
Government Responses to the Recommendations of

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S

Report on the 2020-21 Budget Estimates

Pursuant to Section 36 of the Parliamentary Committees Act 2003, this paper provides a response to the recommendations contained in the Public Accounts and Estimates Committee's (PAEC) Report on the 2020-21 Budget Estimates.

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

1 PAEC recommendation	2 Response	3 Action taken to date and commitment to further action
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Column 1: Contains PAEC's recommendations as published in its Report on the 2020-21 Budget Estimates.

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

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

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 1: The Government include in State Budgets numerical components to measures and targets that are measurable and specific.</p>	Support-in-Principle	<p>The Government provides measurable and specific sustainability objectives associated with its fiscal strategy. These can be found in Budget Paper Number 5 Chapter 1.</p> <p><i>‘Uncertainty regarding the coronavirus (COVID-19) pandemic and its impact on the State’s financial position remains. While Victoria’s economic recovery has been stronger than expected, some sectors are continuing to experience challenges. Should the economic recovery path continue as forecast, the Government’s financial sustainability objectives for the 2021-22 Budget are that:</i></p> <ul style="list-style-type: none"> • <i>the operating deficit will reduce over the budget and forward estimates; and</i> • <i>an operating cash surplus will be achieved before the end of the forward estimates.</i> <p><i>These measures give regard to the important role the Government has in supporting the COVID-19 response and the continued economic recovery’.</i></p>
<p>RECOMMENDATION 2: The Department of Treasury and Finance continue to publish in the budget paper data and modelling on changes to Victoria’s credit ratings and any subsequent impacts and borrowing costs.</p>	Support-in-Principle	<p>The Department of Treasury and Finance (DTF) continually monitors the State’s credit rating. Changes to the State’s credit rating are infrequent but DTF will continue to publish in the budget papers details of any changes to Victoria’s credit ratings.</p> <p>The State’s borrowing costs are influenced by a range of factors including the State’s credit rating. Other factors that influence the interest rate at which the State can raise funds include the term to maturity of the borrowing, investor demand for bonds, and the monetary policy stance of the Reserve Bank of Australia. It is therefore extremely difficult to reliably estimate the specific impact changes in the State’s credit rating have on subsequent impacts on borrowing costs.</p>
<p>RECOMMENDATION 3: The Department of Health and the Department of Families, Fairness and Housing report on the status and source(S) of funds used to meet the cost of all output and asset COVID-19 response initiatives announced prior to the 2020-21 Budget.</p>	Support	<p>The Department of Health (DH) captures costs relating to specific COVID-19 response initiatives announced prior to the <i>2020-21 Budget</i>. These are reported in the PAEC questionnaire and to Department of Treasury and Finance. Internal reporting on COVID-19 initiatives is also undertaken on a monthly basis as an addendum to normal internal monthly reporting arrangements.</p>
<p>RECOMMENDATION 4: The Department of Health and the Department of Families, Fairness and Housing report on the nature and impact of all internal reprioritisation of funds to meet the cost of COVID-19 response initiatives</p>	Not Support	<p>This recommendation is not supported as it is not possible to accurately capture the nature and impact of internal reprioritisation of effort. Funds have not specifically been reprioritised to meet the cost of COVID-19. However, staff and effort has been redirected to the COVID-19 response as needed. It is not possible to accurately calculate this effort and then attribute to what business as usual tasks this would otherwise have been directed toward.</p>

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<p>RECOMMENDATION 5: The Department of Health review the impact of the Government's investments in all elective surgery blitzes initiated in response to COVID-19 and where possible revise the targets for associated performance measures to better reflect the intended impact of these investments</p>	Support	<p>The <i>2021-22 State Budget</i>, Budget Paper 3 Performance Measure 'Number of patients admitted from the elective surgery waiting list' (Page 228) has been increased to reflect the impact of additional elective surgery blitz funding and other initiatives from the <i>2021-22 Budget</i>.</p>
<p>RECOMMENDATION 6: The Department of Health and Department of Families, Fairness and Housing report the status of all capital investments since 2019-20 for the department's portfolios (including mental health).</p>	Support	<p>The Department of Health (DH) supports reporting the status of capital investments for DH's portfolios (including mental health) and will continue to report this status via questionnaire responses to the PAEC Budget Estimates and PAEC Financial and Performance Outcomes inquiries and via State Budget Paper 4.</p>
<p>RECOMMENDATION 7: Ambulance Victoria should report the progress of all actions addressing the causes and incidence of discrimination and harassment towards women and other vulnerable groups in the workplace in its <i>2020-21 Annual Report</i></p>	Support-in-Principle	<p>Ambulance Victoria has engaged the Victorian Equal Opportunity and Human Rights Commission (VEOHRC) to undertake an independent review into workplace equality within Ambulance Victoria. This review commenced in December 2020. The VEOHRC will examine: the nature, extent, drivers and impact of discrimination (including bullying), sexual harassment and victimisation experienced by current and former staff and volunteers; the adequacy of measures to prevent and eliminate discrimination, sexual harassment and victimisation within Ambulance Victoria; and leading practice strategies to ensure a safe, equal and inclusive organisation that supports and promotes positive workplace systems, values and behaviours in accordance with the Equal Opportunity Act 2010.</p> <p>The VEOHRC will publish their report, including recommendations for Ambulance Victoria to implement, in November 2021. Ambulance Victoria has also engaged the VEOHRC to advise, guide and audit implementation of these recommendations until November 2023. At this point, a final report will be published by the VEOHRC assessing the implementation of its recommendations and identifying areas for further improvement.</p> <p>To support this independent process, Ambulance Victoria has implemented measures to support individuals to participate in the VEOHRC review, including wellbeing support and independent review processes. However, actions to address the causes of discrimination and harassment in the workplace will be determined by the independent VEOHRC review (to be finalised in November 2021).</p>

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<p>Recommendation 8: The Department of Education and Training disclose the nature and impact of all internal reprioritisation of funds to meet the cost of COVID-19 response initiatives and report on this in its <i>2020–21 Annual Report</i>.</p>	<p>Support in principle</p>	<p>The Department of Education and Training (DET) has regularly identified the COVID-19 expenditure that has been funded by internal reprioritisations. However, it is difficult and not practical to capture the nature and impact of all internal reprioritization.</p> <p>Items that are used to fund these COVID-19 expenditures are a combination of underspends in corporate costs, central funding and other business-as-usual internally funded initiatives. Funding for frontline initiatives are not reprioritised to fund COVID-19 expenditure except for funding for vocational education and training. In this case funding for business-as-usual market training initiatives provided for delivering specific training programs was used as business continuity grants for TAFEs, training and adult education providers to ensure sector viability. This was reported to the PAEC in hearings in 2020.</p> <p>DET is committed to disclosing the COVID-19 costs that are internally funded as part of the <i>Annual Report</i>.</p>
<p>Recommendation 9: The Department of Education and Training should review and expand its performance measures for apprenticeship and trainee programs.</p>	<p>Support</p>	<p>The Department of Education and Training (DET) has expanded its performance measure for apprentices by creating the following new BP3 measure for 2021-22:</p> <ul style="list-style-type: none"> • “Six-year completion rate for apprentice commencements in government subsidised AQF qualifications”. <p>DET is satisfied with the scope and targets for the following 2020-21 BP3 measures:</p> <ul style="list-style-type: none"> • “Number of government subsidised apprenticeship course enrolments” and • “Proportion of employers of apprentices and trainees who are satisfied with training”. <p>DET will monitor performance against the targets set out for the above BP3 measures.</p>
<p>Recommendation 10: The Department of Education and Training establish clear performance indicators, measures and targets in the 2021–22 budget papers for the Victorian Higher Education State Investment Fund.</p>	<p>Support-in-Principle</p>	<p>The Department of Education and Training (DET) is currently examining the capital works, applied research and research partnerships supported by the Victorian Higher Education State Investment Fund. With that in mind, there was insufficient time to establish clear performance indicators, measures and targets in the <i>2021–22 Budget</i> for the fund as PAEC’s report on the 2020-21 Budget Estimates was only tabled in 1 April 2021.</p> <p>DET will examine the feasibility of the recommendation for 2022-23 onwards.</p>

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<p>Recommendation 11: The Department of Education and Training should review existing performance measures in the Early Childhood output to ensure targets are sufficiently challenging in light of recent performance outcomes. It should also establish separate performance measures identifying the take up of universal three year old kindergarten among eligible Aboriginal children.</p>	<p>Support-in-Principle</p>	<p>The Department of Education and Training (DET) reviews targets for all BP3 measures and has increased targets for a number of measures to reflect recent performance outcomes. This includes the target for the kindergarten participation rate for Aboriginal children in the year before school, which has been increased from 90 per cent in 2020-21 to 96 per cent in 2021-22 (in line with the participation rate target for all children).</p> <p>DET will continue to review Early Childhood targets in the light of performance outcomes and provide recommendations to increase targets where appropriate. With respect to Aboriginal three-year-old children, enrolment numbers are currently included in the measure 'Children funded to participate in Early Start Kindergarten or Access to Early Learning in the year two years before school'. DET will consider reporting on three-year-old Aboriginal enrolments and participation as part of the progressive rollout of funded Three-Year-Old Kindergarten.</p>
<p>Recommendation 12: The Department of Education and Training should clarify the demarcation of responsibilities between the Minister for Training and Skills and the Minister for Higher Education for the 'Training, Higher Education and Workforce Development' output in the 2021-22 Budget Papers.</p>	<p>Support-in-Principle</p>	<p>All 16 non-financial BP3 measures in the Training, Higher Education and Workforce Development Output relate to the responsibilities of the Minister for Training and Skills. Of the total output cost for the Output in 2020-21 and 2021-22, approximately:</p> <ul style="list-style-type: none"> • 93 per cent relates to the responsibilities of the Minister for Training and Skills, and • 7 per cent relates to the responsibilities of the Minister for Higher Education. <p>The Department of Education and Training will endeavour to provide information on the demarcation in the 2022-23 budget papers where appropriate.</p>
<p>Recommendation 13: The Department of Transport and the Department of Treasury and Finance provide up to date information on the Government's large infrastructure program.</p>	<p>Support</p>	<p>The <i>2021-22 Budget Paper</i> No.4 – State Capital Program (BP4) tabled with the suite of 2021-22 Budget papers on 20 May 2021 included up to date information (as at 12 May 2021) on the state's capital program. BP4 lists information on the programs and projects that are new in 2021-22, existing projects funded in previous budgets which are already underway, and projects expected to be completed at 30 June 2021.</p> <p>Disclosures in BP4 include project cashflows and total estimated investment's (TEI's), and footnotes to identify any variations to project completion dates and TEI's. All inclusions in Chapters 2 and 3 were prepared in consultation with the departments, including the Department of Transport.</p> <p>The BP4 publication and data sets for Chapters 2 and 3 are available on the Department of Treasury and Finance website.</p>

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<p>RECOMMENDATION 14: The Department of Transport clearly outline the financial impact on the department's bottom line as a result of initiatives such as providing a 30% discount to myki holders.</p>	<p>Support-in-Principle</p>	<p>The Department of Transport will outline in its <i>2020-21 Annual Report</i> the financial impact of the COVID-19 on its financial performance.</p>
<p>RECOMMENDATION 15: The Department of Transport together with the Transport Accident Commission (TAC) publish the outcomes of the maintenance of safety barriers in TAC's annual report. The outcomes could include the length of safety barrier that is repaired each year, repaired safety barrier as a percentage of damaged safety barrier, average repair time and average time taken to respond to damaged safety barriers.</p>	<p>Support-in-Principle</p>	<p>The Department of Transport (DoT) supports the recommendation that the outcomes of maintenance of safety barrier be reported in the DoT annual report. As DoT is responsible for maintaining safety barriers on Victoria's arterial road network it will include safety barrier maintenance measures in future annual reports. The TAC also supports the inclusion of these measures in the Department's annual reports.</p> <p>With the TAC's support, DoT is currently developing a new asset management system to record the location, installation date, current condition and maintenance performed on safety barriers. This was a key recommendation of the Auditor General's review of Victoria's regional safety barrier program. This system will be operational in late 2021.</p> <p>DoT will also collect additional data to uplift the quality of existing safety barrier records. This work will be delivered early in 2022 and ensure that the inventory of safety barrier is current. This activity is necessary before safety barrier maintenance outcomes can be reported.</p> <p>The Auditor General also recommended that safety barrier maintenance standards, including the timeliness of repairs, be reviewed and updated. This work is currently underway and is to be completed in late 2021. These standards will be introduced into maintenance contracts starting in mid-2022.</p> <p>It is planned that DoT will report on the maintenance of safety barriers in its 2022-23 annual report. The reporting metrics will be developed and refined, as DoT's maintenance standards, data collection and reporting for maintenance of safety barriers matures.</p>
<p>RECOMMENDATION 16: The Department of Transport reinstate the performance measure on the timelines of processing commercial passenger vehicle registrations with a focus on delivering an enhanced service to the industry.</p>	<p>Not Support</p>	<p>Commercial passenger vehicle registration applications are now automated and approved online immediately after an applicant completes the form and submits payment. Therefore, this measurement would no longer provide any meaningful data, as it would always be reported at 100 per cent met.</p>

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<p>RECOMMENDATION 17: The Department of Justice and Community Safety develop and publish performance measures and targets relating to the progress and outcomes of all COVID-19 initiatives in the 2021–22 Budget.</p>	<p>Support-in-principle</p>	<p>Department of Justice and Community Safety (DJCS) supports the inclusion of performance measures to assist in measuring the progress and outcomes of initiatives. Developing suitable performance measures that are fit-for-purpose and meaningful requires a considered approach to ensure accuracy and appropriateness of performance information. Funding for High-Risk Industries: Engagement and Enforcement Operations (HRIEEO) was announced in the 2021-22 Budget. This funding was provided to ensure that designated high-risk and at-risk industries remain compliant with Chief Health Officer directions and wider public health restrictions in response to COVID-19. Funding for this initiative was provided out-of-cycle. Should funding for this initiative be continued beyond 2021-22, DJCS will seek to include performance measures in the 2022-23 Budget relating to HRIEEO.</p> <p>Funding for Justice Recovery was also announced in the 2021-22 Budget, which relates to increasing the justice system’s capacity to reduce delays caused by the COVID-19 public health restrictions, build a stronger and more accessible justice system and improve the safety of family violence victims. As part of funding for this initiative, targets for existing performance measures were set commensurate with the level of funding provided.</p>
<p>RECOMMENDATION 18: The Department of Justice and Community Safety include further information about the progress of existing capital projects in their next annual report, including the amount of funding expended in each financial year, any changes to Total Estimated Investment, differences between the budgeted amount, revised budget and actual spend and reasons for variations.</p>	<p>Support-in-Principle</p>	<p>Under the requirements of Department of Treasury and Finance’s (DTF) Model Report, Department of Justice and Community Safety (DJCS) currently reports against capital projects that are completed with a Total Estimated Investment (TEI) of \$10 million or greater in the Report of Operations component of its Annual Report. This includes capital projects reaching practical completion during the financial year and capital projects reaching financial completion during the financial year. In accordance with these requirements, DJCS reports on the original approved TEI for these capital projects, the latest approved TEI, the actual TEI cost, the variation and the reason for variation from latest approved TEI Budget. DJCS will continue to report on this information in its upcoming 2020-21 Annual Report.</p> <p>In addition, DJCS discloses information about the progress of existing capital projects in Budget Paper 4 ‘State capital program’ (BP4). For example, the 2021-22 BP4 captures by individual TEIs the estimated project to date expenditure to 30 June 2021, estimated expenditure in 2021-22, remaining expenditure and the estimated completion dates. Any changes to the TEI since the last BP4 and the reasons for the variation are captured in the corresponding footnotes.</p>
<p>RECOMMENDATION 19: The Department of Justice and Community Safety include any determined costs for the Technology and resources to support Victoria’s fines system initiative in the next Budget Update.</p>	<p>Support-in-principle</p>	<p>The determined capital costs for the Technology and resources to support Victoria’s fines system initiative will be considered for disclosure in Budget Paper 4: State capital programs, once commercial arrangements have been finalised.</p>

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<p>RECOMMENDATION 20: The Department of Justice and Community Safety publish the updated total cost and expected delivery date of the Victorian Infringements Enforcement Warrant (VIEW) IT system in the 2021–22 Budget.</p>	Support-in-principle	<p>The updated total cost and expected delivery date of the Victorian Infringements Enforcement Warrant (VIEW) IT system was not published in the <i>2021–22 Budget</i> as the initiative was completed in 2020-21. Department of Justice and Community Safety (DJCS) will publish an update of the VIEW IT system in the Department’s <i>2020-21 Annual Financial Report</i>.</p>
<p>RECOMMENDATION 21: The Department of Justice and Community Safety develop additional comprehensive performance measures and targets for future budgets to enable the assessment of programs and initiatives intended to divert individuals from the justice and corrections system.</p>	Support-in-principle	<p>The diversion of individuals from the justice and corrections systems is influenced by initiatives across several Justice portfolios, including Police, Attorney-General, and Crime Prevention. The Corrections portfolio also has a stake in diverting individuals who are already involved in correctional programs from future re-engagement with the justice and custodial systems, through programs focused on prisoner and offender rehabilitation and reintegration, and in reinforcing alternatives to custody such as the Community Corrections Order.</p> <p>Within the Corrections portfolio, a range of current performance measures within the Prisoner Supervision and Support and Community-Based Offender Supervision outputs have been developed to demonstrate the performance of rehabilitation programs. Work is continuing to refine and expand this suite of measures.</p> <p>The Department of Justice and Community Safety will explore options to develop additional performance measures as part of the upcoming 2022-23 Budget that reflect new areas of service delivery, subject to establishing appropriate data collection mechanisms and undertaking a period of internal monitoring to ensure the quality and integrity of reported data.</p>
<p>RECOMMENDATION 22: The Department of Justice and Community Safety develop performance measures and targets for the <i>2021–22 Budget</i> related to the number of individuals held on remand in Victoria’s corrections system.</p>	Not Support	<p>Department of Justice and Community Safety (DJCS) currently releases information on prisoners held on remand on a regular basis, including demographic breakdowns and time spent in custody. Changes in the remand population are not directly attributable to activities under the Prisoner Supervision and Support output and are heavily influenced by legislative settings, procedures and the efficiency of Victorian courts. DJCS therefore does not support the inclusion of measures related to prisoners on remand within the Prisoner Supervision and Support output.</p>

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<p>RECOMMENDATION 23: The Department of Justice and Community Safety account for all costs incurred from 30 June 2020 in regard to Victoria’s hotel quarantine program, including all costs related to COVID-19 Quarantine Victoria in their <i>2020–21 Annual Report</i>.</p>	Support	<p>All costs relating to COVID-19 Quarantine Victoria (CQV) will be integrated in the department’s <i>2020-21 Annual Financial Statements</i> and in the output cost for ‘Emergency Management Capability’. As Victoria’s hotel quarantine program transitioned to the department on 27 July 2020, costs incurred by Department of Justice and Community Safety (DJCS) relating to CQV will be included in the DJCS Annual Report from 27 July 2020 to 30 June 2021.</p>
<p>RECOMMENDATION 24: The Department of Justice and Community Safety include performance measures for COVID-19 Quarantine Victoria in the <i>2021–22 Budget</i>. If COVID-19 Quarantine Victoria receives funding in the <i>2021–22 Budget</i>, the Department of Justice and Community Safety should ensure this is reported in the budget.</p>	Support-in-Principle	<p>Due to uncertainty regarding the ongoing requirements for hotel quarantine in Victoria because of the pandemic, COVID-19 Quarantine Victoria (CQV) was not assigned performance measures for the 2021-22 financial year in the <i>2021-22 Budget</i>. As a result, funding is progressively being provided by government as the operation evolves.</p> <p>As an Administrative Office of Department of Justice and Community Safety (DJCS), CQV will be incorporated and consolidated into the Department of Justice and Community Safety (DJCS) financial statements, Report on Operations and Annual Report as per s45(4) of the <i>Financial Management Act 1994</i> (FMA). CQV will provide information to DJCS as required for the delivery of all centrally coordinated performance reporting requirements under the FMA. This may potentially include developing output and outcome performance measures in consultation with DJCS.</p>
<p>RECOMMENDATION 25: The Department of Justice and Community Safety add specific performance measures and targets for recruiting operational and support volunteers to the Country Fire Authority in the <i>2021–22 Budget</i>.</p>	Support	<p>Emergency Management Victoria (EMV) currently reports against two BP3 performance measures with specific targets relating to the number of operational and support volunteers within the Country Fire Authority and the Victoria State Emergency Service as follows:</p> <ul style="list-style-type: none"> • <i>Volunteers – Operational</i> (2021-22 published target for this performance measure was 40,000 – 41,000) • <i>Volunteers – Support</i> (2021-22 published target for this performance measures was 24,000 – 25,000) <p>Department of Justice and Community Safety (DJCS) will continue to report against these two performance measures and will review its existing performance measures under the Emergency Management Capability output as part of the 2022-23 Budget Process. DJCS will also consider other mechanisms for enhancing transparency for recruiting operational and support volunteers to the Country Fire Authority.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 26: The Department of Justice and Community Safety develop budget paper performance measures and targets to assess the effectiveness of its initiatives to retain and train youth justice staff.</p>	Support-in-Principle	<p>The Department of Justice and Community Safety (DJCS) will continue to report annually on youth justice worker staffing levels through the Annual Report. Further reporting on the impacts of major training initiatives, such as the introduction of the vocational qualification for custodial staff, will be considered as part of the Annual Report.</p>
<p>RECOMMENDATION 27: The Department of Justice and Community Safety consider adding further performance measures related to adoption services provided by the department to address shortcomings of the measure 'Number of adoption records released'.</p>	Support	<p>As part of the Budget Process each year, Department of Justice and Community Safety (DJCS) reviews its performance statement to assess ongoing relevance, transparency, and effectiveness of performance reporting. The performance measure '<i>Number of adoption records released</i>' was introduced in the DJCS performance statement in the <i>2020-21 Budget</i> to ensure full coverage of services following the machinery of government movement of adoption services from DHHS.</p> <p>DJCS will consider introducing additional performance measures for adoption related services in the next budget cycle to supplement '<i>Number of adoption records released</i>' and to address any shortcomings of the existing performance measure and to enhance transparency of services provided in relation to adoption records and regulation to Parliament.</p>
<p>RECOMMENDATION 28: Where output initiatives contribute to several outputs across different departments, the Department of Treasury and Finance publish the funding amount allocated to each department in the budget papers.</p>	Support	<p>Department of Treasury and Finance (DTF) supports the recommendation that funding amounts for whole-of-government initiatives should be published against each department.</p> <p>DTF notes that in the <i>2021-22 Budget Paper No. 3 – Chapter 1</i>, the funding for new whole-of-government initiatives is split by department as well as output to ensure transparency, essentially acquitting this recommendation. DTF supports the continuation and further development of this approach.</p>
<p>RECOMMENDATION 29: The Department of Jobs, Precincts and Regions establish performance measures for the \$2.2 billion Business Support output initiative to measure the outcomes of the support packages.</p>	Not Support	<p>The Business Support output is a one-off initiative, providing urgent financial support to businesses and workers impacted by COVID-19. As a one-off output, it is not suitable for a BP3 output measure.</p> <p>The Department of Jobs, Precincts and Regions (DJPR) has publicly reported on applications received and the number and value of grants paid, ensuring transparency and accountability on the implementation of COVID-19 programs funded through this output.</p>

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<p>RECOMMENDATION 30:</p> <p>In line with the international best practice, the Department of Treasury and Finance ensure future budgets contain the base level of macroeconomic indicators such as unemployment and employment rate and explain the assumptions used to forecast these indicators in the forward estimates.</p>	Support	<p>The <i>2021-22 Budget</i> contained recent actual outcomes and forecasts for key economic data: real gross state product, employment, the unemployment rate, inflation (the consumer price index), wage growth (the wage price index) and population. These variables convey aggregate developments in the real economy, the nominal economy and the labour market, thereby framing the economic context in which the budget is presented. Alongside these forecasts, economic commentary to explain recent and forecast developments was provided in Budget Paper 2, Chapter 2, <i>Economic Context</i>.</p> <p>Further details on assumptions and methods used to forecast these variables has been published on the Department of Treasury and Finance (DTF) website at: https://www.dtf.vic.gov.au/state-financial-data-sets/macro-economic-indicators.</p> <p>DTF will continue to publish updated forecasts for these key economic indicators along with supporting commentary, as part of the annual Budget and Budget Update, and maintain and update the supplementary information on methods used that is provided on its website.</p>
<p>RECOMMENDATION 31:</p> <p>The Department of Treasury and Finance and the Department of Jobs, Precincts and Regions introduce performance measures for the Jobs output. The performance targets include reporting the estimated number of jobs created and the actual number of jobs created. Another performance target could be developed to monitor jobs created as a percentage of the Jobs Target outlined in the <i>2020-21 Budget</i>.</p>	Support-in-Principle	<p>In the <i>2020-21 Budget Paper No.3</i>, the Department of Jobs, Precincts and Regions (DJPR) introduced the performance measure 'Jobs created from industry growth programs' to reflect ongoing jobs (counted at the time the investment is secured) created by business investment secured through Industry initiatives, in particular the 'Manufacturing and Industry Development Fund' and 'Industry Recovery and Growth Fund'. This measure, with a target of 1 000 in 2020-21 and 1 250 for 2021-22, contributes to the Victorian Jobs and Investment Fund targets, and is separate from the Jobs Victoria measures.</p> <p>Jobs Victoria is delivering several jobs creation measures, including the 2020-21 measures of creating 10 000 jobs through the Working for Victoria fund, and 4 000 subsidised jobs for Victorians at risk of long-term unemployment through the Jobs Victoria Fund. In 2021-22, the Jobs Victoria Fund has the same target of delivering 4 000 subsidised jobs.</p> <p>DJPR will continue to work with DTF to consider how best to represent the monitoring of jobs created as a percentage of the total Victorian Government's Job Target.</p>
<p>RECOMMENDATION 32:</p> <p>The Department of Jobs, Precincts and Regions develop and establish performance measures to account for the recovery of the international education sector.</p>	Support	<p>The Department of Jobs, Precincts and Regions (DJPR) introduced in the <i>2021-22 Budget Paper No. 3</i> a new performance measure to monitor international education recovery and growth '<i>International student satisfaction with Study Melbourne student programs</i>'. This is in addition to the existing measure: '<i>Victoria's proportion of all international student enrolments in Australia</i>'.</p> <p>The new measure has been designed to evaluate the effectiveness of government programs to improve the student experience, leading to positive word-of-mouth recommendations and an uplift in Victoria's reputation as a study destination. It has been proposed that performance targets for this measure be phased to reflect the international education sector's anticipated recovery trajectory.</p> <p>Establishing this new measure is also consistent with findings of the International Education Sector Strategy Lapsing Program Evaluation.</p>

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<p>RECOMMENDATION 33: The Department of Jobs, Precincts and Regions and VicForests ensure the initiatives announced as part of the transition from native forest harvesting to a plantation based sector by 2030 are transparent.</p>	Support-in-Principle	<p>VicForests has established 480 hectares of plantation in the previous three years and critical investment in tree nursery expansion has been provided. Additionally, The Department of Jobs, Precincts and Regions has progressed the market-based process for the Gippsland Plantations Investment Program to leverage new private plantation investment during 2020-21.</p> <p>All initiatives under the Victorian Forestry Plan, including the Gippsland Plantations Investment Program follow proper public sector governance and reporting standards including tracking delivery via the associated BP3 measure <i>'Facilitate the delivery of the Victorian Forestry Plan in line with key project milestones'</i>.</p>
<p>RECOMMENDATION 34: The Department of Jobs, Precincts and Regions update the performance measures target for services provided by the Victorian Small Business Commission during the COVID-19 pandemic to reflect the increased demand for services.</p>	Not Support	<p>Department of Jobs, Precincts and Regions does not support the recommendation for the following reasons:</p> <ul style="list-style-type: none"> • The existing VSBC targets are percentage-based and these metrics remain relevant, even under conditions of increased demand on services: <ul style="list-style-type: none"> ○ <i>Client satisfaction with VSBC mediation service</i>: Target 85 per cent ○ <i>Proportion of business disputes presented to the VSBC successfully mediated</i>: Target 75 per cent ○ <i>Proportion of business disputes resolved by the VSBC prior to mediation</i>: Target 30 per cent
<p>RECOMMENDATION 35: The Department of Jobs, Precincts and Regions introduce performance measures to monitor the progress the Government is making in improving the fairness and equity of the council rating system.</p>	Under review	<p>The Department of Jobs, Precincts and Regions will develop a three-year plan to implement the Victorian Government response. Development of this plan will consider performance measures to monitor progress in improving the fairness and equity of the rating system.</p>
<p>RECOMMENDATION 36: The Department of Environment, Land, Water and Planning detail the status and source(s) of funds used to meet the cost of all output and asset COVID-19 response initiatives announced prior to <i>2020-21 Budget</i> and report on this in its <i>2020-21 Annual Report</i>.</p>	Support-in-Principle	<p>The Department of Environment, Land, Water and Planning (DELWP) will report on the status and source(s) of funds used to meet the cost of output and asset COVID-19 response initiatives announced prior to the <i>2020-21 Budget</i>, consistent with the whole of government approaches.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 37: The Department of Environment, Land, Water and Planning reviews and addresses the issues with new performance measures summarised in Table 8.3 of this report.</p>	<p>Overall Support-in-Principle</p>	<p>See responses below</p>
<p>(a) Land Use Victoria: Rapid Land Use Assessments completed (Quantity) The new measure anchors assessments against the concept of an 'agreed timeframe' which is not defined in the Budget Papers. Such a target also risks masking poor performance as it is not clear if the 'agreed' timeframe reflects the original or a revised timeframe. The proposed new metric should be amended to adequately reflect the timeliness standard underpinning the target.</p>	<p>Support</p>	<p>Department of Environment, Land, Water and Planning agrees that the 2019-20 output performance measure 'Strategic Land Use Assessments delivered within agreed timeframe's did not adequately define 'agreed timeframe'. This measure was discontinued in 2019-20 and replaced with a quantity measure rather than a timeliness measure 'Rapid Land Use Assessments completed'. The new measure shows the number of rapid assessments and associated recommendations completed, the outcome of which is to optimise use of government land assets.</p>
<p>(b) Effective Water Management and Supply: Climate research activities commissioned and received that focus specifically on Victoria (Quantity) The utility of the new measure is limited. It is not clear what this metric is measuring and how reported results are derived. Consequently, the assessment methodology and related target is not clear.</p>	<p>Support-in-Principle</p>	<p>The climate research program comprises a number of different research projects, which are grouped into broader climate research 'activities'. The number of these research activities undertaken provides a measure of the outputs of the investment. Targets have been set taking into account the time period between commissioning research and receiving research outputs. Department of Environment, Land, Water and Planning (DELWP) supports in-principle this recommendation and has renamed the measure to 'Climate and hydrology research activities underway that focus specifically on Victoria' in the <i>2021-22 Budget</i>. The new name better reflects the long-term nature of the research, as most research activities will not be commissioned and received within a 12-month timeframe. DELWP will review and consider further adjustments to improve clarity and utility of this measure, and action appropriate changes for inclusion in the 2022-23 Budget.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>(c) Effective Water Management and Supply: Area of active stewardship for catchment health and resilience (Quantity)</p> <p>The utility of the new measure is limited as it is not clear what it is measuring.</p> <p>The unit of measurement, source data and calculation methodology for the new measure and related target is not clearly defined in the Budget Papers or in DELWP's response to the Committee's questionnaire.</p>	<p>Support-in-Principle</p>	<p>This measure was created in 2020-21 to replace the previous measure 'Environmental works and management services to improve the health and resilience of catchments'.</p> <p>The previous measure for this investment program captured Environmental Works and Management Services outputs (for example pest and weed control) that have an impact in a catchment (land area in hectares). The new measure continues to capture these outputs, but in addition captures more planning and regulation outputs that result in changed practice through management agreements, whole-farm planning, cultural and hydrological assessments and landscape planning. This broadening of the measure better reflects the outputs of the program of investment under Environmental Contribution Tranche 5, which is focused on better stewardship by public and private land managers, Traditional Owners and the community delivering multiple, shared benefits consistent with the objectives.</p> <p>Department of Environment, Land, Water and Planning will review and consider adjustments to improve the clarity and utility of this measure, and action appropriate changes for inclusion in the 2022-23 budget.</p>
<p>(d) Effective Water Management and Supply: New flood studies underway to ensure communities understand flood risk and to inform investment in flood warning and mitigation measures (Quantity)</p> <p>The measure does not provide sufficiently comprehensive insights due to its narrow focus on counting the number of flood studies initiated.</p> <p>Transparency would be improved if the measure was supplemented with a metric counting the number of flood studies completed in order to provide more comprehensive insights into the performance of DELWP's flood management initiatives.</p>	<p>Support-in-Principle</p>	<p>Department of Environment, Land, Water and Planning (DELWP) agrees that transparency could be improved by reporting the number of flood studies completed in addition to the number initiated.</p> <p>Reporting on the number of new flood studies underway provides a measure of the outputs of investment in improving knowledge of flood risk at prioritised locations. Total studies completed is not necessarily a more meaningful measure as improvements in technology, access to data, urban development and understanding of risk can make old studies less useful. The program regularly invests in new flood studies to replace old studies or improve resolution. Each study takes approximately three years to complete.</p> <p>DELWP will review and consider adjustments to this measure for the 2022-23 Budget.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>(e) Effective Water Management and Supply: Environmental watering actions achieved at planned sites (Quantity)</p> <p>The new measure is insufficient as the basis of measurement is unclear.</p> <p>The Victorian Environmental Water Holder's (VEWH's) Seasonal Watering Plan 2020–21 identifies planned actions which are used as the basis for target setting. However, the actions are described as 'potential' activities that can be varied or modified by VEWH and its partners. The dynamic nature of these 'planned' activities means the results reported by this metric cannot be reliably assessed in the absence of further information showing the causes and impact of any implemented changes to originally planned activities.</p> <p>DELWP should revise the proposed new measure to improve its utility and the transparency of the performance standard underpinning the target.</p>	<p>Support-in-Principle</p>	<p>A 'planned environmental watering site' is an environmental flows reach that occurs under tier 1 or tier 1a scenario planning in the seasonal watering plan for the reporting year. This target is fixed prior to the commencement of the financial year depending on the most likely seasonal planning scenario that the Victorian Environmental Water Holder (VEWH) will operate under for that year.</p> <p>VEWH collates the total number of planned sites in the seasonal watering plan under the seasonal planning scenario (drought, dry, average, wet). VEWH will then calculate the sites watered for the reporting period. Based on a selected seasonal scenario, data will be used to derive a percentage of achievement: $(\text{sites watered}/\text{planned sites}) \times 100 = \text{percentage achievement}$.</p> <p>Circumstances such as natural flows, objectives, water availability, delivery of operational water and capacity limitations change within years and between systems. In some years, the impact of uncontrollable factors is substantial and will affect the outcome. For example, during wet years when natural flows (e.g. floods) achieve most of VEWH's environmental watering objectives outlined in the seasonal watering plan. In this circumstance, the VEWH will deliver much less environmental water and therefore it is expected that the outcome will be much less than the target (%) in wet years. On a site-by-site basis, VEWH will be able to explain why sites did or did not align with plans.</p> <p>The measure not only captures and reports on the percentage of how many sites receive environmental water in a reporting year, but also how well VEWH have planned which sites will be watered via the seasonal watering planning process. Therefore, the measure indicates the efficiency with which the agency is providing the service.</p> <p>Department of Environment, Land, Water and Planning (DELWP) agrees that transparency could be improved by providing additional supporting information explaining why sites did not align with plans. DELWP will review and consider adjustments on how this measure is reported, and action appropriate changes for inclusion in the 2022-23 Budget.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 38: The Assistant Treasurer, in conjunction with the Department of Environment, Land, Water and Planning, review the three discontinued measures listed in Table 8.4 of this report and consider modifications addressing the issues identified.</p>	<p>Overall Support-in-Principle</p>	<p>See responses below</p>
<p>(a) Energy: Microgrid projects completed under the Microgrid Demonstration Initiative (including the Latrobe Valley Microgrid program) (Quantity)</p> <p>The department has not provided a clear rationale to support its claim the ‘completion of projects’ is “no longer a relevant measure” of this initiative.</p> <p>As at February 2021, the DELWP website showed six projects received funding under the Microgrid Demonstration Initiative with one of these completed in 2019.</p> <p>A key purpose of the awarded funds was to facilitate the delivery of microgrid projects. It is not evident this aim has materially changed.</p> <p>DELWP should consider varying the target or expanding the performance measures for this initiative (where appropriate) to supplement existing measures and to reflect any approved changes to the program.</p>	<p>Support-in-Principle</p>	<p>Department of Environment, Land, Water and Planning supports in-principle the recommendation to review this discontinued measure and will consider the addition of an output performance measure relating to the delivery of microgrid projects for inclusion in the 2022-23 Budget.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>(b) Effective Water Management and Supply: Sites where works have been undertaken to improve instream health (Quantity)</p> <p>Discontinuation of this metric could compromise Parliament's ability to evaluate the link between funded output activity (i.e. quantity of funded improvement works undertaken at sites) to the outcomes measured by the existing departmental objective indicator (DOI) 'River reaches/wetlands with maintained or improved condition'.</p> <p>The metric should be retained to enable assessment of the impact of funded outputs on the outcomes measured by the above-noted DOI.</p>	<p>Support-in-Principle</p>	<p>Department of Environment, Land, Water and Planning supports reviewing the measures associated with this program and will consider modifications to ensure clarity and transparency of program outputs and to ensure that outputs are clearly linked to intended outcomes of the investment.</p> <p>This performance measure was proposed to be discontinued because program outputs are better captured by the existing departmental objective indicator (DOI) 'River reaches / wetlands with maintained or improved condition'. The DOI captures the same program outputs but uses the definition of 'reaches' instead of 'sites', due to the difficulty in ensuring accuracy and consistency in defining 'sites' across different catchment regions.</p> <p>Funded output activity is closely tracked through four current Budget Paper No. 3 performance measures that capture data on the most significant funded outputs delivered by the initiative:</p> <ul style="list-style-type: none"> • Area of waterway vegetation works undertaken to improve the health and resilience of waterways (Ha) • Environmental watering actions achieved at planned sites (%) • Waterway and catchment health priority projects delivered involving community and sector partners (%) • Waterway licenses and permits processed within statutory timeframes (%)
<p>(c) Effective Water Management and Supply: Environmental works and management services to improve the health and resilience of catchments (Quantity)</p> <p>See Table 8.3 – This 'discontinued performance measure' has been replaced by the new measure Area of active stewardship for catchment health and resilience.</p> <p>The unit of measurement, source data and calculation methodology for the new measure and related target is not clearly defined in the Budget Papers or in DELWP's response to the Committee's questionnaire.</p>	<p>Support-in-Principle</p>	<p>The previous measure for this investment program captured environmental works and management services outputs (for example pest and weed control) that have an impact in a catchment (land area in hectares). The new measure continues to capture these outputs, but in addition captures planning and regulation outputs that result in changed practice through management agreements, whole-farm planning, cultural and hydrological assessments and landscape planning. This broadening of the Budget Paper No. 3 measure better reflects outputs of the program of investment under Environmental Contribution Tranche 5, which is focused on public and private land managers, Traditional Owners and the community delivering multiple, shared benefits.</p> <p>Department of Environment, Land, Water and Planning will review and consider adjustments to improve clarity and utility of the performance measure, and action appropriate changes for inclusion in the 2022-23 Budget.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 39: The Department of Premier and Cabinet's <i>2020–21 Annual Report</i> contain an explanation of any Treasurer's Advances, including a detailed justification for each Treasurer's Advance.</p>	Not Support	DPC currently prepares its annual report in accordance with Department of Treasury and Finance's Model Report, issued under the Standing Directions. Information about Treasurer's Advances issued to DPC is published by the Treasurer in the State's Financial Report.
<p>RECOMMENDATION 40: Ahead of the <i>2021–22 Budget</i>, the Department of Premier and Cabinet formulate additional performance measures that capture the scope of activities Digital Victoria will undertake once established.</p>	Support	The <i>2021-22 Budget</i> includes a number of new performance measures for initiatives and programs that are delivered by Digital Victoria.
<p>RECOMMENDATION 41: Ahead of the <i>2021–22 Budget</i>, the Department of Premier and Cabinet consider the addition of client satisfaction performance measures for entities such as the Behavioural Insights Unit that primarily deliver client services.</p>	Support	The <i>2021-22 Budget</i> includes, under DPC's Government-wide leadership, reform and implementation output, a performance measure for 'Satisfaction with services provided by the Behavioural Insights Unit to government agencies'.
<p>RECOMMENDATION 42: Ahead of the <i>2021–22 Budget</i>, the Department of Premier and Cabinet consider formulating performance measures and targets for its COVID-19 recovery initiatives.</p>	Not Support	The Government is committed to strong fiscal transparency, which is supported through publication of COVID-19 related expenditure by government initiative and department by the Department of Treasury and Finance. Given the short-term nature of COVID-19 recovery initiatives, the development of performance measures and targets may be of limited value given they would not support comparison of performance over time.

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 43: Court Services Victoria establish performance measures in the 2021–2022 Budget Papers to track the clearance of pending matters related to the COVID-19 pandemic and to monitor the implementation of the Court response to coronavirus (COVID-19), the Online courts pilot and the Victorian Civil and Administrative Tribunal remote hearing services.</p>	<p>Support-in-Principle</p>	<p>Court Services Victoria (CSV) is reviewing its output performance measures that are reported in the Budget Papers in consultation with key stakeholders including the Attorney General and the Department of Treasury and Finance (DTF) to develop draft measures to improve communication of demand pressures and evidence base to support its strategies and work plans. CSV will also review draft measures that could reflect the outputs related to 2020-21 budget initiatives including the online courts pilot and, Victorian Civil and Administrative Tribunal remote hearing services.</p>
<p>RECOMMENDATION 44: Court Services Victoria publish information regarding new and in-progress capital projects in its annual report, including status, cost and expected delivery date of projects.</p>	<p>Support-in-Principle</p>	<p>Court Services Victoria (CSV) is reviewing publication of information regarding new and in-progress capital projects in its annual report, including status, cost and expected delivery date of projects.</p>
<p>RECOMMENDATION 45: The Department of Treasury and Finance revise the objective indicators for ‘Optimising Victoria’s Fiscal Resources’ to define key terms, attach numerical objectives and stipulate the timeframe for completion.</p>	<p>Support-in-Principle</p>	<p>The Department of Treasury and Finance (DTF)’s ‘Optimising Victoria’s Fiscal Resources’ objective indicators have been reviewed and agreed by Government. These will continue to be reviewed by Government at each budget and as part of DTFs annual review of its departmental performance statement.</p> <p>Further information on the Government’s specific sustainability objectives can be found in Budget Paper Number 5 Chapter 1.</p> <p><i>‘Uncertainty regarding the coronavirus (COVID-19) pandemic and its impact on the State’s financial position remains. While Victoria’s economic recovery has been stronger than expected, some sectors are continuing to experience challenges. Should the economic recovery path continue as forecast, the Government’s financial sustainability objectives for the 2021-22 Budget are that:</i></p> <ul style="list-style-type: none"> • <i>the operating deficit will reduce over the budget and forward estimates; and</i> • <i>an operating cash surplus will be achieved before the end of the forward estimates.</i> <p><i>These measures give regard to the important role the Government has in supporting the COVID-19 response and the continued economic recovery’.</i></p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 46: For those output initiatives that were announced as part of the Government's response to the COVID-19 pandemic, the Department of Treasury and Finance consider whether it is possible to report controlled and administered expenses separately.</p>	<p>Support-in-Principle</p>	<p>The Department of Treasury and Finance (DTF) notes only one COVID-19 initiative was flagged as having departmental output and POBOS appropriation.</p> <p>This initiative relates to Social and Affordable Housing, which is largely funded via POBOS (\$7.5 million has been allocated through output appropriation to support the delivery of the program).</p> <p>DTF notes the administered funding can be found in DTF's <i>2019-20 Annual Report</i> (Section 7.3.1 - Trust account balances relating to trust accounts controlled and/or administered by the Department) and will also be published in future DTF annual reports over the funding profile of the program.</p>
<p>RECOMMENDATION 47: The <i>2021-22 Budget</i> papers contain details of any Treasurer's Advances for the 2019-20 and 2020-21 budget year.</p>	<p>Support-in-Principle</p>	<p>The Department of Treasury and Finance (DTF) notes Treasurer's Advances for 2019-20 were published in the <i>2019-20 Annual Financial Report of the State of Victoria</i> and the <i>Appropriation (2020-2021) Act 2020</i>.</p> <p>Treasurer's Advances for 2020-21 are not finalised until after the end of the financial year when other available funding sources to departments can be identified. Inclusion in the <i>2021-22 Budget</i> is therefore not feasible. DTF notes disclosure will occur in the <i>2020-21 Annual Financial Report</i>.</p>
<p>RECOMMENDATION 48: The Victorian Government introduce an open data source that provides details of COVID-19 related support packages including budgeted allocation, actual amount expended, administration cost (including as a percentage of total funds), the number of beneficiaries and outcomes achieved through the support package to enhance the legitimacy of the support packages announced.</p>	<p>Support-in-Principle</p>	<p>Actual 2019-20 COVID-19 related expenditure, by Government initiative and department, is available on the Department of Treasury and Finance website at: https://www.dtf.vic.gov.au/state-financial-data-sets/coronavirus-covid-19-reporting.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 49: The Department of Treasury and Finance develop new performance measures and targets that provide insight into the Big Housing Build's impact on economic recovery and achievement of housing outcomes</p>	Support	<p>The Department of Treasury and Finance (DTF) supports developing performance measures and targets to measure the outcomes of the Big Housing Build. The Big Housing Build is shared between the DTF, the Department of Families, Fairness and Housing (DFFH), and the Department of the Environment, Land, Water and Planning (DELWP). In collaboration with DFFH and DELWP, DTF will develop new performance measures for the Big Housing Build.</p>
<p>RECOMMENDATION 50: The Department of Treasury and Finance provide a detailed account of the financial and performance outcomes of each COVID-19 recovery and bushfire recovery initiative administered by the department.</p>	Support	<p>The Department of Treasury and Finance (DTF) reports on COVID-19 initiatives as part of the State Budget online data set, available on the DTF website.</p> <p>In addition, detail on the progress of implementing major initiatives identified in the State Budget are outlined in the annual PAEC Budget estimates questionnaire and outcomes achieved for completed output initiatives in the annual PAEC Financial and Performance Outcomes questionnaire.</p>

Victorian Inspectorate Response

Received: 17 September 2021

Victorian Inspectorate's Responses to the Recommendations of
PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S
Report on the 2020–21 Budget Estimates

Pursuant to Section 36 of the *Parliamentary Committees Act 2003*, this paper provides a response to the recommendations contained in the Public Accounts and Estimates Committee's (PAEC) Report on the 2020–21 Budget Estimates.

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

1		
Title		
2		
Chapter number and topic		
1	2	3
PAEC recommendation	Response	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 PAEC's recommendations as published in its Report on the 2020–21 Budget Estimates.

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

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

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 51 (page 271) The Victorian Inspectorate revise the 'Improvements to the integrity system' performance measure to provide meaningful performance information.</p>	<p>Support-in-Principle</p>	<p>PAEC's report (finding) notes that the performance measure 'Improvements to the integrity system' requires additional detail (measurement units) to be meaningful.</p> <p>The unit of measurement for this performance target is 'Number' of Improvements made to the Integrity system.</p> <p>The purpose of this performance measure is to ensure the VI focuses on meaningful outcomes for the integrity system. To provide transparency for this performance measure, the VI's Annual Report each year will publish a description of each integrity improvement measured by the VI.</p> <p>For further transparency and accountability, the VI's Annual Plan 2021-22, tabled in the Parliament in accordance with section 90C of the <i>Victorian Inspectorate Act 2011</i> (VI Act), provides the following detailed explanation of this performance measure:</p> <p><i>An improvement to the integrity system is a demonstrable change to the conduct and compliance of any of the integrity, accountability and investigatory bodies oversighted by the VI (integrity bodies).</i></p> <p><i>We identify non-compliance and opportunities for systemic improvement through undertaking our functions (inspections, investigations, monitoring etc) and respond proportionately through the framework of our published Integrity Response Guidelines.</i></p> <p><i>We measure improvements to the integrity system where the VI's integrity response has demonstrably influenced an integrity body's conduct to help prevent future non-compliance, such as:</i></p> <ul style="list-style-type: none"> • <i>an integrity body implementing VI recommendation(s)</i> • <i>an integrity body establishing new procedures to prevent systemic recurrence of non-compliance</i> • <i>an integrity body changing its application of the law in response to VI feedback.</i>