
Government Responses to the Recommendations of

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE'S

Report on the 2016-17 Financial and Performance Outcomes

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 2016-17 Financial and Performance Outcomes.

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

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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 2017-18 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.

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<p>RECOMMENDATION 1: Due to the historic volatility of the net result for the public financial corporations sector and its significant variance from budget estimates, future Annual Financial Reports contain a specific explanation for growth from the previous year and variance from original estimates. These explanations should separate the operating result and other economic flows, and discuss any relevant macroeconomic factors in more detail.</p>	<p>Support</p>	<p>Future Annual Financial Reports will include an explanation of the key drivers of the net result for the public financial corporations sector. This will include comments on the operating result and other economic flows separately. In this respect, it is worth noting that other economic flows are largely attributable to the impact that movements in bond yields have on the valuation of liabilities of the Treasury Corporation of Victoria (TCV) and the State's insurance agencies. In particular, of the \$6.2 billion of other economic flows that were reported in the 2016-17 Annual Financial Report for the PFC sector, over half related to a gain that arose due to the impact that a fall in bond yields had on the value of these agencies' liabilities.</p>
<p>RECOMMENDATION 2: When estimates of the net result for the public financial corporations sector are altered by more than \$1 billion in any direction in a budget update or a subsequent set of budget papers, a detailed explanation be provided of the updated estimate, including reasons why the estimate has changed.</p>	<p>Support</p>	<p>Future budget papers will include an explanation of variations to the estimated net result for the public financial corporations sector that exceed \$1 billion. Please note that variations of this order are not unexpected as the liabilities of this sector can vary significantly as a result of movements in the bond yields that underlie their valuation.</p>

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<p>RECOMMENDATION 3: The largest three outputs by cost be disaggregated into smaller outputs that represent like activities. These outputs are:</p> <p>(a) the Department of Health and Human Services' Admitted Services output</p> <p>(b) the Department of Education and Training's School Education – Primary and School Education – Secondary outputs.</p>	<p>Not Support</p> <p>Not Support</p>	<p>The Department of Health and Human Services does not support this recommendation as the systems and processes in place meet the intended purposes. The Admitted Services output is reflective of government policy in the delivery of acute admitted services and how this activity is funded. There are a significant number of qualitative, quantitative and timeliness key performance indicators for this output that provide details of the services purchased by government.</p> <p>The current disaggregated output structure reflects both the way services are delivered and funding is allocated for schooling in Victoria. This output structure and its associated measures therefore provide transparent accountability via the direct alignment of service delivery, funding and the related performance outcomes across the schooling system.</p>
<p>RECOMMENDATION 4: Targets and metrics developed for gender equality are developed that include:</p> <p>(a) measuring the impact of the overall Budget on women and girls aged over 12</p>	<p>Support</p>	<p>The Government has commenced the introduction of Gender Equality Budget Statements, starting with the inaugural 2017-18 Gender Equality Budget Statement. All future budgets will be required to identify specific budget impacts on Gender Equality.</p>

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(b) performance measures tracking achievements and progress at the departmental level, reported upon annually	Support	<p>The Victorian Government has developed a draft Outcomes Framework to measure progress towards our vision for gender equality in Victoria. The draft Outcomes Framework includes preliminary outcome indicators and potential targets, and details how progress against <i>Safe and Strong: A Victorian Gender Equality Strategy</i> will be measured and reported. Critically, the Outcomes Framework will provide the Victorian Government with both quantitative and qualitative data to promote accountability, inform decision-making, and facilitate organisational learning and continuous improvement. Reports against the Outcomes Framework will form the basis for annual reporting on progress towards gender equality targets.</p>
(c) targets for greater gender equality in the public sector, including recruitment and the procurement of gender-responsive suppliers and contractors.	Support	<p>The Department of Health and Human Services has established the Gender Equality Deputy Secretaries Group working across all Victorian Public Service agencies to drive actions within their own departments and the public sector more broadly. The Office of Prevention and Women's Equality will commence reporting on progress with gender equality initiatives from July 2018 through the Gender Equality Deputy Secretaries Group to the Victorian Secretaries Board. The Department of Health and Human Services has also been working with the Department of Treasury and Finance to evaluate the social and economic impact of gender equality in our policies, service delivery and budgets.</p> <p>Significant progress has been made to implement <i>Safe and Strong: A Victorian Gender Equality Strategy</i> within the public sector including meeting and then exceeding the Premier's Women on Boards commitment. Since setting this target in March 2015, the representation of women on paid boards has increased from 39% to 53% as of 28 March 2018.</p>

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<p>RECOMMENDATION 5: Future budget papers, including the Annual Financial Report provide, for any item of the State's finances, including estimated expenditure on public private partnership projects, a detailed explanation for:</p> <p>(a) significant expected or actual growth from one year to the next, or</p> <p>(b) significant variance of actual outcome (or updated estimate) against the previous estimate including from the original budget estimate, where 'significant' is over \$1.0 billion, or more than 50 per cent for any item with a value over \$200.0 million.</p>	<p>Support in principle</p>	<p>The Government supports the principle that significant variations in budget estimates should be explained clearly and in a manner that ensures it is both informative and in accordance with the purpose of the budget papers.</p> <p>Budget Paper No. 2, Chapter 4 <i>Budget Position and Outlook</i> and Budget Update, Chapter 3 <i>Budget Position and Outlook</i> already publish commentary on both year-on-year trends and movements between previous budget publications to the current budget publication for both revenue and expenditure items.</p> <p>Budget Paper No. 4 <i>State Capital Program</i> provides a comprehensive outline of State capital expenditure estimates, and Budget Paper No. 5 <i>Statement of Finances</i> provides detail on the financial forecasts. The Estimated Financial Statements are reviewed by the Auditor-General and are presented in a manner consistent with Australian Accounting Standards.</p> <p>Section 8.1 of the Annual Financial Report also provides detailed explanations of the material variances between budget and actual outcomes.</p> <p>PPP infrastructure cash flows are updated prior to the release of financial publications to incorporate the impact of new PPP projects and projects that have been contracted since the previous publication. Once the financial close profiles for a contracted project are known, the PPP infrastructure investment figure is updated in the next budget publication along with the relevant PPP Commitments figure in the Annual Financial Report.</p> <p>Following financial close, under the PPP contract, the consortium must report actual construction progress. Any variances in expenditure will not be disclosed as the State is only obliged to pay the contracted Quarterly Service Payment amounts.</p>
<p>RECOMMENDATION 6: Future budget papers and Annual Financial Reports disclose intended and actual capital repatriation payments made by the public financial corporations and public non-financial corporations sectors in a similar way to which dividends are currently reported</p>	<p>Not Support</p>	<p>Actual capital repatriation payments are disclosed in relevant agency's annual reports. Intended capital repatriation payments are only allocated to an individual agency once a determination is made by the Treasurer.</p> <p>The payments of capital repatriations are usually funded from redemption of long term investments. The early disclosure of the capital repatriations could signal to the investment markets the expected investment redemptions of government which may prejudice the ultimate investment redemption outcomes achieved.</p>

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<p>RECOMENNDATION 7: The Government update the 2009 Corporate Planning and Performance Reporting Requirements for Government Business Enterprises document, including a summary of the Government's policy on capital repatriation payments.</p>	<p>Support-in-Principle</p>	<p>Consideration will be given to how a summary of the policy underlying the determination of capital repatriations may be incorporated in the 2009 Corporate Planning and Performance Reporting Requirements for Government Business Enterprises. However, as the sources and appropriate levels of capital vary by agency, it may not be possible to develop and articulate an overarching policy.</p>
<p>RECOMMENDATION 8: To provide clearer performance-related connections in the Department's annual report, the Department of Health and Human Services link its objectives and performance indicators with its outputs to be delivered as part of the budget process.</p>	<p>Support-in-Principle</p>	<p>The Department of Health and Human Services strongly supports clear and appropriate measures of reporting of performance in the annual report and has commenced a program of work to better measure and report progress against outcomes. The current strategic plan has aligned departmental objectives to outcomes. To facilitate this, performance indicators and outputs were linked to outcomes. The mapping exercise to link objectives and outputs was completed as part of the Output Statement Review 2017-18 and published in 2017-18 Budget Paper No. 3. The mapping to link objectives with performance indicators was completed, however, as outlined in the department's response to Recommendation 9. Further work is needed to test and validate the suite of indicators and consequently not all performance indicators for outcomes may be reported.</p> <p>Nonetheless, the Department of Health and Human Service 2017-18 Annual Report will provide clearer connections than the 2016-17 Annual Report, and the department remains committed to demonstrating the outcomes it achieves.</p> <p>Acknowledging that demonstrable outcomes may not be reported in all cases at this time, the department is developing a new performance reporting and strategic planning approach to establish clear connections between activities, outputs and the outcomes we seek to achieve.</p> <p>This work will inform the development of robust Budget Paper reporting, including linked outputs and departmental objectives and their corresponding performance measures. The work will also enable the department's Outcomes Framework to be updated to reflect the priorities and performance insights of program areas across the department.</p>

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<p>RECOMMENDATION 9: The Department of Health and Human Services account in its annual report for all of the indicators set out in the Victorian budget papers.</p>	<p>Support-in-Principle</p>	<p>The Department of Health and Human Services is committed to measuring outcomes for all indicators set out in the Victorian Budget Papers. Measures have been identified for all indicators. However further work is needed to test and validate measures and to confirm how departmental initiatives and policies contribute to outcomes achievement. As a result, not all indicators may currently have publicly reported measures.</p> <p>The establishment of a new performance reporting and strategic planning approach will ensure that all objective indicators established in the budget papers are relevant, actionable and attributable to the department and can be timely reported in the Annual Report. As the outcomes approach in the department matures, existing measures will be adapted and refined to ensure outcomes reporting provides a high level of confidence in demonstrating outcomes achievement and maximise insight for the department and the public.</p>
<p>RECOMMENDATION 10: Where unplanned/unexpected re-admissions targets are exceeded by more than five per cent, or lower than five per cent the Department of Health and Human Services provide reasons for the result in its annual report.</p>	<p>Support</p>	<p>Results below target occur when the number of avoidable readmissions varies significantly from that expected. Readmissions can be reduced through effective discharge planning that ensures appropriate physical and social supports are available to the patients. Often patients will return to hospital due to pain, infection or concern that recovery is not progressing as expected. A good discharge plan will address these factors pre-emptively through incorporating a suitable level of rehabilitation, a pain management plan and scheduled review appointments.</p> <p>In 2018-19, Safer Care Victoria will commence further work with health services to identify the causes underlying unplanned readmissions of hip replacement surgery patients and will expect health services to develop improvements to reduce this rate as part of their work plans. This process will give the Department of Health and Human Services a level of information that was not previously available to it.</p> <p>Safer Care Victoria has recently started a state-wide improvement program, led by the Victorian Paediatric Clinical Network, to reduce variation in tonsillitis care overall and will include consideration of unplanned readmission.</p> <p>Safer Care Victoria will work with the department to improve the level of detail that accompanies performance outcome reporting in the annual report.</p>

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<p>RECOMMENDATION 11: The Department of Health and Human Services:</p> <p>(a) disclose in its annual report information showing trends in elective surgery waiting times for particular specialities that show a significant improvement or deterioration</p> <p>(b) explore the option of expanding the indicator on chronic disease risk factors beyond smoking</p> <p>(c) develop a more comprehensive suite of infrastructure-related indicators connected with performance, rather than reporting only on the amount of capital funding.</p>	<p>Support</p> <p>Support</p> <p>Not Support</p>	<p>Data analysis by specialty has commenced that will inform the selection of potential specialties to be part of a reporting set.</p> <p>These will then be tested with Safer Care Victoria, consumers and health service executives to ensure they are operationally and clinically meaningful representations of waiting time.</p> <p>The Department of Health and Human Services will explore the option to expand indicators on chronic disease risk factors (e.g. overweight and obesity, fruit and vegetable consumption, and physical activity) in budget performance measures to facilitate trend analysis and allow comparisons to benchmarks. The department notes there can be a significant lag time between the <i>Victorian Public Health Survey</i> (which surveys these risk factors across the Victorian community) and the availability of data on these indicators.</p> <p>The Department of Health and Human Services does not support this recommendation as the systems and processes in place meet the intended purposes. Spend on health infrastructure replaces ageing assets and allows for demand increases. Funded infrastructure projects are based upon detailed business cases provided to government. Performance of the sector as a whole, as defined in performance measures, is influenced by a range of factors, most notably output funding.</p> <p>Information on individual projects underway and completed is provided online via departmental websites, and through the Department of Health and Human Services annual report and Budget Paper No. 4.</p>

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<p>RECOMMENDATION 12: When information of a preliminary nature is reported in its annual report against output performance measures, the Department of Health and Human Services explain why it is regarded as a preliminary result, when the information will be finalised and how interested parties can then access this information when it becomes publicly available.</p>	<p>Support-in-Principle</p>	<p>The Department of Health and Human Services will outline in the Annual Report why reported output performance measures are considered a preliminary result. The department is exploring various mechanisms for how interested parties can access the finalised information and will ensure the Annual Report has the resultant approach identified. Mechanisms being considered include updating the department's Annual Report website with finalised performance measures, providing a contact that can provide this information on request, or other suitable alternatives. The final mechanism will be determined based on a range of factors including the handling, reporting and publishing of departmental data.</p>
<p>RECOMMENDATION 13: The Department of Education and Training explain in its annual report the rationale for not reporting against all of the indicators set out in the Budget.</p>	<p>Support</p>	<p>DET supports inclusion of this information and, where data is unavailable at the time of submission of the Annual Report, DET will provide the most recent available data and include a footnote explaining the rationale for not including this information.</p> <p>DET notes that data for the measure 'Children who have no general developmental issues on entry to prep' was reported on pages 21 and 22 of the 2016-17 DET Annual Report, and that data for the measure 'VET participation by learners facing barriers' was not available at the time of submission of the Annual Report.</p>
<p>RECOMMENDATION 14: If the data to inform indicators cannot be obtained in a timely manner for inclusion in the annual report, the Department of Education and Training assess whether it is appropriate to retain such indicators for annual reporting purposes.</p>	<p>Support-in-Principle</p>	<p>The Department supports using the most appropriate measures for departmental objectives and indicators, and assessing the appropriateness of retaining indicators for annual reporting purposes where data is not available at the time of submission of the Annual Report. In future, if current data is unavailable at the time of submission of the Annual Report, the Department will include the most recent available data and include a footnote explaining the justification for this approach.</p>

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<p>RECOMMENDATION 15: Impediments to the publication of dollar per primary and secondary school student per financial year be resolved ahead of reporting of performance against these measures in the 2017-18 Department of Education and Training annual report.</p>	<p>Not Support</p>	<p>Data for the measure is unavailable at the time of submission of the Annual Report. DET has no control of the availability and timing of the data since Reports on Government Services (ROGS) are published in January each year and 2016 results are anticipated to be released in the 2018 ROGS. DET will continue to provide the most recent available data at the time of submission of the Annual Report.</p>
<p>RECOMMENDATION 16: If data for reporting against the indicator 'Dollar per VET student contact hour per calendar year' cannot be obtained in a timely manner for inclusion in the annual report, the Department of Education and Training assess whether it is appropriate to retain this indicator for annual reporting.</p>	<p>Under Review</p>	<p>The Department of Education and Training supports the general proposal to remove performance measures that are neither relevant nor timely for reporting. DET is currently undertaking an evaluation of Skills First which will provide a sound basis for reviewing all measures and targets, including the 'Dollar per VET student contact hour per calendar year' measure. This will not affect the timing of any changes to reporting, which would be considered as part of the 2019-20 Budget process.</p>
<p>RECOMMENDATION 17: To assist interested parties assess actual performance against targeted activity, if final figures for the current reporting year are not available in time for report publication, the Department of Education and Training disclose in its annual report how this data relating to the Early Childhood Development output can be accessed and the latest date that the data will become publicly available.</p>	<p>Support</p>	<p>Where Early Childhood data is unavailable in the future, DET will provide the most recent available data and include a footnote explaining the rationale for non-inclusion. A web link to the most up-to-date published data will also be included on the DET website. Updated data will be published in the subsequent DET Annual Report.</p>

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<p>RECOMMENDATION 18: Where activities of the Department during a year have an impact on outcomes relevant to the Department's objectives, such as increasing employment opportunities, the Department of Economic Development, Jobs, Transport and Resources' annual report reflect this to enhance its accountability.</p>	<p>Support</p>	<p>The Department will continue to investigate opportunities to enhance its accountability through providing additional information on the achievement of outcomes in its annual report.</p>
<p>RECOMMENDATION 19: If current information cannot be obtained for the annual report on the value of Victorian agriculture production, earth resources production and food and fibre exports other reporting options should be explored by the Department of Economic Development, Jobs, Transport and Resources.</p>	<p>Support-in-Principle</p>	<p>Value of Victorian agriculture production and Value of Victorian food and fibre exports. Data for these two objective indicators is primarily based on statistics from the Australian Bureau of Statistics (ABS). The ABS collects the most comprehensive long term data from businesses and individuals nationally. There is no other organisation that can be relied upon to provide this data at this time.</p> <p>The Department will continue to investigate opportunities to enhance its accountability through improved objective indicators and more timely data.</p> <p>Value of Victorian earth resources production From 2017-18, as per BP3 page 124, the value of Victorian earth resources production objective indicator has been replaced with:</p> <ul style="list-style-type: none"> • Annual number of metres drilled for minerals exploration in Victoria • Annual level of production of minerals and extractives
<p>RECOMMENDATION 20: If current information cannot be obtained for the annual report on serious injuries on the transport network other reporting options should be explored by the Department of Economic Development, Jobs, Transport and Resources.</p>	<p>Support-in-Principle</p>	<p>The full-year result for serious injuries is only available in the January following the end of the financial year due to the need to validate the road injuries data to ensure that it is the most accurate reflection of serious injuries versus fatalities.</p> <p>The Department of Economic Development, Jobs, Transport and Resources supports-in-principle making up-to-date data available to the public through options beyond the Annual Report. For example, VicRoads publishes road crash data (including serious injuries and fatalities data) from 2012-2017 through its interactive CrashStats application with the caveat that "the data is incomplete for the last six months from the published data, and as a result the last six months of the data should not be used for any trend analysis."</p>

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RECOMMENDATION 21: The information disclosed against the objective indicator 'percentage of community-based orders successfully completed' be benchmarked against like jurisdictions.	Support-in-Principle	In accordance with the requirements set out in the Department of Treasury and Finance's Model Report and the Performance Management Framework, the Department of Justice and Regulation (DJR) reports on the four year trend for objective indicators in its annual report, which demonstrate how the department is meeting its objectives in the medium to long term. DJR will investigate the feasibility of benchmarking the objective indicator against like jurisdictions in future if appropriate. The main source of performance data from other jurisdictions is the Report on Government Services (ROGS), which benchmarks a number of national measures across jurisdictions. Specifically, chapter 17 of ROGS includes a comparison table of community-based orders successfully completed, by state and territory, and Indigenous status.
RECOMMENDATION 22: The objective indicator 'young offenders participating in community reintegration activities' be amended to exclude those clients who are ineligible to participate in reintegration activities.	Support-in-Principle	The Department of Justice and Regulation supports-in-principle that the objective indicator 'young offenders participating in community reintegration activities' be amended to exclude those clients who are ineligible to participate in reintegration activities. As outlined in DJR's 2016-17 Annual Report, there was a marked decrease in this objective indicator due to a higher proportion of young people in custody on remand or with a short sentence, who were ineligible to participate in community reintegration activities. DJR will investigate the feasibility of amending the counting methodology for this objective indicator to exclude those young persons in the future if possible and if appropriate. This will include assessing the IT systems capacity to capture and report on this.
RECOMMENDATION 23: The Department of Justice and Regulation replace wide performance target ranges with challenging performance targets.	Support-in-Principle	The Department of Justice and Regulation supports-in-principle replacing wide performance target ranges where appropriate. DJR develops its targets for performance measures such that they are challenging, but also realistic and achievable in accordance with the Department of Treasury and Finance's Performance Management Framework. DJR will investigate the feasibility of replacing wide performance target ranges in future if appropriate. DJR makes use of target ranges for a number of its performance measures when this is appropriate, such as where the quantity of service or outcomes being measured is impacted by uncontrolled variables. The application of a target range allows for more sensitivity to external factors. DJR reviews and adjusts its performance target ranges annually to account for variables and to ensure that they are appropriately challenging.

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<p>RECOMMENDATION 24: The Department of Justice and Regulation annual report should provide readers with a greater insight into the challenges of delivering outcomes for the effective management of offenders and prisoners. The main barriers to achieving stronger results should be set out along with how these issues have been addressed in the last financial year by the Department and its related agencies. Future plans to improve results should also be addressed in the annual plan. How Victoria is performing compared to other Australian jurisdictions should be explained.</p>	<p>Support-in-Principle</p>	<p>Contextual information on internal and external drivers of performance and strategies to address the challenges of delivering outcomes for the effective management of offenders and prisoners are part of regular reporting on performance measures and are available to inform commentary in DJR's annual report.</p> <p>The main source of performance data from other jurisdictions is the Report on Government Services (ROGS). The timing of the release of ROGS means that data from the financial year is not be available until January, after the publication of the department's annual report. Explanation of Victoria's performance against other jurisdictions is provided in commentary around objective indicators where appropriate.</p>
<p>RECOMMENDATION 25: To supplement the reporting of service delivery information, the Department of Justice and Regulation also present the findings of surveys of client satisfaction in relation to legal advice and assistance provided, clinical forensic medical services provided and services provided to victims of crime against the person.</p>	<p>Support-in-Principle</p>	<p>The Department of Justice and Regulation supports-in-principle presenting the findings of client satisfaction surveys where possible to supplement the reporting of service delivery information.</p> <p>The capacity to provide findings of surveys of client satisfaction and the suitability of conducting and analysing surveys of client satisfaction varies across the department. Victoria Legal Aid has moved to introduce a client satisfaction measure under its performance measures for Budget Paper No. 3 and will report against it for the first time in 2018-19. However, for other areas such as the Victoria Institute of Forensic Medicine, conducting client surveys can be problematic or unsuitable for a number of reasons and there are many circumstances and specific client situations, which preclude involvement in such a survey. Services may not be sought out by the clients or may be highly varied due to the focus of an investigation (for example, in a situation where there is a requirement to conduct an autopsy against a family's wishes).</p>

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<p>RECOMMENDATION 26: The Department of Justice and Regulation disclose in its annual report summary information relating to statutory authorities and offices by Ministerial portfolio such as the Funds in Court Senior Masters Office.</p>	<p>Not Support</p>	<p>The Department of Justice and Regulation discloses in its annual report a list of statutory authorities and offices and portfolio agencies by ministerial portfolio in Appendix 4. This appendix lists all statutory authorities and offices by Ministerial portfolio and does not necessarily align with departmental accountabilities and responsibilities. The Attorney General is the relevant minister for Courts Services Victoria (CSV) and a relevant minister for DJR.</p> <p>A number of these statutory authorities and offices and portfolio agencies including but not limited to, CSV, Victoria Police and Victorian Institute of Forensic Medicine, are separate reporting entities and therefore produce their own annual reports. Other statutory authorities and offices such as the Office of the Road Safety Camera Commissioner are consolidated into the department's financial statements pursuant to a determination made by the Minister for Finance under s53(1)(b) of the <i>Financial Management Act 1994</i>.</p> <p>However, the Appropriation Act (2017-2018) 2017 defines the institutional and transactional coverage of what a department is accountable for and is required to disclose. For the purposes of the Appropriation Act, Courts (encompassing CSV) is defined as a department separate to DJR.</p> <p>Information relating to the investment and use of funds held in trust and administered by the Funds in Court Senior Masters Office (an office of the Supreme Court) were previously disclosed in the DJR's annual report prior to the enactment of the Courts Services Act 2014. Information pertaining to the Funds in Court Senior Masters Office is now appropriately disclosed in CSV's annual report.</p>
<p>RECOMMENDATION 27: For the newly established objective 'Reliable, efficient, accessible, safe and sustainable energy services', the Department of Environment, Land, Water and Planning develop a wider suite of indicators to complement the sole indicator that currently relates to only renewables.</p>	<p>Support</p>	<p>This recommendation has been implemented.</p> <p>An additional departmental objective indicator for the 'Reliable, efficient, accessible, safe and sustainable energy services' objective was developed for reporting from 2017-18 and has been published in Budget Paper No. 3 <i>Service Delivery</i>, to report on the:</p> <ul style="list-style-type: none"> • percentage of surveyed users of the Victorian Energy Compare website who report that they plan to switch offers after using the website. <p>Further for 2018-19 reporting, a new suite of output performance measures has been created, with one particular measure that could serve as an objective indicator in relation to the 'Powerline Bushfire Safety work program':</p> <ul style="list-style-type: none"> • Relative reduction in state-wide powerline related bushfire risk.

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<p>RECOMMENDATION 28: For the objective 'Sustainable and effective local governments', the Department of Environment, Land, Water and Planning report on a greater suite of quantitative indicators that reflect the work of Local Government Victoria.</p>	<p>Support</p>	<p>The Department of Environment, Land, Water and Planning supports the recommendation.</p> <p>As part of the department's annual business planning process, the department continually reviews and assesses its objective indicators and performance measures, for relevance and appropriateness, to ensure the department can appropriately measure its service delivery performance.</p> <p>DELWP will incorporate PAEC's recommendation as part of its 2019-20 annual business planning process, with full implementation anticipated for 2020-21 reporting.</p>
<p>RECOMMENDATION 29: The Department of Environment, Land, Water and Planning explain in its annual report the basis for the state-wide bushfire risk of 70 per cent or below target and what the target means in lay terms.</p>	<p>Support</p>	<p>The Department of Environment, Land, Water and Planning's approach to bushfire risk assessment is outlined on page 80 of the 2017 DELWP annual report.</p> <p>Further explanation is also provided on page 17 of DELWP's 2016-20 corporate plan and is also explained in detail in the following Government policy document: <i>Safer Together – a new approach to reducing the risk of bushfire in Victoria</i>.</p> <p>DELWP will provide additional clarifying information in the 2018 DELWP Annual Report on the basis for the state-wide bushfire risk of 70 per cent or below target, and what the target means.</p>
<p>RECOMMENDATION 30: Where there is a significant underspend in a year due to a delay experienced in a particular program, the Department of Environment, Land, Water and Planning explain the circumstances surrounding the delay in its annual report and remedial action taken, rather than only disclosing the delay</p>	<p>Support</p>	<p>The Department of Environment, Land, Water and Planning supports the recommendation and agrees to provide further detail and context in its annual report, on programs that have been significantly underspent and delayed.</p>

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<p>RECOMMENDATION 31: Where significant proportions of output funding are not spent in a year and carried forward to the subsequent year, the Department of Premier and Cabinet outline the underlying reasons for the under-spend in the annual report, together with a discussion on the subsequent impact on the delivery of services and outcomes for that year</p>	<p>Support</p>	<p>Output – Aboriginal Policy, Strengthening Aboriginal Cultural Heritage and Communities – underspend \$7.6 million</p> <p>The underspend is due to delays in several projects, the largest being the First Mortgage on Aboriginal Community - Community Infrastructure Program (FMCIP) and redevelopment of the Sir Douglas Nicholls Oval.</p> <p>The FMCIP experienced delays in the development of the program guidelines as Aboriginal Victoria sought the views of a number of Aboriginal Community Controlled organisations to co-design elements of the guidelines. The Department of Premier and Cabinet (DPC) will meet 2018–19 BP3 targets for the lifting of first mortgages.</p> <p>DPC has released the budgeted \$1 million which supports redeveloping the Sir Douglas Nicholls Oval. Upgrades, repairs and maintenance are currently underway.</p> <p>Other minor project delays were the following:</p> <ul style="list-style-type: none"> • The delay in the delivery of a training program was due to low participant uptake. The impact is that there needs to be a reconsideration of the most appropriate governance model for the Aboriginal community. No program will be delivered during 2018–19 whilst a new approach is developed. • Aboriginal Lands Act (ALA) review was delayed due to a change to the management approach. Private contractors were the preferred choice to enable a more rigorous, culturally appropriate and transparent outcome for the community. • Aboriginal Heritage Country Mapping has commenced. The evaluation and scoping process resulted in release of funding for the Pilot Project and on agreed project milestones, however 20 per cent of the project will fall into 2018–19. • Ancestral Remains Database (ARD) currently does not have the required functionality and requires an internal gap analysis to determine needs. It is expected that this project will proceed in 2018–19. <p>Output – Support to Veterans in Victoria – underspend \$0.9 million</p> <p>The underspend related to phasing of payments and delays in meeting funding milestones with some ANZAC Centenary projects and with the Victoria Remembers grant program. These did not have a negative impact on program and outcome delivery.</p> <p>Output – Public Sector ICT and Digital Government – underspend \$14.7 million</p> <p>The 2016–17 actual is less than the target mainly due to unspent funding relating to a grant received from the Department of Economic Development, Jobs, Transport and Resources which was received and used for future operational requirements.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
		<p>Output – Government-wide Leadership, Reform and Implementation – underspend \$73.2 million</p> <p>The majority of this underspend relates to Service Victoria. The underspend was due to a delay in the award and commencement of a major procurement contract for Systems Integration which had a flow on effect to other projects dependent on this contract and expenditure on the Assisted Digital work stream was put on hold until a full business case could be submitted in 2017–18.</p> <p>Other areas of underspend were in the National Disability Insurance Scheme due to delays in transferring disability services to the non-government sector and delays in the finalisation of community grant programs relating to Family Violence initiatives.</p> <p>There has been no impact on service delivery or outcomes.</p>
<p>RECOMMENDATION 32: The Department of Premier and Cabinet prepare and table a whole-of-government performance outcomes report on an annual basis.</p>	<p>Support-in-Principle</p>	<p>Reporting on cross government outcomes is a future priority of the Public Sector Outcomes Reform. Over the past three years departments and agencies have progressively established outcomes frameworks and are currently testing and refining outcome measures. Further testing is required to ensure these measures are valid, reliable and support meaningful reporting. The Department of Premier and Cabinet is working with departments and agencies to transition to public reporting, at which time a whole-of-government report is envisaged.</p>
<p>RECOMMENDATION 33: To provide clearer performance-related connections in the Department’s annual report, the Department of Treasury and Finance link its objectives and performance indicators with its outputs to be delivered as part of the budget process.</p>	<p>Support</p>	<p>Clearer links between objectives, objective indicators, outputs and performance measures were introduced in the 2017-18 Budget and will be reported against in the 2017-18 Annual Report.</p>
<p>RECOMMENDATION 34: Not listed in PAEC report</p>		

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 35: The Department of Treasury and Finance include comprehensive information in its annual report of the outcomes achieved in relation to the indicator 'Ensure high-value high-risk Government projects are completed within agreed timeframes and scope'.</p>	<p>Support</p>	<p>The objective indicator "Ensure high-value high-risk Government projects are completed within agreed timeframes and scope through ensuring adherence to standards" was superseded by "percentage of Government projects completed within agreed budgets, timeframes and scope or evidenced by timely and appropriate remedial actions where necessary" in 2017-18. This indicator was amended to reflect a more measurable outcomes focus, in accordance with DTF's Whole of Victorian Government Performance Management Framework. DTF will provide information in its 2017-18 Annual Report of the outcomes achieved in relation to the revised indicator.</p>
<p>RECOMMENDATION 36: The Department of Treasury and Finance disclose whether their key clients consider high quality, timely and relevant advice has been provided on: (a) economic policy, forecasts, legislation and frameworks (b) asset management, the delivery of infrastructure, management of government land, borrowings, investments, insurance, superannuation issues and prudential supervision in its annual report</p>	<p>Support</p>	<p>DTF supports this recommendation and will include further detail in its 2018-19 Annual Report.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 37: The Victorian Centre for Data Insights:</p> <p>(a) develop a mission statement on the purpose and uses of public sector data</p> <p>(b) undertake research into the use of data available and downloaded from the DataVic website, establishing the potential and realised benefits of the policy</p> <p>(c) communicate the outcomes and findings of this research to Victorian Government Departments and agencies</p>	Support-in-Principle	<p>The Department of Premier and Cabinet (DPC) has led the development of a Data Reform Strategy for the Victorian Public Service, which was endorsed by the Victorian Secretaries' Board in July 2018.</p> <p>The strategy provides a whole-of-government framework for data in the public sector in order to harness opportunities for a data-driven Victorian Public Service. The initial 18 month program of work focuses on building foundations in order to supply new capabilities and grow demand for quality data analytics.</p> <p>DPC will also be undertaking a full review and refresh of the DataVic Access Policy to build upon the learnings taken from the past six years of open data availability, and ensure the policy is aligned with the Data Reform Strategy for the Victorian Public Service. This process will involve consultation with Victorian Government departments and agencies.</p> <p>The review will explore a range of areas including usability, value creation and how open data can support public participation and partnership. Privacy-related issues and the potential impacts of releasing data will also be a factor. The results of research DPC is currently undertaking into open data in practice will also be an input. This research is investigating the attitudes of government agency workers to open data, and what factors contribute to the successful implementation of open data policies and initiatives.</p>
<p>RECOMMENDATION 38: Guidance on the commercialisation of datasets is reviewed and updated in light of the recent establishment of the Victorian Centre for Data Insights.</p>	Support-in-Principle	<p>The Data Reform Strategy for the Victorian Public Service sets an action to develop a data valuation and analytics maturity methodology by mid-2019. Any valuation would take into account the potential commercial value of data assets. The methodology will include practical guidance on how to extract value (including commercial value) from those assets. It will align with the review of the DataVic Access Policy, which sets the framework for commercialisation of data assets through public release (as referred to in the response to Recommendation 37).</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 39: The Victorian Centre for Data Insights:</p> <p>(a) establish a set of high value datasets for each department and agency in consultation with them</p> <p>(b) ensure that these high value datasets are on the appropriate asset registers</p> <p>(c) ensure that these high value datasets are available and kept up-to-date on the DataVic website</p> <p>(d) ensure that the list of high value datasets is regularly reviewed.</p>	Support-in-Principle	<p>The Department of Premier and Cabinet is currently undertaking complementary activities which will assist in prioritisation of datasets including the development of outcomes frameworks across the Victorian Government and an Evidence Strategy. These activities will be strategic inputs in the review of the DataVic Access Policy.</p> <p>A number of actions within the Victorian Government ICT Strategy 2016–2020 also support this recommendation including the development of an ‘Information Sharing and Release Strategy’, implementation of a government information asset register for internal use, and development of the API platform.</p>
<p>RECOMMENDATION 40: The Victorian Centre for Data Insights assist departments in reviewing successful Freedom of Information requests over the last five years to identify data that is suitable for release onto the DataVic website. The identified datasets should then be placed on the appropriate asset registers, uploaded and regularly updated on the DataVic website.</p>	Support-in-Principle	<p>The Department of Premier and Cabinet will work with Victorian Government departments and agencies to determine how this approach can contribute to the release of high value data.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 41: The Department of Premier and Cabinet, through the Victorian Centre for Data Insights, actively curate the DataVic website, including:</p> <p>(a) ensuring data is available in an excel or similar format that is easily downloaded</p> <p>(b) identifying datasets that can be compiled into one excel spreadsheet that is updated annually</p> <p>(c) removing out-of-date datasets</p> <p>(d) checking links and downloadable data to see if they are still active</p>	<p>Support-in-Principle</p>	<p>As per the DataVic Access Policy, all data released through DataVic must be in a reusable format and this format is what is best fit for the data.</p> <p>The preferred open formats for datasets to be made available are:</p> <ul style="list-style-type: none"> • CSV (comma separated values) for simple spreadsheets and simple databases. (Note: CSV files can be previewed within the Data Directory without the need to download the file, allowing end users to decide if the file is suitable for its purposes) • XML (extensible markup language) – a general-purpose markup language for complex datasets, standardised by the main international standards organisation for the World Wide Web. • XBRL (extensible business reporting language) – XBRL is a freely available global standard, standards-based way to communicate and exchange business information between business systems. • Open standards for spatial data are maintained by the Open Geospatial Consortium. <p>Presenting time series data in one excel spreadsheet is best practice and does occur in some instances (gaming expenditure by venue, building permit data, speed camera data). Education of data custodians to meet best practice open data standards is an ongoing task.</p> <p>The purpose of DataVic is to enable access to data records, therefore in this context, a dataset is not considered out of date.</p> <p>The DataVic platform is currently undergoing improvements to enable better management of out-of-date links.</p>

PAEC recommendation	Response	Action taken to date and commitment to further action
<p>RECOMMENDATION 42: The Department of Environment, Land, Water and Planning establish a whole of department asset register, in line with the IM-STD-03 Information Management Governance Standard.</p>	<p>Support</p>	<p>The Department of Environment, Land, Water and Planning supports the recommendation. The department has considered a range of options for implementing a register for its wide range of information assets.</p> <p>The department has taken the approach to phase the implementation, by focusing on creating a register that supports its obligations under the <i>Privacy and Data Protection Act 2014</i>. This will address its critical information assets (using the Victorian Protective Data Framework definitions). This phase is expected to be implemented by August 2018.</p> <p>Within this first phase, the department will also undertake the following activities to meet the <i>IM-STD-03 Information Management Standard</i> and prepare for the extension of the register to the rest of its information assets:</p> <ul style="list-style-type: none"> • Develop a guideline for ongoing maintenance of information assets; and • Develop an approach for publishing its information assets on the department’s website and further populating the Victorian Government Data Directory (DataVic). <p>Further actions to come will include a longer-term technology solution to deliver an Information Asset Register in line with the <i>IM-STD-03 Information Management Governance Standard</i>. This is expected to be in place by August 2019.</p>
<p>RECOMMENDATION 43: The Department of Premier and Cabinet, as the central agency, ensure that information management guidance and standards supplied to departments and agencies are clear, relevant, do not duplicate existing documentation and kept to a minimum.</p>	<p>Support</p>	<p>The Victorian Government's Information Management Framework (published December 2016) was developed in response to the 2015 VAGO audit Access to Public Sector Information and the Royal Commission into Family Violence. The primary objectives of the framework were to enhance decision making, policy development and service delivery by providing greater insight and supporting evidence. The secondary objectives were to facilitate innovation through improved management of information and to create a standard approach to information management across the government.</p> <p>Since that time the Department of Premier and Cabinet has focused on delivery of the outputs of the framework including policies, standards and guidelines. These outputs include the Information Management Policy, the Information Governance Standard, the Enterprise Data Management Standard, Cabinet in Confidence and Caretaker Period Digital Information Management Standard, the Data Quality Standard and the Data Exchange Framework. All aim to increase the quality, availability and value of the data assets owned by government, whilst helping to build capability through stakeholder participation and ownership.</p>