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**Government Responses to the Recommendations of**  
**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S**  
**Report on the 2017-18 and 2018-19 Financial and Performance Outcomes**

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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) Report on the 2018-19 Budget Estimates.

**Guide for readers** - Following is the explanation of the format of this paper.

<b>1</b> <b>PAEC recommendation</b>	<b>2</b> <b>Response</b>	<b>3</b> <b>Action taken to date and commitment to further action</b>
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Column 1: Contains PAEC's recommendations as published in its Report on the 2017-18 and 2018-19 Financial and Performance Outcomes.

Column 2: Indicates the Government's response to each recommendation: 'Support', 'Support-in-Principle', 'Not Support', or 'Under Review'.

Column 3: Provides an explanation of the Government's position on the recommendation, indicates the actions that have been taken to date relevant to the implementation of the recommendation, and outlines commitment to further action relevant to the implementation of the recommendation.

PAEC recommendation	Response	Action taken to date and commitment to further action
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<p>Recommendation 1: The Department of Treasury and Finance (DTF) consider reporting on the actual revenue forgone and/or earned from individual revenue initiatives announced in State Budgets across the forward estimates.</p>	<p>Support-in-Principle</p>	<p>The Department of Treasury and Finance (DTF) support-in-principle Recommendation 1.</p> <p>DTF is committed to continue improving the quality and transparency of its products. Through this commitment, reporting of both new and existing revenue initiatives is provided through both the State Budget and Budget Update. Actual revenue forgone and/or earned from revenue initiatives is reported in the Annual Financial Report (AFR). The AFR is audited by the Auditor-General.</p> <p>Some initiatives may not be individually reported because once initiatives have been introduced, the revenue collected or foregone may form part of the general tax base, concession or exemption. Initiatives that do not form part of an existing general tax base, concession or exemption may be reported individually.</p> <p>In some cases, data limitations may make it impossible to report the actual revenue forgone and/or earned on initiatives. This is most common for initiatives that contain exemptions. Data is not available to measure transactions or activities that no longer qualify for a tax exemption or are no longer in the tax base.</p> <p>DTF will continue to seek opportunities to enhance transparent reporting of revenue initiatives where possible.</p>
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PAEC recommendation	Response	Action taken to date and commitment to further action
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<p>Recommendation 2: All departments consider publishing their Social Procurement Strategies to enhance transparency and enable the evaluation of performance against strategic priorities.</p>	<p>Support</p>	<p>The Government supports the recommendation for departments to consider publication of their Social Procurement Strategy.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 3: The 2019-20 Model Report for the Victorian Government Departments consider including guidance on the reporting of reviews and studies undertaken by departments, including guidance on the associated costs and the outcomes that are expected to be delivered.</p>	<p>Support-in-principle</p>	<p>The Department of Treasury and Finance (DTF) supports the concept of including guidance on these matters in the Model Report.</p> <p>However, it was not practicable to do this for the 2019-20 Model Report. Doing so in future Model Reports will require establishing a robust definition of what constitutes a review or study which is sufficiently structured to merit reference in an annual report (as compared to ‘back of the envelope’ preliminary consideration of possible approaches). It will also require criteria to separate the cost of internal reviews and studies which are undertaken as part of normal policy development from the total administrative costs of that development. While it is relatively easy to identify the cost of externally commissioned reviews and studies, it can be complex to do so for internal processes.</p>
<p>Recommendation 4: The Government consider publishing the relevant annual report on total government advertising expenditure for that year in a timely manner.</p>	<p>Support</p>	<p>The Department of Premier and Cabinet (DPC) supports this recommendation and is committed to the timely publication of annual advertising reports. DPC notes the finalisation and publication of the Victorian Government Advertising Report for 2018–19 was delayed due to the need to prioritise responses to the 2020 summer bushfire emergency and the coronavirus (COVID-19) pandemic during the first half of 2020.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 5: The Department of Health and Human Services consider making publicly available the performance and monitoring regime which tracks the quality of services provided through the National Disability Insurance Scheme to Victorians</p>	<p>Not Support</p>	<p>The performance monitoring of the quality of services provided through the National Disability Insurance Scheme to Victorians is the responsibility of the Commonwealth, not the state. The NDIS Quality and Safeguards Commission is a Commonwealth independent agency established to improve the quality and safety of NDIS supports and services. They work with NDIS participants, service providers, workers and the community to implement a nationally consistent approach so that across Australia participants can access services and supports that promote choice, control and dignity. They regulate NDIS providers to promote safety and quality services, resolve problems and identify areas for improvement.</p> <p>The reference to the state’s performance monitoring regime on Pages 33 – 35 relates only to the provision of Supported Independent Living and Short-Term Accommodation and Assistance services transferred to the non-government sector from March to October 2019.</p> <p>The performance monitoring regime contractually requires providers to comply with a range of obligations relating to safety, service quality and fair workforce conditions.</p> <p>Residents and Families of these services were provided with an overview of the regime at the time of the transfer announcement (August 2018) and at the time the services transferred (March – October 2019) via the fact sheet Victoria’s Performance and Monitoring Regime – Maintaining safety and quality through the transfer and beyond (attached).</p> <p>Further details of the regime beyond what provided in the fact sheet are subject to commercial in confidence contracts and cannot be made publicly available.</p>
<p>Recommendation 6: To enable a complete picture of the State’s social housing stock, the Department of Health and Human Services consider publishing both acquisitions, sales and the closing balance of social housing dwellings in its annual report.</p>	<p>Support</p>	<p>The Department of Health and Human Services has published the summary of the State’s Social Housing Stock which covers, acquisitions, sales and the closing balance in the 2019-20 Annual Report.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 7: To enable evaluation of the effectiveness and efficiency of the Social Housing Growth Fund, the Department of Health and Human Services consider developing performance measures to assess the outcomes delivered by the fund; and include in its annual reports, information about the balance of the fund and what construction and rental support has been provided from the fund.</p>	<p>Support-in-Principle</p>	<p>The Social Housing Growth Fund (Fund) is an initiative by the Treasurer and the Minister for Housing which is jointly administered by the Department of Treasury and Finance (DTF) and Department of Health and Human Services (DHHS).</p> <p>The Social Housing Growth Fund capital is held in trust by DTF. DTF invests the funds with the Victorian Funds Management Corporations (VFMC), which is responsible for managing the investment portfolio in line with the approved Investment Strategy. DTF monitors the fund's performance and the balance of the Fund is reflected in the DTF annual report.</p> <p>In relation to performance measures, DHHS measure performance of the Programs supported by the Fund through internal reporting mechanisms. The performance of the Programs is reported and overseen by an inter-departmental Steering Committee, with senior executive representation from both the DTF and DHHS. This data informs the DHHS Annual Report (<i>Housing Assistance</i>) and the Victorian State Budget Paper 3 (<i>'Total social housing dwellings acquired during the year'</i> and <i>'Total number of social housing dwellings'</i>) figures which are publicly available.</p> <p>The DHHS Annual Report and the State Budget Paper 3 provides an aggregated overview of overall deliverables but does not report on individual program outcomes.</p> <p>The number of outcomes for SHGF have also been published in the Social Housing Growth Fund website at a level which does not breach commercial in confidence of the parties. Please refer to <a href="https://www.dhhs.vic.gov.au/victorian-social-housing-growth-fund">https://www.dhhs.vic.gov.au/victorian-social-housing-growth-fund</a> (see embedded word document under the heading 'Application Process').</p>

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<p>Recommendation 8: The Department of Health and Human Services consider developing performance measures to report on the annual number of women and children that are being hospitalised due to family and domestic violence and domestic homicide rate in Victoria</p>	<p>Support-in-Principle</p>	<p>Strengthening performance information on family, domestic and sexual violence will assist in measuring the effectiveness of the Government's commitments to prevent family violence. The Victorian Government's Family Violence Outcomes Framework (FVOF) outlines the government's vision to end family violence by defining success across four domains: prevention; victim survivors; perpetrators; and the broader service system. As part of the development of the 2020-23 Family Violence Reform Rolling Action Plan, the Department of Premier and Cabinet is developing an implementation strategy to annually measure and monitor the outcomes in the FVOF. The FVOF strategy will be published in November 2020 and is expected to include system and population-level measures, including a measure on family violence related homicides. Measures on Victorian emergency department presentations and hospital admissions are likely to be reported in future years as data quality improves.</p> <p>Reporting against the FVOF will assist government in tracking change and understanding the impact of the reforms. Population level measures, such as family violence related homicides and hospitalisations of women and children, are not as suitable as service delivery performance measure targets because of the wide range of influencing factors that affect these measures.</p>

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<p>Recommendation 9: The Department of Health and Human Services consider developing and publishing a performance measure to gauge the outcomes of the telephone helpline for men regarding family violence</p>	<p>Support-in-Principle</p>	<p>Family Safety Victoria (FSV) is currently considering how to measure the outcomes of perpetrator interventions in Victoria. Two projects will support the identification of outcomes for the telephone helpline for men regarding family violence.</p> <ol style="list-style-type: none"> <li>1. The Victorian Government’s Family Violence Outcomes Framework defines success across four domains, including a ‘perpetrator domain’ which will drive measurement of outcomes for perpetrator interventions. In 2020, FSV partnered with the Department of Premier and Cabinet to deliver revised perpetrator outcomes and indicators with input from government and sector stakeholders and people with lived experience of family violence. The revised outcomes and indicators will be presented for approval by the Family Violence Reform Interdepartmental Committee and the Family Violence Reform Sub-Committee of the Victorian Secretaries’ Board in October 2020. The next phase of work is to develop appropriate measures for the revised perpetrator outcomes and indicators, planned to commence in early 2021.</li> <li>2. In parallel, FSV is developing a whole-of-Victorian Government theory of change for perpetrator accountability. Drawing on research and consultation findings, the theory of change will identify the actions and early changes that lead to the outcomes set out in the perpetrator domain of the Family Violence Outcomes Framework. This will assist in identifying the early signs of success for interventions such as the telephone helpline.</li> </ol> <p>As an interim measure, FSV is also exploring how to better reflect service delivery outcomes of the telephone helpline in Budget Paper No 3. Measures are intended to better focus on the service’s responses to clients as opposed to call volume measures.</p> <p>FSV notes that measuring outcomes for telephone-based services can be practically complex to implement. While referrals and service options are made, it is difficult to track clients’ subsequent service engagement. Even if support/referrals are pursued by clients, links to final ‘outcomes’ are often unclear and result from many individual and interacting factors.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 10: The Department of Health and Human Services develop performance measures to track the quality and the number of services provided under the Voluntary Assisted Dying Act 2017 (Vic)</p>	<p>Support</p>	<p>The Voluntary Assisted Dying Review Board was established in 2019 under the Voluntary Assisted Dying Act 2017 (the Act), to review every case of voluntary assisted dying, and report on the operation of voluntary assisted dying and inform system-wide quality and safety improvements. Systems and processes have been put in place to ensure that all applications for voluntary assisted dying are monitored and reported on.</p> <p>The Board receives information about the disease, illness or medical condition of persons who meet the requirements of the eligibility criteria, demographic information, and other insights. The Board is required to make a report to Parliament every six months for the first 2 years of the operation of the Act.</p> <p>52 Victorians suffering with a terminal illness accessed voluntary assisted dying in the first six months after the legislation took effect.</p> <p>124 Victorian’s suffering with a terminal illness accessed voluntary assisted dying in the 12-month period from June 2019 to June 2020. Victoria’s nation-leading laws in this field are giving people with an incurable illness a compassionate choice over the timing and manner of their death, and relief from their suffering.</p> <p>End of life care policy</p> <p>The Department of Health and Human Services has developed a performance and reporting framework which monitors and reports the activity of both the Statewide Care Navigator Service and the Statewide Pharmacy Service to the Voluntary Assisted Dying Review Board. Information on the number of services and training provided has been published in the department’s 2019-20 Annual Report.</p>
<p>Recommendation 11: The Department of Education and Training consider refining the data collected on future stages of the School Focused Youth Program to determine whether planned outcomes are achieved.</p>	<p>Support</p>	<p>Department of Education and Training will review and realign School Focused Youth Services (SFYS) in 2021 following the Royal Commission into Victoria’s Mental Health System final report, cognisant of related programs focused on student engagement.</p> <p>The type of data collected and the current reporting and evaluation process for SFYS will form part of the scope of the review and inform the development of future operational and reporting guidelines for SFYS.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 12: The Department of Education and Training consider developing performance measures under the Training, Higher Education and Workforce Development output to assess whether Victoria's Vocational Education and Training system is meeting the needs of employers and industries.</p>	<p>Support-in-Principle</p>	<p>The current suite of Training, Higher Education and Workforce Development BP3 measures contain two measures related to the effectiveness of Victoria's government-funded training system in meeting the needs of employers and industries:</p> <ol style="list-style-type: none"> <li>1. <i>Proportion of employers of apprentices and trainees who are satisfied with training</i>: This measure is based on the outcomes of the annual <i>Victorian Employer Satisfaction Survey</i>, which is a census of all Victorian employers of apprentices and trainees. As such, the survey contacts around 25,000 employers of apprentices and trainees (who completed or were in training in the previous year), and asks about their satisfaction with the training and outcomes provided by the specific training providers who they had a training relationship with.</li> <li>2. <i>Proportion of government subsidised enrolments related to qualifications that will lead to jobs and economic growth</i>: This performance measure reports the proportion of government-funded enrolments which are in Victorian Government workforce priority areas (including rolling out the National Disability Insurance Scheme, responding to family violence and supporting Victoria's infrastructure projects), are apprenticeships and traineeships funded under <i>Skills First</i>, are in courses on the <i>Free TAFE for Priority Courses</i> list, or are Foundation skills courses. The Funded Course List is reviewed on an annual basis, including the courses that are contained within each of these categories. The annual review process incorporates the latest research and analysis on labour market trends and training activity, along with input from subject matter experts and industry. The annual review is also supplemented by minor updates throughout the year, to take account of new qualifications and stakeholder requests for additional courses.</li> </ol> <p>The Department of Education and Training (DET) acknowledges that there may be benefit in a broader suite of performance measures specifically targeted to assessing the needs of employers and industries from government-funded training. However, this will require significant additional data collection which may not be feasible (given data availability) or may come with significant additional costs (to expand data collection to all employers). DET will consider possibilities for broadening its assessment of the overall performance of the government-funded training system. This will include consideration of the findings of the <i>Skills for Victoria's Growing Economy Review</i> (Macklin review).</p>

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<p>Recommendation 13: Where a project is removed from the High Value High Risk process and any future gateway reviews, an explanation for the removal of the project consider being published in either the relevant department's annual report or the subsequent year's budget.</p>	<p>Support</p>	<p>The Department of Treasury and Finance (DTF) supports the proposal to publicly disclose projects that have been removed from the High Value High Risk (HVHR) framework.</p> <p>The quarterly financial reports tabled in Parliament contain an update on Government infrastructure investment and a list of active infrastructure projects. DTF considers it would be appropriate to publish projects removed from the HVHR framework and their rationale as part of this list of infrastructure projects.</p> <p>DTF notes it is rare for projects to be removed from HVHR and, in any event, requires consideration by DTF and approval from the Treasurer. The rationale is typically because the nature or risks of the project have changed and, on balance, it is not considered efficient to continue under the HVHR framework.</p> <p>Projects removed from the HVHR framework will continue to be subject to the project governance and assurance processes of individual departments.</p>
<p>Recommendation 14: The Department of Education and Training consider developing a performance measure to report the budgeted equity funding allocated to schools and the actual funding spent.</p>	<p>Support-in-Principle</p>	<p>The actual proportion of students in government primary and secondary schools receiving equity funding was lower than target as a result of fewer students meeting eligibility requirements. However, equity funding was allocated in full in 2017-18 and 2018-19, shared among all eligible students.</p> <p>The Department of Education and Training (DET) will examine existing performance measures and targets to determine whether an additional performance measure is required, and whether targets should be adjusted to better reflect the level of student need.</p>
<p>Recommendation 15: The Department of Education and Training consider defining what constitutes the 'highest levels of achievement' for the purpose of the Education State target— Learning for life to enhance understanding of the impact of the initiative and its relationship with NAPLAN.</p>	<p>Support</p>	<p>The Department of Education and Training (DET) has referenced the link between excellence in literacy and numeracy (the highest levels) and the top two bands of NAPLAN in publications such as the 2019-20 DET Annual Report (page 13) and the 2016 State of Victoria's Children report (page 72).</p> <p>For future reporting products dealing with NAPLAN achievement, DET will clarify that "the highest levels of achievement in literacy and numeracy" equates to performance in the top two bands of NAPLAN. This will include but not be limited to the Education State fact sheets and DET Annual Report.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 16: The Department of Transport consider revising its performance measures for transport infrastructure to provide better insights into the status of all major projects overseen by the Major Transport Infrastructure Authority, including the impact of changes to initially approved budgets and timelines.</p>	<p>Support in Principle</p>	<p>The Transport Infrastructure output measures are reviewed each year as part of the development of the Departmental Performance Statement. In addition, reporting on the performance of Victoria's capital projects is included in Budget Papers and project websites which provide progress updates and milestones achieved.</p>
<p>Recommendation 17: The Department of Transport consider developing comprehensive performance measures covering the cost, quantity, quality, and timeliness of all major funded initiatives comprising the Regional Revival Plan and consider reporting publicly against these within the Budget papers and its annual report.</p>	<p>Support in Principle</p>	<p>The Department of Transport will consider the development of new performance measures.</p>
<p>Recommendation 18: The Department of Transport consider reviewing and revising current performance measures relating to the accessibility of public transport to ensure they provide sufficient insights into the compliance of all modes with the national Disability Standards for Accessible Public Transport.</p>	<p>Support in Principle</p>	<p>The Department notes that the Commonwealth, State and Territory governments are currently reviewing the Disability Standards for Accessible Public Transport 2002 (Transport Standards), in consultation with representatives from the disability community, industry and accessibility subject matter experts. When the findings of this review are published, the Department will consider new performance measures.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 19: The Department of Transport and VicRoads consider reviewing and strengthening the utility of publicly reported performance information relating to the road pavement maintenance program.</p>	<p>Support</p>	<p>As part of the 2020-21 Budget, two new measures '<i>Road area treated: roads in metropolitan Melbourne</i>' and '<i>Road area treated: roads in regional Victoria</i>' were introduced to clarify the extent of the road area treated in metropolitan Melbourne and regional Victoria.</p> <p>In addition, the methodology for calculating the road network maintained was changed from lane-km to m2 to align with the new measures to clarify the volume of the overall state network subject to maintenance in the reporting year.</p>
<p>Recommendation 20: The Department of Transport consider reporting on actions taken to address issues impeding delivery of road and freight accessibility improvement projects and the impact of funded initiatives within future annual reports.</p>	<p>Support</p>	<p>As part of the Department of Transport's 2019-20 Annual Report, the Department reported on road and freight accessibility improvement projects delivered as well as the impact of funded initiatives for Victoria and will look for opportunities to continue to report on these matters in the department's annual reports.</p>
<p>Recommendation 21: The Department of Justice and Community Safety consider developing comprehensive performance measures and indicators for evaluating the progress and impact of actions against the 57 recommendations of the Access to Justice Review supported by the Government.</p>	<p>Support-in-Principle</p>	<p>The Department of Justice and Community Safety can provide an update on implementation of the Access to Justice Review to the Committee. However, as noted in the Report, many recommendations of the Access to Justice Review have been implemented. The Department of Justice and Community Safety will continue monitoring the progress and impact of the recommendations. Any implementation of recommendations will need to take account of the significant impact the COVID-19 pandemic has had on the justice system.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 22: The Department of Justice and Community Safety consider reporting publicly on the outcomes of its reviews of the delivery issues associated with the Fines Victoria IT system, and on the progress and impact of actions being taken to address these issues.</p>	<p>Support-in-Principle</p>	<p>In 2019, the Attorney-General appointed the independent Fines Reform Advisory Board to report on the delivery of Fines Reform, the effectiveness of remedial actions taken to address Fines Victoria’s IT issues, and the forward plan for the fines system.</p> <p>The Victorian Auditor-General is currently undertaking a performance audit of the efficiency and effectiveness of the roll-out of the Fines Victoria IT system. The findings of these reviews will inform the department’s ongoing work and forward plan to ensure the IT system for Fines Victoria is robust and meets the needs of all Victorians.</p>
<p>Recommendation 23: The Department of Justice and Community Safety consider evaluating the lessons from the challenges experienced with the rollout of IT solutions for Births, Deaths and Marriages Victoria and Fines Victoria and the actions taken to embed improvements.</p>	<p>Support</p>	<p>In 2019, shortly after implementation of Births, Deaths and Marriages’ (BDM) new core business system, the department undertook an internal review of the project. This review informed further work to ensure that the issues experienced after go-live were quickly resolved. A post-implementation Steering Committee continues to meet regularly to approve ongoing improvements and updates. The findings of this review and the Steering Committee’s ongoing work continue to inform improvements.</p> <p>The government’s response to Recommendation 22 outlines measures by which the department will further evaluate the lessons learned from the roll-out of the IT solution for Fines Victoria.</p>

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<p>Recommendation 24: The Department of Justice and Community Safety consider reviewing and, where possible, consider implementing the Community Safety Trustee's suggested improvements to the Community Safety Statement Outcomes Framework.</p>	<p>Support</p>	<p>In the Trustee's December 2018 Assurance Report, a suite of findings and recommendations were made in relation to the ongoing development of the CSS outcomes framework. DJCS agrees that the outcomes framework could be improved by identifying more suitable measures and indicators to better demonstrate progress toward achieving community safety outcomes. DJCS has already implemented some improvements, such as updating units of measurement to allow for better comparison over time.</p> <p>Work is continuing to more strongly align measures and outcomes and to include more meaningful measures related to victim survivors. Further consideration is also being given how to best demonstrate Victoria Police's contribution to community safety outcomes, whilst acknowledging that Victoria Police is not solely responsible for improving community safety. DJCS and Victoria Police are working to identify any new data holdings which could inform the development of more meaningful measures that would demonstrate success.</p> <p>The release of the next Community Safety Statement will include a revised outcomes framework, in particular, the inclusion of the newly developed measure of harm from the Crime Statistics Agency. This will replace the reduction in reported high harm crime offences included in the CSS2019-20 outcomes framework.</p> <p>To ensure measures are more meaningful to the community, future reporting on the outcomes framework will be accompanied by additional narrative on the data being presented, including changes that have been identified.</p>
<p>Recommendation 25: Consistent with the Community Safety Trustee's recommendation, the Department of Justice and Community Safety consider evaluating the impact of funded community safety initiatives and report publicly on the insights and actions arising in its Annual Report 2019-20 and on its website.</p>	<p>Support-in-Principle</p>	<p>The department acknowledges the value of evaluating the impact of funded community safety initiatives, including where further funding or program development is required. The Department has largely been responsible for CSS initiatives which involve the delivery of key legislative change and policy reviews. Achievements are reported in the annual report. Victoria Police has published on its website key findings of the Embedded Youth Outreach Program, funded as part of the CSS2018-19 and CSS2019-20.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 26: The Department of Justice and Community Safety consider evaluating and reporting publicly on the outcomes achieved from the grants awarded through its Community Crime Prevention Program.</p>	<p>Support-in-Principle</p>	<p>All grants awarded through the Community Crime Prevention (CCP) Program are managed and acquitted by the Department with final reports required from each grant recipient. Full evaluations are not required for smaller grants (up to \$25,000) as this would be disproportionate to the investment, although project reports and milestone acquittals are required to be submitted to demonstrate the effective delivery of the funded initiative.</p> <p>As well as regular milestone reporting, evaluations must be undertaken by recipients of the larger grants awarded through the Public Safety Infrastructure Fund (PSIF). The department commissioned the Australian Institute of Criminology (AIC) to develop an evaluation toolkit to support PSIF recipients to evaluate their initiatives which is available on the <a href="#">CCP website</a>. These PSIF evaluations have not traditionally been made public but have been used to build the evidence around crime prevention through environmental design, and to inform policy and programming in the department. Case studies of PSIF projects are published on the CCP website.</p> <p>The Youth Crime Prevention Grants projects have been evaluated by the department’s Evidence and Insights branch at the mid-term point (with an executive summary published on the <a href="#">CCP website</a>), and a final evaluation will also be completed in 2021 (with summary to be likewise published).</p> <p>In 2014 the AIC reviewed the Community Crime Prevention Program – this review was published on the <a href="#">CCP website</a>. The review found that the program supported evidence-based initiatives. In 2015, a further review of the entire Community Crime Prevention Program was completed by the then-Parliamentary Secretary for Crime Prevention and published on the <a href="#">CCP website</a>.</p> <p>The department will consider the best approach to any further public reporting on outcomes of future funded grant projects, noting the significant variations in the size, purposes and objectives of each funded project.</p>
<p>Recommendation 27: The Department of Justice and Community Safety consider reviewing and expanding the number of objective indicators for the correctional system to provide comprehensive insights into the causes and impacts of performance trends and issues.</p>	<p>Support-in-Principle</p>	<p>In accordance with DTF’s Resource Management Framework, an objective indicator should be attributable, available, comparable, influenced by key stakeholders, manageable and verifiable. DJCS has considered introducing additional objective indicators in the past for the correctional system but it can be challenging to identify measures that meet all these criteria. The four current objective indicators are aligned to the stated objectives of the corrections portfolio and are based on nationally benchmarked indicators. The drivers of performance trends within the criminal justice system tend to be multi-factorial in nature and attribution to the operation of the corrections system in isolation can be difficult. DJCS will continue to review its objective indicators on an annual basis and will expand on the existing suite of indicators where they can provide better insights into the causes and impacts of performance trends and issues. Review of these indicators needs to occur in the context of the development of a broader departmental outcomes framework, and refinements phased to allow for internal testing and validation of proposed measures, to assess the feasibility, reliability and utility of data collection, submission and analysis processes.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 28: The Department of Justice and Community Safety should consider reporting on its progress on improving the performance and transparency of Victoria's prison system, and impact of actions taken to date in its Annual Report 2019-20.</p>	<p>Support-in-Principle</p>	<p>A significant number of additional and disaggregated measures of prison performance have been added to the public measurement framework for Victoria's prison system over recent years, including those related to drug tests undertaken in prisons, disaggregated prisoner out-of-cell hours, disaggregated prisoner numbers by gender, education modules successfully completed and prisoner risk assessments completed. Other performance indicators for which target setting is not considered appropriate, such as escapes and assaults in custody, are published in the annual Report on Government Services (escapes are also reported as an objective indicator). DJCS will continue to review its performance statement as part of its annual review in the lead up to the Budget and will also seek to provide context of the operational drivers of performance as part of its Annual Reporting processes.</p>
<p>Recommendation 29: The Department of Justice and Community Safety consider evaluating and report publicly on the impact of the State's investments since 2015-16 to reform and strengthen Community Correctional Services, its supervision and management of offenders on community corrections orders and outcomes achieved.</p>	<p>Support-in-Principle</p>	<p>The department is committed to the ongoing strengthening of practice across Community Correctional Services (CCS), particularly the areas identified in the 2017 VAGO report, Managing Community Corrections Orders. The CCS reform process has been subject to a number of internal and external review activities. This approach has highlighted the importance of ongoing review and revision to further strengthen the implementation of reform across the CCS service delivery model. An evaluation originally intended to commence in January 2018 did not proceed, in recognition of the need to refine and further embed the reforms. At this stage, the outcomes of internal review activities have informed the scope, direction and prioritisation of future CCS service reforms. Further review and evaluation will be considered once the final phases of reform have been delivered, at which point consideration will be given to reporting publicly on evaluation outcomes.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 30: The Department of Environment, Land, Water and Planning consider developing performance measures that set targets and provide performance information on the income levels of the households receiving rebates under the Solar Homes program, the number of new jobs created and the contribution to renewable energy generation.</p>	<p>Support-in-Principle</p>	<p>The recommendation to create performance measures relevant to jobs created and the contribution to renewable energy generation is supported in principle. Solar Victoria provides regular public reporting on the program and is assessing a number of relevant performance measures for inclusion in future reports.</p> <p>The Department of Environment, Land, Water and Planning (DELWP) will consider the inclusion of a performance measure that set targets on the income levels of the households receiving rebates under the Solar Homes program. However, the Solar Homes program has been designed as a scheme accessible to eligible Victorians with a household income of less than \$180 000 per year. The program does not seek to weight rebates to any income level within that band of eligibility. A performance measure target in this instance may not be appropriate as the program aims to encourage access from as many eligible Victorian households as possible. It is to be noted that Solar Victoria monitors and regularly makes data public already, such as the income brackets of Solar Homes customers, in order to demonstrate that the program is helping Victorian households most in need of energy bill relief.</p>
<p>Recommendation 31: The Department of Environment, Land, Water and Planning consider including in its annual reports details about the councils and projects that receive funding (including the amount allocated) under the Growing Suburbs Fund, to facilitate an assessment of the outcomes delivered to the community by the fund.</p>	<p>Support</p>	<p>Local Government Victoria has transferred to the Department of Jobs, Precincts and Regions (DJPR) as part of the recent Machinery-of-Government. Councils that receive funding under the Growing Suburbs Fund will be reported in the department's Annual Report as per disclosure requirements.</p> <p>All funded projects, including the council and the funding amounts allocated to each successful project, are currently publicly available on Local Government Victoria's website. The landing page for the Growing Suburbs Fund lists the projects in the current year that have been successful in receiving funding, and the amounts allocated. All previous years of funded projects and funding amounts allocated can be found under the Funded Projects tab.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 32: The Minister for Planning consider reviewing Ministerial Direction 15—The Planning Scheme Amendment Process—made under the Planning and Environment Act 1987 (Vic) to consider whether the timelines set for assessing planning scheme amendments remain achievable</p>	<p>Support-in-Principle</p>	<p>The Department of Environment, Land, Water and Planning (DELWP) supports in principle the recommendation for the Minister for Planning to consider reviewing Ministerial Direction 15 – the Planning Scheme Amendment Process.</p> <p>DELWP will continue to monitor the timelines for assessing planning scheme amendments, while focusing on reducing the time taken to assess and determine planning scheme amendments without impacting on their overall quality.</p>
<p>Recommendation 33: The Department of Environment, Land, Water and Planning consider ongoing reporting on performance measures that were not approved for discontinuation by the Committee, in line with the 2018-19 Model Report for Victorian Government Departments.</p>	<p>Support-in-Principle</p>	<p>This recommendation is supported in principle and consideration will be given to ongoing reporting on performance measures that were not approved for discontinuation by the Committee where it is practical and meaningful to do so.</p> <p>In PAEC’s report on the 2018-19 Budget Estimates, PAEC recommended that three measures proposed for discontinuation be retained. These measures related to:</p> <ul style="list-style-type: none"> <li>- area of revegetation protected or enhanced through departmental supported Landcare activities;</li> <li>- habitat managed for biodiversity in Victoria; and</li> <li>- area protected from pest predators, weeds and herbivores.</li> </ul> <p>These three measures were replaced with one aggregated measure in 2018-19: Area treated for biodiversity conservation in priority locations.</p> <p>Subsequently in 2019-20, DELWP introduced four new measures relating to hectares of weed, pest predator, pest herbivore control in priority locations and hectares of revegetation in priority locations. These new measures will continue to be reported on as they better align with the goals and outcome measures within Protecting Victoria’s Environment – Biodiversity 2037.</p> <p>In PAEC’s report on the 2019-20 Budget Estimates, PAEC supported all measures proposed for discontinuation.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 34: The Department of Jobs, Precincts and Regions consider developing comprehensive performance indicators covering all major funded initiatives contributing to the Government’s Food and Fibre Sector Strategy and related objective to increasing exports to \$20 billion by 2030.</p>	<p>Support-in-Principle</p>	<p>The Department of Jobs, Precincts and Regions (DJPR) reports on the “value of Victorian food and fibre exports” as an objective indicator in Budget Paper 3 (BP3) as well as publishing an annual report on the performance of Victorian Food and Fibre Exports. The department also reports on the following BP3 performance measures linked to major initiatives related to the objective to increasing exports to \$20 billion by 2030:</p> <ul style="list-style-type: none"> <li>• Number of attendees at workshops/mentoring programs</li> <li>• Grant recipients who met or exceeded agreed outcomes</li> <li>• Strategies developed to overcome identified trade barriers</li> <li>• Significant interactions with Victorian agri-food companies and exporters, international customers and trading partners that facilitate export and investment outcomes for Victoria</li> <li>• Clients engaged in export and trade programs</li> <li>• Actual export sales generated as a result of participation in government programs.</li> </ul> <p>The department, as part of its regular review and planning processes, will assess the comprehensiveness of its performance indicators of its major initiatives related to the objective to increasing exports to \$20 billion by 2030.</p>
<p>Recommendation 35: The Department of Jobs, Precincts and Regions consider evaluating and reporting on the outcomes of the CarbonNet project to date, and the State’s future directions for achieving the program’s initial Carbon Capture and Storage objectives.</p>	<p>Support</p>	<p>The Department of Jobs, Precincts and Regions (DJPR) commits to increased reporting to be included in future annual reports. The department notes that:</p> <ul style="list-style-type: none"> <li>• It reports on CarbonNet’s performance against its annual work plan in Budget Paper 3</li> <li>• CarbonNet regularly publishes knowledge share reports and a monthly enews letter on its website. These documents highlight major milestones achieved by the project.</li> </ul>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 36: The Department of Jobs, Precincts and Regions consider updating its Budget Paper 3 performance measures to ensure they permit assessment of achievements against the Government's objectives and targets within the Mineral Resources Strategy 2018–2023.</p>	<p>Not Support</p>	<p>The Mineral Resources Strategy covering the period 2018-2023 is focused on growing investment and jobs in Victoria's minerals sector. Key outcomes from this strategy include – deliver increased investment, jobs, regional development, value of production, exports, and responsible environmental and social impacts. Reporting of achievements against the objectives of the Mineral Resources Strategy is already in place and being published through the following:</p> <ul style="list-style-type: none"> <li>• <b>Objective indicators disclosed in the DJPR Annual Report</b> – Information is publicly disclosed on the 'Annual number of metres drilled for minerals exploration in Victoria' and the 'Annual level of production of minerals and extractives'. In addition, commentary is provided highlighting the level of exploration expenditure in Victoria and key achievements supporting the attraction of new minerals investment to the State. This provides specific information aligned with targets within the Minerals Strategy.</li> <li>• <b>Annual Earth Resources Indicators report</b> – Key metrics are published on the earth resources website (<a href="https://earthresources.vic.gov.au">https://earthresources.vic.gov.au</a>) each year to provide a snapshot for how the sector is performing. This includes information on minerals exploration investment, exploration metres drilled, licensing data, productions value and capital expenditure.</li> <li>• <b>Annual Earth Resources Regulation Statistical Report</b> – this annual report (available on the resources website) provides a compilation of data as reported by authority holders to Earth Resources Regulation. Comprehensive information covering licensing, exploration and production by major commodity types is included in this publication.</li> </ul> <p>The targets set in the Mineral Resources Strategy have not been included in the Budget Paper 3 set of performance measures as the targets reflect medium term outcomes. They are focused on the results that the key actions in the strategy are aiming to deliver for the benefit of Victorians over a 5-year period.</p> <p>The Budget Paper performance measures are based on the expected service delivery performance each year based on the specific services and products that the department provides. This includes for example, new geoscience information data packages, community information forums and the timely delivery of resources projects. Consistent with the Performance Management Framework that applies to all government departments, the annual report is utilised to describe medium term performance as measured through objective indicators.</p> <p>The department will seek to improve the reporting of annual metrics information covering the sector to ensure greater alignment with the targets in the Mineral Resources Strategy. This will include the inclusion of total cumulative exploration metres drilled based on the information disclosed in the Annual Report. In addition, cumulative minerals exploration expenditure (based on information reported through the Australian Bureau of Statistics) will also be provided. Information about the progress for securing a significant new resources discovery will continue to be provided. For example, commentary about the Stavelly minerals initiative in western Victoria and the north central Victorian goldfields initiative.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 37: The Department of Jobs, Precincts and Regions and Creative Victoria consider evaluating and reporting publicly on the outcomes and effectiveness of the Creative State Strategy.</p>	<p>Support-in-Principle</p>	<p>Evaluation of actions within Creative State has been undertaken wherever appropriate and results have been collated and published on the Creative Victoria (CV) website, as the committee noted.</p> <p>CV has also put in place an overarching framework relating to the impact of the strategy as a whole, drawing on the measures included in the strategy and those determined under Action 40. In most cases, and subject to the availability of data, these are also reported on the CV website.</p> <p>CV continues to refine and improve its approach to data collection and evaluation of the creative industries strategy to understand the impact of government actions and the growth and performance of the sector.</p>
<p>Recommendation 38: Court Services Victoria consider taking steps to ensure future performance reporting against measures in the Budget Papers reliably reflect all changes in funding and associated performance assumptions arising after the State Budget is published.</p>	<p>Support in principle</p>	<p>Court Services Victoria (CSV) is continuing to ensure its output performance estimates as reported in the Victorian Budget reflects all changes in funding as approved by Government at the time the State Budget is published (generally, in May each year). CSV ensures its processes for output performance reporting are in accordance with the Department of Treasury and Finance (DTF) Information Request guidelines and works closely with DTF to review funding impacts and report appropriately.</p> <p>It should be noted output performance estimates and output cost estimate are not revised should there be any changes in funding after the State Budget is published. Rather, any changes in funding are reflected in CSV's output performance outcomes as published in CSV's Annual Report. This enables a comparison and commentary to be made of actual outcomes against original budget estimates.</p> <p>In relation to the 2017-18 financial year, it should be noted that there were two funding initiatives that were approved by the Government after the estimates were published in the State Budget in May 2017. The additional funding increased CSV's actual output cost for the year ended 30 June 2018 against its output cost estimate.</p> <p>In relation to the 2018-19 financial year, there was one multi-jurisdictional funding initiative that was approved by the Government after the estimates were published in the State Budget in May 2018. The additional funding increased CSV's actual output cost for the year ended 30 June 2019 against its output cost estimate.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 39: Court Services Victoria consider expanding its budget paper objective indicators and performance measures by incorporating additional indicators from its excellence frameworks.</p>	<p>Support</p>	<p>Court Services Victoria (CSV) is reviewing its Budget Paper objective indicators and performance measures as part of its strategic and corporate planning programs. The inclusion of additional indicators from the International Framework for Court Excellence will be considered as part of these planning programs.</p> <p>CSV is comprised of several courts and tribunals with specific jurisdictions and varied caseloads and case types. Extensive consultation with all Victorian courts and tribunals and other key stakeholders including DTF and the Attorney-General will need to be undertaken to review the relevance of potential new indicators, as well as the availability of required data and resources required to implement any changes. It should be noted that the all jurisdictional resources are currently focussed on clearing pending caseloads that have been increased by the COVID-19 pandemic and this priority activity is expected to continue in the short to medium term.</p>
<p>Recommendation 40: In line with the 2017–18 and 2018–19 model reports, the Department of Premier and Cabinet consider disaggregating financial information by output not objective in future annual reports.</p>	<p>Not Support</p>	<p>The Department of Premier and Cabinet (DPC) does not support the disaggregation of financial information by output. This is because DPC objectives are similar to the size and scope of outputs from other departments, enabling comparison between departments for the efficient delivery of services.</p>
<p>Recommendation 41: The Department of Treasury and Finance consider amending the Model Report to require departments to outline in their annual reports the underlying reasons for significant proportions of output funding not being spent in a year and carried forward, and the subsequent impact on the delivery of services and outcomes for that year.</p>	<p>Support-in-principle</p>	<p>The Department of Treasury and Finance (DTF) is currently reviewing the model for departmental funding to provide more detailed information to the Government, Parliament and the public on output expenditure which will assist in determining resource allocation priorities. The assessment of the carrying over of expenditure by departments and the impacts of this on their service delivery form part of this review.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 42: For all future projects funded by grant initiatives and investment funds, the Department of Premier and Cabinet consider developing and publishing performance measures to evaluate the outcomes delivered to the community by the projects</p>	<p>Support-in-Principle</p>	<p>The Department of Premier and Cabinet (DPC) supports the intent of the recommendation to assess the outcomes of grant programs and investment funds. To measure and report on performance measures at a project level, however, is impractical. However, DPC will consider other means of giving effect to the intent of the recommendation.</p> <p>With reference to the Premier’s Jobs and Investment Fund (PJIF), first announced in the 2015–16 Victorian Budget under the Department of Economic Development, Jobs, Transport and Resources (DEDJTR), this program has been subsumed into the Victorian Jobs and Investment Fund (VJIF). The VJIF was announced in the 2019–20 Budget with two related performance measures:</p> <ul style="list-style-type: none"> <li>• New investment resulting from government facilitation services and assistance under the Victorian Jobs and Investment Fund</li> <li>• Jobs resulting from government facilitation services and assistance under the Victorian Jobs and Investment Fund.</li> </ul>
<p>Recommendation 43: The Department of Premier and Cabinet consider publishing on its website details about the organisations and projects that received LGBTIQ grant program funding (including the amount allocated) in 2016–17 and 2017–18.</p>	<p>Support</p>	<p>The Department of Premier and Cabinet (DPC) supports this recommendation relating to the LGBTIQ community grants program.</p> <p>DPC will publish details of each recipient of the 2016–17 and 2017–18 LGBTIQ community grants programs by November 2020. The details DPC will publish will include:</p> <ul style="list-style-type: none"> <li>• organisation name</li> <li>• location</li> <li>• project description</li> <li>• funding amount allocated.</li> </ul> <p>The information will be published on the following webpage: <a href="https://www.vic.gov.au/lgbtiq-equality-grants">https://www.vic.gov.au/lgbtiq-equality-grants</a></p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 44: The Department of Premier and Cabinet consider developing performance measures to assess the outcomes of the Women in Construction Strategy in terms of the attraction, recruitment and retention of women within the construction industry.</p>	<p>Support</p>	<p>The Department of Premier and Cabinet (DPC) supports this recommendation relating to the Women in Construction Strategy (Strategy).</p> <p>A funding agreement has been entered into with The University of Melbourne to develop an evaluation framework for the attraction, recruitment and retention actions in the Strategy. The framework is being developed in consultation with the key industry partners who are leading the implementation of the actions in the Strategy.</p> <p>The evaluation will include working with industry participants within key organisations (responsible for aspects of the Strategy) and investigating the perceptions of participants affected by the Strategy via surveys, interviews and/or focus groups. These participants will include:</p> <ul style="list-style-type: none"> <li>• women and/or men employed or seeking employment in the industry; and</li> <li>• employers, unions and other significant industry stakeholders.</li> </ul> <p>The evaluation report is due in mid-2021.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 45: The Department of Premier and Cabinet consider developing targeted initiatives to assist regional and rural communities apply for multicultural grants.</p>	<p>Support</p>	<p>During 2019–20, the Department of Premier and Cabinet (DPC) undertook a number of initiatives to assist regional and rural communities apply for multicultural grants. DPC sought to increase the awareness of grant opportunities within regional Victoria through engagement with regional media outlets, engaging previous applicants and recipients from regional Victoria, and by undertaking a number of information sessions in regional Victoria to promote opportunities available. DPC has also prioritised grants from regional Victoria through implementing more lenient requirements—such as reduced matched funding requirements—for applicants from regional Victoria who apply for grants.</p> <p>DPC also funds the Strategic Partnerships Program, which is a cluster of 13 different metropolitan and regional organisations working with multicultural communities, local councils and community organisations most in need. The program in particular, supports new and emerging communities, refugees, asylum seeker seniors and young people. The organisations employ Strategic Engagement Coordinators who identify issues and support the development of targeted and funded initiatives to address the issues. Due to their extensive reach across the state and with hard to reach cohorts, the organisations support DPC in promoting grant and funding opportunities to cohorts within rural and regional communities to increase access.</p> <p>The announcement of the 2019–20 round of the Multicultural Community Infrastructure Fund, which had very strong regional engagement, was delayed due to the coronavirus (COVID-19) pandemic, thereby reducing the overall proportion of grants allocated to regional Victoria in 2019–20.</p> <p>DPC will continue this effort during 2020–21 through:</p> <ul style="list-style-type: none"> <li>• The Multicultural Community Infrastructure Fund and the Multicultural Festivals and Events program prioritises regional projects for program funding during the assessment of applications. To increase the uptake of grants, the matched funding contributions and the minimum attendance requirements are reduced for regional and rural based projects.</li> <li>• Multicultural affairs regional strategic partners are engaged as part of the communication plan to promote the funding programs throughout their regional networks.</li> <li>• The Multicultural Festivals and Events program carries out targeted communications during the promotion of a program opening, including callouts to multicultural organisations across regional Victoria. The targeted communications include stakeholder promotion packs to regional stakeholders—to leverage these bodies’ connections with the multicultural organisations and communities in their region.</li> </ul>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 46: The Department of Premier and Cabinet consider establishing metrics for measuring progress or outcomes against the department's objective indicators and include this data in the Department's 2020–21 annual report.</p>	<p>Support-in-Principle</p>	<p>In accordance with the Resource Management Framework, any change to departmental objective indicators can only be made annually as part of the budget process (in departmental performance statements).</p> <p>DPC will therefore not have the opportunity to consider establishing objective indicators until the 2021–22 budget process. The 2021–22 annual report is therefore the earliest that DPC can report on any new objective indicator metrics.</p>
<p>Recommendation 47: The 2019–20 Model Report for the Victorian Government Departments consider including guidance on the reporting of the benefits or outcomes of Machinery of Government changes.</p>	<p>Not Support</p>	<p>While Government generally refers what benefits are expected to be achieved from Machinery of Government changes when they are announced, these benefits will differ depending on the nature of the change, and the intention of Government. Benefits can be accrued from mergers of functions to deliver greater synergies, alignment with ministerial portfolio responsibilities and in some cases, cost saving measures.</p> <p>The benefits or outcomes of Machinery of Government changes generally cannot be quantified in the same way as the direct costs associated with implementing a Machinery of Government change. These may also not occur until future years which would not allow a department to report on it in a timely manner in the year that a Machinery of Government change took effect. This would create inconsistencies in the disclosures between departments and therefore the recommendation is not supported.</p>
<p>Recommendation 48: In line with the 2017–18 and 2018–19 Model Reports, the Department of Treasury and Finance consider disaggregating financial information by output not objective in future annual reports</p>	<p>Support in principle</p>	<p>The Department of Treasury and Finance (DTF) can produce the Controlled operating statement by output. The Department is not currently in the position to produce the Controlled balance sheet and Administered operating statement and Administered balance by output. Further review of the accounts is required, aligning the account balances to the outputs.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 49: Where the Department of Treasury and Finance (DTF) certifies the initial revenue invoice following an assessment that the relevant departmental outputs have not met performance measures, DTF consider publicly reporting: a. which performance measures were assessed as not being met by DTF at the time of revenue certification b. what, if any, 'alternative, suitable and appropriate information' was used as the basis for revenue certification</p>	<p>Not Support</p>	<p>The Department of Treasury and Finance (DTF) role in revenue certification is not to formally certify, but to provide advice to the Assistant Treasurer who is responsible for certifying the revenue. The Assistant Treasurer then advises the Treasurer to formally apply the amount of appropriation revenue to be recognised by the department.</p> <p>Departments' annual reports disclose performance measures targets and actual performance achieved, and any variation over 5 per cent is explained. There is already clear and transparent reporting on whether performance measures have been met. Additional public reporting of the same information is unnecessary.</p>
<p>Recommendation 50: The Department of Treasury and Finance (DTF) consider defining what constitutes a sustainable level of net debt as a percentage of Gross State Product for the purposes of DTF's Objective 1, Objective Indicator 2.</p>	<p>Under Review</p>	<p>As part of the 2020-21 Budget, the Government has updated its long-term financial management objectives and its financial measures and targets to better reflect the current economic and fiscal conditions. The Government's long-term financial management objectives are set out in Budget Paper No.2 Chapter 1, Table 1.2. Progress toward these longer-term financial management objectives is supported by measures and targets set out in Budget Paper No.2 Chapter 1, Table 1.3. Budget Paper No.4, Chapter 1 sets out the Government's sustainability objective for the 2020-21 Budget.</p> <p>In the 2021-22 budget, the Government will continue to review its path to ensure fiscal sustainability, including providing strategies for the realignment of revenue and expenditure trajectories and steps to a more balanced operating environment.</p> <p>With interest rates at historic lows, Victoria is well positioned to increase borrowing while maintaining debt service payments at modest levels.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>Recommendation 51: The Department of Treasury and Finance consider publishing guidance to explain the difference between the former economic funding ratio and the current insurance funding ratio to enable appropriate scrutiny of the financial sustainability of the Victorian Managed Insurance Authority and other relevant bodies.</p>	<p>Support</p>	<p>The Department of Treasury and Finance (DTF) will prepare and publish guidance on the approach used to determine the Insurance Funding Ratio and how this differs from other funding ratios that have been referenced previously. This guidance will be published on the DTF website, most likely in the same location as the 'Prudential Insurance Standard', by the end of 2020-21.</p>
<p>Recommendation 52: The 2019–20 Model Report for Victorian Government Departments require the publication of information about the reasons for deferring or calling dividends in annual reports to enhance transparency.</p>	<p>Not support</p>	<p>The disclosures set out in the Model Report are mandatory for Departments and encouraged for other entities. While other entities, primarily Government Business Enterprises (GBEs), are often consulted prior to the determination of dividends, these are ultimately determined by the responsible Minister or Treasurer. Therefore, in relation to the rationale underlying the payment or deferral of dividends, it is expected that these entities would only be in a position to note that 'dividends are determined by the Treasurer and paid in accordance with his direction'.</p> <p>In relation to the State's financial report, the State receives dividends from many entities. The policies that apply, and issues that are considered, when determining these can vary considerably and typically reflect the individual circumstances of each entity. Therefore, any additional disclosures in the State's Financial Report around the determination of dividends would not be straightforward and would potentially require detailed explanation.</p> <p>Given these issues and considerations, it is proposed the publication of such information is not supported at this stage but will be considered in more detail as part of the next annual reporting cycle to assess how the transparency of dividend decisions may be enhanced.</p>