

## CHAPTER 11: ANALYSIS OF THE GOVERNMENT RESPONSE TO RECOMMENDATIONS IN THE PAEC REPORT ON THE 2007-08 BUDGET ESTIMATES

### Key findings of the Committee:

- 11.1 The Parliamentary Committees Act 2003, section 36, requires that the government respond to recommendations contained in a Committee report within six months of the report being tabled.
- 11.2 In its response to the Committee's *2007-08 Report on the Budget Estimates*, the government accepted 48 (81.4 per cent) of the 59 recommendations made by the Committee. Of these, nine were 'accepted in part'. The Government rejected eight of the recommendations and indicated that a further three were under review.
- 11.3 The Committee recommends that the Government provide comprehensive and regular reporting of progress under its asset and infrastructure programs, now worth nearly \$40 billion since 1999.
- 11.4 The Committee suggests improvements to the way in which the government responds to the recommendations in this and future reports.

### 11.1 Background

The *Parliamentary Committees Act 2003*, section 36, requires that the government respond to recommendations contained in a Committee report within six months of the report being tabled:

*"Section 36 Government responses*

- (1) *If a Joint Investigatory Committee's report to the Parliament recommends that the Government take a particular action with respect to a matter, within 6 months of the report being laid before both Houses of the Parliament or being received by the clerks of both Houses of the Parliament, the appropriate responsible Minister must provide the Parliament with a response to the Committee's recommendations."*

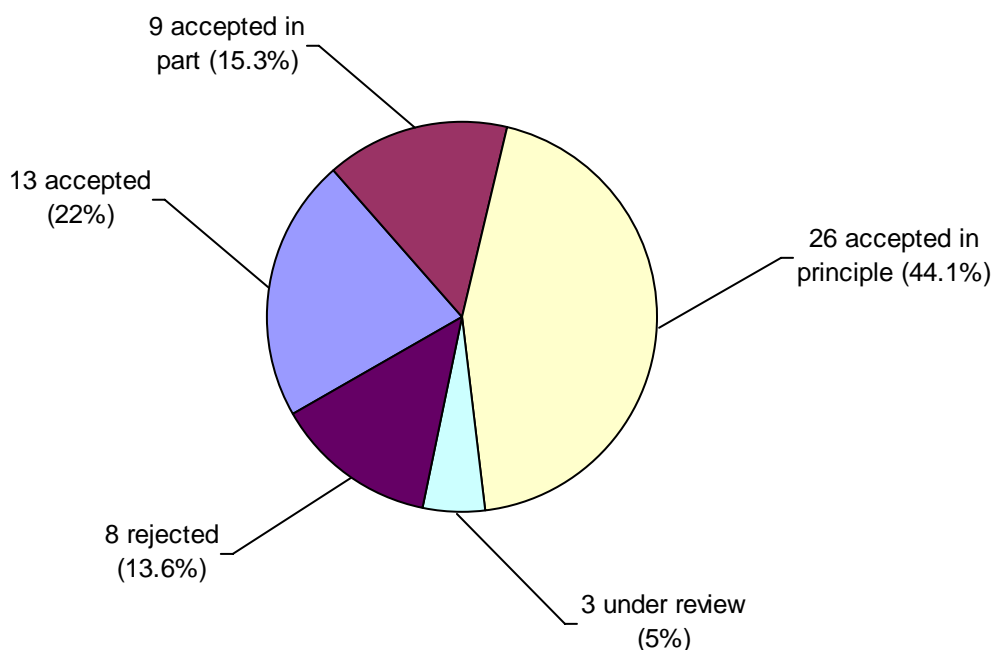
The Victorian Government's response to the recommendations made by the Committee in the *Report on the 2007-08 Budget Estimates Part 3* was tabled on 8 April 2008 and is included in Appendix 3 of this report.

The response listed the government’s acceptance or otherwise of the Committee’s recommendations, detailed actions taken to date and outlined any further actions planned. In providing its response, the Government used the following categories:

- Accept;
- Accept in Part;
- Accept in Principle;
- Under Review; and
- Reject.

The Committee made 52 recommendations in the *Report on the 2007-08 Budget Estimates Part 3*; however some recommendations included a number of linked recommendations. Therefore, for the purpose of analysis the effective number of recommendations is considered to be 59. Figure 11.1 illustrates the government’s response to the 59 recommendations made by the Committee in the *Report on the 2007-08 Budget Estimates Part 3*.

**Figure 11.1 Representation of government response to the Committee’s Report on the 2007-08 Budget Estimates**



Source: Victorian Government, response to the Committee’s Report on the 2007-08 Budget Estimates, tabled 8 April 2008

The recommendations made by the Committee in the 2007-08 *Report on the Budget Estimates* are categorised around key themes based on government policy areas, such as the National Reform Agenda, departmental outputs, and the *Growing Victoria Together* vision in table 11.2.

**Table 11.2 Summary of government response to the  
Committee's Report on the 2007-08 Budget Estimates**

Chapter	Accept			Reject	Under review	Total
	Wholly	In part	In principle			
National reform agenda	1	4	1	–	–	6
Impact of portfolio spending including new budget initiatives on improving productivity in Victoria	2	1	4	2	1	10
Departmental asset investment	1	1	1	1	–	4
Departmental Workforce – comparative analysis	–	–	3	–	–	3
Communication, advertising and promotional expenditure	1	–	3	–	–	4
Departmental output structures and performance measures	1	1	–	–	1	3
Regional Victorian initiatives and related issues	–	–	1	1	1	3
Measuring the commitment of ministers and departments servicing the public accounts and estimates committee	–	–	1	–	–	1
Overview of linkages between the budget estimates hearings and Growing Victoria Together	–	1	1	–	–	2
Thriving economy	3	–	1	–	–	4
Quality health and education	–	–	3	–	–	3
Healthy environment	3	–	2	–	–	5
Caring communities	–	–	–	3	–	3
Vibrant Democracy	1	1	–	–	–	2
Quality of material provided by ministers and departments in response to questions raised by the committee	–	–	5	1	–	6
<b>Total number of recommendations</b>	<b>13</b>	<b>9</b>	<b>26</b>	<b>8</b>	<b>3</b>	<b>59</b>
<b>Percentage of total recommendations (%)</b>	<b>22.0</b>	<b>15.3</b>	<b>44.1</b>	<b>13.6</b>	<b>5.0</b>	<b>100.0</b>

Note: (a) the total number of recommendations identified in this table (59) is greater than the actual number of recommendations (52) as a result of the government providing a different response to specific aspects of a small number of recommendations. Where the government has done so, the Committee has counted this as a separate response for the purpose of this table only

Source: Victorian Government, response to the Committee's Report on the 2007-08 Budget Estimates, tabled 8 April 2008

## **11.2 Accepted recommendations**

Among the accepted recommendations, recommendation 18 called for better disclosure in annual reports of progress under the government's asset program. While the government in its reply notes that there were a range of reporting mechanisms for the asset program (e.g. Budget Information Paper No. 1), it did not plan any further action in regard to current reporting mechanisms.

The Committee believes with an asset and infrastructure program worth nearly \$40 billion since 1999, more extensive reporting is not only desirable but necessary.

**Recommendation 20:**

**The Government review its reporting mechanisms on progress with its infrastructure and asset program with a view to providing Parliament and the Victorian public with a regular and fully transparent account of progress.**

The government *accepted in part* nine of the Committee's recommendations from the *Report on the 2007-08 Budget Estimates*. The Committee believes that the Government has only partially addressed a number of recommendations in this category. These are detailed in table 11.3.

**Table 11.3 Summary of government response to the Committee’s Report on the 2007-08 Budget Estimates**

Recommendation	Government Response	Committee comment
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.	The Committee’s intention was for the Government to expand its monitoring of National Reform Agenda (NRA) programs at a Departmental level. The Government’s response to this recommendation does not include any form of expanded monitoring.
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	The Government’s response to this recommendation does not fully address the recommendation.
(b)	Information regarding progress made in implementing key NRA programs and projects against milestones be reported in budget documents issued by the Treasurer	See part (a) response.
(c)	Evaluations, including assessments of measurable costs and benefits against estimates, take place with regard to the delivery of key NRA programs and projects.	The Department of Premier and Cabinet will consider further information around evaluation as the NRA develops.

**Table 11.3 Summary of government response to the Committee’s Report on the 2007-08 Budget Estimates (continued)**

Recommendation	Government Response	Committee comment
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.	The government response contains no practical actions. While research and development is not the sole measure of a successful benchmark, the budget stipulation that research and development be used needs to be reflected in how department’s account for budget expenditure in support of national and international competitiveness.
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.	In this instance, the Committee wished to see the information presented in a more accessible and easy to follow format.
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.	The Government’s response to this recommendation does not include specific actions to directly address the recommendation.

Source: Report on the 2007-08 Budget Estimates Part Three; Victorian Government, response to the Committee’s Report on the 2007-08 Budget Estimates, tabled 8 April 2008

The Committee believes that where recommendations are *Accepted in Part*, the Government should provide a detailed explanation as to which parts of the recommendation they agree and with which they do not, including information about why they do not agree with particular parts.

**Recommendation 21:**                      **Where a Committee recommendation is *accepted in part* the Government response should make clear which part they accept and which they do not, including information about why they do not accept particular parts.**

The largest response category was those which the government *accepted in principle*. Forty-four per cent of all recommendations from the *Report on the 2007-08 Budget Estimates* fall into this category.

The government indicated in 11 responses that they would continue their present approach despite the Committee's expressed concerns and recommended action.

Similarly, in seven responses, while the government committed to considering an action, it did not outline how or when a decision to act would be made. In only one response, to recommendation 29, was a review included as part of a commitment to consider a course of action and that review was already underway.

The Committee believes that the *accept in principle* response should result in some action being taken or proposed and not imply that there would be little or no action taken as a result of a recommendation. The Committee would like to see a more definitive and pro-active government response to such recommendations in future reports.

### 11.3 Recommendations that were rejected

While the Committee appreciates the government's clear response in this matter, it does not agree with the government's decision to reject recommendations made in the *Report on the 2007-08 Budget Estimates*. The Committee's review of recommendations that were rejected by the government found that the following issues still remain outstanding:

- the Committee considers that departments need to publish productivity targets and consistent reporting of efficiency gains in annual reports and to the Committee's inquiries. This would ensure open accountability to the community and the parliament and help inform the allocation of funds in subsequent budgets;
- that the determination of Total Estimated Investment (TEI) in budgets and its reconciliation with actual government cash resources be explained more clearly;
- the breadth of budget allocations to regional Victoria and the scope of government investment would be clearer and more accountable if it was presented from one source within the budget papers (see Chapter 8); and
- the Committee considers that the subject of the recommendations (suicidal intent in road deaths, increases in public housing and housing affordability) under Caring Communities are important social issues and support the government's policy objectives within the Caring Communities vision.