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**Government responses to the Recommendations of**  
**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S**  
**112<sup>th</sup> Report to the Parliament –**  
**Inquiry into Effective Decision Making for the Successful**  
**Delivery of Significant Infrastructure Projects - December 2012**

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Pursuant to the *Parliamentary Committees Act 2003*, this paper provides a response to the recommendations contained in the Public Accounts and Estimates Committee's (PAEC) 112<sup>th</sup> Report.

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

<b>1</b> <b>Title</b>		
<b>2</b> <b>Chapter number and title</b>		
<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>

Row 1: Indicates the title of this paper.

Row 2: Indicates the number and topic of the response to the PAEC recommendations.

Column 1: Contains PAEC's recommendations as published in its 112<sup>th</sup> Report.

Column 2: Indicates the Government's response to each recommendation.

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.

**Recommendation 1, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 11**

<p>The Government establish a new advisory body, the Victorian Infrastructure Council, with the roles and responsibilities set out in Section 2.2.1 of this Report</p>	<p>Not support</p>	<p>The Government agrees with the Public Accounts and Estimates Committee (PAEC) that it is important to balance the accountabilities, responsibilities and incentives which drive infrastructure delivery. The Government also recognises the importance of integrated long-term infrastructure planning. The Government also agrees that establishing an effective long-term infrastructure vision and progressing its achievement requires:</p> <ul style="list-style-type: none"> <li>• developing robust policy and advice on infrastructure priorities and directions;</li> <li>• identifying long-term infrastructure planning and strategies;</li> <li>• advising on the priority of proposed projects; and</li> <li>• liaising with Infrastructure Australia (IA) on national infrastructure matters.</li> </ul> <p>The Government has taken action to introduce policy and process requirements to reinforce and improve infrastructure delivery practices and accountability in Victoria. These actions build on and have strengthened Victoria's devolved accountability and risk based governance arrangements. This includes processes focussed on holding departments and agencies more accountable for effective infrastructure delivery, including through increased scrutiny of major projects by central agencies and the Government.</p> <p>The Government has strengthened its risk-based governance and accountability arrangements by:</p> <ul style="list-style-type: none"> <li>• introducing the High Value High Risk (HVHR) framework in late 2010 which has increased the rigour of accountability arrangements for departments and agencies responsible for project delivery and oversight of projects by the Department of Treasury and Finance (DTF);</li> <li>• enhancing project monitoring and reporting processes; and</li> <li>• enhancing its Partnerships Victoria (PV) framework which was revised in May 2013.</li> </ul> <p>The HVHR process provides for greater scrutiny of nominated projects through the planning, development and delivery phases to better monitor, manage and reduce risks surrounding the investment. This includes seeking the Government or Treasurer's approval at key decision points before a project can progress to the next stage. This information helps Government make investment decisions based on robust business cases, informed decisions at key project milestones especially during the procurement stage and monitor projects throughout delivery.</p> <p>The performance plans of senior executives responsible for project delivery now must contain specific project accountabilities. There is also greater focus on remedial action required to address risks on major projects subject to the Government's quarterly monitoring processes.</p> <p>Recent enhancements to the Government's PV framework include, <i>inter alia</i>, increased scrutiny of governance arrangements for delivering Public Private Partnerships (PPPs). Departments must now consult with central agencies in developing governance structures and making key project appointments and central agencies must be represented on project steering committees for all PPP projects.</p> <p>Consistent with the need for an increased focus on long-term planning and priority setting outlined by PAEC, the Government has also introduced the following reforms to help improve the successful planning, prioritisation and delivery of infrastructure:</p>
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		<ul style="list-style-type: none"><li>• <b>Long-term plans.</b> As acknowledged by PAEC, departments are now required to submit these plans to Government which include multi-year financial plans. The multi-year financial plans incorporate proposed infrastructure investments over a ten year horizon.</li><li>• <b>Preliminary Business Cases (PBCs).</b> PAEC has suggested that departments submit PBCs for review and assessment prior to being presented to government for approval. Consistent with this, departments are already required to prepare and submit high level information on all projects, including PBCs for HVHR projects for assessment by DTF and the Department of Premier and Cabinet (DPC) and endorsement by Government before full business cases are prepared and formally submitted for funding consideration in the annual budget cycle.</li><li>• <b>Machinery of Government Changes.</b> The changes announced by the Government on 9 April 2013 will help facilitate integration of urban and transport planning with local infrastructure services through the creation of the Department of Transport, Planning and Local Infrastructure (DOTPLI).</li></ul> <p>Under this strengthened governance, planning and accountability framework, agencies are responsible for planning and identifying service needs and are accountable for delivering projects to meet these needs. Departments work collaboratively with central agencies, other relevant agencies and planning bodies, such as the Growth Areas Authority (GAA) and seek advice from external experts as required, to assist in planning and developing business cases and delivering approved projects. As noted above, the Government's machinery of government changes announced on 9 April 2013 which included establishing DOTPLI are expected to enhance the planning process by integrating urban and public transport planning and local infrastructure.</p> <p>The Government, in its investor capacity, receives information and advice from departments, central agencies and other relevant experts to help it make informed investment decisions. Ultimately it is the responsibility of executive Government to determine investment priorities and ensure effective planning processes are in place.</p> <p>With this strengthened regime in place, which is consistent with many of PAEC's suggestions, the Government does not support the creation of a new advisory body, the Victorian Infrastructure Council. The functions (including advising on the priority of proposed projects and liaison with IA) proposed for the new advisory body would duplicate existing processes creating further red tape and diluting project planning and delivery accountabilities.</p>
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**Recommendation 2, Chapter 2.2 Recommended Future Directions for Victoria’s Infrastructure Planning and Delivery, page 12**

<p>The Government establish a new body, the Victorian Infrastructure and Skills Authority, with the roles and responsibilities set out in Section 2.2.2 of this Report</p>	<p>Support-in-principle</p>	<p>PAEC has recognised the significant strengths in Victoria’s current system for decision making for the successful delivery of significant infrastructure projects, including highlighting the quality of some of Victoria’s published infrastructure policies and guidelines. However, PAEC has also identified areas where improvements are needed, including addressing competencies and skills for infrastructure delivery across the public sector.</p> <p>The Government agrees that utilising an appropriate skill mix in project delivery is essential for successful infrastructure delivery. The Government also agrees with PAEC’s findings that the following functions are instrumental in successfully delivering infrastructure:</p> <ul style="list-style-type: none"> <li>• developing and promulgating infrastructure guidelines;</li> <li>• promoting better practice across agencies, including facilitating training;</li> <li>• reviewing and providing advice on departmental business cases;</li> <li>• applying procurement and delivery models and methodologies;</li> <li>• effective governance and monitoring of infrastructure delivery; and</li> <li>• monitoring of infrastructure capability and industry trends.</li> </ul> <p>However, as outlined in the Government’s response to Recommendation 1, Government considers its strengthened governance and accountability arrangements, together with action it has taken to enhance skills, can efficiently and effectively deliver the majority of functions outlined above. Under these arrangements agencies have dual accountability for developing and delivering projects. Central agencies are responsible for developing and promulgating guidelines and procurement models, reviewing and providing advice on business cases, and monitoring delivery, capability and trends.</p> <p>To give effect to these arrangements, departments which have significant project delivery roles, such as the Department of Justice (DoJ) and Department of Health (DH), have established project management offices (PMOs). These offices provide detailed guidance and enhanced oversight of infrastructure delivery to help ensure the appropriate skills and competencies are applied to project delivery. The PMO will also be aware of the specific requirements of projects being undertaken by the department and skills required by project teams. This arrangement allows PMO’s to incorporate skills, experience and lessons learned from similar projects into project teams and infrastructure delivery processes. Other departments such as the Department of Education and Early Childhood Development (DEECD) and DOTPLI have established governance arrangements to help prioritise investment needs across their portfolio and/or their relevant delivery agencies, and oversee and monitor the performance of agencies delivering projects.</p> <p>In addition, departments such as DOJ and DOTPLI have also established supplementary guidance which build on the Government’s Investment Lifecycle and HVHR guidelines tailoring them to the specific needs of their projects. Departments and agencies also collaborate through formal and informal channels to share approaches to project planning, delivery and lessons from project experiences. These practices which facilitate access to experience and expertise in public sector infrastructure delivery within Victoria help develop skills and capability across the public sector consistent with some of the roles and functions of PAEC’s recommended Victorian Infrastructure and Skills Authority (VISA).</p>
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	<p>Recent reforms to the structure of the Government's departments will further integrate infrastructure planning and delivery across departments. In particular, the creation of DOTPLI will help improve coordination of urban and transport planning with local infrastructure services.</p> <p>To ensure the appropriate skills are applied to major projects, departments and central agencies may also engage technical specialists as required such as Major Projects Victoria (MPV). MPV was established to provide support for agencies with less experience in project development and delivery.</p> <p>The Government has also taken action to enhance skills and capability in infrastructure delivery. For example,</p> <ol style="list-style-type: none"> <li>1) The Government's Construction Code Compliance Unit (CCCU) established in 2012 is assisting departments in liaising with the construction industry to help increase productivity and safety on public sector construction projects. Departments must submit Workplace Relations Management Plans to the CCCU to manage identified barriers to productivity and industrial risks to help increase the likelihood of projects being delivered successfully. To help build skills and capability across the public sector in dealing with the construction industry the CCCU is also providing training and advice to agencies.</li> <li>2) The Government's HVHR framework includes scrutiny of project management arrangements including the skills and experience of the department and agencies at the planning stage and throughout project delivery. This allows the Government to address deficiencies and reinforce accountabilities at early stages in the project lifecycle. HVHR projects must also complete independent Gateway reviews which examine the robustness of business cases, governance arrangements, skills and capabilities of project teams and procurement and delivery models.</li> <li>3) Recent enhancements to the PV framework include a requirement for departments to consult central agencies on key project appointments and governance structures and mandating an independent review of the Public Sector Comparator (PSC). These arrangements aim to strengthen the quality of advice provided to the Government, and build the capacity and the skill mix available within teams to address risks and deliver quality outcomes for PPP projects.</li> <li>4) DTF's review and update of the Government's Investment Lifecycle and HVHR guidelines includes emphasising the skills required at each step of the project lifecycle.</li> </ol> <p>Departments and central agencies also work collaboratively to identify project team skills and identify candidates with the appropriate skills necessary for PPP delivery across Government. Given the small number of PPP projects being delivered at any one time, PPP experts will often collaborate, be available to share lessons and experience across different projects.</p> <p>Skill development and retention is an ongoing challenge across the public sector as the complexity of projects and the skills required to deliver them change over time. Departments are expected to monitor and address the broader skill development requirements of their employees in order to achieve the successful delivery of infrastructure projects.</p> <p>The Government considers that the agency accountable for project delivery (including the anticipated benefits), is best placed to identify and acquire the skill mix most likely to lead to successful project outcomes, with support from central agencies and external experts as required.</p>
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	<p>In view of the Government's increased scrutiny of projects and enhanced accountability arrangements, the Government does not support establishing the VISA. Such an authority would duplicate existing processes, potentially increasing the cost and complexity of oversight functions and diluting the Government's strengthened accountability arrangements. A centralised agency, removed from day-to-day project planning and delivery, is likely to be slower to react to changes in agency-level skill requirements as the mix of infrastructure projects change. It could also restrict access to ongoing skills in agencies or retain skills unnecessarily.</p> <p>However, the Government agrees with PAEC that further action is required to improve skills and capability in infrastructure delivery across the Victorian public sector. To this end, the Government will establish an expert advisory panel to provide advice to the Government on public sector capability, training needs and issues in major project and infrastructure delivery. This includes providing advice on skills and capabilities required to deliver major projects, monitoring Victoria's public sector infrastructure capability and skills, identifying emerging issues and opportunities for improvement. The panel will also promote best practice for infrastructure delivery across the public sector and periodically review infrastructure guidelines and practices.</p> <p>The expert advisory panel will report to the Treasurer with DTF providing secretariat support.</p> <p>The Government considers that establishing an expert advisory panel will better position Government and its delivery agencies to appropriately identify, access and develop the skills needed to support the successful delivery of major infrastructure projects.</p>
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<b>Recommendation 3, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 13</b>		
<p>The Victorian Infrastructure and Skills Authority work towards improving the level of detail about the required competencies and skills to deliver infrastructure projects in Victorian guidance materials. The Authority should take the Australian Qualifications Framework as a model for the appropriate level of detail.</p>	<p>Support in part</p>	<p>As outlined in the Government's response to Recommendation 2, the Government does not support establishing the proposed VISA, but will establish an expert advisory panel. The expert advisory panel will provide advice on public sector capability, training needs and issues in major project and infrastructure delivery. The panel will also monitor Victorian public sector infrastructure capability and skills, identify emerging issues and opportunities for improvement as well as periodically review and provide advice on infrastructure guidelines and practices.</p> <p>However, the skills required to develop and deliver projects in the Victorian public sector will vary over time, as projects progress through their lifecycle. It is also important to recognise that the portfolio of infrastructure projects delivered across Victorian Government agencies is extremely diverse. Accordingly, the specific mix of skills and competencies required to deliver projects will also vary widely depending on the nature and complexity of each project. For example, the mix of skills and competencies required to develop and deliver a school building project will vary considerably from the set of skills required to deliver a major road construction project, ICT project or a major hospital development.</p> <p>Given that the nature and complexity of infrastructure projects varies significantly, it is not feasible to centrally prescribe the detailed mix of skills required for every project delivered across Government. Rather, departments and agencies must be empowered and held accountable for identifying and directing the skills required in a project team to manage, design, procure and deliver infrastructure projects, taking into account the nature and complexity of individual projects. As outlined in Government's response to Recommendation 2, departments with significant infrastructure programs have established PMOs and/or have developed supplementary detailed guidance to the Government's Investment Lifecycle and HVHR Guidelines to support the selection of the skills and competencies required to deliver its projects.</p> <p>Nonetheless, the Government agrees that there is scope to improve level of detail provided in Victorian guidance material on the competencies and skills required to deliver infrastructure projects. The Government has already developed specific technical guidance to support the improved planning and delivery of HVHR Information and Communication Technology (ICT) projects. As noted by the PAEC, DTF is also in the process of reviewing the Government's Investment Lifecycle and HVHR Guidelines (the Guidelines). These Guidelines now outline the skills required for each step of the project lifecycle, which PAEC has acknowledged as a positive step in providing a common understanding of competencies and skill requirements for infrastructure management.</p> <p>As part of the ongoing review of the Guidelines, the Government supports further strengthening the level of detail provided in Victoria's Investment Lifecycle and HVHR Guidelines and other central guidance materials on the skills and competencies required to deliver infrastructure. Supported by the expert advisory panel, the Government will ensure that the Investment Lifecycle and HVHR Guidelines more fully outline core competencies and responsibilities of key project roles. The Australian Qualifications Framework (AQF) will also be adopted as a reference tool to assist in providing a common understanding of skill, qualifications and competencies required in developing and delivering infrastructure projects.</p>



**Recommendation 4, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 13**

<p><b>The Victorian Infrastructure and Skills Authority work towards more wide-spread use of project management frameworks by constructing agencies. To facilitate this, the Authority should identify and disseminate existing frameworks that are best suited to being models for other entities.</b></p>	<p>Support in part</p>	<p>The Government supports the adoption of appropriate project management frameworks for infrastructure delivery and sharing best practice models across the public sector. As outlined in in the Government's response to Recommendation 2, the Government will establish an expert advisory panel and will seek advice from this panel on best practice in infrastructure delivery and project management practices.</p>
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**Recommendation 5, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 14**

<p>The Victorian Infrastructure and Skills Authority review the centrally facilitated training to identify areas where it might be usefully expanded. As part of this process, the Authority should conduct a formal survey of constructing departments and agencies. The Authority should also consider the merits of partnering with tertiary institutes to develop project leadership and project management courses that could be available to all departments and agencies.</p>	<p>Support in part</p>	<p>As outlined in the Government's response to Recommendation 2, the Government will establish an expert advisory panel to provide advice to the Government on public sector capability, training needs and issues in major project and infrastructure delivery, including, monitoring infrastructure capability across the public sector and identifying emerging issues and opportunities.</p> <p>Supported by advice from the expert advisory panel, the Government supports investigating opportunities to enhance training and exploring opportunities to partner with tertiary institutes to ensure departments and agencies are appropriately skilled.</p> <p>This will build on action the Government has already taken to facilitate training and build capability in infrastructure delivery across the public sector. For example, the Government currently facilitates the following training and forums for departments and agencies:</p> <ul style="list-style-type: none"> <li>• <i>Partnerships Victoria</i> Contract Management Training (in partnership with Melbourne University);</li> <li>• Public Private Partnerships (PPP) Leadership Program (in partnership with Melbourne University);</li> <li>• Alliancing Training (in partnership with Melbourne University);</li> <li>• PPP Contract Managers' Forum;</li> <li>• Business Case Guidance Training;</li> <li>• Investment Management Training; and</li> <li>• Online forum and Community of Practice in procurement capability through the Victorian Government Purchasing Board (VGPB).</li> </ul> <p>In addition, to ensure departments comprise a sufficiently skilled procurement workforce, the VGPB's new procurement framework now mandates that departments undertake a regular assessment of their non-construction based procurement capabilities. The VGPB will periodically audit departments' compliance with its new supply policies including their capability. The Government will examine opportunities to apply this approach to construction related procurement.</p> <p>The Victorian Government is also working with other jurisdictions through the Council of Australian Governments (COAG) Infrastructure Working Group to develop initiatives to improve skills and capability in undertaking complex infrastructure procurement. Victorian departments provided input into a national survey conducted in 2012. As a result, Victoria will contribute to developing a number of initiatives during 2013, including a national forum for contract managers, and further work to investigate the potential for a national training program. The Government also supports DTF, in conjunction with the expert advisory panel, coordinating a survey of departments and agencies training needs in the Victorian public sector, building on work already being undertaken by the COAG.</p>
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<b>Recommendation 6, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 14</b>		
<b>The Victorian Infrastructure and Skills Authority be established with a board of non-executive directors with proven, relevant expertise</b>	Support-in-principle	As outlined in the Government's response to Recommendation 2, the Government does not support establishing the VISA but will establish an expert advisory panel to provide advice to the Government on public sector infrastructure capability, training needs and issues. The Government will ensure that the members of this panel have an appropriate mix of skills and experience.
<b>Recommendation 7, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 15</b>		
<b>A Parliamentary Committee be given responsibility for oversight of the Victorian Infrastructure and Skills Authority.</b>	Not support	As outlined in the Government's response to Recommendation 2, the Government does not support establishing the VISA but will establish an expert advisory panel which will report to the Treasurer.
<b>Recommendation 8, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 16</b>		
<b>The Department of Treasury and Finance's role overseeing expenditure (including the High-Value and High-Risk Framework) be supplemented by the Victorian Infrastructure and Skills Authority having responsibility for ensuring that departments and agencies are following best practice when they deliver infrastructure projects and that projects are being delivered efficiently and effectively.</b>	Support-in-principle	<p>The Government agrees that robust governance and accountability arrangements are essential to successful infrastructure delivery. This includes having robust policies, guidelines, performance monitoring, oversight and advisory functions in place to ensure best practice models are being applied.</p> <p>As outlined in the Government's Response to Recommendation 2, the Government will establish an expert advisory panel to promote best practice for infrastructure delivery across the public sector. This will build on the policies and process Government has already established to help ensure that departments and agencies are following best practice in infrastructure delivery and that these projects are being delivered efficiently and effectively, including:</p> <ul style="list-style-type: none"> <li>• HVHR projects must complete independent Gateway reviews to help ensure best practice is being applied to projects.</li> <li>• The HVHR framework which requires the Government's approval at key project decision points based on advice from DTF before a project can progress. In providing its advice DTF may seek advice from other agencies or external specialists/experts if applicable to ensure best-practice is being adopted.</li> <li>• DTF/DPC also monitor and provide advice to Government on infrastructure delivery through the Government's quarterly reporting processes to ensure projects are being delivered efficiently and effectively.</li> <li>• Investment Lifecycle and HVHR Guidelines. These Guidelines are progressively updated to ensure they reflect best practice. For example, the Government released its revised Prove (business case ) Guideline and Project Governance Technical Guideline in April 2013 and October 2012 respectively. The Prove Guideline has been updated following a review of best practice guidelines and now requires agencies to provide more evidence to demonstrate project deliverability and more detailed cost-benefit analysis. The project governance technical guideline more clearly defines the roles of DTF, delivery agencies and those agencies that will have ongoing project ownership. This includes specifying stronger accountability arrangements by ensuring responsibility for project delivery is included in performance plans of responsible senior executives.</li> <li>• Enhancing Victoria's PPP Frameworks. In May 2013, the Government released its revised Partnerships Victoria</li> </ul>

		Requirements which outline consistent processes for project delivery, including stronger governance and accountability arrangements.
<b>Recommendation 9, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 16</b>		
The Victorian Infrastructure and Skills Authority develop performance measures that detail its effectiveness and the value it adds. These measures should be reported on annually.	Support in part	As outlined in the Government's response to Recommendation 2, Government does not support establishing the VISA. However, the Government supports DTF reviewing and investigating options to improve its own performance measures which further detail its effectiveness in applying policies and frameworks to improve infrastructure planning and delivery.
<b>Recommendation 10, Chapter 2.2 Recommended Future Directions for Victoria's Infrastructure Planning and Delivery, page 16</b>		
The Victorian Infrastructure and Skills Authority progressively publish non-commercial information about all major projects (except where there are commercial sensitivities or risk to the project).	Support in part	<p>The Government supports disclosure of non-commercial project information to facilitate greater understanding of its activities.</p> <p>The Government has established processes to ensure disclosure of non-commercial project information including:</p> <ul style="list-style-type: none"> <li>• Project summaries for public private partnerships are progressively disclosed on the Partnerships Victoria website at <a href="http://www.partnerships.vic.gov.au">www.partnerships.vic.gov.au</a>.</li> <li>• In August 2012, the Government released the DataVic Access Policy and its associated website <a href="http://www.data.vic.gov.au/">http://www.data.vic.gov.au/</a> which provides access to selected government data sets.</li> <li>• The expected completion dates of all major projects are now published in <i>2013-14 State Budget Paper 4: State Capital Program</i>.</li> <li>• As part of the 2013-14 Budget the Government has committed to publishing on-line further information on major projects including procurement method, expected tender release dates and project status.</li> </ul> <p>In addition, the Government will investigate options to improve compliance with other existing policies such as:</p> <ul style="list-style-type: none"> <li>• Department's disclosing summary information on contracts &gt;\$100,000 <a href="https://www.tenders.vic.gov.au">https://www.tenders.vic.gov.au</a>.</li> <li>• Both departments and agencies disclosing the text of contracts &gt;\$10 million on the TendersVic website.</li> </ul> <p>As outlined in the Government's response to Recommendation 2, Government does not support the creation of the VISA.</p>

<b>Recommendation 11, Chapter 2.3 Further Reasons for Change, page 23</b>		
Major Projects Victoria's functions are to be incorporated into the new Victorian Infrastructure and Skills Authority.	Not support	As outlined in the Government's response to Recommendation 2, the Government does not support establishing the VISA with roles and functions outlined by the PAEC, but will establish an expert advisory panel to provide advice to Government on public sector infrastructure capability, training needs and issues.
<b>Recommendation 12, Chapter 4.6 Private sector service provider competencies and skills, page 76</b>		
Specific criteria for inclusion on Victorian Government Purchasing Board provider panels should be made publicly available	Support	VGPB panels are established through a public tender process. The selection criteria used to select firms for inclusion on panels are already disclosed on the TendersVic website <a href="https://www.tenders.vic.gov.au">https://www.tenders.vic.gov.au</a> (available via the VGPB website) and advertised in the Herald Sun.  As part of the Government's recent procurement reforms pre-qualification registers have recently been established, allowing suppliers to be added to the register at any time provided they meet the criteria disclosed on the VGPB website.
<b>Recommendation 13, Chapter 4.7, Future Direction, page 77</b>		
The proposed Victorian Infrastructure and Skills Authority, develop a central framework that provides detailed definitions of competencies required for effective infrastructure provision and management.	Support in part	As outlined in the Government's response to Recommendation 3, the Government supports improving the level of detail provided to departments and agencies on the competencies and skills required for infrastructure delivery in its Investment Lifecycle and HVHR Guidelines.  The Government does not support prescribing in detail the number or mix of skills or competencies required for different types of infrastructure projects. This information will vary too greatly over time depending on project complexity and the department or agency delivering the project. Benefits associated with increasing the extent to which project skills are prescribed or standardised must be balanced against the level of autonomy and flexibility departments and agencies have to maximise value-for-money outcomes.  In providing advice to the Government on public sector infrastructure capability, training needs and issues, the expert advisory panel will better position Government and its delivery agencies to appropriately identify, access and develop the skills needed to support the successful delivery of major infrastructure projects.

<p><b>Recommendation 14, Chapter 5.2, <i>Identifying competencies and skills gaps</i>, page 85</b></p>		
<p>The State Services Authority examine VicRoads' TeCaP system to assess whether it should be recommended for use more widely in the public sector for workforce planning.</p>	<p>Support</p>	<p>The State Service Authority will review the TeCaP system to assess whether it would be applicable in other public sector organisations for workforce planning purposes.</p>
<p><b>Recommendation 15, Chapter 5.4, <i>Ongoing enhancement and refinement of competencies and skills</i>, page 103</b></p>		
<p>Central agencies that receive copies of key documents (such as business cases and post-project reports) provide feedback to the departments and agencies that submit them about any aspects of these documents that are below standard.</p>	<p>Support</p>	<p>DTF/DPC already provide feedback on all aspects of key documents (including any aspects of these documents that are below standard), such as business cases and post-project reports to departments and agencies that submit them through formal and informal mechanisms. These feedback mechanisms include:</p> <ol style="list-style-type: none"> <li>1. informal feedback via meetings with departments or agencies following review of draft and final business cases and post project reports;</li> <li>2. formal advice provided through DTF/DPC representatives embedded in departmental steering committees and working groups;</li> <li>3. requesting the Treasurers' approval required under the HVHR framework on the robustness of business cases and key documents at key decision points before a project can progress;</li> <li>4. Government endorsement of PBCs for infrastructure projects prior to final business cases being submitted for funding consideration as part of the annual budget cycle; and</li> <li>5. Annual analysis undertaken by DTF on the quality of departmental business cases. The outcome of this analysis drives the focus for future business case training sessions provided to departments to help build capability.</li> </ol>

<p><b>Recommendation 16, Chapter 5.4, Ongoing enhancement and refinement of competencies and skills, page 108</b></p>		
<p>The requirements for business cases be modified so that all future business cases have regard to similar projects in other jurisdictions. A formal technique such as 'reference class forecasting' should be adopted for making appropriate comparisons</p>	<p>Support in principle</p>	<p>The Government agrees that learning from similar project experiences within Victoria and in other jurisdictions is important in developing robust business cases. A number of mechanisms exist to ensure appropriate referencing and comparisons with other jurisdictions is undertaken; including:</p> <ul style="list-style-type: none"> <li>• The Government's Investment Lifecycle and HVHR guidelines (e.g. Prove Guideline) which outline that research into similar projects (including those from interstate or overseas) should be undertaken when developing business cases to identify, <i>inter alia</i>, lessons learned and appropriate benchmarks to inform scoping and financial analysis.</li> <li>• The Treasurer's approval informed by DTFs assessment of the robustness of HVHR business cases, if appropriate, will consider benchmarking against similar projects in other jurisdictions.</li> <li>• Independent Gateway reviews commissioned at key project stages for HVHR projects often comprise review team members from other jurisdictions with relevant expertise.</li> </ul> <p>DTF will review and investigate the appropriateness of reference class forecasting as a tool for comparing projects with similar characteristics in other jurisdictions.</p>
<p><b>Recommendation 17, Chapter 8.4 Flexibility in acquiring experts, page 281</b></p>		
<p>The Government undertake work to identify areas where cost benefits could be achieved by increasing skills within the public sector (either through training existing staff or hiring new staff) and reducing the use of contractors and consultants. Areas for consideration should include project management and ICT.</p>	<p>Support in principle</p>	<p>The Government supports delivering services and projects cost-effectively. The expert advisory panel will be established to provide advice on public sector capability and major project delivery issues, including identifying emerging issues and opportunities for improvement. The expert advisory panel will support departments' and agencies' accountability to efficiently and effectively resource, manage and deliver their projects and services.</p> <p>This will build on action the Government has already undertaken to maximise value-for-money in delivering major projects. For example, the Government's Investment Lifecycle and HVHR guidelines outline that departments need to ensure value-for-money is maximised by establishing an efficient balance between in-house skill development and knowledge management and out-sourced specialist expertise at different stages. However, the skills necessary for an agency to retain will change significantly over time as the mix, complexity and stages of projects alter. Over time, it is often cost-effective for departments to use contractors and consultants when delivering unique or major projects which require highly specialist/technical skills (such as ICT projects) rather than retaining these skills on an ongoing basis.</p> <p>The Government agrees with PAEC's finding that agencies are likely to require more support in delivering projects which require some form of specialist skill set, such as ICT expertise. In recognition of this, the Government's ICT Strategy commits Government to:</p> <ul style="list-style-type: none"> <li>• developing a Victorian Public Service ICT Capability Framework; and</li> <li>• creating clear cross-government ICT strategy, governance and accountabilities.</li> </ul> <p>These initiatives will provide forums in which agencies can share ICT project related experiences and lessons, and increase the resources available to draw upon in delivering ICT related projects.</p>