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# Government Responses to the Recommendations of PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S 52<sup>nd</sup> Report on the 2002-2003 Budget Estimates

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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) 52<sup>nd</sup> Report.

**Guide for Readers:**

Following is the explanation of the format of this paper.

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

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

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

Column 1: Contains the PAEC's recommendations as published in its 52<sup>nd</sup> Report.

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

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

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

**CHAPTER 2: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 1.1** (page 103)

<p>The Auditor-General give consideration to tabling the report on the Review of Government Agencies before the estimates hearings commence each year.</p>	<p>Not Applicable</p>	<p>The Auditor General has independently responded to this recommendation to the Public Accounts and Estimates Committee. The Government response does not identify these issues or actions.</p>	<p>Refer to recommendation 1.1 response.</p>
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• **Recommendation 2.1** (page 109)

<p>The Government address the shortcomings identified in the Auditor-General's performance audit report, on performance management and reporting to enable the Auditor-General to undertake audits on the appropriateness of performance indicators.</p>	<p>Accept</p>	<p>Under the <i>Audit Act</i> 1994 the Auditor-General may audit any performance indicators to determine whether they:</p> <ul style="list-style-type: none"> <li>• are relevant to any stated objectives of the authority;</li> <li>• are appropriate for the assessment of the authority's actual performance; and</li> <li>• fairly represent the authority's actual performance.</li> </ul> <p>The Department of Treasury and Finance (DTF) is working to ensure that the shortcomings identified are addressed.</p>	<p>DTF, in conjunction with all Departments, is seeking to address the issues raised in the Auditor-General's report on <i>Performance Management and Reporting</i>.</p>
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**CHAPTER 2: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 2.2** (page 113)

(a) The Department of Treasury and Finance identify examples of good performance and financial reporting that exemplify the Parliament's expectations and provide these to all Departments; and	Accept in Part	The Department of Treasury and Finance (DTF) accepts that as part of an improvement process of performance management and resource allocation, the identification and further development of examples of high quality reporting may be of benefit.	No further action will be taken on this recommendation.
(b) These examples be developed in consultation with the Parliament, through the Public Accounts and Estimates Committee, and the Auditor-General.	Accept	No action has yet been taken on this recommendation.	DTF will continue to develop and explore examples of best practice reporting, to feed into future work programs.

• **Recommendation 2.3** (page 116)

The Department of Treasury and Finance allocate sufficient resources to ensure that the Government's review of the Financial Management Compliance Framework is completed as a matter of priority.	Accept	<p>The Financial Management Compliance Framework (Framework) was developed through extensive consultations during 2001-02. Revised Ministerial Directions under the <i>Financial Management Act</i> 1994 were also developed and tested during 2002-03. The Framework and Ministerial Directions were released and became effective from 1 July 2003.</p> <p>All Victorian Public Sector (VPS) entities that form part of the <i>Financial Report for the State of Victoria</i> are subject to the Framework. These entities will be required to complete an annual compliance certification. The initial certification will commence for the 2003-04 year.</p> <p>The Department of Treasury and Finance (DTF) has allocated significant resources to undertake training, develop web based communicating and certification sites and guidance material to assist VPS entities comply with the requirements of the Framework.</p>	Selected entities will undertake a pilot certification process during February 2004 to April 2004 to further assist DTF in the refinement of the Framework and Ministerial Directions, for example identifying further training and guidance requirements that may be necessary to assist compliance within the Framework.
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**CHAPTER 3: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 3.1** (page 136)

<p>The notes to the estimated financial statements provide additional details on the nature of asset revaluations and their impact on changes in the net equity of the State.</p>	<p>Reject</p>	<p>Budget Paper No. 2 <i>Budget Statement</i> states that estimates for asset revaluations are derived based on historical trends by major asset class and are included in the forward estimates.</p> <p>Note 12 <i>Reconciliation of movements in fixed assets</i> is included in the notes to the accounts and discloses estimated revaluation increments. Reconciliation for individual asset classes for the budget and forward estimates are not provided, as fixed asset investments are not broken down to individual asset classes in the estimates. However, consistent with accounting standards, this information is disclosed for the budget outcome in the <i>Annual Financial Report for the State of Victoria</i>.</p> <p>Details of new fixed asset initiatives are included on a departmental basis in the budget papers. In addition to this, details of expenditure and estimated budget outlays on an individual project basis for existing and new projects are published in Budget Information Paper No. 1 <i>Public Sector Asset Investment Program</i>.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 3.2** (page 142)

<p>The Department of Treasury and Finance include in the Budget Papers a reconciliation between the Estimated Financial Statements and the Parliamentary Authority required for the financial resources to be made available to all Departments.</p>	<p>Reject</p>	<p>The Department of Treasury and Finance publishes details of receipts into and payments (appropriations) from the Consolidated Fund in Statement 4 <i>Public Account</i> in Budget Paper No. 3 <i>Budget Estimates</i> (BP3) consistent with the Appropriation Bills.</p> <p>Also included in BP3 are tables showing the Parliamentary Authority for resources for each department, which can be reconciled to the financial statements for each department and are totalled to the summary Parliamentary Authority for resources BP3 Statement 1.</p>	<p>No further action will be taken on this recommendation.</p>
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**CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 4.1** (page 150)

<p>(a) As part of their accountability responsibilities, all Departments and Agencies provide in the Budget Papers detailed explanations for:</p> <p>i. any outputs changing between years; and</p> <p>ii. of the linkages between the new outputs and Government outcomes.</p>	<p>Accept in Part</p>	<p>The Budget Papers should support the presentation of the annual Appropriation Bills and document the Government's priorities and outcomes for the next 12 months.</p> <p>Tables providing reconciliations to changes in output mix between years were provided in the 2003-04 Budget Papers. However, the inclusion of a detailed explanation of changes to outputs at the department level does not add to the reader's understanding of what is to be achieved and could detract from the overall presentation of information within the suite of Budget Papers.</p> <p>The detailed reasons for the change in output mix at a department level more appropriately should be provided in departmental annual reports and business and corporate plans.</p> <p>The Department of Treasury and Finance (DTF) considers linkages between outputs and outcomes to be an area of high priority and has committed resources to the improvement of Whole-of-Government reporting.</p>	<p>DTF will continue to undertake projects that improve the quality of Whole-of-Government reporting in this area.</p>
<p>(b) All annual reports issued by budget sector agencies contain a statement which analyses the Agency's output performance and related performance measures so readers can draw conclusions about the Agency's performance in achieving outcomes;</p>	<p>Accept in Part</p>	<p>DTF supports the disclosure of performance information in Agency annual reports and suggests that individual agencies consider the usefulness of such statements as a means of improving output and performance information within their annual reports.</p>	<p>DTF is working with the Auditor-General to develop and encourage output and performance measurement disclosures for various sectors of the Government.</p>

**CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 4.1 (continued)** (page 150)

<p>(c) It would be useful where programs extend over several years if the original strategic priorities were restated in the Budget Papers and annual reports for each subsequent year in order that readers of these documents are able to form a better view about the degrees to which strategic priorities and desired outcomes are being achieved/had been achieved;</p>	<p>Accept in Part</p>	<p>At present, Departments communicate such information in annual reports. DTF considers it important to balance the availability of strategic information and communication of a strategic direction and suggests that restating or reproducing this information in the Budget Papers at a detailed level may reduce rather than increase clarity as to the Government's provision of services.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(d) The Department of Treasury and Finance further improve the implementation of accrual output based budgeting by:</p> <p>i. reviewing the output data submitted by Departments to ensure it is accurate and adequately reflects activities undertaken by the Departments; and</p>	<p>Accept</p>	<p>Outputs and performance measures are reviewed by Departments annually and submitted for Government endorsement as part of the budget process. DTF actively engages with Departments regarding output specification and performance measures to ensure their ongoing relevance and appropriateness during this process.</p>	<p>DTF will continue to engage with departments and other entities to ensure the ongoing and effective implementation of accrual output based budgeting.</p>

**CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 4.1 (continued)</b> (page 150)</p>			
<p>ii. providing further ongoing assistance to Departments in improving the quality and nature of their output forecasting systems, including the selection of outputs, outcomes and performance measures to ensure they are meaningful, measurable and relative to the ongoing activities of the Departments. Attention be given to developing training programs for departmental staff to ensure they acquire the skills necessary to understand the performance reporting framework that needs to be in place for the effective implementation of accrual output based budgeting.</p>		<p>DTF provides a series of readily accessible materials, via the State Government Intranet and the DTF website, to assist departments with ongoing continuous improvement in output and performance management.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(e) The corporate and business plans of Departments should be independently reviewed and endorsed by the relevant portfolio Ministers and the Minister for Finance, acting on behalf of the Government, to provide confidence as to whether the departmental outputs are compatible with desired Government outcomes.</p>	<p>Accept in Part</p>	<p>Departments, through ongoing engagement with their portfolio Ministers determine the appropriate output structure ensuring that associated performance measures are compatible with and assist in achieving the desired Government outcomes.</p>	<p>No further action will be taken on this recommendation.</p>

**CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 4.2</b> (page 152)</p>			
<p>The Auditor-General, in conjunction with the Department of Treasury and Finance, and the Australian Accounting Profession, reach agreement on a best practice guide for output specification and performance measurement in the public sector, in order to set the standards against which outputs and performance measures can be developed and audited in the future.</p>	<p>Accept in Principle</p>	<p>The Auditor-General through his recent reports to the Parliament on performance management and reporting has provided considerable guidance to assist Agencies in setting performance measures, which are accountable and quantifiable.</p> <p>The Department of Treasury and Finance (DTF) has developed a series of best practice publications to assist Departments and the Victorian Public Sector to enhance output specification and performance management.</p>	<p>DTF is working with the Auditor-General to develop and encourage output and performance measurement disclosures for various sectors of the Government.</p>

**CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 5.1** (page 158)

<p>The Secretary of the Department of Education and Training ensure the Budget Papers fully disclose all material revenue and expense items particularly 'other revenue and revenue from other parties'.</p>	<p>Accept in Principle</p>	<p>Current processes and controls used by the Department of Education and Training and the Department of Treasury and Finance to develop and report estimates of revenue and expenses are designed to ensure all material items are disclosed.</p>	<p>No further specific actions are planned at this stage as the current arrangements are considered adequate.</p>
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**CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 5.2** (page 165)

<p>The Department of Education and Training:</p> <p>(a) Develop performance measures that specifically focus on the achievement of key education and training related targets within the Growing Victoria Together strategy;</p>	<p>Accept in Principle</p>	<p>The Government's goals and targets for education and training are key Departmental priorities. The goals and targets align with and support the <i>Growing Victoria Together</i> priorities.</p> <p>Progress against the targets has been reported in the Department of Education and Training (DET) Annual Report for 2001-02 and 2002-03. A progress report against the targets was included in the 2003-04 Budget Paper No. 2 <i>Budget Statement</i>.</p>	<p>DET will continue to report on the targets in its annual reports and other relevant public documents.</p>
<p>(b) Make all measures of literacy and numeracy standards specific to metropolitan and non-metropolitan areas;</p>	<p>Accept in Principle</p>	<p>Literacy and numeracy standards are currently measured using 2 data sets:</p> <p>(a) Teacher judgements against the Curriculum Standards Framework (CSF) and Assessment of Prep to Year 2 data.</p> <p>Access to aggregated data for metropolitan and non-metropolitan groupings is currently available.</p> <p>(b) Year 3, 5 and 7 Achievement Improvement Monitor (AIM) data.</p> <p>To date this data cannot be provided according to metropolitan and non-metropolitan locations.</p>	<p>DET will explore options to present literacy and numeracy data by metropolitan and non-metropolitan location.</p>
<p>(c) Include performance measures that focus on the achievement of key performance criteria contained in individual school drug education strategies or action plans and not just on the number of plans completed;</p>	<p>Accept in Principle</p>	<p>DET commenced the Drug Education Evaluation and Monitoring project in 2003 to develop student and teacher opinion surveys to evaluate and monitor statewide drug education in terms of student outcomes.</p>	<p>The drug education opinion surveys will be incorporated into the Individual School Drug Education Strategy review process beginning in 2004 and will enable the benchmarking and monitoring of drug education implementation in terms of student outcomes both at the school level and statewide.</p>

**CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 5.2 (continued)** (page 165)

(d) Include a performance measure relating to the satisfaction of parents with transport services provided to government and non-government students; and	Accept in Principle	At present DET monitors the contact and correspondence from transport users and responds to concerns expressed in order to improve the services provided.	DET will explore an appropriate process to collect parent feedback regarding services provided in order to more formally monitor parent satisfaction.
(e) Where machinery of government changes result in the transfer of responsibilities to other Departments, report all comparative performance information at the one place in the Budget Papers to allow appropriate analysis of performance.	Accept in Principle	Comparative performance information on responsibilities transferred as part of Machinery of Government changes is disclosed for the full reporting period by the receiving Department.	DET will continue to comply these arrangements.

• **Recommendation 5.3** (page 172)

The Department of Education and Training regularly evaluate the initiative to appoint Koori educators and home school liaison officers, over the four years for which the funding is provided in the 2002-03 Budget, to determine whether the strategy is effective in improving the educational opportunities for the Koori community.	Accept in Principle	Reporting and accountability processes for Koorie Home School Liaison Officers include the collection of data from targeted schools regarding: <ul style="list-style-type: none"> <li>• pre-intervention data (average days absent for Koorie students in 2002);</li> <li>• post-intervention data (average days absent for Koorie students in 2003); and</li> <li>• strategies used to address attendance.</li> </ul>	An independent review of all Koorie education programs (including Koorie Educators and Koorie Home School Liaison Officers) in the school sector will take place in 2004.  The outcomes of the review will inform program directions for 2005-08.
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DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 5.4** (page 175)

<p>The Department of Education and Training:</p> <p>(a) Further develop the school drug education strategy to provide incentive for participation by all non government schools;</p>	<p>Accept in Part</p>	<p>The Department of Education and Training (DET) is working with representatives of all school education sectors to oversee implementation of new cross-sectoral strategies and collaborative projects designed, among other things, to enhance the participation of non-government schools.</p>	<p>DET will continue to monitor drug education implementation in non-government schools to assess the effectiveness of the enhanced processes.</p> <p>DET will continue to work with the Catholic Education Office and the Association of Independent Schools of Victoria to monitor and improve participation by non-government schools.</p>
<p>(b) Seek information from the non government schools regarding the structure and form (if any) of their drug strategy programs, so that the synergies of the respective programs can be utilised;</p>	<p>Accept in Principle</p>	<p>DET is working with the Catholic Education Office and the Association of Independent Schools of Victoria to survey drug education implementation in non-government schools.</p> <p>DET is conducting a Drug Education Evaluation and Monitoring Project to enhance the monitoring of drug education implementation in government and non-government schools in terms of student outcomes. The survey tools will be ready for use in 2004.</p>	<p>DET will work with representatives from the Catholic Education Office and the Association of Independent Schools of Victoria to analyse the survey data and develop future strategies where appropriate.</p>
<p>(c) Consider promoting the benefits of the strategy within the Whole-of-Government youth policy framework; and</p>	<p>Accept in Principle</p>	<p>The Government's vision for young people, <i>Respect</i>, refers to assistance to young people with drug issues including drug prevention programs in schools.</p>	<p>DET will continue to promote the importance of school based drug education within the whole-of-government youth policy framework.</p>

**CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 5.4 (continued) (page 175)**

<p>(d) Regularly review the school drug education strategy and drug education programs to ensure the effectiveness of the programs in reducing the incidence of drug taking by adolescents.</p>	<p>Accept in Part</p>	<p>DET monitors drug education implementation on an ongoing basis through an annual school survey and feedback through the Individual School Drug Education Strategy (ISDES) review process.</p> <p>As part of the Drug Education Evaluation and Monitoring Project, DET is developing tools to survey opinions of students and teachers. This will enhance the monitoring of outcomes of drug education strategies in schools. The survey tools will be ready for use in 2004.</p>	<p>The drug education opinion surveys will be incorporated into the Individual ISDES review process beginning in 2004 and will enable the benchmarking and monitoring of drug education implementation in terms of student outcomes both at the school level and statewide.</p>
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• **Recommendation 5.5 (page 179)**

<p>(a) Review the performance measures for the Youth output group with a view to measuring the outcomes achieved from youth-related activities and the satisfaction of young people with these activities; and</p>	<p>Accept in Part</p>	<p>This recommendation no longer applies to the Department of Education and Training. Responsibility was transferred to the Department for Victorian Communities (DVC) as a result of Machinery of Government changes. DVC undertakes an ongoing review of departmental outputs and performance measures to better reflect the achievement of key targets and outcomes of significant projects.</p>	<p>DVC will continue to review and improve its output performance measures on an annual basis to accurately and meaningfully reflect its degree of success in delivering Government services and infrastructure.</p>
<p>(b) Ensure the description of each performance measure for the Youth output group is clear to the reader of the Budget Papers in terms of what is being measured.</p>	<p>Accept in Part</p>	<p>Refer to recommendation 5.5(a) response.</p>	<p>Refer to recommendation 5.5(a) response.</p>

**CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 5.6** (page 181)

<p>The Government prepare an annual whole-of-government report to be tabled in the Parliament, consolidating financial and performance information on all the programs implemented by Departments for the benefit of the youth of the State.</p>	<p>Accept in Part</p>	<p>This recommendation no longer applies to the Department of Education and Training. Responsibility was transferred to the Department for Victorian Communities (DVC) as a result of Machinery of Government changes. Pursuant to Premier's Circular 2003/3 <i>Report on Responsiveness to Cultural Diversity, Women, Youth and Indigenous Affairs</i>, DVC has prepared a consolidated whole-of-government report on youth policies and programs implemented by Departments.</p>	<p>A public report on youth initiatives across Departments is planned to be released shortly.</p>
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• **Recommendation 5.7** (page 182)

<p>The Government: (a) Regularly monitor FReeZA events to ensure compliance with all contractual obligations, particularly those relating to health, safety and security; and</p>	<p>Accept</p>	<p>This recommendation no longer applies to the Department of Education and Training. Responsibility was transferred to the Department for Victorian Communities as a result of Machinery of Government changes. The Office for Youth regularly monitors the compliance of FReeZA (Drug and Alcohol Free Youth Events) providers with contractual obligations, which includes a requirement to provide a report on each FReeZA event.</p>	<p>The Office for Youth will continue to ensure that FReeZA providers comply with contractual obligations.</p>
<p>(b) Ensure there is an appropriate accountability regime for the FReeZA program.</p>	<p>Accept</p>	<p>The Funding and Service Agreement with FReeZA providers ensures an appropriate accountability regime for the program.</p>	<p>Appropriate accountability requirements will continue to form part of agreements with FReeZA providers.</p>

**CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF HUMAN SERVICES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 6.1** (page 198)

<p>The Department of Human Services review existing performance measures to ensure they adequately reflect desired government outcomes and outputs and make changes where deemed necessary.</p>	<p>Accept</p>	<p>Outputs and associated performance measures are reviewed and refined on an annual basis as part of the Government's budget cycle. This includes an analysis of linkages to and alignment with Department of Human Services (DHS) objectives and the outcomes sought by Government.</p>	<p>DHS will continue to review and revise its outputs and performance measures on an annual basis.</p>
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• **Recommendation 6.2** (page 203)

<p>The Department of Human Services:</p> <p>(a) Advise Health Agencies of its priorities in implementing diversion and substitution programs, including health promotion activities; and</p>	<p>Accept</p>	<p>Diversion, substitution and prevention programs are funded through the Hospital Demand Management (HDM) Strategy. Priorities for these programs were clearly communicated to health services during the funding round for projects to be implemented in 2002-03. Tailored packages of complementary initiatives were negotiated at each health service, targeted to address local capacity issues in accordance with Departmental priorities. In 2002-03 the Department of Human Services (DHS) held regular meetings with health services to monitor project implementation and key performance indicators, and ensure that projects funded under the HDM Strategy continued to address priorities.</p> <p>In addition, DHS has been preparing policy documents for Primary Care Partnerships and Community Health that define the directions for these sectors including a stronger role in preventing people needing to attend hospitals. DHS plans to release these documents for public consultation in early 2004. The Primary Care Partnerships document outlines DHS expectations in relation to the contribution aged and primary care agencies can make towards diversion and substitution and health promotion activities, in particular through service coordination and improved care planning and evidence based health promotion planning and provision.</p>	<p>Communication with health services continues to be a key activity under the HDM Strategy.</p>
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**CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF HUMAN SERVICES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 6.2 (continued)** (page 202)

(b) Progressively monitor program outputs to determine their effectiveness and refine them, if required.	Accept	DHS has undertaken analysis of acute hospital admissions to identify episodes that could be avoided by early treatment in the community (analysis of ambulatory sensitive conditions). Growth funding allocations in the Primary Health output group have been focused on expanding Primary Care services for individuals with these conditions.	No further action will be taken on this recommendation.
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• **Recommendation 6.3** (page 204)

(a) The Victorian Government continue efforts to encourage the Commonwealth Government to provide an equitable and adequate number of nursing home beds in Victoria; and	Accept	The Department of Human Services (DHS) continues to participate in the Commonwealth's review of aged care pricing and to press its case at every opportunity. The supply of operational beds has improved from 35 681 in June 2002 to 36 506 in December 2002 and to 37 808 at June 2003. The deficit of operational places as compared to the benchmark has fallen to 4065 - the lowest level since 2000.	DHS will use all available forums to press the case for adequate funding to ensure the sustainability of residential aged care.
(b) The Department of Human Services ensure the level of rehabilitation services provided by local health service providers are adequately resourced and meet accreditation standards.	Accept in Principle	Inpatient and community based rehabilitation programs in public hospitals and Extended Care Centres need to be designated for funding by DHS. Designation criteria address staffing profiles, facility infrastructure and equipment standards. These services are also subject to the Evaluation and Quality Improvement Program Accreditation of Health Services. DHS is committed to the adequate resourcing of rehabilitation services.	A review of the designation criteria for rehabilitation services is planned to ensure that these criteria are founded on best practice models.

**CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF HUMAN SERVICES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 6.4** (page 210)

<p>The Department of Human Services review its performance measurement framework, with a view to including measures in key areas such as early intervention services for children with disabilities and impairments, the representation of Aboriginal children in the child protection system, and staff recruitment and retention rates in the disability services system.</p>	<p>Accept</p>	<p>Early Childhood Intervention Services - The 2003-04 Budget Paper No. 3 <i>Budget Estimates</i> includes <i>Early Childhood Intervention Services</i> as a new Output. The 3 performance measures included for this output are as follows:</p> <ul style="list-style-type: none"> <li>• Quantity measure: Total number of clients;</li> <li>• Timeliness measure: Support plans completed within 4 weeks of service commencement; and</li> <li>• Quality measure: Families sampled who are satisfied with the service provided.</li> </ul> <p>Aboriginal Representation in the Child Protection System - Victoria regularly provides data on Indigenous representation in the Child Protection system to the Productivity Commission, which is published in the annual report of Government Services.</p> <p>Disability Services is developing a statewide best practice approach to recruitment and induction that will include the establishment of a number of relevant performance measurements. Data will be collated to assess the impact on staff.</p>	<p>Performance results for the new Early Childhood Intervention Services output will be reported annually in Budget Paper Number No. 3 <i>Budget Estimates</i> and the annual report.</p> <p>An upgrade of the child protection client and case management recording system is scheduled for 2004, to reflect operation of the new protocol between Department of Human Services Child Protection and the Victorian Aboriginal Child Care Agency.</p> <p>Current processes, practices and related support tools will be reviewed and improved where appropriate within available resources.</p>
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• **Recommendation 6.5** (page 210)

<p>(a) In conjunction with the implementation of new community services initiatives, the Department of Human Services develop mechanisms to regularly monitor and report on the efficiency and effectiveness of these initiatives;</p>	<p>Accept</p>	<p>A number of new community services initiatives recently funded by government are currently being evaluated to confirm their efficiency and effectiveness. These include the evaluation of Innovation Projects and the evaluation of Best Start.</p>	<p>An evaluation of the Aboriginal Protocol is planned for 2004.</p>
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DEPARTMENT OF HUMAN SERVICES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 6.5 (continued) (page 210)</b></p>			
<p>(b) The Department of Human Services develop additional performance indicators that measure whether demands for family support services are being met and whether the Department's outputs are making a difference. In addition, given the emphasis on reducing re-notifications, the Department develop a performance indicator that measures the incidence of re-notifications made subsequent to the provision of family support services; and</p>	<p>Accept</p>	<p>In partnership with a number of community service organisations and local government authorities, the Department of Human Services (DHS) is taking a new approach to vulnerable families. 8 Innovation Projects have been established in 6 local government areas, 2 working specifically with Indigenous families.</p> <p>A further 4 Innovation Projects have were announced in the 2003-04 Budget.</p> <p>The projects aim to divert families from statutory child protection services to community-based services and to minimise client re-notifications and the progression of families into the child protection system.</p> <p>In addition, the child protection client management system is currently being significantly upgraded, and when complete will have the capacity to track re-notifications following prior referral to family support and other related services.</p>	<p>The new child protection client management system, CRIS, is scheduled for a staged implementation, commencing in 2004-05. Once fully implemented, a performance indicator will be available to measure the incidence of re-notifications made subsequent to the provision of family support services.</p>
<p>(c) The Department of Human Services undertake a study of the underlying reasons for child protection re-notifications so action can be taken, which may also involve reforming work practices and strategies, to reduce the causes of re-notifications, including the failure of parents to attend support services.</p>	<p>Accept</p>	<p>Significant work has been undertaken to improve DHS understanding of the reasons for re-notifications, with findings detailed in the Integrated Strategy for Child Protection and Placement. In support of the Integrated Strategy, the Government has allocated an extra \$5 million over 2 years to establish Innovation Projects in areas of the State where child protection demand is high. These projects include a particular focus on providing an improved service response to families that are frequently re-notified.</p>	<p>The La Trobe University is undertaking a 2 and a half year evaluation of the Innovation Projects and should support improved program knowledge of re-notifications and the capacity of services to engage with 'hard to reach' families.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 6.6</b> (page 219)</p>			
<p>The Department of Human Services ensure that the strategies being developed to meet increasing demands for disability services do not affect the wellbeing of persons with a disability in urgent need of appropriate care.</p>	<p>Accept</p>	<p>The Department of Human Services continually considers the changing needs of people with a disability.</p> <p>The broad strategies identified include:</p> <ul style="list-style-type: none"> <li>• strengthening early intervention;</li> <li>• enhancing intake, referral, assessment, prioritisation and diversion;</li> <li>• improving planning and coordination;</li> <li>• increasing community awareness;</li> <li>• assisting informal carers; and</li> <li>• developing industry capacity.</li> </ul> <p>Funding has been made available to provide additional individual support packages over the next 4 years. These additional support packages will assist individuals to access flexible housing and living options, assist families of children with disabilities and carers who are ageing. Additional episodes of respite have also been made available.</p>	<p>Continued action on the identified strategies where appropriate and within available resources.</p>

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• **Recommendation 6.7** (page 221)

<p>The Government ensure close liaison occurs between Juvenile Justice services and other government and non-government Agencies in developing and implementing programs that could have an impact on the objectives of the Juvenile Justice programs of Victoria.</p>	<p>Accept</p>	<p>A requirement of close liaison between the Department of Justice (DOJ) and Juvenile Justice services flows directly from the shared ministerial responsibility for the <i>Children and Young Person's Act</i> 1989 (which governs Juvenile Justice) by the Attorney-General and the Minister for Community Services.</p> <p>The Juvenile Justice program has a range of formal and an informal consultation mechanism in place for ensuring close liaison occurs with government and non-government agencies. Some of the formal mechanisms the program uses include the:</p> <ul style="list-style-type: none"> <li>• Juvenile Justice Roundtable;</li> <li>• Aboriginal Justice Forums;</li> <li>• Crime Prevention Inter-Departmental Committee; and</li> <li>• Inter-Departmental Committee on Whole-of-Government Strategy for Young Offenders.</li> </ul> <p>DOJ has been working in consultation with the Department of Human Services (DHS) since 2000, to ensure alignment with Juvenile Justice and adult corrections. This included the active engagement of DHS in the process of development of the Corrections Long Term Management Strategy as an element of a Whole-of-Government approach to reducing offending.</p>	<p>DOJ will continue current joint work on improving outcomes for young offenders.</p> <p>The Juvenile Justice program will continue to ensure close liaison occurs with government and non-government agencies via these forums and, if required, by establishing new consultation mechanisms.</p>
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• **Recommendation 6.8** (page 224)

<p>The Department of Human Services develop performance measures that focus on:</p> <p>(a) The Government's capacity to meet demand for crisis supported and transitional housing;</p>	<p>Accept</p>	<p>As part of the implementation of the Victorian Homelessness Strategy the Office of Housing is developing new systems and service delivery arrangements to support the implementation of performance indicators that measure the demand for Homelessness Assistance. These include the projects detailed below:</p> <ul style="list-style-type: none"> <li>• Homelessness Service System Development Projects (HSSDP) – these projects operate in 4 Departmental Regions, covering the Eastern and Southern Metropolitan areas, the Central Business District and surrounding suburbs and the North East area of the state;</li> <li>• Bed vacancy register – a register is being developed to ensure that the accommodation capacity of the system is best utilised by agencies and access to appropriately managed for homeless people;</li> <li>• A Common Assessment and Referral Tool – this tool will reduce the requirement of people who are homeless to undergo multiple needs assessments by supporting a culture of common assessment and referral between services;</li> <li>• A common Information Technology platform – this will be implemented across the Homelessness and Community Housing sector. The platform will enable agencies to operate the system responses that are outcomes of the HSSDP as detailed above, and the Housing Integration and Information Project;</li> <li>• The Family and Domestic Violence Crisis Protection Framework – this has fostered new and innovative approaches to service delivery through collaboration and integration;</li> <li>• Funding arrangements review – this will facilitate output-based resources for all Homelessness Assistance agencies, with base performance measures that are the same across the homelessness system; and</li> </ul>	<p>Implemented in the HSSDP Regions by June 2004.</p> <p>Trialled during 2004.</p> <p>To be implemented during 2004.</p> <p>Staged local implementation has commenced.</p> <p>Staged implementation from July 2004.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 6.8 (continued) (page 224)</b></p>			
		<ul style="list-style-type: none"> <li>The Youth Homelessness Action Plan – the Plan will review linkages between housing, homelessness support and other related services, and investigate the ability of the current service system to deliver co-ordinated responses to clients.</li> </ul>	<p>The first report is due to be launched in February 2004, with the final report in July 2004.</p>
<p>(b) Waiting times for each of the four segments of the housing waiting list;</p>	<p>Reject</p>	<p>The early housing waiting time currently incorporates the 3 waiting list segments for early housing that cover clients in urgent need of housing assistance; Recurring Homelessness, Supported Housing, and Special Housing need.</p> <p>An inclusive measure is an appropriate measure as it covers all 3 groups in urgent need of assistance. Waiting times for wait turn clients (segment 4) is not appropriate for performance reporting, as these clients are not in urgent need of housing and waiting times vary considerably with demand for location and stock type, making averages misleading.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) The level of rental assistance provided by the Government as a percentage of median rental levels in inner metropolitan, outer metropolitan, regional and rural categories; and</p>	<p>Reject</p>	<p>The Minister for Housing's presentation to Public Accounts and Estimates Committee (PAEC) was in relation to Commonwealth Government Rental Assistance, an income based monetary assistance paid by the Commonwealth directly to the recipient. This assistance is not provided by the State; therefore, a performance measure would not be appropriate.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 6.8 (continued) (page 224)**

<p>(d) Waiting times for repairs and maintenance, and the number of public housing units requiring repairs and maintenance.</p>	<p>Reject</p>	<p>The Office of Housing provides responsive maintenance to properties on a needs basis, according to the Office of Housing Maintenance Standards and legislative requirements under the <i>Residential Tenancies Act 1997</i>. The Office of Housing's Maintenance Standards ensure that properties are maintained in good repair and are safe and secure during the life of the tenancy.</p> <p>All repairs to occupied Office of Housing public and community housing properties are required to be completed within the following timeframes:</p> <ul style="list-style-type: none"> <li>• Urgent repairs - must be completed within 24 hours.</li> <li>• Priority repairs - must be completed within 7 days.</li> <li>• Normal repairs - must be completed within 14 days.</li> </ul> <p>The accrued maintenance backlog figures referred to by PAEC are a result of the property inspections regime, which is undertaken to provide information to direct planned maintenance and upgrading programs – not to indicate responsive maintenance requirements. The representation of the backlog works as outstanding maintenance is therefore not accurate and not an effective performance measure of the maintenance regime.</p> <p>Since the PAEC Inquiry into the <i>2002-03 Budget Estimates</i>, the Office of Housing has implemented a Maintenance Call Centre to manage responsive maintenance calls from tenants.</p>	<p>Under the core system replacement project, new monitoring mechanisms for maintenance delivery will be implemented. This will enhance the existing quality of reporting.</p>
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• **Recommendation 6.9** (page 226)

<p>The Department of Human Services develop performance measures that provide the Parliament with definitive data on the extent of homelessness in Victoria, the geographic areas of greatest concern, the effectiveness of existing strategies in addressing the problems identified and the level of demand for emergency housing.</p>	<p>Accept in Principle</p>	<p>The implementation of the following projects and activities combined with the projects and activities detailed in response to Recommendation 6.8, seek to enable the Department of Human Services to develop a full suite of performance measures for the Homelessness Assistance outputs. These additional projects are:</p> <ul style="list-style-type: none"> <li>• Development of an Integrated Homelessness Data Collection that seeks to achieve improvement in our ability to accurately count and understand the prevalence and patterns (including pathways into and out) of homelessness in Victoria;</li> <li>• A suite of Quality and Client rights measures including the development of Homelessness Assistance Standards, development of a Charter of Rights for homeless people (or those at risk of homelessness) and the implementation of the National Community Housing Standards;</li> <li>• The Housing Establishment Fund review includes the development of a new funds distribution model based on data from the 2001 Australian Census. This model will also be utilised for the distribution of properties and linked agency funding; and</li> <li>• The evaluation of key Victorian Homelessness Strategy pilots and Joined-Up initiatives will provide valuable information and data to further develop the service system and input into appropriate forms of ongoing service delivery.</li> </ul>	<p>To be trialled during 2004.</p> <p>Completion of development during 2004, and implementation during 2005.</p> <p>Model developed by June 2004.</p> <p>External evaluations completed by December 2004.</p>
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• **Recommendation 6.10** (page 227)

<p>The Department of Human Services, in addition to upgrading existing amenities in public housing stock, consider giving funding priority to addressing the large backlog of existing maintenance demands.</p>	<p>Accept in Principle</p>	<p>The Office of Housing's asset investment funding priority for 2003-04 and the next 4 years is based on a total asset management approach to property management. This includes the evaluation of the status of properties (maintain, upgrade, redevelop, dispose) and the programming of works based on property lifecycle elements. For 2002-03, funding for maintenance and property upgrade totalled \$256.2 million, compared to 5 years ago (1997-98) when the Office of Housing spent \$162.2 million.</p> <p>The main input to asset management programs is data from property inspections that identify when future works are theoretically required. As major works programs are developed for properties on a whole of house approach to minimise disruption to tenants, some elements of the property may be recorded as having accrued from past years, or as backlog. These works may or may not be required to be done on an individual basis, and if the element has failed before the works program is undertaken, tenants may request immediate maintenance.</p> <p>As stated above, the Office of Housing provides responsive maintenance to properties on a needs basis to ensure that properties are maintained in good repair and are safe and secure during the life of the tenancy. All repairs to occupied Office of Housing public and community housing properties are required to be completed within specified timeframes.</p>	<p>Through these range of programs (responsive maintenance, planned works and major upgrades), the Office of Housing aims to best manage its stock portfolio to meet the needs of tenants and Government.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 7.1</b> (page 248)</p>			
<p>The Department of Infrastructure: (a) Develop performance measures that focus on the percentage of rail freight mode share to ports and the percentage increase of public transport patronage to total motorised trips;</p>	<p>Under Review</p>	<p>Key Performance Indicators and targets specifically related to these Two <i>Growing Victoria Together</i> progress measures were developed during 2003 and are in the Department of Infrastructure's (DOI) 2003-06 Corporate Plan.</p> <p><u>For reference:</u> <i>Rail freight indicator and target:</i> DOI Corporate Plan 2003-06, p. 29 <i>Public Transport patronage indicator and target:</i> DOI Corporate Plan 2003-06,</p>	<p>DOI will continue to monitor and report on progress made in achieving these long-term targets as outlined in its Corporate Plan.</p> <p>During 2004, DOI will conduct a comprehensive internal review of its publicly reported outputs and their associated performance measures to ensure that they fully reflect the objectives in the updated Corporate Plan and the overarching objectives of the Government. This recommendation will be considered as part of that review.</p>
<p>(b) Develop performance measures that relate more to the achievement of key targets and outcomes of significant transport projects than just on the percentage completion rate;</p>	<p>Under Review</p>	<p>DOI provides such targets where appropriate. For example, in Budget Paper No. 3 <i>Budget Estimates</i>, DOI included timeliness measures for the achievement of key milestones in the construction of the redeveloped Spencer Street Station complex.</p> <p>Many of the DOI's major projects relate to capital developments that take several years to plan, build and commission. It is therefore not feasible to report in the annual Budget Papers against the achievement of service outcomes until the project is fully complete and the facility or service is operational.</p> <p>The performance measures DOI uses during the delivery stage of such projects are designed to reflect whether project progress is being made at a rate that accords with the timelines, scope and plans agreed to by Government.</p>	<p>DOI will continue to review and improve its output performance measures on an annual basis to accurately and meaningfully reflect its degree of success in delivering Government services and infrastructure.</p> <p>As part of its internal review of departmental outputs during 2004, DOI will consider ways of improving performance measures to better reflect the achievement of key targets and outcomes of significant projects.</p>
<p>(c) Develop a performance measure to gauge the satisfaction of people with a disability with the quality of access to transport facilities;</p>	<p>Under Review</p>	<p>DOI currently assesses the satisfaction level of public transport patrons and reports on the results through a number of public avenues.</p>	<p>During 2004, DOI will conduct a comprehensive internal review of its publicly reported outputs and their associated performance measures. The feasibility of including a measure such as that suggested in Recommendation (c) will be considered as part of this review.</p>

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• **Recommendation 7.1 (continued) (page 248)**

<p>(d) Amend the performance measures under the accident blackspots output to focus on measuring the impact of the program on reducing the cause and regularity of severe road accidents (that is, the outcome) rather than on measuring the completion of projects; and</p>	<p>Under Review</p>	<p>As in our response to Recommendation (b), the performance measures adopted by DOI have been chosen to reflect the timely delivery of the Accident Blackspot Program as a series of prioritised road treatments undertaken over a period of years to a specified scope and budget for each year.</p> <p>VicRoads currently conducts post-project evaluations of each site to determine the ultimate success of the treatment compared to pre-treatment accident rates. A comprehensive evaluation of the success of the overall Accident Blackspots program will be possible once all the treatment works are completed and enough time has elapsed to enable meaningful comparison with pre-treatment accident rates.</p>	<p>During 2004, DOI will conduct a comprehensive internal review of its publicly reported outputs and their associated performance measures. The feasibility of including a measure such as that suggested in Recommendation (d) will be considered as part of this review.</p>
<p>(e) Develop qualitative performance measures that are based on the standards applied in the taxi industry customer service charter.</p>	<p>Under Review</p>	<p>Development of a customer service charter for the Victorian taxi industry is almost complete and the final charter is expected to be released early in 2004. The charter is underpinned by a series of performance standards and accreditation requirements covering all levels of the taxi industry, including dispatchers, licence owners and brokers, taxi operators and drivers. The accreditation procedures are targeted to be in place by the middle of 2004.</p>	<p>Performance measures relating to taxis and flowing directly from the new customer service charter will be considered as part of DOI's output review, which is scheduled for 2004.</p>

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• **Recommendation 7.2** (page 251)

<p>The Department of Infrastructure ensure its annual report contains information relating to:</p> <p>(a) The performance standards for the effective operation of the automatic ticketing systems;</p>	<p>Accept in Part</p>	<p>The Department of Infrastructure (DOI) releases information to the public on the performance of the Automated Ticketing System equipment. DOI's 2002-03 Annual Report provides summary information under Outcome 3 <i>Access and Mobility</i> (page 21) on ticketing system reform and performance.</p>	<p>DOI will continue to make information on the performance of the Automated Ticketing System equipment publicly available on a quarterly basis.</p>
<p>(b) The actual performance of OneLink in achieving these performance standards; and</p>	<p>Accept in Part</p>	<p>DOI also releases publicly <i>Track Record</i>, which is a quarterly performance bulletin on Victoria's train, tram and bus services. <i>Track Record</i> contains detailed information on the performance of Automated Ticketing System equipment. Copies of all past issues of <i>Track Record</i> are available on the DOI's website (<a href="http://www.doi.vic.gov.au/transport">www.doi.vic.gov.au/transport</a>).</p> <p>In May 2002 the Minister for Transport announced a new performance regime will apply to OneLink with higher standards to ensure that more ticketing machines on Melbourne's train, tram and bus network are fully operational at any point in time.</p> <p>This regime includes payments to One Link of:</p> <ul style="list-style-type: none"> <li>• up to \$3 million per year if it achieves new performance measures which incorporate the management of vandalism; however, it stands to lose up to \$2 million each year in penalties if it fails to reach these standards; and</li> <li>• where superior performance results in increased public transport revenue, OneLink can earn a bonus of around \$500,000 per year (assuming real revenue growth of 3 per cent per annum).</li> </ul>	<p>DOI will give consideration to the appropriate means of reporting in the future.</p>

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• **Recommendation 7.2 (continued)** (page 251)

(c) Details of bonuses or penalties incurred by OneLink.	Accept in Part	The net value of incentives and penalties incurred by OneLink are modest relative to the value of the contract and the overall cost of public transport. It is not considered essential to include these in the annual report.	No further action will be taken on this recommendation.
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• **Recommendation 7.3** (page 253)

The Department of Infrastructure: (a) Ensure that on completion of the Spencer Street redevelopment project a monitoring and evaluation process be established to annually assess the performance of the operators of the Southern Cross Station complex in meeting the specified contractual standards and operational requirements;	Accept	Construction of the Southern Cross Station complex is currently underway with completion anticipated in mid 2005. The Services and Development Agreement identifies the regime for evaluation and the impact on payments to the Concessionaire. Adjusted payments will be made quarterly. The Spencer Street Station Authority has the responsibility to monitor and evaluate the performance of Civic Nexus against a set of Key Performance Indicators.	As part of the Spencer Street redevelopment project a monitoring and evaluation process will be established to annually assess the performance of the operators of the Southern Cross Station complex.
(b) Report the results of that performance assessment against the established contractual standards and operational requirements in the Department's annual report; and	Accept	Refer to recommendation 7.3(a) response.	The performance of Southern Cross Station will be reported on publicly.

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• **Recommendation 7.3 (continued)** (page 253)

<p>(c) report the impact on the Government's annual payment to the operators in the Department's annual report, if the operators of the Southern Cross Station complex fail to meet the contractual standards and operational requirements.</p>	<p>Accept</p>	<p>Refer to recommendation 7.3(a) response.</p>	<p>Financial information relating to the Southern Cross Station will be reported on in DOI's Annual Report.</p>
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• **Recommendation 7.4** (page 255)

<p>The Department of Infrastructure ensure that Parliament and the community are kept informed of the outcomes of the measures taken to improve the operational and financial viability of its current public transport operators.</p>	<p>Accept</p>	<p>The Department of Infrastructure (DOI) provides regular briefings to the Minister for Transport, who in turn informs Parliament and the public about the progress being made to improve the operational and financial viability of the public transport franchises. DOI has also included updated information in public documents such as the 2003-04 Budget Paper No. 3 <i>Budget Estimates</i>, its 2002-03 annual report and the quarterly bulletin, <i>Track Record</i>. Through <i>Track Record</i>, the community can access a range of information including:</p> <ul style="list-style-type: none"> <li>• the punctuality and reliability of operators;</li> <li>• what bonuses have been paid to operators if they exceed targets and standards;</li> <li>• the financial penalties imposed if operators fail to meet performance targets; and</li> <li>• the results of passenger satisfaction surveys, which are undertaken by the Public Transport Division.</li> </ul>	<p>DOI will continue to provide updated information to the Minister, Parliament and the public as appropriate, in relation to the operational and contractual dealings with public transport operators.</p>
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• **Recommendation 7.5** (page 258)

<p>The Department of Infrastructure ensure options for potential works to improve the traffic congestion on the Calder-Tullamarine freeway interchange incorporate the costs associated with on and-off ramps for Bulla Road and the cost of purchasing land from Essendon Airport to facilitate future works.</p>	<p>Accept in Principle</p>	<p>VicRoads has established performance criteria for evaluation of proposals.</p>	<p>Proposals for interchange upgrading will be required to achieve the established performance criteria. All costs associated with achievement of the criteria will be included in the project proposals.</p>
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• **Recommendation 7.6** (page 260)

<p>Strenuous efforts be made by the Government to obtain, as soon as possible, the funding arising from the Commonwealth Government's commitment to provide \$70 million to fund half the cost of the Calder Highway upgrade, which has been declared a road of national importance.</p>	<p>Accept</p>	<p>Included in Victorian Government's <i>National Roads in Victoria 2003-04 to 2007-08 Forward Strategy</i> submission to the Federal Government.</p> <p>The Minister for Transport has met with and written to the Federal Minister for Transport and Regional Services on several occasions reiterating the request to match State Government funding.</p> <p>Continual liaison (including site inspections) between officers of VicRoads and the Department of Transport and Regional Services.</p>	<p>Proposed for inclusion in Victorian Government's <i>National Roads in Victoria 2004-05 to 2008-09 Forward Strategy</i> submission to the Commonwealth Government currently being prepared.</p>
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• **Recommendation 7.7** (page 263)

<p>The Department of Infrastructure:</p> <p>(a) Report review the targets of performance measures where actual achievement rates have exceeded the target in previous years, to provide incentives for continued performance</p>	<p>Under Review</p>	<p>The Department of Infrastructure (DOI) regularly reviews its output performance measures and associated targets. Each year, where a target is exceeded, DOI endeavours to develop a new 'stretch target' at a higher level than the previous year. On occasion, however, the target was exceeded only because of an unexpected fluctuation in markets, or a one-off occurrence that is not expected to be repeated in the following year. In such instances, it may be appropriate to retain the existing target level. This is particularly relevant for those measures that are affected to some extent by external demand pressures and market fluctuation over which DOI has little or no control (eg. the impact on cruise ship visits due to terrorism events in other parts of the world.)</p>	<p>DOI will continue its current practice of regularly assessing targets for each of its performance measures with a view to developing stretch targets that will encourage continued performance improvement. All performance measures and targets will be assessed as part of an internal output review scheduled for 2004.</p>
<p>(b) Develop a performance measure that focuses on stakeholders' satisfaction with the services provided by the environmental strategies and initiatives output; and</p>	<p>Under Review</p>	<p>This recommendation no longer applies to DOI. Responsibility was transferred to the Department of Sustainability and Environment as a result of Machinery of Government changes. The development of this output measure is subject to implementation of the new environment assessment system and legislative change.</p>	<p>Further development of this output measure will continue.</p>
<p>(c) Develop additional performance measures in line with the key targets and outcomes of the Government's 30-year draft Metropolitan Strategy.</p>	<p>Under Review</p>	<p>Will be considered as part of the development of the monitoring program for <i>Melbourne 2030</i> and the Annual Community Update report.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 7.8** (page 266)

<p>The Department of Infrastructure publish the outcomes of the Local Government pre-application certification pilot program, with a view to developing industry-wide benchmarks for planning permit application processes.</p>	<p>Accept</p>	<p>This recommendation no longer applies to the Department of Infrastructure. Responsibility was transferred to the Department for Victorian Communities as a result of Machinery of Government changes. The pre-lodgement certification kit has been prepared, launched and distributed to all municipal councils. In addition, a continuous improvement program has been established to assist municipal councils in this process.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 7.9** (page 267)

<p>In relation to the activities of the Whitney Committee, the Department of Infrastructure:</p> <p>(a) Outline in its annual report those key Local Government issues identified by the Whitney Committee and how they impede the efficient and effective operation of Local Government planning procedures; and</p> <p>(b) Establish performance indicators to measure improvements in Local Government planning procedures and practices and publish such results in the Department's annual report.</p>	<p>Accept</p>	<p>This recommendation no longer applies to the Department of Infrastructure. Responsibility was transferred to the Department for Victorian Communities as a result of Machinery of Government changes. It is anticipated that the implementation of activity reporting and process auditing for all municipal councils will be achieved by December 2004, and once established will continue thereafter.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 7.10** (page 270)

<p>The Government review the performance measures relevant to the Local Government portfolio, to establish a greater focus on the achievement of major targets and objectives for key portfolio initiatives.</p>	<p>Reject</p>	<p>This recommendation no longer applies to the Department of Infrastructure. Responsibility was transferred to the Department for Victorian Communities (DVC) as a result of Machinery of Government changes. DVC through Local Government Victoria has in place a series of performance measures, which are designed to ensure that the local government sector is monitored, and that government objectives are achieved.</p>	<p>All Departmental performance measures are reviewed annually to ensure their relevance to key objectives.</p>
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• **Recommendation 7.11** (page 273)

<p>The Department of Infrastructure publish in its annual report the total funding provided to public libraries by the library service and Local Government and details of the criteria used to determine the allocations.</p>	<p>Reject</p>	<p>This recommendation no longer applies to the Department of Infrastructure. Responsibility was transferred to the Department for Victorian Communities (DVC) as a result of Machinery of Government changes.</p> <p>Funding for each library service is published each year in the Annual Survey of Public Libraries, which is a public document.</p> <p>Details of the allocation formula are included in the Funding and Service Agreements between the DVC and each individual library service.</p>	<p>No further action will be taken on this recommendation.</p>
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**CHAPTER 7: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF INFRASTRUCTURE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 7.12</b> (page 280)</p>			
<p>The Department of Infrastructure develop and institute three new performance measures for the Governance Support output, namely:</p> <p>(a) A measure of the timeliness of the submission of municipal financial statements to the Auditor-General within eight weeks of the end of the financial year;</p>	Reject	<p>This recommendation no longer applies to the Department of Infrastructure. Responsibility was transferred to the Department for Victorian Communities as a result of Machinery of Government changes.</p> <p>The existing performance measures for the Governance Support output provide a sound basis for assessment. The additional measures suggested relate to activities of Councils and the Auditor-General. The performance of these bodies in the proposed measures is not controlled by the Department for Victorian Communities and therefore adds little to any assessment of Local Government Victoria Division's performance.</p>	No further action will be taken on this recommendation.
<p>(b) A measure of the number and percentage of municipal financial statements qualified by the Auditor-General for a financial year; and</p>	Reject	Refer to recommendation 7.12(a) response.	No further action will be taken on this recommendation.
<p>(c) A measure of the number and percentage of municipal performance statements qualified by the Auditor-General for a financial year.</p>	Reject	Refer to recommendation 7.12(a) response.	No further action will be taken on this recommendation.

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 7.13</b> (page 284)</p>			
<p>The Department of Infrastructure incorporate, in partnership with the Transport portfolio:</p> <p>(a) A performance measure of the percentage delivery rate of freight into ports by rail;</p>	<p>Under Review</p>	<p>As per the response to recommendation 7.1(a), a key performance indicator and target specifically related to the proportion of rail freight being delivered to Victorian ports (as identified in <i>Growing Victoria Together</i>) was developed during 2003 and appears in the Department of Infrastructure's (DOI) 2003-06 Corporate Plan.</p> <p><u>For reference:</u></p> <p><i>Rail freight indicator and target:</i> DOI Corporate Plan 2003-06, page 29.</p> <p>Performance monitoring has commenced with data available for the 2000-01 and 2001-02 financial years. Effective and periodic monitoring of this measure is dependent on the availability of data, the majority of which is obtained from private businesses.</p>	<p>DOI will continue to monitor and report on progress made in achieving the rail freight Key Performance Indicators as outlined in its Corporate Plan.</p> <p>During 2004, DOI will conduct an internal review of its outputs and their associated performance measures and targets to ensure that they fully reflect the objectives in the updated Corporate Plan and the overarching objectives of the Government.</p>
<p>(b) Review the performance measures to ensure they properly assess the achievement of key targets and outcomes under the Ports Agenda 2002;</p>	<p>Accept</p>	<p>The main objective of the Ports Agenda 2002 was to implement the Government's response to the Port Reform Review undertaken by Prof. Bill Russell. On 1 July 2003, the new Port of Melbourne Corporation, with responsibility for integrated port land and water management, was established and commenced formal operations.</p> <p>The <i>Port Services (Port Management Reform) Act</i> 2003 received Royal Assent on 11 November 2003. This Act completed the second stage of legislation reform in accord with the Government's response to the Russell Review.</p> <p>The Act established the Victorian Regional Channels Authority as the legal successor to the Victorian Channels Authority with responsibility for all of Victoria's commercial shipping channels except those servicing the Ports of Melbourne, which are now the responsibility of the new Port of Melbourne Corporation.</p> <p>The Act also establishes the new Port of Hastings Corporation as the legal successor to the Hastings Port (Holding) Corporation, with a broader charter to plan and manage for the future of the Port of Hastings.</p>	<p>During 2004, DOI will conduct a comprehensive internal review of its outputs and their associated performance measures and targets. This recommendation will be considered as part of this review.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 7.13 (continued) (page 284)**

(c) Review performance measures relating to the Victorian Freight and Logistics Strategy to ensure they appropriately assess the achievement of key targets and outcomes; and	Under Review	No action has yet been taken on this recommendation.	During 2004, Department of Infrastructure (DOI) will conduct a comprehensive internal review of its outputs and their associated performance measures and targets. This recommendation will be considered as part of this review.
(d) Develop a performance measure that focuses on the satisfaction of stakeholders with the capability and efficiency of Victoria's ports.	Under Review	No action has yet been taken on this recommendation.	During 2004, DOI will conduct a comprehensive internal review of its outputs and their associated performance measures and targets. This recommendation will be considered as part of this review.

• **Recommendation 7.14 (page 286)**

The Department of Infrastructure establish a formalised communications process aimed at providing the Parliament and the Victorian community with information on the progress of the proposal to deepen the channel for the Port of Melbourne.	Accept	The Port of Melbourne Corporation, as the proponent for the project, has implemented a communications strategy. The strategy, which was developed in conjunction with the Department of Infrastructure and other relevant agencies, includes regular public, community and stakeholder meetings and briefings, media briefings, release of key reports and newsletters, and briefings of members of the Parliament.	The communications strategy will be monitored and reviewed as the project continues.
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 7.15** (page 288)

<p>The Department of Infrastructure establish performance targets for the key benefits expected to be generated from the Lascelles Wharf Rail Connection to ensure that the development and operation of the project can be monitored and assessed.</p>	<p>Under Review</p>	<p>A number of meetings have taken place between Freight Logistics and Marine and Toll Geelong Port in order to establish future growth in tonnages as a result of the Lascelles Wharf Rail Connection (LWRC). This projected growth will be used as a basis to develop the business case for LWRC.</p>	<p>Business case development will be completed by early 2004. During 2004, the Department of Infrastructure will conduct a comprehensive internal review of its outputs and their associated performance measures and targets. This recommendation will be considered as part of this review.</p>
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• **Recommendation 7.16** (page 292)

<p>The Department of Infrastructure and the Auditor-General resolve the accounting treatment for the tenants' fit-out costs associated with the Federation Square project and determine whether it is appropriate to include such costs in the estimates for the construction cost of the project.</p>	<p>Accept</p>	<p>The Department of Infrastructure and the Auditor-General are working together to resolve the accounting treatment for the tenants' fit-out costs associated with the Federation Square project.</p>	<p>Further action will be undertaken once agreement has been reached.</p>
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DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.1** (page 301)

<p>The Department of Innovation, Industry and Regional Development develop human resources strategies to address the incidence of high staff turnover rates and the need to encourage the retention of experienced staff.</p>	<p>Accept</p>	<p>The Employee initiated Separation Rate for the Department of Innovation, Industry and Regional Development (DIIRD) is 9 per cent.</p> <p>The following strategies have been developed and implemented by DIIRD:</p> <ul style="list-style-type: none"> <li>• Behavioural Based Interviewing was introduced to facilitate selecting the most appropriate candidates for the positions;</li> <li>• The Exit Interview program has been enhanced to ensure more relevant data is collected on why staff are leaving;</li> <li>• The Executive Capability Framework was finalised and next phase (diagnostic approach) of Executive Development Strategy rolled out to address executive development needs and improve leadership/management across the department; and</li> <li>• Departmental Climate Survey conducted to obtain views of all staff as to what are the key strengths of the organisation and areas that require attention.</li> </ul>	<p>DIIRD is planning to introduce the following strategies:</p> <ul style="list-style-type: none"> <li>• Continued training available for managers and staff in Behavioural Based interviewing;</li> <li>• Greater emphasis to be placed on the Exit Interview Program and the reporting of any trends to senior management;</li> <li>• Detailed analysis of Climate Survey results to be undertaken and strategies developed to address areas needing attention; and</li> <li>• Executive development plans implemented to improve leadership and management capabilities.</li> </ul>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.2** (page 306)

<p>The Department of Innovation, Industry and Regional Development:</p> <p>(a) Review the performance measures introduced in 2002-03 that relate to Victoria's design capabilities and the synchrotron, to ensure their continued adequacy and relevance; and</p>	<p>Accept</p>	<p>Design output measures were established in 2002-03 to report on the implementation of the 2 year initiative to develop Victoria's design capability.</p> <p>Performance acceptance criteria for the Australian Synchrotron machine have been reviewed and endorsed by expert international advisory committees. The project is on track and on budget and progress is regularly reviewed.</p>	<p>The delivery of projects under the 2002 design initiative is expected to be completed in 2003-04. Future output measures will reflect actions in the strategic development plan for the design capability which is currently being prepared.</p> <p>In relation to the Australian Synchrotron, performance will continue to be closely monitored, in conjunction with Major Projects Victoria, over the life of the project, to ensure that objectives for the Australian Synchrotron are met.</p>
<p>(b) Ensure that performance measures are developed to cover all major policy initiatives for the Innovation portfolio.</p>	<p>Accept in Principle</p>	<p>Refer to recommendation 8.2(a) response.</p>	<p>Measures to be developed as part of the development and approval process for major new innovation initiatives.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 8.3</b> (page 310)</p>			
<p>The Department of Innovation, Industry and Regional Development ensure that it has the necessary internal expertise to manage the development, implementation and monitoring of major, complex technology-based projects. These staff should possess:</p> <p>(a) Appropriate commercial and contract management skills, including the capacity to manage the delivery of contractual arrangements and manage risk;</p>	<p>Accept</p>	<p>Supplementation of departmental resources and capabilities is planned with the appointment of a major projects manager within the corporate services division.</p> <p>This position will undertake an overseeing role on key aspects of the synchrotron and other major projects currently with the department, with particular focus on the commercial aspects of each project, and contract, risk and financial/budget management.</p>	<p>Finalise the appointment of a major projects manager within the corporate services division in the first quarter of 2004.</p>
<p>(b) Appropriate project development and project management skills;</p>	<p>Accept</p>	<p>Refer to recommendation 8.3(a) response.</p>	<p>Refer to recommendation 8.3(a) response.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.3 (continued) (page 310)**

<p>(c) Performance reporting skills that enable the clear identification and reporting on the benefits/costs accruing to the Victorian community from the synchrotron project; and</p>	<p>Accept</p>	<p>For the Australian Synchrotron a project team has been put in place with the skills and knowledge appropriate to the needs of the project during 2003 and early 2004, including effective performance reporting. Membership of this team will change as the skills and knowledge mix requirements change over the life of the project. The Department of Innovation, Industry and Regional Development (DIIRD) has appointed a specialist director with very extensive experience in both private and government projects.</p> <p>The Major Projects Victoria (MPV) project delivery team, which works very closely and is co-located with the DIIRD team, is headed by a project director, also with very extensive private and public sector experience in the delivery of complex technology based projects, including the Anzac Frigate Project. The technical director for the project has been seconded from a major synchrotron facility in the United States.</p> <p>In addition to the in-house DIIRD and MPV teams capturing extensive experience in both major project management and delivery and specific experience in developing overseas synchrotron facilities, DIIRD is able to draw on Australian and international experts to assist in developing the facility. The national scientific advisory committee comprises leading Australian synchrotron users with substantial experience of existing synchrotrons. The international machine advisory committee provides the project with direct access to leading machine experts who review progress and provide advice on technical matters, and the international scientific advisory committee provides a great depth of experience of synchrotron facility development and operation to assist in guiding the project.</p> <p>Where additional highly specialised skills are needed, the required expertise is provided through private sector contracts, arrangements with experienced staff from overseas synchrotrons, or access to expertise residing in other state instrumentalities. The facility director of the Australian synchrotron research program also coordinates user input to contract processes.</p>	<p>In 2004, additional expertise will be added to the DIIRD team.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.3 (continued)** (page 310)

(d) Extensive experience in the monitoring and management of the financial arrangements underpinning this major project.	Accept	Refer to recommendation 8.3(c) response.	Refer to recommendation 8.3(c) response.
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• **Recommendation 8.4** (page 310)

Where the Department of Innovation, Industry and Regional Development lacks specific technical/financial/risk management expertise, it should utilise external private sector expertise to manage the more complex components of the synchrotron project, and in the process secure a transfer of knowledge to the Department to assist with the ongoing management of the synchrotron and its associated contractual arrangements.	Accept in Principle	<p>Consistent with the response to recommendation in 8.3 above, the Department of Innovation, Industry and Regional Development (DIIRD) makes full use of external, including private sector, expertise to assist in the management of the more complex components of the Synchrotron project where that is seen as appropriate to project delivery. In partnership with the Major Projects Victoria (MPV) project team, DIIRD has ensured that technical/financial/risk management expertise has been brought into the project team, and that documentation and skills transfer has taken place.</p> <p>As an illustration, risk management tools and processes were developed by DIIRD in conjunction with MPV and an external consultant, and are now applied by the project team.</p>	DIIRD will continue working with the MPV project team to develop transition and operating models for the Australian Synchrotron, drawing on external expertise where needed, and ensuring that the knowledge and skill capability to manage the ongoing operation of the Synchrotron is enhanced within DIIRD and able to be transferred to the operating entity.
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 8.5</b> (page 313)</p>			
<p>The Department of Innovation, Industry and Regional Development, in relation to the Technology Commercialisation Program output:</p> <p>(a) develop performance measures that provide information regarding targets and achievements/outputs of the program;</p>	<p>Accept</p>	<p>Performance measures for each of the 12 Technology Commercialisation Program (TCP) Contracts were developed at the time the agreements were signed in 1999-00. All contracts have met the Key Performance Indicators (KPI) and most providers have not only met but also exceeded their required KPI.</p> <p>Quarterly results were compiled on an annual basis, and form the basis of the annual TCP report (further discussed in the response to recommendation 8.5 (d), below).</p>	<p>The TCP has largely been completed and there is no further action planned.</p>
<p>(b) Ensure that an objective and transparent assessment of the performance of the program is undertaken at its conclusion in 2003 to determine whether it should continue to receive public funding in the future;</p>	<p>Accept</p>	<p>The Department of Innovation, Industry and Regional Development (DIIRD) will carry out a full independent review of the TCP. This review was not possible at 30 June 2003 as many contracts were not completed until 30 September 2003.</p> <p>In June 2002 DIIRD an output Review of the TCP was conducted. The results of this output review concluded that the TCP has been very successful in addressing the targeted market gap.</p>	<p>A full, independent review of the TCP to be completed prior to 30 June 2004.</p> <p>An appendix to this review to be completed in May 2005 will include a review of the last 2 TCP contracts.</p>
<p>(c) Ensure that the future direction of the program is based on an evaluation of program performance against established targets of performance, the achievement of program objectives and a clear statement of future benefits to be gained from the continuance of the program; and</p>	<p>Accept</p>	<p>The (June 2002) Output Review of the TCP provided a preliminary analysis of the commercialisation market gap in 2002. Further investigations into the commercialisation market gap were conducted in early 2003 to inform the policy development for VicStart.</p> <p>Funding for VicStart, the second-generation technology commercialisation program of \$30 million over 5 years was provided through the innovation statement under 'Building Innovative Businesses'.</p>	<p>No further action will be taken on this recommendation.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 8.5 (continued) (page 313)</b></p>			
<p>(d) clearly articulate the performance of the program and its achievements in DIIRD's 2002-03 annual report.</p>	<p>Accept</p>	<p>The results of the TCP to 30 June 2003 were not included in the 2002-03 DIIRD Annual Report as TCP Partners are required to report annual results by 31 July of the relevant year. TCP results are therefore compiled and available in August of each year. To 30 June 2003, TCP Partners have:</p> <ul style="list-style-type: none"> <li>• Assisted over 4,200 inventors;</li> <li>• Assessed over 1,700 commercialisation opportunities;</li> <li>• Provided business advice and mentoring to over 600 early stage technology businesses;</li> <li>• Helped establish over 230 new technology businesses; and</li> <li>• Facilitated access to more than \$84 million in investment, either as equity investments, contracts or federal Government grants into their client companies. This represents a 1:7 leverage on the funding provided to the TCP Partners in the same period under their service contracts with the Victorian Government.</li> </ul> <p>These results will be published in the DIIRD's 2003-04 Annual Report.</p>	<p>DIIRD has carried out extensive consultation for the development of the VicStart Policy and Programs.</p> <p>The development of VicStart includes ongoing consultation and close relationships with the commercialisation market to ensure that future programs specifically target current market gaps.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 8.6</b> (page 315)</p>			
<p>The Department of Innovation, Industry and Regional Development, in relation to the Biotechnology Strategic Development Plan, develop performance measures and targets that:</p> <p>(a) Provide information regarding the effectiveness of the Plan in achieving its broader strategic objectives;</p>	Accept	<p>Ernst &amp; Young have been appointed to evaluate Victoria's progress toward achieving the 2010 target: that Victoria will be 1 of the top 5 locations in the world for biotechnology research and development, commercialisation, production and marketing. As part of this process, Ernst &amp; Young will assess how far academia, industry and government have progressed in meeting the objectives of the current Biotechnology Strategic Development Plan (BSDP).</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Provide performance information over the short, medium and long-term; and</p>	Accept	<p>The Innovation, Industry and Regional Development Biotechnology Group continuously monitors performance by preparation of quarterly reports outlining the major activities undertaken / achieved with reference to the BSDP.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) Are reported in the Budget Papers and DIIRD's annual report.</p>	Accept	<p>The 2002-03 the Department of Innovation, Industry and Regional Development (DIIRD) Annual Report provides an overview of the major achievements relating to the BSDP.</p>	<p>The Ernst &amp; Young review of the BSDP will assess the ongoing relevance of the various elements of the BSDP and develop a more clearly defined and focused vision for 2010. The updated strategy will include performance measures and targets against which DIIRD can report.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.7** (page 324)

<p>The Department of Innovation, Industry and Regional Development develop performance measures to reflect the achievements/outputs generated by the provision of grant funds and the extent to which the objectives of the Regional Infrastructure Development Fund are being achieved. These performance measures should be included in Budget Paper No. 3 and be reported in the Department's annual report.</p>	<p>Reject</p>	<p>The Department of Innovation, Industry and Regional Development (DIIRD) is finalising a document reviewing the first 3 years of the Regional Infrastructure Development Fund (RIDF), including the achievements of projects funded.</p>	<p>Due to the diverse nature and size of individual RIDF projects, it is difficult to provide whole of Fund outcome measures for inclusion in Budget Paper No. 3 <i>Budget Estimates</i>. For this reason DIIRD will continue to focus on assessing outputs on a project by project basis.</p>
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• **Recommendation 8.8** (page 325)

<p>The Department of Innovation, Industry and Regional Development develop performance measures relating to the performance of the Government's business office in San Francisco in facilitating and attracting investment to Victoria and assisting Victorian businesses to establish a presence in North America.</p>	<p>Accept</p>	<p>Since it's opening in April 2002 the Victorian Government Business Office (VGBO) in San Francisco has reported its performance against internal Key Performance Indicators (KPI) for a range of investment and trade related activities. These KPI's are common to all VGBOs.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 8.9** (page 329)

<p>The Department of Innovation, Industry and Regional Development:</p> <p>(a) Review the qualitative performance measures for the investment facilitation and attraction output;</p>	<p>Accept</p>	<p>All reporting measures for the investment facilitation and attraction output were reviewed for the 2003-04 budget year. A number of changes were made, some in response to the Auditor-General's report of 2002.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Change the performance measures for the investment facilitation and attraction output into targets for specific industry types, to provide more useful/detailed performance information; and</p>	<p>Accept</p>	<p>Data is maintained and analysed on an industry basis to better inform investment targeting for the Department of Innovation, Industry and Regional Development's industry teams. This information is not published.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) Develop performance measures that are directly linked to key targets and outcomes of the Victorian Rail Manufacturing Industry Strategy and the Victorian Industry Participation Policy.</p>	<p>Accept</p>	<p>The objective for both the Victorian Rail Manufacturing Industry Strategy and Victorian Industry Participation Policy are increases in economic activity. In the case of the former it is additional exports secured and growing the local manufacturing base, whilst in the case of the latter it is local content in current activity levels. Additional investment may occur but this would be incidental and should not be a program performance measure in either case.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 8.10** (page 332)

<p>The Department of Innovation, Industry and Regional Development:</p> <p>(a) Develop and implement an ongoing monitoring strategy to assess the overall performance of its agenda for New Manufacturing; and</p>	<p>Accept</p>	<p>Monitoring system developed and currently applied by the Office of Manufacturing on monthly, quarterly and annual basis to assess the overall performance of the Agenda for New Manufacturing.</p>	<p>Ongoing reviews to ensure current monitoring system is appropriate.</p>
<p>(b) Ensure that program specific performance measures and targets are developed to facilitate an assessment of the individual initiatives implemented as part of the agenda for new manufacturing.</p>	<p>Reject</p>	<p>Individual initiatives are complementary with one another. They do not exist in isolation from each other but form an integral part of an overall package, that is the Agenda for New Manufacturing. For instance, several individual export assistance initiatives are inextricably linked to facilitate business export growth and help deliver the Government's overall export targets. It is not appropriate to set specific performance measures and targets for the individual initiatives as they form part of a broad and holistic strategy.</p>	<p>Ongoing reviews to identify areas of improvement.</p>

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• **Recommendation 8.11** (page 335)

<p>The Department of Innovation, Industry and Regional Development:</p> <p>(a) Develop an overall monitoring strategy to track the achievements arising from the implementation of initiatives and programs developed through its strategic policy framework and strategic industry plans;</p>	<p>Accept in Principle</p>	<p>Performance monitoring strategies are being reviewed throughout 2004 with a view to establishing improved assessment mechanisms and to reflect the long term nature of certain plans.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Develop, in conjunction with industry, performance measures and targets that reflect the long-term nature of its strategic policy framework and industry plans; and</p>	<p>Accept in Principle</p>	<p>Refer to recommendation 8.11(a) response.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) Ensure that these performance measures and targets are published in the Department's annual report and in the Budget Papers to enable transparent assessment of the performance of its strategic industry initiatives.</p>	<p>Accept in Principle</p>	<p>Refer to recommendation 8.11(a) response.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 8.12** (page 339)

<p>The Department of Innovation, Industry and Regional Development review its performance measures in the Budget Papers to ensure they better reflect key targets and outcomes of the Small Business portfolio.</p>	<p>Accept in Principle</p>	<p>Small business performance measures are reviewed annually and these measures were amended for the 2003-04 year.</p>	<p>Targets will continue to be reviewed in light of:</p> <ul style="list-style-type: none"> <li>• our experience with performance against targets, and</li> <li>• options for new performance measures and targets, which reflect the new organisational arrangements, including establishment of the Office of Small Business.</li> </ul>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 8.13</b> (page 342)</p>			
<p>(a) The Department of Innovation, Industry and Regional Development monitor the effectiveness of the Showcasing Women in Small Business Strategy and the 'Show Me The Money' manual in:</p> <ul style="list-style-type: none"> <li>i. improving access to finance for women in small business, particularly in rural/regional areas;</li> <li>ii. facilitating the mentoring program and creating networking opportunities for business women;</li> <li>iii. attracting and retaining women in small business; and</li> <li>iv. promoting the competitiveness and growth of the small business sector.</li> </ul>	<p>Accept</p>	<p>The Showcasing Women in Small Business program was launched in March 2002. There are 3 key elements: access to finance, networking and mentoring.</p> <p>From April 2002 to end June 2003, 17 seminars (10 in regional Victoria) and 7 workshops (4 in regional Victoria) were held, attended by 540 women (255 from regional Victoria). Evaluation forms provided to all participants showed a very high level of satisfaction, with 98 per cent of responses rating the sessions as "very helpful" or "helpful".</p> <p>Over 5 500 copies of the <i>Show Me the Money</i> finance manual were distributed throughout the state.</p> <p>Two mentoring programs were conducted, one in the City of Greater Dandenong and the other in the City of Brimbank (scheduled to end early in 2004). The final evaluation of the Dandenong program showed that 90 per cent of the participants considered the content, quality and delivery of the program was of a high standard and 70 per cent of participants achieved higher sales while 60 per cent increased profits.</p> <p>Networking opportunities were provided at all finance and mentoring sessions. In January 2003 a directory of networks 'Women Building Bridges – Business, Professional and Trade Networks' was placed on the Department of Innovation, Industry and Regional Development (DIIRD) website.</p>	<p>Ongoing evaluation will be made concerning the content of the finance sessions. It is proposed to undertake a more detailed follow up of workshop participants at least 6 months after completing sessions to assess the extent to which participants have improved their financial management and accessed external funds.</p> <p>The <i>Show Me the Money</i> finance manual will be reprinted a second time because strong demand has significantly depleted stocks.</p> <p>A final evaluation of the Brimbank mentoring session will be made upon completion of the program.</p> <p>Australian Bureau of Statistics on the characteristics of small business will be analysed regarding female participation and small business growth.</p>
<p>(b) These results should be included in DIIRD's Annual Report.</p>	<p>Accept</p>	<p>A progress report on the status of the program was presented in the DIIRD 2002-03 Annual Report</p>	<p>Updated progress report to be prepared for 2003-04 Annual Report.</p>

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DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.14** (page 347)

<p>The Department of Innovation, Industry and Regional Development review the performance measures for the Industrial Relations portfolio to ensure they accurately measure the achievements of the portfolio's key strategies that are directly linked to the Government's major industrial relations objectives.</p>	<p>Accept</p>	<p>Industrial Relations Victoria (IRV) reviewed the existing performance measures and developed improved performance measures for 2003-04 to take into account the recommendations made by the Public Accounts and Estimates Committee. Some existing measures were re-worded to ensure that the measures were more relevant to IRV's portfolio and the Government's major industrial relations objectives. three new measures were introduced that related to the level of client satisfaction with the services provided by IRV. The main client target groups are:</p> <ul style="list-style-type: none"> <li>• recipients of programs delivered under Partners at Work and Better Work and Family Balance programs;</li> <li>• recipients of the information, education and advice services provided by IRV; and</li> <li>• Government agencies that seek policy advice from IRV.</li> </ul> <p>IRV considers that the provision of high level measures ensures that the measures remain consistent from year-to-year whilst being able to accommodate changes to programs delivered by IRV in line with Government objectives.</p>	<p>IRV has introduced processes to regularly review programs.</p> <p>During 2003-04 a review of the Partners at Work program took place and reported that the outcomes achieved were positive.</p> <p>During 2004-05 it is proposed to review the Better Work and Family Balance program.</p>
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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.15** (page 349)

<p>The Department of Innovation, Industry and Regional Development:</p> <p>(a) Develop quantitative and qualitative performance measures and targets for the business development and effective organisations units to enable the outcomes of the programs to be assessed; and</p>	<p>Accept</p>	<p>Performance measures have been continuously reviewed to improve the standard of measurement of program outcomes.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Report the performance measures in the Budget Papers and the Department's annual report.</p>	<p>Accept</p>	<p>Performance measures are reported in Budget Paper No. 3 <i>Budget Estimates</i> and the Department of Innovation, Industry and Regional Development's Annual Report.</p>	<p>No further action will be taken on this recommendation.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.16** (page 354)

<p>The Department of Innovation, Industry and Regional Development review the performance measures under the responsibility of the Information and Communication Technology (ICT) portfolio, to ensure they focus more on the timely delivery of relevant projects and on the impact of these projects in delivering key targets and outcomes.</p>	<p>Under Review</p>	<p>The Information and Communication Technology (ICT) Portfolio transferred to the Department Of Infrastructure (DOI) from the Department of Innovation, Industry and Regional Development (DIIRD) as a result of Machinery of Government changes. A review of the 4 ICT and Multimedia outputs was undertaken in the first quarter of 2003, to streamline output reporting processes. The revised measures were published in the 2003-04 Budget Paper No. 3 <i>Budget Estimates</i>.</p> <p><i>'DOI's 2003-06 Corporate Plan contains newly developed Key Performance Indicators (KPI) and targets for the Department's 'Connected Victoria' outcome. These KPIs aim to measure the impact of ICT projects in delivering key targets and outcomes.'</i></p> <p>Reference: 2003-06 Corporate Plan, page 21.</p> <p>Performance measures on major outputs and associated deliverables are reviewed and adjusted on an annual basis.</p> <p>The Budget Papers report outputs and output costs to the Government.</p> <p>Outcomes are regularly reported by the Government through other forums such as annual reports and Corporate Plans.</p>	<p>The ICT &amp; Multimedia output performance measures and targets will be reviewed in line with this recommendation, as part of the DOI's internal output review during 2004. A major aim of the review will be to ensure that DOI's outputs closely align with the corporate objectives and KPIs outlined in the revised Corporate Plan. These, in turn, have been developed in specific response to key Government policy frameworks and objectives.</p>
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DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 8.17</b> (page 356)</p>			
<p>The Department of Infrastructure: (a) Develop quality performance measures and targets in regard to the level of direct investment, export earnings and employment growth facilitated by the Department in the Information and Communication Technology (ICT) sector;</p>	<p>Accept in Part</p>	<p>All reporting measures for the investment attraction and facilitation output were reviewed by the Department of Innovation, Industry and Regional Development (DIIRD) for the 2003-04 Budget year. A number of changes were made, some in response to the Auditor-General's report of 2002. These changes are reflected in the 2003-04 Budget Papers including review of Information, Communication and Technology (ICT) related measures and consistent reporting across all industry types.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Develop performance measures that indicate the survival rate of assisted ICT firms over one, three and five year time spans; and</p>	<p>Under Review</p>	<p>The Government now also reports the aggregate outcomes of Investment Attraction and Facilitation in DIIRD's Annual Report.</p>	<p>During 2004, the Department of Infrastructure (DOI) will conduct a comprehensive internal review of its outputs and their associated performance measures and targets. This recommendation will be considered as part of this review.</p>
<p>(c) Report these performance measures in the Budget Papers and the Department's Annual Report.</p>	<p>Under Review</p>	<p>DOI currently reports all endorsed performance measures in the Budget Papers and its annual report.</p>	<p>If new performance measures are developed and approved along the lines recommended, they will be duly reported in Budget Papers and the annual report as is current practice.</p>

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PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 8.18** (page 361)

<p>The Government ensure, where machinery of government changes transfer responsibilities between Departments, all comparative performance information is reported at the one place in the Budget Papers to allow appropriate analysis of performance.</p>	<p>Accept in Principle</p>	<p>Comparative performance information on responsibilities transferred as part of Machinery of Government changes is disclosed for the full reporting period by the receiving Department.</p>	<p>The Department of Infrastructure will continue to comply these arrangements.</p>
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• **Recommendation 8.19** (page 364)

<p>The Department for Victorian Communities:</p> <p>(a) Undertake a post program review of the Youth Employment Incentive Scheme (YEIS) and the Private Sector Skills Development Program (PSSDP); and</p>	<p>Reject</p>	<p>The Department for Victorian Communities (DVC) Youth Employment Incentive Scheme (YEIS) and the Private Sector Skills Development Program (PSSDP) are both completed. Performance targets for both the YEIS and PSSDP were met in 2001-02.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Develop a new performance measure for the Youth Employment Incentive Scheme that measures the long-term retention in employment of young people assisted through the scheme.</p>	<p>Reject</p>	<p>DVC will not be developing new performance measures for Youth Employment Incentive Scheme (YEIS) as it has no ongoing commitments against this program.</p>	<p>No further action will be taken on this recommendation.</p>

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DEPARTMENT OF JUSTICE

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• **Recommendation 9.1** (page 378)

<p>The Department of Justice:</p> <p>(a) Change the unit of measure for client satisfaction with the timeliness and quality of legal advice provided to Government from a level to a specific percentage;</p>	<p>Accept</p>	<p>Quality measures expressed as a level in the Department of Justice's (DOJ) Output Statements published in Budget Paper No. 3 <i>Budget Estimates</i> have been converted to percentages.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Review performance targets that have been achieved in previous years to provide incentives for performance improvement; and</p>	<p>Accept in Part</p>	<p>Targets are reviewed each year to reflect changes in the level of demand for a service, the mix of outputs provided and productivity improvements required within a given level of resources.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) Include actual benchmarks rather than just the term 'benchmarks' in the description of performance measures, to better indicate the standards being measured.</p>	<p>Reject</p>	<p>Where appropriate, benchmarks and performance against them are discussed in the DOJ Annual Report.</p>	<p>DOJ will consider need for additional discussion of benchmarks in the 2003-04 Annual Report.</p>

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• **Recommendation 9.2** (page 383)

<p>The Department of Justice:</p> <p>(a) provide an explanation in the Budget Papers and in its Annual Report as to what the elapsed time benchmarks represent in respect of matters finalised by courts, tribunals and alternative dispute resolution judicial bodies; and</p>	<p>Accept in Part</p>	<p>Guidelines on the preparation of Output Statements for the Budget Papers do not allow for detailed specification of all relevant benchmarks.</p> <p>Where appropriate, benchmarks and performance against them are discussed in the Department of Justice (DOJ) Annual Report.</p>	<p>DOJ will consider need for additional discussion of benchmarks in the 2003-04 Annual Report.</p>
<p>(b) adjust timeliness targets to reflect expected efficiency gains from the Department of Justice actions.</p>	<p>Accept in Part</p>	<p>Targets are reviewed each year to reflect changes in the level of demand for a service, the mix of outputs provided and productivity improvements required within a given level of resources.</p>	<p>No further action will be taken on this recommendation.</p>

• **Recommendation 9.3** (page 384)

<p>The Department of Justice should include in its annual report commentary and performance information about the effectiveness of the actions being taken to further improve processes and timeliness of decision making within the Children's Court.</p>	<p>Accept in Part</p>	<p>The measure <i>Matters finalised within target elapsed time benchmarks</i> has been broken down into 2 component measures for the 2003-04 Budget Papers providing fuller information on timeliness within the Criminal and Family divisions of the Children's Court. The new measures are:</p> <p><u>Criminal Division</u> Criminal Division matters finalised within 6 months (95 per cent); and</p> <p><u>Family Division</u> Average elapsed time between issue and finalisation of Protection Applications (less than or equal to 15 weeks).</p> <p>Quarterly reports show targets for both measures have been met.</p>	<p>Consider the need for commentary in the Department of Justice 2003-04 Annual Report on the effectiveness of the actions being taken to improve processes and timeliness of decision making within the Children's Court.</p>
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• **Recommendation 9.4** (page 387)

<p>The Department of Justice:</p> <p>(a) Introduce performance measures that indicate the extent to which all native title claims received have progressed to the stage of assessing evidence;</p>	<p>Accept in Part</p>	<p>Due to a protracted process for settling native title claims (2-4 years), initial performance measures developed around the number of claims settled were replaced by more suitable measures based on the progress of claims through a 10 stage mediation process.</p> <p>Progress to Stage 5 (stage at which evidence had been assessed) was determined as the most important milestone in the first 12-24 months of a claim and therefore has been used as the basis of quarterly and annual revenue certification.</p> <p>The volume and progress of all claims in the pipeline are reported to the Department of Treasury and Finance on a quarterly basis.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Provide details of the volume and percentage of claims for which evidence has been assessed that were expected to be resolved within the forthcoming financial year; and</p>	<p>Accept in Part</p>	<p>Refer to recommendation 9.4(a) response.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) Provide details to the Department of Treasury and Finance, as soon as practical, of the estimated maximum liability likely to arise from negotiated claims. These details would be included as a contingent liability in the notes to the financial statement for the Victorian Government (Budget) Sector.</p>	<p>Reject</p>	<p>The Department of Justice's disclosure of contingent liabilities in the annual report, which includes disclosure of native title claims, is in accordance with Australian accounting requirements.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 9.5** (page 392)

<p>The Department of Justice:</p> <p>(a) Further develop the performance measures in the Road Safety output group in line with the recommendations of the Expenditure Review Committee output evaluation and price review;</p>	<p>Accept in Part</p>	<p>There have been major changes to the Road Safety output in the 2003-04 output structure. The output is now called <i>Targeting Driver Behaviour</i>. The measures supporting this output have been altered, so as to better support road safety outcomes.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Develop and include performance measures in the Budget Papers that assess behavioural change patterns in Victorian drivers that can be linked to a reduction in the level of fatalities and injuries caused by road accidents;</p>	<p>Accept</p>	<p>Measures that assess behavioural change patterns in Victorian drivers have been included in the 2003-04 Budget Papers under the output <i>Targeting Driver Behaviour</i>.</p>	<p>Evaluative research on road safety initiatives is ongoing.</p>

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<p>• <b>Recommendation 9.5 (continued)</b> (page 392)</p>			
<p>(c) include a performance measure that focuses on response times for rural fire fighting services; and</p>	<p>Accept</p>	<p>The Office of Emergency Services Commissioner is leading development of Fire Safety Victoria, a comprehensive long-term strategy for the further development and performance measurement of fire services State-wide.</p> <p>Key Objectives of the Strategy are to:</p> <ul style="list-style-type: none"> <li>• enhance delivery of fire services to the community;</li> <li>• increase community understanding of fire risk ; and</li> <li>• increase community willingness and ability to prepare for and deal with fire.</li> </ul> <p>Fire Safety Victoria will effectively address issues such as response times for fire services (in both the rural and non-rural environment), and the effectiveness of existing performance measures, within the context of a broader, and more comprehensive performance measurement framework that also includes consideration of other important issues relevant to the effectiveness and efficiency of fire services.</p>	<p>Evaluative research on road safety initiatives is ongoing. Fire Safety Victoria envisages a range of further specific actions to enhance the performance of Victoria's fire services, including:</p> <ul style="list-style-type: none"> <li>• development of common fire risk profile methodologies for all the fire services for both structural and wildfire situations;</li> <li>• development of response time profiles (which will be linked to the fire risk profiles); and</li> <li>• a new and more transparent decision making framework by fire services for determining the most appropriate form of service (eg. Fire prevention versus fire response).</li> </ul> <p>A new Whole-of-Government consultation and engagement framework to ensure integrated overall response from all relevant services.</p>
<p>(d) Develop performance measures that focus on key targets and outcomes, to complement the existing performance measures that relate to the number of hours spent on public safety and crime prevention, identification and investigation.</p>	<p>Accept</p>	<p>Refer to recommendation 9.5(a) response.</p>	<p>Refer to recommendation 9.5(a) response.</p>

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• **Recommendation 9.6** (page 398)

<p>Once the outcome of the Police Chief Commissioner's Review of Crime Statistics is known, any recommendations aimed at improving the collection and use of crime statistics in Victoria should be acted on by the Government as soon as possible.</p>	<p>Accept</p>	<p>The Australian Institute of Criminology recently completed its independent and comprehensive review of Victoria Police crime statistics. No major deficiencies were identified in data collection or analysis methodologies. It is considered that the reliability, integrity and credibility of Victoria Police statistics have been clearly established by the review.</p> <p>The latest data from the Australian Bureau of Statistics confirms that Victoria is indeed the safest state in Australia, with a crime victimisation rate 23 per cent below the national average. This information, together with crime and road toll statistics and other key performance information is presented to the community through the media and through the Victoria Police Annual Report.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 9.7** (page 400)

<p>In order to ensure accountability and transparency of programs undertaken by Victoria Police, an assessment of the impact of crime prevention and reduction strategies, supported by crime statistics, need to be included in the Annual Report of Victoria Police.</p>	<p>Accept</p>	<p>The Victoria Police Annual Report for 2002-03 contains detailed reporting on crime statistics, crime prevention and reduction programs and strategies and other community support programs. The information has been presented in a format that enables results to be attributed to specific programs, where that is at all possible.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 9.8** (page 403)

<p>In conjunction with the progressive implementation of the public safety communications strategy, attention also be directed by the Department of Justice to the ability of IT systems to capture data relevant to the compilation of meaningful performance information. The Department should also ensure that this information is reported in its Annual Reports and the Budget Papers to demonstrate the efficiency and effectiveness of the new communications strategy.</p>	<p>Accept</p>	<p>A major Partnerships Victoria contract to provide Mobile Data Network services was signed with Motorola Australia on 25 June 2003.</p> <p>The Service Provider, Motorola, has reporting obligations under the contract, which will provide a range of performance information including information relating to Victoria Police and the Metropolitan Ambulance Services emergency responses.</p>	<p>The Mobile Data Network is currently in the design and construction phase, with the service due to commence in November 2005.</p>
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• **Recommendation 9.9** (page 407)

<p>The Department of Justice review the performance measures in the Enforcing Correctional Orders output group to ensure they are linked to the portfolio's evaluation framework to measure progress against portfolio aims and objectives.</p>	<p>Accept in Part</p>	<p>Performance measures are reviewed annually in the budget process to ensure they are linked to Portfolio aims and objectives. This ongoing review process will take the findings and recommendation of the Committee into account, including:</p> <ul style="list-style-type: none"> <li>• disaggregation of prison services agreement performance information by Service Delivery Outcome;</li> <li>• the use of drugs within Victoria's prisons; and</li> <li>• performance of Corrections Long Term Management Strategy (CLTMS) initiatives against targets (including impact of initiatives in reducing demand for prison capacity).</li> </ul> <p>In relation to the Committee's comment at page 405 that '<i>reducing the community corrections rate of the Victorian adult population is also a key policy objective of the Government</i>', the Department of Justice notes that a major strategic objective of the CLTMS is to increase the number of offenders on community-based correctional orders by diversion from sentences of imprisonment.</p> <p>The measure <i>Average daily prison utilisation rate of all permanent and temporary prison capacity</i> introduced in 2001-02 includes the capacity of relocatable, which are currently defined as temporary beds.</p>	<p>Evaluation of the overall reducing re-offending strategy is scheduled to commence in 2004.</p>
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DEPARTMENT OF JUSTICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 9.10** (page 412)

Strong emphasis be given to the ongoing research, development and monitoring of programs that contribute to containing the growth in prisoner numbers in future years. Particular attention needs to be given to:	Accept	<p>The Department of Justice (DOJ) will continue to maintain this focus, consistent with its broader objectives for <i>Safer Streets and Homes</i> in reducing the impact of crime upon the Victorian community.</p> <p>This includes its program of evaluation of the effectiveness of existing programs and new initiatives, as well as continuing research into the causes of crime, crime prevention, effective interventions with offenders and reducing recidivism (including monitoring of local, national and international research in these areas).</p> <p>In relation to the completion rate of community-based correctional orders, the DOJ notes that this rate has increased from 75 per cent to a current rate of 84 per cent due to program enhancements.</p>	<p>DOJ will review attention to the specific areas identified by the Committee in its research, development and monitoring focus.</p> <p>Continuation of the Corrections Long-Term Management Strategy.</p>
(a) The capture of qualitative information from the respective programs in order to assess their effectiveness over time;	Accept	Refer to recommendation 9.10(a) response.	Refer to recommendation 9.10(a) response.
(b) Ongoing research of relevant programs both within Australia and overseas;	Accept	Refer to recommendation 9.10(a) response.	Refer to recommendation 9.10(a) response.
(c) The causes of increasing recidivism and options available to address the problem;	Accept	Refer to recommendation 9.10(a) response.	Refer to recommendation 9.10(a) response.

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• **Recommendation 9.10 (continued)** (page 412)

(d) Reasons why less than 75 per cent of community corrections orders are successfully completed and what action needs to be taken to address the ongoing high rate of failure to complete these orders, which are an alternative to prison;	Accept	Refer to recommendation 9.10(a) response.	Refer to recommendation 9.10(a) response.
(e) The development of strategies to reduce the incidence of first offenders returning to the prison system; and	Accept	Refer to recommendation 9.10(a) response.	Refer to recommendation 9.10(a) response.
(f) The adequacy of funding directed to rehabilitating the very high percentage of prisoners committing drug related crimes and their ability to access treatment.	Accept	Refer to recommendation 9.10(a) response.	Refer to recommendation 9.10(a) response.

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• **Recommendation 9.11** (page 416)

<p>The Department of Justice:</p> <p>(a) Divide one performance measure — namely, preventative and remedial advice provided and residential tenancy bond transactions completed — into two measures that relate to the two separate activities;</p>	<p>Accept in Part</p>	<p>The structure of Consumer Affairs output measures proposed by the Department of Justice for 2004-05 would achieve the recommended separation of residential tenancy bond transactions and advice transactions and involved a review of the existing output measures and targets.</p>	<p>New measures are to be proposed as part of the 2004-05 Budget process.</p>
<p>(b) Review performance targets within the Protecting Consumers output group to ensure an incentive exists for continuous performance improvement; and</p>	<p>Accept in Part</p>	<p>Refer to recommendation 9.11(a) response.</p>	<p>Refer to recommendation 9.11(a) response.</p>
<p>(c) Develop performance measures, based on key targets and outcomes within the Consumer Justice Strategy, that focus on the number of education programs conducted, the level of customer satisfaction with the programs and campaigns, and the programs' effectiveness in identifying and addressing poor trading practices.</p>	<p>Accept in Part</p>	<p>Refer to recommendation 9.11(a) response.</p>	<p>Refer to recommendation 9.11(a) response.</p>

**CHAPTER 10: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 10.1** (page 433)

<p>The Department of Natural Resources and Environment undertake a review of the adequacy of existing performance measures in terms of whether the measures and targets properly reflect Government outcomes and key objectives of the respective programs. Where necessary, management information systems should be implemented to capture relevant information required for performance measures.</p>	<p>Accept</p>	<p>As part of the annual budget process the Department of Sustainability and Environment (DSE) reviews the adequacy of outputs, performance measures and targets to adequately reflect the departments objectives and governments outcomes. DSE has been collecting the relevant information in a management information system for the past 5 years.</p>	<p>No further action will be taken on this recommendation.</p>
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DEPARTMENT OF NATURAL RESOURCES AND ENVIRONMENT

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• **Recommendation 10.2** (page 434)

<p>Given the substantial expenditure budgeted for the Our Forests Our Future initiative over the next four years, the Department of Natural Resources and Environment monitor the implementation of the initiative to ensure:</p> <p>(a) an effective implementation process is followed;</p>	<p>Accept</p>	<p>An Inter-Departmental Committee comprised of representatives of the Department of Sustainability and Environment (DSE), the Department of Treasury and Finance (DTF), the Department of Premier and Cabinet (DPC), the Department of Innovation, Industry and Regional Development (DIIRD) and the Department for Victorian Communities (DVC) and Chairman of the Industry Transition Taskforce (ITT) (see below), established to oversee implementation.</p> <p>A dedicated Forest Projects Office was established to manage and report on progress with implementation.</p> <p>ITT comprising of industry nominees and government agency representatives (DSE, DTF and DIIRD) was established. ITT was established to, among other roles, <i>be the principal state level forest industry consultative body responsible for providing expert/key advice to the Minister on timber industry implementation strategies.</i></p> <p>The ITT also has responsibility for monitoring and advising on the implications of implementing the Voluntary Licence Reduction Program, Contractor Exits and Worker Assistance Program.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Emerging issues are identified and addressed; and</p>	<p>Accept</p>	<p>Regular progress reports are provided to the Cabinet Sub-Committee with the responsibility for forestry matters. Reports cover the progress of negotiations with industry stakeholders on the details of the licence buyback and worker and contractor assistance programs. Critical decisions points in program implementation are also submitted for Cabinet approval.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 10.2 (continued)** (page 434)

<p>(c) A comprehensive monitoring and reporting process, including appropriate performance measures, is implemented to allow for an assessment of the strategy's success.</p>	<p>Accept</p>	<p>The Department of Sustainability and Environment (DSE) and Program business plans include performance measures.</p> <p>The Auditor-General tabled an October 2003 report <i>Managing Logging in State Forests</i> which is Phase 1 of a performance audit into <i>Monitoring Sustainable Forest Management</i>. Phase 1 involved a detailed review of the design and implementation of the licence buyback and worker and contractor assistance programs. Phase 2 will result in a reporting framework for monitoring effectiveness of sustainable forest management in Victoria's state forest.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 10.3** (page 444)

<p>The Department of Natural Resources and Environment develop a comprehensive performance monitoring and reporting process to identify the success of the Victorian Greenhouse Strategy in achieving its objectives.</p>	<p>Accept</p>	<p>Monitoring process established to enable annual reporting on progress with implementation of the Victorian Greenhouse Strategy (VGS) to be produced – first annual report to be released on Government's greenhouse website (<a href="http://www.greenhouse.vic.gov.au">www.greenhouse.vic.gov.au</a>) in December 2003.</p>	<p>Review of the VGS to be undertaken in 2004-05 – this review will consider a range of factors including the effectiveness of the Strategy in achieving its objectives.</p>
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• **Recommendation 10.4** (page 446)

<p>The Department of Natural Resources and Environment review the performance measures within the Agriculture output group to ensure they focus on measuring the impact of Government initiatives and strategies in achieving the objectives of the output group.</p>	<p>Accept in Part</p>	<p>A joint output review involving the Department of Treasury and Finance (DTF) Department of Premier and Cabinet (DPC) and the former Department of Natural Resource and Environment (DNRE) was undertaken within the agriculture output group during 2002-03. This included an evaluation and pricing review of the 'services to improve market access, market development and consumer confidence in food and agricultural products' output. As a result, the agriculture output group was redefined to 2 new outputs.</p> <p>In addition, existing performance measures were reviewed, resulting in the creation of several new performance measures and the retention of some existing performance measures that have been refined. These measures more comprehensively and directly reflect the impact of core services, initiatives and strategies in achieving the objectives of the agriculture output group via its 2 outputs.</p> <p>The Department of Primary Industries (DPI) does, however, recognise that it is difficult to assess long term impact using performance measures alone. Accordingly DPI is exploring the use of other evaluation methodologies to better assess organisational performance.</p> <p>DPI has recently been the recipient of the Caulley Tullock Publication Prize for 2003 from the Australasian Evaluation Society for its published work in introducing modern program and project evaluation systems to the Department.</p>	<p>DPI is committed to continually improving the way it demonstrates its contribution to the achievement of Government priorities.</p> <p>Current evaluation initiatives include:</p> <ul style="list-style-type: none"> <li>• development of a performance evaluation framework for DPI;</li> <li>• evidence-based policy development;</li> <li>• annual review of outputs;</li> <li>• program evaluation; and</li> <li>• project-level evaluation techniques.</li> </ul> <p>These activities are strongly supported by DPI's Evaluation Group, which leads the research and adoption of evaluation techniques at the project level, and DPI's Economics Branch, which leads and undertakes program level evaluation.</p>
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• **Recommendation 10.5** (page 446)

<p>The Department of Natural Resources and Environment, within a year, undertake a review of the consolidation of services at Bendigo and Bairnsdale to determine the success of the project and whether the intended outcomes have been achieved.</p>	<p>Accept in Part</p>	<p>Construction works at Bendigo are now complete and were formally opened in June 2003.</p> <p>Construction works at Bairnsdale are still in progress and not yet complete.</p>	<p>Bendigo review scheduled to be undertaken in June 2004.</p> <p>Bairnsdale review to be undertaken 1 year after the construction is complete.</p>
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• **Recommendation 10.6** (page 453)

<p>The performance measures in the Budget Papers relating to the Aboriginal Affairs portfolio should be closely aligned to the quality and outcome measures that were developed for the Whole-of-Government monitoring and reporting framework for Aboriginal Affairs.</p>	<p>Accept in Part</p>	<p>The State Government produces an <i>Annual Aboriginal Affairs Report</i> that outlines the current indicators of Aboriginal wellbeing in Victoria, and detailed departmental budget spending dedicated to Indigenous initiatives.</p> <p>The Government is currently developing a Whole-of-Government Indigenous framework, which will include a set of agreed indicators.</p> <p>In addition, the Council of Australian Governments through the Productivity Commission has developed a National indicator set for measuring Indigenous disadvantage. The indicators were developed in consultation with the Ministerial Council on Aboriginal and Torres Strait Islander Affairs. Victorian data is reported in this report.</p>	<p>The performance measures for the Aboriginal Affairs portfolio will continue to be subjected to review and refinement in line with development of the Whole-of-Government monitoring and reporting framework.</p>
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• **Recommendation 11.1** (page 464)

<p>The Department of Premier and Cabinet:</p> <p>(a) In the event that performance measures focus on satisfaction levels, the identification of the satisfied party should be specified;</p>	Accept	Where relevant, the Department of Premier and Cabinet (DPC) will endeavour to identify specific parties who are being measured for satisfaction levels. Performance measures have been introduced in 2003-04 in an attempt to distinguish between Departmental Senior Executives and other parties such as the Premier and Ministers.	No further action will be taken on this recommendation.
<p>(b) Develop performance measures that focus on the achievement of outcomes within the Growing Victoria Together Strategy, rather than focusing on the reporting processes involved; and</p>	Under Review	DPC is currently undertaking a major review of the reporting of outcomes of <i>Growing Victoria Together</i> . This is being done in consultation with other Departments and is expected to be completed in the first half of 2004-05.	No further action will be taken on this recommendation.
<p>(c) Review the targets of performance measures introduced in 2002-03 to ensure they are realistic and that they provide incentive for performance improvement in subsequent years.</p>	Accept in Part	The DPC undertakes an ongoing review of departmental outputs and performance measures to better reflect the achievement of key targets and outcomes of significant projects.	DPC will continue to review and improve its output performance measures on an annual basis to accurately and meaningfully reflect its degree of success in delivering Government services and infrastructure.

• **Recommendation 11.2** (page 465)

<p>The Department of Premier and Cabinet ensure appropriate and consistent performance assessment information is contained in Budget Paper No. 3 for the Department from year to year.</p>	Accept	The Department of Premier and Cabinet (DPC) endeavours to ensure that performance assessment information is consistent from year to year, however in some cases this is complicated by Machinery of Government changes. DPC continues to view this as a priority.	No further action will be taken on this recommendation.
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• **Recommendation 11.3** (page 466)

<p>After the release of the Growing Victoria Together annual report, the Department of Premier and Cabinet survey key stakeholders (i.e. Members of Parliament and community representatives) to ensure the contents and structure of the annual report meet the needs of the Parliament and the community.</p>	<p>Under Review</p>	<p>The Department of Premier and Cabinet is currently undertaking a major review of the reporting of outcomes of <i>Growing Victoria Together</i>. This is being done in consultation with other Departments and is expected to be completed in the first half of 2004-05.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 11.4** (page 470)

<p>The Government, in co-operation with the NSW Government, develop and implement an effective governance framework for the Joint Government Enterprise which includes:</p> <p>(a) Comprehensive corporate and business plans containing high level objectives that are consistent with Government policy; and</p>	<p>Under Review</p>	<p>The Department of Premier and Cabinet is currently co-ordinating a review of corporate and business plans across Government. This together with the further development of <i>Growing Victoria Together</i> will aim to align objectives from Departments with Government outcomes.</p>	<p>Further work to be undertaken in relation to working with other Governments on this framework.</p>
<p>(b) An effective performance monitoring system that provides complete, accurate and timely performance information that can be compared to key targets and desired outcomes.</p>	<p>Under Review</p>	<p>This review will also contribute to the development of an effective performance monitoring system particularly in relation to <i>Growing Victoria Together</i> and the achievement associated targets.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 11.5** (page 473)

<p>The Department for Victorian Communities:</p> <p>(a) Ensure comparative costing data relating to the Multicultural Affairs portfolio is provided, where possible, in the Budget Papers, even if departmental objectives are realigned;</p>	<p>Accept in Principle</p>	<p>Comparative costing data relating to the Multicultural Affairs portfolio is provided within the Budget Papers. Cost estimates in 2003-04 Budget Papers reflect part year for 2002-03 following Machinery of Government changes. In a normal year full-year comparative figures are provided.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Develop a performance measure that focuses on the satisfaction of community groups with the forums and consultations conducted by the Multicultural Affairs portfolio; and</p>	<p>Accept in Principle</p>	<p>As part of its Forward Plan 2003-05, the Victorian Multicultural Commission (VMC) has committed to undertaking an evaluation process of its core activities.</p>	<p>Consistent with its Forward Plan, the VMC will evaluate the current measures and where relevant propose new ones.</p>
<p>(c) develop performance measures that focus on the Multicultural Affairs portfolio's key targets and outcomes, rather than the current practice whereby the number of services and projects delivered is the major measure of performance.</p>	<p>Under Review</p>	<p>The performance measures are reviewed regularly in order to ensure that they are an effective mechanism to indicate trends and outcomes. However, given that the services and projects relate to the direct delivery by other departments and agencies, the Multicultural Affairs portfolio's measures are by necessity related to the projects and partnerships developed with other departments and agencies, whose performances and outcomes are separately measured and assessed. Further, most of the performance measures have been maintained in excess of 5 years, which allows more easily for comparative analysis.</p>	<p>Review of performance measures is undertaken regularly as part of departmental and whole-of-Government processes.</p>

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• **Recommendation 11.6** (page 475)

<p>The Department for Victorian Communities:</p> <p>(a) monitor the effectiveness of ethnic media expenditure to ensure funds are allocated to high priority areas; and</p>	<p>Reject</p>	<p>Quantitative monitoring of ethnic media expenditure is ongoing. Primary responsibility for management of the monitoring lies with the Strategic Communications (SC) branch within Department of Premier and Cabinet. Both Victorian Office of Multicultural Affairs and Victorian Multicultural Commission liaise with SC branch in monitoring trends and where relevant provide advice to it and to other Government Departments and agencies on effective means of targeting ethnic media expenditure. The Whole-of-Government Multicultural Communications Policy, which sets out the target and objectives of communicating with Victoria's Culturally and Linguistically Diverse (CALD) communities, has been reviewed and refined to assist departments and agencies in satisfying the objectives in both qualitative and quantitative terms. There has been a positive trend on ethnic media expenditure over the past 4 years.</p> <p>In addition, as part of the whole-of-Government reporting framework:</p> <ul style="list-style-type: none"> <li>• Departments report on their communication strategies with CALD communities;</li> <li>• CALD communities are provided with an opportunity to provide feedback on departmental activities, achievements and future directions; and</li> </ul> <p>Departments are required to include their multicultural affairs related achievements within their respective annual reports.</p>	<p>Ongoing monitoring of the ethnic media expenditure across the Whole-of-Government will be maintained.</p>
<p>(b) measure the satisfaction of ethnic communities with the methods used by Departments and Agencies to publicise their services.</p>	<p>Reject</p>	<p>Refer to recommendation 11.6(a) response.</p>	<p>Regular liaison with ethnic communities and the ethnic media will be maintained.</p>

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• **Recommendation 11.7** (page 478)

<p>(a) The Department of Premier and Cabinet:</p> <ul style="list-style-type: none"> <li>i. use performance targets that encourage performance improvement from year to year;</li> <li>ii. use performance measures that are categorised into metropolitan, regional and rural in relation to the funding arrangements for organisations, project companies and artists.</li> </ul>	<p>Accept in Part</p>	<p>The Department of Premier and Cabinet (DPC) endeavours to ensure that performance assessment information is consistent from year to year, however in some cases this is complicated by Machinery of Government changes. DPC continues to view this as a priority.</p> <p>DPC has recently released the new arts policy, <i>Creative capacity +, arts for all Victorians</i> which is aimed at providing access to arts and cultural institutions. With the implementation of this policy, DPC will be examining ways to better measure performance in relation to geographical location.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) The Department for Victorian Communities include a note in the Budget Papers to explain the low performance target and the relevance and definition of 'PROV standards' within the performance measure titled the Public Record Office Victoria: electronic records maintained in accordance with PROV standards.</p>	<p>Reject</p>	<p>The low performance target reflects the fact that only the Department Of Infrastructure (DOI) has implemented a Victorian Electronic Records Strategy (VERS) compliant Record keeping System to date. The Department for Victorian Communities estimate is that DOI creates 13 per cent of Government electronic records.</p> <p>Public Record Office Victoria (PROV) standards are sub delegated legislation created under section 12 of the <i>Public Records Act 1973</i>. This enables the Keeper of Public Records to set standards for record keeping for the whole of Victorian Government.</p>	<p>It was anticipated that through the life of Centre of Excellence 1 further Victorian Department would be VERS compliant. This is likely to occur in December 2004.</p>

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• **Recommendation 11.8** (page 480)

<p>The framework governing the 10 year policy plan for the arts include:</p> <p>(a) The development of high level objectives and key performance targets that are consistent with Government policy on the arts; and</p>	<p>Accept</p>	<p>The new arts policy <i>Creative capacity +, arts for all Victorians</i> was launched in 2003. The policy was developed with key stakeholders and in respect of Government outcomes and objectives including the <i>Growing Victoria Together</i> framework.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Provide detailed information in the annual report of the Department of Premier and Cabinet on progress made against the 10 year plan.</p>	<p>Accept</p>	<p>The Department of Premier and Cabinet will report against the progress of the arts policy in its annual report commencing in 2003-04.</p>	<p>No further action will be taken on this recommendation.</p>

• **Recommendation 11.9** (page 481)

<p>The Department of Premier and Cabinet adopt an appropriate project management and reporting framework to ensure the development of the Yarra precinct arts integration project is completed within time and budget constraints.</p>	<p>Accept</p>	<p>The Department of Premier and Cabinet (DPC) is working closely with Major Projects Victoria to ensure that adequate project management controls are implemented. DPC will report regularly to various committees on its progress.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 11.10** (page 482)

The visitation levels of the State Library be closely monitored, and the effectiveness of key strategies in the 2002-03 marketing plan be regularly evaluated.	Accept	The online visitation levels for the State Library are monitored and reported in the Budget Papers. Arts Victoria also monitors visitation levels to each of the arts agencies through various governance arrangements.	No further action will be taken on this recommendation.
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• **Recommendation 11.11** (page 483)

The Department for Victorian Communities review the performance measures to ensure they focus more on measuring key targets and outcomes within the Women's Affairs portfolio.	Accept in Part	The Department for Victorian Communities undertakes an ongoing review of departmental outputs and performance measures to better reflect the achievement of key targets and outcomes of significant projects.	DVC will continue to review and improve its output performance measures on an annual basis to accurately and meaningfully reflect its degree of success in delivering Government services and infrastructure.
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• **Recommendation 11.12** (page 485)

Formal reporting protocols be established within the Women's safety strategy to ensure that key performance targets are established and are regularly compared to actual performance.	Accept	<p>A schedule of reporting requirements has commenced.</p> <p>The first report to the Annual Meeting of Ministers on the progress of the Women's Safety Strategy and the 44 initiatives contained within was submitted on 10 December 2003. The information in the report was collated across all relevant Government Departments with responsibility for implementing the Strategy.</p>	<p>Further Action planned by the Department for Victorian Communities includes:</p> <ul style="list-style-type: none"> <li>• continue annual report to Ministers over the life of the Strategy;</li> <li>• an interim report will be released publicly in Year 2 of the Strategy (2004); and</li> <li>• a final report to be released publicly in the final year of the Strategy (2007).</li> </ul>
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DEPARTMENT OF TOURISM, SPORT AND THE COMMONWEALTH GAMES

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• **Recommendation 12.1** (page 493)

<p>The Department for Victorian Communities liaise with the Department of Premier and Cabinet as to what interim measures it can take, pending the outcome of the Government's Review, to develop human resources strategies to address the issues of staff turnover rates and the retention of experienced staff.</p>	<p align="center">Accept</p>	<p>The Department for Victorian Communities (DVC) is implementing the outcomes of the Government's career structure review for the Victorian Public Service.</p>	<p>DVC will continue to work closely with the Department of Premier and Cabinet and the Office of Workforce Development to ensure future workforce strategies are consistent with a Whole-of-Government approach to public sector management.</p>
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• **Recommendation 12.2** (page 496)

<p>The Department of Innovation, Industry and Regional Development:</p> <p>(a) Use 'nm' to identify performance measures introduced in a particular year, which is consistent with the treatment of other output groups in the Budget Papers;</p>	<p align="center">Accept</p>	<p>This recommendation has been actioned and reflected in the Budget Papers.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Change performance targets relating to visitor nights, the number of international visitors, awareness of advertising in other Australian States and the value of free ink generated, to reflect specific targets rather than stratified ranges;</p>	<p align="center">Under Review</p>	<p>Measures are industry standard, however a review of all measures will be undertaken throughout 2004.</p>	<p>No further action will be taken on this recommendation.</p>

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• **Recommendation 12.2 (continued)** (page 496)

(c) Include a qualitative performance measure that relates to the satisfaction of participants with industry forums, seminars and workshops; and	Accept in Principle	To be considered as part of the performance measure review.	No further action will be taken on this recommendation.
(d) Review and improve the overall quality of performance information presented in the Budget Papers.	Accept in Principle	To be considered as part of the performance measure review.	No further action will be taken on this recommendation.

• **Recommendation 12.3** (page 499)

The Department of Innovation, Industry and Regional Development develop performance measures and targets for specific tourism/marketing campaigns that it funds and report against those measures in the Budget Papers and in the Department's annual report.	Accept	Major campaigns have been measured and reported in Budget Paper No. 3 <i>Budget Estimates</i> as of 2002-03.	No further action will be taken on this recommendation.
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• **Recommendation 12.4** (page 503)

<p>The Department for Victorian Communities:</p> <p>(a) Include in the Budget Papers a performance measure that focuses on the level of participation of Victorians in sporting and recreation events;</p>	<p>Accept in Part</p>	<p>The Department for Victorian Communities (DVC) undertakes an ongoing review of departmental outputs and performance measures to better reflect the achievement of key targets and outcomes of significant projects.</p>	<p>DVC will continue to review and improve its output performance measures on an annual basis to accurately and meaningfully reflect its degree of success in delivering Government services and infrastructure.</p>
<p>(b) Develop performance measures that identify the specific level of capital funding directed towards metropolitan, regional and rural Victoria; and</p>	<p>Accept</p>	<p>The 2004-05 round of the Community Facilities Funding program was released in September 2003. It contained new categories that clearly differentiate between Suburban and Regional investment in community sport and recreation facility development.</p>	<p>These facilities funding program categories are in place until the 2006-07 financial year. DVC will continue to review performance measures annually to ensure their relevance to specific outcomes.</p>
<p>(c) Develop outcomes-based performance measures that relate to the Government's water safety initiatives, such as the level of drownings (overall and toddler drownings), the level of public awareness of Government initiatives and the number of children achieving the Victorian Water Safety Certificate.</p>	<p>Accept</p>	<p>In January 2002, the Government announced that lifesaving would be brought under the umbrella of the State's emergency services. The objectives were to more closely integrate lifesaving with other emergency services, and provide an enhanced and more consistent level of funding support for Life Saving Victoria (LSV) into the future.</p> <p>As part of this commitment, 1 of the Government's key Water Safety programs, the <i>Safer and Improved Aquatic Recreation Program</i>, transferred from Sport and Recreation Victoria, DVC, to the Office of the Emergency Services Commissioner (OESC) in the Department Of Justice (DOJ) in July 2003.</p> <p>Since this <i>Program's</i> inception in 1998, there has been a 33 per cent reduction in total drownings in Victoria, the lowest levels on record. The <i>Play it Safe by the Water</i>, public awareness and education campaign which is part of the <i>Program</i> has achieved a prominent 80 per cent awareness level in the community.</p>	<p>This successful program will continue to operate, and will be further developed and refined to capitalise on existing experience and take account of recent policy developments such as the new Victorian aquatics industry's strategic plan for water safety <i>Creating a Water Safety Culture 2003-2008</i> and associated performance measures.</p>

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• **Recommendation 12.4 (continued) (page 503)**

		<p>The agreed priorities for the Program in 2003-04 were:</p> <ul style="list-style-type: none"> <li>• to support the implementation of 1 state based lifesaving organisation, LSV, and its integration into the State's emergency management arrangements; and</li> <li>• to deliver the Government's 2003-04 public awareness and education campaign - <i>Play it Safe by the Water</i>.</li> </ul> <p>A new Water Safety Unit was established within OESC on 1 July 2003 to deliver these 2 key priority areas of the Program.</p> <p>The other key strategies of the Program, toddler safety in backyard pools, water safety signage, and family friendly beaches would continue to be facilitated by OESC until the end of June 2004. The best method of delivering these other related strategies beyond that date is currently subject to further consideration.</p>	
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DEPARTMENT OF TOURISM, SPORT AND THE COMMONWEALTH GAMES

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<p>• <b>Recommendation 12.5</b> (page 509)</p>			
<p>The Department of Justice:</p> <p>(a) develop performance measures that focus on the Government's capital contribution to country racing.</p> <p>Examples may include:</p> <ul style="list-style-type: none"> <li>i. projects completed on time;</li> <li>ii. a break-up of projects between regional and rural racing clubs assisted; and</li> <li>iii. projects that meet all funding criteria.</li> </ul>	<p>Accept in Part</p>	<p>Following Machinery of Government changes in 2002, the Department of Justice (DOJ), through the Office of Gaming and Racing, is responsible for delivering the Government's capital contribution to the racing industry.</p> <p>Performance measures addressing the development of the racing industry are included in the <i>Gaming and Racing Industry Management</i> output in Budget Paper No. 3 <i>Budget Estimates</i>, including measures of assistance made to regional and rural racing clubs.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Amend the wording in the sport and recreation industry development output to state that it includes all three codes of racing;</p>	<p>Accept in Part</p>	<p>The relevant output in the Budget Papers is now <i>Gaming and Racing Industry Management</i>. Reference to all 3 codes of racing was made in the 2002-03 Annual Report of DOJ.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) Review one performance measure — racing and bookmakers' licenses, permits, appeals and registrations processed — to ensure it better reflects key probity criteria such as the number of applications not approved.</p>	<p>Accept</p>	<p>A new quality measure <i>per cent of successful appeals against licensing and registration decision</i> will be introduced in the 2004-05 Budget Papers to better reflect probity criteria.</p>	<p>New measure to be proposed in 2004-05 budget process.</p>

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• **Recommendation 12.6** (page 514)

<p>The Department of Justice develop and implement performance measures and targets that focus on:</p> <p>(a) The level of investment, employment and tourism generated by the racing industry;</p>	Accept in Part	<p>The level of investment, employment and tourism generated by the racing industry is reported in the 2002-03 Annual Report of the Department of Justice (DOJ).</p> <p>It should be noted that day-to-day management of the racing industry is the responsibility of respective controlling bodies, each of which report on industry performance measured in terms described by the Committee.</p>	No further action will be taken on this recommendation.
<p>(b) The impact of specific Government initiatives targeted at fostering the growth of the Victorian racing industry; and</p>	Accept in Part	<p>Performance measures addressing the development of the racing industry are included in the Budget Papers and DOJ's Annual Report under the <i>Gaming and Racing Industry Management</i> output.</p>	No further action will be taken on this recommendation.
<p>(c) Report these performance measures in the Budget Papers and the Department's annual report.</p>	Accept in Part	<p>Refer to recommendation 12.6(b) response.</p>	No further action will be taken on this recommendation.

• **Recommendation 12.7** (page 516)

<p>The Department for Victorian Communities develop performance measures that focus on key targets and outcomes reported within the quarterly progress reports that relate to the preparation and staging of the Commonwealth Games.</p>	Accept in Part	<p>The Department for Victorian Communities (DVC) undertakes an ongoing review of departmental outputs and performance measures to better reflect the achievement of key targets and outcomes of significant projects.</p>	<p>DVC will continue to review and improve its output performance measures on an annual basis to accurately and meaningfully reflect its degree of success in delivering Government services and infrastructure.</p>
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**CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TOURISM, SPORT AND THE COMMONWEALTH GAMES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 12.8** (page 516)

<p>The Department for Victorian Communities expand and improve performance measures within the Melbourne 2006 Commonwealth Games output group as the staging of the Games becomes closer and the level of expenditure and activity increases.</p>	<p>Accept in Part</p>	<p>The Department for Victorian Communities (DVC) undertakes an ongoing review of departmental outputs and performance measures to better reflect the achievement of key targets and outcomes of significant projects.</p>	<p>DVC will continue to review and improve its output performance measures on an annual basis to accurately and meaningfully reflect its degree of success in delivering Government services and infrastructure.</p>
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• **Recommendation 12.9** (page 520)

<p>The 2006 Commonwealth Games budget, include the cost of related capital works and an updated cost/benefit analysis.</p>	<p>Accept</p>	<p>The cost of capital works associated with the Commonwealth Games was announced by the Premier on 12 March 2003 and has been detailed in the 2002-03 and 2003-04 Budget Papers.</p>	<p>The Government has committed to preparing a triple bottom line impact assessment of the Commonwealth Games. This assessment could not be conducted until the whole of Games budget was finalised. Discussions are underway with relevant experts on how this should be conducted. The first stage of this assessment is due for completion during 2003-04.</p>
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**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 13.1** (page 533)

<p>The Department of Treasury and Finance:</p> <p>(a) Include discontinued performance measures in the current year, as occurs in other Departments, to ensure results can be compared over a number of years and to show changes to the performance measure structure each year;</p>	Reject	<p>Discontinued performance measures are no longer relevant to the performance of the Department of Treasury and Finance (DTF). In general they relate to projects that have been completed or to activities within an output that have ceased.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Replace 'yes/no' units of measure with more specific numeric targets;</p>	Accept in Principle	<p>DTF will implement more appropriate units of measures where these can be identified.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) Ensure performance targets reflect achievement levels of previous years and provide an appropriate incentive for performance improvement;</p>	Accept	<p>Previous year's performance is considered where it is deemed to be appropriate. The assumption that previous year's actual performance is the appropriate guide to future years for all outputs may not be valid in all instances. DTF has a sophisticated planning process, with appropriate forecasting that utilises information wider than previous performance results. In many instances an incentive for improvement may not exist in areas other than cost efficiency.</p>	<p>DTF will, where appropriate, consider previous year achievement as a guide to future forecasts.</p>
<p>(d) Focus performance measures on the achievement of desired outcomes rather than processes and inputs;</p>	Reject	<p>The Government's resource allocation framework and supporting reporting regime for departments is based on outputs and output delivery.</p>	<p>No further action will be taken on this recommendation.</p>

**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 13.1 (continued)** (page 533)

(e) Include within the Risk Management Services output group a performance measure that focuses on the satisfaction of officers with the quality of training forums;	Accept	Such a measure was added for the 2003-04 budget year.	No further action will be taken on this recommendation.
(f) delete the performance measure that focuses on the number of unforeseen projects to be undertaken, because this cannot be measured; and	Accept	This indicator will be deleted.	No further action will be taken on this recommendation.
(g) accompany one performance measure— stakeholder satisfaction with the whole-of-government cash and banking contract — with a note that identifies the stakeholders and explains the method used to measure satisfaction levels.	Accept	A note will be added in the DTF Annual Report.	No further action will be taken on this recommendation.

**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 13.2</b> (page 536)</p>			
<p>The Department of Treasury and Finance establish a standard set of procedures to ensure that the basis for decisions to implement projects under Partnerships Victoria policy is transparent.</p>	<p>Accept in Part</p>	<p>Before commencement of the formal procurement process, all projects considered for delivery under the <i>Partnerships Victoria</i> approach undergo an assessment, primarily on a qualitative basis, as to which delivery option is likely to provide the best value for money, subject to public interest matters. The issues taken into account in deciding the most appropriate delivery approach are disclosed in the <i>Partnerships Victoria</i> policy released in June 2000 and the first tranche of Guidance Material released in June 2001.</p> <p>Note that following the tender process, the Government will only proceed with the <i>Partnerships Victoria</i> approach where the private sector bids can deliver better value for money compared to the traditional procurement methodology. Where the <i>Partnerships Victoria</i> bids cannot offer improved value for money, the project will be procured under the traditional procurement approach.</p>	<p>The Government is also considering additional measures to increase transparency and disclosure in <i>Partnerships Victoria</i> projects and further details are likely to be announced by June this year.</p>

**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 13.3** (page 537)

<p>The Department of Treasury and Finance determine more appropriate performance measures that will provide a sound basis for the assessment of the performance outcomes of the Partnerships Victoria initiative.</p>	<p>Accept in Part</p>	<p><i>Partnerships Victoria</i> projects generally involve long-term contracts spanning up to 30 years and a relatively long timeframe is required to evaluate the performance of these projects. Performance measures contained in Budget Papers, however, have a more short-term focus (the next financial year) and considering the recent nature of <i>Partnerships Victoria</i>, it is relatively difficult to encapsulate performance of <i>Partnerships Victoria</i> initiatives into the types of measures contained in Budget Papers.</p> <p>Whilst, at this stage, the Department of Treasury and Finance (DTF) is not able to formulate performance measures that would provide a sound basis for the assessment of the performance outcomes of the <i>Partnership Victoria</i> initiative <u>in the context of budget papers</u>, steps are being taken to assist in evaluating performance outcomes of the <i>Partnership Victoria</i> initiative. DTF has commenced putting together a database that will capture information about individual <i>Partnerships Victoria</i> projects. The database will allow tracking progress of projects throughout their entire lifetime and should assist in assessing performance outcomes of the <i>Partnership Victoria</i> initiative.</p>	<p>In order to properly evaluate performance of the <i>Partnerships Victoria</i> initiative, the performance of <i>Partnerships Victoria</i> projects should be compared with projects procured under the traditional approach.</p> <p>The final report of the Review of <i>Partnerships Victoria</i> Provided Infrastructure is expected to be delivered to the Treasurer in early 2004. one of the recommendations likely to be contained in the report proposes a review of traditionally procured projects as well as projects procured through the <i>Partnerships Victoria</i> approach.</p> <p>DTF will consider this recommendation in formulating its response to the Review of <i>Partnerships Victoria</i> Provided Infrastructure.</p>
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• **Recommendation 13.4** (page 540)

<p>The Department of Treasury and Finance provide financial details in the Budget Papers of individual projects funded from the Growing Victoria Infrastructure Reserve.</p>	<p>Accept</p>	<p>Information of expenditure from the Growing Victoria Infrastructure Reserve on a project basis is included in Budget Information Paper No. 1 <i>Public Sector Asset Investment Program</i> and Budget Paper No. 2 <i>Budget Statement</i>.</p>	<p>No further action will be taken on this recommendation.</p>
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**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 13.5** (page 544)

<p>The Department of Treasury and Finance:</p> <p>(a) Review the targets for each performance measure to ensure they provide an incentive for continuous performance improvement and do not represent a carry-over from previous years;</p>	<p>Accept in Part</p>	<p>The Department of Treasury and Finance (DTF) undertakes an ongoing review of departmental outputs and performance measures to better reflect the achievement of key targets and outcomes of significant projects.</p>	<p>DTF will continue to review and improve its output performance measures on an annual basis to accurately and meaningfully reflect its degree of success in delivering Government services and infrastructure.</p>
<p>(b) Promote the use of specific performance targets rather than a stratified level that is greater than a certain base figure; and</p>	<p>Accept in Part</p>	<p>Refer to recommendation 13.5(a) response.</p>	<p>Refer to recommendation 13.5(a) response.</p>
<p>(c) Delete a performance measure — the completion of coordination of EC4P project — given that this process is already covered by another measure within the same output.</p>	<p>Accept in Part</p>	<p>Refer to recommendation 13.5(a) response.</p>	<p>Refer to recommendation 13.5(a) response.</p>

**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 13.6** (page 547)

<p>The Department of Treasury and Finance progressively report the effect unfunded superannuation liabilities are having on the financial position of the State Budget.</p>	<p>Accept</p>	<p>The Government's unfunded superannuation liabilities and their impact on the Government's Operating Statement are already reported upon 6 times per year in published financial reports, namely; the Budget, the <i>Mid-Year Financial Report for the State of Victoria</i>, <i>Budget Update</i>, Quarterly Financial Reports, and the <i>Annual Financial Report for the State of Victoria</i>.</p> <p>Commentary and longer-term projections of unfunded superannuation liabilities are also included each year in Budget Paper No. 2 <i>Budget Statements</i>.</p>	<p>No further action as current reporting regime is considered adequate.</p>
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• **Recommendation 13.7** (page 549)

<p>The Department of Treasury and Finance review the performance measures to ensure they include key measures that focus on the key targets and outcomes of the WorkCover and Transport Accident Commission portfolios. In addition, the performance measures should be aligned with the corporate and business plans of the Victorian WorkCover Authority and the Transport Accident Commission.</p>	<p>Reject</p>	<p>Victorian WorkCover Authority (VWA) and the Transport Accident Commission (TAC) performance measures are extremely important and are used by the Department of Treasury and Finance (DTF) to review these bodies' performance against their corporate and business plans. DTF regularly discusses these measures and outcomes with VWA and TAC, and seeks to improve the scope and relevance of performance measures and their alignment with corporate and business plans.</p> <p>However, the achievement of targets is the responsibility of the boards and managements of the statutory insurers, not DTF. It is not appropriate for DTF's own performance to be assessed on the basis of measures and targets that are not under DTF's control. DTF will continue to develop and publish meaningful measures of its own performance in relation to its oversight of, and advice provided to Minister on, the performance of statutory insurers.</p>	<p>No further action will be taken on this recommendation.</p>
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**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 13.8** (page 553)

<p>The Department of Justice:</p> <p>(a) Review performance measures to reflect the key targets and outcomes of the Government's responsible gaming legislation;</p>	<p>Accept</p>	<p>Performance measures do reflect the key targets and outcomes of the Government's responsible gaming legislation.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(b) Ensure performance targets provide an incentive for performance improvement where the target has been achieved in previous years; and</p>	<p>Accept in Part</p>	<p>Targets are reviewed each year to reflect changes in the level of demand for a service, the mix of outputs provided and productivity improvements required within a given level of resources.</p>	<p>No further action will be taken on this recommendation.</p>
<p>(c) Develop performance measures that focus on the success of Government initiatives in minimising problem gambling.</p>	<p>Accept in Part</p>	<p>While party to Whole-of-Government problem gambling initiatives, the Department of Justice (DOJ) has no programs directly delivering services to problem gamblers.</p> <p>The issue of problem gambling is dealt with through policy advice, participation in problem gambling round tables, research and legislation, with associated targets published in the Budget Papers as part of the output <i>Gaming and Racing Industry Management</i>.</p> <p>Outputs addressing problem gambling service delivery are more appropriately included in the Output Statements of the Department of Human Services.</p>	<p>No further action will be taken on this recommendation.</p>

**CHAPTER 14: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 52 – 2002-2003 BUDGET ESTIMATES**

PARLIAMENTARY DEPARTMENTS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 14.1** (page 568)

(a) A skills audit and training needs analysis be conducted as soon as practical across all Parliamentary Departments and a strategy be developed to act on the recommendations arising from the audit; and	Accept in Part	Skills audits and training needs analysis are currently being conducted on an individual basis and will continue to be progressively conducted in all Parliamentary Departments.	No further action will be taken on this recommendation.
(b) The effectiveness and efficiency of the online training system be reviewed in terms of whether it is satisfying staff needs. Feedback on the training system be sought from all parliamentary staff and the findings published on Parlynet.	Accept	Staff currently have the opportunity to express their views via the annual survey of services provided by Parliamentary Departments.  Usage of the online training is monitored by hits on the site and usage of training packages.	The contract is due for renegotiation in February 2005 and any decision on renewal or the options to be provided will be based on value for money and after analysis of the usage of the components of the system.

• **Recommendation 14.2** (page 570)

Parliamentary Departments publish their business plans prior to the financial year to which they relate.	Accept in Principle	Parliament will endeavour to meet this recommendation, although the achievement of this recommendation can be affected if the Autumn session of Parliament does not finish until some time in June.	No further action will be taken on this recommendation.
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• **Recommendation 14.3** (page 571)

Action be taken to resolve the issues relating to the tenancy of the third and fourth floors at 157 Spring Street.	Accept	The third floor is to be occupied by Information Technology Unit and two investigatory committees.	Negotiation is currently underway to secure an occupant for the fourth floor.
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