
Government Responses to the Recommendations of

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S

96th Report on the 2010-11 Budget Estimates – Part Three

DEPARTMENT OF TREASURY AND FINANCE

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) 96th Report.

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

1 Title		
2 Chapter number and topic		
1 PAEC Recommendation	2 Response	3 Action Taken to Date and Commitment to Further Action

Row 1: Indicates the title of this paper.

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

Column 1: Contains the PAEC's recommendations as published in its 96th Report.

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

Support – Commitments to further action should include target timeframes, where possible.

Under review – Details of the nature of the review should be provided as well as target timeframes, where appropriate.

Not support – Must be accompanied by an explanation.

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

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 1, Chapter 3.7 Reporting on asset investment (Page 56)</p>		
<p>For the information needs of Parliament and the community, departments should provide in their annual reports, details of the progress made on asset investment projects and the outcomes delivered against project objectives.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The Government is committed to increasing transparency and oversight of the delivery of major projects by all departments and agencies.</p> <p><i>Further action planned</i></p> <p>The Government will consider options to increase the disclosure requirements for significant asset investment projects in the <i>2011-12 Model Financial Report for government departments</i>.</p>
<p>• Recommendation 2, Chapter 3.7 Reporting on asset investment (Page 57)</p>		
<p>Major Projects Victoria should develop suitable performance measures upon which the progress of major projects can be measured. Performance measures should be reported in future annual reports.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Major Projects Victoria (MPV) is delegated to act on behalf of the facilitating agency for nominated Major Projects under the <i>Project Development and Construction Management Act</i>. The facilitating agency is responsible for the performance measures for that project. MPV only reports on those projects for which it receives direct funding. There is currently a performance measure to measure the overall performance of nominated MPV projects.</p> <p><i>Further action planned</i></p> <p>DTF will examine, in consultation with MPV, the appropriateness of any new measure for future reporting.</p>
<p>• Recommendation 3, Chapter 4.2 Strategic planning underpinning budget allocations (Page 64)</p>		
<p>As part of the review of the Government's Integrated Management Cycle, the Department of Treasury and Finance require each department to develop a long-term strategic policy framework which brings together all major policy decisions, directions and strategies that underpin its budget.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>DTF has reviewed the Integrated Management Cycle and developed a best practice model for release in 2011.</p> <p><i>Further action planned</i></p> <p>DTF is developing proposals for a strengthened planning and performance management framework.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 4, Chapter 4.2 Strategic planning underpinning budget allocations (Page 64)</p>		
<p>The Department of Treasury and Finance consider developing a standard approach for presenting major policy decisions, directions and strategies in the budget papers for each department. A diagrammatic representation of this model would assist readers of the budget papers.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>DTF undertakes a review of the content of the budget papers each year.</p> <p><i>Further action planned</i></p> <p>DTF is developing standard requirements for departmental strategic commentary in the budget papers, which will include, at a minimum, departmental objectives and the actions which will be taken by the department to achieve these objectives. In finalising the format of the budget papers (including the use of diagrams), consideration will be given to ways to enhance the readability of the document.</p>
<p>• Recommendation 5, Chapter 4.2 Strategic planning underpinning budget allocations (Page 65)</p>		
<p>The Department of Treasury and Finance develop a standard approach for disclosing challenges faced by each department in the budget papers. Consideration could be given to adopting a standard 'immediate', 'medium' or 'long-term' classification for expressing organisational challenges in the budget papers.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>DTF undertakes a review of the content of the budget papers each year.</p> <p><i>Further action planned</i></p> <p>DTF is developing standard requirements for departmental strategic commentary in the budget papers and will focus on ensuring consistency in terminology and approach across the departmental statements.</p>
<p>• Recommendation 6, Chapter 4.2 Strategic planning underpinning budget allocations (Page 66)</p>		
<p>The Department of Treasury and Finance consider expanding information disclosed in Budget Paper No.3 by:</p> <p>(a) disclosing for each new budget initiative in Appendix A, the Growing Victoria Together* goal and the policy, strategy or plan that underpins each budget allocation as well as the responsible minister(s); and</p> <p>(b) Grouping output and asset initiatives according to major government policies where considered feasible.</p> <p>*Note: The 96th report was released during the term of the previous Government.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p><i>Growing Victoria Together</i> was a policy of the previous Government.</p> <p><i>Further action planned</i></p> <p>DTF will develop options to enhance the information available to the public on the link between new funding and key government policies and priorities.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 7, Chapter 4.2 Strategic planning underpinning budget allocations (Page 66)</p>		
<p>For new revenue raising initiatives, the Department of Treasury and Finance consider reporting in the budget papers, the medium and long-term strategies that underpin these revenue streams in the context of Growing Victoria Together*.</p> <p>*Note: The 96th report was released during the term of the previous Government.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p><i>Growing Victoria Together</i> was a policy of the previous Government.</p> <p><i>Further action planned</i></p> <p>DTF will develop options to enhance the information available to the public on new revenue raising initiatives.</p>
<p>• Recommendation 8, Chapter 4.2 Strategic planning underpinning budget allocations (Page 66)</p>		
<p>To increase the transparency of reporting, the Department of Treasury and Finance consider including information in the budget papers to explain how strategic planning has influenced significant fluctuations in funding for output and asset initiatives in the out years.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The Government is committed to increasing transparency and oversight of the delivery of output and asset initiatives, in particular, by all departments and agencies.</p> <p><i>Further action planned</i></p> <p>The Government will seek to improve the information available to the public that explains fluctuations in funding for output and asset initiatives in the out years. The form that this will take and when this will be implemented will be determined by the Government in the context of proposals being developed by DTF for a strengthened planning and performance management framework.</p>
<p>• Recommendation 9, Chapter 4.4 Annual Statement of Government Intentions – relevance to the Budget (Page 72)</p>		
<p>In terms of improving the relevance of the Annual Statement of Government Intentions to the budget by linking government intentions with funding, the Government evaluate the merits of transforming its Annual Statement of Government Intentions into a key strategic planning document for Government by:</p> <p>(a) including a section that outlines the medium to long-term intentions of the Government; and</p> <p>(b) aligning the period covered with that of the Budget.</p>	<p>Under review</p>	<p><i>Action taken to date</i></p> <p>The Government does not plan to continue production of an annual Statement of Government Intentions.</p> <p><i>Further action planned</i></p> <p>However, should the Government produce a statement of Government intentions, or similar, it will consider outlining its medium to long term intentions and aligning the period covered with that of the Budget.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 10, Chapter 5 The COAG Reform Agenda and Productivity in Victoria (Page 75)</p>		
<p>The Department of Treasury and Finance consider any ways to improve information accessibility, via the reporting in the budget papers or through amending the reporting requirements for departments, to make clearer the extent of policy alignment between the departments, Whole of Victorian Government intentions and the Council of Australian Governments Reform Agenda.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>To date, Budget Paper 2 has outlined Victoria's agenda and its linkages to the COAG Reform Agenda. Furthermore, Departmental reporting in Budget Paper 3, where appropriate, identifies linkages with the COAG Agenda.</p> <p><i>Further action planned</i></p> <p>DTF will improve information transparency and will work across agencies to identify opportunities to align national and Victorian indicators, improve information accessibility, including as part of the Budget Papers, and make clearer the alignment with Victorian and COAG reform agendas.</p>
<p>• Recommendation 11, Chapter 5.4 Progress on the National Reform Agenda (Page 80)</p>		
<p>The Department of Treasury and Finance detail in future budget papers what Council of Australian Governments Reform Agenda milestones the Victorian Government intends to achieve in the coming year, which departments will be responsible and how much funding has been allocated to associated projects.</p>	<p>Under review</p>	<p><i>Action taken to date</i></p> <p>Budget Paper 4 publishes a list of National Partnerships Payments Victoria expects to receive for specific purposes. As National Partnerships have limited time frames and are signed, developed and completed at varying points in the financial year, it has proven difficult to provide a meaningful and comprehensive report on milestones in the budget papers.</p> <p><i>Further action planned</i></p> <p>The need for further action will be reviewed. However, it should be noted that all COAG agreements (National Partnerships) are available on-line, outlining milestones and payment schedules. In addition, the COAG Reform Council compiles an implementation report on a national basis.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 12, Chapter 5.4 Progress on the National Reform Agenda (Page 80)</p>		
<p>Where the Council of Australian Governments Reform Agenda milestones are deficient, the Victorian Government develop its own milestones to indicate what progress it intends to make within a reporting period towards the agreed reforms and disclose these in the budget papers along with the Council of Australian Governments Reform Agenda milestones it intends to achieve.</p>	<p>Under review</p>	<p><i>Action taken to date</i></p> <p>To date, departmental output performance measures in Budget Paper 3 have reported progress to Victoria's reform agenda, which, when appropriate, will align with national objectives and indicators.</p> <p><i>Further action planned</i></p> <p>The need for further action will be reviewed. However, it should be noted that all COAG agreements (National Partnerships) are available on-line, outlining milestones and payment schedules. DTF will continue to explore with departments opportunities to improve more generally the quality of measures reported in the Budget.</p>
<p>• Recommendation 13, Chapter 5.4 Progress on the National Reform Agenda (Page 83)</p>		
<p>Where departments consider the Council of Australian Governments reporting framework to be inadequate, they provide data about their performance in their annual reports with respect to both the agreed indicators and what they consider to be better indicators.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>To date, Budget Paper 3 has included departmental output performance measures that are appropriate to Victoria which, where relevant, align directly with COAG indicators. DTF continues to explore with departments opportunities to improve the quality of indicators.</p> <p><i>Further action planned</i></p> <p>DTF will work across agencies to identify opportunities to improve the quality of performance measures and pursue similar continuous improvements in COAG indicators.</p>
<p>• Recommendation 14, Chapter 5.6 Other planned improvements to productivity and efficiency (Page 84)</p>		
<p>The Department of Treasury and Finance provide in the budget papers details of efficiency initiatives as in previous years, broken down by department and totalled for the whole government, and disaggregated from other figures.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Efficiencies were published by the previous Government in Budget Paper 3, Appendix A in the 2007-08 and 2009-10 State Budgets. There were no new efficiencies approved as part of the 2010-11 State Budget process.</p> <p><i>Further action planned</i></p> <p>The Government is committed to a more efficient public sector. Any efficiency approved by Government will be published and broken down into components and departments in the budget papers.</p>

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<p>• Recommendation 15, Chapter 5.6 Other planned improvements to productivity and efficiency (Page 85)</p>		
<p>The Department of Treasury and Finance include in future budget papers a discussion of any efficiency targets influencing that year's budget, including initiatives announced in previous budget papers, and any changes to the targets or strategies used to achieve those targets since the initiatives were announced.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Policy initiatives and efficiencies were disclosed by the previous Government in the budget papers for the year in which they are approved.</p> <p><i>Further action planned</i></p> <p>The Government is committed to a more efficient public sector. Clear and transparent information on efficiencies influencing the current year's budget, including targets and any updates to the targets or strategies to achieve these targets, will be made available to the public, including in the budget papers. Previously approved efficiencies will continue to be reflected in the forward estimates.</p>
<p>• Recommendation 16, Chapter 6.3 Major variations in revenue items (Page 91)</p>		
<p>In future budget papers, for all revenue categories, the Department of Treasury and Finance:</p> <p>(a) explain significant variations from the revised estimates for the previous year; and</p> <p>(b) Provide full comparisons with the previous two years' expected and actual outcomes.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Budget Paper 4 includes an explanation of significant variations from the revised estimates for the previous year for some, but not all, revenue categories.</p> <p><i>Further action planned</i></p> <p>DTF will work to include in the 2011-12 State Budget:</p> <p>(a) explanations of significant quantifiable variations between forecast budgeted revenue figures and revised revenue estimates from the previous year for all major revenue categories; and</p> <p>(b) produce a comparison between forecast revenue in the budget year, revised revenue estimates from the previous year and actual revenue figures from two years prior, for all major revenue categories.</p>

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<p>• Recommendation 17, Chapter 6.3 Major variations in revenue items (Page 94)</p>		
<p>Sustainability Victoria report on the effects of the landfill levy in future annual reports, including:</p> <p>(a) demonstrable effects of the levy on reducing the amount of waste going to landfill; and</p> <p>(b) The effectiveness of the programs funded through the landfill levy.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Each year, Sustainability Victoria sets targets for diverting waste from landfill and these targets are published through the annual business plan and success reported on through the annual report. The annual report details the achievements and challenges for all programs.</p> <p>http://www.sustainability.vic.gov.au/resources/documents/SV_Business_Plan_2010.pdf (http://www.sustainability.vic.gov.au/www/html/2858-annual-report-2009-2010.asp)</p> <p>Additionally, Sustainability Victoria also reports annually on its achievements and progress on meeting its legislated objective and Government priorities.</p> <p><i>Further action planned</i></p> <p>No further action required.</p> <p><i>Action taken to date</i></p> <p>In 2010, Sustainability Victoria released a report titled 'Hundreds of sustainability projects taking sustainable action' on five years of the Victorian Government Sustainability Fund 2005-2010. The report tracks how the Fund is delivered against the priorities set out in the Sustainability Fund Priority Statement and includes a series of case studies showcasing the Fund's contribution. The report contains a full list of projects supported through open grants and strategic allocations. (http://www.sustainability.vic.gov.au/resources/documents/sustainability_fund_2005_2010.pdf)</p> <p><i>Further action planned</i></p> <p>Sustainability Victoria will continue to support the recommendation through clearly identifying in their annual report:</p> <ul style="list-style-type: none"> • the Landfill Levy revenue Sustainability Victoria has received; • the programs supported with Landfill Levy funds; and • the successes and achievements of those programs.

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 18, Chapter 6.4 The competitiveness of Victoria's taxation system (Page 98)</p>		
<p>In future budget papers, the Department of Treasury and Finance list the figures it estimates for gross state product and provide precise details of where these have been derived from.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The budget papers in previous years have published growth forecasts relating to real GSP. Previous budget papers have also published ratios with reference to nominal GSP such as tax competitiveness and net debt ratios.</p> <p><i>Further action planned</i></p> <p>The budget papers will include the publication of nominal Victorian GSP forecasts beginning with the 2011-12 Budget to improve the transparency of information and indicate that these are internally derived.</p>
<p>• Recommendation 19, Chapter 7.5 First home buyer initiatives (Page 111)</p>		
<p>The Department of Treasury and Finance should report in its annual financial report the number of first home applicants broken down by whether the homes were established or newly constructed and whether they were in regional or metropolitan Victoria.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>First home owner grant statistics are published by the State Revenue Office (SRO) at http://www.e-business.sro.vic.gov.au/corporate/statistics/faces/fhog/summary.jsp. This includes data on the number of grants for new and established homes, and the first home owner regional bonus.</p> <p><i>Further action planned</i></p> <p>The Department of Treasury's annual report will reference the information provided on the SRO website.</p>
<p>• Recommendation 20, Chapter 7.5 First home buyer initiatives (Page 111)</p>		
<p>The Department of Treasury and Finance should include in the budget papers an estimate of the total cost of assistance that will be provided to first homebuyers.</p>	<p>Under review</p>	<p><i>Action taken to date</i></p> <p>First home owner assistance is a combination of both Commonwealth and State policy initiatives. First home owner grant statistics (State) are published by the State Revenue Office (SRO) at http://www.e-business.sro.vic.gov.au/corporate/statistics/faces/fhog/summary.jsp.</p> <p><i>Further action planned</i></p> <p>The Government will consider whether it is appropriate to publish estimates of the total cost of assistance that will be provided to first homebuyers in the budget papers.</p>

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<p>• Recommendation 21, Chapter 8.3 Critical issues confronting regional and rural communities and the Budget response (Page 121)</p>		
<p>The Department of Treasury and Finance consider providing greater transparency over resourcing decisions involving regional and rural communities by linking budget allocations for new initiatives to strategic plans and critical issues affecting specific regions of the State</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The Government is committed to ensuring that public funding to regional and rural Victoria is transparent.</p> <p><i>Further action planned</i></p> <p>DTF will consider developing options to enhance the information available to the public on the link between new funding, plans and issues affecting specific regions of the State.</p>
<p>• Recommendation 22, Chapter 8.5 Disclosure of regional and rural funding initiatives in the 2010-11 budget papers (Page 127)</p>		
<p>The Department of Treasury and Finance consider introducing into the budget papers an information paper that consolidates and stratifies funding initiatives provided to the regional and rural sector of Victoria according to geographic location, topic and department.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The Government is committed to ensuring that public funding to regional and rural Victoria is transparent.</p> <p><i>Further action planned</i></p> <p>DTF will consider developing options to enhance the information available to the public on the link between new funding and plans and issues affecting specific regions of the State. However, no new budget information papers will be introduced.</p>
<p>• Recommendation 23, Chapter 8.6 Specific budget initiatives affecting regional and rural Victorians (Page 130)</p>		
<p>After a sufficient lead time has elapsed in relation to actioning the adopted recommendations from the Victorian Bushfires Royal Commission, the Government develop an evaluation and reporting framework in relation to measures taken in response to the 2009 Victorian bushfires.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Funding has been provided for an independent monitor to oversee the progress of the implementation of the Bushfire Royal Commission Final Report recommendations.</p> <p><i>Further action planned</i></p> <p>Former Chief Commissioner of Police, Neil Comrie was appointed as the independent monitor in late 2010 to monitor government departments and agencies as they implement the Royal Commission recommendations. A progress report is scheduled to be provided to Parliament in mid 2011.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<ul style="list-style-type: none"> Recommendation 24, Chapter 9 Departmental workforce and jobs in the State (Page 137) 		
<p>All departments ensure that budget year employment number estimates are available to the Public Accounts and Estimates Committee in the future.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Most departments provided estimated Equivalent Full-Time figures for 30 June 2010 and 30 June 2011 as part of the department's response to the Committee's 2010-11 Budget estimates questionnaire.</p> <p><i>Further action planned</i></p> <p>Departments will provide estimated Equivalent Full-Time figures to the Committee as requested.</p>
<ul style="list-style-type: none"> Recommendation 25, Chapter 10.2 Securing jobs (Page 147) 		
<p>The Department of Treasury and Finance provide the Committee with detailed estimates underpinning the jobs target in the 2010-11 Budget.</p>	<p>Not support</p>	<p><i>Action taken to date</i></p> <p>The detailed estimates underpinning the previous Government's jobs target in the 2010-11 State Budget were subject to the caretaker conventions and are no longer held by DTF.</p> <p><i>Further action planned</i></p> <p>No further action planned.</p>
<ul style="list-style-type: none"> Recommendation 26, Chapter 10.2 Securing jobs (Page 148) 		
<p>When setting targets for major policy initiatives in the Budget, the target should be outlined in a consistent manner so that it is unambiguous and measurable from an accountability perspective.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>DTF reviews the content and quality of the budget papers.</p> <p><i>Further action planned</i></p> <p>DTF will review the guidance provided to departments to assist with setting targets associated with major policy initiatives in the budget papers, including appropriate terminology to describe the targets.</p>
<ul style="list-style-type: none"> Recommendation 27, Chapter 10.3 Central Activities Districts (Page 154) 		
<p>VicUrban develop processes for measuring and reporting in its annual financial report the extent of jobs creation and private sector investment in central Dandenong.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>There are processes now in place for the collection of relevant data.</p> <p><i>Further action planned</i></p> <p>The information will be included in future annual reports.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 28, Chapter 10.3 Central Activities Districts (Page 154)</p>		
<p>As the Central Activities District initiative unfolds, the Department of Planning and Community Development include a progress report in its annual report disclosing expected net benefits and outcomes and any revisions from previously reported net benefits and outcomes.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The DPCD Annual Report currently reports on specific Central Activities Districts' (CADs) projects on a case study basis.</p> <p>DPCD will continue to monitor the performance of individual CADs against the five objectives for the overall CAD program (as well as the development of Central Geelong), and report on the overall achievement of CAD objectives as part of the current metropolitan planning strategy.</p> <p><i>Further action planned</i></p> <p>In the future DPCD will report on achievements against the Metropolitan Planning Strategy (to be developed).</p>
<p>• Recommendation 29, Chapter 11.2 Health reform (Page 159)</p>		
<p>The Department of Health undertake a substantial review of its performance measures to ensure that:</p> <p>(a) the measures reflect the improvements anticipated in creating the new Department of Health; and</p> <p>(b) the measures are consistent with, and complement, the new national Performance and Accountability Framework.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>An audit of all State and Commonwealth reported measures has identified common elements. An internal review of the Executive Performance Report has recommended greater alignment of measures to identify common components, and a structure for identifying the department's progress against strategic directions.</p> <p>As part of the annual budget cycle the department reviews and identifies appropriate performance measures for inclusion in Budget Paper 3.</p> <p><i>Further action planned</i></p> <p>The department will consider changes to published Budget Paper 3 measures as part of the annual cycle. The department will implement a new hospital performance website in 2011 to better align with national Performance and Accountability Framework.</p>
<p>• Recommendation 30, Chapter 11.3 Capital works in hospitals (Page 163)</p>		
<p>The Department of Health maintain webpages for each of its three main capital works projects, including progress milestones with target dates for each as soon as they are available.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The Department of Health has established and/or is establishing at present websites for each of its four main capital projects (including the Royal Children's Hospital Redevelopment). Key milestones will be set as targets for each of the websites (as appropriate).</p> <p><i>Further action planned</i></p> <p>The websites for the Department's larger capital projects will be developed with milestones and progressively updated with firm dates as these become available.</p>

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<p>• Recommendation 31, Chapter 11.3 Capital works in hospitals (Page 163)</p>		
<p>The Department of Health report annually on the progress against timelines and budget of its largest capital works projects. This progress information should be included in the Department's annual reports and the Department should consider developing appropriate performance indicators for these projects for inclusion in the budget papers, following the model of the Department of Transport.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Progress of the Parkville Comprehensive Cancer Centre (now Victorian Comprehensive Cancer Centre) project was reported in the Annual Report for the Department of Health 2009-10 (p. 9). Budget Information Paper No. 1 (2010-11) reported key information regarding project progress. Development of appropriate design and construction phase performance indicators (deliverables) for the department's larger capital projects will be better informed following the detailed evaluation of public tenders. The tender process assists the identification of performance indicators (deliverables) and the reporting of project progress against same.</p> <p><i>Further action planned</i></p> <p>It is anticipated that the Annual Report for the department will provide detailed progress of the larger projects against time and cost performance indicators. A review will be undertaken of the Department of Transport model of performance indicators, and inclusion of performance indicators in budget papers.</p>
<p>• Recommendation 32, Chapter 11.3 Capital works in hospitals (Page 165)</p>		
<p>The Department of Treasury and Finance continue to provide, in future budget papers, a break-down of health asset investment initiatives by whether they are for regional and rural Victoria or metropolitan Melbourne.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The Department of Health will continue to work together with the Department of Treasury and Finance to ensure that budget papers clearly show a breakdown of all health asset initiatives that are spread across the State. Budget Information Paper No. 1 reports the locality/suburb of each capital initiative.</p> <p><i>Further action planned</i></p> <p>It is anticipated that future budget papers, in particular BIP1, will continue to state the breakdown of health asset initiatives across the state for both metropolitan and rural Victoria.</p>

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<p>• Recommendation 33, Chapter 11.3 Capital works in hospitals (Page 165)</p>		
<p>In reporting results against key performance measures in its annual report, the Department of Health report, where possible, results for metropolitan Melbourne and rural and regional Victoria separately.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Budget Paper 3 performance measures are predetermined and agreed by Government. The department's Annual Report captures the output performance results against these measures; the 'Year in Review' section highlights key achievements against strategic directions. Where possible, achievements specific to metropolitan, regional and rural Victoria are highlighted. Aside from the Annual Report, performance measures are also reported in Your Hospital and Primary Care Partnerships reports in respect to specific projects undertaken, and the Home and Community Care (HACC) program has a data collection team that manages the HACC Minimum Data Set (MDS) in Victoria.</p> <p><i>Further action planned</i></p> <p>For future annual reports, the department will obtain 'Year in Review' highlights that outline performance measure results separately, where possible, for metropolitan Melbourne, rural and regional Victoria. Performance measures will still be reported against Budget Paper 3 performance measures determined by Government. If these are identified separately for metropolitan Melbourne, rural and regional Victoria, they will be reflected in reporting.</p>
<p>• Recommendation 34, Chapter 11.5 Early childhood education (Page 167)</p>		
<p>As part of its review of the Integrated Management Cycle Guide, the Department of Treasury and Finance examine the Department of Education and Early Childhood Development's policy documents and consider whether there are any lessons about best practice in planning that can be taken from the documents for inclusion in the Guide.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>In reviewing the integrated management cycle, DTF has examined best practices across a range of agencies within the State, Australia and internationally. Any future reforms are yet to be considered by the Government.</p> <p><i>Further action planned</i></p> <p>DTF will continue to improve its guidelines on a regular basis and examine best practice, including through the examination of existing departmental examples such as DEECD.</p>
<p>• Recommendation 35, Chapter 11.5 Early childhood education (Page 170)</p>		
<p>The Department of Education and Early Childhood Development publish on its website an annual update on its progress towards meeting the Council of Australian Governments goal for kindergarten education, including the findings of its research and pilot programs.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Under the National Partnership for Early Childhood Education, the Australian Government and the state and territory governments are committed to publishing annual reports on progress with implementing the National Partnership towards achieving Universal Access to early childhood education by 2013.</p> <p>State and territory annual reports can be accessed from the Australian Government Department of Education, Employment and Workplace Relations site: http://www.deewr.gov.au/Earlychildhood/Policy_Agenda/ECUA/Pages/annualreports.aspx.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 36, Chapter 11.5 Early childhood education (Page 171)</p>		
<p>Based on its research, the Department of Education and Early Childhood Development consider developing supplementary standards to those in the National Quality Agenda for Early Childhood Education and Care to ensure that Victorian children receive the best possible outcomes from kindergarten programs.</p>	<p>Not support</p>	<p><i>Action taken to date</i></p> <p>The Council of Australian Governments (COAG) agreed in December 2009 to a new National Quality Framework (NQF) for early childhood education and care and school age care. Services will be required to comply with the NQF from 1 January 2012. Further information is provided at: http://www.education.vic.gov.au/earlylearning/nqa.htm.</p> <p>The NQF is an important reform which will produce a higher standard of education and care for children in the critical areas of education, health and safety and will provide clear and comprehensive information for families.</p> <p>Given the comprehensive nature of the NQF and the NQS and their applicability to kindergartens, it will be unnecessary to develop separate standards.</p>
<p>• Recommendation 37, Chapter 12.3 Responding to climate change (Page 180)</p>		
<p>As the Climate Change White Paper unfolds, the budget papers should include a section that explains the Government's efforts in contributing to the achievement of the White Paper's goals, including future requirements and funding allocations.</p>	<p>Under Review</p>	<p><i>Action taken to date</i></p> <p>The Climate Change White Paper Implementation Plan was released in late 2010, following the release of the Victorian State Budget.</p> <p><i>Further action planned</i></p> <p>The Climate Change White Paper represents the policy of the previous Government. The Government is currently considering how it will progress its climate change policy. Future budget papers will include clear reporting on the implementation and progress of the Government's own climate change policy once this has been developed.</p>
<p>• Recommendation 38, Chapter 12.3 Responding to climate change (Page 182)</p>		
<p>The Department of Treasury and Finance ensure that major initiatives under the Climate Change White Paper are represented within the budget papers across organisations, budget initiatives and outputs.</p>	<p>Under Review</p>	<p><i>Action taken to date</i></p> <p>The Climate Change White Paper Implementation Plan was released in late 2010, following the release of the Victorian State Budget.</p> <p><i>Further action planned</i></p> <p>The Climate Change White Paper represents the policy of the previous Government. The Government is currently considering how it will progress its climate change policy. Future budget papers will include clear reporting on the implementation and progress of the Government's own climate change policy once this has been developed.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 39, Chapter 12.3 Responding to climate change (Page 185)</p>		
<p>The Department of Sustainability and Environment disclose on its website information that provides a trail of how the \$105 million allocated in the 2010-11 Budget over four years to support the delivery of the Securing Our Natural Future White Paper has been allocated across planned actions, organisations, output initiatives and outputs.</p>	<p>Under Review</p>	<p><i>Action taken to date</i></p> <p>The White Paper is a Whole of Government document consisting of 123 actions that are being led or supported by DSE as well as other Victorian Government departments and agencies outside of DSE's portfolio including DPI, DPCD, DEECD, DTF, DPC, DOT, DOJ and VicRoads.</p> <p>DSE includes information on its website that currently details of each of the planned actions along with the relevant delivery partners.</p> <p>www.dse.vic.gov.au/DSE/nrence.nsf/LinkView/000F933199591B30CA2576720005DE9B3B3D9129AA0CB8B2CA25767F00040D5F</p> <p><i>Further action planned</i></p> <p>DSE will support the recommendation through reviewing the current reporting mechanisms over the next 12 months.</p>
<p>• Recommendation 40, Chapter 12.3 Responding to climate change (Page 185)</p>		
<p>In future Whole of Government plans, the plan state clearly which organisations are responsible for each action.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The Government is committed to transparency in planning.</p> <p><i>Further action planned</i></p> <p>DTF will work with departments to identify which organisation is responsible for the actions identified in any future Whole of Government plans.</p>
<p>• Recommendation 41, Chapter 12.5 Sustainable energy initiatives – the Greener Government Buildings program (Page 188)</p>		
<p>The Department of Treasury and Finance report on the performance of the Greener Government Buildings program against the energy and water consumption targets in the Growing Victoria Together Progress Report contained in the budget papers.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Measurement and verification of performance is a contractual requirement of all projects implemented under Greener Government Buildings program, which was an initiative of the previous Government.</p> <p><i>Further action planned</i></p> <p>DTF will prepare annual performance reports summarising program outcomes.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 42, Chapter 13.2 Building friendly, confident and safe communities (Page 194)</p>		
<p>Victoria Police consider redefining the 'Reduction in crimes against the person' performance measure to also disclose further information on key components, such as assaults and family violence.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Victoria Police has consistently undertaken detailed reporting on the sub-components of the Crime Against the Person category. This is provided in Victoria Police's Annual Report, and includes detailed analysis of the impacts of Family Violence Incidents on Assault statistics, as well as the relationship to Intervention Orders.</p> <p>The extent to which a detailed breakdown by component of the performance measure can be implemented is constrained by the amount of detail that it is feasible to include in the context in which the measure is published.</p> <p><i>Further action planned</i></p> <p>Victoria Police will consider providing further detailed reporting relating to the relationship between total crime against the person and the separate offences that make up that category in future annual reports. This will continue to include analysis of the impact of assaults in public (street assaults) and assaults recorded in the context of family violence.</p>
<p>• Recommendation 43, Chapter 13.2 Building friendly, confident and safe communities (Page 195)</p>		
<p>As a strategy to deter future street violence, the Department of Justice and Victoria Police arrange for outcomes achieved by the Safe Streets Task Force and the Operations Response Unit to be publicly reported on a regular basis.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>The work of the Safe Streets Task Force is being progressively subsumed into business-as-usual for the Operations Response Unit (ORU).</p> <p><i>Further action planned</i></p> <p>Victoria Police will continue to report on the Safe Streets Taskforce and ORU activities (under the heading of Public Order Operations) in its future annual reports.</p>
<p>• Recommendation 44, Chapter 13.2 Building friendly, confident and safe communities (Page 196)</p>		
<p>The Department of Human Services develop performance measures that relate to the youth workers budget initiative.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>A reporting framework has been developed and initial data will be available by the end of June 2011.</p> <p><i>Further action planned</i></p> <p>An evaluation framework is under development.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 45, Chapter 13.2 Building friendly, confident and safe communities (Page 198)</p>		
<p>The Department of Transport consider high growth areas when selecting locations for future premium stations.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>All new stations constructed, currently funded or under consideration for funding are in growth areas. In addition, the Department of Transport has developed a New Metropolitan Stations Strategy. The Strategy considers possible new railway stations on existing and proposed new railway lines in response to Melbourne's changing urban fabric. Patronage estimates for 2011, 2021 and 2031 are part of the multi-criteria evaluation of the stations.</p> <p><i>Further action planned</i></p> <p>The Department of Transport continuously engages with the Department of Planning and Community Development to identify future needs for new railway stations in growth area planning.</p>
<p>• Recommendation 46, Chapter 13.3 A fairer society that reduces disadvantage and respects diversity (Page 203)</p>		
<p>The Department of Health develop an action plan that identifies and targets areas across government where an early interventionist approach would reduce downstream usage of more costly services.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Consistent with directions identified in the mental health reform strategy, the Department of Health has:</p> <ul style="list-style-type: none"> • enhanced and expanded selected Mobile Support and Treatment teams to divert demand for Secure Extended Care Units (SECU) and enable early discharge for long stay acute inpatient clients • developed new intensive psychosocial support packages to proactively exit clients from SECU • funded aged intensive treatments teams to substitute for acute inpatient admission • expanded youth early intervention services to manage sustained demand for higher cost services. <p><i>Further action planned</i></p> <p>Proven initiatives that reduce demand for high cost bed based services will be expanded, subject to the availability of future funding.</p>
<p>• Recommendation 47, Chapter 14.2 Maintaining Victoria's AAA credit rating (Page 209)</p>		
<p>In future budget papers, the Department of Treasury and Finance should define 'prudent levels' in the context of determining the appropriate levels of the State's net debt.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>Within the <i>2010-11 Budget Update</i>, a sustainable (or prudent) level of public sector net debt was defined to mean:</p> <ul style="list-style-type: none"> - the State's fiscal settings are consistent with it maintaining its AAA credit rating; and - total public sector net debt does not exceed the levels forecast in the <i>2010-11 Budget Update</i>. <p><i>Further action planned</i></p> <p>Future Government considerations regarding prudent debt levels will be informed by the Independent review of State finances and disclosed in future budget papers.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
<p>• Recommendation 48, Chapter 14.3 Reducing the regulatory burden on business (Page 212)</p>		
<p>The Department of Treasury and Finance should expand the reporting in its progress reports on Reducing the Regulatory Burden by also providing details of how much each initiative has contributed to the \$500 million target.</p>	<p>Under review</p>	<p><i>Action taken to date</i></p> <p>In 2010, the previous Government continued to provide details for some of the Reducing Regulatory Burden (RRB) projects through case studies in the RRB Progress Report.</p> <p><i>Further action planned</i></p> <p>Reducing the Regulatory Burden was a policy of the previous Government; therefore there will be no further reporting on RRB.</p> <p>However, DTF will support the Government in its commitment to transparency and independent scrutiny of red tape reductions of 25%, including the implementation of future public reporting.</p>
<p>• Recommendation 49, Chapter 14.3 Reducing the regulatory burden on business (Page 212)</p>		
<p>The Department of Planning and Community Development should report on its website the contribution by the Councils Reforming Business program to the Reducing Regulatory Burden target.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>No action has been taken to date.</p> <p><i>Further action planned</i></p> <p>The Treasurer is the Minister responsible for overall reporting on Reducing Regulatory Burden. Following confirmation of measured regulatory burden savings by DTF through the Councils Reforming Business Program, savings will be published on the DPCD website.</p>
<p>• Recommendation 50 Chapter 15.1 Summary of the Government's response to the Committee's Report on the 2009-10 Budget Estimates (Page 217)</p>		
<p>The Department of Treasury and Finance provide further detailed information relevant to further actions involved in review processes that are identified in relevant responses to the Committee's recommendations.</p>	<p>Support</p>	<p><u>Sustainability and environment-related reporting</u></p> <p><i>Action taken to date</i></p> <p>DSE and DTF are conducting a joint review of government environmental reporting expected to be completed in May 2011. Currently Victorian government departments and agencies have a range of environmental performance reporting requirements to comply with, as well as the need to monitor environmental indicators to guide the reduction of their environmental impacts. The review aims to streamline these various reporting requirements and to broaden both the scope of agencies currently reporting and the 'materiality' of what is reported.</p> <p><i>Further action planned</i></p> <p>Subject to Government's endorsement of the review's recommendations after May 2011, implementation is anticipated to be effective from 2012-13, and will be communicated to departments and agencies through a revision to FRD 24C and/or another framework.</p>

PAEC Recommendation	Response	Action Taken to Date and Commitment to Further Action
		<p><u>Productivity-related indicators</u></p> <p><i>Action taken to date</i></p> <p>A cross portfolio Performance Reporting Improvement Working Group has been established as a forum - to identify ways performance indicator may be aligned across state and national reporting requirements.</p> <p><i>Further action planned</i></p> <p>DTF will continue to work across agencies to identify opportunities to align indicators.</p> <p><u>National Assessment program</u></p> <p><i>Action taken to date</i></p> <p>The Department of Education and Early Childhood Development has adopted service delivery targets for National Assessment program - Literacy and Numeracy (NAPLAN) measurements that exceed the national minimum standards as reflected in the Budget Paper 3 Output Performance Measures:</p> <ul style="list-style-type: none"> • Percentage of Year 9 Victorian students reaching the top two Bands (Bands 9 and 10) in NAPLAN Reading. This exceeds the national minimum standard, which was set at Band 6. • Percentage of Year 9 Victorian students reaching the top two Bands (Bands 9 and 10) in NAPLAN Numeracy. This exceeds the national minimum standard, was set at Band 6. <p><i>Further action planned</i></p> <p>No further action planned.</p>
<p>• Recommendation 51, Chapter 15.4 Improving the format of the Government's response (Page 223)</p>		
<p>In terms of continuously improving the format of the Government's response to Committee reports, a review be undertaken to assess whether there are any additional features that could be incorporated into this document in future.</p>	<p>Support</p>	<p><i>Action taken to date</i></p> <p>DTF has reviewed and updated the format of this Government response to the Committee's report, taking into account the specific suggestions made by the Committee.</p> <p><i>Further action planned</i></p> <p>No further action planned.</p>