
Government Responses to the Recommendations of PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S 59th Report on the 2004-2005 Budget Estimates

Pursuant to Section 36 of the *Parliamentary Committees Act 2003*, this paper provides a response to the recommendations contained in the Public Accounts and Estimates Committee's (PAEC) 59th Report.

Guide for Readers:

Following is the explanation of the format of this paper.

1 Chapter number and topic			
2 Responsibility			
1 PAEC Recommendation	2 Response	3 Action Taken to Date	4 Further Action Planned

Row 1: Indicates the number and topic of the response to the PAEC recommendations.

Row 2: Indicates the Department with primary responsibility for responding to the recommendation as outlined in the PAEC Report.

Column 1: Contains the PAEC's recommendations as published in its 59th Report.

Column 2: Indicates the Government's response to each recommendation (**Accept, Accept in part/principle, Under Review or Reject**).

Column 3: Indicates those actions relevant to the implementation of the recommendation that have been taken to date.

Column 4: Indicates the additional actions planned that are relevant to implementation of the recommendation, together with an explanation of the Government's position concerning the recommendation.

CHAPTER 2: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

RESPONSES TO PREVIOUS BUDGET ESTIMATES REPORTS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 1 (page 93)</p>			
<p>The Parliamentary Departments adopt a recruitment policy that is consistent with the requirements applicable to the broader Victorian public service.</p>	<p>Accept in principle</p>	<p>The Parliament has a recruitment policy which in the main is consistent with the broader public service community and also meets the particular and situational needs of the Parliament.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 2 (page 95)</p>			
<p>The Department of Education and Training clarify the accountability arrangements of the Minister for Education and Training and the Minister for Education Services for outputs in the Department of Education and Training, including defining 'overall responsibility' for the education and training portfolio.</p>	<p>Accept in principle</p>	<p>Specific legislative and delegated responsibilities have been allocated to portfolio Ministers.</p> <p>Public information about ministerial responsibilities is presented in the Department of Education and Training's (DET) Annual Report which details the Acts administered by the respective Ministers and their responsibilities in relation to outputs.</p> <p>As indicated in the Annual Report, Ministers have shared responsibility for some departmental outputs. Responsibility for outputs is, in some instances, shared across divisions of DET. It is not possible in these circumstances to reconcile ministerial responsibilities with outputs and divisional structures.</p>	<p>DET will continue to define and identify portfolio responsibility in the Annual Report.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 3 (page 96)</p>			
<p>The Department of Education and Training provide a consolidated statement in its Annual Report of expenditure on school capital projects and maintenance programs that separately identifies budgeted and actual expenditure directed to the construction of new schools, upgrades, modernisation and maintenance programs.</p>	<p>Reject</p>	<p>Most of this information is already provided in Budget Information Paper No. 1 <i>Public Sector Asset Investment Program</i> which provides information on major investments.</p> <p>This lists major individual asset investments in the relevant budget year. Projects are listed as either existing projects or new projects for commencement in the particular budget year. For existing projects continuing into the new budget year, information is provided on the total estimated investment for each project, expenditure to date, expected expenditure for the budget year and remaining expenditure. For each new project, information is provided on the total estimated investment, expected expenditure for the budget year and remaining expenditure.</p> <p>Given that this information is already publicly available, the Department of Education and Training does not believe significant benefits would be gained from also including it in the Annual Report.</p> <p>In relation to expenditure on maintenance, the inclusion of budget and expenditure information at program level would be inconsistent with the current level of reporting provided in the Annual Report, which accords with the requirements of the <i>Financial Management Act 1994</i>.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 4 (page 97)</p>			
<p>The Department of Education and Training include in the Training and Further Education output an additional quality performance measure relating to the percentage of apprentices/trainees that qualify for the completion bonus.</p>	<p>Reject</p>	<p>The completion bonus is payable to a specific group of employers (those who have three or more apprentices and trainees). Additionally, only those apprentices and trainees who are less than 25 years of age attract the bonus.</p> <p>In both cases, this reflects the policy priorities of the Victorian Government. At present, the Department of Education and Training (DET) does not consider any significant value would be gained by monitoring the percentage of apprentices and trainees that qualify for the completion bonus.</p>	<p>DET will continue to monitor the completion rates of apprentices and trainees.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 5 (page 99)</p>			
<p>The Department of Innovation, Industry and Regional Development include in its Annual Report a statement that identifies the allocation of responsibility for outputs with a shared ministerial responsibility.</p>	<p>Accept</p>	<p>The Department of Innovation Industry and Regional Development (DIIRD) is currently reviewing the entire output structure to align with DIIRD Strategic Objectives and to increase the clarity in relation to ministerial responsibility.</p> <p>The new output structure is to be included in the Budget Paper No. 3 <i>Service Delivery</i>.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 6 (page 101)</p>			
<p>The Victorian Government Purchasing Board include in the revised guidelines for the disclosure of information on the contracts publishing system the requirement that summary information on the key performance indicators on which contract payments are based, be disclosed.</p>	<p>Under Review</p>	<p>The Victorian Government Purchasing Board is currently reviewing its Disclosure of Contracts Policy and will consider the Public Accounts and Estimates Committee recommendation as part of this review.</p>	<p>Any further action is contingent on the outcome of the review.</p>
<p>• Recommendation 7 (page 106)</p>			
<p>The Department of Human Services examine the information that is available from the new monitoring system for public housing maintenance and develop appropriate performance measures to assess the timeliness and quality of works undertaken by the Office of Housing.</p>	<p>Under Review</p>	<p>The Department of Human Services (DHS) maintenance contracts contain appropriate performance benchmarks relating to the timeliness and quality of maintenance works, which are set according to the <i>Residential Tenancies Act 1997</i> and the Office of Housing's Maintenance Standards. Under DHS's Maintenance Review there have been significant improvements made in contract monitoring to ensure compliance with required standards. Regular assessments of contractors and appropriate compliance checks are currently being undertaken.</p>	<p>DHS will examine the information from the new monitoring system to strengthen the performance assessment of contractors. This will include a review of audit procedures and the design of suitable business arrangements for contractor audits, the introduction of customer satisfaction surveys for programmed maintenance and upgrades and strengthened complaints management procedures.</p>

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RESPONSES TO PREVIOUS BUDGET ESTIMATES REPORTS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 8 (page 108)</p>			
<p>The Department for Victorian Communities develop and report performance measures that reflect its efforts to improve the quality and timeliness of local government financial and performance reports to auditors.</p>	<p>Reject</p>	<p>The Department for Victorian Communities (DVC) has overseen, supported and encouraged the system of local government, as stated in the report, by providing a standard set of financial statements, asset management policies and an accounting guide for infrastructure assets.</p> <p>The <i>Local Government Act 1989</i> has been amended to require Standard Statements and DVC has provided guidelines.</p> <p>It is not appropriate to measure DVC's performance based on the quality and timeliness of local governments provision of financial and performance information to the Auditor-General because:</p> <ul style="list-style-type: none"> • DVC is not a party to the process; • DVC does not have the authority to direct Councils to provide this information; and • The Auditor-General already reports to Parliament on the timeliness and quality of local government financial and performance reports. <p>For DVC to also report on this process would add unnecessary duplication without adding any new information.</p>	<p>DVC will continue to oversight, support and encourage the system of local government by continuing to provide model financial statements as required.</p> <p>DVC will also further support and encourage the timeliness and quality of local government financial and performance reporting by participating in the development of an agreed valuation methodology for comparable land assets owned or controlled by councils as recommended by the Auditor-General in his December 2004 report on Public Sector Agencies.</p>
<p>• Recommendation 9 (page 110)</p>			
<p>The Department of Sustainability and Environment ensure that its Annual Report contains appropriate information on the outcomes achieved from funds allocated to the operations of the Joint Government Enterprise, in a manner that will complement existing reporting arrangements for this organisation.</p>	<p>Accept in part</p>	<p>To the extent allowable by the Victorian Auditor-General, the Department of Sustainability and Environment (DSE) will disclose appropriate information on the outcomes of the Joint Government Enterprise (JGE).</p>	<p>As part of the development of the Annual Report, DSE will develop appropriate information on outcomes of the JGE.</p>

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• **Recommendation 10** (page 113)

<p>In their Annual Report, the Transport Accident Commission and the Victorian WorkCover Authority make clear links between expectations of performance, as expressed in planning documents, and actual performance.</p>	<p>Accept in principle</p>	<p>The Department of Treasury and Finance (DTF) has discussed with each agency the need for better use of Key Performance Indicators (KPI) in both internal and external reporting. A systematic framework of quarterly reporting to the Minister is in place, including the use of KPIs agreed between DTF and each agency.</p>	<p>DTF will continue to review the quality of KPIs in both internal and external reporting.</p>
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CHAPTER 3: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

BUDGET OVERVIEW

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 11 (page 134)</p>			
The Government include in the Budget Papers a table summarising fixed asset purchases by departments.	Accept	The Government will include a table summarising fixed asset purchase by department in the 2005-06 Budget Papers.	No further action will be taken on this recommendation.
<p>• Recommendation 12 (page 137)</p>			
The Department of Treasury and Finance publish as soon as possible, and prior to the first use of international financial reporting standards in Budget Papers or annual reports, estimates of the effects of those standards on budget sector estimates and outcomes.	Accept in part	<p>A summary of the likely impacts of the adoption of International Financial Reporting Standards (IFRS) has been included in the 2003-04 Annual Financial Report (Note 35) and the 2004-05 Mid-Year Financial Report (Note 33).</p> <p>Where relevant, additional information will be provided as part of the 2005-06 Budget Papers to assist users in understanding the impact of the adoption of IFRS.</p>	No further action will be taken on this recommendation.

CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

REVIEW OF THE BUDGET PAPERS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 13 (page 140)</p>			
<p>The Treasurer table in the Parliament an erratum slip notifying any changes to the information contained in the Budget Papers and provide a copy to the Public Accounts and Estimates Committee.</p>	<p>Accept in part</p>	<p>The Department of Treasury and Finance (DTF) has procedures in place to ensure that all budget estimate and outcome publications are free of material errors or misstatements.</p> <p>On occasion, due to the complexity of budget estimates and outcome reports, material errors or misstatements can occur.</p> <p>DTF follows the guidelines laid down by the Clerks of the Parliament that require the provision of an erratum slip or the retabling of a document.</p>	<p>No further changes will be made to DTF procedures.</p>
<p>• Recommendation 14 (page 145)</p>			
<p>The Department of Treasury and Finance include a Budget guide in future Budget Papers.</p>	<p>Accept in principle</p>	<p>The Budget guide included within the 2004-05 Budget Papers was produced to provide information on the revised presentation and the increase in the number of papers from three to four. The need for such a document in future will be assessed on a case-by-case basis.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 15 (page 145)</p>			
<p>The Department of Treasury and Finance direct all departments to explain the discontinuation of outputs and performance measures as detailed in Budget Paper No. 3 <i>Service Delivery</i>.</p>	<p>Accept in principle</p>	<p>The Department of Treasury and Finance (DTF) in the 2004-05 Budget Papers introduced a specific appendix for the publication of discontinued performance measures and outputs to assist users of the Budget Papers. DTF also requires departments to provide explanatory text for changes to their output structures which is published in the Budget Papers. DTF encourages departments to provide explanation for changes in performance measures and targets where material or otherwise significant.</p>	<p>DTF will continue to publish discontinued outputs and performance measures in the Budget Papers and where applicable, encourage departments to provide explanatory information to aid users in aspects of the Budget Papers, including the output statements.</p>

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REVIEW OF THE BUDGET PAPERS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 16** (page 150)

<p>The Department of Treasury and Finance require each department to include a narrative on the following issues in the departmental output statements, including:</p> <p>(a) a summary of the departmental objectives linked to the Government's outcomes;</p>	<p>Accept in part</p>	<p>The Department of Treasury and Finance (DTF) is always seeking to improve the quality and content of the Budget Papers. DTF is also seeking to make a number of changes within the Budget Papers for 2005-06 to improve discussion of the broader budget context, especially in relation to the linkage with Government outcomes.</p>	<p>In 2005-06 a new departmental narrative will be included as part of the departmental output statements. The purpose of this statement is to provide the context for departmental operations as a whole for the coming year. It is also expected to demonstrate the linkage between high-level Government outcomes and delivering departmental specific outputs.</p> <p>This statement is expected to include:</p> <ul style="list-style-type: none"> • Departmental mission; • Significant issues, trends and risks in the medium term; and • Major policy directions and strategies.
<p>(b) the key factors which influenced the formulation of the departmental budget; and</p>	<p>Accept in part</p>	<p>Refer to recommendation 16(a).</p>	<p>Refer to recommendation 16(a).</p>
<p>(c) the department's key priorities for the budget year.</p>	<p>Accept in part</p>	<p>Refer to recommendation 16(a).</p>	<p>Refer to recommendation 16(a).</p>

• **Recommendation 17** (page 152)

<p>The Department of Treasury and Finance require each department to include in the departmental output statements, information on the relevant ministerial portfolios for each department.</p>	<p>Accept</p>	<p>The information regarding information on the relevant ministerial portfolios for each department is currently available in Departmental Annual Reports.</p> <p>The Department of Treasury and Finance has requested departments provide this information to be published as part of the 2005-06 Budget Papers.</p>	<p>No further action will be taken on this recommendation.</p>
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CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

REVIEW OF THE BUDGET PAPERS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 18** (page 152)

<p>The Department of Treasury and Finance require each department to indicate in the departmental output statements, the Minister responsible for each of the department's outputs.</p>	<p>Reject</p>	<p>Departmental outputs reflect the external goods and services provided by a department. Therefore, elements of individual outputs can encapsulate areas of different Ministerial responsibility. It is not considered feasible to report on individual outputs in terms of specific Ministerial responsibilities. Ministerial portfolios and responsibilities can be found in Departmental Annual Reports and in the 2005-06 Budget Papers. Section 40 of the <i>Financial Management Act 1994</i> requires a description of the goods and services provided by each department to be published in the annual Budget Papers. The Budget Papers currently satisfy this requirement.</p>	<p>No further action to be taken, refer to recommendation 17.</p>
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• **Recommendation 19** (page 153)

<p>The Department of Treasury and Finance require each department to include in the departmental output statements, an output group summary table.</p>	<p>Accept</p>	<p>This information will be published in the 2005-06 Budget Papers.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 20** (page 154)

<p>The Department of Treasury and Finance include in the departmental output statements for each department, comprehensive explanations for significant variances in performance measures and targets, along with any major changes in output costs.</p>	<p>Accept in part</p>	<p>The Department of Treasury and Finance (DTF) encourages departments to provide explanations, by way of footnote, for changes and variations in performance measures and targets where material or otherwise significant.</p>	<p>DTF will continue to encourage the provision of explanatory information to aid users in all aspects of the Budget Papers, including the output statements.</p>
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CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

REVIEW OF THE BUDGET PAPERS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 21** (page 155)

<p>The Department of Treasury and Finance require each department to include in the commentary in the departmental financial statements section of Budget Paper No. 4 <i>Statement of Finances</i>, a list of agencies that were included in the departmental financial statements along with their contribution to departmental outputs.</p>	<p>Reject</p>	<p>In accordance with Australian Accounting Standards (AAS) all entities that consolidate financial information are required to identify the names of the entities included in the consolidated financial outcome. In accordance with this requirement Budget Paper No. 4 <i>Statement of Finances</i> includes a list of government sector entities (grouped by department) that have been consolidated for the purposes of the Estimated Financial Statements.</p> <p>In accordance with AAS the list of agencies that are consolidated in the Departmental Financial Statements are reported in the Annual Financial Reports of the individual consolidating departments, in contrast to the Departmental Financial Statements section of Budget Paper No. 4 <i>Statement of Finances</i>.</p> <p>The inclusion of each agency's individual contribution would not improve the transparency of the departmental financial results due to consolidation and elimination entries being processed prior to publication.</p>	<p>No further action will be taken on this recommendation.</p>
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CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

PARLIAMENTARY DEPARTMENTS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 22 (page 160)</p>			
<p>The Parliamentary Departments develop a safety management plan linked to the occupational health and safety objectives of their corporate plan.</p>	<p>Accept</p>	<p>No action has yet been taken on this recommendation.</p>	<p>The Parliament will develop a system management plan linked to the Occupational Health and Safety plan of their corporate plan.</p>
<p>• Recommendation 23 (page 169)</p>			
<p>The Presiding Officers ensure that the funding approved for carry over for the output group Parliamentary Investigatory Committees also be applied towards the cost of inquiries that were not completed within a financial year and consequently have to report at a later stage.</p>	<p>Accept</p>	<p>In applying carry over, Parliament will abide by the requirements stated in Section 32(1) of the <i>Financial Management Act 1994</i>.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 24 (page 175)</p>			
<p>The autonomy of the Parliamentary Library be retained under the Department of Parliamentary Services and that a protocol formalising this independence be signed by the Presiding Officers.</p>	<p>Accept in principle</p>	<p>The <i>Public Administration Act 2004</i> formally creates the Parliament's three department structure. Under the new corporate structure, the Library will continue to function as a cost centre.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 25 (page 175)</p>			
<p>The autonomy of the Parliamentary Library be reinforced through amendments to the terms of reference for the Library Committee.</p>	<p>Reject</p>	<p>There are no terms of reference set out in the <i>Parliament Committees Act 2003</i> to amend.</p>	<p>No further action will be taken on this recommendation.</p>

CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

PARLIAMENTARY DEPARTMENTS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 26 (page 175)</p>			
<p>The resources and services to be provided to the Parliamentary Library in the amalgamated department be specified in an annual agreement between the Secretary of the Department of the Parliamentary Services and the Parliamentary Librarian, and approved by the Presiding Officers following consideration by the Library Committee.</p>	<p>Reject</p>	<p>The resources and services of the Parliamentary Library will be no less than presently provided and have, in fact, increased with an additional research position added to the structure. Resourcing and servicing arrangements will be consistent across all parliamentary departments.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 27 (page 176)</p>			
<p>The Parliamentary Library and Parliamentary Debates continue to produce detailed information for inclusion in the Annual Report of the Department of Parliamentary Services in order that Members of Parliament can determine whether business plans and performance measures are achieved.</p>	<p>Accept</p>	<p>Currently, all areas of the Department of Parliamentary Services provide agreed measures of performance in their Annual Report (including the Parliamentary Library and Parliamentary Debates).</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 28 (page 176)</p>			
<p>The Parliamentary Library and Parliamentary Debates continue to produce detailed information for inclusion in the annual business plan.</p>	<p>Accept</p>	<p>The Parliament will continue to produce detailed information for inclusions in the annual business plan.</p>	<p>No further action will be taken on this recommendation.</p>

CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

PARLIAMENTARY DEPARTMENTS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 29 (page 177)</p>			
The Presiding Officers provide an opportunity for all Members of Parliament to be consulted on proposed changes to the <i>Parliamentary Officers Act 1975</i> .	Accept	No action has yet been taken on this recommendation.	All Members of Parliament will have an opportunity to debate any changes to the <i>Parliamentary Officers Act 1975</i> when an amending bill is before the House.
<p>• Recommendation 30 (page 178)</p>			
The Presiding Officers establish Steering Committees to guide future research projects to ensure that the Parliament receives value for money from these projects.	Accept in principle	<p>Research projects are established via a wide stakeholder consultation. Areas of interest include the Monash University research project which was established and approved in the previous Parliament.</p> <p>The Presiding Officers will ensure that the Parliament receives value for money from any future projects.</p>	No further action will be taken on this recommendation.
<p>• Recommendation 31 (page 179)</p>			
The Presiding Officers make representations to the Government for additional funding to enable the implementation of the Auditor-General's outstanding recommendations relating to the Parliament's information technology upgrade (Parlynet 2).	Accept	No action has yet been taken on this recommendation.	While the Parliament will make submissions for additional funding, allocation of any additional funding to enable implementation of the Auditor-General's recommendations continues to be dependent on Government approval.

CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 32 (page 185)</p>			
<p>The Department of Education and Training include in the Budget Papers and its Annual Report the amount of funding separately allocated to:</p> <p>(a) primary schools; and</p> <p>(b) secondary schools.</p>	<p>Reject</p>	<p>From 2004-05, the Department of Education and Training (DET) has implemented a new output structure which focuses on students in compulsory years, those in post-compulsory years, services to support students and services to manage the portfolio.</p> <p>These enhancements shift DET's output structure and associated performance measures from a provider to a client focus, based on student progression along the key stages of learning.</p> <p>Continuing to report against the abandoned primary and secondary outputs is inconsistent with the key stages of the learning approach underpinning the new output structure.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 33 (page 193)</p>			
<p>The Department of Education and Training develop a centralised human resources management system that records the employment and cost of casual staff and identifies trends.</p>	<p>Reject</p>	<p>The Department of Education and Training undertakes a number of surveys to identify and analyse trends associated with the employment of casual staff, including:</p> <ul style="list-style-type: none"> • An annual census each August of staff employed by school councils, from which data is provided to the National Schools Statistics Collection; and • A census of casual relief teachers employed during the August census week, including information on schools' difficulties in accessing them. This data has been recorded and accessible since 2001. <p>The employment and payment of casual relief teachers is the responsibility of local schools and they can be employed and paid directly by school councils or employment agencies, as this is the most efficient way to manage this activity. Any central recording of local payroll would not identify those casual relief teachers employed through employment agencies.</p>	<p>No further action will be taken on this recommendation.</p>

CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 34** (page 195)

<p>The Department of Education and Training address all outstanding issues identified in the department's 2002 business case for upgrading the human resources management system.</p>	<p>Accept in principle</p>	<p>The Department of Education and Training (DET) is currently undertaking a business review of its human resource management requirements for the proposed upgrade.</p>	<p>Once DET has completed its business review, this will outline any further steps to be taken.</p>
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• **Recommendation 35** (page 199)

<p>The Department of Education and Training work with other education bodies in Victoria and other states and territories to develop and publish national benchmarks for numeracy and literacy for secondary school year levels.</p>	<p>Accept in principle</p>	<p>The Commonwealth Government indicated that as part of the Quadrennial Agreement it would introduce national tests in English at Years 6 and 10. No detail of the proposed process is available at this stage.</p> <p>The reading and mathematics performance of fifteen-year-old students, comparable by state and territory, is currently reported nationally based on the results from the triennial Organisation for Economic Cooperation and Development Programme of International Student Assessment (PISA). The latest report was released in December 2004, based on the result of PISA 2003.</p> <p>Data on the numeracy performance of Year 8 students is also collected on a triennial basis through the Trends in Mathematics and Science Study (TIMSS) administered by the Australian Council for Educational Research. Victoria has agreed to participate in TIMSS 2006-07 but to compare state and territory student performances in TIMSS 2006-07, all other jurisdictions will need to resource a sufficiently large sample to enable a significant analysis.</p> <p>The Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) has not requested its Performance Measurement and Reporting Taskforce to provide advice on developing national benchmarks at Year 9 or 10 as yet.</p>	<p>The Performance Measurement and Reporting Taskforce will continue to work closely under the direction of MCEETYA to progressively develop improved reporting of literacy and numeracy performance against agreed national standards.</p> <p>Victoria will participate in national testing arrangements agreed through MCEETYA.</p>
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CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 36** (page 201)

<p>The Department of Education and Training:</p> <p>(a) provide an estimate of the cost of unmet maintenance needs in government schools in its Annual Report; and</p>	<p>Reject</p>	<p>An amount of \$34 million a year is set aside for spending in schools on planned and urgent maintenance. In addition, supplementary funding of \$60 million was announced in the 2004-05 Budget to ensure high quality learning environments in government schools.</p> <p>Schools are currently undertaking maintenance works and by June 2005, the majority of the works funded in the 2004-05 Budget will have been completed.</p> <p>Inclusion of maintenance expenditure data in the Annual Report would be inconsistent with the current level of reporting provided in the Annual Report, which accords with the requirements of the <i>Financial Management Act 1994</i>.</p>	<p>Once the works are completed, the Department of Education and Training will conduct an audit of schools' facilities which will provide guidance to schools on where they should direct future maintenance funding received as part of their Student Resource Package. Planning and preparatory work has already commenced for the audit of school facilities.</p>
<p>(b) develop appropriate transition arrangements to ensure that schools previously identified as having urgent maintenance needs under the previous funding model are not disadvantaged under the new maintenance arrangements.</p>	<p>Reject</p>	<p>The methodology for distributing maintenance funding to schools was reviewed as part of the development of the new Student Resource Package, which replaced the School Global Budget as the allocation mechanism for funding government schools. The review concluded that the methodology is sound and could be retained. Therefore transition arrangements will not be required.</p>	<p>No further action will be taken on this recommendation.</p>

CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 37** (page 202)

<p>The Department of Education and Training include in its Annual Report details of the method used to calculate the savings in maintenance derived by expending funds on capital works.</p>	<p align="center">Reject</p>	<p>The Government's capital investment program aims to return school facilities to an 'as new' condition that reflects current learning environment and service delivery requirements.</p> <p>Maintenance costs vary over the life cycle of an asset, with the cost of maintenance increasing as facilities age. Maintenance savings arising from new capital investment are based on an estimate and in practice vary for each facility that is upgraded.</p> <p>Inclusion of data on the methodology used to estimate savings in maintenance derived by increasing capital investment would be inconsistent with the current level of reporting provided in the Annual Report, which accords with the requirements of the <i>Financial Management Act 1994</i>.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 38** (page 202)

<p>With respect to the allocation of school capital funding, the Department of Education and Training include the following information in its Annual Report:</p> <p>(a) the method used by regional offices to establish the priority list of schools in their region;</p> <p>(b) the process used by the department in determining the merits of each school's capital needs based on the regional lists; and</p> <p>(c) the amount of capital allocation for each school.</p>	<p align="center">Reject</p>	<p>Capital works are allocated to priority schools based on established criteria used by the Department of Education and Training's (DET) regional offices to establish the capital works program in each region. The criteria is available on DET's facilities website. DET forms a statewide priority listing based on Government commitments, regional priority lists, program type and regional distribution.</p> <p>Budget Information Paper No. 1 <i>Public Sector Asset Investment Program</i> is published annually and sets out the capital allocation to each school, including expenditure against each project.</p> <p>Inclusion of data on the methodology and processes related to internal service delivery and resource allocation would be inconsistent with the current level of reporting provided in the Annual Report, which accords with the requirements of the <i>Financial Management Act 1994</i>.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 39** (page 205)

<p>The Department of Education and Training publish in its Annual Report:</p> <p>(a) the method used to calculate the administrative charge on trust accounts;</p> <p>(b) the aggregate administrative charges levied on departmental trust accounts; and</p> <p>(c) the balance of funds held in trust accounts at the end of the financial year.</p>	<p>Accept in principle</p>	<p>Trust account income and expenditure is already disclosed as part of the Notes to the Department of Education and Training's (DET) financial statements.</p> <p>DET has commenced a review of similar reporting regimes to ascertain the extent of reporting these items in its financial statements. The review is being undertaken in sufficient time to have any amended disclosures for the 2005 accounts included in the drafting process of those accounts.</p> <p>The income and expenditure from trust accounts is included in the Administered Items note in the financial statements. DET will review the appropriateness of disclosures in the 2005 Accounts not only in terms of disclosures required by the Accounting Standards and the <i>Financial Management Act 1994</i> but also consistency with similar reporting regimes.</p>	<p>The review will be completed in 2005, with implementation of new reporting procedures in response to its findings.</p>
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• **Recommendation 40** (page 206)

<p>The Department of Education and Training ensure the training programs and support to be provided to schools in readiness for the new resource allocation model (Student Resource Package) are evaluated after the first full year of implementation in order to determine their effectiveness.</p>	<p>Accept in principle</p>	<p>Training for the new resource allocation model has been provided to business managers and principals to support the introduction of the new Student Resource Package. Briefings were also provided to all major stakeholder groups, including principal organisations, special schools and the Australian Education Union. A satellite broadcast was made to all schools in November 2004 regarding the details of the new Student Resource Package.</p> <p>Evaluation sheets indicate schools are very satisfied with the training provided to date, with 98 per cent rating training to be of a very good to excellent standard.</p> <p>In addition, the <i>Dollars and Sense</i> program is available as a resource for principals and school leaders. The <i>Dollars and Sense</i> program has been developed to provide a school financial management program which focuses on best practice in the fields of financial benchmarking, financial reporting, financial management and the school global budget.</p>	<p>Principals and school leaders can access further training through the <i>Dollars and Sense</i> program. Effectiveness of training will be measured by surveys of:</p> <ul style="list-style-type: none"> • A representative sample of schools; • Primary and secondary principals association; and • The Department of Education and Training's regional directors.
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• **Recommendation 41** (page 207)

<p>In relation to the new student relationship management information system, the Department of Education and Training ensure that:</p> <p>(a) adequate funding for the pilot and subsequent evaluation is provided to allow key objectives of the system to be tested; and</p>	<p>Accept in principle</p>	<p>The Budget enables the pilot to be trialled in twelve schools with a range of characteristics, including a cluster of a secondary school and its four feeder primary schools, and a specialist school. The prototype will be implemented in these schools in semester two of 2005.</p>	<p>The Assessment Research Centre, University of Melbourne, has been appointed as the program evaluators. The Department of Education and Training anticipates an evaluation report will be available in semester two of 2006.</p>
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(b) privacy issues with respect to individual student's information are adequately addressed.	Accept in principle	A Privacy Impact Assessment is currently being undertaken, which will inform appropriate approaches to ensure privacy issues are being adequately addressed during the pilot and beyond.	Information associated with the Student Relationship Management Information System will be subject to guidelines to ensure appropriate use to ensure compliance with the <i>Privacy Act 2000</i> and the <i>Health Records Act 2001</i> .
<p>• Recommendation 42 (page 210)</p>			
The Department of Education and Training collect, analyse and report in the Budget Papers, indicators of employer satisfaction with the training and education courses provided by the Vocational Education and Training sector.	Reject	The most comprehensive and comparable employer satisfaction data is collected through a national survey managed by the National Centre for Vocational Education Research. This survey has been extensively reviewed in 2004 for implementation in 2005. Outcomes from this national survey are published in the Annual Report of the Vocational Education and Training Sector system. The triennial nature of the survey limits the use of this data in annual publications such as the Budget Papers.	The Department of Education and Training will continue to contribute to the national survey and to work with industry representatives to ensure the design and development of training products are responsive to industry needs.
<p>• Recommendation 43 (page 210)</p>			
The Department of Education and Training include in its Annual Report an assessment of its performance in improving employer satisfaction with Vocational Education and Training outcomes comparative to other states.	Reject	As indicated in the response to recommendation 42, data on employer satisfaction is collected through a triennial national survey managed by the National Centre for Vocational Education Research. Outcomes from this national survey, including comparisons of state performance, are published in the Annual Report of the Vocational Education and Training Sector system. The triennial nature of the survey limits the use of this data in annual publications such as the Annual Report.	Refer to recommendation 42.

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• **Recommendation 44** (page 212)

<p>The Department of Education and Training urge the Commonwealth Government to review the allocation mechanism for university funding in an attempt to achieve a more equitable national approach to education.</p>	<p>Accept in principle</p>	<p>The Minister for Education and Training wrote to the Federal Minister for Education, Science and Training in February 2004, expressing her dissatisfaction with the inadequate allocation of 589 higher education places for Victoria to replace phased out marginally funded places.</p> <p>The Commonwealth Government is no longer utilising that particular allocation mechanism for university funding. The mechanism used to allocate the 400 new higher education nursing places following the Commonwealth Budget in May 2005 was in line with Victoria's expectations.</p>	<p>The next anticipated occasion for an additional allocation of new higher education places is in 2007. The State Government will work with the Commonwealth Government to ensure that the needs of Victoria are represented.</p>
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• **Recommendation 45** (page 214)

<p>With respect to any change in definition of performance measures from one budget year to the next, the Department of Education and Training identify any changes in the Budget Papers so that meaningful year-on-year comparisons of performance indicators can be made.</p>	<p>Accept in principle</p>	<p>The Department of Education and Training (DET) is undergoing discussions with the Department of Treasury and Finance (DTF) to explore ways to identify significant changes to definitions of performance measures in the Budget Papers.</p>	<p>DET will continue to comply with any whole-of-Government requirements established by DTF.</p>
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• **Recommendation 46** (page 235)

<p>The Department of Treasury and Finance provide guidance to the Department of Human Services' major portfolio agencies with developing a more comprehensive reporting framework that allows for consistent reporting of occupational health and safety outcomes by each agency.</p>	<p>Accept</p>	<p>Occupational health and safety (OH&S) in budget sector agencies has been a primary focus of the Department of Treasury and Finance (DTF) for a number of years. A round-table committee including representatives from certain departments, public sector unions and the Victorian Workcover Authority (VWA) has been established to identify improvements that can be made to OH&S.</p> <p>DTF has been working with the Department of Human Services and VWA on OH&S reporting and improvement strategy implementation.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 47** (page 250)

<p>The Department of Human Services continue to monitor the effectiveness of the Hospital Demand Management Strategy, in conjunction with research into further options to meet the demand for services in public hospitals.</p>	<p>Accept</p>	<p>The Department of Human Services continues to monitor the effectiveness of the Hospital Demand Management Strategy through key performance indicators. Research and evaluation of successful initiatives to date will support future strategies.</p> <p>New models of care have progressively been evaluated. A Short Stay Unit and Medical Assessment and Planning Unit evaluation has been completed. The Hospital Admission Risk Program (HARP) is also being evaluated.</p>	<p>The HARP evaluation will be completed in July 2005 and Medihotels will be evaluated.</p>
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• **Recommendation 48** (page 250)

<p>The Department of Human Services ensure that a sufficient number of health professionals are recruited into the public health system to complement the initiatives introduced to address the demand pressures.</p>	<p>Accept in principle</p>	<p>5,200 extra nurses have been employed in Victoria's public health system. The Department of Human Services (DHS) continues to aim to increase the number of early graduate positions it funds in hospitals to attract new graduates to the public health system. In 2004-05 this was 370 Post Graduate Year 1 doctors, 397 Post Graduate Year 2 doctors, 1,268 graduate nurses and 414 graduate allied health practitioners. Negotiations with the Commonwealth Government achieved increased numbers and distribution of undergraduate education places in health and human services professions through the allocation of an additional 539 in 2005 rising to 1,475 in 2008. DHS also provides a range of retention and professional development programs to support and encourage locally trained practitioners and international medical graduates to continue to work in the public health system.</p> <p>Sufficient numbers of appropriately trained health professionals are critical to sustainability of the public health system. DHS continues to develop and implement programs to attract and retain health professionals. However, it is important to note that the primary vehicle for supply of these professionals is through the higher education system and the Commonwealth Government determines the number and distribution of higher education places. DHS continues to negotiate with the Commonwealth Government on these issues to achieve sufficient graduate places to meet demand.</p>	<p>Subject to Budget availability, the numbers of early graduate positions will continue to be increased and models implemented to achieve a more equitable distribution of the workforce. Other programs to support the retention of health professionals will be expanded. DHS will continue to negotiate with the Commonwealth Government over required increases in undergraduate numbers in the health professions. Further work will be undertaken on the following:</p> <ul style="list-style-type: none"> • Consolidation of DHS priorities in education; • Improvement of clinical education opportunities; • Consolidation of programs aimed at recruitment and retention of practitioners in Victoria; and • An ongoing program of workforce studies aimed at quantifying areas of greatest need. <p>The Council of Australian Governments has also endorsed a national study into the health workforce to be undertaken this year. This study has included in its terms of reference a requirement to consider the institutional, regulatory and other factors across both the health and education sectors affecting the supply of health workforce professionals.</p>
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• **Recommendation 49** (page 251)

<p>To enable an informed assessment to be made of the quality of health services delivered by Victoria's public hospital system, that can also be further utilised for budget deliberations, the range of performance measures contained in the Budget Papers be expanded to include areas currently reported by individual public health services such as infection control, medication errors, falls and pressure wound prevention and management and continuity of care.</p>	<p>Accept in principle</p>	<p>Outputs and associated performance measures are reviewed and refined on an annual basis as part of the Government's budget cycle. This includes an analysis of linkages to and alignment with Departmental objectives and the outcomes sought by the Government. The volume of measures that can be included in the Budget Papers is necessarily limited, given the large number and variety of outputs in the Human Services portfolios. Other avenues for publishing more detailed performance information on the quality of public hospital services may be more appropriate.</p> <p>Reports on a range of quality measures in public hospital services are currently produced and released publicly. The areas reported on in these publications are reviewed on an ongoing basis. Other areas of interest as described in the recommendation are reported publicly by individual public health services.</p>	<p>Ongoing work is being undertaken to improve reporting and analysis at a local level to ensure adverse events are prevented or appropriately responded to.</p>
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• **Recommendation 50** (page 253)

<p>The Department of Human Services:</p> <p>(a) develop performance measures and targets to assess the effectiveness of the hospital sustainability initiatives. This performance information should be based on key financial indicators that relate to operating results, net cash flows and the working capital position of hospitals at year end.</p>	<p>Accept</p>	<p>A new form of agreement between the Health Services and the Minister for Health has been adopted in 2004-05, called the Statement of Priorities (SOP).</p>	<p>The Department of Human Services will review the SOP format to ensure appropriate accountability measures.</p>
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<p>(b) undertake a sector-wide analysis of this information and include details in the department's Annual Report, along with a commentary on the measures taken to address emerging financial shortfalls.</p>	<p>Accept</p>	<p>Refer to recommendation 50(a).</p>	<p>Refer to recommendation 50(a).</p>
<p>• Recommendation 51 (page 256)</p>			
<p>The Department of Human Services monitor the ongoing adequacy of funding for paediatric services to ensure that funding provided under the case-mix formula remains equitable in comparison to the actual costs incurred.</p>	<p>Accept</p>	<p>The Department of Human Services (DHS) has instituted arrangements to monitor the provision of paediatric services to ensure that children are equitably treated both in terms of their access to health care and in the level of funding provided for care when compared to the costs of providing care.</p> <p>DHS recalibrates funding rates on an annual basis to ensure that the funding for specific conditions relates to the costs of providing appropriate care. Weights are based on the costing information provided to DHS by hospitals and where anomalies are identified DHS works collaboratively with the hospitals concerned to adjust the rates.</p> <p>During 2003-04 DHS commissioned a comprehensive review of paediatric services and adopted the recommendation to establish a specified grant to adjust for the higher case complexity of patients admitted to the Royal Children's Hospital (RCH) and the hospital's role as a major tertiary referral centre. This grant was continued for the 2004-05 financial year.</p> <p>Also during 2003-04 DHS commissioned a separate review of neonatal services. This review made a number of recommendations that have been adopted by DHS in the 2004-05 funding policy. These include:</p> <ul style="list-style-type: none"> • The establishment of facility grants for major neonatal hospitals. • Providing a 30 per cent premium within the weights for key neonatal Diagnostic Related Groups (DRG). This premium is paid to all hospitals that treat babies allocated to these DRGs. 	<p>The RCH paediatric grant, the neonate facility grant and the neonate weight premium will continue to apply in 2005-06. DHS will continue to monitor the financial position of hospitals with paediatric services and review these arrangements as required.</p>

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• **Recommendation 52** (page 259)

<p>In terms of workforce planning, the Department of Human Services ensure that effective arrangements are in place for planning and managing the supply of, and demand for, public dentists and associated support staff in order that services are provided where they are most needed.</p>	<p>Accept</p>	<p>The Department of Human Services (DHS) is continuing to address dental workforce supply through the workforce strategy which addresses:</p> <ul style="list-style-type: none"> • Remuneration and career structure; • Rural recruitment and retention; • Professional development framework for public oral health professionals; • Nature of work and perception of public dentistry; • Supply of oral health workers (particularly in the public sector); • Public sector recruitment; • Workforce models and scope of practice; and • Demand management. <p>To date the strategy has improved remuneration and career structure for dentists, specialists and dental therapists. Additionally, a professional development plan has been produced with the sector, along with a mentoring program, which has been implemented to support recent graduates and isolated workers. An allowance has been incorporated into the price paid for services in rural locations, and scholarships have been offered to encourage graduates to work in rural areas. The training of prosthetists has recommenced in 2005 and additional training places funded for dental therapists. The scope of duties of dental auxiliaries has been expanded to allow them to work with other age groups and in other settings and a certificate four course has commenced for dental assistants. A pilot program has been established using dental hygienists in aged care settings.</p> <p>Demand management strategies include enhanced oral health promotion, support for water fluoridation and improved triage and waitlist management.</p> <p>Communications strategies have been developed to promote public dental health careers and encourage private sector contributions to the public system.</p>	<p>The professional development plan will be implemented in 2005-06.</p> <p>Ongoing promotion of private and public sector cooperation, including 'call to action' and 'donate a day' encouraging private practitioners to become involved in public dentistry.</p> <p>DHS will continue to facilitate the registration of overseas trained dentists, overseas Australian graduates and the retention in Australia of overseas residents who are dental graduates of Australian Universities.</p> <p>Further actions include:</p> <ul style="list-style-type: none"> • Continue the roll out of the electronic patient management systems in all public clinics to reduce administrative load and assist in managing appointments. • Implement a state-wide emergency triage system. • Further develop more efficient workforce models. • Continue oral health promotion programs and advocating fluoridation in non-fluoridated areas.
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• **Recommendation 53** (page 261)

<p>The Department of Human Services, in conjunction with the Department for Victorian Communities, develop more appropriate performance measures to monitor the effectiveness of obesity and diabetes prevention strategies.</p>	<p>Accept in part</p>	<p>Responsibility for the development of performance measures to monitor the effectiveness of obesity and diabetes prevention strategies rests with the Department of Human Services (DHS). The Department for Victorian Communities (DVC) is not responsible for obesity and diabetes prevention strategies.</p> <p>DHS is currently working to develop more appropriate performance measures for 2006-07.</p>	<p>DVC will not be taking further action. DHS will continue to work towards developing more appropriate performance measures.</p>
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• **Recommendation 54** (page 269)

<p>The Department of Human Services:</p> <p>(a) in relation to people with disabilities develop a strategy to specifically address the increasing backlog of unmet critical need for home and community based living options; and</p>	<p>Accept in part</p>	<p>The Department of Human Services (DHS) has responded to demand pressures stemming from:</p> <ul style="list-style-type: none"> • The growing number of individuals with disabilities; • The ageing of informal carers; and • The aspirations of people with disabilities to participate fully in the community. <p>Funding provided in recent budgets has been directed towards providing additional home and community-based supports including respite, flexible funding packages and aids and equipment as well as early intervention services.</p>	<p>DHS will continue to implement strategies to meet demand in the future, including supporting informal carers and providing flexible supports that maximise individuals' choice and independence.</p>
<p>(b) give consideration to:</p> <p>(i) creating incentives for a greater involvement by the non-government sector in service provision;</p>	<p>Accept in part</p>	<p>Community Service Organisations (CSO) already provide the majority of disability supports in Victoria and growth funding for new services (depending on service type) is typically allocated to CSOs.</p>	<p>Where appropriate, growth funding will continue to be allocated principally to CSOs.</p>

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(ii) investigating innovative home living options to provide alternative housing; and	Accept	Following an expressions of interest process, there has been an initial allocation of funds in the form of Accommodation Innovations Grants to sixteen organisations to deliver innovative accommodation options for people with disabilities. The successful proposals will deliver a range of accommodation options for people with disabilities that enable them to live independently within the community. The Government is also establishing a Disability Housing Trust to provide accommodation options.	The Department will monitor the success of the Accommodation Innovation Grants process.
(iii) actively seeking further funding from the Commonwealth Government for residential disability care in order to alleviate waiting times.	Accept in part	Commonwealth Government funding provided to Victoria is set out in the current Commonwealth State Territory Disability Agreement. With respect to the current agreement, DHS and the Victorian Government sought to negotiate the best possible funding outcome to provide support for people with a disability in Victoria.	DHS will continue to negotiate with the Commonwealth Government to obtain additional funding when opportunities permit.

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• **Recommendation 55 (page 270)**

<p>The Department of Human Services:</p> <p>(a) expand the performance measures in the Budget Papers that relate to accommodation support services provided to groups of clients in community based settings to reflect, not only the quantity of clients in shared supported accommodation, but also the wider choices and support provided under the accommodation umbrella; and</p>	<p>Accept</p>	<p>The Department of Human Services has expanded its reporting and now includes the number of individuals who access wider choices and support available to people with a disability, through programs such as HomeFirst and initiatives such as the Support and Choice, in the Budget Papers and in the departmental Annual Report as part of the Individual Support output.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) give consideration to developing a performance measure linked to waiting times for urgent supported accommodation of a critical nature.</p>	<p>Accept in part</p>	<p>Details about the number of individuals waiting for urgent shared supported accommodation are released each year in December rather than in the subsequent May Budget Papers. These figures have been released in the last three years.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 56** (page 271)

<p>(a) The 2005-06 Budget Papers disclose summary details of the operations of the Disability Housing Trust, the apportionment to capital over the next three years and financial details concerning partnership arrangements between Government and the non-government and private sectors outlining funding allocations, obligations and returns on investment; and</p>	<p>Accept in part</p>	<p>The Department of Human Services (DHS) has developed options on the key features of the Disability Housing Trust. These options address the following factors:</p> <ul style="list-style-type: none"> • The nature of the legal entity status; • Governance and reporting arrangements; • Financial modelling and possible scenarios to achieve the 100 new housing opportunities; and • Identifying target groups and linkages to Housing Associations. 	<p>The Department of Human Services (DHS) will review inclusion of appropriate detail about the Disability Housing Trust with the Department of Treasury and Finance in the 2005-06 Budget Papers, as well as particulars of the Disability Housing Trust in DHS's 2004-05 Annual Report. The aim is to establish the Trust in 2005.</p>
<p>(b) The Department of Human Services' 2004-05 Annual Report disclose full particulars of the Disability Housing Trust, including, when fully operational, the effectiveness of the Disability Housing Trust in reducing the number of individuals with a disability recorded in the Service Needs Register as in urgent need of supported accommodation.</p>	<p>Accept in part</p>	<p>The target group for the Disability Housing Trust with the allocated funding will include people on the Service Needs Register.</p>	<p>Refer to recommendation 56(a).</p>

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<p>• Recommendation 57 (page 272)</p>			
<p>With regard to the implementation of the Companion Card Program for people with a disability, the Department of Human Services:</p> <p>(a) encourage more organisations to become involved in the program e.g. across local government bodies and tourism organisations; and</p>	Accept	<p>The Department of Human Services has undertaken a significant number and range of activities to encourage organisations to accept the Companion Card, with particular emphasis on Local Government and Tourism.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) acknowledge the participation of those bodies involved in the program in its Annual Report.</p>	Accept in part	<p>Whilst it is possible to acknowledge the total number of organisations that have formally affiliated to accept the Companion Card, it is not possible to list all organisations that are involved with the program as many accept the Card without formally affiliating.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 58 (page 273)</p>			
<p>To enable effective monitoring of expenditure from the Community Services Investment Fund, information concerning the activities of the Fund be disclosed in the Annual Report of the Department of Human Services.</p>	Accept	<p>Arrangements are in place for reporting the activities of the Community Services Investment Fund (CSIF) in the Department of Human Services (DHS) Annual Report. Arrangements are also in place for evaluation of all CSIF projects and regular reports have been provided to the community services sector on the activities of the CSIF through a range of mechanisms including newsletters, forums and the internet.</p>	<p>Information on the activities of the CSIF is to be included in DHS's Annual Report.</p>
<p>• Recommendation 59 (page 274)</p>			
<p>The Department of Human Services continue to monitor, and evaluate after 12 months operation, the effectiveness of key funding initiatives announced in the 2004-05 Budget dealing with child protection and placement.</p>	Accept	<p>The Department of Human Services (DHS) has put in place arrangements to monitor and evaluate the effectiveness of key funding initiatives announced in the 2004-05 Budget dealing with child protection and placement. These evaluations will be undertaken by the Director, Child Protection and Juvenile Justice, in consultation with the agencies appointed to provide these services.</p>	<p>DHS will continue to monitor and evaluate the effectiveness of key funding initiatives announced in the 2004-05 Budget dealing with child protection and placement.</p>

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<p>• Recommendation 60 (page 276)</p>			
<p>The Department of Human Services keep under review the risk factors and outcomes of those cases where investigations into child protection services have not commenced within fourteen calendar days of notification and were subsequently substantiated.</p>	<p>Accept</p>	<p>The Department of Human Services conducts careful monitoring of instances where investigations have not commenced within fourteen calendar days of notification and were subsequently substantiated to ensure that risk factors and outcomes are managed effectively.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 61 (page 278)</p>			
<p>The Department of Human Services take steps to address the recommendations contained in the Victorian Child Death Review Committee's <i>Annual Report of Inquiries into Child Deaths - Child Protection 2004</i>.</p>	<p>Accept</p>	<p>The Department of Human Services carefully considers Victorian Child Death Review Committee recommendations each year and, where appropriate, makes changes to case practice, policy and guidelines in response to these recommendations.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 62 (page 279)</p>			
<p>The Department of Human Services continuously monitor the evaluative frameworks to measure the effectiveness of initiatives designed to support those children in care with disturbing and very challenging behaviours.</p>	<p>Accept</p>	<p>The Department of Human Services (DHS) has implemented two key initiatives directed at children with disturbing and very challenging behaviours:</p> <ul style="list-style-type: none"> • The Take Two Intensive Therapeutic Intervention Service; and • The Adolescent Mediation Service. 	<p>The quality and effectiveness of Take Two work will be assessed by ongoing research conducted by La Trobe University School of Social Work and Social Policy.</p> <p>The Adolescent Mediation Service pilot has been independently evaluated and DHS will continue to monitor the evaluative frameworks to measure the effectiveness of initiatives during further rollout of this successful initiative.</p>

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• **Recommendation 63** (page 280)

<p>The Department of Human Services develop performance indicators to measure the affect of problem gambling on communities and to assess the extent of the gambling burden across different socio-economic groups and include this information in its Annual Report.</p>	<p>Accept in principle</p>	<p>The Department of Human Services (DHS) is currently undertaking an evaluation of the problem gambling communication strategy. One of the objectives of the evaluation is to measure the impact of this campaign upon behaviours of problem gamblers and those at risk of problem gambling. The results of this evaluation will provide information on the effect of problem gambling on communities.</p> <p>DHS does not generally collect information on the socio-economic circumstances of its clients. The collection of socio-economic information would occur through a research project, rather than regular data collection systems.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 64** (page 284)

<p>The Department of Human Services review the performance measures for the Small Rural Services output group to ensure that they provide a more balanced assessment of service delivery, including quality and timeliness of aged care services in small rural towns.</p>	<p>Accept</p>	<p>The Department of Humans Services (DHS) is in the process of initiating a review of performance measures in the Small Rural Services output group.</p>	<p>DHS will review performance measures in the Small Rural Services output group during 2005-06, following collection of one full year of data for the output group.</p>
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• **Recommendation 65** (page 286)

<p>The Department of Human Services include additional performance information alongside existing measures in the Budget Papers and in its Annual Report to supplement the use of 'service units' to allow for a more comprehensive assessment of the quantity and quality of service delivery.</p>	<p>Accept</p>	<p>The Department of Human Services is currently reviewing performance measures relating to the use of 'service units'.</p>	<p>Changes will be considered for 2005-06 and 2006-07.</p>
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CHAPTER 7: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF HUMAN SERVICES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 66 (page 288)</p>			
<p>The Victorian Government bring to the attention of the Commonwealth Government the need for a renegotiated Home and Community Care Agreement to recognise the growth in demand for these services in Victoria and the additional funding above matching requirements, made by the State Government in recent years.</p>	<p>Accept in principle</p>	<p>The Department of Human Services continues to make representation to the Commonwealth Government about the adequacy of funding arrangements and other aspects of the aged care program including planning arrangements and place approvals.</p>	<p>The Commonwealth Government has initiated a process for renegotiating the Home and Community Care Agreement with the expectation that a new agreement will be operational from June 2006. The Victorian Government will continue to make representations about growth in demand for services exceeding the rate of growth in funding available to Victoria and will continue to draw attention to the Victorian Government's additional funding contribution over and above its matching requirements to meet this shortfall. The Victorian Government will also continue to highlight to the Commonwealth Government service demand issues arising from the disparity between the number of operational residential aged care places in Victoria and the Commonwealth Government's benchmark.</p>
<p>• Recommendation 67 (page 289)</p>			
<p>The Department for Victorian Communities develop clearly defined performance measures to track progress against the objectives of the Positive Ageing Strategy and report against these performance measures in its Annual Report.</p>	<p>Accept</p>	<p>The Department for Victorian Communities is developing indicators for each major initiative under Positive Ageing.</p> <p>The indicators will subsequently provide a basis for monitoring and reporting progress, including through annual reports.</p>	<p>No further action will be taken on this recommendation.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 68** (page 294)

<p>Given the increased need and use of residential care for aged and frail people, the projected growth in that population and the considerable delay between approvals and building completion of aged care facilities, the Department of Human Services and the Victorian Property Group:</p>	<p>Accept in principle</p>	<p>The principle that Victoria should take action to support and facilitate the development of aged care facilities to meet growing need is supported.</p> <p>The pressing need for more high-care places will continue to be a priority. The Commonwealth Government collects and publishes some data on resident characteristics and other matters relevant to planning. Complementary work is being undertaken by the Department of Human Services (DHS), which also includes cooperative work with the Commonwealth Government.</p> <p>Melbourne 2030 includes measures to increase the supply of well-located affordable housing. Residential aged care fulfils an important need in this context. Discussions have begun with the Department of Sustainability and Environment, Victorian Property Group and others about how this policy direction may be pursued in relation to aged care.</p>	<p>DHS representation to the Commonwealth Government will continue regarding the adequacy of funding arrangements and other aspects of the aged care program including planning arrangements and place approvals.</p> <p>Complementary work and research, such as that being undertaken for DHS by the Royal Melbourne Institute of Technology, and cooperative work with the Commonwealth Government, will continue.</p>
<p>(a) assist with identifying and facilitating the sale of State Government sites that are suitable for residential aged care development;</p>	<p>Accept in principle</p>	<p>Refer to recommendation 68.</p>	<p>The Victorian Property Group has agreed to refer suitable surplus government properties to DHS in the first instance to enable DHS to assess suitability for aged care facilities.</p> <p>Any transfer of land to DHS will be at market value.</p>
<p>(b) encourage the building of aged care facilities that cater for high and lower levels of need and respite care for people with challenging behaviour;</p>	<p>Accept in principle</p>	<p>Refer to recommendation 68.</p>	<p>Refer to recommendation 68.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
(c) collect data on the characteristics of the population choosing residential care, particularly related to choice of location, financial contribution and length of stay to assist with long-term planning for these facilities;	Accept in principle	Refer to recommendation 68.	Refer to recommendation 68.
(d) regularly review the status of licences allocated in Victoria and bring to the attention of the Commonwealth Department of Health and Ageing circumstances where there do not appear to be legitimate reasons for delays in the construction of new aged care facilities within the two year period; and	Accept in principle	Refer to recommendation 68.	Refer to recommendation 68.
(e) continue to make representations to the Commonwealth Government about the need for funding arrangements that will provide for on-going financial viability for existing and prospective aged care facility operators in Victoria.	Accept	Refer to recommendation 68.	Refer to recommendation 68.

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 69** (page 298)

<p>The Department of Human Services disclose the costs associated with the Home Ownership and Renovation Assistance output in its Annual Report.</p>	<p>Reject</p>	<p>The Department of Human Services' (DHS) Annual Report contains a financial report which is compiled according to appropriate Accounting Standards, other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the <i>Financial Management Act 1994</i>. The financial report is audited by the Auditor-General to ensure compliance with these standards and presents a view consistent with DHS's financial position, its financial performance and cash flows.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 70** (page 303)

<p>The Department of Treasury and Finance improve the transparency of arrangements relating to the repayment of advances by detailing a schedule of budgeted repayments by the Office of Housing over the period of the forward estimates.</p>	<p>Accept</p>	<p>No action has yet been taken on this recommendation.</p>	<p>The Department of Treasury and Finance (DTF) agrees to detail the approved schedule of future repayments by the Office of Housing (OOH) to DTF over the period of the forward estimates. DTF agrees that publishing the schedule of repayments, associated with centralising Victoria's debt obligations under the Commonwealth State Housing Agreement with DTF, would improve the transparency of the net costs of providing public housing. DTF and OOH agree that the most appropriate mechanism for reporting the budgeted repayments would be in the OOH's annual Summary of Housing Assistance Programs.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 71** (page 306)

<p>The Department of Human Services develop a detailed reporting framework for inclusion in its Annual Report that includes capital expenditure and public housing acquisitions for the previous financial year, as well as expected movements over the forward estimates period.</p>	<p>Reject</p>	<p>The Department of Human Services (DHS) currently provides detailed advice on capital expenditure and public housing acquisitions for the previous financial year in the annual Summary of Housing Assistance produced in December/January. The timing of the Annual Report's production (October) would not allow appropriate reconciliation of capital funds, hence the requirement for an additional publication.</p> <p>DHS's Business Plan, Budget Paper No. 3 <i>Service Delivery</i>, the Commonwealth State Housing Agreement Bilateral Plan 2003-08, Housing's Strategic Framework - Partnerships for Better Housing Assistance contain forward strategies and actions. Acquisition targets are published annually in the Department's Business Plan and Budget Paper No. 3 <i>Service Delivery</i>. Expected movements are more appropriately placed in planning documents.</p>	<p>No further action will be taken on this recommendation.</p>
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DEPARTMENT OF INFRASTRUCTURE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 72** (page 324)

<p>The Department of Infrastructure develop a performance measure relating to customer satisfaction with country bus services and report this information in the Budget Papers.</p>	<p>Under Review</p>	<p>The Department of Infrastructure (DOI) has a customer satisfaction monitoring and reporting process for long distance train and country road coach services operated by V/Line. The customer satisfaction index for country road coach services measures the following criteria:</p> <ul style="list-style-type: none"> • Overall Customer Satisfaction • Staff Service • Ticketing • Service Delivery • Passenger Comfort • Information Services • Stops and Stations • Personal Safety • Value for Money <p>The results are published quarterly in DOI's Track Record publication that can be accessed via the DOI website. It is proposed that the same measures and process be undertaken on a sample basis for other country and regional bus services that operate in regional centres as well as services operating between country townships.</p>	<p>DOI, in consultation with regional bus operators and the Bus Association of Victoria, will develop and trial a customer satisfaction monitor based on the V/Line road coach model during 2005 so that customer satisfaction for other country bus services can be reported on a regular basis via Track Record.</p> <p>Consideration will be given to including a customer satisfaction performance measure in the 2006-07 Budget Papers.</p>
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• **Recommendation 73** (page 329)

<p>The Department of Infrastructure investigate the reasons for the delays to the Regional Fast Rail Project with a view to minimising the extent of any future contractor claims involving additional costs, which may be attributed to delays beyond the control of contractors.</p>	<p>Under Review</p>	<p>To mitigate delays and cost impact to the project an Internal Issues Group was established to deal with all current and outstanding contractor claims. The issues group has negotiated settlements on each of the corridors and resolved up to 300 delay and scope issues and revised completion dates. However, the contractors continue to aggressively seek variations.</p>	<p>The project is currently managing all of the contractual and stakeholder issues and is progressing well to meet Government's target date. This has been achieved through almost daily negotiation regarding all aspects of design and construction with the contractors and stakeholders to ensure the greatest value for money outcome is achieved.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 74** (page 334)

<p>The Government ensure that the level of subsidy provided to V/Line is based on sound costing structures and realistic estimates of growth in patronage.</p>	<p>Accept</p>	<p>The Department of Infrastructure has in place a comprehensive process for close scrutiny, ongoing monitoring and management of the financial and operational performance of V/Line Passenger services.</p> <p>The V/Line Business Plan is prepared by V/Line and reviewed and approved by the Director, Public Transport. The Business Plan includes financial and operational targets for the V/Line business.</p> <p>Financial reporting includes Profit and Loss, Balance Sheet and Cash Flow reporting. Operational reporting includes punctuality, service delivery, customer satisfaction and patronage information. V/Line also reports on the progress of major capital projects.</p> <p>The business is impacted by the Regional Fast Rail Project and the Spencer Street Station Redevelopment. Both these factors are included in patronage forecasts and subsidy estimates.</p>	<p>The current processes and procedures will continue for the life of the Partnership Agreement.</p>
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• **Recommendation 75** (page 336)

<p>The Department of Infrastructure ensure that future major projects involving complex environmental considerations take into account the time involved in undertaking Environmental Effects Statements.</p>	<p>Accept</p>	<p>The Department of Infrastructure (DOI) has in place rigorous controls on the project development phases of projects through its Project Review Committee Cycle.</p> <p>All major projects are required to be reviewed at Strategic Fit, Options Assessment and Business Case stages.</p> <p>This review cycle identifies the critical activities required for the project development/delivery phases, including planning approvals such as EES, project schedules and major deliverables. This process will ensure that all planning approvals involving complex environmental considerations are sufficiently allowed for in future project schedules.</p>	<p>All major projects are to continue to be developed through DOI's Project Review Cycle.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 76 (page 336)</p>			
<p>In order for the economic benefits from the channel deepening project for the Port of Melbourne to materialise in a timely manner, the Government give this project a high priority and resolve the outstanding funding arrangements as soon as practicable.</p>	<p>Accept</p>	<p>The high priority of this project has been established in <i>Victoria: Leading the Way (April 2004)</i>. "Action 1 Deepening the Channel to the Port of Melbourne – The Bracks Government recognises the vital importance to the Victorian economy of maintaining Melbourne's reputation as the leading freight and logistics hub in Australia."</p> <p>The Government has introduced a Bill into the Parliament, the Channel Deepening Facilitation Bill to facilitate the project. Again, this is subject to project approvals.</p>	<p>Final funding arrangements are subject to completion of the environmental process and State and Federal approvals.</p>
<p>• Recommendation 77 (page 339)</p>			
<p>The Department of Infrastructure ensure that performance measures contained in the Budget Papers to supplement project end dates, which relate to the percentage completion of projects, specify on what basis completion is being assessed.</p>	<p>Accept</p>	<p>In response to the PAEC's recommendation, the Department of Infrastructure (DOI) will review and amend the wording and methodology of relevant output performance measures to clarify what basis completion of specific projects is being assessed.</p>	<p>DOI will continue to apply this approach towards clarifying 'per cent complete' measures in future years.</p>
<p>• Recommendation 78 (page 342)</p>			
<p>The Department of Infrastructure keep under review the project management skills of staff, supplemented with appropriate training where required, in order to ensure the state's major capital projects are delivered on time, to an appropriate standard and within budget.</p>	<p>Accept</p>	<p>The Department of Infrastructure (DOI) is systematically addressing workforce planning. Senior management recognises the need to build the capability of its workforce and to realign it where appropriate. DOI's management committee actively promote and support workforce planning and resource a range of workforce strategies.</p> <p>Through the Department's Corporate Plan DOI is implementing a range of workforce planning activities through DOI's People Strategy.</p>	<p>Key actions of the DOI's People Strategy 2004-06 include:</p> <ul style="list-style-type: none"> • Developing a workforce planning framework for recruitment, development, retention and performance; • A pilot project commenced with Capital Group to review the project management skills of staff and identify future needs; and • The DOI Capability Framework project to define the core competencies of jobs at DOI.

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• **Recommendation 79** (page 352)

<p>The Department of Infrastructure publish in its Annual Report a consolidated summary of expenditure of TPAMS' funds incurred by departments for the upgrade of local area networks.</p>	<p>Under Review</p>	<p>Local area network (LAN) upgrades are one component part of the overall TPAMS strategy. Other component projects are Victorian Office Telephony Services (VOTS) and Telecommunications Carriage Services (TCS) for mobile, fixed voice and data services.</p>	<p>Expenditure on LAN upgrades by the various Government Departments will continue to be monitored by TPAMS administration to ensure the LAN upgrades occur as planned and that total expenditure is within the budget forecast. As the Departments will report such expenditure within their published Annual Reports, the Department of Infrastructure (DOI) does not consider it is necessary to publish this information separately. Overall progression on TPAMS will continue to be published within the DOI Annual Report.</p>
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• **Recommendation 80** (page 354)

<p>The Government keep under review the level of unmet demand for broadband services, especially in the more remote areas of Victoria, in order to assess the effectiveness of the initiatives introduced by the Department of Infrastructure to address this on-going issue.</p>	<p>Accept</p>	<p>The Department of Infrastructure (DOI) has previously commissioned reports on the demand and coverage of broadband in rural and regional Victoria.</p>	<p>DOI will continue to monitor the demand and coverage of broadband in rural and regional Victoria. This may take the form of updates to reports previously commissioned or similar surveys.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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<p>• Recommendation 81 (page 359)</p>			
<p>The Department of Infrastructure, in conjunction with co-investors, develop a monitoring regime to assess the effectiveness of the Centre for Energy and Greenhouse Technologies, in terms of:</p>	<p>Accept</p>	<p>The Department of Innovation, Industry and Regional Development (DIIRD) is the responsible agency for the management of the funding agreement for the Centre for Energy and Greenhouse Technologies (CEGT).</p> <p>DIIRD is currently monitoring its core requirements in relation to the CEGT project.</p>	<p>DIIRD will continue in its core monitoring requirements in relation to the CEGT project.</p>
<p>(a) developing new sustainable energy and greenhouse gas reduction technologies; and</p>	<p>Accept</p>	<p>Funding conditions with the CEGT requires energy projects to focus on reducing the level of CO₂ gases. All projects need to detail the methodology that demonstrates and validates the CO₂ reductions and the energy efficiencies to be gained from the new technologies.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) generating commercial returns by meeting the growing and global demand for these technologies.</p>	<p>Accept</p>	<p>The CEGT has a broad membership from industry and incorporates associate members from the public research sector. The agreement between Government and the CEGT requires all projects to detail their contributions. As at December 2004, the leveraging of government funding has been at a ratio of \$1 to \$3 industry investment. All projects that are funded are underpinned by a formal contract, which details the assignment of intellectual property. All projects are required to factor a return on investment to the CEGT.</p>	<p>No further action will be taken on this recommendation.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 82 (page 361)**

<p>That the Department of Infrastructure give priority to ensuring that:</p> <p>(a) the continued supply of energy provided by the electricity, gas and liquid fuel industries is adequately safeguarded; and</p>	<p>Accept</p>	<p>To inform the market of future power system capability, the National Electricity Market Management Company (NEMMCO) publishes an Annual Statement of Opportunities (SOO) for the National Electricity Market, which forecasts the supply-demand balance - generation and interconnection capacity to meet (one in ten year summer) peak demand over a ten-year period. It also provides short to medium term assessments in its weekly Projected Assessment of System Adequacy (MT PASA) which gives supply-demand balance and reserve forecasts for the coming two years.</p> <p>These forecasts signal the need for investment in new generation or for other operational activity to meet any supply-demand imbalance. NEMMCO can also seek additional capacity to meet expected supply shortfall through its reserve trading powers and through directing generators into production if they have not bid in their total capacity.</p> <p>For 2005 summer NEMMCO (taking into account a potential one in ten year peak demand, plus a potential simultaneous breakdown of the largest generation unit in the region) has estimated a combined reserve shortfall of 229 MW for Victoria and South Australia. Taking into account the cost and likely requirement for additional supplies, NEMMCO has procured 84MW of additional capacity through its reserve trader function, which leaves a potential shortfall of 145MW across Victoria and South Australia. This is considered to be a very low risk scenario.</p> <p>The Victorian Energy Networks Corporation (VENCorp) provides expert technical advice to the market and Government on the status and future needs for transmission capacity in the electricity and gas sectors in Victoria.</p> <p>Compared to electricity, there is less volatility with prevailing demand/supply balances in the gas and liquid fuels sector. The future continuity of supply of natural gas for example, has been significantly enhanced in recent years through facilitation of investment in a number of new gas production and transmission facilities.</p>	<p>The Department of Infrastructure has the future actions planned:</p> <ul style="list-style-type: none"> • Monitoring the process of NEMMCO (and VENCorp) forecasting, and monitoring the effectiveness of market price signalling to ensure the market responds to potential shortfalls. • Facilitating investment in generation, production and transmission infrastructure; • A key outcome of the Greenhouse Challenge for Energy project is to forecast opportunities for investment in new baseload supplies, and advise on policy options to ensure that timely investment occurs • Continued work on National Energy Market Reforms - economic regulation, framework for transmission development and to improve the climate for investment • Strategy for the Government Departments to reduce electricity usage on days of extreme demand. • Continued support for demand management initiatives in the wider community to reduce demand at periods of peak demand.
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>(b) the identification of critical energy infrastructure to be declared under the <i>Terrorism (Community Protection) Act 2003</i> and the development of risk management plans are finalised as soon as possible.</p>	<p>Accept</p>	<p>On 21 December 2004 the Governor in Council declared that Part 6 of the <i>Terrorism (Community Protection) Act 2003</i> applies to a number of prescribed items of critical energy infrastructure and infrastructure critical to energy supply.</p> <p>Declared owners and operators of critical infrastructure are now required to develop risk management plans that include the following:</p> <ul style="list-style-type: none"> • Assess the risks of a terrorist attack; • Sets out measures to prevent or reduce risks of an attack; • Establish procedures for response and recovery from an attack; • Provide for continued operation of essential services; • Conduct self-audits; and • Participate in an exercise conducted by the Victoria Police annually. 	<p>Continued liaison with declared owners and operators of critical infrastructure is planned to ensure that risk management plans are in place.</p>

CHAPTER 9: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 83** (page 373)

<p>The Department of Innovation, Industry and Regional Development review its internal budgeting and business planning processes to ensure that the budget for the Innovation and Policy output group reflects planned expenditure for each financial year.</p>	<p>Accept in principle</p>	<p>A review of the Department of Innovation, Industry and Regional Development's (DIIRD) internal budgeting and business planning processes is currently being undertaken with the view to implement any new processes and procedures for the 2005-06 financial year.</p> <p>As part of this process DIIRD's output structure is also being altered to align with DIIRD's Strategic Directions. It is anticipated that the changes to be implemented will address this issue.</p> <p>To improve the internal budgeting processes, the Office of Science and Technology has sought to improve the negotiation process with external stakeholders to submit comprehensive project plans that articulate the budget requirements against prescribed activities. These projects plans are used to in finalise payment schedules in funding agreements and enhance budget management process. This process is impacted when funded projects fail to meet required milestones, resulting in DIIRD suspending payments until evidence is provided that milestones have been achieved. The complexity of large scientific and technology infrastructure projects and the accompanied research programs can lead to key performance measures being renegotiated.</p>	<p>This recommendation is to be considered as part of the internal review currently being undertaken.</p>
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DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 84** (page 382)

<p>The management arrangements between the Department of Innovation, Industry and Regional Development (as the provider of the grants funding) and the grant recipients include provisions which would allow the state to participate in the benefits from the commercialisation of Government funded research activities.</p>	<p>Reject</p>	<p>As a condition of Science, Technology and Innovation grant funding, projects need to demonstrate public and private benefits, including the commercialisation value of the projects to be delivered to Victoria. All projects are required to disclose the Intellectual Property Agreements to the Department of Innovation, Industry and Regional Development (DIIRD). These agreements detail how the benefits of the projects are allocated between member organisations. DIIRD generally does not take an equity position in grant funded projects and it is only in exceptional circumstances where this occurs.</p> <p>Seeking direct commercialisation benefits would influence future investment decisions and reduce the scope of DIIRD to negotiate with industry the types of activities that need to be undertaken. A key premise for DIIRD's grant investment is to facilitate exports, attract investment to the state and create high valued jobs.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 85** (page 384)

<p>The Department of Innovation, Industry and Regional Development develop additional performance indicators for the <i>Make it Happen in Provincial Victoria</i> (Phase 2) initiative that measures the effectiveness of the:</p> <p>(a) marketing campaign in attracting people to provincial Victoria; and</p>	<p>Accept in principle</p>	<p>The Department of Innovation, Industry and Regional Development (DIIRD) is currently reviewing the output structure to align with DIIRD's Strategic Directions. As part of this process all performance measures are being reviewed to ensure they are the most appropriate and in line with the Department of Treasury and Finance guidelines.</p>	<p>This recommendation will be considered as part of the output structure review currently being undertaken and intended for introduction in 2005-06.</p>
<p>(b) provincial economic partnerships in increasing economic and investment opportunities in provincial Victoria.</p>	<p>Accept in principle</p>	<p>Refer to recommendation 85(a).</p>	<p>Refer to recommendation 85(a).</p>

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DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 86 (page 387)</p>			
<p>The Government develop a coordinated strategy to identify the resources and responsibilities of the various components of the public sector that can contribute towards improving the ability of the food industry to become more globally competitive.</p>	<p>Accept</p>	<p>The Next Generation Food Strategy was released in October 2004 following extensive industry consultation and input from the Department of Human Services, Department of Primary Industry, Department of Education and Training, Tourism Victoria and the Worksafe Inter-Departmental Committee. There are 27 initiatives that have commenced already, and quarterly reports are being prepared for the Food Victoria Council.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 87 (page 390)</p>			
<p>The Department of Innovation, Industry and Regional Development develop appropriate performance measures relating to the 2004-05 budget initiatives or extensions to programs.</p>	<p>Accept in principle</p>	<p>The Department of Innovation, Industry and Regional Development is currently reviewing its output structure to align with its Strategic Directions. As part of this process all performance measures are being reviewed to ensure they are the most appropriate and in line with the Department of Treasury and Finance guidelines.</p>	<p>This recommendation will be considered as part of the output structure review currently being undertaken and intended for introduction in 2005-06.</p>
<p>• Recommendation 88 (page 391)</p>			
<p>In developing the Victorian Business Master Key Initiative, the Department of Innovation, Industry and Regional Development:</p> <p>(a) consult widely with a range of agencies from all three levels of Government to ensure assistance to small business is seamless; and</p>	<p>Accept</p>	<p>The Department of Innovation, Industry and Regional Development (DIIRD) agrees that wide consultation with all levels of Government is important and has accordingly put in place strategies to facilitate consultation and co-operation throughout the development of the Victorian Business Master Key. DIIRD has already consulted extensively with agencies in the early phases of the project.</p>	<p>Consultation is scheduled to continue.</p>
<p>(b) include performance targets and milestones so that Government assistance to small business can be monitored and evaluated in the implementation phase.</p>	<p>Accept in principle</p>	<p>DIIRD agrees that performance targets and milestones are important to evaluate project progress. As part of the project planning process, metrics are being developed to monitor both implementation and operational performance.</p>	<p>This recommendation will be considered as part of the project planning process currently underway, with targets to be introduced for 2005-06.</p>

CHAPTER 9: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 89 (page 393)</p>			
With respect to all major export-oriented programs, the Department of Innovation, Industry and Regional Development develop and publish indicators such as the amount of export growth associated with each program and the number of new exporters.	Accept in principle	The Department of Innovation, Industry and Regional Development (DIIRD) is currently reviewing the output structure to align with DIIRD's Strategic Directions. As part of this process all performance measures are being reviewed to ensure they are the most appropriate and in line with the Department of Treasury and Finance guidelines.	This recommendation will be considered as part of the output structure review currently being undertaken and intended for introduction in 2005-06.
<p>• Recommendation 90 (page 394)</p>			
In consultation with interstate industry development agencies, the Department of Innovation, Industry and Regional Development take a lead role and develop performance measures and targets that incorporate national or international benchmarks with respect to their industry development activities.	Accept in principle	The Department of Innovation, Industry and Regional Development (DIIRD) is currently reviewing the output structure to align with DIIRD's Strategic Directions. As part of this process all performance measures are being reviewed to ensure they are the most appropriate and in line with the Department of Treasury and Finance guidelines.	This recommendation will be considered as part of the output structure review currently being undertaken and intended for introduction in 2005-06.
<p>• Recommendation 91 (page 395)</p>			
The Department of Innovation, Industry and Regional Development develop performance targets for the Careers in Manufacturing Strategy and evaluate the success of the strategy, after an appropriate time.	Accept	The Department of Innovation, Industry and Regional Development has commenced a pilot activity involving 30 Victorian secondary colleges to include careers in manufacturing teaching on the Year 9 and 10 school curriculum for the second term in 2005. In addition, the activity will also include visits from youth industry ambassadors and students undertaking various industry tours. Key measures for the pilot activity have already been determined.	The evaluation of the pilot activity is planned for September 2005.

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 92 (page 395)</p>			
<p>The Department of Innovation, Industry and Regional Development set timelines for the Manufacturing Skills and Training Taskforce's activities and report on its achievements.</p>	<p>Reject</p>	<p>The Manufacturing Skills and Training Taskforce has been formally established. Its primary reporting link is to the Victorian Learning and Skills Employment Commission with additional reporting responsibilities to the Manufacturing Industry Consultative Council. The Office of Training and Tertiary Education will be responsible for managing the timelines, activities and reporting on achievements of the Taskforce.</p> <p>The Department of Innovation, Industry and Regional Development will maintain engagement with the Taskforce through Office of Manufacturing input to the Taskforce workplan.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 93 (page 396)</p>			
<p>The Department of Innovation, Industry and Regional Development in collaboration with the Department of Education and Training:</p> <p>(a) conduct research into trends in apprenticeship numbers;</p>	<p>Accept</p>	<p>The Department of Education and Training (DET) and other bodies such as the National Centre for Vocational Education Research undertake regular and comprehensive analyses on trends in apprenticeship numbers.</p>	<p>DET and the Department of Innovation, Industry and Regional Development (DIIRD) will work in conjunction to ensure the continued relevance and usefulness of the research that is available and to identify any areas that would warrant further research.</p>
<p>(b) devise new strategies to promote apprenticeships; and</p>	<p>Accept</p>	<p>While the 10 per cent increase in the number of commencements in traditional trade apprenticeships over the last 12 months is a positive development, there may be scope for further work in this area.</p>	<p>DET and DIIRD will continue to work together with other agencies and industry to develop new and innovative strategies that will promote apprenticeships. The "Careers in Manufacturing" initiative is a recent example of this. However, it should be noted that it is also appropriate for industry bodies to identify and undertake initiatives to increase apprenticeship recruitment where needed, as some already have.</p>

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(c) in light of the research, consider new incentives for employers to employ apprentices.	Accept	The Victorian Government currently provides incentives in the form of Government funded training places, by meeting the Work Cover levy, and by providing employers with a completions bonus.	If research indicates that new incentives are required, DET, DIIRD, other agencies and industry will identify appropriate measures that may be pursued in this area.
<p>• Recommendation 94 (page 398)</p>			
When announcing key initiatives, the Department of Innovation, Industry and Regional Development develop and publish key performance measures for each initiative.	Accept in principle	<p>The Department of Innovation, Industry and Regional Development is currently reviewing its output structure to align with its Strategic Directions. As part of this process all performance measures are being reviewed in ensure they are the most appropriate and in line with the Department of Treasury and Finance guidelines.</p> <p>The principles being applied as part of this review will also be applied to all new initiatives developed including the appropriate evaluation framework.</p>	The recommendation will be considered as part of the output structure review currently being taken and intended for introduction for 2005-06 and in the development of new initiatives.
<p>• Recommendation 95 (page 399)</p>			
Where the Department of Innovation, Industry and Regional Development allocates global funding for initiatives, it should identify in the Budget Papers the costs and timeframe associated with each initiative in order to support the Budget appropriation.	Accept in principle	The Department of Innovation, Industry and Regional Development (DIIRD) follows the required reporting format as determined by the Department of Treasury and Finance (DTF) for inclusion in the annual Budget Papers. The information provided in Budget Paper No. 3, <i>Service Delivery</i> page 260, and referred to in the Public Account and Estimates Committee 59 th Report to Parliament section 9.10.3(a) page 399, was included by DTF.	DIIRD will endeavour to ensure that all new funding initiatives including timeframes are included in the Budget Papers.

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• **Recommendation 96** (page 402)

<p>The Department of Innovation, Industry and Regional Development and Tourism Victoria develop performance indicators to measure visitor use of, and satisfaction with, tourist facilities and report these in the Annual Report of Tourism Victoria.</p>	<p>Accept in principle</p>	<p>As part of the recently released Regional Tourism Development Plans, recommendations have been made to develop appropriate measures to ascertain visitor satisfaction levels and to encourage operator participation in consumer assessment of business operations.</p> <p>However, an accurate measure of usage and satisfaction with Victorian tourism facilities is currently not available. Most of the State's tourism facilities are managed by private sector organisations, which do not have consistent or reliable measurements systems in place to collect this information.</p>	<p>This recommendation cannot currently be addressed due to the absence of reliable data to measure visitor use of and satisfaction with tourism facilities in Victoria.</p> <p>An appropriate methodology to obtain this level of information is being investigated.</p>
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• **Recommendation 97** (page 404)

<p>The Department of Innovation, Industry and Regional Development ensure that a risk management strategy is developed for the Melbourne Convention Centre Project to make certain that the project is effectively managed and delivered on time and within budget.</p>	<p>Accept</p>	<p>The Department of Innovation, Industry and Regional Development (DIIRD) has been working with Major Projects Victoria to identify key project risks. This work will be further developed in DIIRD's risk management strategy.</p>	<p>Major Projects Victoria will be responsible for identifying key project risks and risk allocation for the project.</p> <p>This work will be built on by DIIRD. DIIRD will develop a risk management strategy, together with risk mitigation tools and tactics for the Melbourne Convention Centre project.</p>
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• **Recommendation 98** (page 405)

<p>The Department of Innovation, Industry and Regional Development monitor and report on the impact on tourism in the Geelong and Otway region following the commencement of Jetstar flights at Avalon airport.</p>	<p>Accept in principle</p>	<p>Data from the National Visitors Survey, published quarterly by Tourism Research Australia will be used to monitor the impacts of Jetstar flights on interstate tourism visitation to the 'Geelong' and 'Western' tourism sub-regions (which form the Great Ocean Road region). The latest data available is for the year ending September 2004, which only allows for one quarter's comparison given that Jetstar commenced operations in May 2004. Results for a single quarter's interstate visitation to those regions fall well below the reliability threshold due to significant sampling variability and are not appropriate to use. A more robust analysis of interstate visitation to the region will be available once figures from the year ending June 2005 are available, providing a full 12-month data set for analysis (expected for release in October 2005).</p> <p>Although not direct indicators of regional tourism performance, statistics from Jetstar indicate that airline results to date have been strong with a 22 per cent increase in total capacity into Victoria, and a 30 per cent increase in capacity into Avalon noted. Overall, Jetstar passenger numbers into Victoria have increased by 39 per cent from July to September. During the same period a 30 per cent growth in actual passengers was recorded on the Sydney/Avalon route, with a 25 per cent growth in passenger numbers from the Brisbane market also noted.</p>	<p>Regional visitation data from the National Visitors Survey for the year ending June 2005 will be reported on in October 2005, to monitor the impacts of the new Jetstar flights on tourism performance in the Great Ocean Road region.</p>
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• **Recommendation 99** (page 407)

<p>The Department of Innovation, Industry and Regional Development develop and report separate performance indicators for each major program in the Industrial Relations portfolio.</p>	<p>Accept in principle</p>	<p>The Department of Innovation, Industry and Regional Development (DIIRD) is currently reviewing the output structure to align with DIIRD's Strategic Directions. As part of this process all performance measures are being reviewed in ensure they are the most appropriate and in line with the Department of Treasury and Finance guidelines.</p>	<p>This recommendation will be considered as part of the output structure review currently being undertaken and intended for introduction for 2005-06.</p>
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• **Recommendation 100** (page 424)

<p>Victoria Police adopt a broader Occupational Health and Safety reporting framework that specifically identifies its progress in addressing its most significant areas of workers compensation claims.</p>	<p>Accept in principle</p>	<p>The Health and Safety Strategy has been reviewed and targeted projects implemented to address specific causal factors for stress, sprain and strain injuries.</p>	<p>In 2004-05, projects to be implemented within the Health and Safety Strategy include:</p> <ul style="list-style-type: none"> • Implementation of a Workplace Conflict Resolution Policy and provision of mediation and conflict resolution training for managers; • Review of claims identifying workload as the causal factor for stress to identify potential preventative strategies; • Redesign of Operational Safety and Tactics training to reduce risks of injury to members participating; and • Implementation of a pilot Team Leadership training program to improve people management skills.
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• **Recommendation 101** (page 429)

<p>The Department of Justice report more broadly in its Annual Report on the outcomes for the consolidated quality and timeliness performance measures in the 2004–05 Budget for the department.</p>	<p>Accept in part</p>	<p>The Department of Justice reports comprehensively on those measures which are the direct responsibility of the Department in its Annual Report.</p>	<p>Analysis of what other broadly based measures suitable for reporting on will be undertaken.</p>
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• **Recommendation 102** (page 433)

<p>As a matter of priority, the Department of Justice develop a framework that provides the Auditor-General with total independence to audit the administrative systems and processes of the Courts.</p>	<p>Accept in principle</p>	<p>In May 2001 the Attorney-General and the Courts Consultative Council considered a draft performance audits protocol. While there was general in principle acceptance that the Auditor-General should be able to undertake performance audits of administrative functions, it was also considered that a settled protocol would have to be considered by the Courts before a position was finally adopted. Subsequently officers from the Department of Justice (DOJ) discussed the draft protocol with officers from the Department of Treasury and Finance (DTF) and the Auditor-General's Office and a further draft protocol circulated in October 2001.</p> <p>DTF and the Auditor-General's Office have supported a process which would see to the implementation of a protocol arrangement with the Courts. The Court Services area of DOJ has been facilitating the implementation.</p>	<p>A final protocol has not been adopted; this matter is under active consideration by the Courts Consultative Council and DOJ is working with the courts to encourage a resolution.</p>
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• **Recommendation 103** (page 435)

<p>The Department of Justice liaise with the Courts to improve the timeliness of tabling the annual reports of the Courts in Parliament, with a view to the Courts adopting the same reporting timeframe as public sector agencies.</p>	<p>Accept in principle</p>	<p>Issues concerning the timeliness of tabling the annual reports have been brought to the attention of the courts.</p>	<p>Courts will continue to be encouraged to adopt the same reporting timeframe as public sector agencies.</p>
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• **Recommendation 104** (page 438)

<p>The Office of Public Prosecutions include in its Annual Report appropriate indicators to allow an assessment of the outcomes that result from the additional resources provided to the Office.</p>	<p>Accept</p>	<p>The Office of Public Prosecutions is currently revising performance measures to allow effective monitoring and reporting, including as part of the Annual Report.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 105** (page 440)

<p>The Office of the Public Advocate and the Department of Justice closely monitor and report in their respective annual reports on the effectiveness of strategies to manage increased guardianship caseloads, including the quantity, quality and timeliness of services provided.</p>	<p>Accept</p>	<p>The effectiveness of the office in managing demand is demonstrated in the published output measures. The Department of Justice and the Office of the Public Advocate will continue to work closely to ensure that strategies are effective. To assist with this task, the 2005-06 measures have been modified to enable closer tracking of more intensive caseloads. The previous measure "Advocacy interventions and investigations undertaken" has been replaced by two new measures: "Major advocacy and investigations case work" and "Short term advocacy and authorisation of medical procedures."</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 106** (page 448)

<p>Victoria Police: (a) develop and report on a range of police services efficiency measures;</p>	<p>Accept in principle</p>	<p>The most recent <i>Report on Government Services 2005</i> defines 'efficiency' in terms of 'dollars per person'. The report further notes that 'lower expenditure per person generally represents a more desirable efficiency outcome, but efficiency data are difficult to interpret'. Expenditure on Victorian policing services per head of population is the second lowest across Australia – suggesting in the terms of the report, that those services are very efficiently delivered relative to those in other jurisdictions.</p> <p>Victoria Police has trialled a number of approaches to measuring the efficiency of police service delivery, most recently using an 'hours of service' or activity-based model to determine the cost of specific outputs.</p>	<p>Work has commenced on a zero-based budget model for determining the true accrual cost of delivering specific policing services. This is a two-year project. A weighting and assessment model has been developed and initial data collection has been undertaken to test the model. A further round of more detailed data collection is now underway which is aimed at developing 'end-to-end' costing for business services.</p>
<p>(b) continue to work within national frameworks to develop comparable efficiency indicators for police services; and</p>	<p>Accept in principle</p>	<p>Victoria Police has had an active role in the development of data, performance evaluation and benchmarking projects described in the Productivity Commission's <i>Report on Government Services 2004</i> referred to by the Public Accounts and Estimates Committee. The 'suggested indicators' referred to on page 447 were considered by the Productivity Commission and Police Working Group and were not implemented because of significant difficulties involved in developing truly comparable data sets across all jurisdictions.</p>	<p>Victoria Police will continue its active involvement in the Police Working Group, including those projects aimed at developing truly comparable efficiency indicators for use at the national level.</p>

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(c) include in its Annual Report trend data over several years along with commentary on the various crime categories.	Under Review	Detailed trend data (over a four year period) on the number of offences recorded in all crime categories, expressed both as a number and as a rate per 100,000 population, is presently published in the annual Victoria Police Crime Statistics report. The report details annual clearance rates for all offence categories. This detailed data is not presently available in time to meet the submission and publication deadlines set for the Victoria Police Annual Report.	Victoria Police will review the presentation of offence rates in selected crime categories prior to compilation of its 2004-05 Annual Report.
<p>• Recommendation 107 (page 451)</p>			
Victoria Police and the Department of Justice closely monitor developments associated with tendering arrangements for information technology outsourcing to ensure that a further extension to the current contract is not required.	Accept	<p>The existing contract with IBM will conclude on 17 February 2006. Detailed project plans have been developed to ensure that contracts are signed and transition out has commenced by July 2005.</p> <p>The Information Technology Services Re-Tendering Project Expression of Interest (EOI) was released to the market in August 2004 and closed early September 2004. The EOI short list was endorsed in October 2004.</p>	<p>Draft Request for Tender (RFT) documentation has been prepared, reflecting the core and optional components consistent with the ERC directive of March 2004. The RFT has been endorsed by the Interdepartmental Steering Committee and forwarded for approval to release to the EOI short list.</p> <p>The completion of the RFT, negotiation and due diligence processes is expected some time around June 2005.</p>
<p>• Recommendation 108 (page 451)</p>			
The Department of Justice ensure that the details of the Victoria Police IBM outsourcing contract are released in accordance with the Victorian Government Purchasing Board's policy.	Accept in principle	The Department of Justice has discussed requirements with Victoria Police for disclosure of the Technology and Information Technology Services Contract (contract with IBM) on the Victorian Government Purchasing Board (VGPB) Contract Publishing website in line with the VGPB policy.	Follow up with Victoria Police to ensure disclosure of the Technology and Information Technology Services Contract (contract with IBM) is in line with VGPB policy.

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• **Recommendation 109** (page 452)

<p>Victoria Police and the Department of Justice closely monitor the implementation of the new information technology contractual arrangements, including costs, to ensure that they meet performance expectations.</p>	<p>Accept</p>	<p>The Inter-departmental Steering Committee (IDC) for the Information Technology (IT) Services Re-Tendering Project comprises of the Executive Director Police, Emergency Services and Corrections as the Department of Justice (DOJ) representative, as well as senior representatives from a range of key stakeholder agencies, including the Department of Treasury and Finance. The IDC has ensured that the project to date has been managed in accordance with project milestones and agreed budgetary allocation.</p>	<p>As indicated above, final successful tender bids for the IT Services Re-Tendering Project will require the final endorsement of the IDC, prior to submission for final approval.</p> <p>Post contract implementation, DOJ will work with Victoria Police to ensure that:</p> <ul style="list-style-type: none"> • All IT contract related conferrals and approvals requiring endorsement are in line with agreed budgetary allocations; and • Periodic reporting mechanisms are implemented to monitor and advise in relation to contract performance.
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• **Recommendation 110** (page 455)

<p>The Department of Justice report on the management and operation of speed cameras in their Annual Report, including the outcomes of planned maintenance and testing.</p>	<p>Accept in part</p>	<p>The Department of Justice (DOJ) will report, in its Annual Report, on the implementation of fixed speed camera systems.</p> <p>DOJ has implemented a significantly enhanced testing and maintenance regime for all speed camera systems as well as a new performance monitoring and reporting system for fixed speed cameras.</p> <p>A Test and Acceptance Plan (TAP) has been developed which prescribes the requirements for fixed digital speed cameras with respect to installation and commissioning comprising four key components:</p> <ul style="list-style-type: none"> • Documentation required to describe the operation of systems; • Type testing (which generally checks that the system has the specified functionality, is a prescribed device capable of achieving certification in accordance with the regulations, meets speed accuracy and reliability requirements, and meets specific standards for electromagnetic compatibility, environmental and electrical conditions); • Site testing (which checks that speed measurement devices are certified as required by regulations, and all components of each site are operating satisfactorily and to the satisfaction of the prosecuting authority (Traffic Camera Office), and • Routine testing (the TAP also prescribes the requirements for the routine testing of the operation of the systems). <p>The TAP has been implemented in conjunction with a new performance monitoring and reporting system.</p>	<p>Reporting on routine testing and maintenance will continue throughout the life of each of the camera projects.</p> <p>DOJ is in the process of implementing significantly strengthened reporting arrangements for Ministers. Whilst operations of speed cameras could be usefully described in the Department's Annual Report, detailed descriptions of system reporting would more appropriately be provided in briefings to Ministers.</p>
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• **Recommendation 111** (page 457)

<p>Victoria Police and VicRoads review current frameworks for measuring the effectiveness of road safety strategies with a view to adopting a common baseline for setting targets.</p>	<p>Accept in principle</p>	<p>Victoria Police representatives meet regularly with the major partners responsible for achievement of the objectives of <i>arrive alive! Victoria's Road Safety Strategy 2002-07</i>. Victoria Police and VicRoads have undertaken considerable work in relation to 'definitional issues'. Most recently, Victoria Police has adjusted its injury classification definitions to accord with those utilised by VicRoads.</p>	<p>The road safety partners are presently discussing the definitional issues around the adoption of a common baseline for measuring progress toward achieving the 20 per cent reduction in deaths and serious injuries. It is anticipated that a common baseline will be confirmed during 2005.</p>
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• **Recommendation 112** (page 458)

<p>Victoria Police include in its Annual Report summary information, including performance measures, on the implementation of the Victoria Police Road Safety Strategy.</p>	<p>Reject</p>	<p>The <i>Victoria Police Road Safety Enforcement Strategy 2003-08</i> was produced primarily as an internal management tool to guide the development of Regional and District road safety action strategies and ensure that those strategies were aligned with the priorities set out in <i>arrive alive!</i> The performance measures the Strategy contains were intended to be examples of those which might be considered for inclusion in more localised road safety plans. On the same basis, it should be noted that some sample measures in the Strategy are included in Victoria Police's annual Business Plans.</p> <p>Victoria Police accountability and responsibility for implementing strategies aimed at achieving the Government's goal of reducing the incidence of road trauma by 20 per cent over five years is reflected in the performance measures associated with the output "Reducing the road toll and the incidence of road trauma". Details of that output, including performance measures and targets are included in the annual Business Plan and are subject to detailed reporting in Victoria Police annual reports.</p>	<p>Work has already commenced on a successor document to the <i>Victoria Police Road Safety Enforcement Strategy 2003-08</i>. The new document will take account of developments in technology, research into trends, and issues undertaken since the initial Strategy was produced.</p>
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<p>• Recommendation 113 (page 461)</p>			
<p>Victoria Police set specific targets in its five year strategic plan for community satisfaction with police services and community perceptions of public safety, in conjunction with reporting progress indicators detailing the extent to which the targets are achieved.</p>	<p>Reject</p>	<p>Victoria Police has previously considered the publication of specific targets for levels of community satisfaction with police services and perceptions of safety in public places. The data involved is based on community survey information, which typically does not reflect rapid change over time. The targets originally determined by Victoria Police for internal management purposes seek relatively small changes, in percentage terms, by the end of the five-year period. The level of improvement in any one year is therefore likely to be statistically insignificant and may not be consistent with the trend over the five-year period.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 114 (page 462)</p>			
<p>Victoria Police develop performance information for the operations of the Forensic Department and separately report on achievements in its Annual Report.</p>	<p>Under Review</p>	<p>As is the case with all Victoria Police internal departments, divisions and units, the Victoria Police Forensic Services Department presently has an annual Action (Performance) Plan. Performance against that Plan is monitored on a quarterly basis throughout the year and the Director of the Forensic Services Department is accountable to the Chief Commissioner for the achievement of its performance measures and targets.</p>	<p>Victoria Police will consider ways of including specific meaningful performance information from the Forensic Services Department (particularly as it relates to progress on achieving increased DNA testing through put) in its Annual Report for 2004-05.</p>
<p>• Recommendation 115 (page 467)</p>			
<p>Emergency Communications Victoria include in its Annual Report, commentary and comparisons with similar emergency communications organisations in other Australian jurisdictions, on its call taking and dispatch time performance.</p>	<p>Accept in principle</p>	<p>Emergency Communications Victoria (ECV) has been unable to provide relevant benchmarking statistics with similar organisations in other states as our model of service delivery differs from all other jurisdictions significantly. The only comparable Australian model is Northern Territory where the size/scope of the services renders realistic comparison impossible.</p>	<p>In order to satisfy the benchmarking request in the future ECV in association with the Office of Emergency Services Commissioner is undertaking an international benchmarking study to identify appropriate service models for comparison.</p>

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• **Recommendation 116** (page 481)

Corrections Victoria review its forecasting models to ensure that it can optimise the capacity and distribution of temporary prison accommodation.	Accept in principle	Planned bed capacity and prisoner numbers have been projected, in detail, to June 2007. Prisoner number projections are revised every 12 months and planned bed capacity is reviewed/revised monthly. The prison bed demand projections are utilised for prison bed capacity assessment and to inform decision making regarding the distribution of temporary bed accommodation.	Guidelines will be formulated for a balanced approach to closing permanent and temporary prison accommodation. There will be development of a 90 day rolling (projection) model of prisoner numbers to assist short-term management strategies. This development involves projecting the effect of 'up-stream' criminal justice activities.
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• **Recommendation 117** (page 484)

Consumer Affairs Victoria report more broadly in its Annual Report on the outcomes of activities undertaken in relation to its areas of responsibility.	Accept	In 2003-04 the structure of the Consumer Affairs Victoria (CAV) Annual Report was changed to support a more concentrated outcomes focus as recommended by the Public Accounts and Estimates Committee. The report presented a summary of key achievements. The body of the report was organised into sections reporting against each of CAV's strategic objectives, for example "Ensuring existing interventions in the marketplace are efficient and effective" and "Modernising Consumer Affairs Victoria".	The outcomes of CAV activities in relation to its areas of responsibility will be included in the Department of Justice 2004-05 Annual Report.
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• **Recommendation 118** (page 487)

Consumer Affairs Victoria separately report on the activities of the Indigenous Consumers Unit in its Annual Report, including its progress against the measures of success for the Indigenous Consumers Protection Strategy.	Accept	Consumer Affairs Victoria currently collects data on Indigenous Consumers Unit performance indicators.	Further development is planned for performance indicators on the nature of contacts between Indigenous Consumers and partner agencies. A report on activities and performance will be included in the Department of Justice's Annual Report.
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• **Recommendation 119** (page 488)

<p>Consumer Affairs Victoria develop an evaluation strategy and performance measures for the new service delivery model that can clearly identify the benefits of the new model and areas for improvement.</p>	<p>Accept</p>	<p>The criteria for monitoring the implementation of "The Way Forward" has been documented and reviewed with the Working Together Forum.</p> <p>A progress report was prepared after four months of operation of the new model in the two pilot regions, North East and Eastern Metropolitan. The report was presented to the Working Together Forum.</p> <p>A Consumer Quality Benchmark Study is under discussion with representatives of the community sector.</p>	<p>Consumer Affairs Victoria will continue to monitor and report on the benefits of the new model and areas for improvement.</p>
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• **Recommendation 120** (page 493)

<p>The Department of Justice ensure that:</p> <p>(a) appropriate performance measures and targets are established, which enable an assessment of the project costs, timeliness and implementation outcomes of the Gambling Research Panel or its successor; and</p>	<p>Accept in principle</p>	<p>As part of the Government's next phase of responsible gambling and regulation, a new model for consultation and research was announced in October 2004. This new model involves the establishment of the Responsible Gambling Ministerial Advisory Council (RGMAC) to replace the Problem Gambling Roundtable. It also involved a restructure of the current gambling research arrangements to provide:</p> <ul style="list-style-type: none"> • The RGMAC with the responsibility to advise the Minister on future gambling research priorities; • In turn, the establishment of an independent Peer Review Panel to advise the RGMAC and the Department of Justice (DOJ) on research methodology and critically review commissioned research; • For the Minister, supported by DOJ, to be responsible for conducting gambling research; and • For the abolition of the Gambling Research Panel. <p>In establishing and carrying out the Government's research program, the Committee's comments on performance measures will be taken into account.</p>	<p>Finalisation of new arrangements will take place during 2005.</p>
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DEPARTMENT OF JUSTICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
(b) performance information is reported in the Annual Report of the Gambling Research Panel or its successor.	Accept in principle	Activities of the RGMAC will be reported in DOJ's Annual Report.	No further action will be taken on this recommendation.
<p>• Recommendation 121 (page 197)</p>			
<p>The Department of Justice:</p> <p>(a) provide support to the Victorian racing industry in its endeavours to minimise the impact from the activities of unregulated Internet based wagering providers; and</p>	Accept	<p>The Department of Justice (DOJ), through the Office of Racing, continues to work closely with the Victorian racing industry to monitor the ongoing impact of unregulated Internet based wagering providers on the Victorian racing product.</p> <p>DOJ is continuing its work with Victorian racing's controlling bodies and other government departments, both in Victoria and interstate, to develop potential policy options that can provide the necessary support to the racing industry.</p>	DOJ has ongoing discussions and consultation planned.
(b) explore options with other jurisdictions to control cross-border betting with a view to requiring corporate bookmakers to contribute to the racing industry.	Accept	Similarly, DOJ, through the Office of Racing, has continued to work with other jurisdictions to control cross-border betting. This work has entailed participation in policy development and by supporting the work of the Australian Racing Board, as the representative of all three racing codes, in its negotiations with corporate bookmakers located interstate.	DOJ has ongoing discussions and consultation planned.

CHAPTER 11: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF PREMIER AND CABINET

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 122** (page 503)

<p>The Department of Premier and Cabinet review the relevance of its current suite of performance indicators and include in the review benchmarking against other jurisdictions and external validation of performance measures, where possible, and report on these matters in its Annual Report.</p>	<p>Accept in part</p>	<p>The Department of Premier and Cabinet (DPC) frequently compares and contrasts performance measures to other governments as part of its output management. This process aids in determining appropriate ways in which core business can be monitored, reported and evaluated.</p>	<p>DPC's suite of performance indicators will continue to be reviewed on an ongoing basis, and where possible benchmarked against other jurisdictions.</p>
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• **Recommendation 123** (page 512)

<p>The Office of the Ombudsman review its existing performance information to ensure it reflects the dimensions of the Office's expanded role and services and enable an assessment of the outcomes.</p>	<p>Accept</p>	<p>The Office of the Ombudsman has reviewed existing performance information for inclusion into the 2005-06 Budget Papers in order to reflect the increased role and funding of the Office.</p>	<p>Performance information will be reviewed in 2006-07 to ensure it reflects the dimensions of the Office's expanded role and services and enable an assessment of the outcomes.</p>
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• **Recommendation 124** (page 516)

<p>A performance measurement and reporting framework be developed to monitor and publicly report on achievements and cost savings generated from the Standard Corporate ICT Infrastructure Strategy.</p>	<p>Accept</p>	<p>The Department of Premier and Cabinet (DPC) is developing a strategy to implement the recommendation.</p>	<p>DPC is developing a strategy to implement the recommendation.</p>
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CHAPTER 11: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF PREMIER AND CABINET

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 125** (page 517)

<p>In order to avoid the recurrence of the substantial costs and disruptions to information technology services that have arisen in the past from poorly managed IT systems design and development, the Government's Information Communications and Technology Strategy clearly define responsibilities and accountabilities for specific projects.</p>	<p>Accept</p>	<p>The Department of Premier and Cabinet (DPC) is developing a strategy to implement the recommendation.</p>	<p>DPC is developing a strategy to implement the recommendation.</p>
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• **Recommendation 126** (page 520)

<p>Departments include in their annual reports, in a format that facilitates transparency, details of the outcomes of annual reviews of executive remuneration including:</p>	<p>Under Review</p>	<p>All Victorian government departments are required under Standing Direction 4 "<i>Financial Management Reporting</i>" of the <i>Financial Management Act 1994</i> to comply with the Model Financial Report for Victorian Government departments (Model) when preparing and presenting their annual reports. Any changes to the reporting of executives would require changes to the Model issued by the Minister for Finance.</p>	<p>The Office for Workforce Development will seek advice from the Department of Treasury and Finance on the feasibility of including changes to the Model.</p>
<p>(a) the composition and decisions of the Departmental Remuneration Committees;</p>	<p>Under Review</p>	<p>This is not required under the Model and would require a Direction from the Minister for Finance.</p>	<p>If a Direction was prepared, consideration would need to be given to the manner in which the information is presented to protect individuals under the <i>Privacy Act 2000</i>. While it is possible to present high level/aggregate information of agencies with large numbers of executives, it would be difficult to maintain confidentiality of individual executive officers in small agencies.</p>

CHAPTER 11: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF PREMIER AND CABINET

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
(b) the amount of annual increase in executive remuneration pay and bonus rates and performance payments; and	Under Review	Financial Reporting Direction 21 <i>Responsible Person and Executive Officer Disclosures in the Financial Report (2)(a)-(c)</i> requires base remuneration to be separately disclosed from total remuneration. Where the difference between base and total remuneration is material, the reason for the variance should be supported by explanatory commentary.	While it is possible for agencies to report on annual, aggregate increases for bonus rates and performance payments, it would be difficult to maintain the confidentiality of individual executive officers in small agencies.
(c) a statement indicating how these costs will be met.	Under Review	Costs for increases are met from department budgets.	A specific statement to this effect would require a direction from the Minister for Finance.
<p>• Recommendation 127 (page 520)</p>			
The Office for Workforce Development undertake a review of departmental processes used to assess exceptional or substantial performance as the basis of payment of performance incentive payments to Executive Officers, to ensure that a consistent and fair approach is adopted across government.	Under Review	The Office for Workforce Development provides advice to the department to assist in the management of executive bonuses.	The State Services Authority (SSA) has been recently established. This recommendation will be referred to the SSA, which was established on 4 April 2005.
<p>• Recommendation 128 (page 524)</p>			
The Annual Report of the Department of Premier and Cabinet include a comprehensive commentary on the outcomes achieved by implementing the <i>Creative Arts + Arts for all Victorians</i> policy.	Accept in principle	The Department of Premier and Cabinet (DPC) Annual Report includes a highlighted special section on <i>Creative Capacity +</i> and its impact since its launch. The DPC Annual Report also includes budget output performance information for the arts portfolio. The arts outputs are aligned with <i>Creative Capacity +</i> .	DPC, through Arts Victoria, is currently preparing the first of an annual publication on the outcomes of the implementation of <i>Creative Capacity +</i> .

CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF PRIMARY INDUSTRIES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 129 (page 534)</p>			
<p>The Department of Primary Industries expand the performance measures contained in the Budget Papers covering the Agriculture portfolio.</p>	<p>Accept in principle</p>	<p>The Department of Primary Industries (DPI) is currently in the process of revising the Department's output structure as well as the performance measures. The proposed new structure will enable DPI to more clearly describe its key activities and services that are delivered on behalf of Government.</p>	<p>DPI will monitor the appropriateness of the new structure after it has been in place for a reasonable length of time. Performance measures will be subject to annual review to determine if they provide appropriate coverage of DPI's activities.</p>
<p>• Recommendation 130 (page 535)</p>			
<p>All Government agencies, in the context of reporting accurate information on performance, utilise their internal audit capability to examine whether collection and reporting systems are reliable.</p>	<p>Accept in part</p>	<p>The Standing Directions of the Minister for Finance under the <i>Financial Management Act 1994</i> require all public sector agencies to establish, maintain and resource an independent internal audit function to support each agency in the discharge of its governance and the oversight of its responsibilities.</p> <p>The internal audit charter, which is required to be approved by each agency's Audit Committee, provides for the internal audit function to have full, free and effective access to all records, documents and employees of the agency and the right to seek information and explanations. Accordingly, all agencies are expected to utilise their internal audit capability to examine whether collection and reporting systems are reliable.</p>	<p>All government departments will continue to review their internal audit processes.</p>

CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF PRIMARY INDUSTRIES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 131** (page 539)

<p>(a) The Department of Primary Industries prepare an annual research report card on its agricultural research activities. This document should include a consolidation of relevant information concerning Victoria's agricultural research and development program, and the benefits potentially available to the private sector from participation in state research activities;</p>	<p>Accept</p>	<p>The Department of Primary Industries (DPI) is currently developing a report regarding its agricultural research activities. The report will include specific reference to benefits received by the private sector.</p>	<p>DPI continues to develop and improve its approach to investment reporting in Research and Development (R&D) and the assessment of benefits to the private sector from participation in State research activities.</p>
<p>(b) A synopsis of this report be included in the Department of Primary Industries' Annual Report; and</p>	<p>Accept</p>	<p>A summary of DPI's agriculture R&D activities is reported in DPI's Annual Report within the Agriculture output review of services. DPI undertakes contract research with the private sector and commercialises its intellectual property through DPI's commercial arm Agriculture Victoria Services Propriety Limited (AVS). AVS tables its Annual Report in parliament each year.</p>	<p>DPI will provide a more comprehensive synopsis of its R&D program in its Annual Report by adding a summary of commercialisation activities undertaken through AVS.</p>
<p>(c) The commercialisation activities of the Department of Primary Industries relating to agricultural research activities that involve the development of intellectual property should have a greater focus on maximising financial returns to the state.</p>	<p>Accept</p>	<p>DPI has well developed procedures to protect and commercialise Intellectual Property (IP). The major priority is to ensure that IP is commercialised in a way that maximises benefits to the Victorian economy through the access and adoption of the IP by Victoria's primary industries. DPI seeks to maximise financial returns whilst ensuring access to IP is provided to Victoria's primary industries.</p>	<p>DPI will continue to identify, protect and commercialise IP to maximise benefits to the State of Victoria.</p>

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DEPARTMENT OF PRIMARY INDUSTRIES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 132** (page 543)

<p>The Government undertake a review of the major trust accounts within the trust fund to determine whether there is scope for applying the accountability arrangements in place for the Recreational Fishing Licence Trust Account to other major trust accounts.</p>	<p>Accept in principle</p>	<p>The <i>Financial Management Act 1994</i> specifies the operational and reporting requirements relating to the majority of trust accounts. In contrast, the reporting requirements relating to recreational fishing licenses are specified in Section 151B(4) of the <i>Fisheries Act 1995</i> and this legislative section specifically requires the Minister to prepare a report to Parliament by 1 October each year.</p> <p>The reporting requirements relating to recreational fishing licenses are considered unique and reflect the community expectations and commitments when the trust account was established. In contrast, the majority of trust accounts are routine in nature and no unique reporting requirements were incorporated into specific legislation. As such, it is not appropriate to apply Recreational Fishing License Trust Account style reporting requirements to other trust accounts.</p> <p>The Department of Primary Industries (DPI) acknowledges the need for accountability in relation to its major trust funds and has recently commissioned its internal auditors to conduct an audit of the major trust funds within the Department as part of its ongoing audit program.</p>	<p>The Department of Treasury and Finance will consider any recommendations resulting from the internal audit to improve processes relating to trust fund accountability.</p> <p>DPI will continue to monitor the progress of these arrangements.</p>
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• **Recommendation 133** (page 544)

<p>The Government publish a report that contains an assessment of the total impact of the Free Trade Agreement between the United States and Australia on Victoria, including the agriculture portfolio, after the Agreement has been in operation for a sufficient period of time.</p>	<p>Accept in principle</p>	<p>The absence of sufficient detailed state level data to assess the impact of the Free Trade Agreement (FTA) presents significant difficulties.</p> <p>A whole-of-Government assessment on the impact of the Free Trade Agreement (FTA) led by the Department of Premier and Cabinet (DPC) was carried out in 2003-04, in response to a Commonwealth Government lead assessment of the proposal. The Department of Primary Industries contributed an assessment of the impact of the FTA on Victorian Agriculture to this report. However, the full impact of the agreement on Agriculture industries will not be evident for several years due to the phasing period for tariff reductions that extends up to 18 years.</p>	<p>Due to the phasing period of tariff relaxation, any significant impact of the FTA will not be realised for several years. Consequently, no further immediate action regarding an assessment of the impacts is planned. When the actual impact of the FTA on Victorian industry can be realistically assessed, consultation between DPC and other relevant agencies (Victorian and Commonwealth) will be undertaken towards a whole-of-Government FTA assessment.</p>
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DEPARTMENT OF PRIMARY INDUSTRIES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 134** (page 545)

<p>The Department of Primary Industries monitor the costs incurred by PrimeSafe in administering the regulatory environment to ensure that the funding contributed by the seafood industry towards the seafood safety scheme are fair and reasonable.</p>	<p>Accept in part</p>	<p>PrimeSafe and officers of the Department of Primary Industries have met with Seafood Industry Victoria, the peak industry body, to discuss the breakdown of costs and revenue across the industries. This information has also been made public as part of a consultation process on a fee review currently being undertaken by PrimeSafe.</p> <p>The costs of consumer safety are a necessary element in maintaining the reputation of Victoria's food resources and should not be treated as less than a public necessity.</p>	<p>PrimeSafe's accounts will continue to be audited by the Auditor-General and made publicly available through its Annual Report.</p>
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• **Recommendation 135** (page 554)

<p>The Department of Primary Industries disclose in its Annual Report details of any variations from the requirements of the Brown Coal Tender, agreed to by the Government to enable the Hazelwood power station to have access to new coal fields.</p>	<p>Reject</p>	<p>The Energy Security Division of the Department of Infrastructure is conducting negotiations with Hazelwood toward a deed of agreement around this issue and is therefore better placed to disclose any variations when this process is concluded. It is anticipated the results of these negotiations would be disclosed at this time.</p> <p>The Department of Primary Industries (DPI) is monitoring the progress of these negotiations.</p>	<p>DPI will continue to monitor the progress of these negotiations until an agreement has been reached.</p>
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CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 136** (page 568)

When funds of \$5 million or more are re-allocated due to a change in departmental priorities, the Department of Sustainability and Environment ensure that it has systems in place to: (a) be able to explain the re-allocation of funds; and	Accept	Reporting processes are in place (from 2004-05 onward) to meet this requirement.	No further action will be taken on this recommendation.
(b) identify the extent to which programs and activities could not be delivered or were reduced.	Accept	Refer to recommendation 136(a).	Refer to recommendation 136(a).

• **Recommendation 137** (page 569)

The Department of Sustainability and Environment develop and publish annual performance measures for the Commissioner for Environmental Sustainability.	Reject	The Commissioner for Environmental Sustainability is an independent authority, although funding for his office is provided through the Department of Sustainability and Environment (DSE). As such it is not appropriate that DSE develop and publish performance measures for the Commissioner. Nevertheless, the Commissioner has commenced work with DSE to develop some annual performance measures to be reported against in the Commissioner's Annual Report.	These measures will be included in the Commissioner's Business Plan for the 2005-06 financial year and reported against in the Commissioner's Annual Report.
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DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 138** (page 570)

<p>When funds are allocated for the implementation of significant new Government strategies, the relevant department develop and publish appropriate performance measures for the strategy particularly relating to quality and timeliness, in order that intended outputs and outcomes are disclosed in future Budget Papers.</p>	<p>Under Review</p>	<p>Output performance measures are the basis on which output delivery is assessed. Any significant new Government strategy or policy should have an impact on either the specification or performance measures of the impacted outputs.</p>	<p>Departments will continue to monitor this issue.</p>
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• **Recommendation 139** (page 571)

<p>The Department of Sustainability and Environment, as part of the performance review project, develop a system of monitoring, evaluation and reporting of the effects of prescribed burning in relation to environmental outcomes such as conservation of flora and fauna and water quality.</p>	<p>Accept</p>	<p>A project to review the performance monitoring and audit procedures has been funded through the new Government funding for fire management received in 2004-05.</p> <p>A review of the Code of Practice for Fire Management on Public Land commenced in January 2005. A discussion paper was released in February 2005. The performance measures for fire management are included in the Code and will be reviewed as part of the Code process.</p>	<p>A review of the Code of Practice for Fire Management on Public Land commenced in January 2005. The intent is to have a review of the Code completed by December 2005.</p>
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• **Recommendation 140** (page 576)

<p>The Department of Sustainability and Environment ensure that all changes to performance indicators between budgets are appropriately documented in the Budget Papers and in its Annual Report.</p>	<p>Accept</p>	<p>Currently, changes in performance measures are appropriately documented in the Budget Papers.</p> <p>Where further clarification is required, the Department of Sustainability and Environment will publish information for changes within the Budget Papers.</p>	<p>No further action will be taken on this recommendation.</p>
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CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 141** (page 578)

<p>The Department of Sustainability and Environment:</p> <p>(a) develop and report performance indicators to monitor the progress of initiatives announced in <i>Our Water, Our Future: Securing Our Water Future Together</i>;</p>	<p>Accept</p>	<p>The progress of actions announced in the Government's landmark water reform White Paper, <i>Our Water Our Future</i>, will be monitored against relevant project milestones and against the outcomes sought for the actions (i.e. water saved, recycling targets). Those actions to improve the health of rivers will be measured against appropriate indicators such as of the 5, 10 and 20-year resource condition targets contained in the Victorian River Health Strategy.</p> <p>Implementation planning has occurred for every action under the White Paper.</p>	<p>Reporting on performance of actions will take place in various forms:</p> <ul style="list-style-type: none"> • The Department of Sustainability and Environment's Annual Report • Regular public progress newsletters • Reporting undertaken by the Catchment Management Authority's and water authorities (i.e. River Health Program Biennial reports to provide an outline of progress).
<p>(b) develop and report financial indicators that indicate whether the funds raised by water authorities are expended on water conservation measures or are used to maintain and upgrade water infrastructure; and</p>	<p>Accept</p>	<p>The Government has committed, under clause 195 of the <i>Water Industry (Environmental Contributions) Act 2004</i> that the "Minister must, within 3 months after the end of each financial year in respect of which a water supply authority pays an environmental contribution under this Part, prepare a report setting out details of the expenditure of all money paid as environmental contributions by water supply authorities in that financial year."</p> <p>The Government will report in accordance with its legislative and policy commitments.</p>	<p>No further action will be taken on this recommendation.</p>

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DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>(c) monitor the impact of the water conservation initiatives against long-term projections for water consumption.</p>	<p>Accept</p>	<p>The metropolitan water businesses have developed a coordinated water conservation strategy which outlines the initiatives to be undertaken to achieve the 15 per cent reduction in water conservation target by 2010.</p> <p>Authorities will be required to report bi-annually on progress toward the above target.</p> <p>The water conservation targets for the regional urban water authorities will be developed as part of the supply and demand strategies. As part of the strategy the water authorities will be required to develop initiatives to meet the water conservation target. Reporting mechanisms will be developed as part of this process.</p> <p>The joint metropolitan plan has been developed and endorsed by the Minister for Water. Under the joint strategy each business has its own individual strategy, which have also been endorsed.</p>	<p>Development of guidelines for the regional supply and demand strategies and reporting mechanisms to track each authority's progress on its target is planned.</p>
<p>• Recommendation 142 (page 583)</p>			
<p>The Department of Sustainability and Environment ensure that each Catchment Management Authority:</p> <p>(a) develop appropriate financial and nonfinancial performance indicators;</p>	<p>Accept</p>	<p>Standard financial and some non-financial performance indicators have been used by all Catchment Management Authorities.</p>	<p>The current indicators are being reviewed and further developed as necessary.</p>
<p>(b) include these indicators in each Authority's planning documents and annual reports; and</p>	<p>Accept</p>	<p>The preliminary indicators have been included in the Catchment Management Authority's (CMA) annual corporate plans and annual reports.</p>	<p>The developed indicators will be included in the guidelines for the preparation by the CMA's of their corporate plans and annual reports.</p>
<p>(c) is annually assessed against these preestablished performance indicators.</p>	<p>Accept</p>	<p>The Department of Sustainability and Environment (DSE) reviews the CMAs' annual reports which include reports on the existing indicators.</p>	<p>DSE will assess the performance of the CMA's based on the revised indicators and their presentation in the annual reports.</p>

CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 143** (page 588)

<p>The Department of Sustainability and Environment:</p> <p>(a) work in consultation with local government to develop performance indicators to measure the progress of the implementation of <i>Better Decisions Faster</i>, including the average time taken for planning decisions; and</p>	<p>Accept in part</p>	<p>The Department of Sustainability and Environment's (DSE) initiative G2 of <i>Better Decisions Faster</i> includes production of an annual permit activity report and the development of an electronic system to produce the report on a regular basis.</p> <p>An interim report has been prepared for 2003-04.</p> <p>A feasibility study for the reporting system is underway. Production of the system is scheduled for the end of 2006.</p>	<p>DSE is scheduling production of the 2004-05 interim report by December 2005.</p>
<p>(b) publish these indicators in the department's Annual Report.</p>	<p>Accept in principle</p>	<p>DSE will publish the 2003-04 interim report by March 2005. This report is separate to the Annual Report and produced after the Annual Report has been published.</p>	<p>DSE is scheduling publication of the 2004-05 interim report by December 2005. Inclusion in the Annual Report will be investigated, as this report is separate to the Annual Report.</p>

• **Recommendation 144** (page 590)

<p>The Department of Sustainability and Environment closely monitor the performance of the Victorian Online Titles System, for example through client satisfaction surveys, to ensure that the advantages of the electronic system are realised.</p>	<p>Accept in part</p>	<p>The Victorian Online Titles System (VOTS) continues to perform at, or above, contracted service levels which require 99.5 per cent system availability during business hours (7:00am to 7:00pm). To facilitate monitoring system performance, monthly meetings occur with all major Information, Communication and Technology service providers.</p> <p>Quarterly Customer Service Committee meetings are held with Land Registry's VOTS three key customer groups:</p> <ul style="list-style-type: none"> • Searchers and Surveyors; • Solicitors and Conveyancers; and • Banks and Financial Institutions. <p>These meetings focus on monitoring client needs and include a status report and issues log, which are reviewed and updated.</p>	<p>Customer Service Committee meetings are planned to continue as they have proved an effective forum for monitoring client satisfaction and expectations.</p> <p>Land Registry continues to review the format of these meetings to ensure ongoing meaningful consultation with customers.</p> <p>No further actions are proposed at this stage. However, the suggestion of formal client surveys will be considered if the Customer Service Committees consider that wider, more quantitative data should be obtained.</p>
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DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 145** (page 591)

<p>The Government, when considering the withholding of information on the grounds of Cabinet-in-Confidence, should observe the general principle that information should be made public unless there is a justifiable reason not to do so.</p>	<p>Accept</p>	<p>The Government is committed to providing an accountable government, as outlined in <i>Growing Victoria Together</i>.</p> <p>Access to documents is limited only by the proper application of exceptions and exemptions, such as the Cabinet-in-Confidence exemption, provided for under the <i>Freedom of Information Act 1982</i>.</p> <p>The recommendation accords with objectives of the Act (s3 and s16), the Attorney-General's guidelines made thereunder encouraging public sector agencies to consider for release the maximum of government information promptly and inexpensively to the public.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 146** (page 592)

<p>The Department of Sustainability and Environment structure the public submissions process to allow maximum information to be made public while taking account of privacy considerations, including compliance with the <i>Information Privacy Act 2000</i>, and ensure the administration of the system is as simple as possible.</p>	<p>Accept</p>	<p>To the extent allowable within the limits of the <i>Information Privacy Act 2000</i>, the Department of Sustainability and Environment (DSE) will make public the information on Melbourne 2030 submissions through its website and with regular updates to stakeholders.</p>	<p>DSE will continue to maintain an extensive website and provide regular email updates to stakeholders regarding the progress of critical projects.</p>
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DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 147** (page 593)

<p>The Department of Sustainability and Environment, as soon as practicable, develop and report performance indicators to establish benchmarks and measure the performance of Melbourne 2030 Activity Centres.</p>	<p>Accept in part</p>	<p><i>Melbourne 2030 Planning for Sustainable Growth, October 2002</i> contains performance criteria for the development of activity centres (page 53 of Melbourne 2030). These criteria are also included in the Planning Practice Note on Structure Planning for Activity Centres, December 2003.</p> <p>The Department of Sustainability and Environment (DSE) has prepared a project brief to further develop the performance criteria for practical use by State and local government – an initiative of Melbourne 2030 (1.2.3). The project is to be undertaken by the Activity Centres Thematic Working Group (a subgroup of the Melbourne 2030 Implementation Reference Group which comprises external stakeholders) in 2005. Recommendations arising from this project will be reported to the Minister for Planning</p> <p>Related work currently being undertaken by DSE includes the Triple Bottom Line project for Transit Cities and South East Metropolitan activity centres, and the Sustainability in the Built Environment project which aims to develop a framework for the implementation of sustainability requirements in the planning system. This work is advanced and will inform the development of the integrated performance criteria.</p> <p>The Triple Bottom Line project included the development of indicators which have been applied to specific centres.</p>	<p>Completion of the performance criteria project by the Activity Centres Thematic Working Group and the reporting of recommendations to the Minister for Planning.</p> <p>Extension of the Triple Bottom Line project for Transit Cities and South East Metropolitan activity centres to the remainder of the activity centres (north and western areas of Melbourne).</p>
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CHAPTER 14: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 59 – 2004-2005 BUDGET ESTIMATES

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 148 (page 602)</p>			
<p>The Department of Treasury and Finance provide an explanation for significant differences between targeted and expected performance in the Budget Papers.</p>	<p>Reject</p>	<p>The "expected outcome" provided in the Budget Papers is an estimate of performance in the current budget year. Actual results against budget targets, including explanations of variances, are included in each department's Annual Report that are tabled in Parliament each year.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 149 (page 618)</p>			
<p>The Government review the specific purpose payment arrangements and continue discussions with the Commonwealth Government to seek the best possible equity and transparency in funding provided from this source.</p>	<p>Accept</p>	<p>All Victorian Specific Purpose Payment (SPP) agreements are negotiated directly with the Commonwealth Government on a bilateral basis when they fall due.</p> <p>The Victorian Government has guidelines in place for the negotiation of all inter-governmental agreements. These guidelines set out agreed processes and negotiating principles for new or renewed SPP agreements. Nevertheless, the Victorian Government considers that there are many shortcomings with the current SPP arrangements as a result of conditions imposed by the Commonwealth Government.</p> <p>Given identified shortcomings, Victoria is already actively pursuing general reform in SPP arrangements such as a greater focus on outputs and outcomes with the Commonwealth Government through existing Commonwealth-State forums.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 150 (page 622)</p>			
<p>The Treasurer and the Department of Treasury and Finance develop formal protocols with the Victorian Competition and Efficiency Commission relating to staffing, resourcing and reporting arrangements.</p>	<p>Accept</p>	<p>The Secretary of the Department of Treasury and Finance (DTF) wrote to the Chair of the Victorian Competition and Efficiency Commission (VCEC) on 23 July 2004, outlining proposed working arrangements to ensure the independence of VCEC. The arrangements covered matters such as direction of VCEC Secretariat staff, the protocols for the sharing of information between DTF and VCEC, and administrative procedures and policies. The Chair has confirmed that these arrangements are suitable.</p>	<p>More detailed and operational working arrangements are currently being finalised between DTF and VCEC.</p>

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DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 151** (page 627)

<p>The Department of Treasury and Finance ensure departments provide details in the annual reports on the progress made with adopting the International Financial Reporting Standards, and highlighting the major changes and potential impact of the new arrangements.</p>	<p>Accept in principle</p>	<p>As a consequence of the requirement for departments to comply with AASB 1047 <i>Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards</i> and the <i>Model Financial Report for Victorian Government Departments</i> (Model Financial Report), departments will, as recommended, disclose in their annual reports the major changes and potential impacts of adopting Australian equivalents to Australia International Financial Reporting Standards (A-IFRS).</p> <p>The Australian Accounting Standards Board (AASB) issued AASB 1047 in April 2004, which is applicable to all reporting entities for interim and annual reporting periods ending on or after 30 June 2004.</p> <p>AASB 1047 requires entities to provide details in their financial reports on how the transition to A-IFRS is being managed, an explanation of the key changes to accounting policy, and the impact that would have on the financial statements had they been prepared under A-IFRS.</p> <p>Section 4.2 of the Standing Directions of the Minister for Finance requires all public sector agencies, which includes departments, to prepare financial statements in accordance with all Australian accounting standards. In addition, Section 4.2 also requires all departments to prepare their financial reports in accordance with the requirements contained within the Model Financial Report. The Department of Treasury and Finance (DTF) issued a Model Financial Report in May 2004 which incorporated the disclosure requirements as required by AASB 1047 and prescribes the minimum financial reporting requirements for departments for the reporting period ended 30 June 2004.</p>	<p>DTF will prepare a revised Model Financial Report for the reporting period ending 30 June 2005. Consistent with the 30 June 2004 Model Financial Report, the 30 June 2005 Model Financial Report will require departments to disclose in their financial reports details on the adoption of A-IFRS in accordance with the requirements of AASB 1047.</p>
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DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 152 (page 629)</p>			
The Department of Treasury and Finance provide for the Financial Management Compliance Framework website to be accessible by the public.	Under Review	Public access to the Financial Management Knowledge Centre website will be reviewed as part of a broader Department of Treasury and Finance websites review.	No further action will be taken on this recommendation.
<p>• Recommendation 153 (page 631)</p>			
The Department of Treasury and Finance ensure public reporting on compliance and certification outcomes generated annually under the Financial Compliance Management Framework.	Reject	There is no legislative requirement for the Minister for Finance nor the Department of Treasury and Finance (DTF) to publish a report on the results of the operation of the Financial Management Compliance Framework. Subsequently, DTF has no intention to publish a report on the results of compliance.	No further action will be taken on this recommendation.
<p>• Recommendation 154 (page 632)</p>			
The Department of Treasury and Finance: (a) develop performance indicators to assess the efficiency and effectiveness of whole-of-Government vehicle fleet operations under the revised leasing arrangements; and	Accept	Service Level Agreements have already been developed with departments focusing on efficiency and effectiveness of the revised leasing arrangements. A new workflow system has been introduced which will capture performance data. In addition, an advisory and governance Committee has been established.	The Department of Treasury and Finance (DTF) aims to gain Departmental support to a whole-of-Government reporting system. It is anticipated that such a system would be developed and implemented in 2006.
(b) include in its Annual Report details of achievements against those indicators.	Accept in part	The process of developing report matrices has commenced.	DTF will publish data following the implementation of the whole-of-Government reporting system. A copy of the results will be available to the Committee.

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• **Recommendation 155 (page 635)**

<p>The Government Superannuation Office:</p> <p>(a) provide greater disclosure of component items of administrative expenses in its financial reports; and</p>	<p>Reject</p>	<p>The State Superannuation Fund (SSF) Financial Statements and the Government Superannuation Office (GSO) Financial Report form part of the GSO Annual Report. It is acknowledged that administration expenses in the SSF Financial Statements are a one line item. However, it is important to highlight that details of the administration expenses incurred by the GSO in administering the SSF, are fully disclosed in the notes to the GSO Financial Report. For example, in the 2004 GSO Annual Report (see page 90), the administration expenses of the GSO are split into seventeen different component items.</p> <p>It is considered that there is adequate disclosure of administration expenses in the GSO's Financial Report. It should be noted that the financial reports are in accordance with the relevant Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the <i>Financial Management Act 1994</i>. Furthermore, the Victorian Auditor-General audits the financial reports.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) include in its Annual Report the results of benchmarking studies showing comparative costs and service delivery outcomes of the State Superannuation Fund relative to other similar funds.</p>	<p>Accept</p>	<p>The GSO currently participates in an annual international benchmarking study that rates defined benefit funds in terms of cost effectiveness and service levels. The 2004 Annual Report has a section dedicated to benchmarking and provides an example of how GSO compares with the Australian average and international average in terms of total cost per member. GSO's level of service is also rated against other Australian participants.</p>	<p>The Department of Treasury and Finance will explore with the GSO the practicality of providing more detailed results of benchmarking studies currently being undertaken.</p>

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• **Recommendation 156** (page 643)

<p>WorkSafe Victoria revise its business planning framework relating to the farm safety strategies to ensure the framework includes performance measures that reflect the effectiveness of educational, informational and compliance activities undertaken to improve farm safety outcomes as well as clearly defined injury and fatality measures.</p>	<p>Accept</p>	<p>The Department of Treasury and Finance (DTF) has been working with the Victorian Workcover Authority (VWA) to improve reporting of safety improvement programs, including assessment of results against objectives. This covers all safety improvement programs, not just those relating to farm safety, such as tractor rollover, and working in confined spaces (i.e. tanks and silos).</p>	<p>DTF will continue to work with VWA on these initiatives regarding the assessment of performance measures relating to farm safety and other safety initiatives.</p>
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• **Recommendation 157** (page 645)

<p>The Department of Treasury and Finance, the Transport Accident Commission and the Victorian WorkCover Authority ensure that future AFL sponsorship arrangements do not limit their capacity to publicly disclose the cost of these arrangements.</p>	<p>Under Review</p>	<p>The Department of Treasury and Finance has raised this issue with the Boards of the Transport Accident Commission and Victorian Workcover Authority, who are responsible for sponsorship arrangements.</p>	<p>No further action will be taken on this recommendation.</p>
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DEPARTMENT FOR VICTORIAN COMMUNITIES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 158** (page 658)

<p>The Department for Victorian Communities develop and report performance indicators to measure progress on the following initiatives:</p> <p>(a) Indigenous Community Capacity Building Program;</p>	<p>Accept in principle</p>	<p>The Department for Victorian Communities (DVC) is currently reviewing performance measures for inclusion in the 2005-06 Budget Papers. New measures to reflect performance of the Indigenous Community Capacity Building Program are being consolidated.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) implementation of shared services arrangements with other departments and other providers; and</p>	<p>Accept in part</p>	<p>Under governance arrangements, the performance of services is reviewed on a regular basis and incorporates the examination of performance indicators. As the services relate to internal service provision to support program areas the cost of the services are reflected in all outputs of DVC. It is inappropriate to reflect performance indicators in relation to corporate services through particular community outputs.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) development of an electronic grant management system.</p>	<p>Accept in part</p>	<p>The development of an electronic grant management system (the eGrants project) is managed by a Project Steering Committee with representation from the Office of the Chief Information Officer and the Department of Infrastructure. The Steering Committee monitors progress of the project against defined milestones. Monitoring of project milestones is the most appropriate way to measure progress.</p>	<p>No further action will be taken on this recommendation.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 159 (page 666)</p>			
<p>The Department for Victorian Communities develop and report performance measures for the Jobs for Young People Program and that will provide sufficient information to adequately assess outcomes.</p>	<p>Accept</p>	<p>The Department for Victorian Communities has instigated an ongoing program to review the suitability and quality of reported performance measures to enable more meaningful reporting on program outcomes. Employment Programs performance measures are reviewed as part of this program.</p> <p>In addition, Employment Programs is commissioning evaluations of the Jobs for Young People and Community Regional Industry Skills Program – Communities programs. These evaluations will provide comprehensive information of the outcomes from these programs to date, and will assist in the examination of appropriate performance measures.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 160 (page 667)</p>			
<p>The Department for Victorian Communities develop and report performance measures in its Annual Report that demonstrate the outcomes of the Government's employment and training initiatives in addressing skill shortages and assisting disadvantaged groups find work in metropolitan and regional areas.</p>	<p>Accept in principle</p>	<p>Measuring and reporting on the impact of specific, individual initiatives in successfully addressing skills shortages requires further examination because other State and Commonwealth programs and policies also affect these outcomes.</p>	<p>The Department for Victorian Communities will review its Employment Programs performance measures, taking account of the Public Accounts and Estimates Committee's recommendation on indicators of employment and training outcomes for disadvantaged jobseekers.</p>
<p>• Recommendation 161 (page 669)</p>			
<p>The Department for Victorian Communities develop and report in its Annual Report performance measures that demonstrate the outcomes from the Jobs for Victoria initiatives.</p>	<p>Accept in part</p>	<p>The Department for Victorian Communities (DVC) will complete its suite of performance measures for Jobs for Victoria initiatives within its area of responsibility, following the current evaluation of DVC employment programs.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 162** (page 671)

The Department for Victorian Communities and the Office for Youth develop and report performance measures for youth programs that provide sufficient information to adequately assess the outcomes.	Accept in principle	The Department for Victorian Communities has instigated an ongoing program to review the suitability and quality of reported performance measures to enable more meaningful reporting. The Office for Youth performance measures are reviewed as part of this program.	No further action will be taken on this recommendation.
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• **Recommendation 163** (page 674)

The Department for Victorian Communities and the Office for Youth ensure that reports that measure the milestones specified in the <i>Respect: The Government's Vision for Young People</i> document contain indicators that are:	Accept in principle	Indicators for <i>Respect</i> milestones have been established with departments. Departments are requested to report against all of the <i>Respect</i> milestones. The Department for Victorian Communities (DVC) will discuss with departments consideration of supplementary data sources to enhance reporting against relevant milestones.	Every effort will be made to report on all milestones in <i>Respect</i> .
(a) comprehensive, such that progress against all milestones is reported or an explanation provided (for example, the milestone is no longer relevant due to change in policy direction);	Accept in principle	Differences in reporting periods are due to data being collated from a range of sources from both within and outside departments, changes in data tools (such as surveys), and variance in data collection mechanisms on the basis of calendar or financial year.	DVC intends that every effort will be made to ensure consistency of data.
(b) reported over a consistent time period, with the base period corresponding to the implementation date; and	Accept	The milestones in the <i>Respect</i> document are quantifiable and are reported against annually. This is only the second year of reporting against the <i>Respect</i> milestones. A review of the <i>Respect</i> document is not planned for the immediate future.	No further action will be taken on this recommendation.
(c) quantifiable.	Accept	Refer to recommendation 163(b).	Refer to recommendation 163(b).

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• **Recommendation 164** (page 675)

As a matter of priority, the Department for Victorian Communities and the Office for Youth upgrade the Youth website to make it more interactive, informative and user friendly to the target audience.	Accept	The Office for Youth and Employment Programs has developed a new youth website, Youthcentral (www.youthcentral.vic.gov.au/), which is more interactive, informative and user friendly for young people.	The Youthcentral website will be reviewed and upgraded this year.
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• **Recommendation 165** (page 677)

The Department for Victorian Communities and the Victorian Office of Multicultural Affairs develop and report performance measures that provide sufficient information to adequately assess the outcomes achieved of programs such as: (a) Victorian Multicultural Commission Community Grants Program;	Accept	The Department for Victorian Communities (DVC) has instigated an ongoing program to review the suitability and quality of reported performance measures to enable more meaningful reporting. It is intended that existing performance measures relating to the Victorian Multicultural Commission Community Grants Program will be revised and/or replaced in accordance with this program for 2005-06.	DVC will continue to improve performance measures and work towards more outcome based measures in preparation for the 2006-07 budget cycle.
(b) Skilled Migration Strategy;	Accept in principle	DVC has both qualitative and quantitative performance measures in relation to the Skilled Migration Strategy. The outcomes against these measures are reported in DVC's Annual Report. DVC has instigated an ongoing program to review the suitability and quality of reported performance measures to enable more meaningful reporting on program outcomes. Performance measures for the Skilled Migration Strategy are reviewed as part of this program.	No further action will be taken on this recommendation.
(c) Language Services Projects; and	Accept	DVC has instigated an ongoing program to review the suitability and quality of reported performance measures to enable more meaningful reporting for this program.	No further action will be taken on this recommendation.

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(d) other programs funded out of the Multicultural Affairs output.	Accept	Refer to recommendation 165(c).	Refer to recommendation 165(c).
<p>• Recommendation 166 (page 680)</p>			
<p>The Department for Victorian Communities and Victorian Office of Multicultural Affairs consider revising the <i>whole-of-Government Report</i>, by:</p> <p>(a) developing outcomes based on the four 'principles' as well as establishing appropriate and quantifiable performance indicators; and</p>	Accept in part	<p>The <i>2003-04 whole-of-Government Report</i> will report on the following areas:</p> <ul style="list-style-type: none"> • The use of language services by departments; • Communications in languages other than English made by departments; • Any major improvements made, or initiatives developed, by departments that promote multiculturalism in Victoria and meet the needs of culturally and linguistically diverse communities; and • The extent to which people from different cultural and linguistic backgrounds are represented on boards and committees established by the Department for Victorian Communities (DVC) or which are the responsibility of DVC. <p>The extent to which departments can provide outcome-based data for the broader social policy areas will depend on their data collection systems and the associated costs involved in producing such data. This is a matter for the consideration of other departments.</p>	<p>These reporting requirements have now been enshrined in the <i>Multicultural Victoria Act 2004</i>, which came into operation on 1 January 2005.</p> <p>The Victorian Office of Multicultural Affairs is working with other departments to develop outcomes based measures for the listed areas.</p>
(b) ensuring that other departments provide information that supports the new performance management framework.	Accept	Under Part 4 of the <i>Multicultural Victoria Act 2004</i> , departments are required to report against the above areas. Processes are in place to ensure that this reporting continues in accordance with the Act.	No further action will be taken on this recommendation.
<p>• Recommendation 167 (page 683)</p>			
The Department for Victorian Communities and the Office of Women's Policy work collaboratively with other agencies to:	Accept in part	Three progress reports on the <i>Valuing Victoria's Women: Forward Plan 2000-03</i> have been publicly released since 2000. Progress on media portrayal of women, information and awareness, work and family responsibilities and economic independence was included.	No further action will be taken on this recommendation.

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(a) develop performance measures for: (i) consultation with women, media portrayal of women, and information and awareness; and (ii) work and family responsibilities and economic independence.	Accept in part	Performance measures on consultation with women are published in the Budget Papers. <i>Leading with Victoria's Women 2004–07</i> is the current forward plan for women. An annual progress report will be released during the life of the forward plan.	No further action will be taken on this recommendation.
(b) ensure the performance information allows for meaningful comparisons over time.	Accept in part	No action has yet been taken on this recommendation.	The department will consider performance information to allow for meaningful comparisons over time.
<p>• Recommendation 168 (page 686)</p>			
The Department for Victorian Communities and Office of Women's Policy publish in the department's Annual Report a list of individual programs within the Women's Safety Strategy, showing the: (a) agency responsible for implementation;	Accept in part	The <i>Acting on Women's Safety</i> Strategy details the agencies responsible for the implementation and outcome measures for each initiative within the Women's Safety Strategy.	No further action will be taken on this recommendation.
(b) funding allocation in each year;	Accept in part	The Department for Victorian Communities (DVC) reported on some of the consultation activities of the Women's Safety Strategy in the 2003-04 Annual Report.	No further action will be taken on this recommendation.
(c) progress of the strategy and main achievements; and	Accept in part	No action has yet been taken on this recommendation.	DVC will consider providing a summary of the progress of the strategy in its 2004-05 Annual Report.

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(d) output measures to assess the outcomes.	Accept in part	It is considered to be not appropriate for DVC to include in its Annual Report the output measures of other agencies given individual programs within the Women's Safety Strategy are not only the responsibility of DVC.	No further action will be taken on this recommendation.
<p>• Recommendation 169 (page 687)</p>			
<p>The Department for Victorian Communities and the Office of Women's Policy ensure that the report card on the Work and Family Balance Strategy:</p> <p>(a) include relevant and appropriate performance measures and targets to assess the achievement of stated outcomes; and</p> <p>(b) is used as a basis for on-going reporting.</p>	Accept in part	The Department for Victorian Communities (DVC) will release a Report Card outlining progress in implementing initiatives under the <i>Action Agenda</i> . The Report Card will incorporate progress against each of the initiatives contained in the <i>Action Agenda</i> .	DVC will consider the ongoing use of consistent performance measures for future reporting.
<p>• Recommendation 170 (page 690)</p>			
The Department for Victorian Communities ensure that where adjustments are made to targets set in previous years, appropriate notes are included in the Budget Papers to inform readers that this has occurred.	Accept	<p>Currently, adjustments in performance measures are appropriately documented in the Budget Papers.</p> <p>Where further clarification is required, the Department for Victorian Communities will publish information for changes within the Budget Papers.</p>	No further action will be taken on this recommendation.

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• **Recommendation 171** (page 692)

<p>The Department for Victorian Communities finalise its Annual Aboriginal Affairs Report as soon as possible and publicly release the document.</p>	<p>Accept</p>	<p>A whole-of-Government report on Indigenous Affairs for the period July 2002 to June 2004 is being finalised for release during the Autumn 2005 session of Parliament.</p> <p>The first Annual Indigenous Affairs Report covered the period November 1999 to October 2002. As this report already reported on 4 months of the 2002-03 financial year it was not meaningful for departments to identify expenditure and outcomes for the remaining 8 months of the year. In addition, no further data to report on progress against any of the headline indicators was available (other than that already provided in the first report).</p> <p>It is appropriate to provide a 2002-04 report and bring all subsequent years to full financial year reporting in line with reporting requirements for PAEC budget estimates.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 172** (page 693)

<p>Aboriginal Affairs Victoria review the whole-of-Government reporting guidelines for Indigenous affairs with a view to ensuring that departments report on their progress against the key outcomes identified in the Victorian Government's Indigenous Affairs Report November 1999 – October 2002.</p>	<p>Accept</p>	<p>The whole-of-Government Indigenous affairs framework being developed includes an indicator framework that supports current directions in Victorian Indigenous Affairs policy and reports on key areas of Indigenous disadvantage detailed in the first Victorian Government Indigenous Affairs report 1999-02. The whole-of-Government framework grounds future effort on cross portfolio initiatives and improved quality and collection of data.</p> <p>Victoria is also continuing to work with the Productivity Commission in its review of the <i>Overcoming Indigenous Disadvantage Key Indicators 2003 Report</i> in establishing effective ways to monitor outcomes.</p> <p>A whole-of-Government report on Indigenous Affairs for the period July 2002 to June 2004 is being finalised for release during the Autumn 2005 session of Parliament. The Report details progress in achieving the Governments key policy commitments designed to address the areas of Indigenous disadvantage reported as outcomes in the first Indigenous Affairs Report.</p>	<p>No further action will be taken on this recommendation.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• Recommendation 173 (page 695)</p>			
<p>Aboriginal Affairs Victoria review the whole of government reporting guidelines for Indigenous affairs with a view to ensuring that departments report on their progress in implementing the Victorian public sector Indigenous employment strategy, since its commencement in July 2002.</p>	<p>Reject</p>	<p>Departments and public sector organisations are required to report on progress towards meeting the employment target and to report within other key result areas:</p> <ul style="list-style-type: none"> • Capacity building and pathways; • Induction and retention; • Career development; • Changing workplace culture; and • Supporting Indigenous employment in Government funded community organisations. <p>From the 4 April 2005 the State Services Authority (SSA) assumed overall responsibility for management and implementation of Wur-cum barra, the Victorian public sector Indigenous Employment Strategy. This includes responsibility for monitoring progress against targets.</p> <p>SSA surveys public service departments on a quarterly basis to obtain data on Indigenous staff employed in the Victorian Public Service. The data collection has also been extended to include large public sector organisations.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• Recommendation 174 (page 709)</p>			
<p>The Department for Victorian Communities:</p> <p>(a) continue to measure the economic benefits associated with hosting major events; and</p>	<p>Accept</p>	<p>The economic impact of each major event is measured. Annual or biannual events are normally the subject of a study every 3-5 years, as it is not cost effective to undertake studies for these events annually.</p>	<p>The Department for Victorian Communities (DVC) will continue to measure economic impacts associated with hosting major events as outlined.</p>
<p>(b) publicly release all studies commissioned to determine the economic impact of major events in Victoria.</p>	<p>Accept</p>	<p>Generally all economic benefit studies of major events are publicly available on request. There are occasions where the study or a component of the study is not released, if the study includes confidential information which may breach contractual agreements with promoters.</p>	<p>DVC will maintain its current approach regarding the public release of studies as outlined.</p>

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<p>• Recommendation 175 (page 710)</p>			
The Department for Victorian Communities develop appropriate performance measures for the Sport and Recreation Sector Development output to assess the contribution of the output towards building cohesive communities.	Accept	The Department for Victorian Communities (DVC) has instigated an ongoing program to review the suitability and quality of reported performance measures to enable more meaningful reporting.	DVC will continue its ongoing review of performance measures against the contribution of its output.
<p>• Recommendation 176 (page 717)</p>			
The Government include in the Budget Papers details of any further quantifiable and non-quantifiable liabilities associated with Commonwealth Games related projects, in particular the nature of the types of potential liabilities that the Government faces such as further guarantees made and legal action pending.	Accept in part	<p>In accordance with established financial reporting practices all bona fide quantifiable and non-quantifiable contingent liabilities, including those relating to Commonwealth Games related projects, will be included in the Budget Papers.</p> <p>The Department for Victorian Communities will also outline the quantifiable and non-quantifiable liabilities associated with the Commonwealth Games in its Annual Report in accordance with Australian and International reporting standards.</p>	No further action will be taken on this recommendation.
<p>• Recommendation 177 (page 723)</p>			
The Department for Victorian Communities include in its Annual Report for 2004-05, 2005-06 and 2006-07, a reconciliation of expenditure and revenue for that year in a format consistent with the Government's whole of Games funding commitments.	Accept	The Government will continue to publish the <i>Melbourne 2006 Commonwealth Games Special Purpose Report</i> as part of the Department for Victorian Communities Annual Report reporting against Government funding commitments towards the Games.	No further action will be taken on this recommendation.