

## RECOMMENDATIONS

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***The Public Accounts and Estimates Committee recommends that:***

### **Section B: Key themes**

#### **Chapter 3: National Reform Agenda**

- Recommendation 1:** The Victorian Government continue to focus on securing the fullest fiscal commitment from the Commonwealth to NRA reforms in order to maximise economic, social and environmental outcomes for Victoria. *Page 48*
- Recommendation 2:** The role of the National Reform Secretariat established within the Department of Premier and Cabinet be expanded to monitor the progress achieved by departments in terms of implementing the NRA programs and projects and report directly to the Premier on outcomes achieved on an ongoing basis. *Page 48*
- Recommendation 3:** The Department of Treasury and Finance require departments to disclose in annual reports their performance in achieving agreed outcomes under the NRA, including funding from the Commonwealth to assist Victoria implement the full package of its NRA proposals brought forward to COAG each year. *Page 48*
- Recommendation 4:** The Department of Premier and Cabinet, as part of its coordinating role in the development of the National Reform Agenda (NRA) in Victoria, ensure that:
- (a) timelines including key milestones are established for the various NRA programs and projects implemented by government departments;
  - (b) information regarding progress made in implementing key NRA programs and projects against milestones be reported in budget documents issued by the Treasurer; and
  - (c) evaluations, including assessments of measurable costs and benefits against estimates, take place with regard to the delivery of key NRA programs and projects.
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**Chapter 4: Impact of portfolio spending including new budget initiatives on improving productivity in Victoria**

- Recommendation 5:** A more consistent framework for addressing productivity improvements be articulated by the Department of Treasury and Finance that includes local workplace efficiency gains as well as macro-economic impacts through program initiatives. *Page 75*
- Recommendation 6:** The Department of Treasury and Finance explain in the budget papers how the budget strategies and associated output and asset initiatives (which extend across government agencies, the *Growing Victoria Together* vision and goals as well as other key government policies) are designed to improve Victoria's productivity and associated outcomes for the community. *Page 75*
- Recommendation 7:** The Department of Treasury and Finance disclose in the budget papers specific productivity targets to be achieved as a result of the introduction of budget initiatives where considered appropriate. *Page 75*
- Recommendation 8:** Departments disclose in the budget papers key performance measures relating to productivity by the linking of outputs to inputs. *Page 75*
- Recommendation 9:** The Victorian Government commission a project designed to explore potential areas in the context of micro-economic reform where opportunities exist across government agencies and the non-government sector to improve productivity. Consultation could then occur for such areas to be considered for detailed examination either internally by government departments or by the State Services Authority or the Auditor-General. *Page 75*
- Recommendation 10:** As the non-government sector performs a pivotal role in the delivery of services to the Victorian public, departments and non-government organisations need to continuously critically examine ways of improving productivity. *Page 75*

**Recommendation 11:** In order to clearly establish the link between budget outlays and productivity, departments develop an appropriate range of robust efficiency indicators for reporting in their annual reports the effectiveness of their government funded programs in terms of enhancing productivity according to the three streams of the National Reform Agenda.

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**Recommendation 12:** Departments disclose in their annual reports examples of where savings generated through productivity improvement are channelled into service delivery.

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**Recommendation 13:** Using the demonstrated benefits experienced in the agriculture portfolio as a benchmark, departments follow the lead in the budget, which calls for an emphasis to be placed on research and development to improve the national and international competitiveness of Victorian businesses and help foster economic growth.

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**Recommendation 14:** Based on analyses of costs and benefits, governments consider investing more, both statewide and particularly federally, in infrastructure because of the contribution good infrastructure (such as public transport and roads and ports) makes to improving the growth in productivity.

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## **Chapter 5: Departmental asset investment**

**Recommendation 15:** The Department of Treasury and Finance disclose in the budget papers how the TEI is determined over the forward estimates period and beyond and its reconciliation to the application of cash resources.

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**Recommendation 16:** To enhance accountability and provide a means of disseminating information to the community and engaging the community in the formulation of water policy in future, the Department of Sustainability and Environment and water authorities report regularly on progress made on the construction of the major water supply projects.

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**Recommendation 17:** Asset investment connected with the upgrading and construction of education facilities be monitored from the viewpoint of ensuring that this spend occurs in an equitable manner so that the more disadvantaged areas receive appropriate support to meet their infrastructure and educational needs. *Page 98*

**Recommendation 18:** Given the proposed large increase in the government’s asset investment program, public sector agencies keep the Parliament and the community informed of progress made in terms of completion and outcomes delivered through meaningful disclosure in their annual reports. *Page 99*

### **Chapter 6: Departmental workforce – comparative analysis**

**Recommendation 19:** All departments and their budget funded agencies ensure that complete and accurate information on staffing costs and related productivity benchmarks is available to the Committee in future years. *Page 103*

**Recommendation 20:** For internal management needs and external reporting purposes, all departments maintain core information identifying the impact of achieved savings to 2010-11 on EFT staffing numbers and costs, and the efficiency and quality of services. *Page 105*

**Recommendation 21:** All departments ensure that their annual reports to Parliament are transparent in their coverage of the achievement of savings targets and the impact on delivery of services to the community. *Page 105*

### **Chapter 7: Communication, advertising and promotional expenditure**

**Recommendation 22:** The government issue the revised guidelines for advertising and communications as soon as possible and that the guidelines be reviewed and updated every four years. *Page 109*

**Recommendation 23:** The Auditor-General include, within the scope of performance audits of particular programs, an examination of advertising and communications expenditure and the extent of compliance with the government’s guidelines. *Page 110*

**Recommendation 24:** Departments include expenditure on communications, advertising and promotion by all statutory authorities and government entities in future reporting to allow for full reporting and transparency. *Page 112*

**Recommendation 25:** The Department of Treasury and Finance ensure, as part of its enhancements to annual reporting practices, that agencies identify and report on performance against advertising budgets, identifying key components of expenditure including government-wide or agency-specific publicity campaigns. *Page 113*

**Chapter 8: Departmental output structures and performance measures**

**Recommendation 26:** The Department of Treasury and Finance incorporate within future budget papers a tabular presentation of annual global movements in new and discontinued output measures, categorised according to quantity, quality and timeliness measures. *Page 119*

**Recommendation 27:** The budget papers incorporate a more consistent presentation of each department’s policy decisions and directions drawing on the format and content adopted by the Department of Infrastructure. *Page 119*

**Recommendation 28:** The recent inclusion in the budget papers of information linking departmental outputs to government outcomes be progressively expanded to provide more performance material on the expected contributions by departmental outputs to meeting objectives and contributing to key government outcomes. *Page 120*

## **Chapter 9: Regional Victorian initiatives and related issues**

**Recommendation 29:** The government consider widening presentation in the budget papers or associated materials of information on announced new initiatives for regional and rural development to encompass a dissection of funding allocated to each department for each of the state's designated regions. *Page 126*

**Recommendation 30:** Coordination of funding for regional investment initiatives including services and whole of government reporting could be conferred on a central or other appropriate entity to facilitate dedicated streamlined reporting within budget papers. *Page 127*

**Recommendation 31:** The government explore the merits of an associated budget document on funding allocated to programs for regional and rural Victoria, that is, rural Victoria as well as provincial cities. *Page 128*

## **Chapter 10: Measuring the commitment of Ministers and departments in servicing the Public Accounts and Estimates Committee**

**Recommendation: 32:** Departments ensure their costing systems readily identify the level and cost of resources allocated to supporting Ministers in their servicing of the Committee's inquiries. *Page 133*

## **Section C: Growing Victoria Together**

### **Chapter 11: Overview of the linkages between the budget estimates hearings and Growing Victoria Together**

**Recommendation 33:** The Department of Treasury and Finance clearly disclose in the budget papers the amount of funding allocated to each output on a departmental basis, according to each policy priority and goal articulated in *Growing Victoria Together*. *Page 142*

**Recommendation 34:** Each individual department ensure that consistency and linkages are achieved with the budget papers (Recommendation 33) and the information provided within the operations and output sections of their annual reports. *Page 142*

## **Chapter 12: Thriving economy**

**Recommendation 35:** When setting long term targets that can be prone to variations from external factors, the government keep under continual review such targets, particularly if circumstances materially change over time. *Page 145*

**Recommendation 36:** The Department of Primary Industries review whether there is a need to revise Victoria's food and export target of \$12 billion to be achieved by the year 2010, given that the level of exports in 2006 was \$7.2 billion and that Victoria has been subject to extreme drought and water shortages. *Page 145*

**Recommendation 37:** In terms of ensuring that resource allocation decisions promote the efficient movement of freight between Melbourne and regional Victoria with a view to ensuring that the proportion of freight transported to and from ports by rail will increase to 30 per cent by 2010, the government will need to monitor the adequacy of its investment in the rail freight network. *Page 147*

**Recommendation 38:** To assess whether rail freight is obtaining efficient access to Victoria's ports, the Department of Infrastructure develop pricing and timeliness indicators and incorporate this information into the appropriate outputs in the budget papers. *Page 147*

## **Chapter 13: Quality health and education**

**Recommendation 39:** The recently established Department of Education and Early Childhood Development ensure that its future reporting on kindergarten services includes a clear connection between new performance measures developed for the 2007-08 budget initiatives and relevant outcomes. *Page 152*

**Recommendation 40:** The government ensure that a comprehensive reporting regime is established for the *Victorian Schools Plan* so that Parliament is adequately informed on the plan's progressive implementation and ultimate effectiveness in delivering on intended educational outcomes. *Page 155*

**Recommendation 41:** The Department of Education and Early Childhood Development publish at an early date the experience to date with educational outcomes feasibility plans associated with planning for schools modernisation, and include in such a report specific case studies as guidance for schools and school councils seeking to enter the program.

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## **Chapter 14: Healthy environment**

**Recommendation 42:** The report of Professor Garnaut on the national study into the economic impacts of climate change on Australian jobs and the economy be tabled in the Victorian Parliament when completed in 2008.

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**Recommendation 43:** To enhance the management of climate change and provide informed input into policy development and resource allocation decisions for Victoria's future prosperity, the Department of Premier and Cabinet keep the Victorian Parliament informed of the applicability and implications of the recommendations to Victoria from the national research into the economic impact of climate change conducted by Professor Garnaut.

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**Recommendation 44:** To ensure that the rock lobster catch is managed on a sustainable basis in Victorian waters, the Department of Primary Industries closely monitor commercial catches of rock lobster over time to assess the overall effect of changed fishing practices and changing environmental conditions and whether there is a need for structural changes to be made to the industry and the quota system.

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**Recommendation 45:** The Minister for Agriculture report to Parliament on the outcome of the Department of Primary Industries' assessment of the commercial rock lobster industry.

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**Recommendation 46:** The Department of Sustainability and Environment monitor the impact of the government's water saving initiatives on reducing the amount of kilolitres used per household during the mid-winter months of the year.

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## **Chapter 15: Caring communities**

**Recommendation 47:** To determine the extent and underlying causes of deaths on Victorian roads due to suicidal intent and assess whether any budget related strategies need to be formulated to address this issue, the Department of Justice consider commissioning a research project that includes focus on country Victoria and includes pedestrian deaths. *Page 167*

**Recommendation 48:** As occurred in the 2007-08 budget, consideration should be given in future years to applying a significant portion of any budget surplus in excess of the initial prediction to increase the level of public housing. *Page 170*

**Recommendation 49:** To enhance accountability, the government develop quantity and timeliness performance measures concerning housing affordability for inclusion in the budget papers and the Department of Human Services' annual report. *Page 170*

## **Chapter 16: Vibrant democracy**

**Recommendation 50:** Given the downward trend in the number of criminal and non-criminal matters disposed across Victoria's courts, after a sufficient lead time has elapsed, the Auditor-General consider whether there is a need to build on his work covering the Magistrates' Court by undertaking a more targeted approach to examining efficiency aspects relating to the various levels of courts within the judiciary. *Page 179*

**Recommendation 51:** More frequent surveys of overcrowding using improved methodology be undertaken, including surveys of actual numbers on vehicles/carriages and surveys of stranded passengers. Consideration also be given to including in shift reports of drivers, details of stops that they were forced to bypass because of overcrowding. *Page 183*

## **Section D: Other**

### **Chapter 17: Quality of material provided by Ministers and departments in response to questions raised by the Committee**

#### **Recommendation 52:**

To ensure the estimates hearing process is conducted in the most efficient and effective manner and to further improve the quality of information provided to the Committee, the following measures be considered:

- (a) Ministers place a greater emphasis on the importance of scrutinising the quality of material prepared by departments in response to the Committee’s budget estimates questionnaire;**
- (b) Ministers consider utilising senior public servants more in answering detailed technical questions at the estimates hearings;**
- (c) responses provided by Ministers and departments include examples, technical data and statistical analyses, wherever possible, to uphold or corroborate information of a general nature and provide cogent evidence to support why decisions have been made;**
- (d) departments access the Committee’s website to obtain guidance on best practice in drafting responses to the Committee’s questions;**
- (e) departments include a key result area in their corporate or business plans that aims to obtain favourable feedback from the Committee on the quality of information provided in response to its lines of inquiry; and**
- (f) uniform rounding policies be applied by departments and the Department of Treasury and Finance so that financial information provided to the Committee reconciles exactly with the budget papers.**

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