenance are indexed annually, the DOH provided no indication that current replacement values have been considered in determining budget allocations for the maintenance of buildings and facilities. Processes continue to be monitored.
- The DOH continues to work with the public sector residential aged care sector on financial performance including the management of capital purpose investments.
- Chief Executive Officers of aged care service providers certify annually to the Department that the “Essential Service Measures”, required to be reported on under the *Building Code of Australia*, are being met.
- The State-wide “fabric survey” for aged care facilities was undertaken by the DOH in 2009. The DOH is currently considering how a more continuous assessment and update of the database can be achieved.

The Committee wishes to re-emphasise the importance of aged care service providers being fully apprised of, and compliant with, the relevant asset management policies, principles and minimum performance standards in relation to their aged care facilities provided under

353 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General’s Reports tabled July 2006 – February 2007, Part C – Condition of Public Sector Residential Aged Facilities*, November 2008, p.113

354 *ibid.*, pp.17-19

355 Ms F. Thorn, Secretary, Department of Health, letter to the Committee, received 29 July 2011

Service Agreements with the State. To this effect, regular monitoring by the Department of Health, of Aged Care service provider performance and compliance remains critical.

In addition, the Auditor-General and the Committee were critical of the delays in the DOH's "fabric surveys" which are undertaken to obtain a picture of the "current" physical condition of assets in the State's health sector portfolio. The Committee's report indicated that the 2006 survey was due to be completed in the third quarter of 2009 and that the surveys were due to be undertaken every 5 years. The DOH's most recent response indicates that the survey, due in 2006, was in fact completed in November 2009. Further, the DOH indicates that it is reviewing the manner in which an assessment of the asset base is undertaken with the aim of making the assessment timelier.

The Committee endorses the Department of Health's efforts in seeking alternative methods of data survey/review to expedite the collection of information about the physical condition of aged care facilities. Such information provides vital input to strategic asset management decision-making including both the prioritisation of capital works resources and the effective management of infrastructure risks.

RECOMMENDATION 25:

The Committee recommends that the Department of Health ensure that all current Service Agreements with public sector residential aged care providers include details of the relevant State asset management policies, principles and minimum performance standards with which providers must comply.

RECOMMENDATION 26:

The Committee recommends that the Department of Health ensure that an appropriate and reliable performance management system is in place to monitor the compliance of residential aged care service providers with the terms and conditions of Service Agreements as they relate to the condition of aged care buildings and facilities.

RECOMMENDATION 27:

The Committee recommends that the Department of Health seek to implement a system or method of asset review which enables information about the current physical condition of aged care buildings and facilities to be collected and updated in a timelier manner.

5.3.4 Part D – Priority Two follow-ups

Part D of the Committees 82nd Report comprised a short review of the actions taken by departments to address the recommendations made in relation to the following four audits:

- Delivering Regional Fast Rail Services
- Rail Gauge Standardisation Project
- Docklands Film and Television Studios
- Vocational Education and Training: Meeting the Skill Needs of the Manufacturing Industry

The Committee made a number of recommendations in relation to the Docklands Film and Television Studios and Vocational Education and Training audits. The status of these recommendations has been re-visited by the Committee as part of this follow-up process.

Docklands Film and Television Studios

The Auditor-General reviewed the State's contract management arrangements for the development of the Docklands Film and Television Studios.

The Committee made two recommendations in its report: one was directed to the Department of Business and Innovation (the Department of Innovation, Industry and Regional Development) and one to the Auditor-General.³⁵⁶

In August 2011, the Department of Business and Innovation advised the Committee that there are now a number of arrangements in place for the ongoing financial assessment of Docklands Studios Melbourne Pty Ltd which the Board of the company review monthly. Reports are also provided by the company to the Department of Treasury and Finance and the Department of Business and Innovation on a quarterly basis.³⁵⁷

The Committee considers action taken on the recommendations to be satisfactory.

Vocational Education and Training: Meeting the Skill Needs of the Manufacturing Industry

The Auditor-General examined how well Victoria's Vocational Education and Training (VET) system was meeting the needs of the manufacturing industry. The Committee's follow-up review made four recommendations.³⁵⁸

In August 2011, the Department of Business and Innovation (DBI) and the Department of Education and Early Childhood Development (DEECD) provided responses to the Committee on the status of these recommendations. The responses indicate that:³⁵⁹

- Skills Victoria (DEECD) has taken action to consolidate and verify the advice provided by Industry Training Advisory Bodies in relation to industry skill needs and training market projections.
- The Victorian Skills Commission has a revised role to one of overseeing and reporting on the responsiveness of the training market to industry demand. The revised role does not encompass a forward planning role.

356 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports tabled July 2006 – February 2007, Part D – Priority Two Follow-ups, Chapter 3: Docklands Film and Television Studios*, November 2008, pp.177-182

357 Mr A Smith, Acting Secretary, Department of Business and Innovation, letter to the Committee, received 15 August 2011

358 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports tabled July 2006 – February 2007, Part D – Priority Two Follow-ups, Chapter 4: Vocational Education and Training: Meeting the needs of the Manufacturing Industry*, November 2008, pp.183-91

359 Mr A Smith, Acting Secretary, Department of Business and Innovation, letter to the Committee, received 15 August 2011; and Mr J Rosewarne, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 3 August 2011

- The most recent Strategic Plan of the Victorian Skills Commission ended in 2010. Since then the Commission has set annual work priorities rather than a rolling forward plan.
- A new strategic planning cycle has been introduced to TAFE (Training and Further Education) Institutes which seeks to link the development of TAFE strategic plans with the business plans of Skills Victoria and also relevant Government policy.
- Skills Victoria has taken action to review the performance monitoring of vocational education and training outcomes in an attempt to provide more meaningful analysis and assess performance against key policy areas.

The Committee considers action taken on the recommendations to be satisfactory.

5.4 PAEC 86th Report to Parliament – Review of the Findings and Recommendations of the Auditor-General's Reports 2007 (June 2009)

5.4.1 Part A – Report on State Investment in Major Events

This “priority one” Inquiry followed-up the status of the Auditor-General’s recommendations surrounding the review of the robustness of pre and post-event assessment processes for major events and, in particular, the economic value provided to Victoria through the 2005 Australian Formula 1 Grand Prix.³⁶⁰

The Committee made five recommendations directed in the main at the Department of Business and Innovation (formerly the Department of Innovation, Industry and Regional Development).³⁶¹

In August 2011, the DBI provided responses to the Committee on the current status of actions taken to address the recommendations which indicate that:³⁶²

- Measurement of “induced tourism” generated through major events is costly and estimates obtained are not always reliable.
- The DBI has focussed available resources on measuring the economic impact of events within the “Major Event Fund” rather than all events.
- Economic impact assessments are now more rigorous in terms of the methodology, rationale and assumptions used in the calculations.
- While the impact of risks on objectives is considered as part staging an event, an agreed approach to assessing the effectiveness of the risk management process after events is still yet to be determined by the DBI.

³⁶⁰ Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007, Part A – Report on State Investment in Major Projects*, June 2009, p.23

³⁶¹ *ibid.*, p.7

³⁶² Mr A. Smith, Acting Secretary, Department of Business and Innovation, letter to the Committee, received 15 August 2011

- The Department of Business and Innovation advise that the technical aspects of assessing the economic impact of major events (funded less than \$10 million per annum) on the State are easy to interpret and are based on a calculation of the “new money” which has entered Victoria. In addition, the DBI has indicated that the Department of Treasury and Finance had been consulted on the “guidelines” for the economic assessment of major events.

The Committee considers that the Department of Business and Innovation has sought to address most of the recommendations made in the report and makes serious efforts to analyse and evaluate the economic benefits to the State from the staging of major events.

The Committee accepts that this is not always an easy exercise as some of the benefits are difficult to quantify and evaluations can be costly and time consuming exercises. For example, while it is generally agreed that major events have a positive impact on “induced tourism” (i.e. additional tourism generated through the image enhancement of having a major event but not directly related to attendance at the event), there is no commonly accepted method of quantifying this impact. In addition, there are social and community benefits associated with staging major events which cannot be measured in financial terms.

The Committee also notes that the Department of Business and Innovation concentrates on assessing the impacts of events within the Major Event Fund and has advised the Committee that the methodology used and assumptions used for calculating economic impact assessments are now more transparent and more rigorous than at the time of the Auditor-General’s review.

In relation to the development of guidelines governing the economic assessment of major events, the Committee was unable to locate formal guidelines on the DBI or the DTF websites.³⁶³ The Committee also noted advice from the DBI that for events funded in excess of \$10 million per annum, the economic assessment would be developed for the specific event. The Committee questions the fluidity of this approach and considers that the development of a more formalised set of options to guide economic assessments should be considered by the DBI in consultation with the DTF for major events funded in excess of \$10 million per annum by the State.

RECOMMENDATION 28:

The Committee recommends that the Department of Business and Innovation, in consultation with the Department of Treasury and Finance, seek to formalise guidance for the economic assessment of major events which have been funded in excess of \$10 million per annum by the State.

363 Department of Business and Innovation, search results: “guidelines for the economic assessment of major events”, <www.dbi.vic.gov.au>, accessed 2 March 2012; Department of Treasury and Finance, search results: “guidelines for economic impact assessments” / “economic assessment of major events” / “economic impact of major events”, <www.dtf.vic.gov.au>, accessed 10 February 2012; and Major Projects Victoria, search results: “economic assessments of major events” / “economic assessments”, <www.majorprojects.vic.gov.au>, accessed 2 March 2012

5.4.2 **Part B – Maintaining Victoria's Rail Infrastructure Assets**

This “priority one” Inquiry followed-up on the status of recommendations made in the Auditor-General's review of the maintenance and renewal arrangements in relation to the State's rail infrastructure assets.³⁶⁴

The Committee made four recommendations directed at the Department of Transport (formerly the Department of Infrastructure), mainly concerning the monitoring and reporting of the performance of rail infrastructure assets and the effectiveness of maintenance and renewal activities undertaken.³⁶⁵

The Department of Transport has provided responses to the Committee on the current status of actions taken to address the recommendations which indicate that:³⁶⁶

- The new Rail Infrastructure Lease provides for a regular audit regime and monthly meetings to improve compliance monitoring and communication between parties.
- The 2011-12 State Budget, included \$100 million over four years to establish a new ‘*Maintaining Our Rail Network Fund*’, to be administered by the Victorian Public Transport Development Authority, for rail asset renewal and maintenance aimed at improving the efficiency and effectiveness of asset performance.
- Performance benchmarks are in place to monitor Train and Tram Franchise Agreements.
- The performance and reporting framework has been revised to improve the measurement of the effectiveness of maintenance activities.

The Committee considers actions advised by the Department of Transport to be satisfactory. The Committee reinforces the comments made in its report in relation to the importance of ongoing monitoring of metropolitan, intrastate and interstate rail infrastructure performance and the need for a meaningful and comprehensive performance monitoring and reporting framework for each, including relevant key performance indicators for each part of the network.

5.4.3 **Part C – Promoting Better Health through Healthy Eating**

This “priority one” Inquiry followed-up the status of recommendations made in the Auditor-General's review of Victoria's health promotion strategies specifically, the plans and programs of seven lead agencies and 43 local agencies across seven local government areas.³⁶⁷

The Committee's inquiry focussed on the actions taken by the Department of Health (formerly part of the Department of Human Services), the Department of Education and Early Childhood Development, the Victorian Health Promotion Foundation (VicHealth)

364 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007, Part B – Maintaining Victoria's Rail Infrastructure Assets*, June 2009, pp.53-4

365 *ibid.*, p.8

366 Mr J. Betts, Secretary, Department of Transport, letter to the Committee, received 29 July 2011

367 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007, Part C – Promoting Better Health through Healthy Eating and Physical Activity*, June 2009, p.97

and the Department of Planning and Community Development (DPCD) in addressing the Auditor-Generals' recommendations.³⁶⁸

The Committee made a total of 16 recommendations related to: the funding of health promotion programs; the collection of relevant health and lifestyle data; state-wide research projects to support health promotion activities; the evaluation of health promotion programs and activities; the planning and coordination of health promotion programs; and the development of future strategies for disease prevention and health promotion.³⁶⁹

Actions taken on the Committee's recommendations as noted from the most recent responses provided by the Department of Health, the Department of Education and Early Childhood Development and the Department of Planning and Community Development are presented in the following paragraphs.

Department of Health

As indicated in the response of the Department of Health, the Committee notes the following recent developments in the area of preventative health:

- A new National Partnership Agreement on Preventative Health has been signed between the Commonwealth and the states and territories and covers the period 2011-2015 which will provide funding aimed at slowing the rate of chronic disease within Australia.³⁷⁰
- In September 2011, the DOH released the *Victorian Public Health and Wellbeing Plan 2011-2015* which articulates the State's health prevention strategy across government and the community.³⁷¹
- In August 2011, a new *Centre of Excellence in Intervention and Prevention Science* was established to strengthen preventative health research in Victoria.³⁷²

The Committee notes also the following actions advised by the DOH in relation to the recommendations made in the Committee's follow-up inquiry:³⁷³

- The DOH is still reviewing its health promotion funding formula but intends to factor in changes in demographics and data on the incidence of disease across the State into future funding allocations. The Committee notes that the DOH advised of this funding review in its original response in November 2009.
- A significant proportion of health promotion funding is required to be acquitted through a collaborative approach. Funds are made available to local communities for programs and activities targeted at addressing local issues.

368 *ibid.*, p.99

369 *ibid.*, pp.8-11

370 Department of Health, 'Prevention and Population Health', <www.health.vic.gov.au/prevention/community_level.htm>, accessed 24 January 2012

371 The Centre of Excellence in Intervention and Prevention Science, <ceips.org.au>, accessed 23 January 2012

372 State of Victoria, Department of Health, *Victorian Public Health and Wellbeing Plan 2011-2015, Foreword*, September 2011

373 Ms F. Thorn, Secretary, Department of Health, letter to the Committee, received 29 July 2011

- Significant emphasis is placed on local health initiatives through Municipal Public Health and Wellbeing Plans. The DOH advises that it has taken steps to strengthen local planning and build community capacity in the area of public health.
- There have been significant delays in publishing reports containing the results of data collected through the *Victorian Health Monitor* in relation to cardiovascular disease and diabetes risk factors and the food and nutrition survey.
- The DOH website contains a section dedicated to the '*Health Status of Victorians*' which contains data from 2001 on the "Burden of Disease" in the State, 2004-05 on Ambulatory Care statistics and the 2008 results of the *Victorian Population Health Survey*.
- Funded agencies are expected to evaluate one objective of their overall health promotion program and performance measures have been developed for use by Community and Women's Health Services and Primary Care Partnerships.
- New mandatory reporting requirements and monitoring arrangements were introduced in July 2011 for partnerships funded through the Aboriginal Promotion and Chronic Care program.
- There is no evidence to suggest that the effectiveness of the DOH's *Go for your life Strategic Plan* was evaluated at the end of its five year term in June 2011.
- There is no evidence to indicate whether the effectiveness of Victoria's *Cancer Action Plan* or the *Diabetes Strategic Framework* have been evaluated by the DOH.

The Committee wishes to stress again, the importance of program evaluation and the measurement of outcomes. The information obtained can provide valuable input to future decisions about the most effective allocation and targeting of resources and the methods most likely to succeed in achieving the desired results.

The DOH's response in November 2009 indicated that more robust benchmarks would be developed to enable improved performance assessment in relation to the *Go for your life Strategic Plan 2006-10*. Also that beyond 2010, milestones and targets would be established at the outset against which health programs and initiatives could be assessed. It is disappointing that the follow-up response from the DOH provides no indication of any evaluation of *Go for your life* or lessons learned from an assessment of the achievements or impacts of the Plan over the five years ending with the cessation of the *Go for your life* initiative in June 2011.

The Committee considers that the evaluation of the *Go for your life Strategic Plan*, the *Cancer Action Plan 2008-11* and the *Diabetes Prevention and Management Strategic Framework 2007-10* would provide useful input to the design and implementation of preventative health programs and interventions under the *Victorian Public Health and Wellbeing Plan 2012-15* to capitalise on lessons learned and to avoid fragmentation of health policy initiatives from one period to the next.

As noted above, there seem to have been continued delays in the analysis, publication and dissemination of the results of the data collected through the *Victorian Health Monitor*. A review of the DOH's website for material relating to the *Victorian Health Monitor* and also for reports on chronic disease and nutrition (which the DOH had advised would be available

in 2010 and then in late 2011) were still not available in February 2012.³⁷⁴ The Committee is concerned that the publication of results continues to be delayed and reiterates the importance of available current data to support planning and more effectively target resources for preventative health programs and initiatives.

The Committee also considers it important for the Department of Health to ensure that state preventative health programs do not duplicate initiatives funded through recent National Partnership Agreements on Preventative Health and on Indigenous Health to ensure the most efficient application of resources towards common objectives.

RECOMMENDATION 29:

The Committee recommends that the Department of Health finalise its review and update of the health promotion funding formula as originally advised in November 2009. The most recent health status data across various population groups should be referenced in determining funding allocations.

RECOMMENDATION 30:

The Committee recommends that the Department of Health finalise the publication of the results collected through the *Victorian Health Monitor* in relation to cardiovascular disease and diabetes risk factors and the food and nutrition survey.

RECOMMENDATION 31:

The Committee recommends that the Department of Health consider undertaking evaluations of the Department's past health plans and strategies such as the *Go for your life Strategic Plan 2006-10*, the *Cancer Action Plan 2008-11* and the *Diabetes Prevention and Management Strategic Framework 2007-10*, to assess the their effectiveness in achieving specified objectives and also to provide input to future strategic health prevention actions.

RECOMMENDATION 32:

To avoid the risk of duplication and inefficient application of resources, the Committee recommends that the Department of Health ensure that State preventative health programs and initiatives do not duplicate health initiatives being implemented under National Agreements on Preventive Health and Indigenous Health.

Department of Planning and Community Development

Responses provided by the DPCD (Sport and Recreation Victoria) indicated that the DPCD has taken action to ensure that funding recipients provide qualitative and quantitative information at the conclusion of projects. Also, the DPCD undertook an evaluation of all 'Go

374 Department of Health, *Search results: "Cardiovascular disease and Diabetes Risk Factor Report"/"Food and Nutrition Survey report"/"Victorian Health Monitor"* <www.health.vic.gov.au/search.htm?q=> accessed 23 February 2012

for your life’ funded initiatives in late 2009. The DPCD advises that future programs which build on the ‘*Go for your life*’ program will reference “learnings” from these evaluations.³⁷⁵

The Committee considers actions advised by the Department of Planning and Community Development in relation to the three recommendations directed at the DPCD to be satisfactory.

Department of Education and Early Childhood Development

The Government Response to the PAEC’s 86th Report stated that recommendations of the Education and Training Committee Inquiry would be taken into account in planning future action in this area.³⁷⁶

In its most recent response to the Committee, the DEECD advised that:³⁷⁷

- In September 2010, the Parliamentary Education and Training Committee released the report on its *Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living*. The Inquiry made nine recommendations related to developing health promotion in Victorian schools.³⁷⁸
- The “Healthy Children” initiative within the National Partnership Agreement on Preventative Health (2011) includes the development of health promotion policy and intervention to promote children’s healthy eating and physical activity.
- The DEECD and the DOH will establish a ‘high-level cross-sector Steering Group’ to oversee the implementation of the new initiatives.
- The governing structures for the National Partnership Agreement on Preventative Health are in the process of being established and transition from existing health promotion initiatives in schools to the new approach are under consideration.
- The impact and effectiveness of health promotion initiatives will be assessed.
- The *Victorian Children and Adolescent Monitoring System* (VCAMS) provides a framework for monitoring how children are faring from birth to adulthood across 35 outcome areas (established in 2005), including data in relation to preventable diseases, weight and physical health.³⁷⁹

The DEECD’s website indicates that the grants for the *Go for your life* education initiatives (i.e. “*Healthy Start in Schools Grants*” and the “*Victorian Kitchen Garden Project with Stephanie Alexander*”) have closed. The “Healthy Canteens and other school foods” policy

375 Mr Y. Blacher, Secretary, Department of Planning and Community Development, letter to the Committee, received 12 August 2011

376 State of Victoria, *Government Responses to the Recommendations of Public Accounts and Estimates Committee’s 86th Report on the Review of the findings and recommendations of the Auditor-General’s reports tabled March – August 2007*, November 2009, p.19, 21 and 23

377 Mr J. Rosewarne, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 28 July 2011

378 Parliament of Victoria, Education and Training Committee, *Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living*, September 2010

379 Department of Education and Early Childhood Development, ‘Building a Monitoring System’, <www.education.vic.gov.au/about/directions/children/vcams/default.htm>, accessed 15 February 2012

remains in place at present as does the “Free Fruit Friday” funding for Prep to Year 2 students.³⁸⁰ There does not seem to be any evidence available about the effectiveness of these programs in terms of their impact on the knowledge, habits and behaviour of children and young people and whether or not such programs should continue to be supported. Also it is not clear that objectives or desired outcomes have even been articulated for these programs.

Another example of health promotion programs which have ended without any further focus was highlighted in the Parliamentary Education and Training Committee’s *Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living*. That Committee noted that the Health Promoting Schools Framework developed by the Australian Health Promoting Schools Association in 1997 and had been piloted in 100 Victorian schools between 1997 and 2000 with funding support from VicHealth.³⁸¹ During the project, the former DEECD had developed and maintained a health promoting schools website (no longer in existence) and at the conclusion of the project a guide outlining school health promotion case studies was produced.³⁸² Commenting on the current status of the model, the Parliamentary Education and Training Committee Inquiry noted:³⁸³

...despite the above pilot of the Health Promoting Schools model, together with a high level of understanding of the model among education and health sector stakeholders, the health promoting schools philosophy is not formally or consistently implemented in the Victorian school sector.

In relation to the promotion of physical activity in schools, the DEECD has indicated that the current State curriculum provides for a specific quota of physical education in Victorian schools but that this may be subject to change with the future implementation of AusVELS (Australian Victorian Essential Learning Standards).³⁸⁴

Overall the DEECD’s responses to the Committee’s recommendations were disappointing with very little evidence of concrete action taken to address the issues raised in the Committee’s Report. The DEECD’s responses suggest that much about health promotion and prevention strategies in schools is under consideration at present. Also, the Committee considers that the “stop-start” nature of many of the health promotion programs and initiatives in schools and the lack of program evaluation are to the detriment of the achievement of the State’s long term health objectives.

This is particularly disappointing when both the DEECD and the Department of Health document “good health” as a prerequisite for effective learning and that the development of healthy habits in relation to eating and physical activity in children, assist the lifelong health and wellbeing of adults. A philosophy which is also supported by the Council of Australian

380 Department of Education and Early Childhood Development, ‘Health Education Initiatives’, <www.education.vic.gov.au/about/directions/goforyourlife.htm>, accessed 3 February 2012

381 Parliament of Victoria, Education and Training Committee, *Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living*, September 2010, pp.18, 20-1

382 *ibid.*, p.22

383 *ibid.*, p.24

384 State of Victoria, *Victorian Government Response to the Parliamentary Education and Training Committee’s Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living*, 11 March 2011, p.1

Governments, as evidenced through the National Partnership Agreement on Preventative Health.

However, the Committee noted that there was no information currently available on the DEECD website in relation to the National Partnership Agreement on Preventative Health (Healthy Children's Initiative) referred to in the DEECD's response to the Committee so it was difficult to determine the extent of the DEECD's involvement with this Agreement. The Committee assumes that this is also yet to be determined.

Further, a review of the DEECD's responses to the Parliamentary Education and Training Committee's Inquiry indicated that whilst all nine recommendations were either "agreed" or "agreed in principle", many of the comments made by the DEECD in relation to the recommendations were inconclusive and lacking in detail as to future definitive action. Phrases such as, '*subject to Government consideration*', '*options were being explored*', '*time was needed to review models*', and '*consideration of budgetary options*', were plentiful throughout the response.³⁸⁵

Overall the information available publicly through the internet indicates that although there are a number of programs in place in schools which seek to contribute to the health and wellbeing of school students (i.e. school nursing program; health canteens; physical education curriculum; drug education; student welfare coordinators) there is limited evaluation of the impact or outcomes of these efforts. The current status of programs in schools aimed at delivering public health objectives is unclear and details of evaluation of past programs and initiatives appears limited.

The Committee considers that greater effort is needed to:

- improve inter-sectoral collaboration and coordination between health and education to ensure that: public health promotion goals and objectives are clearly articulated; implementation of health promotion programs and initiatives in schools is monitored; and the impacts/outcomes are evaluated;
- ensure that health prevention programs in school are sustainable. Preventative health outcomes are long-term and require long-term funding commitments to ensure continuity and sustained effort and to avoid disruptions and hiatuses created by "chopping and changing" between programs and initiatives;
- establish timelines and targets for regular assessment of the implementation and outcomes of health promotion programs and initiatives in Victorian schools. Proven initiatives can then be incorporated into regular and sustained practices within both the school curriculum and school environment; and
- make better use of the available data from child and adolescent health and wellbeing surveys, undertaken by the DEECD and research undertaken by VicHealth and the Australian Health Promoting Schools Association, to identify and target the required health promotion interventions and activities.

385 *ibid.*, pp.1-8

RECOMMENDATION 33:

The Committee recommends that the Department of Health and the Department Education and Early Childhood Development need to establish a means to improve inter-sectoral collaboration and coordination in relation to preventative health initiatives to ensure that:

- (a) public health promotion goals and objectives are clearly articulated and understood;
- (b) the implementation of health promotion programs and initiatives in schools is monitored; and
- (c) the impacts/outcomes of programs and initiatives are evaluated.

RECOMMENDATION 34:

The Committee recommends that the Department of Health and the Department Education and Early Childhood Development seek to improve the sustainability of health prevention programs in schools with a view to maximising the impact of those programs on long-term public health objectives.

RECOMMENDATION 35:

The Committee recommends that the Department Education and Early Childhood Development establish timelines and target dates for the implementation of the recommendations of the Parliamentary Education and Training Committee's *Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living*.

RECOMMENDATION 36:

The Committee recommends that the Department Education and Early Childhood Development ensure that school health promotion programs and initiatives are regularly assessed and the outcomes measured so that proven initiatives can be incorporated into regular and sustained practices within the school curriculum and school environment.

RECOMMENDATION 37:

The Committee recommends that the Department Education and Early Childhood Development make better use of the data and reports produced through the *Victorian Children and Adolescent Monitoring System*, VicHealth and the Australian Health Promoting Schools Association to assist in identifying and targeting the required health promotion interventions and activities in schools.

5.4.4 Part D – Priority Two follow-ups

Part D of the Committees 86th Report comprised a short review of the actions taken by departments in relation to the following four audits carried out by the Auditor-General:

- Managing Emergency Demand in Public Hospitals

- Raising and Collection of Fees and Charges by Departments
- Administration of Non-judicial Functions of the Magistrates' Court of Victoria
- Contracting and Tendering Practices in Selected Agencies

The status of the recommendations made in relation to each of these audits, have been re-visited by the Committee as part of this follow-up process.

Managing Emergency Demand in Public Hospitals

In 2004, the Auditor-General reviewed the management of emergency departments in four major metropolitan hospitals. In 2007, the Auditor-General followed-up with a similar examination in a further three hospitals and reviewed action taken by the Department of Health and hospitals on the 2004 recommendations. Many of the 2004 recommendations had been actioned however the Auditor-General found there was room for improvement in emergency department data management systems, performance benchmarks and public reporting.³⁸⁶

The Committee's follow-up in June 2009 made three recommendations directed at the Department of Health (formerly part of the Department of Human Services) in relation to: public reporting in relation to triage-to-treatment times; the development of procedures for patient re-triaging and management; and security controls over emergency department data management systems.³⁸⁷

The recent responses from the Department of Health indicated that satisfactory action taken has been taken on the Committee's recommendations.

Raising and Collection of Fees and Charges by Departments

The Auditor-General examined the determination and collection of fees and charges across five departments during the 2005-06 year and reviewed the guidelines in place to support the administration of fees.³⁸⁸

The Committee's follow-up review made five recommendations covering the need for:³⁸⁹

- an annual review of fees and charges by departments;
- appropriate internal policies and procedures for fees and charges;
- an efficient interface of fees/charges system with general financial management systems;

386 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007, Part D – Priority Two Follow-up, Chapter 1: Managing Emergency Demand in Public Hospitals*, June 2009, pp.177-8

387 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007, Part D – Chapter 1: Managing Emergency Demand in Public Hospitals*, June 2009, pp.179-82

388 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007, Part D – Chapter 2: Raising and collection of fees and charges by departments*, June 2009, p.183

389 *ibid.*, pp.187-90

- annual certification of fees and charges; and
- a common management information system across departments for administering fees and charges.

The Committee followed-up the status of these recommendations with the Department of Treasury and Finance. The DTF's responses were generally satisfactory. One of the recommendations made by the Committee in relation to the purchase of a common system for the administration of fees and charges by all departments was considered to have limited value-for-money rationale and was therefore rejected by the DTF as not worth pursuing at this point in time.

With respect to the recommendation of the Committee for all departments to undertake an annual review of their fees and charges, the DTF advised that the Financial Management Compliance Framework makes it clear that charges for goods and services must be reviewed annually however the Committee did not have information available to gauge the extent to which departments comply with these guidelines.

Administration of Non-judicial Functions of the Magistrates' Court of Victoria

The Auditor-General undertook an assessment of the key administrative functions of the Magistrate's Court of Victoria and examined the extent to which recommendations made in a previous audit of the Geelong Magistrates' Court had been taken up. The report made 13 recommendations covering: corporate planning and performance monitoring and reporting; staff recruitment and retention; asset management; and customer services.³⁹⁰

Four recommendations were made in the Committee's follow-up of the Auditor-General's report. The recommendations focussed on staff rotation and development opportunities, customer service and the management of the Court Fund.³⁹¹

The responses on the status of the recommendations indicated that all had been satisfactorily actioned with the exception of the recommendation for the development of staff rotation and secondment opportunities which is recognised as worthy but appears to be somewhat difficult to implement.

RECOMMENDATION 38:

The Committee recommends that the Department of Justice finalise the draft Workforce Plan of the Melbourne Magistrates' Court of Victoria and continue to investigate staff rotation and secondment opportunities for the administrative of the Court.

390 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007, Part D – Chapter 3: Administration of Non-Judicial Functions of the Magistrates' Court of Victoria*, June 2009, p.191

391 *ibid.*, pp.197-203

Contracting and Tendering Practices in Selected Agencies

The Auditor-General reviewed contracting and tendering practices across four departments and three agencies to assess compliance with government policies and procedures.³⁹²

The Committee follow-up found that most agencies indicated that they had taken action to improve their processes. The Committee made two recommendations: one that the Auditor-General undertake audits of contracting and tendering every three years; and the second, that the Department of Transport (DOT) takes action to ensure that the users of the Construction Supply Register (a whole-of-government register, managed by the DOT) submit performance reports after engaging consultants. The status update from the Department indicates that action on this recommendation is in the process of being finalised.

5.5 PAEC 91st Report to Parliament – Review of the Findings and Recommendations of the Auditor-General's Reports 2007-08 (September 2009)

5.5.1 Part A – Improving our Schools: Monitoring and Support

This “priority one” Inquiry followed-up the status of the Auditor-General's recommendations surrounding the review of the Department of Education and Early Childhood Development's contribution towards improving the outcomes of students in government schools.³⁹³

The Committee made eight recommendations covering: the measurement of new school performance improvement initiatives on student educational outcomes; making best use of school performance data sets; ensuring that funding for underperforming schools is effectively targeted and the impacts are measured; access to Student Support Services; and training for the use and interpretation of school performance data.³⁹⁴

The Department of Education and Early Childhood Development has provided responses to the Committee on the current status of actions taken to address the recommendations which indicate that:³⁹⁵

- One of the priorities identified in the DEECD's 2010-11 Annual Plan, was to strengthen evaluation within the DEECD.
- An “Outcomes Framework” to monitor performance of Victorian Government schools has been implemented.
- Targeted support and interventions to underperforming schools is provided over multiple years and monitoring of improvement strategies is reported upon annually.

392 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007, Part D – Chapter 4: Contracting and Tendering Practices in selected Agencies*, June 2009, p.205

393 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007-08, Part A – Improving Our Schools: Monitoring and Support*, September 2009, pp.7-8

394 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007-08, Part A – Improving Our Schools: Monitoring and Support*, September 2009, p.15

395 Mr J. Rosewarne, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 28 July 2011

- The ‘Bastow Institute for Educational Leadership’ offer training and professional development in data analysis and school improvement to build staff capability. However, the extent to which this training is undertaken by relevant staff was not made clear by the DEECD.
- The University of Melbourne has been engaged to undertake a longitudinal study of the Regional Network Model to assess its effectiveness. The study is expected to conclude in 2014.
- A School Performance Summary is included in the School Annual Report in March each year and is accessible via the Victorian Government website and the Victorian Registration and Qualifications Authority website.
- The success of the revised funding model for the regional network structure has not been reviewed. The DEECD states it is pending the study being undertaken by the University of Melbourne.
- The issues surrounding allocation and access to Student Support Services Officers have not yet been addressed.

The Committee considers actions advised by the Department of Education and Early Childhood Development to be largely satisfactory. There are a couple of areas awaiting further review, in particular the evaluation of the Regional Network Structure and the allocation and access to Student Support Services resources in schools. The Committee looks forward to the findings of the study currently underway.

Further, the Committee notes that significant progress has been made in the monitoring and evaluation of student outcomes in Victorian government schools and looks forward to further developments in this area aimed at achieving better outcomes for Victorian students in the future.

5.5.2 Part B – Funding and Delivery of Two Freeway Upgrade Projects

This “priority one” Inquiry followed-up the status of the Auditor-General’s recommendations relating to the planning and management by VicRoads of the Tullamarine Calder Interchange project and the M1 Upgrade project and also the financial management implications of the funding arrangements for the two road construction projects, managed by the Department of Treasury and Finance.³⁹⁶

The Committee made nine recommendations of which: four were directed at VicRoads; three were directed at the DTF; and one each at the DOT and the Auditor-General. The Committee sought a status response from VicRoads and the DTF regarding the recommendations made.

VicRoads

The Committee notes that VicRoads have satisfactorily addressed all of the Committees recommendations which were made in its follow-up Inquiry, specifically:³⁹⁷

396 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General’s Reports 2007-08, Part B – Funding and deliver of Two Freeway Upgrade Projects*, September 2009, p.74

397 Mr G. Liddell, Chief Executive, VicRoads, letter to the Committee, received 26 July 2011

- A corporate wide community and stakeholder engagement framework has been developed and circulated to staff. In addition, 142 staff had undertaken Community Engagement training.
- A new VicRoads Procurement Toolkit and Probity Plan was developed and issued in June 2009 detailing the need for all relevant authorisations and supporting documentation.
- Probity issues were included in the internal audit work program for 2008, 2009 and 2010.
- The benefits of the M1 Upgrade projects will be published following completion of the project and finalisation of the “Gateway 6” Review (i.e. benefits evaluation).

The Committee notes that the VicRoads website indicates that the freeway works for the \$1.39 billion Monash-City Link-West Gate (M1) Upgrade are now substantially complete.³⁹⁸ The Committee looks forward to the Parliament being informed of the benefits of the project following an evaluation by VicRoads.

Department of Treasury and Finance

The Committee recommended that agencies be required to publish the key findings and benefits resulting from “Gateway 6” reviews for major projects in their Annual Reports. The DTF rejected this recommendation as such its status was not followed-up as part of this review process.

The remaining two recommendations were accepted by the DTF and related to capturing lessons learned from managing major projects and disseminating these to relevant public sector agencies. The DTF indicated that it is looking into piloting a Gateway Review Process Lessons Learned website and implementing a formal training package through the University of Melbourne and the Commonwealth Department of Infrastructure and Transport to increase knowledge and capacity in this area. Also best practice policies and guidelines on “alliancing” contracts are now available on the DTF website.³⁹⁹

The DTF’s responses to the Committee’s recommendations are considered to be satisfactory.

5.5.3 Part C – Priority Two follow-ups

Part C of the Committee’s 91st Report comprised a short review of the actions taken by departments in relation to two audits carried out by the Auditor-General:

- Agricultural Research Investment, Monitoring and Review
- Program for Students with Disabilities Program Accountability

The status of the recommendations made in relation to each of these audits, have been re-visited by the Committee as part of this follow-up process.

³⁹⁸ VicRoads, ‘M1 Upgrade – Monash Freeway, City Link, West Gate Freeway, West Gate Bridge’, <www.vicroads.vic.gov.au/Home/RoadProjects/FreewayAndHighwayProjects/Monash-CityLink-WestGateUpgrade/>, accessed 2 February 2012

³⁹⁹ Mr G. Hehir, Secretary, Department of Treasury and Finance, letter to the Committee, received 29 July 2011

Agricultural Research Investment, Monitoring and Review

The Auditor-General examined the Department of Primary Industries' (DPI's) management of agricultural research investment, focussing on the prioritisation of research activities, monitoring and reporting on research activities and the commercialisation of intellectual property.⁴⁰⁰

The Committee made five recommendations as part of its follow-up and has sought comment from the Department of Primary Industries on the current status of actions taken to address these recommendations. The DPI's responses indicate that:⁴⁰¹

- A risk assessment of the Agricultural Science Investment Framework has been undertaken but “treatment actions” to address significant risks are being implemented progressively.
- A review of the effectiveness of the DPI's Agricultural Science Investment Framework is yet to be undertaken and has been postponed since the end of 2009 due to resourcing issues within the DPI.
- Limited progress has been made by the DPI in the development of a single data collection system for information relating to agricultural research and investment programs.
- The DPI's Annual Report seeks to include information on key results and outcomes relating to scientific research investments.

Overall the DPI's responses indicate that limited action has been taken to address the issues raised in the Auditor-General's report and later re-iterated in the Committee's follow-up report. The Committee is unable to ascertain whether delays in the review of the DPI's Agricultural Science Investment framework and development of electronic data collection systems are the result of a lack of available departmental resources for competing demands or because the issues are not considered important compared to other activities in the DPI. The Committee notes that the DPI originally accepted all of the Committee's recommendations.⁴⁰²

RECOMMENDATION 39:

The Committee recommends that the Department of Primary Industries implement treatment actions to address all “significant risks” identified in the risk assessment of the Department's agricultural research investment framework as soon as possible.

400 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007-08, Part C – Priority Two Reports, Chapter 1: Agricultural Research Investment, Monitoring and Review*, September 2009, p.129

401 Mr R. Bolt, Secretary, Department of Primary Industries, letter to the Committee, received 26 July 2011

402 State of Victoria, *Government's Response to the PAEC Report No.91, Review of the findings and recommendations of the Auditor-General's reports tabled September – February 2008*, March 2010, pp.11-12

RECOMMENDATION 40:

The Committee recommends that the Department of Primary Industries undertake an independent review of its Agricultural Science Investment Framework to test the validity and effectiveness of the Department's current approach to research investment.

RECOMMENDATION 41:

The Committee recommends that the Department of Primary Industries review the agricultural and scientific research information systems used in other Australian jurisdictions to identify an appropriate system for adoption in Victoria to reduce the current duplication of agricultural research investment data collection systems within the Department and assist in streamlining the Department's reporting framework.

Program for Students with Disabilities: program accountability

The Auditor-General examined the accountability framework in place for the Program for Students with Disabilities (PSD) which is administered by the Department of Education and Early Childhood Development. The audit report was critical of the lack of a clear objective and performance indicators for the Program.⁴⁰³

The Committee's follow-up found that the DEECD had acted on the Auditor-General's recommendations and had developed a clear objective and performance measures for the PSD. The Committee made two further recommendations relating to the need for a performance indicator to measure student transition from the Program; and a review of Individual Student Learning Plans for the PSD.⁴⁰⁴

Responses from the DEECD on the current status of the recommendations made by the Committee indicate that:⁴⁰⁵

- The DEECD does not consider student transition from the PSD to be a useful performance indicator. The DEECD's current indicators focus on access, participation and learning.
- New curriculum advice is now available to schools to assess Individual Learning Plans of students and their progress. The DEECD considers that this will assist in meeting the needs of students and the DEECD.

The responses provided by the DEECD in relation to the Committee's recommendations are considered satisfactory.

403 Parliament of Victoria, Public Accounts and Estimates Committee, *Review of the Findings and Recommendations of the Auditor-General's Reports 2007-08, Part C – Priority Two Reports, Chapter 1: Agricultural Research Investment, Monitoring and Review*, September 2009, pp.143-4

404 *ibid.*, p.144-8

405 Mr J. Rosewarne, Acting Secretary, Department of Education and Early Childhood Development, letter to the Committee, received 28 July 2011

**APPENDIX: DEPARTMENT RESPONSES TO FOLLOW-UP
QUESTIONNAIRES FROM THE COMMITTEE**

A.1 Public Accounts and Estimates Committee Report No. 82 – Review of the Findings and Recommendations of the Auditor-General's Reports Tabled July 2006 – February 2007

A.1.1 Part A — Government Advertising, Department of Treasury and Finance (Recommendations 2 and 9)

Table A.1: Responses from the Department of Treasury and Finance (DTF)

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 2</p> <p>The Department of Treasury and Finance expand the annual reporting requirements of public sector agencies to include:</p> <p>(a) detailed reporting of expenditure under the Master Agency Media Services (MAMS) contract; and</p> <p>(b) reporting of expenditure under specific advertising and communications campaigns, including:</p> <ul style="list-style-type: none"> – outcome of campaign against its objectives; – details of original budget; – any budgetary revisions; – actual expenditure; and – explanations of significant variations between actual expenditure and budgeted expenditure. 	<p>Further information regarding the reporting of expenditure is available upon request under Financial Reporting Direction (FRD) 22B <i>Standard Disclosures in the Report of Operations</i>.</p> <p>To provide additional clarity in this area, the DTF has amended the guidelines which support FRD 22B for the 2008-09 financial year and onwards, to include further guidance on the maintenance of relevant costs and other information on public sector advertising and communication activities. It is intended that the revision to the guidelines will improve the quality of such information retained by public sector agencies.</p> <p>As relevant FRDs, applicable accounting standards and other mandatory professional standards are already applied in the presentation of annual reports, the DTF is of the view that current reporting arrangements for advertising and communications through the annual reports are adequate.</p>	<p>Further to the guidelines issued in 2008-09, the DTF, in conjunction with the Department of Premier and Cabinet (DPC), is also in the process of reviewing the requirements of FRD 22B in relation to disclosures on government advertising with the objective of further improving transparency in this area.</p>
<p>Recommendation 2 – PAEC Comments:</p> <p>The Committee continues to support full and transparent disclosure of public sector advertising and communication activities and encourages both the DTF and the DPC in their endeavours to further improve reporting in this area of public sector expenditure.</p>		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 9</p> <p>The Department of Treasury and Finance expand the external reporting obligations of government bodies for public sector advertising campaigns to incorporate an analysis of the effectiveness of advertising campaigns in achieving expected outcomes.</p>	<p>As a minimum FRD 22B requires the retention of <i>‘details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services’</i>. This information must be made available on request to relevant ministers, members of Parliament and the public, subject to the provisions of the <i>Freedom of Information Act 1982</i>.</p> <p>As noted in response to Recommendation 2, the DTF has amended the guidelines which support FRD 22B for the 2008-09 financial year and onwards, to include further guidance on the maintenance of relevant costs and other information on public sector advertising and communication activities in an effort to improve the quality of such information retained by public sector agencies.</p> <p>Further questions from the Committee</p> <p>Is there now a requirement to review the effectiveness of an advertising campaign?</p>	<p>A Government Advertising Review Panel has been established within the DPC to review government advertising campaigns. As per the response to Recommendation 2, the DTF, in conjunction with the DPC, is also in the process of reviewing the requirements of FRD 22B in relation to disclosures on government advertising with the objective of improving transparency in this area.</p>
<p>Recommendation 9 – PAEC Comments:</p> <p>The Committee was unable to find any information about the “Government Advertising Review Panel” referred to in the DTF response on either the Department of Premier and Cabinet website or the Department of Treasury and Finance website or indeed on the internet. Further, no reference is made to this “Panel” in the ‘<i>Guidelines for Victorian Government Advertising and Communications</i>’ prepared by the Department of Premier and Cabinet.</p> <p>The Committee did find <i>Victorian Government Communication Evaluation Guidelines</i> on the DPC website which encourages public sector agencies to undertake evaluation in relation to program outcomes and the achievement of campaign objectives and sets down a number of principles in relation to evaluation. However, the Committee notes there are no mandatory requirements in relation to public sector reporting on advertising/campaign effectiveness.</p>		

A.1.2 Part A — Government Advertising, Department of Premier and Cabinet (Recommendations 3-5, 7, 8 and 10)

Table A.2: Responses from the Department of Premier and Cabinet (DPC)

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (November 2011)
Recommendation 3 The Department of Premier and Cabinet finalise as soon as possible its proposal for Government reporting of advertising and communications expenditure by Victorian government entities under the MAMS contracts including any expenditure under the trust fund.	The DPC intends to publish MAMS Expenditure on its website on an annual basis. The MAMS Trust Fund balance will be reported in the DPC's 2008-2009 Annual Report.	The DPC has published MAMS Expenditure for each financial year from 2004-2005 on the DPC website: <www.dpc.vic.gov.au>. Currently 2008-09, 2009-10 and 2010-11 expenditure is available online on the DPC website with archived figures available on request. In 2010-11, the DPC provided a detailed expenditure report providing a breakdown of expenditure by category and Client for the first time. The DPC is also scoping the development of a dedicated website for government communications and advertising and would feature expenditure reporting as a part of this website. The MAMS Trust Fund balance was reported in the DPC's 2008-2009, 2009-2010 and 2010-11 Annual Reports, which can be found at: <www.dpc.vic.gov.au/index.php/resources/corporate-publications>
Recommendation 3 – PAEC Comments: The Committee has noted the improvements made to the transparency of expenditure related to government advertising. The Department of Premier and Cabinet website now provides details of annual expenditure on government advertising made through the MAMS State purchasing contract. The Committee also referenced the Department's most recent Annual Report 2010-11 which includes in the Notes to the Financial Statements, the amount held in the MAMS Trust Fund account (reported at \$7.64 million as at 30 June 2011). The response is considered to be satisfactory.		
Recommendation 4 The Department of Premier and Cabinet should conclude its comprehensive review of the Guidelines for Victorian Government Advertising and Communications as a priority, with the aim of seeking the support of all political parties represented in Parliament.	An extensive review has been undertaken. The final revised document will be published online.	A review of the Guidelines for Victorian Government Advertising and Communications was finalised in conjunction with the Victorian Auditor-General's Office (VAGO) and the Premier in September 2009. The updated Guidelines are published on both the DPC website: <www.dpc.vic.gov.au> and the VPS Hub (Victorian Government Extranet). A program of stakeholder engagement and education on the Guidelines has commenced.
Recommendation 4 – PAEC Comments: The Committee notes the publication of the Guidelines for Victorian Government Advertising and Communications on the DPC's website. The response has been reviewed by the Committee and is considered to be satisfactory.		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (November 2011)
<p>Recommendation 5</p> <p>The Department of Premier and Cabinet undertake a review of their Communications website to ensure that the revised Guidelines for Victorian Government Advertising and Communications are given a prominent point of reference and links to the Guidelines appear adequately throughout the site.</p>	<p>A review of the DPC communications website is currently being undertaken and upgraded where necessary.</p>	<p>The guidelines were first published on DPC's website: <www.dpc.vic.gov.au> in December 2009 under Guidelines and Procedures. A comprehensive review of DPC's website was conducted in March 2011 and the new site was published in August 2011. The guidelines are featured on the upgraded website in a Communications area in the Resources section.</p> <p>The guidelines are also available on the VPS Hub, which was launched in February 2010 as an initiative of the <i>VPS Innovation Action Plan</i> to enable more efficient and effective processes in the Public service.</p>
<p>Recommendation 5 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		
<p>Recommendation 7</p> <p>The Department of Premier and Cabinet consider development of an advertising and communications policy for the State of Victoria which details the core values and principles underpinning public sector advertising and communications activities and outlines the roles and responsibilities of the various participants involved in the governance and decision making process.</p>	<p>The revised guidelines will provide adequate direction for all government and public entity advertisers.</p>	<p>Copies of the approval forms for advertising, which are divided into under \$50k spend and over \$50k spend can be found on the VPS Hub under Whole of Victorian Government (WoVG) business/advertising and communication. Up to October 2010, all advertising approval forms required the approver (the relevant financial delegate) to sign a declaration stating:</p> <p><i>In signing this application I acknowledge that I have read and understood the 'Guidelines for Victorian Government Advertising & Communications' and that the proposed activity complies with all of these guidelines.</i></p> <p>Since December 2010, advertisers have been required to provide a submission seeking approval. In this submission applicants are required to sign a declaration of compliance:</p> <p><i>In submitting this application I acknowledge that this advertising complies with the Victorian Government Advertising and Communications policies and guidelines. I will provide copies of creative for branding approval, a draft media schedule and other supporting documentation. The responsible Minister was briefed regarding this campaign.</i></p>
<p>Recommendation 7 – PAEC Comments:</p> <p>The 'Guidelines for Victorian Government Advertising and Communications' provide agencies with a list of fundamental principles governing the use of public funds for advertising and communications campaigns. The Guidelines stress that publicity and communications must not give an incumbent government any political advantage and must comply with the highest standards of fairness, probity and public responsibility.</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (November 2011)
<p>Recommendation 8</p> <p>The Department of Premier and Cabinet and all accredited purchasing units maintain their diligence over procurement practices to ensure that all relevant government procurement policies and guidelines are complied with to maintain due transparency, probity and value-for-money in the purchase of public sector advertising and marketing services.</p>	<p>All aspects of this recommendation are currently being met under the current advertising approvals and procurement guidelines.</p>	<p>The DPC has maintained diligence over its procurement practices.</p> <p>MAMS Contract: The 2006 Tender process included the completion of an assigned Probity Report from Ernst & Young and a Procurement Process Report (PPR) endorsed by the Accredited Purchasing Unit and approved by the Victorian Government Purchasing Board.</p> <p>Marketing Research Panel: The PPR for the 2007 Public Tender was endorsed by the Accredited Purchasing Unit and approved by the Victorian Government Purchasing Board.</p> <p>Responsibility for the Marketing Services Panel and Print Services was moved to the Department of Treasury and Finance.</p>
<p>Recommendation 8 – PAEC Comments:</p> <p>The Committee notes that the Victorian Auditor-General is currently undertaking another audit of Government Advertising and Communications which is expected to be tabled in the early part of 2012.</p> <p>The Committee looks forward with interest to the findings of the audit review to see what improvements have been made in the management of this area of public expenditure since the findings of the Auditor-General's last report on this area in September 2006.</p>		
<p>Recommendation 10</p> <p>While encouraging post-campaign evaluations for all advertising and communications projects, the Department of Premier and Cabinet consider revising the Victorian Government Communication Evaluation Guidelines to:</p> <p>(a) specify a mandatory level at which post campaign evaluations must be undertaken; and</p> <p>(b) include a section on evaluating the efficiency and effectiveness of the media strategy or creative concepts chosen for the particular advertising or communication campaign.</p>	<p>The 'Victorian Government Communication Evaluation Guidelines' recommend that 10% of the campaign budget be used for evaluation purposes. In seeking approval to proceed with a proposed advertising campaign applicants are required to identify the proposed evaluation methodology.</p> <p>The DPC proposes to undertake a review of the existing Evaluation Guidelines.</p>	<p>A review of the Evaluation Guidelines has been completed and a copy of the Evaluation Guidelines can be found on the DPC website: <www.dpc.vic.gov.au/index.php/resources/communications/victorian-government-communication-evaluation-guidelines></p> <p>Mandatory evaluations are required for</p> <ul style="list-style-type: none"> previous campaigns prior to approval of a new campaign in a similar area; and all new campaigns with an estimated cost greater than \$150,000 <p>All advertising approval forms require users to list the estimated cost of their research/evaluation.</p>
<p>Recommendation 10 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

A.1.3 Part B — New Ticketing System Tender (Recommendations 1 and 4-12)

Table A.3: Responses from the Department of Treasury and Finance (DTF)

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/ Response to further questions (July 2011)
Recommendation 1 The Department of Treasury and Finance ensure that the normative guidance on tender management incorporated in the Auditor-General's report and the supporting good practice guide be mandatory reference sources for tendering bodies planning major tender projects.	The Victorian Government Purchasing Board (VGPB) will consider the applicability of guidance provided from the Auditor-General's report in the review of VGPB policies and guidelines. It is not appropriate to use the Auditor-General's guide as a mandatory reference in parallel to the mandated VGPB policies. Such action may lead to confusion for entities in conducting government procurement. Further questions from the Committee Has information from Auditor-General's guide been incorporated into or referred to by policies and guidelines of the VGPB?	The DTF considered the core aims of VAGO's <i>Public Sector Procurement: Turning Principles into Practice</i> guide to procurement and incorporated these into the proposed new procurement policy framework currently being considered by the Government and the draft procurement guidelines, which will underpin the new procurement policy framework.
Recommendation 1 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory. The Committee notes that the VGPB website identifies Procurement Reform as one of its strategic priorities for 2011-12. A new procurement policy framework is being implemented.		
Recommendation 4 The Department of Treasury and Finance amend procurement and tendering guidelines to preclude the combining of probity advisor and probity auditor roles in all major projects in the public sector.	The DTF will review the <i>Good Practice Guidelines for the Conduct of Commercial Engagement in Government</i> to separate the role of probity advisor and probity auditor for major projects.	The DTF has completed its review of the <i>Good Practice Guidelines for the Conduct of Commercial Engagement in Government</i> . The roles of the probity adviser and the probity auditor have been separated and defined in an updated version of the Guidelines.
Recommendation 4 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory. The DTF's Commercial Engagements policy has been reviewed to strengthen controls surrounding probity.		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/ Response to further questions (July 2011)
<p>Recommendation 5</p> <p>The Department of Treasury and Finance take action that makes use of the probity services panel mandatory for all public sector entities, and undertake regular reviews of the panel's membership.</p>	<p>The DTF supports all public sector entities considering the use of the Probity Service Panel arrangements when seeking probity services for major projects.</p> <p>The Probity Practitioner Services Panel contract expires in November 2009 with the option of a one year extension. Panel member performance can be reported back to the contract manager by users to ensure service standards are maintained.</p> <p>Further questions from the Committee</p> <p>Are there any regular reviews of the panel's membership?</p>	<p>A Request For Tender was led by the DTF in 2010 and resulted in the commencement of the new probity panel comprising of 13 suppliers.</p> <p>Panel members are subject to an annual review on the anniversary of contract commencement. This review encompasses contract compliance (including key performance indicator (KPI) performance) and an examination of the value adding measures / incentives implemented by the Supplier annually.</p> <p>Remedial action can be taken by the DTF for any panel suppliers that do not comply with the contract and if required the DTF can suspend or terminate a membership to the panel with immediate effect.</p>
<p>Recommendation 5 – PAEC Comments:</p> <p>Whilst the DTF states that it supports the use of the Probity Practitioner Services Panel by all public sector entities, no action has been taken to make the use of the Panel mandatory as recommended by the Committee. The DTF continues to view such action as impinging upon the operational independence and accountability of non-departmental/statutory entities.</p> <p>The Committee considers that the Probity Practitioner Services Panel provides public sector entities with a valuable resource, the quality of which is regularly assessed by the DTF and which seeks to add another level of confidence in the process.</p>		
<p>Recommendation 6</p> <p>The Department of Treasury and Finance widen application of procurement and tendering guidelines to encompass all major tenders managed by non-departmental public bodies.</p>	<p>VGPB supply policies (including tendering) only have applicability to departments under the <i>Financial Management Act 1994</i> (FMA).</p> <p>The DTF has released a discussion paper on 'Public Finance in Victoria' leading to the replacement of the FMA which will consider the breadth of entities covered by legislation.</p> <p>Further questions from the Committee</p> <p>Have procurement and tendering guidelines been widened to encompass all major tenders managed by non-departmental public bodies?</p>	<p>Replacement of the FMA has not occurred and therefore applicability of the VGPB's supply policies continues to be restricted to departments and a number of administrative offices only.</p> <p>Non-departmental public bodies are encouraged to adopt the VGPB policies and guideline materials.</p>
<p>Recommendation 6 – PAEC Comments:</p> <p>As noted in response to Recommendation 5, the Department's response to Recommendation 6 indicates its reluctance to extend procurement and tendering guidelines established by the VGPB to non-departmental/statutory entities other than to "encourage" their adoption by those entities.</p>		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/ Response to further questions (July 2011)
<p>Recommendation 7</p> <p>The Department of Treasury and Finance establish and adhere to biennial review dates for all guidance material pertaining to the management of major tenders.</p>	<p>Relevant VGPB policies and supporting guidelines are reviewed on a regular basis having regard to broader government policy initiatives and emerging issues in the supplier market. In 2008, a better practice guide was released on project tendering.</p> <p>VGPB policies will continue to be subject to regular review to maintain currency with best practice.</p> <p>Further questions from the Committee</p> <p>Have dates for biennial reviews of guidance been set for material relating to the management of major tenders?</p>	<p>In 2011, the DTF is undertaking a comprehensive review of all procurement guidance material to ensure it reflects best practice. The frequency of reviews will be included as part of this overall review.</p>
<p>Recommendation 7 – PAEC Comments:</p> <p>The DTF has not implemented the Committee's November 2008 recommendation and continues to respond that the matter is under review. The DTF advises that <i>“the frequency of reviews will be included as part of this overall review”</i>. The Committee considers that it would be pleasing to see a decision and some <i>“action”</i> taken by the Department of Treasury and Finance on a matter rather than it continue to be the subject of <i>“review”</i> almost 4 years after the Auditor-General first made the recommendation (October 2007) and almost 3 years after the Committee reiterated the recommendation (November 2008).</p>		
<p>Recommendation 8</p> <p>The Department of Treasury and Finance ensure that lessons learnt from management experiences in major tenders in the public sector are adequately captured in its ongoing reviews of applicable guidelines.</p>	<p>The Gateway Review Process captures lessons from reviewing high and medium risk projects, and these lessons form the basis of new guidance material.</p> <p>The DTF will continue to conduct regular reviews of major projects to support continuous improvement in the delivery of procurement outcomes. The DTF also intends to develop further documentation relating to project risk management and governance.</p> <p>Further questions from the Committee</p> <p>How are <i>“lessons learnt”</i> captured and incorporated into ongoing reviews of guidelines?</p>	<p>Lessons Learnt captured from the Gateway reviews of high and medium risk projects provide data for statistical analysis. This analysis informs the DTF as to areas of strength and deficiency within departments and agencies regarding project delivery more generally and also procurement more specifically.</p> <p>Commonly observed areas of weakness or deficiency are addressed through the on-going review of guidelines and/or training. For example the Business Case Guidelines (within the Investment Lifecycle Guidelines – ‘the Guidelines’) and the related training package were developed (and constantly updated) to address observed deficiencies in business case quality. Additional guidance regarding risk management and procurement were similarly developed, and now form supplementary guidance to the ‘Guidelines’.</p> <p>With specific regard to procurement, the DTF continues to take a lead role nationally in the provision of training to strengthen knowledge and capacity in various procurement methodologies, including the successful Partnerships Victoria <i>“Contract Management for Public Private Partnerships”</i>, and the soon to be released Alliance Contracting training course (due in September 2011). Additionally of note, the Victorian guidelines for both the PPP and Alliance contracting methodologies have formed the basis of what has been adopted nationally.</p>
<p>Recommendation 8 – PAEC Comments:</p> <p>The DTF advises that it has taken action to ensure that strengths and weaknesses in project management are identified and incorporated in guidelines issued and that appropriate training is provided.</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/ Response to further questions (July 2011)
<p>Recommendation 9</p> <p>The Department of Treasury and Finance ensure that updated risk allocation guidance for major projects adequately supports key decision making through articulation of potential risk levels to be borne by government, including their financial and non-financial implications.</p>	<p>In 2009, the DTF released the <i>Good Practice Guidelines for the Development of a State Purchase Contract Business Case</i> to establish a step by step methodology to develop business cases.</p> <p>The DTF will monitor the application of the Guidelines to ensure processes effectively identify risks and implications.</p>	<p>The application of these guidelines is subject to regular review to maintain best practice.</p>
<p>Recommendation 9 – PAEC Comments:</p> <p>The Committee notes that the latest version of the ‘<i>Good Practice Guidelines: Developing a State Purchase Contract Business Case</i>’ were issued in July 2011. The DTF states that the Guidelines form part of a package of policies, guidelines, tools, training and templates that facilitate the implementation of procurement excellence across the Victorian government. The Committee notes that the Guidelines include a chapter dedicated to Risk Analysis.</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		
<p>Recommendation 10</p> <p>The Department of Treasury and Finance implement changes to tendering guidelines that alert tendering organisations to the benefit of publicly issuing a value for money statement on key aspects of the tender approach.</p>	<p>This recommendation was rejected by the DTF.</p> <p>Value for money underpins all VGPB procurement policies and policy reviews. The current VGPB definition of Value for Money is considered appropriate.</p>	
<p>Recommendation 10 – PAEC Comments:</p> <p>No follow-up of this recommendation has been undertaken by the Committee.</p>		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/ Response to further questions (July 2011)
<p>Recommendation 11</p> <p>The Department of Treasury and Finance ensure its updating of tendering guidelines incorporates the specific probity matters cited by the Auditor-General as necessary to strengthen guidance for maintaining the probity and integrity of major innovative tenders.</p>	<p>The DTF recommends the establishment of a probity plan and the independent oversight of probity for all major projects (exceeding \$10 million, complex or involving high risk). This need is specifically identified in the <i>Investment Lifecycle Guidelines</i> (in particular project tendering). The VGPB Code of Conduct for Commercial Engagements and the <i>Partnerships Victoria Practitioners' Guide</i> (Chapter 22) detail probity requirements for projects.</p>	<p>The DTF maintains the need to establish probity plans and the independent oversight of probity for all complex and high risk major projects including those exceeding \$10 million. This remains in the <i>Conduct of Commercial Engagement Guidelines</i> and is also featured in the <i>Investment Lifecycle Guidelines</i>.</p>
<p>Recommendation 11 – PAEC Comments:</p> <p>Access to the guidelines referred to in the DTF's response via its website revealed that in 2011-12 the Department of Treasury and Finance is restructuring the <i>Investment Lifecycle Guidance</i> with the aim of simplifying practices and providing decision-makers with an increased level of certainty in their investment decisions. The website notes that the revised guidelines, tools and policies will be available on the site as they are progressively released and in the interim the existing <i>Investment Lifecycle Guidelines</i> and tools remain of assistance.</p> <p>The VGPB <i>Conduct of Commercial Engagements Policy</i> was issued in 2005 and <i>Good Practice Guidelines: Conduct of Commercial Engagements</i> were last revised in July 2011 and aim to provide departments with general advice and guidance in respect of probity and accountability over commercial procurement engagements. The Guidelines include advice relating to matters of: impartiality; effective competition; transparency; security and confidentiality; conflicts of interest; and appointment of a probity practitioner.</p> <p>The Committee looks forward with interest to the strengthening of government investment decision-making in the future through the revision of the <i>Investment Lifecycle Guidance</i> material as advised on the Department of Treasury and Finance website.</p>		
<p>Recommendation 12</p> <p>The Department of Treasury and Finance include a provision within guidelines for major and complex tenders that requires physical separation of a project team from the location of negotiation and clarification meetings with tenderers.</p>	<p>The DTF believes that the <i>Good Practice Guidelines for the Development of a State Purchase Contract Business Case</i> has included advice on organisation structures to effectively manage complex projects. The <i>Investment Lifecycle Guidance</i> suggests that the tender evaluation should be conducted properly for a good outcome and to avoid process problems. It suggests that tenders are evaluated according to the evaluation criteria and the evaluation plan. The guide also provides a list of common tender evaluation lessons learnt and contract negotiation and execution steps.</p> <p>Further questions from the Committee</p> <p>Do the <i>Good Practice Guidelines for the Development of a State Purchase Contract Business Case</i> specify or provide physical separation of a project team from the location of negotiation and clarification meetings with tenderers?</p>	<p>The DTF believes that the <i>Good Practice Guidelines for the Development of a State Purchase Contract</i> contain appropriate advice on proper conduct of a tender evaluation. Furthermore, the <i>Good Practice Guidelines for the Conduct of Commercial Engagement in Government</i> which has applicability to all procurement processes, including State Purchase Contract tenders, contains reference to departments establishing clear security procedures related to the conduct of all interactions with tenderers. Where large, sensitive or complex tenders are conducted, the guidelines indicate that it may be part of the probity advisers brief to certify that appropriate security procedures have been established and adhered to.</p>
<p>Recommendation 12 – PAEC Comments:</p> <p>The Committee notes that the <i>Good Practice Guidelines: Conduct of Commercial Engagements</i> contains guidance in relation to, ensuring security of documentation and confidentiality of the tender process, and managing any conflicts of interest.</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

A.1.4 Part C — Condition of Public Sector Residential Aged Care Facilities (Recommendations 1-9)

Table A.4: Department of Health (DOH) (formerly part of the Department of Human Services (DHS))

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 1 The Department of Health continue to undertake planning on future capital works needs of public sector aged care facilities in order to strategically invest in meeting the needs of the Victorian community.	The DOH continues to review the capital works needs on an annual basis through the multi year strategy and to target investment for capital works to highest priority needs. The plan includes the capital works needs of public sector residential aged care services in Victoria. The DOH will continue its capital works planning.	The Department of Health continues to plan, prioritise and seek annual budget consideration from Government for highest priority capital works needs, including priority proposals to meet capital needs of public sector residential aged care services in Victoria.
Recommendation 1 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		
Recommendation 2 The Department of Health review the scope of fire safety audits required under the <i>Fire Risk Management Guidelines</i> as highlighted by the Auditor-General, to ensure that they constitute a comprehensive review including operational testing of a facility's fire safety systems.	The <i>Fire Risk Management Guidelines</i> were updated in 2008. Fire safety audits have been reviewed and updated to improve linkages to the Building Regulations/Building Code of Australia. Annual fire safety certificates now report on: <ul style="list-style-type: none"> • compliance of auditing with departmental guidelines; • outstanding works and risk mitigation action planning; • essential safety measures maintenance statutory compliance including reporting on operational testing; and • emergency evacuation and response training of staff and clients. The DHS will continue to monitor the pertinence of its <i>Fire Risk Management Guidelines</i> .	The DOH continues to operate its fire safety audit approach, which applies to all health facilities. Fire safety audit/risk assessment operates on a 10-year cycle, including a mid cycle review to confirm fire safety is being satisfied. Smaller domestic scale facilities have a fire safety compliance check instead of the fire safety audit. The fire safety audit considers Essential Safety Measures (ESM) reports and maintenance log books to check maintenance has been carried out to Australian Standards and that ESM reports comply with Building Regulations. The DOH continues to enhance its Fire Risk Management Guidelines to improve user friendliness. The current version, last updated in 2008, retains technical integrity. The 2011 update will give greater clarity to health services' management in terms of the requirements to be satisfied. In addition, the Departmental Executive, receive regular advice about fire safety certification reporting by health services across all regions.
Recommendation 2 – PAEC Comments: The details provided in the DOH's response suggest that the issues associated with application of the <i>Fire Risk Management Guidelines</i> and the conduct of Fire Safety Audits have been satisfactorily addressed and are the subject of on-going review by the Department.		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 3</p> <p>The Department of Health (formerly part of the Department of Human Services) review the Service Agreement Information Kit to ensure that it includes reference to current public sector management policies and principles aimed at maximising the service delivery potential of a facility and managing the related risks and costs over the life of the facility. In particular the Agreements need to specify:</p> <ul style="list-style-type: none"> (a) the requirement for providers to develop asset management strategies; (b) the minimum performance standards expected from providers in managing and maintaining the facilities in an effective manner; and (c) the monitoring arrangements and accountability mechanisms in place for demonstrating compliance with public sector asset management principles. 	<p>In preparation for the transition to the new 2009-12 three year service agreement cycle, the Service Agreement terms and conditions and the associated Service Agreement Information Kit are being reviewed and updated and will include information and requirements in relation to asset management.</p> <p>As part of the transition to new 2009-12 service agreement cycle, the inclusion of advice relating to appropriate asset management policies and principles, minimum performance standards, and monitoring arrangements is being considered.</p> <p>Further questions from the Committee</p> <p>Can you please provide an update on whether advice on appropriate asset management policies and principles, minimum performance standards and monitoring arrangements has been provided?</p>	<p>The DOH continues working with the DTF to further implement the Asset Management Framework. Work with the DTF includes testing and proving of proposed KPIs for building, facility and sub-portfolio level, in advance of a progressive sector-wide roll out of any change in reporting and monitoring.</p> <p>Consistent across all state owned service portfolios, the asset management policies and principles continue to be readily available sector wide via the DTF internet home page.</p>
<p>Recommendation 3 – PAEC Comments:</p> <p>The Committee was pleased to note the initial response (May 2009) of the DOH indicating that as part of the transition to new 2009-12 service agreement cycle, the inclusion of advice relating to appropriate asset management policies and principles, minimum performance standards, and monitoring arrangements was being considered.</p> <p>The Committee reiterates the importance of aged care providers being fully informed of, and compliant with, certain asset management policies, principles and minimum performance standards in relation to the aged care facilities provided under Service Agreements. Unfortunately, the DOH's recent response on the status of action taken to address the Committee's recommendation does not engender much confidence that this is happening.</p>		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 4</p> <p>The Department of Health (formerly part of the Department of Human Services) review the methodology for calculating maintenance budget and consider using current replacement value for determining funding.</p>	<p>Funding for maintenance is provided by the Commonwealth through its aged care funding to residential aged care providers.</p> <p>State funding is provided on a recurrent basis in addition to that provided by the Commonwealth.</p> <p>A desktop review of the process for the distribution and allocation of the state funding has been completed. Based on the review the recurrent allocation will be indexed annually and separately identified in agency budgets.</p> <p>Processes will continue to be monitored.</p>	<p>Recurrent allocations for maintenance have been indexed annually.</p>
<p>Recommendation 4 – PAEC Comments:</p> <p>The Committee notes that recurrent State funding is now indexed annually but notes no comment has been made in relation to consideration of reference to “current replacement value” in determining the maintenance budget requirements of public sector residential aged care facilities. As such, the Committee is unable to determine whether current replacement value has been reviewed as an option for calculating future maintenance budgets or has been dismissed as an option for particular reasons.</p>		
<p>Recommendation 5</p> <p>The Department of Human Services (formerly part of the Department of Human Services) examine if a current shortfall exists and use this information to support a submission to the Commonwealth for increased funding.</p>	<p>This recommendation was rejected by the DOH.</p> <p>Funding for maintenance is provided by the Commonwealth through its aged care funding to residential aged care providers.</p> <p>State funding is provided on a recurrent basis in addition to that provided by the Commonwealth.</p> <p>The State government also provides access to bid-based funding through the Annual provisions Program.</p> <p>The State does not intend to make a submission to the Commonwealth.</p>	
<p>Recommendation 5 – PAEC Comments:</p> <p>No follow-up of this recommendation has been undertaken by the Committee.</p>		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 6</p> <p>The Department of Health (formerly part of the Department of Human Services) consider providing guidance so that service providers can better manage their accommodation bonds to ensure they are maximising the benefit from these funds for capital works.</p>	<p>A draft "better practice tool" (as part of the Business Performance Improvement initiative) on Managing Capital Purpose Income (including bonds), has been developed and its implementation is currently being finalised.</p> <p>The DOH plans to promote improved knowledge/skills and better practices through access to training for sector and distribute "better practice tool" to sector.</p>	<p>The DOH continues to work with the public sector residential aged care sector on financial performance via the Business Improvement Initiative.</p> <p>There has continued to be active education and support for services working on improving performance; this has continued to include work on managing capital purpose investments.</p>
<p>Recommendation 6 – PAEC Comments:</p> <p>It is not exactly clear from the DOH's response whether the "better practice tool" on <i>Managing Capital Purpose Income</i> has been distributed to service providers. The DOH states that it has undertaken some work to actively educate and support service providers through the DOH's 'Business Improvement Initiative' which includes work on managing capital purpose investments.</p>		
<p>Recommendation 7</p> <p>The Department of Health (formerly part of the Department of Human Services) ensure that in regards to the current Building Code of Australia requirements as they relate to public aged care facilities:</p> <ul style="list-style-type: none"> (a) facilities are maintained in accordance with this standard to ensure quality and safety; and (b) health service providers are encouraged to maintain their knowledge of the requirements and develop strategies to meet these standards. 	<p>All new and/or redeveloped facilities are built to meet the current Building Code requirements.</p> <p>Existing facilities are required to meet any new building code requirements that are introduced and are retrospective.</p> <p>Existing processes include local management and maintenance of facilities, regular fire audits, periodic fabric surveys and compliance with building code changes where appropriate.</p> <p>In addition, the DOH's certification kit for agencies has been updated, and will be updated as required to incorporate any relevant changes to the building code and/or any changes made by the Commonwealth to the certification requirements.</p> <p>The DOH's certification kit for agencies will be updated as necessary.</p> <p>Further questions from the Committee</p> <p>How does the DOH ensure facilities meet the Building Code of Australia standard?</p>	<p>No further changes to the certification kit have been required to date as it still reflects current policy.</p> <p>Response to further question from the Committee</p> <p>Compliance with the Building Code for new and/or redeveloped facilities is independently certified through issuing of Certificates of Occupancy.</p> <p>Each health service is a reporting entity in its own right under the <i>Financial Management Act 1994</i>. As such, the CEO is responsible for compliance with the Building Code of Australia (BCA) Regulations on an ongoing basis.</p> <p>The BCA requires ESM reporting to confirm ESM requirements are being met.</p> <p>CEOs certify to the Department annually that ESM requirements are being met. As previously flagged, the DOH routinely monitors actions taken by CEOs in this regard.</p>
<p>Recommendation 7 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

PAEC Recommendation (November 2008)	Action reported in Government Response (May 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 8</p> <p>In the light of any future changes to the certification program by the Commonwealth Department of Health and Ageing, the Department of Health (formerly part of the Department of Human Services) undertake a review of its processes and procedures to ensure that service providers continue to adequately maintain and improve the physical standards of public sector residential aged care facilities.</p>	<p>All new and/or redeveloped facilities are built to meet the current Building Code requirements. Existing facilities are required to meet any new building code requirements that are introduced and are retrospective.</p> <p>Existing processes include local management and maintenance of facilities, regular fire audits, periodic fabric surveys and compliance with building code changes where appropriate.</p> <p>In addition, the DOH's certification kit for agencies has been updated, and will be updated as required to incorporate any relevant changes to the building code and/or any changes made by the Commonwealth to the certification requirements.</p> <p>The DOH's certification kit for agencies will be updated as necessary.</p>	<p>The Commonwealth Department of Health and Ageing has not made any changes to its certification program, and hence no changes to the certification kit, process or procedures relating to certification has been required for public sector residential aged care facilities.</p>
<p>Recommendation 8 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		
<p>Recommendation 9</p> <p>The Department of Health (formerly part of the Department of Human Services), as a priority:</p> <ol style="list-style-type: none"> undertake fabric surveys in a more timely manner in future; consistent with the Auditor-General's recommendation, put in place a process to undertake assessments of public sector aged care facilities between fabric surveys; undertake future fabric surveys every 5 years to provide the Department with current information to inform asset management decision making; and finalise the current fabric survey and prepare a strategy to address infrastructure needs highlighted. 	<p>Consistent with this recommendation, the DOH:</p> <ul style="list-style-type: none"> agrees that fabric surveys be undertaken in a more timely manner to inform asset management decision making; and is revising its processes to undertake an ongoing cycle of critical asset assessment of public sector aged care facilities. <p>The DOH notes that planning is proceeding for completion in 2009.</p> <p>Further questions from the Committee</p> <ul style="list-style-type: none"> Are assessments of public sector aged care facilities undertaken between fabric surveys? Will fabric surveys be undertaken every five years in future? 	<p>The state-wide fabric survey of public sector aged care facilities was completed in November 2009.</p> <p>The DOH is developing a more continuous process of updating information regarding fabric (at both departmental and agency levels). This may, for example, result in surveying 20 per cent of facilities each year to recalibrate the 80 per cent not surveyed last year.</p> <p>Pilot residential aged care site have been selected to trial ways fabric survey assessment data can be made more enduring, and different methodologies (data recalibration based on indices, sample audits, service life curves and web-based IT enablement) are being explored.</p>
<p>Recommendation 9 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory however the Auditor-General's report was critical of the delays in undertaking these surveys. The Committee considers it is important for the DOH to monitor the "current" condition of the State's public sector aged care facilities to enable the efficient and effective allocation of capital works resources and to ensure that any risks associated with infrastructure assets are identified and managed in a timely manner. These surveys are critical to strategic asset management decision-making.</p>		

A.1.5 Part D — Priority Two Follow-ups – Chapter 3: Docklands Film and Television Studios (Recommendation 2)

Table A.5: Response from the Department of Business and Innovation (DBI) (formerly the Department of Innovation, Industry and Regional Development (DIIRD))

PAEC Recommendation	Action reported in Government Response	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
Recommendation 2 That Department of Innovation, Industry and Regional Development (and the Department of Business and Innovation) engage commercial advisers or source relevant expertise to undertake regular financial assessments of the Docklands film and television studios.	<p>While the Government remains the sole shareholder, Melbourne Central City Studios Pty Ltd (MCCS) will continue to utilise the services of the Victorian Auditor-General as the company's auditor.</p> <p>Further questions from the Committee</p> <p>Has the DBI undertaken regular financial assessments of the Docklands film and television studios?</p>	<p>Circumstances have now changed since this recommendation was made. "Recommendation 2" is dated November 2008 which is effectively before the State purchased MCCS and the "Action reported" is from May 2009, which is after the purchase.</p> <p>There are a number of regular arrangements for the ongoing assessment of the financial situation of Docklands Studios Melbourne Pty Ltd (formerly Melbourne Central City Studios Pty Ltd) (DSM).</p> <p>The Board of DSM scrutinises financial reports on a monthly basis. DSM provides financial reports on a quarterly basis to the Department of Treasury and Finance and the Department of Business and Innovation (formerly the Department of Innovation, Industry and Regional Development).</p> <p>The VAGO was appointed the auditor of DSM in 2008, and has audited DSM for financial years 2008/09 and 2009/10. VAGO is preparing to audit the accounts of DSM for financial year 2010/11.</p>
Recommendation 2 – PAEC Comments The response has been reviewed by the Committee and is considered to be satisfactory. The DBI has advised that regular and ongoing financial assessment is undertaken by the Board and the Department of Treasury and Finance with annual audits undertaken by the Auditor-General.		

A.1.6 Part D — Priority Two Follow-ups – Chapter 4: Vocational Education and Training: Meeting the Skill Needs of the Manufacturing Industry (Recommendations 4-7)

Table A.6: Responses from the Department of Business and Innovation (DBI) and the Department of Education and Early Childhood Development (Skills Victoria and the Victorian Skills Commission) (DEECD)

PAEC Recommendation	Action reported in Government Response	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
Recommendation 4 That Department of Innovation, Industry and Regional Development (now the Department of Business and Innovation) undertake a review of the validation process for Change Drivers after two years of operation.	<p>All Change Driver reports prepared by Industry Training Advisory Bodies (ITABs) were independently validated during 2008 and any gaps in evidence rectified. A new pro-forma for preparation of subsequent Change Driver reports was also developed. The use of the Change Driver reports will be reviewed within the context of Skills Reform.</p> <p>However, ITABs will continue to provide advice on a regular basis to Skills Victoria on industry skills/training needs. This advice will be used as an input to a consolidated information service for vocational education and training (VET) audiences.</p> <p>It is envisaged that Skills Victoria will establish a mechanism for the independent consolidation of this advice from ITABs prior to its publication by the Government.</p>	<p>Since 2009, Skills Victoria (DEECD) has utilised the services of a prominent consultant with recognised expertise in economic and labour market outlook to consolidate and validate ITABs advice on industry skills needs.</p> <p>This has significantly improved the consistency and quality of this advice which in turn generates information for VET audiences to guide career and training decisions.</p> <p>With the move to a demand-driven training system, the Victorian Skills Commission (VSC) has recently revised the functions and deliverables for ITABs to better support its market facilitation role.</p> <p>The VSC will produce a Market Effectiveness Report in early 2012, drawing on a range of intelligence including industry sector reports provided by ITABs, which will focus on issues relevant to the operation of the training market in their industries.</p> <p>It is envisaged that the independent validation of this advice will continue as a key part of the preparation of this report.</p>
Recommendation 4 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		

PAEC Recommendation	Action reported in Government Response	Status and outcomes of actions taken to address PAEC recommendation/ Response to further questions (August 2011)
<p>Recommendation 5</p> <p>That the Victorian Skills Commission review its planning process to be a forward, incremental and bench marked rolling three year plan.</p>	<p>The Victorian Government has released its skills reform policy Securing Jobs for Your Future Skills for Victoria which changes the basis on which the Victorian Skills Commission (VSC) will operate.</p> <p>It recognises the need for structural changes in the way the training system is funded and managed.</p> <p>Specifically, the shift to an entitlement approach to funding is founded on an understanding that individual choice is a critical driver of growth.</p> <p>The VSC's role is to provide advice and monitor the success of reforms designed to get more people into training.</p> <p>Further questions from the Committee</p> <p>Does the Victorian Skills Commission have a forward three year plan?</p>	<p>The VSC has approved a revised role to oversee the responsiveness of the training market to industry needs, and to communicate this to the Minister and the training market via an annual VSC Skills market effectiveness report. The Report is currently under development.</p> <p>While the VSC does not have a forward planning role in the new entitlement-based, demand driven training market, it has set annual work priorities including actions to improve the responsiveness of the training market to industry needs.</p>
<p>Recommendation 5 – PAEC Comments:</p> <p>Response considered satisfactory given changes made to the role of the Victorian Skills Commission to one of overseeing the responsiveness of the training market to industry demand. The Committee notes that this revised role does not encompass forward planning. The last Strategic Plan of the Victorian Skills Commission was 2008-10.</p> <p>The Committee noted from the Skills Victoria website that the agency currently produces quarterly reports on the Victorian Training Market which includes comment on any emerging trends.</p>		

PAEC Recommendation	Action reported in Government Response	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 6</p> <p>That Department of Innovation, Industry and Regional Development (now the Department of Business and Innovation) continue to implement the Auditor-General's recommendation and provide TAFE institutions with guidance in developing strategic plans which link into the business plans of both Skills Victoria (within the DEECD) and TAFE institutions as well as general Government policy.</p>	<p>Skills Victoria (DEECD) will continue to work in partnership with TAFE institutions in the area of enhanced strategic planning.</p> <p>A measure of their ability to plan and operate in a strategic way is the success of Victorian TAFE institutions in the attraction of fee for service income.</p> <p>Victoria's fee for service revenue in 2007 comprised 47.5% of national fee for service operations of all TAFEs, the growth rate in 2007 was 17.1%, well above the national average of 12.8%.</p> <p>As announced in <i>Securing Jobs for Your Future – Skills for Victoria</i>, the Department of Innovation, Industry and Regional Development is also working with TAFE institutions on changes to governance to ensure that they have the flexibility they need to operate in the new contestable environment. Any changes will take into account the standards of accountability applied to Victorian public entities.</p> <p>Further questions from the Committee</p> <p>What guidance has the DEECD developed for assisting TAFE institutions to develop strategic plans?</p>	<p>Under the terms of the <i>Education and Training Reform Amendment (Skills) Act 2010</i> all TAFE boards must now submit strategic plans to the Minister for approval or variation.</p> <p>All TAFE commercial functions must be consistent with these strategic plans.</p> <p>Skills Victoria (DEECD) has the responsibility to assist TAFE institutes, and is now working with the following planning process and protocols:</p> <ul style="list-style-type: none"> • The Minister issues a Statement of Expectations in relation to policy requirements. • Each TAFE board must prepare an annual Statement of Corporate Intent (SCI) in relation to VET, and must take into account the Minister's Statement of Expectations and consult with the Departmental Secretary on its content. • The SCI is a high level TAFE institute board strategic planning document. • The SCI is submitted to the Minister (via Skills Victoria) for consideration, and Skills Victoria provides recommendations, as appropriate. • The SCI must be consistent with the institute's own strategic plan and the SCI sets out in detail: the services to be provided by the institute; the public funds to be provided to the institute; the related objectives, priorities and key performance outcomes; the specific performance indicators, targets or measures that establish success; the performance reporting arrangements to the Minister and the Departmental Secretary; and include any other matters agreed to with the Minister, or as the Minister directs. • To facilitate this process, executive officers from Skills Victoria (representing the Departmental Secretary) meet with each TAFE institute executive team in two semi-annual Strategic Dialogues. The first Dialogue of the year reviews progress against the current SCI and the second assists the institute to formulate its SCI for the following year. • The conclusion of this revised strategic planning process is an endorsed Public Provider Funding Agreement (to be known as Partnership Agreements from 2012). <p>This new strategic planning cycle and systematic planning cycle is a mechanism to ensure that the development of TAFE strategic plans do link, in practice, the business plans of both Skills Victoria and TAFE institutions; as well as general Government policy.</p>
<p>Recommendation 6 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

PAEC Recommendation	Action reported in Government Response	Status and outcomes of actions taken to address PAEC recommendation/ Response to further questions (August 2011)
<p>Recommendation 7</p> <p>That Department of Innovation, Industry and Regional Development (now the Department of Business and Innovation) ensure that through its TAFE Selected Measures Report or other such document, outcomes of Vocational Education and Training are tracked and measured in meaningful and reliable ways.</p>	<p>As part of the skills reform agenda, Skills Victoria is currently reviewing and realigning its outcomes and performance monitoring framework to ensure that the impact of skills reform is properly monitored.</p>	<p>Outcomes of VET are tracked, analysed and disseminated through a suite of reports and presentations, namely:</p> <ul style="list-style-type: none"> • VET System Quarterly Report presented to Skills Victoria Executive, the Skills and Training IDC and the Victorian Skills Commission • Quarterly reporting to the DEECDs Portfolio Strategy Board on performance in relation to key policy areas • Tailored TAFE quarterly reports are distributed to all TAFEs • Quarterly presentations to a joint meeting of TAFE CEOs on VET system performance • A set of diagnostic indicators are being developed to inform and support a strategic dialogue between TAFE institutes and Skills Victoria • Regular presentations on VET activity to non-TAFE providers • Budget Paper No.3 – Reporting to DTF on VET performance for 19 key measures under the Budget Paper No.3 reporting framework. <p>VET training market data and quarterly reports published on the Skills Victoria website</p>
<p>Recommendation 7 – PAEC Comments:</p> <p>The response indicates that action has been taken to measure performance and outcomes in the area of vocational education and training. The Committee looks forward to meaningful performance information being included in future Annual Reports.</p>		

A.2 Public Accounts and Estimates Committee Report No. 86 – Review of the Findings and Recommendations of the Auditor-General's Reports 2007

A.2.1 Part A — Report on State Investment in Major Events (Recommendations 1-5)

Table A.7: Responses from Department of Business and Innovation (DBI) (formerly the Department of Innovation, Industry and Regional Development (DIIRD))

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
Recommendation 1 The Department of Innovation, Industry and Regional Development (now the Department of Business and Innovation) consider measuring in a reliable manner the extent of repeat visits of tourists that attend the Spring Racing Carnival and like events and elect to visit Victoria on a subsequent occasion or extend their stay after attending the major event.	The Department of Innovation, Industry and Regional Development will continue to utilise an economic assessment approach to event evaluation. Further questions from the Committee The Committee recommended that the DBI measure the impact of major events in general on induced tourism, not just those funded under the Major Events Cap. Could the DBI comment on whether this is being undertaken?	The Auditor-General's report on State Investment in Major Events expressed some concern regarding the availability of reliable data or studies relating to induced tourism impacts (additional tourists that come to Victoria subsequent to an event as a result of their positive exposure to Melbourne or Victoria). The Department of Business and Innovation notes that the reliable estimation of induced tourism impacts would be a very costly and resource intensive exercise. As a result, the DBI has focused its resources on assessing the economic impact of events within the Major Event Fund.
Recommendation 1 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory. The DBI has chosen to focus its resources on assessing the economic impacts of events within the "Major Event Fund" and not all events due to the high cost of obtaining and analysing data.		
Recommendation 2 To preserve effective and informed decision-making and enhance accountability, the revised Major Events Assessment Statement (MEAS) include a description of the relative importance or weighting attached to each information category of the proposal.	This recommendation was rejected by the DBI. The DBI will continue to work with the Victorian Major Events Company and other agencies to ensure comprehensive and accurate information is provided in MEAS for decision-making purposes.	
Recommendation 2 – PAEC Comments: No follow-up of this recommendation has been undertaken by the Committee.		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 3</p> <p>To enhance transparency over the economic modelling used in the preparation of economic impact assessment reports (pre-event) and post-event assessments for major events staged in Victoria, the Department of Innovation, Industry and Regional Development (now the Department of Business and Innovation) disclose:</p> <ul style="list-style-type: none"> (a) the economic rationale, including key assumptions with details of the economic models used, that show various scenarios in relation to the level of economic impacts; and (b) for each major event, details of the economic model(s) and the key assumptions used in the analysis of economic impacts, together with the reasons for choosing the particular economic model and relevant scenarios to be applied. 	<p>By broadening the application of this economic assessment approach to all events (funded less than \$10 million per annum), post event economic data captured will be consistent and transparent allowing for future trend analysis and event comparisons thereby enhancing the information available for decision-making purposes.</p> <p>Further questions from the Committee</p> <p>Can the DBI advise the Committee how broadening the application of the economic assessment approach to all events has addressed concerns over transparency of the modelling formula?</p>	<p>In accordance with the recommendations outlined in the Auditor-General's report on State Investment in Major Events, economic impact assessments are now more rigorous and transparent in terms of the economic rationale and assumptions used.</p> <p>The economic assessment approach for all events (funded less than \$10 million per annum) is based on calculating the new money that has entered Victoria that would not have entered had the event not been staged.</p> <p>This approach is based on published methodologies and the rationale and relevant assumptions are as outlined in the Government response to the Committee's 86th report tabled in Parliament in November 2009.</p> <p>The application of this approach to all events ensures a transparent and consistent approach to economic impact assessment of major events.</p>
<p>Recommendation 3 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 4</p> <p>The Department of Innovation, Industry and Regional Development (now the Department of Business and Innovation) ensure that post-event evaluation reports for major events include an assessment of the effectiveness of the risk management and mitigation processes and sufficiency of contingencies identified in the risk management model, strategy and plans developed by event organisers.</p> <p>The assessment should include any lessons learnt in terms of risk identification and risk management for future events.</p>	<p>The DIIRD (now the DBI) continues to give consideration to the best way of assessing the effectiveness of risk management for major events and a more focused review of the extent to which active risk management has been evidenced remains under consideration.</p> <p>This may include, for example, testing the effectiveness of risk management by evaluating both the extent to which risk events that were not anticipated have occurred, and the effectiveness of risk treatments for those risks that had been anticipated.</p> <p>Further questions from the Committee</p> <p>Has the DBI now finalised its consideration of this matter and if so, what approach has been adopted to assessing the effectiveness of risk management for major events?</p>	<p>A number of approaches to assessing the effectiveness of risk management at major events have been trialled. However, an agreed approach is yet to be finalised.</p> <p>The Department of Business and Innovation, in collaboration with event stakeholders, continues to consider the most appropriate approach to assessing the effectiveness of risk management across major events.</p> <p>Currently, risk factors that may potentially impede the achievement of the objectives of staging an event are considered as part of evaluations and, where appropriate, reports include comment on these factors to inform the management of future events.</p> <p>This aligns with the recommendations outlined in the Auditor-General's report on State Investment in Major Events in terms of considering the effectiveness of risk management and continuous improvement arrangements.</p>
<p>Recommendation 4 – PAEC Comments:</p> <p>It is now over four years since the Auditor-General tabled his report on “<i>State Investment in Major Events</i>” (May 2007). The Committee considers that sufficient time has elapsed to enable the DBI to have given due consideration to its approach to assessing the effectiveness of risk management surrounding major events. The approach should now be confirmed as a matter of priority. The Committee also considers that the current Victorian Government Risk Management Framework issued by the Department of Treasury and Finance and ISO 31000:2009 Risk Management Standard provide “best practice” guidance in relation to issues surrounding risk management principles and approaches.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 5</p> <p>The Department of Treasury and Finance ensure that the guidelines governing the economic assessment of major events that take into account the size and importance and level of government funding for each particular event be prepared in a manner that will enable the technical aspects of the modelling and the interpretation thereof to be easily comprehended.</p>	<p>Response by DTF: The Department of Treasury and Finance has been consulted on the guidelines governing the economic assessment of major events. These guidelines appear sufficiently transparent to enable the technical aspects of the modelling and the interpretation of it to be easily comprehended.</p> <p>Response by DBI: The economic assessment approach endorsed by Government for events funded under \$10 million is a conservative approach commensurate to the event size and level of Government funding, as outlined in the response to Recommendation 3 (above). For events funded greater than \$10 million per annum, the economic approach will be developed specifically for the individual event.</p> <p>Further questions from the Committee</p> <p>The Department of Treasury and Finance have indicated that the guidelines “appear” sufficiently transparent to enable ease of comprehension. Could the Department of Business and Innovation confirm to the Committee whether the practical application of the guidelines does in fact enable the technical aspects of the economic assessment of major events to be easily interpreted?</p>	<p>The Department of Business and Innovation considers that the technical aspects of the economic assessment of major events are easily interpreted.</p> <p>The economic assessment approach is intended to be clear and non-complex so that it is easily comprehended.</p> <p>As outlined in the response to Recommendation 3 (above) the approach is based on calculating the new money that has entered Victoria that would not have entered had the event not been staged.</p>
<p>Recommendation 5 – PAEC Comments:</p> <p>The Committee was first advised in November 2008 that the guidelines for the economic assessment of major events were being developed by the DTF and the DBI. In April 2009, the Committee was advised by the DBI that the guidelines were yet to be finalised but would likely be completed by the end of 2009.</p> <p>The response of the Department of Business and Innovation is somewhat ambiguous as to whether actual guidelines for economic impact assessments have in fact been finalised. The response states that the DBI has its own approach to economic modelling in respect of assessing major events staged in Victoria which have been discussed with the DTF. The DBI also advises that the technical aspects of the economic modelling and resultant interpretation are clear and easily comprehended. The response also states that for ‘events funded greater than \$10 million per annum, the economic approach will be developed specifically for the individual event.’</p> <p>While the response received suggests that the recommendation appears to have been addressed in part, the Committee was unable to determine whether formal guidelines for the economic assessment of major events have in fact been formalised as a set of prescribed guidelines as such. No information or guidelines in respect to economic impact assessments were able to be located on the internet or on the websites of either the DTF or the DBI. The Committee is also concerned about the lack of formal guidance surrounding the economic assessment of events funded in excess of \$10 million per annum.</p>		

A.2.2 Part B — Maintaining Victoria's Rail Infrastructure Assets (Recommendations 6-9)

Table A.8: Responses from the Department of Transport (DOT)

PAEC Recommendation	Action reported in Government Response	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions
Recommendation 6 The Department of Transport apply best practice for rail infrastructure to continue to improve the maintenance, renewal and reporting for the intrastate rail network.	<p>The DOT continually improves its monitoring of intrastate rail maintenance and renewal activities and has increased its on-site auditing of Major Periodic Maintenance works since the Auditor-General's report in 2007.</p> <p>The DOT is currently working towards a new infrastructure lease with the intrastate rail franchisee. Once executed, the lease will provide the Director of Public Transport with wider powers for monitoring and auditing rail infrastructure condition and performance.</p>	<p>The intrastate rail network is under a new Rail Infrastructure Lease which contains a regular audit regime and monthly meetings to address stricter compliance monitoring and facilitate better communication between the parties.</p> <p>The MR3 Franchise provided an additional \$880 million to deliver increased maintenance outputs on its network. Maintenance and renewal incorporates works on track, signalling systems, communications systems, power supply systems and structures.</p> <p>In March 2010, the Government invested \$145 million in infrastructure works to improve reliability across the metropolitan rail network. The 2011-12 State Budget provided \$100 million over four years to establish a new Maintaining our Rail Network Fund for rail asset renewal and maintenance to improve the reliability and punctuality of Victoria's rail system and ensure its effective and efficient performance. The funding will be administered by the Victorian Public Transport Development Authority to increase maintenance on tracks, points, ballast and other rail network basics.</p>
Recommendation 6 – PAEC Comments: The DOT's response indicates that significant action has been taken since the Auditor-General's report was tabled in May 2007, to address maintenance and renewal issues surrounding the rail infrastructure network and to improve compliance monitoring. The response has been reviewed by the Committee and is considered to be satisfactory.		
Recommendation 7 The Department of Transport continue to work with the infrastructure manager to include more detailed information on the benefits, risks and performance improvements associated with undertaking each maintenance and renewal activity.	<p>The DOT will continue to work closely with the new infrastructure manager to provide maintenance and renewal reports in accordance with the requirements of the new Franchise Agreement.</p>	<p>All infrastructure managers produce monthly reports that are monitored in accordance with Franchise Agreements or leases. Audit regimes have been intensified addressing stricter compliance monitoring. This is complemented by better communication between the parties.</p>
Recommendation 7 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		

PAEC Recommendation	Action reported in Government Response	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions
<p>Recommendation 8</p> <p>The Department of Transport implement its revised key performance indicators (KPIs) as soon as possible, with reasonable flexibility allowed in its new franchise agreements for improvements and revisions from time to time.</p>	<p>The DOT will closely monitor the performance of the infrastructure and franchisee in the new franchise and constantly review the KPIs for improvement.</p> <p>Further questions from the Committee</p> <p>The Committee seeks further information on the status of the revised KPIs? Has the new franchise agreement got sufficient flexibility to allow for KPIs to be reviewed and revised when required?</p>	<p>The most recent Franchise Agreements for Train and Tram include five 'Performance Benchmarks' (of which three may vary from year to year) which monitor Franchisee performance over various areas of the business. Further, failing to meet the benchmarks may preclude the Franchisee from a sole negotiation of a subsequent contract term. For the first assessment year of the franchisees, Metro achieved 3/5, with Yarra Trams 4/5. This year's results are yet to be confirmed.</p>
<p>Recommendation 8 – PAEC Comments:</p> <p>Key performance indicators are important in assessing the performance of the franchisees in operation of the metropolitan train and tram systems. The DOT finalised the revised KPIs in October 2008 and has advised that the performance of the franchisees in meeting “performance benchmarks” is monitored annually. The Committee stresses the importance of reviewing KPIs from time to time to ensure that they remain relevant and meaningful.</p> <p>The response is considered satisfactory.</p>		
<p>Recommendation 9</p> <p>The Department of Transport and V/Line put in place a performance information and reporting framework to oversee and measure the effectiveness of maintenance and renewal activities.</p>	<p>The DOT and V/Line will continue to explore improvements to the maintenance and renewal activity reporting format, including a greater focus on KPIs and maintenance milestones.</p>	<p>The DOT and V/Line have reviewed the performance and reporting framework and have made improvements to better define the measurement and effectiveness of maintenance activities.</p>
<p>Recommendation 9 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

A.2.3 Part C — Promoting Better Health through Healthy Eating and Physical Activity, Department of Health (Recommendations 10-17, 19-21, 23, 24, 26 and 27)

Table A.9: Responses from the Department of Health (DOH)

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 10</p> <p>There is a need for each of the lead agencies providing health promotion program funding to undertake a comprehensive review of their respective funding models to ensure that funds are:</p> <p>(a) efficiently distributed to maximise the amounts deployed on the ground;</p> <p>(b) sufficient to effectively administer and evaluate programs;</p> <p>(c) sustainable and consistent with the goals and objectives of the program; and</p> <p>(d) sufficiently flexible to respond to local needs and issues.</p>	<p>The health promotion funding formula will be updated so that funding allocations for the next three year funding period (2012-2015) factor in changes over time to population demographics and burden of disease.</p> <p>A significant majority of the health promotion funding provided to the funded sector in 2009-2012 is required to be acquitted using the collaborative approach. Flexibility to address local issues will remain in place.</p>	<ul style="list-style-type: none"> The DOH is reviewing the health promotion funding formula so that funding allocations for the next three year funding period (2012-2015) factor in changes over time to population demographics, burden of disease and take account of the investment through the <i>National Partnership Agreement on Preventive Health</i> (NPAPH). A significant majority of the health promotion funding provided to the funded sector in 2009-2012 is required to be acquitted using a collaborative approach. Flexibility to address local issues remains in place. The Victorian implementation approach to the NPAPH will deploy a funding model that delivers resources directly to local communities and incorporates a robust evaluation approach.
<p>Recommendation 10 – PAEC Comments:</p> <p>The DOH's response suggests that a significant amount of health promotion funding is provided to local communities, which helps to target local issues.</p> <p>In relation to the Committee's recommendation for a review of the health promotion funding model, the DOH's response on the status of this recommendation indicates that no real progress has been made since the DOH's original response in November 2009.</p> <p>The Committee encourages the DOH to finalise the review of the health promotion funding formula as it initially advised the Committee. The Committee assumes that the review can be finalised before the level of 2012 health promotion funding is determined.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 11</p> <p>The Department of Health (formerly part of the Department of Human Services) consider:</p> <p>(a) developing a prescriptive model for building community capacity across the community health and public health partnership sector together with targeted training and tools to assist implementation in local organisations; and</p> <p>(b) funding demonstration sites across the sector which exhibit best practice approaches to capacity building.</p>	<p>A state-wide capacity building strategy is currently being planned to complement Environments of Health, the new <i>Public Health and Wellbeing Act (2008)</i> and the <i>National Partnership Agreement on Preventive Health (NPAPH)</i> which begins in 2009-10.</p> <p>This strategy is planned to commence in 2010 and will provide resources for training, planning implementing and evaluating local level population health initiatives. Evaluation work from this strategy will be disseminated to encourage best practice.</p> <p>The DOH uses demonstration sites where further lessons or insights are needed or where the practice is new and would benefit others to see it in practice.</p>	<ul style="list-style-type: none"> The DOH continues to work with local governments to strengthen local planning and capacity building. The DOH has commissioned the following projects: <ul style="list-style-type: none"> Assisting Councils to Review their Municipal Public Health and Wellbeing Plans (MPHWPs) to assist council design effective processes for annual review of their MPHWP, including review of outcomes and achievements, implementation and evaluation. This resource will be disseminated to councils through workshops in all regions later in 2011. Evaluation and development of a guide for Local Government on integrating municipal public health and wellbeing plans into council plans aims to further strengthen integrated planning approaches by councils. The departmental funding provided to regions over the three years, 2010-2013 (\$547,318 for 2010-11) aims to further strengthen good practice in municipal public health and wellbeing planning. Regional strategies for the allocation of these funds have been prepared and include training initiatives and support for evaluating local level population health initiatives. The Victorian implementation of the NPAPH is funding 14 local government area (LGA) sites to test a community model for prevention.
<p>Recommendation 11 – PAEC Comments:</p> <p>The Department's response indicates that significant effort is being invested in assisting local government authorities to develop integrated health and wellbeing plans and build community capacity. In addition, the Committee notes that implementation of the <i>National Partnership Agreement on Preventative Health</i> will further assist this effort.</p> <p>The Committee looks forward to the Department's future evaluation and reporting of the improvements made in community health in terms of both capacity building and health and wellbeing outcomes as a result of these efforts.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 12</p> <p>Given the critical need for current data on obesity related indicators to facilitate lead and local agency planning, the implementation of the <i>Victorian Health Monitor</i> across the State should be afforded a high priority by the Department of Health (formerly part of the Department of Human Services) to enable the results to be accessed by interested stakeholders as soon as possible.</p>	<p>The results from the <i>Victorian Health Monitor</i> will be available on the DOH website and widely disseminated to stakeholders.</p> <p>Recipients will include Primary Care Partnerships (PCPs), local government authorities, community health centres, VicHealth, the Heart Foundation, and the Cancer Council Victoria.</p> <p>The findings from the study will be reported in two reports, the:</p> <ul style="list-style-type: none"> • <i>Cardiovascular Disease and Diabetes Risk Factor Report</i>; and • <i>Food and Nutrition Survey report</i>. 	<ul style="list-style-type: none"> • The Department of Health has completed the <i>Victorian Health Monitor</i> (VHM) and collected data on the prevalence of diabetes, cardiovascular disease, kidney disease and associated risk factors for these chronic diseases including obesity and hypertension in adults aged 18 to 75 years. • The <i>Victorian Health Monitor</i> has also collected comprehensive information on the dietary habits and nutritional status of the adult population. • These two <i>Victorian Health Monitor</i> reports are being completed for future dissemination; they will be available late 2011.
<p>Recommendation 12 – PAEC Comments:</p> <p>The Committee notes the DOH's response indicating that the <i>Victorian Health Monitor</i> has now been implemented and that data collection has been undertaken in relation to a number of chronic diseases. The Committee reviewed the Department of Health website in February 2012 for material relating to the <i>Victorian Health Monitor</i> and also for the reports referred to by the DOH in its response. The Committee was unable to identify any detailed information about the VHM on the website or either of the two reports noted by the Department in its response to the Committee.</p> <p>The Committee notes the evidence given by the Department at the public hearing in December 2008 that the <i>Victorian Health Monitor</i> would be implemented state-wide in 2009 with the results reported in 2010. The Department's most recent response to the Committee indicates that reports would be available in late 2011.</p> <p>The Committee is concerned that analysis, publication and dissemination of the results of the data collected through the <i>Victorian Health Monitor</i> continues to be delayed and reiterates the importance of the availability of current data on health status and indicators within the community to assist planning and more effectively target resources for preventative health programs and initiatives.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 13</p> <p>The Department of Health (formerly part of the Department of Human Services) consider means for sharing relevant health and lifestyle data gathered across local and local agencies and non-government organisations in relation to issues associated with overweight and obesity and chronic disease to improve access and assist lead and local agency planning.</p>	<p>The data and information that the DOH collects, analyses and disseminates include:</p> <ul style="list-style-type: none"> • The Burden of Disease study; • Information on trends in avoidable mortality; • Data on ambulatory care sensitive conditions; • The Victorian Health Information Surveillance System; and • The Victorian Population Health Survey. <p>This information is available on the health status website and informs policy development and contributes to overall program planning for chronic disease prevention and other activities in Victoria.</p> <p>The information from the expanded Victorian Population Health Survey at LGA level will be available in late 2009 in a report, 79 LGA fact sheets and on the DOH health status website.</p> <p>DOH reviews the data collection and dissemination on an ongoing basis to ensure it is both relevant and useful.</p>	<ul style="list-style-type: none"> • The Victorian Population Health Survey 2008 has been completed. The survey was expanded to the local government area level to meet the need for local area level data required to inform and support local area planning, implementation and evaluation of health programs. • The report of the Victorian Population Health Survey 2008 at the LGA level was released on 26 September 2010.
<p>Recommendation 13 – PAEC Comments:</p> <p>The Committee reviewed the “<i>Health Status of Victorians</i>” section of the Department of Health website. The Committee notes that the section includes a range of data and information relating to the health and wellbeing of Victorians. In particular, data from the most recent surveys and studies such as, “<i>Burden of Disease</i>” results in 2001, “<i>Ambulatory Care Sensitive Conditions Study</i>” for 2004-05 and the “<i>Victorian Population Health Survey</i>” for 2008. The major findings of the Victorian Population Health Survey 2008 have been grouped into Local Government Areas (LGAs) and are available on the website via fact sheets for each Area. In addition, the most recent report of the Chief Health Officer (2010) provides information about the general health and well-being of the Victorian population as at December 2009. This report is compiled biannually.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 14</p> <p>VicHealth and the Department of Health (formerly part of the Department of Human Services) work together to develop a research investment strategy which identifies and prioritises state-wide research projects in the area of health promotion directed at addressing the increasing rates of overweight and obesity in the population. In identifying projects, consideration should be given to</p> <p>(a) identifying the gaps in the research base in respect of the factors which cause overweight and obesity and the most effective strategies to tackle these factors;</p> <p>(b) research being undertaken nationally, interstate and overseas so as to minimise any potential areas of duplication and to assist in the design of research projects in the State;</p> <p>(c) an assessment of the human and financial resources required to undertake the required research into obesity, dietary behaviour and physical activity together with an assessment of the adequacy of the current level of investment in research activities in these areas; and</p> <p>(d) the development of criteria or methodology for prioritising the research projects identified.</p>	<p>The DOH and VicHealth will develop a coordinated Strategic Prevention Research and Knowledge Strategy for Victoria.</p> <p>VicHealth will be invited to be a member of the Advisory Partner Network in the development of the State Public Health and Wellbeing Plan</p> <p>The State Public Health and Wellbeing Plan and linked Municipal Public Health Plans will guide the State's research investment in obesity prevention.</p> <p>The DOH will develop a system to undertake rapid reviews of research evidence to guide intervention design.</p> <p>The DOH will engage VicHealth in the development of a centre of Excellence in intervention and Prevention Science for Victoria which will enable targeted and needed (Gap) research in prevention for children, workers and communities. In particular this Centre will provide and build expertise in economic impact analyses of interventions to aid government decision making.</p>	<ul style="list-style-type: none"> • The Prevention & Population Health Advisory Board was established to provide high level strategic advice to the Department of Health in relation to prevention, including the development of the State Public Health & Wellbeing Plan. The VicHealth CEO is a member of the Board. • A new Centre of Excellence in Intervention and Prevention Science (CEIPS) was established to conduct research into prevention and intervention to assist in tackling the rise of chronic diseases in Victoria. • The DOH has commissioned and published several rapid reviews which synthesised the available research on interventions to prevent chronic disease. These include: rapid reviews in the areas of workplace health; mental health promotion in schools and early childhood settings; community-based interventions; and mass media interventions.
<p>Recommendation 14 – PAEC Comments:</p> <p>The Department of Health website states that evidence based decision-making is a key principle of the <i>Public Health and Wellbeing Act 2008</i>. The Committee notes the DOH's response which refers to the establishment of a Centre of Excellence to conduct research into the prevention of chronic disease. The Committee looks forward to the work of this Centre providing a valuable resource to the Department of Health in the development of future public health policy and practice.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 15</p> <p>The Department of Health (formerly the Department of Human Services) finalise the development of comprehensive performance indicators relevant to the <i>Go for your life</i> Strategic Plan as a matter of urgency.</p>	<p>Reporting on the 2006-2010 performance of <i>Go for your life</i> will reflect development of the evidence base, building capacity and partnerships and the ability to establish more robust benchmarks for performance assessment. This work is underway and the performance indicators will track progress against the 'short term impacts' identified in the <i>Go for your life</i> program logic.</p> <p>Planning for the next phase of the <i>Go for your life</i> initiative beyond 2010 will establish, at the outset, a set of agreed priority actions, milestones and targets that will contribute to Victoria's performance on nationally agreed outcomes and performance indicators for healthy weight, healthy eating and physical activity.</p>	<p>The <i>Go for your life</i> initiative ceased on 30 June 2011 and the <i>Go for your life</i> Strategic Plan has expired. The healthy eating and physical activity platform has been redeveloped as part of new approaches.</p>
<p>Recommendation 15 – PAEC Comments:</p> <p>The Committee's original report in June 2009 raised the issue of insufficient evaluation undertaken by departments of the outcomes of specific health initiatives to provide information which could assist future planning and continuous improvement.</p> <p>The DOH initially responded to the Committee in November 2009 that more robust benchmarks would be developed to enable improved performance assessment in relation to the <i>Go for your life</i> Strategy 2006-2010. And that beyond 2010, milestones and targets would be established at the outset against which health programs and initiatives could be assessed. It is disappointing that the follow-up response by the DOH provides no indication of any evaluation of the <i>Go for your life</i> Strategic Plan or lessons learned from an assessment of the achievements or impacts of the Plan over the five years ending with the cessation of the <i>Go for your life</i> initiative in June 2011.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 16</p> <p>A concerted effort be made by the Department of Health (formerly part of the Department of Human Services), the Department of Planning and Community Development and the Department of Education and Early Childhood Development to develop and implement comprehensive evaluation frameworks, which include relevant and appropriate performance indicators to improve the assessment and reporting of information about the health outcomes of health promotion programs and activities.</p>	<p>Both the Department of Planning and Community Development (DPCD) and the DEECD will be invited to participate in the governance structure for the development of Victoria's implementation plan under the National Partnership.</p> <p>The DOH will convene a group to advise on continuous quality improvement of the new reporting measures for health promotion. The aim of this approach is to foster cross program consistency to the assessment and reporting of health promotion activity using a consistent framework and consistent measures.</p> <p>The NPAPH includes identified outcomes, performance targets and indicators related to healthy body weight, healthy eating and physical activity.</p>	<ul style="list-style-type: none"> Both the DPCD and the DEECD are represented on the Victorian Prevention and Population Health Advisory Board that has been established to provide direction, high-level strategic advice and recommendations on population health and prevention strategies which include the NPAPH. The Department of Health has developed and published a list of impact and outcome indicators for nutrition, physical activity and obesity programs, and evaluation tools to measure these impact and outcome indicators. These are available on the DOH website. Consistent baseline LGA obesity, dietary and physical activity population measures taken in 2008, 2011 and 2014 through the enhanced Victorian Population Health Survey in those years will be used to compare outcomes from the NPAPH implementation.
<p>Recommendation 16 – PAEC Comments:</p> <p>The Department of Health website includes a section dedicated to Health Promotion under which are listed a number of tools and guidelines to assist in obtaining evidence and supporting evaluations by stakeholders involved in health promotion and disease prevention.</p> <p>The <i>National Partnership Agreement on Preventive Health (NPAPH)</i> covers the period 1 July 2009 to 30 June 2015. The Agreement includes seven performance benchmarks against which performance by the states and territories will be assessed. These benchmarks take the form of comparison of actuals achieved in each state/territory by 2015 against baseline levels measured in 2013 and cover targets related to healthy eating, healthy weight and physical activity in adults and children. The Department has indicated that it intends to use data collected through the Victorian Population Health Survey to measure performance against the benchmarks established under the NPAPH.</p>		
<p>Recommendation 17</p> <p>The Government review the State's current investment in evaluation of health promotion programs to ensure that sufficient funds are available to assess the effectiveness of government programs and activities in this area.</p>	<p>As part of the Primary Health Branch Funded Organisation Requirements 2009-2012 funded sector organisations and consortia will be required to:</p> <ul style="list-style-type: none"> Strengthen the focus on agreed local priorities and the Victorian health promotion priorities; and Develop evaluation plans should as part of the overall plan for health promotion. The new reporting measures will support improved evaluation of health promotion effort through the collection of standard measures, state-wide analysis of data collected and dissemination of feedback to support continuous improvement. 	<ul style="list-style-type: none"> In November 2010, the Department of Health implemented a revised approach to evaluation and reporting. All agencies funded to deliver integrated health promotion will be required to comprehensively plan for the evaluation of one objective from their overall health promotion funding. Standard Integrated Health Promotion 'performance measures' have been developed for use by Community and Women's Health Services and Primary Care Partnerships. The Victorian approach to the implementation of the NPAPH has a significant investment in a research and evaluation workforce.
<p>Recommendation 17 – PAEC Comments:</p> <p>The response is considered satisfactory. The DOH's response suggests that increased emphasis is being placed on evaluation of health promotion programs by funded agencies and that those organisations are expected to plan their evaluation as part of the health program/initiative being implemented including measuring and reporting on their performance in terms of achieving objectives and outcomes and/or impacts of the program.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 19</p> <p>Work being undertaken by the Department of Health (formerly part of the Department of Human Services) to address the recommendations contained in the Evaluation of the Environments for Health report, should be afforded a high priority to improve the effectiveness of Municipal Public Health Plans as a health planning tool.</p>	<p>A support strategy for local government will be implemented aimed at improving planning and evaluation activities associated with Municipal Public Health Planning and the NPAPH.</p>	<p>The NPAPH implementation places Municipal Public Health and Wellbeing Plans (MPHWP) as the primary planning process at the local level. These plans are also linked to the State Health and Wellbeing Plan at the state-wide level.</p> <p>As advised for Recommendation 11, the DOH continues to work with local governments to strengthen local planning and capacity building.</p> <p>The departmental funding provided to regions over the three years, 2010-2013 (\$547,318 for 2010-11) aims to further strengthen good practice in municipal public health and wellbeing planning.</p>
<p>Recommendation 19 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p> <p>Recommendation 20</p> <p>The importance of local government in effecting changes to the lifestyle and behaviour of local communities warrants greater attention and support from the Department of Human Services and the Department of Planning and Community Development in supporting local government to build a capacity and develop its workforce so that they are equipped to undertake meaningful assessments of the outcomes of their Municipal Public Health Plans.</p>	<p>The DOH produces a range of guides to support local government planning and evaluation aimed at improving lifestyle and behaviour. These include evidence guides, an evaluation guide and a revised <i>Environments for Health</i> planning resource.</p> <p>A support strategy aimed at improving planning and evaluation for preventative health activities will be implemented in line with the NPAPH and the <i>Public Health and Wellbeing Act 2008</i>.</p>	<ul style="list-style-type: none"> As advised for Recommendation 11, the DOH has commissioned two projects to assist councils design effective processes for annual review of the MPHWP, and to strengthen integrated planning approaches by councils. The Victorian approach to the implementation of the NPAPH has a governance and evaluation focus that includes assessment of the outcomes of MPHWP.
<p>Recommendation 20 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 21</p> <p>In respect to Aboriginal Health Promotion and Chronic Care plans, the Department of Human Services develop measures to assist agencies in improving the quality and comprehensiveness of these Plans. Consideration needs to be given to ensuring these agencies have adequate funding and training assistance to undertake the required health planning.</p>	<p>The DOH and the Victorian Aboriginal Community Controlled Health Organisation are currently developing phase two of the Aboriginal Health Promotion and Chronic Care (AHPACC) program. This will involve more rigorous monitoring of activities and the provision of more support for planning to improve quality and to focus on client outcomes.</p> <p>This work will coincide with Victoria's implementation of the <i>National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes</i> over four years from 1 July 2009.</p> <p>The first stage of this work will involve regional needs analyses, which will address such matters as adequate funding and training for the development and delivery of health initiatives for Aboriginal people, both within and outside of the AHPACC program.</p>	<p>The AHPACC program, funds eleven partnerships involving 14 community health services and 11 Aboriginal community-controlled health organisations. A program evaluation in 2010-11 identified that monitoring should be increased to include a mix of service delivery data and narrative reporting that captures the complexity of program implementation. New mandatory reporting requirements and monitoring arrangements came into effect on 1 July 2011 which now requires collection of direct service delivery data including: client numbers; identification of Aboriginal clients in funded community health services; and, completion of quality improvement tools to monitor service coordination and program implementation issues.</p> <p>Victoria's implementation of the <i>National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes</i> includes local planning and implementation developed by Regional Closing the Health Gap Advisory Committees through their Regional Closing the Health Gap Implementation Plans. These Implementation Plans include initiatives to utilise the AHPACC type models to increase the roll out of health promotion and chronic care activity at a local level that coincides with the AHPACC partnerships.</p>
<p>Recommendation 21 – PAEC Comments:</p> <p>The DOH's response indicates that the developmental review of the AHPACC in 2010-11 has sought to strengthen the program and inform policy directions. The Committee notes that the Department has also developed an AHPACC Continuous Quality Improvement Tool to support planning and priority setting. In addition, the Department introduced new reporting requirements for AHPACC from 1 July 2011 and strategic directions for 2011-14.</p> <p>The <i>National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes</i> commenced 1 July 2009 and agreed a set of targets aimed at closing the gaps in health outcomes between indigenous and non-indigenous Australians. The Agreement involves the implementation of initiatives relating to: preventative health; primary health care provision; hospital and hospital related care; patient experiences; and sustainability of health services.</p> <p>The Committee notes that one of the findings of the 2010-11 AHPACC review was the need to improve integration and connection with other programs. The Committee notes the DOH has indicated in its response that the AHPACC work will coincide with implementation of the National Partnership Agreement on Indigenous health. The Committee considers this to be an important consideration in minimising the risk of overlap or duplication of effort and to ensure an efficient use of resources to achieve the common desired objectives of these programs and initiatives.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 23</p> <p>The Government give consideration to the development of a social marketing campaign which focuses on the issue of overweight and obesity and its links to chronic diseases. Such a campaign should be directed at raising awareness of the risks associated with unhealthy lifestyle and promoting positive changes in individual and societal attitudes and behaviours over time.</p>	<p>Planning has commenced for proposed social marketing to support <i>Go for your life</i> action 2010 and beyond on lifestyle related risk factors for chronic disease. This will be informed by the evidence from population health surveillance of the health and lifestyle of Victorians and the most effective use of social marketing techniques in supporting increased awareness and the adoption of healthy and active lifestyles.</p> <p>Planning will also take into account the Commonwealth Government's investment in a national social marketing campaign to reduce obesity and other key risk factors under the Council of Australian Government's (COAG's) NPAPH. The national campaign will be developed through ongoing consultation with States and territories and include a small allocation to States for complementary local social marketing activities.</p>	<ul style="list-style-type: none"> • The Victorian approach to implementation of the NPAPH, which has a chronic disease and an obesity emphasis, has a significant and comprehensive social marketing focus relating to obesity at both a state-wide and local community level. • The Commonwealth Government has invested in a national social marketing campaign ('Measure Up') under the NPAPH.
<p>Recommendation 23 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		
<p>Recommendation 24</p> <p>The Government consider a review of the current investment in preventative health promotion in the State given the costs associated with the treatment of chronic diseases and the benefits to be gained from reducing the rate of chronic disease in the State.</p>	<p>A Victorian implementation plan for the NPAPH will be developed.</p> <p>Through the development of health economics capacity via the Centre of Excellence in Intervention and Prevention Science, The DOH will undertake routine economic impact analyses of prevention interventions.</p> <p>The DOH will consider undertaking an initiative to estimate the returns on investment from Victorian prevention for COAG priorities.</p>	<ul style="list-style-type: none"> • Victoria has developed an implementation plan for the NPAPH which takes a community model approach. • The Victorian approach to the implementation of the NPAPH has a comprehensive evaluation focus that includes an economic cost benefit assessment of population outcomes from 2008 to 2014. • A new Centre of Excellence in Intervention and Prevention Science (CEIPS) has been established to conduct research into prevention and intervention to assist in tackling the rise of chronic diseases in Victoria.
<p>Recommendation 24 – PAEC Comments:</p> <p>The Committee notes the allocation of funding by the Commonwealth Government over four years (2011-2015) through the <i>National Partnership Agreement on Preventative Health</i> aimed at slowing the growth in lifestyle related chronic disease in Australia. The DOH has advised that its' implementation of the NPAPH will be integrated with the <i>State Public Health and Wellbeing Plan 2011-2015</i> which seeks to build a state-wide health prevention system which complements the State's healthcare system. The DOH has adopted a community partnership approach to the implementation of the NPAPH and the State Public Health and Wellbeing Plan with programs delivered in early childhood facilities, schools, workplaces and local communities.</p> <p>The Committee looks forward to the DOH's future evaluation of the success of Victoria's Prevention Community Model in achieving the desired outcomes including evaluation of the economic cost/benefit of outcomes to assist in future public resource allocation and investment.</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 26</p> <p>The Government give consideration to the development of a chronic disease prevention strategy for Victoria. Such a strategy needs to:</p> <ul style="list-style-type: none"> (a) clearly identify the causes of serious chronic disease in the State; (b) specifically consider those groups most at risk, particularly indigenous Victorians; (c) determine the research requirements and gaps in the evidence-base; (d) determine the medium and long term objectives of the strategy; (e) assign responsibilities across government; (f) articulate the mechanisms for coordination and communication of activities under the strategy; and (g) determine the monitoring and evaluation mechanisms needed to provide feedback on achievements and determine future direction. 	<p>The DOH has developed a <i>Cancer Action Plan</i>, a Tobacco Control Strategy and a Strategic Framework for Diabetes Prevention and Management.</p> <p>The NPAPH will provide a common framework for action from 2009 to 2015 to reduce the risk factors associated with chronic diseases.</p> <p>Together these initiatives are responsive to the requirements of the recommendation and address the issues identified.</p> <p>The DOH will continue to progress work with the existing chronic disease action plans / strategies and the NPAPH.</p>	<p>The DOH has continued development of preventive health initiatives to encourage and support healthy public policies and environments. Major initiatives include the delivery of the first <i>Victorian Public Health and Wellbeing Plan 2011-2015</i> and the implementation of Victoria's approach under the NPAPH.</p>
<p>Recommendation 26 – PAEC Comments:</p> <p>The Committee notes the strategies referred to in the DOH's original response and notes also that the <i>Cancer Action Plan</i> covered the period 2008 to 2011 and the <i>Diabetes Prevention and Management Strategic Framework</i> the period 2007 to 2010. It is not clear if these strategies have been evaluated following their completion or whether it is intended that these strategies will be revised and reissued. The DOH's response suggests that the main focus in terms of preventative health in the State will be through initiatives under the National Partnership Agreement and also through the implementation of interventions identified under the strategic directions in the <i>Victorian Public Health and Wellbeing Plan 2011-15</i>.</p> <p>The Committee suggests that evaluation of the success of those strategies referred to by the DOH, and which have now expired, would provide valuable input to the design and implementation of future specific preventative health programs and interventions under the <i>Victorian Public Health and Wellbeing Plan 2011-15</i>.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 27</p> <p>The Government, under the auspice of the Department of Premier and Cabinet, review the Victorian Health Promotion Foundation's (VicHealth) enabling legislation to ensure that:</p> <ul style="list-style-type: none"> (a) VicHealth is recognised as the Government's pre-eminent health promotion agency and is given responsibility for leading and coordinating the State's future strategy on the prevention of chronic diseases; (b) the legislation reflects most accurately the current environment in which VicHealth operates; (c) VicHealth is not restricted about how and where best to direct its resources to drive the State's strategy on preventative health and in the most effective manner. 	<p><u>Note:</u> The following comments have been extracted from the <i>Government's Response to the PAEC</i> as provided by the Department of Health in November 2009.</p> <p>The responsibility for leading and coordinating "the State's future strategy on the prevention of chronic disease" is the responsibility of the DOH, in particular, as part of a comprehensive whole-of-government program of work.</p> <p>VicHealth is one component of the government's investment in health promotion and disease prevention in Victoria and not the totality of investment.</p> <p>Under the leadership of the DOH, VicHealth plays an important role in collaborative health promotion and prevention efforts.</p> <p>The DOH has no plans to review the <i>Tobacco Act 1987</i>.</p> <p>The DOH is the lead agency and jurisdictional representative responsible for developing the implementation plan for the National Partnership Agreement on Preventative Health.</p> <p>The DOH is in the process of establishing mechanisms to deliver an effective and robust preventative health program in Victoria... VicHealth will be invited to participate in these processes along with multiple prevention groups.</p> <p>VicHealth's funding service agreement is for a three-year period in line with the three-year business cycle adopted by the DOH.</p>	
<p>Recommendation 27 – PAEC Comments:</p> <p>This recommendation was rejected by the Government and no follow-up response has been sought by the Committee.</p>		

A.2.4 Part C — Promoting Better Health through Healthy Eating and Physical Activity, Department of Planning and Community Development (Recommendations 10, 16 and 20)

Table A.10: Responses from the Department of Planning and Community Development (DPCD) (Recommendations 10, 16 and 20)

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 10</p> <p>There is a need for each of the lead agencies providing health promotion program funding to undertake a comprehensive review of their respective funding models to ensure that funds are:</p> <ul style="list-style-type: none"> (a) efficiently distributed to maximise the amounts deployed on the ground; (b) sufficient to effectively administer and evaluate programs; (c) sustainable and consistent with the goals and objectives of the program; and (d) sufficiently flexible to respond to local needs and issues. 	<p>The Department of Planning and Community Development's Sport and Recreation Victoria Division (SRV) provides health promotion funding for a diverse range of programs and projects. All programs and projects are subject to an evaluation which helps to inform future service delivery.</p> <p>The evaluation findings enable the DPCD to review its funding model and mix on an ongoing basis with regard to ensuring program funds are used in the most efficient, effective, sustainable, goal-oriented and flexible way.</p>	<p>Since the PAEC's recommendations were received in June 2009, nine 'Go for your life' funding initiatives managed by SRV have concluded. These comprised both small grant programs, as well as a number of strategic funding investments, several of which ran over multiple years.</p> <p>All of the small grant programs have had evaluation frameworks developed, which has allowed SRV to set up reporting processes where funding recipients provide qualitative and quantitative information at the conclusion of projects. This allows for the evaluation of outputs and outcomes and the review of the process by which grant projects are selected and funding is allocated.</p> <p>In addition, a mixture of internal and external reviews are completed on most projects with the larger funding investments prioritised for independent external evaluation.</p>
<p>Recommendation 10 – PAEC Comments:</p> <p>The DPCD's response concentrates on program evaluation at the conclusion of the program and advises that it is these program evaluations which assist with the allocation of future program funding.</p> <p>The response is considered satisfactory.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 16</p> <p>A concerted effort be made by the Department of Human Services, the Department of Planning and Community Development and the Department of Early Childhood Development to develop and implement comprehensive evaluation frameworks, which include relevant appropriate performance indicators to improve the assessment and reporting of information about the health outcomes of health promotion programs and activities.</p>	<p>SRV provides health promotion funding for a diverse range of programs and projects. Appropriate evaluation frameworks are developed for funded programs and projects and thorough evaluations are undertaken in ways appropriate for each type of project/program.</p> <p>Evaluations undertaken by SRV have a strong emphasis on assessing the outcomes of funded projects. The findings are used to improve particular programs and to refine outcome related evaluation frameworks and performance indicators on an ongoing basis. The various evaluation frameworks consider a range of factors such as:</p> <ul style="list-style-type: none"> • evidence-based research; • opportunities for involvement in physical activity in local communities by people underrepresented in physical activity participation; • factors which support/impepe individual change in relation to physical activity, health and well-being; • increased awareness of the importance of and opportunities to be physically active, increased capacity amongst communities to support physical activity and increased participation in physical activity amongst the target communities; and • effectiveness of providing supported physical activity opportunities to sole parent families with the intention of increasing their level of activity. <p>Further Action Planned</p> <p>SRV will continue to evaluate the outcomes of all funded programs and projects with a view to both assessing each particular program and further refining the evaluation of outcomes.</p>	<p>In addition to the evaluations reported in response to Recommendation 10, an additional evaluation of all 'Go for your life' funded initiatives was undertaken in late 2009 as part of broader reviews coordinated through the (now) Department of Health, which was the auspicing agency for 'Go for your life'.</p> <p>The reviews considered the overall governance, coordination and communication between Government agencies and partners delivering 'Go for your life' initiatives. It also examined evidence building strategies and approaches to obesity prevention both across government and in sectors/settings not traditionally responsible for health and wellbeing objectives.</p> <p>SRV has received funding for three initiatives that build on previous 'Go for your life' programs over the next four years. These will be developed with reference to learnings collected from previous programs and evaluations. This will include discussion with the Department of Health on how they interact with new initiatives to be implemented under the Council of Australian Governments National Partnership Agreement on Preventative Health.</p>
<p>Recommendation 16 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 20</p> <p>The importance of local government in effecting changes to the lifestyle and behaviour of local communities warrants greater attention and support from the Department of Health (part of the former Department of Human Services) and the Department of Planning and Community Development in supporting local government to build capacity and develop its workforce so that they are equipped to undertake meaningful assessments of the outcomes of their Municipal Public Health Plans.</p>	<p>The DPCD will continue to support local government in developing its workforce so that they are equipped to undertake meaningful assessments of the outcomes of their Municipal Public Health Plans.</p>	<p>Lead responsibility to support local councils in the preparation of Municipal Public Health Plans, and assessment of the outcomes, rests with the Department of Health.</p> <p>The Department of Planning and Community Development has a range of initiatives which support councils to build their broader capacity to deal with various responsibilities and challenges.</p>
<p>Recommendation 20 – PAEC Comments:</p> <p>The DPCD has responded that it assists local government in building capacity and undertaking meaningful assessments of their Municipal Public Health Plans but has not provided the Committee with any specific details as to the form of this assistance.</p>		

A.2.5 Part C — Promoting Better Health through Healthy Eating and Physical Activity, Department of Education and Early Childhood Development (Recommendations 10, 16, 18, 22 and 25)

Table A.11: Responses from the Department of Education and Early Childhood Development (DEECD)

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 10</p> <p>There is a need for each of the lead agencies providing health promotion program funding to undertake a comprehensive review of their respective funding models to ensure that funds are:</p> <ul style="list-style-type: none"> (a) efficiently distributed to maximise the amounts deployed on the ground; (b) sufficient to effectively administer and evaluate programs; (c) sustainable and consistent with the goals and objectives of the program; and (d) sufficiently flexible to respond to local needs and issues. 	<p>The Department of Education and Early Childhood Development implements a number of initiatives in school settings to help increase the level of healthy eating and physical activity of Victorian school students.</p> <p>The strategies being implemented in the school setting are considered as part of a broader whole-of-government Evaluation for health promotion projects which have been established through the Department of Health.</p>	
<p>Recommendation 10 – PAEC Comments:</p> <p>The Committee notes that the <i>Go for your life Strategy</i> has ceased and the new National Partnership Agreement on Preventative Health has taken prominence. In September 2009, the Department of Health released the <i>Victorian Public Health and Wellbeing Plan 2011-2015</i> which seeks to strengthen Victoria's health prevention systems across local communities, workplaces, early childhood and education settings and health services. The Plan states that the Department of Health will work with the Department of Education and Early Childhood Development to implement the <i>National Partnership Agreement on Preventative Health – Healthy Children Initiative</i>. Through this initiative a state-wide policy will be developed to guide health promotion for children and young people. The Plan notes also the <i>Education and Training Committee's Inquiry into Potential for Developing Opportunities for Schools to Become a Focus for Promoting Health Community Living</i> and states that the recommendations of the Committee provide a broad framework for how the Victorian health promoting schools approach could be supported through Victorian government, catholic and independent schools.</p> <p>The Committee acknowledges that health promotion strategies and initiatives in Victorian schools is currently under review and looks forward to the Department of Education and Early Childhood Development seeking to build on and improve past programs directed at promoting healthy eating and good physical activity habits amongst Victorian children and young people.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 16</p> <p>A concerted effort be made by the Department of Human Services, the Department of Planning and Community Development and the Department of Early Childhood Development to develop and implement comprehensive evaluation frameworks, which include relevant appropriate performance indicators to improve the assessment and reporting of information about the health outcomes of health promotion programs and activities.</p>	<p>The effectiveness of programs in this area is measured in a number of different ways. Overall, an Evaluation Framework for health promotion projects has been established through the <i>Go for your life</i> Secretariat within the Department of Health.</p> <p>The DEECD has developed a School Compliance Checklist which requires schools to self report annually against a number of items regarding implementation of Victorian government policies relating to healthy eating and physical activity.</p> <p>These items relate to mandated time requirements for physical and sport education and adherence to the <i>School Canteen and Other School Food Services Policy</i> which:</p> <ul style="list-style-type: none"> • Provides for a healthy school food service; • Does not supply high sugar soft drinks; and • Is phasing out the sale of confectionery. <p>This data is provided to program areas and the DEECD's regional offices for information and action.</p> <p>Future action will take the form of contribution to the development of the <i>Go for your life</i> Action Plan 2010-2015 that is currently being undertaken.</p>	
<p>Recommendation 16 – PAEC Comments:</p> <p>The Committee notes that the continuation of the DEECD's Healthy School Canteen policy and Free Fruit Friday for Prep to Year 2 students. The Committee also notes that the Department's website states that under the School Confectionery Guidelines, from 2009, no confectionery should be supplied through school food services.</p> <p>The Committee notes the National Healthy School Canteen Project under the Australian Better Health Initiative which aims to assist school canteen to provide healthy food choices with the aim of reducing levels of obesity and chronic diseases later in life.</p> <p>The DEECD continues to provide the School Nursing Program in Victorian primary and secondary schools. The service is aimed at promoting better health and reducing health risks in children and young people.</p> <p>The Committee considers that appropriate and regular evaluation of these programs by the DEECD is critical to ensuring that these programs continue to be relevant and effective in achieving their aims and objectives.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 18</p> <p>The Department of Education and Early Childhood Development undertake appropriate evaluations of Commonwealth and State initiatives to assess the impact of programs and ways for streamlining any program crossovers aimed at the promotion of physical activity and healthy eating by school children.</p>	<p>Consideration of recommendations which emerge from the Victorian Parliamentary 'Inquiry into the Potential for Schools to Become a Focus for Promoting Healthy Community Living'.</p>	<p>The final report of the Victorian Parliamentary 'Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living' (2009) made nine recommendations in support of a health promoting schools approach in Victoria.</p> <p>The Victorian 'Healthy Children' initiative of the <i>National Partnership Agreement on Preventive Health</i> (2011) also included the development of health promotion policy and a whole of community intervention to promote children's healthy eating and physical activity.</p> <p>The Department of Education and Early Childhood Development and the Department of Health will establish and lead a high-level cross-sector Steering Group to oversee the implementation of recommendations from both the Inquiry and the new initiatives under the 'Healthy Children' plan of the National Partnership Agreement. As part of this process, Commonwealth and State initiatives aimed at the promotion of physical activity and healthy eating in school children will be assessed for their impact and effectiveness.</p>
<p>Recommendation 18 – PAEC Comments:</p> <p>The Committee expects the DEECD and the DOH to set some timelines and targets dates for the "high-level cross sector Steering Group" to oversee implementation of the recommendations from the Parliamentary 'Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living' and the Victorian "Healthy Children" Initiative of the <i>National Partnership Agreement on Preventive Health</i>.</p> <p>The Committee looks forward to the Department reporting on the outcomes of these initiatives in future Annual Reports.</p>		
<p>Recommendation 22</p> <p>The Department of Education and Early Childhood Development should seek to improve its understanding of the chronic disease risk factors facing school-aged children through increased research and analysis to better inform the design of activities and programs aimed at encouraging healthy lifestyle choices and behaviour.</p>	<p>Consideration of recommendations which emerge from the Victorian Parliamentary 'Inquiry into the Potential for Schools to Become a Focus for Promoting Healthy Community Living'.</p>	<p>As part of the process of implementation of the 'Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living' and the 'Healthy Children' plan, efforts that encourage the prevention of chronic disease through healthy lifestyle choices and behaviour in children and young people will be reviewed for their effectiveness.</p> <p>The Victorian Children and Adolescent Monitoring System (VCAMS) currently provides systematic collection and review of information about cancer, asthma and diabetes in children.</p> <p>The recently established Centre of Excellence in Intervention and Prevention Science (CEIPS) will improve the evidence that underpins population health initiatives.</p>
<p>Recommendation 22 – PAEC Comments:</p> <p>Disappointingly the DEECD has provided a lengthy response which provides little detail about actions taken to address the PAEC's recommendation and more specifically says nothing about what action the DEECD intends to take in terms of addressing the factors impacting on children's health or details of any of the activities and programs it is implementing to address these factors in the future. All the DEECD has advised is that the area is under review. The Committee considers this to be a serious area requiring immediate attention.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 25</p> <p>The Department of Education and Early Childhood Development give consideration to increasing programs and activities in school, aimed at the development of life skills in good nutritional habits and choices with the aim of skilling the future adult population of the State in healthy lifestyle choices and behaviour.</p>	<p>Consideration of the recommendations which emerge from the Victorian Parliamentary <i>'Inquiry into the Potential for Schools to Become a Focus for Promoting Healthy Community Living'</i>.</p>	<p>Implementation of the <i>'Inquiry into the Potential for Schools to Become a Focus for Promoting Healthy Community Living'</i> recommendations within schools and early childhood services and the 'Healthy Children' initiative in 10 designated Local Government Areas in Victoria will support the development of evidence-informed policy and programs in schools, early childhood services and local communities making positive changes for their health.</p> <p>Consideration will be given to how existing statewide health promotion initiatives in schools and early childhood settings can transition to, or interface with the new approach.</p> <p>The governing structures are currently being set up. The National Partnership Agreement is funded from 2011-2015.</p>
<p>Recommendation 25 – PAEC Comments:</p> <p>It is disappointing that such a serious area continues to be under a constant period of review and “consideration” with seemingly little action taken to address the issues which have been raised by the Auditor-General in his report <i>Promoting Better Health through Healthy Eating and Physical Activity</i> in June 2007 and the follow-up report by this Committee in June 2009. It is now 2012 and the DEECD indicates that it is intending to implement the recommendations from the Parliamentary <i>'Inquiry into the Potential for Developing Opportunities for Schools to Become a Focus for Promoting Healthy Community Living'</i> and initiatives under the National Partnership Agreement.</p> <p>No action has been taken to implement programs and activities to address any of these issues to date.</p>		

A.2.6 Part D — Priority Two Follow-up – Chapter 1: Managing Emergency Demand in Public Hospitals (Recommendations 28-30)

Table A.12: Responses from the Department of Health (DOH) (formerly part of the Department of Human Services (DHS))

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 28 The Department of Health (formerly part of the Department of Human Services) should explain in a more transparent manner in its public reporting that triage-to-treatment times do not include patients who left prior to receiving treatment.	The Department of Health publishes this information in the technical appendix that accompanies the <i>Your Hospitals</i> report. The <i>Your Hospitals</i> technical appendix is available from the <i>Your Hospitals</i> website at: www.health.vic.gov.au/yourhospitalsdownload.htm	The Department of Health publishes this information in the performance data specifications available as part of the new Victorian Health Service Performance Website, at: www.health.vic.gov.au/performance/data-specifications.htm
Recommendation 28 – PAEC Comments: The Department of Health website contains a publication entitled 'Specifications for Victorian Health Services Performance Report' which accompanies the quarterly performance reports and which explains how each performance indicator is comprised. The response has been reviewed by the Committee and is considered to be satisfactory.		
Recommendation 29 The Department of Health (formerly part of the Department of Human Services) should enlist the Emergency care Improvement and Innovation Clinical Network to develop procedures for patient re-triaging and management.	The DOH, in collaboration with the Emergency Care Improvement and Innovation Clinical Network is undertaking significant enhancement in emergency department patient care, this includes waiting room policies and guidelines for clinical management.	The DOH will continue to work with the Emergency Care Improvement and Innovation Clinical Network to maintain and improve emergency care.
Recommendation 29 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 30</p> <p>The Department of Health (formerly part of the Department of Human Services) act to ensure there are appropriate security controls over the emergency Department data management systems.</p>	<p>The Minister for Health (former) announced that all hospital staff are to have unique system log ons (as opposed to generic ones) and that audit logs are to be maintained for all emergency department and elective surgery access data systems.</p> <p>The Director, Hospital Data Integrity is developing internal control guidelines. Health service responsibility will be specified in Statements of Priorities.</p>	<p>The Office of Data Integrity has provided specific direction to health services requiring the use of unique passwords and user identification together with transaction logging of changes to data in IT systems used in both elective surgery waiting lists management and emergency departments.</p> <p>The Office of Data Integrity is also developing data integrity guidelines for health services, specifically including IT system controls. Health service responsibilities will be specified in both the Policy and Funding Guidelines and Statements of Priorities.</p> <p>The current round of audits of the Victorian Emergency Minimum Dataset (VEMD) data at health services will assess and report on compliance with the instructions regarding IT security controls.</p>
<p>Recommendation 30 – PAEC Comments:</p> <p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>		

A.2.7 Part D — Priority Two Follow-up – Chapter 2: Raising and Collection of Fees and Charges by Departments (Recommendations 31-35)

Table A.13: Responses from the Department of Treasury and Finance (DTF)

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 31 In accordance with Government guidelines, Departments should undertake a review of fees and charges every year.	<p>It is envisaged that the current review of the public finance legislation will help to further clarify requirements around the administration of activities such as the administration of fees and charges, which will assist departments and agencies in their compliance obligations going forward.</p> <p>Further questions from the Committee</p> <p>The Committee seeks further information on the status of this recommendation given the current status of the public finance legislation.</p>	<p>Since the Public Accounts and Estimates Committee's 86th report to Parliament, the Financial Management Compliance Framework (FMCf) has been published on the Department of Treasury and Finance website, including the <i>Standing Directions of the Minister for Finance</i>. Also published is a certification checklist for public sector agencies that makes reference to Section 3.4 of the Standing Directions which in turn relates directly to the administration of fees and charges.</p>
Recommendation 31 – PAEC Comments: <p>The response by the Department of Treasury and Finance makes the requirements for the annual review of fees and charges clear but does not provide evidence of the extent to which departments comply with these guidelines, specifically whether an annual review has in fact been undertaken.</p> <p>For cost recovery purposes, the Treasurer sets an annual rate of increase for the review of government charges and regulatory fees. The <i>Standing Directions of the Minister for Finance</i> require that charges for goods and services are reviewed at least annually and these Standing Directions are also reference in the Department of Treasury and Finance's <i>Cost Recovery Guidelines</i> in relation to the monitoring and review of cost recovery arrangements.</p> <p>The Committee notes also that part of the "Additional Annual Report information available on request" from departments includes "details of changes in fees, charges, rates and levies charged by the department for its services".</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 32</p> <p>Departments should have in place appropriate internal guidance and policies relating to fees and charges.</p>	<p>The recently developed <i>Cost Recovery Guidelines</i> together with the Budget and Financial Management Guidance, <i>Guidelines for Setting Fees and Charges</i> provide relevant guidance to departments.</p> <p>It is envisaged that the current review of the public finance legislation will help to further clarify requirements, which will assist departments and agencies in their compliance obligations going forward.</p> <p>Further questions from the Committee</p> <p>The Committee seeks further information on the status of this recommendation given the current status of the public finance legislation.</p>	<p>Since the Public Accounts and Estimates Committee's 86th report to Parliament, the Financial Management Compliance Framework (FMCF) has been published on the Department of Treasury and Finance website, including the <i>Standing Directions of the Minister for Finance</i>. Also published is a certification checklist for public sector agencies that makes reference to Section 3.4 of the Standing Directions which in turn relates directly to the administration of fees and charges.</p>
<p>Recommendation 32 – PAEC Comments:</p> <p>The response has been reviewed by the Committee. Guidelines are in place and the response is considered to be satisfactory.</p>		
<p>Recommendation 33</p> <p>Departments should ensure that their systems for fees and charges efficiently interface with their primary financial management system.</p>	<p>Departments continually review internal systems to ensure they have effective and efficient internal control frameworks, which take into account risks relevant to their business and any risks associated with the interface of internal management information systems.</p> <p>Where efficiency opportunities are identified they are generally pursued as part of a continuous improvement process.</p>	<p>No further action pending.</p>
<p>Recommendation 33 – PAEC Comments:</p> <p>No further follow-up on this recommendation has been undertaken by the Committee.</p>		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 34 The Department of Treasury and Finance should enhance the Financial Management and Compliance Framework to ensure that annual certifications include the requirements related to the administration of fees and charges.	As part of a continuous improvement process, the eDTF will continue to conduct regular reviews of the Financial Management and Compliance Framework and the associated Ministerial Directions, for on-going relevance and appropriateness.	Since the Public Accounts and Estimates Committee's 86 th report to Parliament, the Financial Management Compliance Framework (FMCF) has been published on the Department of Treasury and Finance website, including the <i>Standing Directions of the Minister for Finance</i> . Also published is a certification checklist for public sector agencies that makes reference to Section 3.4 of the Standing Directions which in turn relates directly to the administration of fees and charges. The FMCF will continue to be subject to ongoing review to ensure it meets best practice principles in financial compliance.
Recommendation 34 – PAEC Comments: The response has been reviewed by the Committee and is considered satisfactory.		
Recommendation 35 The Department of Treasury and Finance should, in consultation with departments, undertake investigations into the feasibility of developing or purchasing a common system for departments that administer fees and charges that integrates with its primary financial system.	The DTF agrees in principle that a common information system for departments for the administration of fees and charges may potentially provide benefits in the administration of fees and charges. The DTF will further consider this matter as part of its continuous broad examination of whole of government level systems, through consultation with departmental Chief Financial Officers.	In the light of systems developments already being undertaken by the DTF and departments, a preliminary assessment of the proposal indicates that there is little if any value for money rationale for the development/purchase of such a system on a stand-alone basis. Any further consideration on this matter will be incorporated into the broader review of financial systems, particularly in the context of the development of any new departmental shared services arrangements.
Recommendation 35 – PAEC Comments: The DTF's recent rejection of the recommendation is noted by the Committee.		

A.2.8 Part D — Priority Two Follow-up – Chapter 3: Administration of Non-judicial Functions of the Magistrates' Court of Victoria (Recommendations 36-39)

Table A.14: Responses from the Magistrates Court of Victoria (MCV)

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 36 The Magistrates' Court of Victoria in conjunction with the Department of Justice continues to develop its staff rotation policy and encourage the development of staff via secondments outside the court system.	A key outcome of the Court's Business Plan for 2009/10 is to determine the Court's future workforce model including career pathways and succession planning and develop a workforce strategy that is reflective of the Court's changing workforce and customer base.	The MCV has developed a comprehensive draft Workforce Plan that captures the demographics of the workforce and the strategies required to manage succession planning demands. The draft identifies the need to develop a strategy to rotate staff within not only the Courts portfolio, but also the wider Department of Justice. It is envisaged that this strategy will be implemented in stages with the rotation of staff across the portfolio to occur within 18 months of November 2010. Rotation of staff across the wider Department may be affected by the creation of the Courts Executive Service.
Recommendation 37 – PAEC Comments: The Committee notes that in June 2007, the Auditor-General recommended that opportunities be investigated for court administrators to broaden their work experience across the Department of Justice. This recommendation was subsequently reiterated by the Committee in June 2009. The most recent advice from the Magistrates' Court of Victoria (July 2011) indicates that action on the recommendation has been limited. Whilst the need to develop a staff rotation strategy has been identified as part of a "draft" Workforce Plan this may be impacted by other impending changes to the employment of court staff. The Committee concludes that the issue remains unaddressed.		
Recommendation 37 The Magistrates' Court of Victoria implement a performance measure that strives for continuous improvement in the timeliness of complaint handling.	<p>The Court is preparing a customer service review which will include the overall management of complaint handling including timeliness. The Court's current Customer Service Charter will be reviewed as part of a broader strategy to reform customer service across the Court.</p> <p>Customer Service Standards and the Court's current Complaints policy, which incorporates standards for responding to complaints, will be redeveloped as part of this process.</p>	The MCV Complaints Policy was reviewed, re-written and approved by the Executive Group in August 2010. The Policy provides a system whereby less complex complaints may be raised locally with a senior manager or centrally in the Office of the CEO. A new 'complaints recording database' has also been developed to assist the MCV in tracking and identifying any trends. The review of the Policy occurred in conjunction with the review of the MCV Client Service Charter as the two documents are linked. The revised Policy has been distributed to all staff and is available for public download from the MCV website.
Recommendation 37 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		

PAEC Recommendation (June 2009)	Action reported in Government Response (November 2009)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 38 The Magistrates' Court of Victoria investigates formal and informal methods for gathering information for measuring and reporting on the needs and perceptions of public court users on a regular basis. Pervasive needs of users over a period of reasonable time will need to be addressed by the Magistrates' Court of Victoria.	The New Directions Project is currently undertaking an "In Person Appearances" data analysis designed to assess the quantity and nature of the Court's interactions with self-represented parties who form a sizeable group within the total of Court users. This will provide an opportunity to review and improve services available to Court users.	The "In Person Appearances" study has been completed and found that "In Person" Appearances" account for approximately 4% of the total caseload. The study was confined to examining the number of "in person" people appearing before the Court and nature of their business. A need to measure the quality of these interactions with the Court has been identified to help inform the Court when new initiatives are implemented. Further work on ascertaining the views of Court users more widely is currently contemplated but resource constraints limit the extent to which the Court can undertake such an activity.
Recommendation 38 – PAEC Comments The Committee acknowledges that some work has been undertaken by the Magistrates' Court of Victoria to assess the needs and perceptions of court users at this stage. The response has been reviewed by the Committee and is considered to be satisfactory.		
Recommendation 39 The Magistrates Court of Victoria, Department of Justice and the Victorian Auditor-General's Office quickly agree and implement a best practices model for the management of the Court und, including guidelines for funds accountability and decision making on distribution of funds.	Following discussions with VAGO, a report is now being reviewed by the Court's Executive Group to determine further actions to improve and streamline the management and administration of the Court Fund.	In response to the VAGO report, a dedicated Court Fund Administrator position was created. The position is solely responsible for: <ul style="list-style-type: none"> • receiving applications for funding from across Victoria; • ensuring applicants meet established criteria; • forwarding completed applications to regional registrars; and • disbursement of payments in accordance with Court Fund Committee signed minutes. The centralised administration of the Court Fund provides a consistent and transparent approach to all agencies seeking donations across the state. It also has the effect of reducing the workload pressures of magistrates and senior registrars.
Recommendation 39 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		

A.2.9 Part D — Priority Two Follow-up – Chapter 4: Contracting and Tendering Practices in Selected Agencies (Recommendation 41)

Table A.15: Response from the Department of Transport (DOT)

PAEC Recommendation	Action reported in Government Response	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions
Recommendation 41 The Department of Transport implement initiatives to ensure users of the Construction Supply Register (CSR) submit performance reports.	<p>Since the Auditor-General's report of 2007, DOT has held discussions with key users of the CSR to determine the barriers to submitting reports and has developed a performance report format in consultation with Construction Contracts Advisory Panel (CCAP).</p> <p>Further questions from the Committee</p> <p>Has the DOT now implemented the required initiatives to ensure users of the CSR submit performance reports?</p>	<p>The guide to Tendering Provisions for Public Construction incorporated into Ministerial Direction No. 1-Tendering Provisions for Public Construction issued under the <i>Project Development and Construction Management Act 1994</i> now includes a requirement for performance reporting, which it did not exist when the PAEC Recommendation 41 was made.</p> <p>Performance Reporting</p> <p>Under Direction 4b) v) the Secretary to the Department of Planning and Community Development can establish reporting requirements for departments and public bodies. Those using the Construction Supplier Register provided by the Department of Transport are required to provide performance reports on the suppliers selected from that register. The performance report format developed by CSR, in consultation with Construction Contracts Advisory Panel, provides guidance for these reports.</p> <p>A new and more comprehensive draft performance report format has been developed and is awaiting agreement with the CCAP, the membership of which includes representatives of all users of the CSR.</p>
Recommendation 41 – PAEC Comments: The DOT's response advises that requirements are now in place for users of the Construction Supply Register to submit performance reports in relation to suppliers used. The response has been reviewed by the Committee and is considered to be satisfactory.		

A.3 Public Accounts and Estimates Committee Report No. 91 – Review of the Findings and Recommendations of the Auditor-General's Reports 2007-08

A.3.1 Part A — Improving Our Schools: Monitoring and Support (Recommendations 1-8)

Table A.16: Responses from the Department of Education and Early Childhood Development (DEECD)

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
Recommendation 1 The Department of Education and Early Childhood Development ensure that adequate processes and robust measures are in place to monitor the effective implementation of the new performance improvement initiatives and assess their impact on the educational outcomes of Victorian government school students.	<p>To maintain support to the implementation of the new 'Intake adjusted' measure of school performance, training will continue to be offered to staff involved in use of the data.</p> <p>The DEECD is developing a portfolio-wide evaluation strategy including a two-tiered approach, focusing on larger-scale outcomes monitoring and analysis (macro-evaluation) and analysis that is initiative and program based (micro-evaluation).</p> <p>The portfolio-wide evaluation strategy will be finalised and implemented.</p>	<p>The DEECD has implemented an Outcomes Framework to monitor and evaluate progress against a set of measures to assess the performance of Victorian Government schools.</p> <p>Implementing a strategy to strengthen evaluation in the DEECD was a priority in the DEECD's 2010-2011 Annual Plan.</p>
Recommendation 1 – PAEC Comments: The Committee notes the advice of the DEECD that one of the priorities of its 2010-11 Annual Plan was the implementation of a strategy to strengthen evaluation. Unfortunately no further details of this strategy or the success of its implementation have been provided to the Committee for assessment. Further, it is not clear from the details provided whether this strategy is the same as the "portfolio-wide evaluation strategy" referred to in the DEECD's initial response, in March 2010, to the Committee's recommendation.		

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 2</p> <p>The Department of Education and Early Childhood Development should ensure that any targeted support provided to schools with student outcomes below expected levels is sustained over such a period as to make realised improvements in the school's performance outcomes. As part of the accountability process, the impact of targeted interventions in these schools should be clearly measured and documented.</p>	<p>From 2010 onwards, schools targeted through the National Partnerships or System Improvement Funds are required to set clear four year targets for improvement in their School Strategic Plans, with regular monitoring through the Annual Report.</p>	<p>Schools receiving targeted support (including through National Partnerships) record improvement strategies in their Annual Implementation Plan and report to the school community through their Annual Report. In addition, National Partnership schools' Annual Reports also include an Annual Activity and Accountability Statement which documents funding received and initiative participation.</p> <p>Targeted support and interventions are provided over multiple years and are based on the greatest educational need (determined by regions considering both absolute and intake adjusted measures).</p> <p>Victoria provides National Assessment Program – Literacy and Numeracy (NAPLAN) and local measures data to support the COAG Reform Council assessment process related to the Literacy and Numeracy National Partnership Reward Framework. This assessment measures improvement against agreed targets.</p>
<p>Recommendation 2 – PAEC Comments:</p>	<p>The Committee notes the advice of the DEECD that targeted support and interventions are provided for multiple years and that improvement strategies and initiatives are documented and reported against annually. The response is considered satisfactory.</p>	
<p>Recommendation 3</p> <p>The Department of Education and Early Childhood Development should ensure that the personnel responsible for managing and monitoring school performance both within schools and in regional offices are highly proficient in interpretation and analysis of school performance data, together with capabilities for identifying appropriate strategies for addressing issues highlighted by the data.</p>	<p>The newly created Bastow Institute for Educational Leadership will deliver training and continue to assess the demand for ongoing professional learning in data analysis and school improvement, and design and roll-out programs as appropriate.</p>	<p>Bastow has developed a Leading School Improvement module designed to build the capability of school leaders to interpret and analyse school performance data and to develop a plan for school improvement based on the analysis. This module is supported by the School Improvement Division's resource kit on Data Literacy.</p>
<p>Recommendation 3 – PAEC Comments:</p>		<p>It is not clear from the DEECD response whether undertaking professional learning in data analysis and school improvement is a mandatory requirement for certain personnel or whether it is provided only to those who request it. As such, the Committee is unable to assess whether personnel responsible for monitoring school performance have the appropriate skills to undertake meaningful interpretation and analysis of school performance data.</p>

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
Recommendation 4 The Department of Education and Early Childhood Development should undertake an independent review of the effectiveness of the Regional Network Leaders model in 2012, including in regards to their impact on underperforming schools.	The DEECD has commissioned the University of Melbourne to undertake a five year longitudinal study of the network model. Fieldwork will commence in 2010.	The University of Melbourne has been contracted to undertake a 5 year longitudinal study of the Network Model. Baseline data was collected and analysed in 2010. The study is scheduled to conclude in 2014.
Recommendation 4 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		
Recommendation 5 The Department of Education and Early Childhood Development should ensure that regional offices identify the existence of any unmet demand for targeted support within their region. These schools should be monitored to allow early detection of any worsening in their performance and prompt intervention as required.	School Performance Summaries were available from late November 2009. They will be updated for inclusion into School Annual Reports, due at the end of March 2010. From then on, the School Performance Summary will be included in the School Annual Report in March each year.	The DEECD continues to monitor School Performance using a suite of measures that are reported in the School Performance Summary. This includes 'value-add' measures of school performance. Victorian Government School Performance Summary is included in the School Annual Report in March each year and is published on the Victorian Registration and Qualifications Authority (VRQA) State Register Website.
Recommendation 5 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		
Recommendation 6 The Department of Education and Early Childhood Development undertake an evaluation of the revised regional funding model and newly implemented regional network structure following two years of operation to assess its success in improving the capacity of regional offices to better manage underperforming schools.	As per the response to recommendation 4. Further questions from the Committee The Committee notes the Department's response relates to the planned review of the regional network structure. However, the Committee is unclear what action is intended to be taken by the Department to evaluate the impact/s of the revised regional funding model. Can you please explain to the Committee how the impact/s of the revised regional funding model will be evaluated?	The Network structure is the subject of a commissioned study (see Recommendation 4). The Department is working with regions to collect evidence to evaluate the interventions undertaken in underperforming schools. The provision of funding to regions for their Student Support Services Program was revised and has been internally reviewed by a senior central and regional officer group. The review considered program purpose, principles for allocation, demographic mapping and forward modelling. Work is currently on hold subject to the outcomes of government policy changes.
Recommendation 6 – PAEC Comments: The information provided by the DEECD is inconclusive. The Committee is unable to determine whether the revised regional funding model is continuing or whether it is the funding for the Student Support Services Program which has been put on hold.		

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
<p>Recommendation 7</p> <p>The Department of Education and Early Childhood Development should assess whether the issues surrounding the allocation of and access to, Student Support Services Officer resources have been adequately addressed by the new arrangements for management of the resource so that improved access to services by government school students has been affected.</p>	<p>The DEECD is developing an on-line student support services data collection and reporting system which will enable the collection and reporting of a range of service data including service demand, provision and quality. The system will be deployed in Term One of 2010.</p>	<p>The Government has announced its intention to review the service delivery model for providing student support services through the Safe and Caring Schools policy commitment.</p> <p>The Department of Education and Early Childhood Development is developing a plan for implementing this policy commitment which involves significant changes to the governance and reporting arrangements for the Student Support Services Program.</p> <p>Consideration is being given to how the data collection and reporting mechanism supporting this reform can be modified to reflect new arrangements.</p>
<p>Recommendation 7 – PAEC Comments:</p> <p>Despite the DEECD's original response (March 2010) suggesting that a new student support services data collection and reporting system was due to be implemented by the end of Term One in 2010, more recent advice from the DEECD suggests that the allocation of and access to Student Support Services to government school students is currently under review. The Committee cannot determine whether the recommendation has been addressed.</p>		

A.3.2 Part B — Funding and Delivery of Two Freeway Upgrade Projects, VicRoads (Recommendations 9-11 and 15)

Table A.17: Responses from VicRoads

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 9 VicRoads ensure that its expanded provisions relating to stakeholder consultation and independent validation of traffic and financial models are fully complied with in the development of business cases for future major road projects.	VicRoads is developing a community and stakeholder engagement model including staff training, systems and tools – <i>VicRoads Strategic Directions 2008-2010</i> .	VicRoads has developed a corporate wide community and stakeholder engagement framework that includes systems and tools, which have been made available to all staff. In addition, 142 VicRoads staff have undertaken the Community Engagement (IAP2) training to ensure a consistent approach when representing VicRoads.
Recommendation 9 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		
Recommendation 10 VicRoads should ensure that probity plans established for major projects are dated and formally approved, consistent with the rigour required by the Victorian Government Purchasing Board best practice guidance for the development of such plans.	VicRoads Procurement Toolkit and Probity Plan template requires the probity plan and any changes to be approved and dated by the Business Area Manager.	The Probity Plan template was created and made available in June 2009. It includes the requirements to approve and date all changes by the Business Area Manager. The Procurement Toolkit outlines the requirement to develop a probity plan and specifies that the plan must be approved by the Business Area Manager.
Recommendation 10 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 11 Based on its experiences with the Tullamarine-Calder Interchange project, VicRoads ensure there is a robust approach to the management of key probity issues during the procurement phase for future major road projects, supported by clear evidence of full adherence to its documented procedures.	As per the response to Recommendation 10. Use of the VicRoads Probity Plan template will ensure the management of key probity issues. Over the next two years, as a minimum the VicRoads Independent Internal Audit Program will focus on the management of key probity issues.	The Independent Internal Audit Programs for 2008, 2009 & 2010 included a review of the Scope, Time and Cost Control guidelines, which refers to the Procurement Toolkit and the Probity Plan. Specifically the Procurement decision support model/tool was reviewed in 2010.
Recommendation 11 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory.		
Recommendation 15 VicRoads ensure Parliament is adequately informed, in the period up to and beyond the completion of the M1 Upgrade project, on the effectiveness of its performance in the achievement of the project's expected benefits and outcomes.	VicRoads 2008-09 Annual Report published useful commentary on the M1 Upgrade Projects. The Executive Director Major Projects and the M1 Project Director meet with the Minister monthly to ensure he is kept abreast of all issues in relation to the project. VicRoads will publish the benefits of the M1 project in its annual report following completion of the project and the "Gateway 6" review.	The Project will reach completion in 2010-12. Benefits will be published post completion and finalisation of the Gateway 6 review.
Recommendation 15 – PAEC Comments The Committee noted that the VicRoads website (accessed 2 February 2012) stated that the freeway works for the \$1.39 billion Monash-City Link-West Gate (M1) Upgrade which commenced in 2007 are now largely completed. The Committee looks forward to the Parliament being informed in the near future on the benefits and outcomes of the project following the completion of the Gateway Review process by VicRoads.		

A.3.3 Part B — Funding and Delivery of Two Freeway Upgrade Projects, Department of Treasury and Finance (Recommendations 14 and 17)

Table A.18: Responses from the Department of Treasury and Finance (DTF)

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 14 Consistent with its leadership role in a major national improvement initiative, the Department of Treasury and Finance ensure there is effective dissemination through training and other means of the initiative's outcomes across relevant Victorian public sector agencies.	The Department of Treasury and Finance will continue to take a national leadership approach through dissemination of training and lessons learnt to the region. This will be delivered through the Australasian Gateway Regional Forum and through training that is provided by the DTF.	<p>The DTF is taking a lead role in the dissemination of lessons learnt with its soon to be piloted Gateway Review Process Lessons Learnt Website. This will allow participating jurisdictions, departments and agencies to capture and use lessons learnt to facilitate the improvement of project delivery across the Victorian public sector and throughout Australasia.</p> <p>The Australasian Regional Gateway Forum (held annually) provides a mechanism to facilitate the sharing of lessons learnt and best practices throughout the region.</p> <p>Consistent with its leadership role in the national improvement initiative for alliance contracting, The DTF will implement in late 2011 a formal training package through Melbourne University and the Commonwealth Department of Infrastructure and Transport that will increase knowledge and capacity in this area.</p>
Recommendation 14 – PAEC Comments: The Committee noted that the Department of Treasury and Finance's <i>Investment Lifecycle Guidelines</i> include guidance on <i>Post-Implementation Reviews</i> which suggest that "lessons learned" be captured as part of the review process and recorded for future action. The Committee noted also that the Australian Government, Department of Finance and Administration, produces regular reports on "lessons learned" on project management since its implementation of the Gateway Review Process. The Department of Treasury and Finance advises that a similar website will be introduced in Victoria in the future. The Committee considers this could provide an effective means of disseminating knowledge of "lessons learned" from past projects across the Victorian public sector. The response has been reviewed by the Committee and is considered to be satisfactory.		

<p>Recommendation 17</p> <p>The Department of Treasury and Finance ensure that key issues arising from actions taken by VicRoads to share its project management skills across the public sector are captured and incorporated into its best practice guidelines</p>	<p>Guidance is being progressively updated and expanded as the Inter-Jurisdictional Alliancing Steering Committee works together with agencies and industry to develop drafts for comment and publication, including:</p> <ul style="list-style-type: none"> • policy principles for the planning and practice of project alliancing projects; • re-development of the outdated Project Alliance Practitioners' Guide leading to a new Practitioner's Guide to Alliancing; • Guidance Notes on specific topics of interest to project alliancing practitioners will be released from time to time; and • training programs in the planning and practice of project alliancing. 	<p>In July 2010 Cabinet approved a Policy for Alliancing Contracting (Queensland Cabinet adopted a similar policy in November 2010, with others expected to follow in 2011). To support this Policy, some 700 pages of guideline material and standard contracts have been finalised and are available on the DTF website. Chairing the Inter-Jurisdictional Alliancing Steering Committee, the DTF led the development of policy and guidelines on best practice from around Australia, as well as from VicRoads.</p> <p>VicRoads' role is important in this work and it contributed to the drafting of alliancing policy principles. More recently, the DTF is working with VicRoads on innovations in tendering strategies for Design & Construct contracts and variations in Alliancing practices.</p>
<p>Recommendation 17 – PAEC Comments:</p>		<p>The response has been reviewed by the Committee and is considered to be satisfactory.</p>

A.3.4 Part B — Funding and Delivery of Two Freeway Upgrade Projects, Department of Transport (Recommendation 16)

Table A.19: Department of Transport (DOT)

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions
Recommendation 16 The Department of Transport ensure that there is transparent periodic reporting on the effectiveness of its performance in implementing key responsibilities in strategic transport policy and planning.	<p>The Department of Transport (DOT) has established the strategic direction of its transport portfolio through its long-term transport plan, the <i>Victorian Transport Plan</i> (VTP) and its short-term corporate plan, the <i>DOT Plan 2009</i>.</p> <p>The <i>DOT Plan 2009</i> contains a performance framework of outcome performance measures for the transport network. These outcome measures are aligned to the strategic directions contained in the <i>DOT Plan 2009</i>. Reports against these indicators are produced for the DOT leadership team quarterly.</p> <p>The DOT intends to produce an annual report of the outcome performance measures contained in the <i>DOT Plan 2009</i> in its Annual Report for 2009-10.</p>	
Recommendation 16 – PAEC Comments: The Committee noted that the Department of Transport's Annual Reports for 2009-10 and 2010-11 now contain information on Transport Outcome Performance which includes indicators, targets and results listed under each of the DOT's five strategic priorities.		

A.3.5 Part C — Chapter 1: Priority Two Reports – Agricultural Research Investment, Monitoring and Review (Recommendations 18-22)

Table A.20: Responses from the Department of Primary Industries (DPI)

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 18 The Department of Primary Industries undertake a formal risk assessment for the agricultural research investment framework to ensure that it identifies possible risks and barriers to achieving its new directions and can appropriately mitigate those risks and barriers.	Risk assessment and consequent risk management and action plans are to be completed by 30 June 2010. Results from this assessment will also be utilised as input to addressing Recommendation 19.	<p>A risk assessment has been completed using the DPI risk management framework that is based on the Australia/New Zealand Standard. The results of the risk assessment were:</p> <ul style="list-style-type: none"> • no “High” risks were identified; and • two “Significant” risks were identified and treatment actions have been developed to address these risks. Many of these actions have been completed and the remaining will be completed in the coming 12 months. <p>Risk assessment review and management continues as an annual activity.</p>
Recommendation 18 – PAEC Comments: The response has been reviewed by the Committee and is considered to be satisfactory. However, the Committee encourages the DPI to complete the treatment actions developed as soon as practicable to provide assurance that all identified “significant risks” are being appropriately managed.		
Recommendation 19 The Department of Primary Industries undertake an appropriate external review of its Agricultural Investment Framework at the end of 2010.	The review is due to be completed by the end of 2010.	<p>Terms of Reference and a set of Key Evaluation Questions have been developed for the review. The implementation of the review was put on hold due to extensive staff redeployment across the organisation as a result of the Locust and Flood response and recovery activities in 2010-11.</p> <p>The review is now scheduled to commence in the latter part of 2011.</p>
Recommendation 19 – PAEC Comments: The Auditor-General raised the need for a review of the DPI’s Agricultural Science Investment Framework in February 2008 and recommended that a review of its effectiveness be completed within two years (i.e. by the end of 2009). The Committee recommended a review of the Framework by the end of 2010 and notes in the DPI’s recent response that this review has now been postponed to the end of 2011 due to unforeseen demands on the DPI’s resources during 2010-11. The Committee reiterates its initial recommendation that the DPI engage an appropriate independent review of the Agricultural Science Investment Framework to ensure that it is relevant, comprehensive and progressive given the changes which have occurred in the internal and external operating environments since the document was originally compiled in 2006-2007.		

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
Recommendation 20 The Department of Primary Industries ensure that staff involved in administering the agricultural research program are part of the Portfolio and Project Management Group.	A representative of the staff administering the agricultural research program and operation of the Science Investment Framework will be included in the Project Control Board for the Portfolio and Project Management project. The Portfolio and Project Detailed Requirements Business Case is scheduled for completion in March 2010.	A member of the Office of Science Technology and Commercialisation Division, the team responsible for the implementation of the agriculture and fisheries investment framework, has been included in the Project Control Board for the Portfolio and Project Management Project. The DPI Knowledge and Information Technology (KIT) branch has completed a Detailed Requirements Analysis with input from all DPI Groups and this will be incorporated into the Request for Information phase of the Portfolio and Project Management project commencing in 2011.
Recommendation 20 – PAEC Comments: The issues relating to the development of a single data collection system for information relating to agricultural research and investment programs were first raised by the Auditor-General in his report in February 2008 and reiterated by the Committee in its follow-up report in September 2009. It is of some concern to the Committee that the DPI's response on the status of this recommendation (and also the related Recommendation 21 below) suggests that the matter has not been afforded a high priority by the DPI and as a result limited progress has been made. This seems particularly lax given that the Auditor-General reported that systems had been implemented in both Queensland and New South Wales in 2007 which address the issue. The Committee considers that progress made to date by the DPI to address the issues raised in the Auditor-General's report on this matter is unsatisfactory. The Committee recommends that the DPI readdress this matter and assign appropriate resources to ensure that the most efficient IT systems are employed to streamline administration, improve reporting and assist decision-making and continuous improvement in the area of research investment practices within the DPI.		
Recommendation 21 The Department of Primary Industries ensure that its investigation of IT systems for the agricultural research program considers the systems currently being used in other jurisdictions.	Information on IT systems utilised by other jurisdictions will be included as part of the systems evaluation, to be undertaken as part of the Request for Information phase of the Portfolio and Project Management project. It is estimated that this will occur during mid 2010.	A preliminary analysis of IT systems in other jurisdictions occurred as part of the earlier work conducted by the DPI KIT Branch. A more complete analysis will be undertaken as part of the Request for Information phase of the Portfolio and Project Management project in 2011. Note: This stage of the project was delayed due to the redeployment of key staff to Locust and Flood response and recovery activities during 2010-11.
Recommendation 21 – PAEC Comments: Refer to comments made under Recommendation 20.		

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (July 2011)
<p>Recommendation 22</p> <p>The Department of Primary Industries include in its annual report information on the economic, social and environmental benefits 'of commercialised and non-commercialised agricultural research investment in Victoria.</p>	<p>The 2008-09 Annual Report published in October 2009 included information on the benefits and impacts derived from a number of major DPI agricultural research investments. The Report also includes details of commercialised intellectual property.</p> <p>The DPI will continue to include in its annual reports the benefits arising from its agricultural research investments.</p>	<p>Project and program evaluation (including cost benefit analysis, output and outcome impact assessment) occurs across the DPI's investment framework.</p> <p>Key results have been and continue to be included in the DPI's annual report.</p>
<p>Recommendation 22 – PAEC Comments</p> <p>The Committee reviewed the DPI's <i>Annual Report 2010-11</i> and found that information on expected benefits and outcomes of a number of significant research projects are presented in the Report. The Appendices also include a list of output performance measures relating to the DPI's "Strategic and applied scientific research".</p>		

A.3.6 Part C — Chapter 2: Priority Two Reports – Program for Students with Disabilities: Program Accountability (Recommendations 23 and 24)

Table A.21: Responses from the Department of Education and Early Childhood Development (DEECD)

PAEC Recommendation (September 2009)	Action reported in Government Response (March 2010)	Status and outcomes of actions taken to address PAEC recommendation/Response to further questions (August 2011)
Recommendation 23 The Department of Education and Early Childhood Development consider including a performance indicator that measures how many students successfully transition out of and no longer require the support of the Program for Students with Disabilities and the number of students exiting the program for other reasons.	The established performance indicators focus on the ability of students to transition to further education, employment, transition-to-work programs or planned activity groups. The DEECD will investigate whether including a performance indicator on the number of students exiting the program and their reason for doing so, is viable and consistent with established program directions.	A study was undertaken of the number of students entering and exiting the program, including prep, post school and year 6 reviews. This information has been used to inform program planning. Exit and entry information is not a useful performance indicator at this stage. The program focus is on access, participation and learning.
Recommendation 23 – PAEC Comments:		
The DEECD response indicates that it does not consider “students with disabilities transition” (exit) information to be a useful performance indicator at this time.		
Recommendation 24 The Department of Education and Early Childhood Development review Individual Learning Plans for the Program for Students with a Disability to ensure they better meet the needs of the students and the Department.	Individual Learning Plans are tailored to the needs of the child. The DEECD is trialling new curriculum advice for students working towards Level 1 of the Victorian Essential Learning Standards (VELS). This advice will provide guidance on curriculum standards and progress indicators for students with disabilities who cannot yet be placed within the VELS. The outcomes of the trial will contribute to the development of the Abilities Index. The DEECD will investigate how Individual Learning Plans can be modified in line with Working Towards Level 1 of the Victorian Essential Learning Standards and the Abilities Index to provide consistent and reliable data that better meets the needs of students and the DEECD.	Working Towards Level 1 of the Victorian Essential Learning Standards has now been completed and is available for all schools. The information contained in the document can be used by schools seeking to report on learning information in a student's Individual Learning Plan where their level of achievement is below Level 1 of the VELS.
Recommendation 24 – PAEC Comments:		
Work has been undertaken to develop guidance in relation to students working below Level 1 of the Victorian Essential Learning Standards to assist teachers in the development of Individual Learning Plans for students and for monitoring student progress.		
The response has been reviewed by the Committee and is considered satisfactory.		