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# Government Responses to the Recommendations of PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S 62<sup>nd</sup> Report on the 2003-2004 Budget Outcomes

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Pursuant to Section 36 of the *Parliamentary Committees Act 2003*, this paper provides a response to the recommendations contained in the Public Accounts and Estimates Committee's (PAEC) 62<sup>nd</sup> Report.

**Guide for Readers:**

Following is the explanation of the format of this paper.

1 Chapter number and topic			
2 Responsibility			
1 PAEC Recommendation	2 Response	3 Action Taken to Date	4 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 62<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 1: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**INTRODUCTION AND RESPONSES TO PREVIOUS BUDGET ESTIMATES REPORTS**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 1 (Page 56)**

<p>The Department of Treasury and Finance report on the progress of projects funded through the Growing Victoria Infrastructure Reserve. The report should include:</p>			
<p>(a) the status of each project at the end of each financial year;</p>	<p>Accept</p>	<p>Information on the Government's capital asset investment programs is available in Budget Information Paper No. 1 <i>Public Sector Asset Investment Program</i>.</p>	<p>No further action will be taken on this recommendation as all projects funded from the Growing Victoria Infrastructure Reserve are now complete and the fund extinguished.</p>
<p>(b) for each project, a comparison of budget and actual capital expenditure for the financial year; and</p>	<p>Accept</p>	<p>Refer to recommendation 1(a).</p>	
<p>(c) project time frames and reasons for changes.</p>	<p>Accept</p>	<p>Refer to recommendation 1(a).</p>	

• **Recommendation 2 (Page 58):**

<p>The annual reports of departments include details of budget and actual costs for outputs.</p>	<p>Accept</p>	<p><i>Section 4.2 paragraph (k) of the Standing Directions of the Minister for Finance</i> currently requires departments to include a comparison of budgeted and actual output cost targets as published within the annual budget papers.</p>	<p>Consideration will be made to change the Standing Direction to make the paragraph more specific by listing what is required including output costs.</p>
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**CHAPTER 2: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

2003-2004 BUDGET OVERVIEW

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 3 (Page 73)**

<p>The Department of Treasury and Finance address data collection deficiencies, particularly for property activities, and re-evaluate its budget forecasting methodology in line with best practice in other jurisdictions in Australia and overseas, where comparable.</p>	<p>Accept</p>	<p>The Department of Treasury and Finance (DTF) continues to review its revenue budget forecasting models, particularly for property market activities, in line with improved data collection and property market analysis.</p> <p>DTF continually seeks opportunities to improve its modelling of conveyancing duty revenue by working with State Revenue Office, other government departments, Australian Bureau of Statistics and Reserve Bank of Australia to improve data collection and analysis. In addition DTF liaises closely with other State Treasuries and private organisations including real estate institutes.</p>	<p>DTF will continue to refine its budget forecasting methodology in line with best practice.</p>
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• **Recommendation 4 (Page 74)**

<p>The Department of Treasury and Finance include in the annual Budget Papers comprehensive details of the methodology and economic forecasts underlying its revenue estimates.</p>	<p>Accept in Principle</p>	<p>The Department of Treasury and Finance (DTF) already includes in the annual Budget Papers:</p> <ul style="list-style-type: none"> <li>• economic forecasts underlying revenue estimates (refer Chapter 2 of 2004-05 Budget Paper No. 2 <i>Strategy and Outlook</i>); and</li> <li>• forecast methodology and assumptions underlying the revenue estimates (refer note 1 of Chapter 1 and Chapter 3 of 2004-05 Budget Paper No. 4 <i>Statement of Finances</i>).</li> </ul> <p>The Auditor-General confirms that Victoria's forecasting methodology is reasonable.</p>	<p>DTF will continue to disclose underlying economic forecasts and revenue forecast assumptions in the annual Budget Papers.</p>
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**CHAPTER 3: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

PERFORMANCE MANAGEMENT IN THE VICTORIAN PUBLIC SERVICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 5 (Page 77)</b></p>			
In disclosing workforce statistics in annual reports, departments explain changes in executive officer positions compared to the number in the previous year.	Accept in Principle	Departments are currently obliged to ensure that the information identified in annual reports comply with Directions under the <i>Financial Management Act</i> 1994. Direction 15 currently requires disclosure of Executive Officer numbers compared to the previous reporting period.	There are no current plans to vary this reporting requirement.
<p>• <b>Recommendation 6 (Page 80)</b></p>			
In disclosing workforce statistics in annual reports, departments explain material changes in non-executive officer positions compared with the number in the previous year.	Reject	Departments are currently obliged to ensure that the information identified in annual reports comply with Directions under the <i>Financial Management Act</i> 1994. Direction 22 currently requires disclosure of workforce data compared to the previous reporting period.	There are no current plans to vary this reporting requirement.
<p>• <b>Recommendation 7 (Page 90)</b></p>			
The Department of Premier and Cabinet ensure government agencies correctly apply the criteria for assessing the performance of executives.	Accept in Principle	Individual executive performance is dependent on the requirements of the individual executive's contract. It is each Department's responsibility to ensure that performance is correctly assessed. The Executive Handbook also provides that the threshold for a bonus is "superior" performance. Effectively carrying out duties, will not of itself suffice to attract a bonus.	No further action will be taken on this recommendation.
<p>• <b>Recommendation 8 (Page 90)</b></p>			
A stronger nexus be developed between the executive performance management system and agencies' accountability for the delivery of outputs and the achievement of business objectives.	Accept in Principle	All departments ensure that the design of their performance management system has a strong nexus with their corporate and business plans and also links in with <i>Growing Victoria Together</i> outcomes.	Departments will continue to monitor their performance management systems ensuring they are still in line with the goals of the department and government policy.

**CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

OCCUPATIONAL HEALTH AND SAFETY

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 9 (Page 110)</b></p>			
<p>The Department of Sustainability and Environment monitor the occupational health and safety performance of its agencies to ensure that sound work safety practices are adopted and exposure to risks are minimised.</p>	<p>Accept</p>	<p>There are more than 110 statutory authorities within the Department of Sustainability and Environment (DSE) portfolios. Many of these have an advisory function and are provided with support by DSE staff.</p> <p>The statutory authorities who have power under their establishing legislation to employ staff are responsible for the health and safety of their employees. In accordance with <i>Financial Reporting Direction</i> number 22 issued under the <i>Financial Management Act 1994</i>, these authorities are required to provide a statement on OH&amp;S matters, including appropriate performance indicators and how they affect outputs in their annual reports. The Department's annual reporting compliance support for DSE portfolio authorities encourages relevant authorities to outline their OH&amp;S assessments and measures undertaken to improve the OH&amp;S of employees in each authority's annual report.</p> <p>DSE reviews each draft annual report and provides feedback to authorities about any issues or concerns regarding the OH&amp;S disclosures.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• <b>Recommendation 10 (Page 111)</b></p>			
<p>The Department of Treasury and Finance develop a range of performance indicators to assess its effectiveness in managing occupational health and safety responsibilities and risks.</p>	<p>Accept</p>	<p>The Department of Treasury and Finance has committed to adopting the key performance indicators recommended by the Occupational Health and Safety (OH&amp;S) Roundtable (made up of senior government officers from all departments).</p>	<p>Assessment of the OH&amp;S effectiveness has commenced with statistics provided on the key performance indicators to the OH&amp;S Committee level through to senior executives.</p>

**CHAPTER 4: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

OCCUPATIONAL HEALTH AND SAFETY

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 11 (Page 125)**

<p>Agencies adopt a continuous improvement focus to the management of their occupational health and safety responsibilities and to the risks associated with workplace injury and illness.</p>	<p>Accept</p>	<p>Departments maintain a continuous program of monitoring their Occupational Health and Safety (OH&amp;S) responsibilities, and the risks associated with workplace injuries and illness.</p>	<p>Departments will continue to monitor, assess and improve their OH&amp;S responsibilities and assess the risks and implications of workplace injuries and illness.</p>
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**CHAPTER 5: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**ASSET INVESTMENT INITIATIVES**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 12 (Page 143)**

<p>To be assured that the state's major asset investment projects under the Gateway initiative are progressing in line with budget and the planned schedule, the Department of Treasury and Finance disclose in its annual report details of Gateway reviews undertaken during the year and indicate the status of these projects against budget and timelines.</p>	<p>Accept in Part</p>	<p>Details of the Gateway reviews undertaken in 2003-04 were not provided in the Department of Treasury and Finance Annual Report for 2003-04 as the details of these reviews contain information that is commercially sensitive. The Gateway reviews undertaken are internal working documents, provided to those responsible for the project, for the purpose of improved project development and delivery.</p>	<p>Future Annual Reports, from the 2004-05 reporting year, will include details of the number of Gateway reviews undertaken and will describe the reporting process to Cabinet.</p>
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**CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

PARLIAMENTARY DEPARTMENTS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<b>• Recommendation 13 (Page 147)</b>			
The Parliamentary Departments ensure that their annual reports include details of budgeted and actual costs for outputs together with explanations of major variances.	Accept	Please see Notes 2 and 4 (a) to the annual accounts in Parliament's Annual Report.	Parliament will ensure that it is included in the 2004-05 annual report.
<b>• Recommendation 14 (Page 147)</b>			
The Department of Parliamentary Services consult with the Department of Treasury and Finance about the possibility of the Budget Papers providing a set of portfolio financial statements for controlled and administered financial transactions for the Parliamentary Departments.	Accept in Principle	Parliament will seek direction on this during deliberations on budget format for the 2006-07 budget process. Agency annual reports provide further information regarding this aspect.	Further action subsequent to Treasurer's directions on information required in the budget papers
<b>• Recommendation 15 (Page 148)</b>			
The Department of Parliamentary Services include a note in the Parliament's financial statements on transfers between output group pursuant to section 31 of the Financial Management Act.	Reject	Accounts have been prepared on a consolidated basis for the whole of Parliament in accordance with applicable accounting standards.	Parliament's 2004-05 Annual Report will be prepared in accordance with applicable accounting standards.
<b>• Recommendation 16 (Page 150)</b>			
Parliamentary Departments include in their annual reports explanations of significant variations between performance targets and actual achievements.	Accept in Principle	Parliament will continue to provide explanation of significant variations between performance targets and actual achievements.	Explanations will continue to be provided where appropriate.

**CHAPTER 6: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

PARLIAMENTARY DEPARTMENTS

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 17 (Page 151)</b></p>			
The Department of Parliamentary Services include in its annual report specific performance results against performance targets.	Accept in Principle	Parliament will continue to report on significant performance targets and results.	Performance results will be appropriately expressed.
<p>• <b>Recommendation 18 (Page 152)</b></p>			
The annual report of the Department of Parliamentary Services include performance reporting against the annual business plans of the department's business units.	Reject	Parliament will continue to report on holistic results for its businesses, not individual business units.	The Department of Parliamentary Services reports as a whole. It is the Parliament's view that there is no need for its business units' results to be reported individually.
<p>• <b>Recommendation 19 (Page 153)</b></p>			
The Presiding Officers give priority to developing and completing a new information technology strategic plan for the Parliament.	Accept	The Parliament is developing a new information technology strategic plan. The Parliament has established a sub committee of the House Committee to review and make recommendations on all IT matters for the Parliament.	Parliament will continue to work on its new information technology strategic plan.

**CHAPTER 7: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

VICTORIAN AUDITOR-GENERAL'S OFFICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 20 (Page 158)**

<p>The Auditor-General consider including in the Victorian Auditor-General's Office annual report the extent of changes and savings achieved as a result of, or partly due to, the implementation of audit recommendations.</p>	<p>Accept in Principle</p>	<p>The Auditor-General's (AG) intention, as stated within the current corporate plan is where potential savings have been identified during an audit and agreed to with the agencies, that these savings will be reported within the performance audit report tabled in Parliament.</p>	<p>The AG will, where appropriate report savings, agreed with agencies, from acting on the office's recommendations.</p>
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• **Recommendation 21 (Page 162)**

<p>From a risk management perspective, the Victorian Auditor-General's Office should aim to employ no external audit service provider to carry out the same financial statement audits for longer than five years.</p>	<p>Accept in Principle</p>	<p>This recommendation is entirely consistent with the Auditor-General's (AG) operational policies. Page 161 of the Public Accounts and Estimates Committee Report on the 2003-04 Budget Outcomes clearly outlines the potential reasons for extending some contracts for additional periods.</p>	<p>The AG will continue to review and consider the operational reasons and any associated implications regarding an extension of any external audit service provider contracts prior to approving such an extension.</p>
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• **Recommendation 22 (Page 162)**

<p>In the event that any contracts for the conduct of financial statement audits are extended beyond a five year term, this information, together with reasons for the extension, be disclosed in the annual report of the Victorian Auditor-General's Office.</p>	<p>Accept in Principle</p>	<p>It is the intention of the Auditor-General (AG) to include within the Office's 2004-05 Annual Report reference to any external audit service provider contracts extended beyond a five year term, together with the relevant reasons for the extension.</p>	<p>The AG will continue to review and consider the operational reasons and any associated implications regarding an extension of any external audit service provider contracts prior to approving such an extension.</p>
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**CHAPTER 8: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 23 (Page 166)</b></p>			
<p>The Department of Education and Training ensure its annual report includes details of budgeted and actual costs for outputs with explanations for major variations.</p>	<p>Accept in Principle</p>	<p>The disclosures in the annual report for the Department of Education and Training (DET) comply with those in the model financial accounts issued by the Department of Treasury and Finance (DTF). These comply with the Financial Management Act, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.</p> <p>Appendix 1 of the annual report shows the actual financial results of the DET's consolidated budget sector agencies and the estimates published in the 2003-04 Budget Paper No. 3 <i>Budget Estimates</i>. It provides high level explanations of material variances.</p>	<p>DET will continue to ensure that its disclosures are in line with those in the model financial accounts issued by the DTF.</p>
<p>• <b>Recommendation 24 (Page 167)</b></p>			
<p>The Department of Education and Training include in its annual report an explanation for major variations in schools' revenue.</p>	<p>Reject</p>	<p>The disclosures in the annual report for the Department of Education and Training (DET) comply with those in the model financial accounts issued by the Department of Treasury and Finance (DTF). These comply with the <i>Financial Management Act 1994</i>, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.</p> <p>The Total School Revenue figure disclosed in the annual report includes all amounts collected by schools in regard to voluntary fees, subject contributions, trading and fundraising activities. Collections of these amounts can vary from year to year.</p>	<p>DET will continue to ensure that its disclosures are in line with those in the model financial accounts issued by the DTF.</p>
<p>• <b>Recommendation 25 (Page 168)</b></p>			
<p>The Department of Education and Training examine the long term financial viability of the budget for the Victorian Curriculum and Assessment Authority.</p>	<p>Accept</p>	<p>The Department of Education and Training (DET) and Victorian Curriculum and Assessment Authority (VCAA) continues to actively monitor budget performance of the VCAA to ensure budget outcomes are on track and that the financial viability of the VCAA is sustained.</p>	<p>DET and the VCAA will continue to actively monitor budget performance and sustainability of the VCAA.</p>

**CHAPTER 8: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 26 (Page 169)**

The Department of Education and Training aim to improve the number of performance targets being met or exceeded.	Accept	The Department of Education and Training (DET) actively monitors progress against performance measures to ensure targets are being met or exceeded.	DET will continue to examine both the relevance of the performance targets and achievement against them, with the aim of improving the number being met or exceeded.
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• **Recommendation 27 (Page 177)**

The Department of Education and Training finalise, as a priority, implementation of strategies associated with the Blueprint for Government Schools framework and develop a performance measurement and reporting regime for outcomes delivered under this initiative.	Accept	Implementation of the Blueprint strategies began in mid-2004 and all strategies are being implemented. School leaders and teachers support the strategies and initiatives and are actively involved in their implementation. A reporting framework is in place.	Evaluations of strategies are being initiated in 2005 and are either planned or underway.
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• **Recommendation 28 (Page 178)**

The Department of Education and Training provide practical guidance to school councils in the form of an easily adapted template to assist with accounting for cash collections, particularly moneys collected from fund-raising activities.	Reject	The Department of Education and Training (DET) has in place a number of guidelines for School Councils to assist with complete and accurate recording of income, including moneys collected from fundraising activities.	No further action will be taken on this recommendation.
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**CHAPTER 8: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT OF EDUCATION AND TRAINING**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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**• Recommendation 29 (Page 179)**

<p>The Department of Education and Training, in conjunction with the Department of Treasury and Finance, ensure a practical financial audit and reporting regime is developed for school councils.</p>	<p>Accept in Principle</p>	<p>The Department of Education and Training (DET) is working closely with the Auditor-General's (AG) office and the Department of Treasury and Finance (DTF) to develop an audit program which will provide school councils with practical advice on financial management and controls.</p> <p>Following agreement with the AG on interim arrangements, the Department engaged independent audit firms to audit the financial statements of 1632 school councils in 2003 and 2004. Financial activities of all government schools were also consolidated in the Department's financial statements.</p>	<p>DET is working closely with the AG's office and DTF to develop an audit program which will provide school councils with practical advice on financial management and controls.</p> <p>DET has provided the AG's Office with a proposed model for consideration and is in the process of consulting with senior officials from DTF.</p>
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**• Recommendation 30 (Page 180)**

<p>The annual report of the Department of Education and Training include details of the expenditure incurred, projects funded and outcomes achieved under the Reform and Demand Strategy.</p>	<p>Reject</p>	<p>Funding for the Reform and Demand Strategy was allocated across the various outputs of the Department in order to support activities and programs designed to achieve the educational targets of the Government. As such, the Strategy cannot be acquitted on a program basis. At an aggregate level, the Department Education and Training (DET) operated within its 2003-04 Budget.</p> <p>Note 2 of the DET's audited financial statements, included in the annual report, for the year ended 30 June 2004 disclosed descriptors of the departmental outputs performed during the year and the controlled revenue and expenses across the output groups.</p>	<p>No further action will be taken on this recommendation.</p>
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**CHAPTER 8: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF EDUCATION AND TRAINING

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 31 (Page 181)**

<p>The Department of Education and Training ensure Budget Information Paper No. 1 does not omit details of any asset initiative projects of \$100,000 and above.</p>	<p>Accept in Principle</p>	<p>Budget Memorandum 2004/18 issued by the Department of Treasury and Finance provided guidelines on projects to be included in Budget Information Paper No. 1 <i>Public Sector Asset Investment Program</i>. It states that only projects with a Total Estimated Investment (TEI) greater than \$100,000 are to be reported. It also states that finite projects with a final planned capital expenditure in 2004-05 of less than \$30,000 are not to be included.</p> <p>Hence, all asset initiative projects with a TEI of \$100,000 and above will be listed in Budget Information Paper No. 1 <i>Public Sector Asset Investment Program</i>, unless they have less than \$30,000 planned capital expenditure remaining in 2005-06 to be spent on the project.</p>	<p>No further action will be taken on this recommendation.</p>
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**CHAPTER 9: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF HUMAN SERVICES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 32 (Page 186)**

<p>The Department of Human Services closely monitor performance against targets on a progressive basis for all its outputs.</p>	<p>Accept</p>	<p>The Department of Human Services (DHS) monitors output performance on a quarterly basis as part of its internal management and external reporting processes.</p> <p>Output performance results are published in both the Budget Papers and the DHS Annual Report.</p>	<p>DHS regularly consults with Department of Treasury and Finance analysts on output performance to complement and strengthen existing internal analysis and quality assurance processes.</p>
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• **Recommendation 33 (Page 192)**

<p>The Department of Human Services continue its success rate for admitting people categorised as urgent from elective surgery waiting lists.</p>	<p>Accept</p>	<p>Treating all Category 1 urgent elective patients within 30 days is a Key Performance Indicator (KPI) for all health services and hospitals.</p>	<p>The treatment of 100 per cent admissions within 30 days statewide remains a key objective for Government. The Department of Human Services will continue to monitor this KPI on a monthly basis at health service and hospital level in order to achieve this objective.</p>
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• **Recommendation 34 (Page 192)**

<p>The Department of Human Services give further attention to the admission of semi-urgent cases on the waiting lists of the major metropolitan hospitals within the clinically ideal time of 90 days.</p>	<p>Accept</p>	<p>The Department of Human Services (DHS) has established the Elective Surgery Access Service (ESAS) to target patient waiting times and access to designated statewide specialist centres has significantly reduced waiting times in those specialties currently covered.</p> <p>The 2005-06 budget has allocated an additional \$30 million for elective surgery procedures in recognition of the need to facilitate patient access to services within clinically recommended treatment times for semi-urgent cases and to expand the ESAS approach.</p> <p>The suite of Elective Surgery Key Performance Indicators has been reviewed for 2005-06 to better focus health services on treating those waiting longer than the clinically recommended treatment time.</p>	<p>Funding will be directed to the treatment of more elective surgery patients and in particular those waiting longer than the clinically recommended time for treatment (90 days for semi-urgent patients).</p> <p>DHS will continue to monitor performance against elective surgery indicators closely.</p> <p>Throughout metropolitan Melbourne additional treatment centres will be established to accept referrals from other hospitals as part of ESAS.</p> <p>New designated centres will be located at Northern Health, Western Health and the Royal Women's Hospital. Existing designated centres at St Vincent's Health, the Royal Victorian Eye &amp; Ear Hospital and Southern Health will continue to accept referrals.</p>
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**CHAPTER 9: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT OF HUMAN SERVICES**

<b>PAEC Recommendation</b>	<b>Response</b>	<b>Action Taken to Date</b>	<b>Further Action Planned</b>
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**• Recommendation 35 (Page 198)**

<p>The Department of Human Services develop a more focused suite of performance measures dealing with quality of patient care in public hospitals for inclusion in the Budget Papers and for annual reporting purposes.</p>	<p>Accept</p>	<p>The Department of Human Services (DHS) regularly reviews its suite of performance measures on an ongoing basis and considers the monitoring of patient care quality in public hospitals a high priority.</p> <p>DHS, the Victorian Quality Council and the Australian Council on Quality &amp; Safety in Health Care are working together on the complex task of developing and refining a suite of indicators that will best reflect the overall quality and safety of Victoria's public hospitals.</p> <p>Victoria's Public Health Services also undertake extensive reporting on patient safety and quality of patient care in public hospitals and in this regard Victoria is widely acknowledged as leading other Australian jurisdictions in hospital performance reporting.</p>	<p>DHS, the Victorian Quality Council and the Australian Council on Quality &amp; Safety in Health Care will continue the development and refining of indicators to facilitate reporting of quality and safety in Victoria's public hospitals.</p>
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**• Recommendation 36 (Page 198)**

<p>In terms of improving human service safety and quality, the Department of Human Services consider expanding its performance measures to also include surveying semi-urgent patients on the elective waiting list for more than the recommended limit of 90 days to ascertain their health status.</p>	<p>Accept in Principle</p>	<p>The Department of Human Services (DHS) regularly reviews its suite of performance measures on an ongoing basis and considers the monitoring of patient care quality in public hospitals a high priority. However, DHS does not have access to specific patient information which would allow conduct of the type of survey recommended. Moreover, obtaining such information may compromise doctor-patient confidentiality, which would be inappropriate.</p> <p>Management of patients scheduled for treatment is the responsibility of hospitals and their clinical staff. To support this activity the department has recently released the Elective Surgery Access Policy (ESAP), which details best practice elective surgery patient management and sets expectation levels for all health services. This policy requires that each health service maintain regular contact with their elective patients to ensure that their condition has not deteriorated, that they still require or want their surgery and if so to make sure that they are available or 'ready for care'. Funding has also been allocated to review long waiting patients through the additional \$30 million for elective surgery provided in the 2005-06 Budget.</p>	<p>DHS will continue the ongoing review of its suite of performance measures and will audit health services' implementation of the ESAP policy.</p>
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**CHAPTER 10: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF INFRASTRUCTURE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 37 (Page 206)</b></p>			
<p>To enhance accountability, assist understanding of the Department of Infrastructure's financial performance and enable informed judgements about the department's financial management, the department's annual report explain all output costs that exceed the budget estimates by 10 per cent.</p>	<p>Accept</p>	<p>The 2003-04 annual report included descriptions where appropriate. This practice will continue in 2004-05.</p>	<p>No further action will be taken on this recommendation.</p>
<p>• <b>Recommendation 38 (Page 209)</b></p>			
<p>The Department of Infrastructure closely monitor its output performance against targets on a progressive basis, with a view to increasing the proportion of its published targets met and thereby improving the overall performance of its operations against planned activity levels.</p>	<p>Accept in Part</p>	<p>The Department of Infrastructure (DOI) regularly monitors progress against its output performance targets on a monthly basis in some cases, and in all cases, on a quarterly basis.</p> <p>DOI takes action to address output issues where it can directly affect the outcome. It is important to consider the apparent lower level of achievement in some areas during 2003-04 in full context. For example, in the metropolitan train services output, the reliability of rail services was affected by external factors outside the DOI's direct control, including the breakdown of the National Express franchise operations, and this in turn affected customer satisfaction levels.</p>	<p>DOI is investigating ways of improving performance monitoring and the analysis of results to identify areas needing greater attention and take mitigating action on a quarterly basis for areas within its direct influence.</p>
<p>• <b>Recommendation 39 (Page 213)</b></p>			
<p>The Department of Infrastructure provide more expansive material in its annual report to fully explain major variations in achieving its performance targets.</p>	<p>Accept in Principle</p>	<p>The Department of Infrastructure (DOI) endeavours to explain major variations in performance against targets by providing clear and concise footnotes to accompany the output statements published in its Annual Report.</p>	<p>In view of the recommendation, DOI will give additional consideration to this matter and investigate ways of providing better information about performance outcomes in future annual reports.</p>

**CHAPTER 10: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF INFRASTRUCTURE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 40 (Page 217)**

<p>The Department of Infrastructure subject the future stages of the Regional Fast Rail Project to a rigorous monitoring regime to ensure that it is completed within current timelines and budgets, and that the planned outcomes are achieved. The department's 2004-05 annual report should report such information.</p>	<p>Accept in Part</p>	<p>The Department of Infrastructure (DOI) already has in place a formal management structure to monitor and report on the status of the Regional Fast Rail Project.</p> <p>DOI has also implemented various monitoring and review processes, these include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• Regular meetings with Contractors and Stakeholders to plan track occupations and line closures to achieve project target completion dates;</li> <li>• Project cost forecasts are reviewed each month with Project managers resulting in targets being set and agreed; and</li> <li>• The project risk register is reviewed and monitored monthly.</li> </ul> <p>Performance against all DOI outputs is published in its Annual Report including projects such as Regional Fast Rail.</p>	<p>DOI will continue to maintain and improve the control measures implemented.</p>
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• **Recommendation 41 (Page 218)**

<p>The Department of Infrastructure commission a mid-term review of the effectiveness of the Arrive Alive! road safety strategy to ensure it achieves the target of a 20 per cent reduction in the number of deaths and serious injuries by 2007.</p>	<p>Accept</p>	<p>VicRoads, Victoria Police, Transport Accident Commission and Department of Justice are responsible for achievement of the objectives of <i>arrive alive! Victoria's Road Safety Strategy 2002 – 2007</i>. Progress against the <i>arrive alive!</i> target is monitored monthly and reported to the Ministerial Council for Road Safety and the Department of Infrastructure on a quarterly basis.</p>	<p>VicRoads is commissioning a review of <i>arrive alive!</i> that will examine overall performance of the strategy to date together with an assessment of the effectiveness and contributions of initiatives for each of the 17 challenges in the strategy. Further work will be undertaken to identify potential new initiatives and existing initiatives that can be improved to deliver greater benefits.</p>
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**CHAPTER 10: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF INFRASTRUCTURE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 42 (Page 219)**

<p>The Department of Infrastructure commission a study to assess the true extent of fare evasion throughout Melbourne's tram system, with a view to continuously improving the existing Metcard system and addressing any weaknesses, before a decision is made on the public transport ticketing system beyond 2007.</p>	<p>Accept</p>	<p>Metlink is responsible for measuring fare evasion across the train, tram and bus system. Metlink has developed a methodology for this, which has been approved by the Director of Public Transport. Surveys have been completed on train and tram networks, and bus surveys are currently underway. Metlink will conduct surveys every six months and report results to the Department of Infrastructure (DOI).</p> <p>The level of detail of the monitoring is such that it shows the nature of the fare evasion and allows measures to be targeted at improving specific areas, including improvements to the ticketing system.</p>	<p>DOI will continue to work with Metlink and the transport operators to develop and implement fare compliance activities to reduce the level of fare evasion.</p>
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• **Recommendation 43 (Page 219)**

<p>In order to minimise the extent of fare evasion occurring on Melbourne's tram network and enable the number of passengers on particular routes to be effectively monitored, the Department of Infrastructure ensure that its ticket inspectorial policies are being enforced by the team of Authorised Officers.</p>	<p>Accept</p>	<p>The Department of Infrastructure ensures that its ticket inspectorial policies are being enforced by the team of Authorised Officers by actively monitoring ticket checking rates, which are submitted by the transport operators as part of the Network Revenue Protection Plan (developed and coordinated by Metlink).</p> <p>The conduct and effectiveness of Authorised Officers in undertaking their activities in accordance with this Plan is regularly monitored.</p>	<p>Authorised Officers will continue to undertake activities to improve fare compliance in accordance with the Network Revenue Protection Plan. This includes maximising the number of tickets checked.</p>
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**CHAPTER 11: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT**

<b>PAEC Recommendation</b>	<b>Response</b>	<b>Action Taken to Date</b>	<b>Further Action Planned</b>
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• **Recommendation 44 (Page 225)**

<p>The Department of Innovation, Industry and Regional Development publish a comparison of output costs against budget estimates in its annual report, to ensure it is publicly accountable for its use of public moneys in line with the targets set for the department in the Budget Papers.</p>	<p>Accept</p>	<p>No action has yet been taken on this recommendation.</p>	<p>The Department of Innovation, Industry and Regional Development will include in the appendix of its annual report a comparison of actual output costs to budget output costs for the 2004-2005 financial year and future financial years.</p>
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• **Recommendation 45 (Page 227)**

<p>To develop appropriate performance targets and enhance continuous improvement, the Department of Innovation, Industry and Regional Development review whether there is scope for making its targets more challenging to reflect past performance.</p>	<p>Accept</p>	<p>The Department of Innovation, Industry and Regional Development (DIIRD) undertook a review of the output structure and performance measures for 2005-06 to align the outputs to the primary objectives of the department. This also resulted in some changes to performance targets.</p>	<p>As part of the continuous improvement process, DIIRD will continue to analyse performance measures and targets to ensure they are responsive to the requirements of Government and the reporting requirements of the Department of Treasury and Finance.</p>
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**CHAPTER 11: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF INNOVATION, INDUSTRY AND REGIONAL DEVELOPMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 47 (Page 231)**

<p>To assess the effectiveness of the Victorian Government's \$25 million VicStart initiative in assisting the commercialisation of Victoria's science, technology and innovation ideas, the Department of Innovation, Industry and Regional Development describe examples of successful intellectual property arrangements in its annual report, particularly where the management arrangements have enabled the government to secure a financial benefit from the commercialisation of state funded research activities.</p>	<p>Accept in Principle</p>	<p>The VicStart initiative aims to improve the skills, linkages and processes needed to successfully bring Victoria's innovative science and technology to the market.</p> <p>The policy objectives are to:</p> <ul style="list-style-type: none"> <li>• Facilitate the development of new, export-oriented technology businesses, products and services;</li> <li>• Encourage the commercial take-up of advances in science and technology that will boost the international competitiveness of Victorian businesses;</li> <li>• Facilitate access to appropriate finance for technology businesses; and</li> <li>• Promote regional development by helping to build sustainable technology commercialisation capabilities throughout the State.</li> </ul> <p>Given these objectives, the benefits to the State will be economic, rather than financial, and it is unlikely that the program will produce a case study covering the very specific scenarios described in the recommendation. However, case studies from VicStart programs are part of the reporting cycle and, with the necessary permission, these cases will be included in the Department's annual report.</p>	<p>Further action on this matter will comprise monitoring reports from VicStart service providers in order to produce the examples noted above.</p>
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**CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF JUSTICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 49 (Page 239)</b></p>			
The Department of Justice ensure the full costs for outputs are disclosed and that any unusual cost components are explained rather than netted against the total.	Accept in Part	The treatment in relation to the Legal Advice to Government and State Electoral Roll and Elections were appropriate and correct. Fuller commentary on such required adjustments will be provided in any future instances.	The full costs of outputs will be reported.
<p>• <b>Recommendation 50 (Page 239)</b></p>			
The Department of Justice ensure the budget estimate of output costs include grant funding for outputs from the Community Support Fund.	Accept	Change was implemented in the 2005-06 Budget Estimates.	No further action will be taken on this recommendation.
<p>• <b>Recommendation 51 (Page 241)</b></p>			
The Department of Justice ensure that budget output cost details published in the Budget Papers are the sole basis of comparison with actual costs reported in the budget portfolio statement published in future annual reports.	Accept	The Department of Justice will ensure full compliance with the <i>Standing Directions of the Minister for Finance</i> in future annual reports.	Recommended approach to be adopted for the 2004-05 Annual Report.
<p>• <b>Recommendation 52 (Page 241)</b></p>			
The Department of Justice disclose in its annual report the budget and performance outcomes for outputs delivered by Victoria Police, the Metropolitan Fire and Emergency Services and the Country Fire Authority.	Reject	Department of Justice provides grant funding to these entities which under legislation are separate reporting entities. They are required to produce their own annual reports, which include full financial statements and output performance reports.	No further action will be taken on this recommendation.

**CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF JUSTICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 53 (Page 243)**

<p>When publishing budget portfolio financial statements for reporting controlled and administered financial transactions, the Department of Justice disclose the budgeted amounts set out in annual Budget Papers, and include adequate note disclosure for major account balances and material variations between actual and budgeted costs.</p>	<p>Accept in Part</p>	<p>Greater explanatory notes on the nature and scope of the Budget Portfolio can be provided. The budget portfolio financial statements are an aggregate of a number of separate reporting entities consistent with the Budget Paper No. 4 <i>Statement of Finances</i>. These agencies are responsible for reporting on major account balances and material variances from budget.</p>	<p>Further action subject to Treasurer's directions on information required in Budget Papers.</p>
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**CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF JUSTICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 54 (Page 244)**

<p>Victoria Police improve its short term financial viability by reducing the working capital deficit, with an emphasis on reducing excess leave entitlements.</p>	<p>Accept</p>	<p>Victoria Police policy requires recreation leave entitlements to be utilised within clearly defined periods. Police members must utilise all recreation leave in the year it falls due and public servants within a two-year period. To ensure that this occurs, the following procedures have been established:</p> <ul style="list-style-type: none"> <li>• Leave entitlement data is reported on and discussed at Compstat forums (Performance Challenge and Review Session) conducted by the Chief Commissioner and members of Executive Management Group with Department/Division management;</li> <li>• Human Resource staff in devolved sites are required to review leave entitlements on a regular basis and report excessive leave to local management;</li> <li>• Department/Region management teams are provided with a number of HR indicators, including leave entitlements, and implement local initiatives to manage these; and</li> <li>• An independent audit function has been established within the Corporate Management Review Division.</li> </ul> <p>Staff with excessive leave entitlements are required to develop a plan with their manager to allow them to reduce entitlements to a more appropriate level over a period of time.</p>	<p>Victoria Police will continue to use established procedures.</p>
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• **Recommendation 55 (Page 244)**

<p>The Department of Justice include in its annual report a commentary on significant variations between performance targets and actual achievements for the budget portfolio outputs.</p>	<p>Accept</p>	<p>Variance analysis is undertaken for quarterly budget certification.</p>	<p>Enhancements to variance commentaries will be made in the Department's 2004-05 Annual Report.</p>
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**CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF JUSTICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<b>• Recommendation 56 (Page 248)</b>			
Victoria Police enhance its performance reporting regime for budget portfolio outputs to demonstrate achievement against the goals for crime reduction set out in The Way Ahead Strategic Plan 2003-2008.	Accept	Further improvements to measures were introduced in the 2005-06 Budget Papers to enhance alignment with The Way Ahead five-year plan.	Quarterly reporting against improved measures.
<b>• Recommendation 57 (Page 249)</b>			
The Department of Justice publish in its 2004-05 annual report the results of the whole of government infringements review, and any other reviews or initiatives aimed at improving collection of outstanding fines along with the expected financial outcomes for reducing outstanding fines.	Accept	Infringements review is currently in progress.	The 2004-05 Department of Justice Annual Report will include details of the Infringements Review and activities undertaken during the course of the year to reduce outstanding fines.
<b>• Recommendation 58 (Page 251)</b>			
The Department of Justice develop an appropriate suite of performance indicators to manage uncollected fines and ensure the publication of targets and results in future departmental annual reports.	Accept in Part	The Government prepares annual forward estimates of revenue to be collected.	The Department of Justice will continue to monitor and evaluate the impact of initiatives to improve the effectiveness of Victoria's fines collection framework
<b>• Recommendation 59 (Page 252)</b>			
The Department of Justice review doubtful debt practices for outstanding fines to ensure provisioning levels reflect reasonable expectations that collection of the debt is doubtful.	Accept	The Department of Justice's provision for doubtful debt rate is based on over 6 years of historical cash collection data from the Victorian Infringement Management System. Provisioning for doubtful debt is reviewed annually and is conducted in accordance with accounting standards.	No further action will be taken on this recommendation.

**CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF JUSTICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 60 (Page 253)</b></p>			
The government consider the impact of recommended saving proposals arising from the recent review of the Victorian Electoral Commission on the effective operations of the Office.	Accept	External consultants reviewed the operations of the Victorian Electoral Commission (VEC) and made recommendations, resulting in improved corporate focus and service delivery	The Government will continue to monitor the impact of VEC's saving proposals.
<p>• <b>Recommendation 61 (Page 258)</b></p>			
The Department of Justice ensure Budget Information Paper No. 1 clearly identifies details of the prison capacity expansion program and related projects to facilitate transparency in the progress of the prison expansion program.	Accept in Part	Content for the Budget Information Papers No. 1 <i>Public Sector Asset Investment Program</i> is controlled by the Department of Treasury and Finance.  Hence, all asset initiative projects with a TEI of \$100,000 and above will be listed in Budget Information Paper No. 1 <i>Public Sector Asset Investment Program</i> , unless they have less than \$30,000 planned capital expenditure remaining in 2005-06 to be spent on the project.	The Department of Justice will continue to report on all projects that are required under the guidelines for the Budget Information Papers No. 1 <i>Public Sector Asset Investment Program</i> including all asset projects currently being developed by public sector entities.
<p>• <b>Recommendation 62 (Page 261)</b></p>			
The Victorian Commission for Gambling Regulation ensure licensees lodge community benefit statements for 2004-05 and beyond by 30 September each year.	Accept	The Victorian Commission for Gambling Regulation has advised that it expects all Community Benefit Statements for the 2004-05 and every subsequent year to be lodged by 30 September in each year that they are due. Should any venue operators not lodge their required statements by the due date, the Commission will consider whether to take action against those venue operators on a case-by-case basis depending on the facts in each instance. The Act provides a penalty of up to 60 penalty units for the late lodgement of a Community Benefit Statement. Late lodgement is also a ground for disciplinary action.	Currently the Act does not allow a venue operator to request from the Commission an extension of the time for lodgment. It may be desirable to amend the Act to allow the Commission to grant such an extension in special circumstances.

**CHAPTER 12: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF JUSTICE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 63 (Page 262)</b></p>			
<p>The Department of Justice consider amending the <i>Gambling Regulation Act 2003</i> to provide a deadline for the publication of community benefit statements on the web site of the Victorian Commission for Gambling Regulation, to ensure the statements remain timely and relevant to the users.</p>	<p>Reject</p>	<p>The <i>Gambling Regulation Act</i> has a legislative requirement for the Victorian Commission for Gambling Regulation “to perform its functions with...as much speed” as possible (see Section 10.1.16). Consequently, the Government does not see a need for a separate requirement under the Community Benefit Statement provisions requiring that the Statements be published by a particular date.</p>	<p>The Committee’s recommendation will however, be brought to the notice of the Commission.</p>
<p>• <b>Recommendation 64 (Page 263)</b></p>			
<p>The Victorian Commission for Gambling Regulation amend the format of the community benefit statement to require the inclusion of the audit report of the independent auditor.</p>	<p>Under Review</p>	<p>The <i>Gambling Regulation Act</i> was amended in 2004 to give to the Victorian Commission for Gambling Regulation responsibility for the form of Community Benefit Statement (see section 3.6.9 (2)(a), as amended).</p>	<p>The views of the Public Accounts and Estimates Committee will be forwarded to the Commission for its consideration.</p>

**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF PREMIER AND CABINET

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 65 (Page 267)**

The Department of Premier and Cabinet include in its annual report, explanations for material differences between budgeted and actual output costs.	Accept	The Department of Premier and Cabinet (DPC) is undertaking work to improve the way output costs are reported in the Annual Report.	DPC will aim for ongoing continuous improvement in this area.
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• **Recommendation 66 (Page 268)**

The Department of Premier and Cabinet include in its annual report explanations for key variations between targets and actual achievement for performance measures.	Accept	The Department of Premier and Cabinet (DPC) is undertaking work to improve the way performance measures are reported in the Annual Report.	DPC will aim for ongoing continuous improvement in this area.
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**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF PREMIER AND CABINET

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 67 (Page 270)**

<p>The Department of Premier and Cabinet ensure it has a reliable and accurate system for recording the number of visits to art facilities.</p>	<p>Accept</p>	<p>The Arts Agencies have made a number of improvements to improve the accuracy of recording the number of visits to Art facilities ie.</p> <p><b>Geelong Performing Art Centre</b>-All attendances (whether free or paid) at ticketed events are recorded through the new ticketing system Provenue Max.</p> <p><b>Museum Victoria</b>-ticket every visitor (and have done so for the past 3 years).</p> <p><b>Australian Centre for Moving Image</b>-have installed a new electronic counting system which will be operational from July 1, 2005.</p> <p><b>National Gallery of Victoria</b>-have implemented a state of the art people counting system called iCount.</p> <p><b>State Library of Victoria</b>-the main entrance to the library on Swanston Street is now the single point of entry for all visitors and is the only door count used to measure visitor numbers.</p> <p><b>Victoria Art Centre</b>-Where an event is a ticketed event all tickets sold are recorded in the Ticketmaster 7 database. Where an event is a non-ticketed event all attendances are counted and recorded directly into the Art Centre's event booking system.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 68 (Page 272)**

<p>The Department of Premier and Cabinet ensure that the annual reports and financial statements of its agencies disclose financial policies for funding depreciation and provide an explanation about the impact of these arrangements on financial performance and asset replacement needs.</p>	<p>Accept</p>	<p>No action has yet been taken on this recommendation.</p>	<p>The Department of Premier and Cabinet Management will recommend to relevant agencies that additional disclosure be made in their annual financial statements, along the lines of that incorporated in the Public Accounts and Estimates Committee recommendation. This will be a recommendation only, as the agencies' financial statements are the responsibility of their separate independent boards, and subject to independent audit review.</p>
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**CHAPTER 13: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF PREMIER AND CABINET

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 69 (Page 274)</b></p>			
<p>The Department of Premier and Cabinet, in conjunction with National Gallery of Victoria, develop a financial strategy to ensure the financial sustainability of NGV's operating activities and focus on revenue raising opportunities, cost containment and productivity improvements.</p>	<p>Accept</p>	<p>A package of operational changes have been identified to ensure the ongoing sustainability of the National Gallery of Victoria (NGV). Additional operational funding of \$2.7 over four years was provided in the 2005-06 Budget.</p>	<p>The Department of Premier and Cabinet will continue to work closely with NGV and monitor progress toward operational change, and the development and implementation of measures to ensure financial sustainability.</p>
<p>• <b>Recommendation 70 (Page 275)</b></p>			
<p>The Department of Premier and Cabinet review the process used by Arts Victoria to ensure a more rigorous approach is adopted to the assessment of revenue and economic projections underpinning applications for arts funding.</p>	<p>Accept in Part</p>	<p>The Department of Premier and Cabinet (DPC) has undertaken a review of Arts Victoria's Grants Management during 2005.</p> <p>The objective was to assess the policies, procedures and controls in relation to the processes of determining, allocating, payment and monitoring of Arts Victoria grants. DPC's Internal Audit Committee managed the project.</p>	<p>The review did not identify any areas of high risk. The report identified some minor areas for improvement, which Arts Victoria is already working on or has completed.</p>
<p>• <b>Recommendation 71 (Page 276)</b></p>			
<p>The Department of Premier and Cabinet develop a performance reporting framework to monitor and publicly report on achievements and cost savings generated from the government's Standard Corporate ICT Infrastructure Strategy.</p>	<p>Accept in Part</p>	<p>The Department of Premier and Cabinet is undertaking work to improve the way Information and Communications Technology strategy and projects are developed and implemented.</p>	<p>The strategy will be subject to ongoing continuous improvement.</p>

**CHAPTER 14: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT OF PRIMARY INDUSTRIES**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 72 (Page 283)**

<p>While noting that the majority of research and development infrastructure projects were delivered on time and budget, the Department of Primary Industries ensure effective contract management procedures are applied to its capital works program so as to minimise the risk of delays to the completion of its asset investment projects, particularly for the planning and design phase and the selection of contractors.</p>	<p>Accept</p>	<p>The Department of Primary Industries (DPI) uses the Construction Supply Register managed by the Department of Infrastructure to select the contractors and consultants for its projects to ensure effective contract management procedures are maintained. In addition, DPI works closely with its contracted project and construction managers to ensure the timely and cost effective delivery of its capital works program, and to ensure the most suitable procurement methods are chosen.</p>	<p>DPI will continue to employ project management approaches that ensure effective governance procedures are applied to all aspects of the Department's infrastructure projects.</p>
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**CHAPTER 14: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT OF PRIMARY INDUSTRIES**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 73 (Page 284)**

<p>The Department of Primary Industries' 2004-05 annual report summarises information on the benefits derived from the modernisation of its science, innovation and education precincts across regional Victoria. In addition to disclosing information on the department's success in securing further rural industry research funding from co-investors and attracting co-location of education providers and industry to its regional research centres, the department should disclose the impact of the additional scientific research on regional economies, employment, productivity, environmental sustainability and economic growth.</p>	<p>Accept in Part</p>	<p>The impact of the Department of Primary Industries' (DPI) research activity occurs over an extended time frame, relies on adoption by third parties and is affected by factors outside the control of DPI. It is therefore difficult to directly and accurately attribute impacts on regional employment, productivity, economic growth and the environment. Impacts can best be demonstrated by examples and from aggregated impact assessment evaluations. Studies by the Primary Industries Standing Committee have found benefit-cost ratios of agricultural Research &amp; Development (R&amp;D) in the order of 5 to 10:1 and higher. The estimated Net Present Value to Australian agriculture of \$1 invested in an agricultural research project is between \$3.72 and \$4.46.</p> <p>For example, in under a decade Victoria has gone from being a net importer of lentils to providing half of Australia's annual \$140 million crop. Victorian investment in science in regional Victoria (in this case Horsham) has been central to this growth by creating a national breeding and improvement program in partnership with Grains Research and Development Corporation. Benefits of this investment flow directly to farmers in the form of increased farm yields and to the community in the form of real net increases in jobs in the food processing and export sectors.</p>	<p>Through high quality research, development &amp; extension, DPI will continue to support the development of new and efficient food and agriculture industries for the benefit of all Victorians, including regional communities.</p> <p>DPI will provide a more comprehensive synopsis of its R&amp;D program in its annual report with the addition of a summary of commercialisation activities undertaken through Agriculture Victoria Services.</p>
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**CHAPTER 14: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF PRIMARY INDUSTRIES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 74 (Page 287)**

<p>In undertaking its governance role for the redevelopment of the Royal Melbourne Showgrounds, the Department of Primary Industries closely monitor progress against each of the milestone stages to ensure compliance with the financial budget, completion of timelines and quality standards, so the project is delivered in an efficient and effective manner.</p>	<p>Accept</p>	<p>The Department of Primary Industries (DPI) currently has funding responsibility for the Showgrounds Redevelopment Project under the <i>Project Development and Construction Management Act</i>. After construction and commissioning has been completed DPI will assume full responsibility for the State's interest in the project.</p> <p>Governance arrangements between the State and the Royal Agricultural Society of Victoria (RASV) are detailed in the project documentation.</p> <p>DPI has representation on the Joint Venture Board along with representatives from the Department of Treasury and Finance, Major Projects Victoria (MPV) and the RASV.</p> <p>The Joint Venture Board has appointed MPV as project managers who are responsible for the day to day management/supervision of the contracts between the Joint Venture Company and Public Private Partnership Solutions.</p> <p>MPV reports regularly to the Joint Venture Board on issues including project management, cost compliance with the budget, and construction progress in accordance with the project timelines.</p> <p>As part of its role on the Joint Venture Board and as a member of project working groups, DPI will closely monitor performance.</p>	<p>Further action planned includes:</p> <ul style="list-style-type: none"> <li>• finalisation and approval by Joint Venture Board of MPV scope of work; and</li> <li>• Completion by the Joint Venture Board and MPV of the Contract Management Plan and the Contract Management Manual.</li> </ul>
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**CHAPTER 14: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT OF PRIMARY INDUSTRIES**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 75 (Page 289)**

<p>For its salinity related research activities, the Department of Primary Industries ensure good practices and lessons learned are disseminated nationally and carefully prioritise on-ground investment in projects.</p>	<p>Accept</p>	<p>The Department of Primary Industries (DPI) invests in the Cooperative Research Centre (CRC) for Plant Based Management of Dryland Salinity which provides an education program to ensure salinity related messages are delivered nationally. Government funds are matched by industry support in a collaborative program that strengthens links between industry, research organisations and educational institutions.</p> <p>All DPI projects are prioritised against a framework to assess the role of Government, the alignment with Government policies/priorities for natural resources, the appropriate cost sharing with other beneficiaries, and against industry priorities.</p>	<p>DPI will continue to invest in CRC's that have a focus on delivering knowledge nationally. In particular, DPI will invest in the CRC e-water, which has an education program to ensure a national message for water related research. DPI will contribute to outputs that will inform this education program.</p>
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**CHAPTER 15: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 76 (Page 294)**

The Department of Sustainability and Environment's annual report disclose the budgeted and actual costs and associated performance results for all the outputs within the Environment Protection output group.	Accept	The Environment Protection Authority (EPA) reported on all the outputs listed in the Environment Protection output group in the Environmental Protection Authority <i>Victoria 2003-04 Annual Report</i> . As the EPA was responsible for the delivery of these outputs, the Department of Sustainability and Environment (DSE) did not report on them in its annual report.	DSE accepts the recommendation for future reports.  DSE will ensure that it reports on the Environment Protection output group in the 2004-05 annual report.
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• **Recommendation 77 (Page 294)**

Output performance reporting by the Department of Sustainability and Environment encompass explanations of all significant output cost variations from the budget estimates.	Accept	While the majority of variations for output costs were explained in the 2003-04 annual report, the Department of Sustainability and Environment (DSE) acknowledges that some were missed.	DSE will ensure that explanations for all future cost variations are reported in the annual report.
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• **Recommendation 78 (Page 295)**

The Department of Sustainability and Environment's annual report explain the nature of, and reason for, unbudgeted transactions that have a material impact on the financial result for budget portfolio operating activity transactions.	Accept	The Department of Sustainability and Environment (DSE) believes that the material impacts have already been clearly identified in the 2003-04 annual report.  As an example, the major components of the \$141.4 million are explained on page 15 of the Annual report and are also explained in the notes to accounts, in particular notes 1h, 6, and 28.	DSE accepts the recommendation and material impacts will be clearly identified in the 2004-05 annual report.
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**CHAPTER 15: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 79 (Page 296)**

<p>The Department of Sustainability and Environment confirm the completeness and accuracy of current Crown land records and ensure timely valuations are undertaken for Crown land.</p>	<p>Accept</p>	<p>The Auditor-General's concern is that the Department of Sustainability and Environment (DSE) holds the fundamental database recording Crown land but that other agencies are not required to reconcile the Crown land which they manage against that database.</p> <p>Crown parcels have Standard Parcel Identifier numbers (SPIs) recorded against them and are digitally displayed in the VicMap Property spatial layer, which is publicly available. This enables other agencies to reconcile their land holdings via the Standard Parcel Identifier. However DSE does not have a mandate to require other agencies to do so.</p> <p>In accordance with Victorian Government Policy, DSE valued a number of classes of non-current assets progressively until the reporting period ending 30 June 2005. These progressive revaluations are conducted in accordance with current accounting standards using fair value methodology. Crown Land was revalued in 2003 at a value of \$4.6 billion. With the introduction of International Financial reporting Standards this value will be incorporated in DSE's 2005 Annual Report.</p>	<p>DSE will continue to match and audit SPI numbers and other data to ensure accuracy and the completeness of its records.</p> <p>DSE will comply with the revaluation timetable provided by DTF.</p>
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• **Recommendation 80 (Page 303)**

<p>The Department of Sustainability and Environment ensure that the projects identified under the Bushfire Recovery Program are completed within the four year target.</p>	<p>Accept</p>	<p>The Bushfire Recovery Initiative, the largest recovery effort ever to take place in the history of Victoria, has progressed exceptionally well during the 2004-05 financial year. The Department of Sustainability and Environment (DSE) has placed considerable effort into bringing projects that were behind schedule back on track after several delays associated with extended snow seasons and dry periods in previous years. This increased effort will see all Bushfire Recovery projects being delivered by Department of Primary Industries on private land completed by June 30th 2005, and the majority of projects on public land completed by DSE and Parks Victoria by June 30th 2005.</p>	<p>Projects associated with asset replacement in National Parks are on track for completion in June 2006 as scheduled. These are entirely funded by insurance recouped and will see <u>all</u> Bushfire Recovery Projects associated with DSE and Parks Victoria completed by the agreed end date of June 30th 2006.</p>
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**CHAPTER 15: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 82 (Page 306)**

<p>The Department of Sustainability and Environment:</p> <p>(a) develop a performance monitoring and evaluation framework for the Victorian Water Trust to assess the outcomes of the Trust's activities; and</p>	<p>Accept</p>	<p>The \$320 million Victorian Water Trust is a key element of the Government's <i>Water for the Future</i> policy to provide a secure source of funding for Victoria's vital water resources. The Trust supports programs that will deliver on the four major targets of the Government's <i>Our Water Our Future</i> water reform agenda.</p> <p>An Investment Strategy was released in November 2003 which provides strategic direction for investment from the Trust. Key drivers for the Trust are to advance sustainable water resource management, drive innovation, encourage partnerships and maximise leverage.</p> <p>Financial and performance reports are provided to the Victorian Water Trust Advisory Committee, the Department and the Minister for Water on a regular basis (at least quarterly).</p> <p>The provision of performance reports to the Department of Sustainability and Environment and to the Department of Treasury and Finance are provided as part of the quarterly performance reporting process to the government.</p>	<p>The Victorian Water Trust is currently developing a 'Sustainability Scorecard' which will provide guidance on the assessment of projects against the Victorian Water Trust Investment criteria. The Victorian Water Trust is also about to develop a monitoring and evaluation framework for all Victorian Water Trust projects to determine the effectiveness of the Trust over time. This will include a program logic and use of quantitative and qualitative measures to assist with identifying whether the Victorian Water Trust objectives have been met.</p>
<p>(b) report the performance information in the Budget Papers and the department's annual report.</p>	<p>Accept</p>	<p>Refer to recommendation 82(a).</p>	

• **Recommendation 83 (Page 310)**

<p>The Environment Protection Authority comply with the requirements of the Financial Management Act 1994 for annual reporting, by producing a single annual report containing a report of operations and a financial report.</p>	<p>Accept</p>	<p>No action has yet been taken on this recommendation.</p>	<p>For the 2004-05 year, the Environment Protection Authority Victoria will produce a single annual report of operations and financial results for formal reporting purposes in accordance with the <i>Financial Management Act 1994</i> and a community and environment report as a separate report above and beyond obligations in the <i>Financial Management Act 1994</i>.</p>
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**CHAPTER 15: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF SUSTAINABILITY AND ENVIRONMENT

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 84 (Page 310)**

The Environment Protection Authority explain in its annual report major variances from performance targets and budgeted costs.	Accept	No action has yet been taken on this recommendation.	The Environment Protection Authority Victoria's 2004-05 annual report will explain variances from performance targets and budgeted costs.
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**CHAPTER 16: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 85 (Page 317)**

<p>The Department of Treasury and Finance give consideration to what other steps need to be taken to ensure the preparedness of agencies to efficiently and effectively implement the Australian equivalents to the International Financial Reporting Standards.</p>	<p>Accept</p>	<p>In early 2004, the Department of Treasury and Finance (DTF) put in place a project team with responsibility for co-ordinating implementation of Australian-International Financial Reporting Standards (A-IFRS), across the public sector. A substantial training program has been delivered to assist agencies to implement A-IFRS, together with an issues management system and comprehensive on-line information via the financial management knowledge centre website.</p> <p>Based on feedback from agencies, and the outcome of the Auditor-General's review of A-IFRS opening balances as part of the 2005-06 Budget, DTF believes that this co-ordinated approach has resulted in efficient and effective implementation of A-IFRS.</p>	<p>No further action will be taken on this recommendation.</p>
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• **Recommendation 86 (Page 318)**

<p>The Department of Treasury and Finance issue as soon as possible all financial reporting directions for all outstanding issues with the transition to the Australian equivalents to the International Financial Reporting Standards.</p>	<p>Accept in Principle</p>	<p>The Department of Treasury and Finance have issued all finalised Australian-International Financial Reporting Standards (A-IFRS).</p>	<p>Directions will be issued on contributed capital and financial instruments once guidance from the Australian Accounting Standards Board and Heads of Treasury Accounting and Reporting Committee (particularly in relation to Government Financial Statistic /Generally Accepted Accounting Principles convergence) is finalised.</p> <p>Because A-IFRS are continuing to change, the Department of Treasury and Finance has put in place ongoing monitoring of these changes to identify any further revisions required to Financial Reporting Directions.</p>
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**CHAPTER 16: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
<p>• <b>Recommendation 87 (Page 321)</b></p>			
<p>The Department of Treasury and Finance develop guidelines for public sector insurers on capital adequacy reserves and any related insurance financial practices, following examination of Australian Prudential Regulation Authority guidelines and related insurance industry guidance.</p>	<p>Under review</p>	<p>The Department of Treasury and Finance is engaged in a Review of the Capital, Pricing and Reserving Policy that should apply to Victorian statutory insurance agencies. This review has regard to Australian Prudential Regulation Authority requirements for commercial insurers, but does not necessarily accept that all of these are applicable to, or should be applied to, statutory bodies.</p> <p>The Review is expected to be completed before December 2005.</p>	<p>The Public Accounts and Estimates Committee will be advised of the outcome of the Review.</p>
<p>• <b>Recommendation 88 (Page 323)</b></p>			
<p>The Department of Treasury and Finance review the cost effectiveness of winding up the vehicle lease agreement with the Commonwealth Bank of Australia earlier than 2007-08.</p>	<p>Under Review</p>	<p>A comprehensive analysis is currently being conducted to establish the most cost-effective strategy going forward, as a substantial portion of the Commonwealth Bank of Australia (CBA) fleet remains.</p> <p>The Profit and Loss Accrual Account (PLAA) deficit has progressively been reduced.</p> <p>The PLAA balance does not include a future contingent liability which is payable on final termination. This will not crystallise until after October 2006.</p> <p>A recent exercise based on CBA data shows sufficient provision has been made by Department of Treasury and Finance to account for the winding down of the CBA lease agreement.</p>	<p>The plan to date has been to naturally wind-down the number of vehicles and funds involved in CBA leases by October 2006.</p> <p>VicFleet maintains ongoing monitoring of the lease facility and liabilities to ensure sufficient provisions are made to minimise financial risk.</p>
<p>• <b>Recommendation 89 (Page 324)</b></p>			
<p>The Department of Treasury and Finance and the Transport Accident Commission ensure that future AFL sponsorship arrangements provide for public disclosure of the costs and benefits of these arrangements.</p>	<p>Under Review</p>	<p>The Transport Accident Commission has informed Government that its sponsorship arrangements with football clubs are commercial-in-confidence, which is consistent with the practice of the past 16 years.</p>	<p>The Government will consider the Public Accounts and Estimates Committee's recommendation.</p>

**CHAPTER 16: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT OF TREASURY AND FINANCE

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 90 (Page 324)**

<p>The Government advise the Public Accounts and Estimates Committee whether the AFL sponsorship arrangements between the Transport Accident Commission and AFL clubs comply with the government's guidelines on confidentiality.</p>	<p>Under Review</p>	<p>The Transport Accident Commission is an independent statutory body and is responsible for managing it's own commercial operations including making decisions on confidentiality.</p>	<p>The Government will consider the Public Accounts and Estimates Committee's recommendation.</p>
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**CHAPTER 17: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT FOR VICTORIAN COMMUNITIES**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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**• Recommendation 91 (Page 328)**

<p>The Department for Victorian Communities improve its budgetary practices for estimating the Commonwealth Games output costs and forecasting cash flow needs, to reduce the incidence of contingency funding provided in the budget estimates for the Commonwealth Games output.</p>	<p>Under Review</p>	<p>In line with established and prudent financial management practice for major events, the Government included a contingency allowance when it announced the whole of Games budget in March 2003. The appropriation of this allowance to the Department for Victorian Communities (DVC) was split between the 2004-05 and 2005-06 financial years. Inclusion in the annual appropriation ensures transparency and accountability for this component of the whole of Games budget and ensures that Games organisers have sufficient cashflow to deliver the Games. Access to the Games contingency is made only after all alternative funding options have been evaluated and is subject to prior approval from Government.</p>	<p>Reporting of expenditure, which includes any expenditure against the Games contingency fund, is included in the Commonwealth Games Special Purpose report published as an Appendix to the DVC Annual Report.</p> <p>Any underspend of the 2004-05 Games contingency will be carried forward for use in 2005-06.</p>
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**• Recommendation 92 (Page 328)**

<p>The Department for Victorian Communities evaluate practices for estimating grant claims and set performance targets as a means of forecasting accurate budget estimates for the Community Building output.</p>	<p>Accept in Principle</p>	<p>The Department for Victorian Communities (DVC) will continue to examine ways to improve its grant monitoring systems.</p> <p>DVC is developing an electronic grants management system which, in addition to managing processes associated with the grants paid from the Community Building Output, will enable the Department to estimate grants claims in a more timely manner.</p>	<p>DVC regularly reviews performance measures and targets as part of a Department-wide program to maximise financial accountability.</p>
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**• Recommendation 93 (Page 331)**

<p>The annual report of the Department for Victorian Communities include details of specific projects and programs receiving carry over funding from parliamentary appropriations.</p>	<p>Reject</p>	<p>The information disclosed within the annual report complies with the guidelines established at a whole of government level. To detail project level information, related to grant carryovers, appears excessive, particularly for the numerous small grants. Furthermore, in some cases grant carryovers relate to the carryover of funds that are yet to be committed and so specific details do not exist.</p>	<p>No further action will be taken on this recommendation.</p>
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**CHAPTER 17: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

DEPARTMENT FOR VICTORIAN COMMUNITIES

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 94 (Page 331)**

<p>The Melbourne and Olympic Park Trust recognise liabilities in accordance with accounting concepts issued by the professional accounting bodies in Australia, to ensure an unqualified audit opinion is issued for the 2004-05 financial report.</p>	<p>Under review</p>	<p>The Trust has advised that it has now provided the full funding allocation to the State Training Velodrome Project and that this issue will appear for the last time in the Trust's 2004-05 Financial Report.</p> <p>The Trust has further advised that this issue revolves around the understanding of Accounting Standards terminology and is not material to the Trust's finances.</p>	<p>The Trust has advised that the 2004-05 financial year will be the last year that this issue will appear in their financial report. The Department for Victorian Communities will monitor the Trust's financial report to ensure it is consistent with its advice on this matter.</p>
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• **Recommendation 95 (Page 332)**

<p>Output performance reporting by the Department for Victorian Communities include explanations for key variations from output budget and performance targets.</p>	<p>Accept in principle</p>	<p>The Department for Victorian Communities (DVC) publishes its output performance results in its Annual Report.</p>	<p>DVC will continue to publish performance results and explanations for significant variations.</p>
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• **Recommendation 96 (Page 335)**

<p>The Aboriginal Affairs unit report on Indigenous affairs on an annual basis and highlight financial and service delivery outcomes.</p>	<p>Accept in Part</p>	<p>The report on Aboriginal Affairs will continue to be produced. The measure '<i>Annual Aboriginal Report tabled in Parliament</i>' has been discontinued in the 2005-06 State Budget papers as the output's performance measures are refocused on activities that benefit Indigenous communities.</p>	<p>No further action will be taken on this recommendation.</p>
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**CHAPTER 17: GOVERNMENT'S RESPONSE TO THE PAEC REPORT NO. 62 – 2003-2004 BUDGET OUTCOMES**

**DEPARTMENT FOR VICTORIAN COMMUNITIES**

PAEC Recommendation	Response	Action Taken to Date	Further Action Planned
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• **Recommendation 97 (Page 335)**

<p>The Department for Victorian Communities ensure that the internet version of the new Victorian Community Support Grant guidelines and application processes are user friendly and interactive.</p>	<p>Accept</p>	<p>A significant number of changes have been made to date.</p> <ul style="list-style-type: none"> <li>• The “My Details” section of the Grants@DVC website links the applicant to an online application and to any draft applications that may have been completed. Applicants can save and return to a draft application at any time until they have submitted the application to the Department for Victorian Communities (DVC) for consideration;</li> <li>• Additional on screen instructions guide the applicant through the process of completing an application. The system prompts the applicant to complete a response to certain mandatory fields before the application can be submitted;</li> <li>• A word version of the application form has been provided as an alternative to an online application. This provision is of particular benefit where applicants who experience slow network performance from their internet service provider;</li> <li>• The word version of the Victorian Community Support Grant (VCSG) application form has been provided in a format that can be accessed from older versions of Microsoft Office and Windows;</li> <li>• A link to the online application form or the alternative word version of the VCSG application form is located in the one place on the website; and</li> <li>• The overall colour scheme and design of the Grants@DVC website has been altered to conform to the DVC standard and ensure that the design of the website is more browser-friendly for the user.</li> </ul>	<p>With the completion of DVC’s new eGrants system in mid 2006, further enhancements to the online application process are expected.</p>
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