

SECTION C: PERFORMANCE OUTCOMES

CHAPTER 10: REPORT CARD BY DEPARTMENTS ON PORTFOLIO OUTCOMES ACHIEVEMENTS

Key Findings of the Committee:

- 10.1** Four departments reported that their main program outcomes were achieved in 2007-08. All program outcomes identified by departments were linked to major government strategies, in particular *Growing Victoria Together* and *A Fairer Victoria*.
- 10.2** Six departments (Departments of Human Services, Innovation, Industry and Regional Development, Transport, Justice, Sustainability and Environment, and Treasury and Finance) reported that some of the key program outcomes were not achieved or only partially achieved in 2007-08.
- 10.3** The Committee was unable to assess the effectiveness of program outcomes, in some cases, due to the following reporting issues:
- reported program outcomes and related performance measures were not specifically identifiable in Budget Paper No. 3;
 - only qualitative data was provided; and
 - where quantitative data are provided, performance targets for the reported outputs were not clearly identifiable.
- 10.4** The Department of Human Services reported 1,393,180 admissions to public hospitals in 2007-08, against the target of 1,408,000. As of 30 June 2008., 37,529 were waiting for elective surgery.
- 10.5** The initial response to clients seeking support services for sexual assault was received within five working days of referral in 95 per cent of cases, against the target of 80 per cent.
- 10.6** The average waiting time for dentures was 13 months, against the target of 22 months.
- 10.7** The number of urgent patients (triage category 3) treated within the desirable treatment time increased by 5.1 per cent compared with the previous year. However, only 68 per cent of these patients were treated within the desirable treatment time - lower than the target of 75 per cent. The Department explained that the increase in urgent patients, along with a rise in influenza like illnesses, placed additional demands on the system's capacity to treat patients within the target time.
- 10.8** The Department of Education and Early Childhood Development reported that 86.1 per cent of the 20-24 year old cohorts completed Year 12 or its equivalent in 2007, an increase of 85.5 per cent from the previous year. The Victorian result for 2007 was higher than the national average of 83.5 per cent but still short of the target of 90 per cent in 2010.

- 10.9** The Department of Transport reported that total metropolitan public transport patronage exceeded 450 million in 2007-08, against the target of 423 million. The responses to the unprecedented increases in patronage levels included increasing the number of new trains on order from 10 to 18 and increasing the number of weekly services by more than 200.
- 10.10** A number of significant projects were being delivered under *Meeting Our Transport Challenges* including the upgrade of the Monash-Westgate freeway and SmartBus services. Eastlink opened five months ahead of schedule.
- 10.11** The Department of Transport identified that four program outcomes were not fully achieved in 2007-08.
- 10.12** Following the Department of Justice's review of gambling licences in Victoria, two separate lottery licences were granted and competition was introduced to the Victorian lotteries market for the first time. In addition, the single post 2012 keno and wagering licences have been/will be opened up to a competitive tender process.
- 10.13** 227,299 *Working with Children* checks were conducted in 2007-08, against the target of 80,000.
- 10.14** The Department of Primary Industries finalised the agreements for three projects under the Energy Technology Innovation Strategy:
- \$750 million Integrated Drying Gasification Combined Cycle demonstration plant;
 - \$369 million coal drying, combustion and carbon capture project; and
 - \$420 million large-scale solar photovoltaic demonstration facility.
- 10.15** The Department of Sustainability and Environment reported that preparation for the desalination plant began in 2007-08 – with the acquisition of land, commencement of Environmental Effects Statements studies and the establishment of an information office to engage with local communities, businesses and stakeholders.
- 10.16** The Department also reported that the Channel Deepening Project commenced in early 2008 and 17 per cent of the total project volume had been dredged as of 1 December 2008. The Office of the Environmental Monitor was established to independently monitor and assess the environmental performance of the Project.

10.1 Introduction

The Government provides funding to departments and agencies, who in turn provide resources (inputs) into services (outputs) to achieve designated outcomes for the community.²¹⁰ Such outcomes include the provision of health services, schools and emergency services.

²¹⁰ Productivity Commission, *Report on Government Services 2009*, January 2009, p.12

The Committee gave departments the opportunity to outline five main program outcomes achieved in 2007-08 for each portfolio. Departments were asked to quantify achievements wherever possible against planned outcomes/targets, particularly as outlined in the 2007-08 Budget Papers. Departments were also asked to identify any significant program outcomes that were not achieved in 2007-08, together with the underlying reasons.

In addition, departments were asked to outline the approaches undertaken by them during 2007-08 to address seven critical future priorities for the Victorian public sector as identified by the State Services Authority.²¹¹ The critical future priorities are outlined in section 10.4.

This approach aims to achieve a fair and balanced style of parliamentary reporting by incorporating departments' self analyses into the Committee's financial and performance outcomes report and complement the independent analyses of the Committee.

This chapter is primarily a summary of key achievements reported by departments. Quantitative data provided by departments are compared against set program outcome targets stated in annual reports and Budget papers, where available. Some of the outcomes relate to various issues which are covered in greater depth in other chapters of this report.

Full versions of the responses received from departments and agencies are located within Appendix 1.

10.2 Program Outcomes

10.2.1 Department of Human Services

The Department of Human Services set six objectives to address *Growing Victoria Together* and *A Fairer Victoria* goals.²¹² The Department reported numerous outcome achievements in 2007-08 under each objective, which include.²¹³

1. build sustainable, well managed and efficient human services:

- established statewide early intervention family services system. The number of operational Family Support Innovation Projects²¹⁴ was 79 at the end of 2007-08, against the target of 79;
- implemented food regulation reforms in February 2008;²¹⁵
- under the Disability Act 2006 which became operational from 1 July 2007, provided framework for the delivery of supports based on a person's individual requirements, with stronger accountability to regulate and provide safeguards for service provision in relation to access, individual planning, complaints and review, residential rights, and quality outcomes.

²¹¹ State Services Authority, *The State of the Public Sector in Victoria 2006-07*, p.58

²¹² Budget Paper No.3, *Service Delivery 2007-08*, p.54

²¹³ Department of Human Services, response to the Committee's Financial and Performance Outcomes Questionnaire – Part One, received 19 January 2009, p.66-83

²¹⁴ Family Support Innovation Projects provide statewide coverage in early intervention services for vulnerable families.

²¹⁵ The Department of Human Services did not report actual achievement against set target of \$20 million reduction in administrative regulatory costs. The Department explained that reduction is anticipated to be realised in 2009-10.

2. provide timely and accessible human services:

- admitted 1,393,180 patients to public hospitals in 2007-08, against the target of 1,408,000;
- admitted 1,350,046 patients to 38 Victorian public hospitals with 24-hour emergency departments, against the target of 1,350,000;
- made available \$60 million to provide elective surgery to more than 9,400 additional Victorians and to help hospitals increase elective surgery capacity – 37,529 people were waiting for elective surgery at 30 June 2008, 6.9 per cent lower than the number at 31 December 1999;
- increased ability of senior Victorians to live independently in their homes – Personal Alert Victoria provided 21,250 personal alert units each day across the State, against the target of 21,255; and
- improved timeliness of sexual assault support services – Sexual assault support services clients receiving an initial response within five working days of referral in 95 per cent of cases, against the target of 80 per cent.

3. improve human service safety and quality:

- protected children and young people from harm and abuse – 40,940 child protection reports were received, against the target of 41,600. Ongoing efforts combined with legislative reforms have resulted in Victoria maintaining almost zero growth in child protection notifications;
- continued provision of greater options for rural women during pregnancy and birth under the Rural Maternity Initiative; and
- upgraded infrastructures at bush nursing hospitals and small rural health services – \$1.7 million was allocated in 2007-08 for 38 projects across six small health services, six bush nursing hospitals, and 14 bush nursing centres.

4. promote least intrusive and earliest effective care:

- provided family services to an average of 23,150 families, against the target of 22,150. Child Protection services also responded to 114 new child protection reports, and cared for 5,400 children in care on any given day; and
- maintained low rate of juvenile supervision in detention – Victoria has the nation's lowest rate of juvenile supervision in detention. The average daily number of young people in custody was 158.

5. strengthen capacity of individuals, families and communities:

- delivered *Go For Your Life!* community education program at over 260 schools across Victoria, covering over 41,000 schoolchildren, and over 230 community events.

6. reduce inequities through improving health and wellbeing, particularly for disadvantaged people and communities:

- funded establishment/expansion of pre-clinical teaching laboratory at La Trobe University's Bendigo campus;
- provided more dentures to disadvantaged older Victorians – Average waiting time for dentures was 13 months, against the target of 22 months. In addition, the number of patients receiving emergency dentures and general dentures increased from 43,860 to 51,817;
- assisted 33,450 with housing establishment funds, against the target of 31,450; and
- delivered 1,262 units of properties for long-term housing, against the target of 1,150 units.

The Department reported that two key program outcomes were not fully achieved in 2007-08:

1. while the number of urgent patients (triage category 3) treated within the desirable treatment time increased by 5.1 per cent compared with the previous year, only 68 per cent of these patients were treated within the desirable treatment time – lower than the target of 75 per cent. The Department explained that the increase in urgent patients, along with a rise in influenza like illnesses, placed additional demands on the system's capacity to treat patients within the target time; and
2. only 8,716 bond loans were provided against the Budget Paper 3 target of 11,500. Overall tightening of private rental is reducing turnover in the market and consequently reducing demand for *Bond Loan Scheme*. In response, the Department increased its funding for the Housing Establishment Fund, which assists eligible clients gain entry to or maintain private rental accommodation.

10.2.2 Department of Innovation, Industry and Regional Development

The Department of Innovation, Industry and Regional Development reported five main outcomes achievements in 2007-08.²¹⁶ The actual and target outcomes, which are linked primarily to the *Growing Victoria Together* Strategy, are outlined below:

1. established International Coordination Office (ICO) in June 2008 under the Seizing Global Opportunities Strategy, as targeted. The ICO is well in the process of delivering reforms in global markets. This includes an integrated response to businesses seeking to invest trade and migrate to Victoria. Activities are more tightly linked, across industry, education, tourism, primary industries and migration;
2. opened 13 Skills Stores²¹⁷ (against the target of 13) following launch of initiative in July 2007. Skills Stores provide free advice to employers and individuals on skills recognition, workforce training options and provide school career advisers with training information;
3. delivered seven trade fairs (against the target of 6), through the ICT Trade Events and Export Assistance Program, and promoted ICT strengths to key international markets. 48 (against the target of 20) ICT companies accessed the ICT Trade Events and Export Assistance Program. Victorian ICT companies received more than 250 grants to promote their capabilities in over 25 countries, generating projected exports of more than \$220 million;
4. funded 73 projects (against the target of 50) under the Small Town Development Fund. The fund supported various types of projects, including tourism, water saving and re-use, industrial estates, halls, community centres, parklands and rail-trails; and
5. assisted 325 small businesses (against the target of 300) with workforce planning assessments and action plans through the My Business My People Program. More than 7,000 small businesses participated in one or more programs, including Grow Your Business and Under New Management workshops.

²¹⁶ Department of Innovation, Industry and Regional Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part One, p.40-43

²¹⁷ Five Skills Stores were established in July - December 2007 (Central Gippsland, Goulburn Ovens, Eastern, North Western and South Eastern Regions) and seven additional Stores by January 2008 (Ballarat, Bendigo, Geelong, Wodonga, Sunraysia, East Gippsland and South Western Victoria). The Store in Central Melbourne region was opened in July 2008. The Stores provide free advice to employers and individuals about skills recognition, workforce training and related information.

Committee Comment

The Seizing Global Opportunities strategy was released in October 2007. It aims to manage the State's international network and deliver reforms to ensure Victoria offers a seamless, integrated and rewarding experience to those seeking to invest in, trade with, migrate to or collaborate with the State from abroad. The reforms are expected to contribute more than \$35 billion to the State's export target by 2015.²¹⁸

Given the current economic climate, achieving all of the intended outcomes associated with the Seizing Global Opportunities strategy may prove to be challenging. As such, the Committee recommends that the department include in its annual report, a progress update of its performance in delivering the outcomes of this strategy. This should include, but not be limited to, the estimated contribution to the States Export target for 2015.

Recommendation 19: **The Department of Innovation, Industry and Regional Development disclose, in future annual reports, progress made towards achieving the outcome targets identified in the Seizing Global Opportunities strategy, including information on the estimated contribution of strategy reforms to the State's 2015 export target.**

The Department reported that two program outcomes were not achieved in 2007-08. These were the Keynote Speaker Program and the Consortia Programs, which were replaced with a revised list of programs under the new Agenda for New Manufacturing Strategy in December 2007.

10.2.3 Department of Education and Early Childhood Development

The Department of Education and Early Childhood Development reported the following outcomes relating to the five *Growing Victoria Together* goals and targets for education and early childhood services in 2007-08.²¹⁹

1. four year old participation in kindergartens increased from 93 per cent in 2006 to 94 per cent in 2007 (against the target of 96 per cent);
2. more than 90 per cent (against the targets of 89-94 per cent) of Victorian students in Years 3 and 5 achieved the national benchmarks for reading, writing and numeracy in 2007. 94.9 per cent of Year 7 students met the benchmark for reading and more than 95 per cent met the benchmark for writing;
3. 86.1 per cent of the 20-24 year old cohorts completed Year 12 or its equivalent in 2007, an increase of 85.5 per cent from the previous year. The completion rate is higher than the national average of 83.5 per cent and tracking towards the target of 90 per cent in 2010;
4. funding of 131 schools under Stage One of the Victorian Schools Plan. Planning for two new selective entry schools in Melbourne's urban growth areas also commenced; and
5. implemented several *Go For Your Life* programs to promote the benefits of physical activity and health eating habits. 183 government schools received the second round of Healthy Start in Schools grants, while 805 schools received grants under the second phase of Free Fruit Friday program.

²¹⁸ Department of Innovation, Industry and Regional Development, Annual Report 2007-08, p.35

²¹⁹ Department of Education and Early Childhood Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part One, p.25-26

Committee Comment

The following reported outcomes did not achieve set performance targets:

Table 10.1: Comparison of Actual and Target Outcomes

| Program Outcome | 2007-08 Target (a) | 2007-08 Actual (a) | Variation |
|--|--------------------|--------------------|------------|
| | (per cent) | (per cent) | (per cent) |
| Kindergarten participation rate | 96.0 | 94.0 | -2 |
| Percentage of Year 5 students reaching | 95.0 | 91.5 | -3.5 |

Note: (a) Target and actual outcomes are in respect of the 2007 calendar year.

Sources: Department Annual Report 2007-08 and Financial and Performance Outcomes Questionnaire – Part One.

Recommendation 20: **The Department of Education and Early Childhood Development continue to improve kindergarten participation rate and Year 5 students' numeracy proficiency to meet/exceed set targets.**

10.2.4 Department of Transport

The Department of Transport reported five main outcomes achievements in 2007-08.²²⁰ The actual and target outcomes, which are linked to the *Meeting Our Transport Challenges* Strategy, are outlined below:

1. increase public transport services:
 - total metropolitan public transport patronage exceeded 450 million (against the target of 423 million) in 2007-08²²¹. In addition, 25.1 million passengers (against the target of 21.3 million) used V/Line train and country bus services;
 - the number of new trains on order increased from 10 to 18. In addition, the number of VLocity carriages under order for rural services increased to 50; and
 - new train timetables were introduced to address significant increase in patronage. More than 200 new services across the network each week, including 6 new morning and 3 new afternoon services, were introduced.

²²⁰ Department of Transport, response to the Committee's Financial and Performance Outcomes Questionnaire – Part One, pp.69-72 and pp.75-77

²²¹ Customer satisfaction index for train services (59.4) was lower than the minimum target of 65.4. The Department disclosed that this was due largely to poorer than expected service delivery (punctuality and reliability). It further explained that service delivery was affected by factors such as the Siemens braking issue, signalling problems, and increased patronage which resulted in crowding and delays.

2. deliver Meeting Our Transport Challenges:
 - completion of Outer Metropolitan and Rural Arterial Road Program projects;
 - completion of East West Link Needs Assessment;
 - upgrade of additional stations to premium status,²²²
 - development of SmartBus²²³ services;
 - provision of new/additional bus services; and
 - upgrade of Monash-Westgate freeway.
3. Eastlink, Australia's largest urban road project, opened five months ahead of schedule;
4. channel deepening – In February 2008, the Port of Melbourne began deepening Melbourne's shipping channels to allow 14-meter draught vessels access at all stages. The project was 23 per cent complete at 30 June 2008, ahead of schedule and within all environmental limits; and
5. road safety targets – Road toll for the 2007 calendar year was 332 fatalities (against the target of 330). *Arrive Alive 2* aims to reduce the State's road toll by 30 per cent over the next 10 years.

Committee Comment

While metropolitan train patronage grew by 12.7 per cent to reach 201.2 million in 2007-08, the Committee noted that customer satisfaction index for train services (59.4 per cent) was lower than the minimum target score of 65.4 per cent. The Department disclosed that this was due largely to poorer than expected service delivery (punctuality and reliability criteria). It further explained that service delivery was affected by factors such as the Siemens braking issue, signalling problems, and increased patronage which resulted in crowding and delays.²²⁴

The Department reported that four key program outcomes were not fully achieved in 2007-08:

1. delay in Myki project due to software complexities;
2. increased dwell times at Metropolitan train stations due to strong patronage growth;
3. public transport mode share not tracking towards the goal of 20 per cent by 2020 as indicated in the Budget Papers; and
4. low proportion of freight on rail.

10.2.5 Department of Justice

The Department of Justice reported five main outcomes achievements in 2007-08.²²⁵

1. Working with Children checks – This Program aims to protect children from sexual and physical harm by ensuring that people who work or care for them have had their suitability to do so checked. 227,299 checks were conducted in 2007-08, against the target of 80,000;

²²² This requires the stations to be staffed from first to last train, and improvements to security and customer amenity.

²²³ Smart Bus is a high frequency and reliable premium bus service with extended operating hours on major arterial roads, connections to activity centres and interchanging with rail networks.

²²⁴ Department of Transport, Annual Report 2007-08, p.197

²²⁵ Department of Justice, response to the Committee's Financial and Performance Outcomes Questionnaire – Part One, p.52-59

2. review Victorian gambling licences – Two separate lottery licences were granted and competition was introduced to the Victorian lotteries market for the first time. In addition, the single post-2012 keno and wagering licences have been/will be opened up to a competitive tender process;
3. reduce re-offending – Recidivism rates in Victoria fell for the fifth consecutive year;
4. protecting human rights – The Department implemented a communications plan to raise the awareness of the Charter of Human Rights amongst more than 270 Government bodies and provided training in charter operations for more than 800 legal advisers, policy officers and service delivery staff; and
5. enforcing compliance with consumer laws – Consumer Affairs Victoria (CAV) has realigned compliance and enforcement to maximise effectiveness in deterring those who breach consumer laws. In 2007-08, CAV undertook complex cases in the Supreme Court and won its first significant High Court application. It also actively pursued civil action, recovery for consumers and advocated for higher penalties.

The Department reported that two key program outcomes were not achieved in 2007-08:

1. the Sexual Assault Reform Strategy provided \$1.373 million of capital funding and \$458,000 of recurrent funding for a 'halfway house' for sex offenders exiting prison. Significant difficulties were experienced due to factors such as restrictions on the acceptable location, zoning and planning issues. Victoria has broadened the project focus to include a range of potential housing models and to move to a more integrated model; and
2. the Freedom of Information (FOI) Amendment Bill 2007 was defeated in the Legislative Council. The legislative amendments recommended by the Ombudsman were part of the FOI amendments introduced into Parliament by the Attorney-General.

Committee Comment

The Committee notes the extraordinary unanticipated number of working with children checks. Future targets for this program may need to be adjusted.

10.2.6 Department of Premier and Cabinet

The Department of Premier and Cabinet reported four main outcomes achievements in 2007-08, which are linked to *Growing Victoria Together* and *A Fairer Victoria* Strategies.

1. attendances at arts portfolio agencies – The number of users/attendances at all agencies was 8,875,000, against the target of 7,650,000. All agencies experienced slightly higher than expected attendances, particularly the State Library due largely to the popularity of its exhibitions;
2. online visitor access to arts portfolio agencies' websites – The number of online visitors to agency websites was 16,635,000, against the target of 13,570,000. All agencies experienced a growth in online visitors, particularly Public Record Office, Australian Centre for the Moving Image and State Library;
3. attendances at major performing arts companies – The number of attendances at major performing arts organisations was 1,190,000, against the target of 949,000. The Department explained that the increase was due to high attendance at performances by Melbourne Theatre Company; and
4. attendances at major festivals – The number of attendances at major festivals was 1,387,000, against the target of 1,270,000. The Department explained that the increase was due to high attendance at the comedy festival.

In its response to the Committee's Questionnaire, the Department did not identify any significant program outcomes which were not achieved in 2007-08.

10.2.7 Department of Primary Industries

The Department of Primary Industries reported five main outcomes achievements in 2007-08,²²⁶ which are linked to various Government strategies, including the *Growing Victoria Together* and *Future Farming Strategies*:

1. *Future Farming Strategy* – Providing \$205 million over four years, this whole-of-government Strategy aims to boost farm services, drive growth and innovation in response to climate change and other challenges. Milestones achieved in 2007-08 were:
 - established an interdepartmental committee and Ministerial working group;
 - established a new division within the department, Farm Services Victoria; and
 - received endorsement from the Expenditure Review Committee for proposals across four government departments.
2. large-scale demonstration projects under the Energy Technology Innovation Strategy – Deeds of Agreement totalling \$1.5 billion were signed for development of new clean energy technologies for Victoria:
 - \$750 million Integrated Drying Gasification Combined Cycle demonstration plant;
 - \$369 million coal drying, combustion and carbon capture project; and
 - \$420 million large-scale solar photovoltaic demonstration facility.
3. National Primary Industries Research Development and Extension Framework – The Department focuses its investment and research effort to areas or sectors of specific importance and competitive advantage to Victoria, within the context of developing the national framework;
4. assist rural businesses, families and communities through drought – The Department of Primary Industries collaborated with other agencies to develop and deliver on-ground initiatives to help rural communities under the State's \$400 million drought assistance package; and
5. facilitate and attract new investment in the State's earth resources sector – \$4 billion in new development projects for the resources sector were also announced, namely coal to urea fertiliser plant in the Latrobe Valley (\$2.0 billion), Kipper gas project in the Gippsland Basin (\$1.4 billion), Henry gas project in the Otway Basin (\$275 million) and Murray Basin Stage 2 mineral sands project in Western Victoria (\$209 million).

In its response to the Committee's Questionnaire, the Department reported that all significant program outcomes were achieved in 2007-08.

Committee Comment

The Committee noted that actual spending for the Department's strategic and applied scientific research output in 2007-08 (\$168.7 million) was below budget (\$216.3 million). The Department explained that this was due to the deferral of the Energy Technology Innovation Strategy Projects.²²⁷

²²⁶ Department of Primary Industries, response to the Committee's Financial and Performance Outcomes Questionnaire – Part One, received 19 January 2009, p.29-31

²²⁷ Department of Primary Industries, Annual Report 2007-08 – Financial Statements & Appendices, p.44

10.2.8 Department of Sustainability and Environment

The Department of Sustainability and Environment reported eight main outcomes achievements in 2007-08, three relating to the water portfolio and five relating to the environmental/climate change portfolio.²²⁸ The program outcomes are linked to various Government strategies, such as the *Our Water, Our Future Strategy*:

1. creating water – Planning and preparing for the Wonthaggi desalination plant began in 2007-08. The plant is expected to provide 150 gigalitres of rainfall-independent water each year.²²⁹ Milestones achieved were:
 - purchased three properties and served notifications of compulsory acquisition on another three;
 - commenced a thorough Environmental Effects Statements studies; and
 - established an information office in September 2007 to provide information and engage with the local community, businesses and stakeholders.
2. sharing water – The Victoria Water Grid projects continued to link water systems across the State. Works undertaken included:
 - established Sugarloaf Alliance²³⁰ to complete the \$750 million Sugarloaf pipeline project. Community was consulted through an extensive process, and construction will commence once relevant planning approvals are obtained;
 - obtained environmental approvals for reconnection of Tarago Reservoir to Melbourne’s water supply network. The project will provide 15 gigalitres of water each year when completed in mid-2009; and
 - determined preferred routes for the Geelong-Melbourne pipeline²³¹ and the Hamilton-Grampians pipeline²³², and completed the functional designs.

²²⁸ Department of Sustainability and Environment, response to the Committee’s Financial and Performance Outcomes Questionnaire – Part One, p.22 & 23

²²⁹ Department of Sustainability and Environment, Annual Report 2007-08, p.37

²³⁰ Sugarloaf Alliance comprises Melbourne Water, GHD, Sinclair Knight Merz and John Holland. The project will transfer water savings from the Food Bowl Modernisation Project through a 70 kilometer pipeline from the Goulburn River to Sugarloaf Reservoir.

²³¹ Construction will commence in 2010. The project will transfer up to 16 gigalitres of water to Geelong from Melbourne when completed.

²³² Construction will commence in 2009. When completed, the project will supply up to 2 gigalitres of water each year to the Hamilton system from Rocklands Reservoir.

3. saving water – In February 2008, the State reached its 2010 target of recycling 20 per cent of the State’s wastewater. Since 1999, the use of recycled water has increased from 14 gicalitres to 65 gicalitres per year.²³³ Other works included:
 - commenced construction of the Gippsland Water Factory. The factory will treat up to 35 gicalitres of industrial and residential waste per day from the La Trove Valley. Construction is due to complete by the end of 2008;
 - completed Western Water’s new Melton Class A Recycled Water Plant at Surbiton Park. 20,000 homes in the area will receive Class A recycled water from the plant by 2030;
 - provided almost 32,000 Water Smart Gardens and Homes Rebates. Water savings from all rebates are estimated at more than 1,854 megalitres per year;²³⁴
 - exchanged a total of 211,952 showerheads since the Showerheads Exchange program commenced in 2006; and
 - more than 650 schools joined the Schools Water Efficiency program, against the target of 300²³⁵. The program helps schools connected to a reticulated water supply to save water, for example fitting flow-control valves, fixing leaking taps or cisterns. The program also promotes community’s water awareness.
4. released the Green Paper, ‘Land and biodiversity at a time of climate change’ for public comment – An extensive consultation process was conducted following the release of the Green paper. A White paper setting the direction for Government policy and investment priorities in natural resource management, land health and biodiversity will be released in May 2009;²³⁶
5. commenced the channel deepening project following an extensive environmental assessment process – The Department’s role now is to regulate the project’s compliance with the relevant environment management plan and Coastal Management Act approval. The project is expected to complete by the end of 2009;²³⁷
6. fire management on public land – 690 bushfires occurred in Victoria during the 2007-08 fire season, representing a 7 per cent increase in the number of fires compared to the 30 year average. However, the area affected by fire was considerably less due largely to a heightened level of preparedness. The Department reported that 90 per cent of the fires were controlled to less than five hectares, against the target of 75 per cent;²³⁸
7. continued the Department’s ecoMarkets program²³⁹ – Since 2007, the BushBroker program has resulted in 39 trades valued at more than \$3 million and the BushTender Program has resulted in agreements with 86 landholders, committing \$3.2 million for on-ground works and land use changes; and
8. continued to raise awareness of climate change issues.

²³³ Department of Sustainability and Environment, Annual Report 2007-08, p.40

²³⁴ *ibid.*, p.42

²³⁵ *ibid.*, p.186

²³⁶ *ibid.*, p.70

²³⁷ *ibid.*, p.73

²³⁸ *ibid.*, p.191

²³⁹ The ecoMarket program is a range of market-based approaches that provide incentives to landlords to manage land and water in ways that conserve and enhance the environment.

9. developed a \$41.6 million package of measures to help Victorians reduce greenhouse emissions, including:
 - \$33 million for Regional Solar Hot Water Rebates program to assist 15,000 households shift to solar power;
 - \$4.1 million for Low Income Retrofit program to assist vulnerable households reduce energy costs; and
 - \$4.5 million for extended Black Balloons campaign to increase community awareness and encourage behaviour change.

The Department reported that one key program outcome was not fully achieved in 2007-08. The demand for surface drainage systems reduced in 2007-08 due to the continuing drought conditions around Victoria. With the reduced rainfall, actual additional area protected from salinity by surface drainage (800 hectares) was lower than target (1,900 hectares).

10.2.9 Department of Treasury and Finance

The Department of Treasury and Finance reported five main outcomes achievements in 2007-08,²⁴⁰ which are linked primarily to the *Growing Victoria Together* Strategy:

1. finalised inquiry into regulation of food sector, and presented the final report to the Treasurer;
2. progressed towards 25 per cent reduction in administrative burden²⁴¹ imposed on business and not-for-profit organisations – The *Reducing the Regulatory Burden* initiative is making progress towards its three-year target of \$154 million in administrative burden reduction as part of the five year strategy;
3. delivered financial reports – 2008-09 State budget and budget update, annual financial report, mid-year financial report and quarterly financial reports within stipulated time;²⁴²
4. implemented efficient government initiatives and completed the Efficient Technology Services business case; and
5. extended investment management standard from ICT to all project types – The standard was included in the whole-of-government investment lifecycle guidelines.

Committee Comment

The Department estimated the administrative burden imposed by State regulation at \$1.03 billion per annum. Based on this estimate, the following administrative burden reduction targets have been set:²⁴³

- \$154 million per annum by July 2009; and
- \$256 million per annum by July 2011.

The Committee noted that the Department of Treasury and Finance provides a progress report on the *Reducing the Regulatory Burden* initiative on an annual basis.

²⁴⁰ Department of Treasury and Finance, response to the Committee's Financial and Performance Outcomes Questionnaire – Part One, pp.34 & 35

²⁴¹ Administrative burden (red tape) refers to costs imposed on businesses and not-for-profit organisations that require them to demonstrate compliance with Government regulation. These costs include record keeping, licence application forms, compiling annual reports and assisting with inspections by regulators.

²⁴² Department of Treasury and Finance, Annual Report 2007-08, p.27

²⁴³ Department of Treasury and Finance, *Reducing the Regulatory Burden – 2007-08 Progress Report*, p.8

The Department reported that two key program outcomes were not fully achieved in 2007-08:

1. the Department's public finance bill discussion paper was released in October 2008. The delay in the publication of this discussion paper was largely due to the complexity of the issues being considered and the options being developed; and
2. the review of the *Accident Compensation Act 1985* was due for completion in June 2008 but was presented to the Government in early 2008-09 to allow for the consideration of additional issues.

10.2.10 Department of Planning and Community Development

The Department of Planning and Community Development reported five main outcomes achievements in 2007-08,²⁴⁴ which are linked primarily to the *A Fairer Victoria* Strategy:

1. improve physical health of Victorians – More than 28,000 people registered for the Premier's Active Families Challenge,²⁴⁵ many of them were from families with young children. The three targeted local government areas reported higher participation rates, representing almost 20 per cent of all registrations. In addition, more than 740 grants were provided to local sporting clubs for the purchase of sports uniforms and footwear;
2. manage Melbourne's population growth – The Department's reforms to Victoria's land use planning aim to increase liveability, improve housing affordability and move towards long-term environmental sustainability. Such reforms include the application of the Urban Growth Zone across all broad acre land in growth areas, covering both residential and employment land;
3. strengthen and supported communities through creating/upgrading community facilities – 61 projects totalling \$11.8 million were approved under the Victorian Community Support Grants Program²⁴⁶. These projects were both community driven and responsive to the Government's planning, community development and social inclusion priorities;
4. implement the *Aboriginal Heritage Act 2006* for better protection of Victoria's Aboriginal Heritage – Registered Aboriginal Parties²⁴⁷ (RAP) are in place for approximately one-third of Victoria. In addition, more than 150 Cultural Heritage Management Plans were evaluated and approved within the 30-day legislated time frame. These plans recommend measures to be taken for high-impact activities in managing and protecting Aboriginal cultural heritage. The plans will also guide major developments, including large housing projects in metropolitan growth areas and major infrastructure projects; and
5. reduce barriers faced by Victorians with a disability – Under the *Bar None* Project,²⁴⁸ more than 40 profiles of community members with a disability were printed in local newspapers and delivered to thousands of Victorian households. The coverage helped to create greater awareness of the disability support services available within local communities. In addition, journalists of Leader community newspaper were trained to avoid stereotyping when reporting on disability issues. An editorial charter on how disability issues will be covered in the future was also developed.

²⁴⁴ Department of Planning and Community Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part One, p.34-37

²⁴⁵ The Premier's Active Families Challenge aimed to encourage more Victorians to become physically active and develop healthier eating habits. It involved undertaking 30 minutes of physical activities a day for 30 days during the six-week period.

²⁴⁶ Total grants comprised \$358,663 in the Planning category, \$2,609,900 in the Strengthening Communities category and \$8,836,759 in the Building Community Infrastructure category.

²⁴⁷ Registered Aboriginal Parties are appointed by the Aboriginal Heritage Council as Aboriginal groups responsible for Aboriginal matters at the local level and ensure that Aboriginal cultural heritage matters are addressed prior to the construction phase of a new project. They also are responsible for evaluating and approving Cultural Heritage Management Plans.

²⁴⁸ The *Bar None Project* aims to recognise leadership demonstrated by local communities in tackling barriers experienced by people with a disability.

In its response to the Committee's Questionnaire, the Department reported that all desired program outcomes were achieved in 2007-08.

10.3 Issues in Program Outcome Reporting

Responses to the Committee's Questionnaire vary considerably in terms of detail and coverage. Seven departments provided written responses of 3-7 pages, whereas two departments (the Department of Transport and the Department of Justice) provided 16-page responses. The Department of Human Services' response comprised 31 pages.

All departments' reported that outcomes are linked to one or more of the major Government strategies, in particular *Growing Victoria Together* and *A Fairer Victoria*. However, the following reporting issues have rendered it difficult for the Committee to fully assess the effectiveness of program outcomes in some cases:

1. reported program outcomes and related performance measures are not linked to the State Budget Paper. For example, the Department of Education and Early Childhood Development reported that in 2007-08 progress was made under the Victorian Schools Plan and *Go For Your Life* Program. However, these outcomes and the related performance measures are not specifically identifiable in Budget Paper No. 3;
2. only qualitative data has been provided; and
3. where quantitative data was provided, performance targets for the reported outputs were not clearly identifiable. For example, the Department of Human Services reported that *Go For Your Life* community education programs were delivered at over 260 Victorian schools. However, the related performance targets were not disclosed.

Recommendation 21:

When reporting outcome achievements, departments include details of performance measures and targets for each program outcome that demonstrates effectiveness of service delivery. Performance measures and targets also be identifiable in the State budget paper.

10.4 Critical Future Priorities

10.4.1 Background

The State Services Authority has identified seven critical future priorities for the Victorian public sector.²⁴⁹

1. engaging across jurisdictions and portfolio structures where effective responses to the increasingly complex needs of individuals, families and communities require the attention of multiple agencies;
2. preparing to meet workforce planning challenges (including developing leadership skills and capabilities);
3. building and strengthening citizens' trust in public institutions, so that those institutions have the operating legitimacy they require to make their activities credible and effective;
4. developing more responsive public services in a way that balance the advantages of economies of scale with greater personalisation and choice to citizens;
5. supporting the development of citizens' individual responsibility to achieve better outcomes, through providing a range of incentives;
6. developing systems and skills to work effectively with the private and non-profit sectors; and
7. fostering agility to support a high-performing public sector so that it can respond effectively in an environment characterised by change and uncertainty.

Departments were asked to outline the actions undertaken by them during 2007-08 to address these critical future priorities. Departments' responses, presented in an order which corresponds to the seven critical future priorities listed above, are summarised below. The Committee noted that a number of Departments failed to address all of the identified priorities in their response, or believed that some were not applicable.

Full versions of the responses received from departments and agencies are located within Appendix 2.

10.4.2 Engaging across Jurisdictions and Portfolio Structures

In Victoria, delivering policy outcomes is often dependent on action and cooperation that crosses jurisdictional and portfolio boundaries.²⁵⁰ This section demonstrates the extent 'joined up' approaches are taken by departments in achieving common goals or responding to an identified community issue/need.

²⁴⁹ State Services Authority, *The State of the Public Sector in Victoria 2006-07*, p.58

²⁵⁰ State Services Authority, *The Future of the Public Sector in 2025*, p.37

Table 10.2: Departments' Responses to Critical Future Priority 1

| Department | Response |
|---|---|
| Department of Human Services | <p>Health and Aged Care</p> <p>1.1 The Victorian and Australian Governments are working together to improve access to community care services for older Victorians, younger people with disabilities and their carers, through Access Points Demonstration Projects. Two projects are planned for Victoria – One in Eastern Metro Region and a second in Grampians Region.</p> <p>1.2 The Aged Care Branch works with other departments to ensure initiatives to address elder abuse are common and consistent. For example, the rewritten With Respect to Age 2008 practice guide provides guidelines for health services and community agencies dealing with elder abuse. The guide will be supported by information sessions in 2009, targeting multiple health and community sectors and service types, including Commonwealth Government programs and private providers.</p> <p>1.3 Another example is the <i>Go For Your Life</i> whole-of-government coordination delivered by Portfolio Services and Strategic Projects.</p> <p>1.4 Cross divisional working group with representatives from Housing and Community Building and Mental Health and Drugs Divisions has been established to develop joint programs and responses for consumers with mental illness who are homeless or at risk of homelessness.</p> <p>1.5 The Multiple and Complex Needs initiative is an intensive, integrated service response targeting the most serious cases of individuals over 16 years with multiple and complex needs.</p> <p>Community Services</p> <p>1.6 Active involvement in the National Child Protection Framework will address the complex issues that cut across jurisdictions and improve coordination.</p> <p>1.7 The development of Improving Outcomes for Young Adult Offenders - A Framework for the Rehabilitation and Reintegration of Young Adult Offenders 2008-2012 provides the Department of Human Services and the Department of Justice with a consistent management framework for offenders aged 18-21.</p> <p>1.8 Initiatives adopted or maintained to meet the needs of the extremely complex children, youth and families include:</p> <ul style="list-style-type: none"> • Partnering Agreement between the Department of Human Services, and the Department of Education and Early Childhood Development for School Attendance and Engagement of Children and Young People in Out of Home Care initiative; • arrangements negotiated with General Practice Victoria for undertaking Initial Health Assessments for children coming into out of home care; • roll-out of consortia based Child FIRST integrated family services; • cross-program and inter-departmental cooperation to designate children in out of home care within the Victorian Immunisation Strategy 2009-2012; • prioritisation of access for child protection and family services clients to community health services; and • integration of other services, such as the Families and Parents with a Mental Illness and CPP&FS and Office of Housing Leaving Care Housing and Support initiatives. <p>Disability Services</p> <p>1.9 A whole-of-government review of Disability Services in 2007-08 examined services provided in the Department of Human Services, the Department of Education and Early Childhood Development, the Department of Planning and Community Development, and the Department of Justice.</p> <p>Housing</p> <p>1.10 A Neighbourhood Renewal mainstreaming strategy has been developed to ensure longer term benefits of the program, by embedding elements of the program into the core business of State and local governments. Plans are in place in local councils of 15 program areas.</p> |
| Department of Innovation, Industry and Regional Development | <p>1.1 Citizen Access and Transformation works across government, focusing on transforming and simplifying citizens' experience when interacting with government agencies.</p> <p>1.2 Under World Class Service, governments at all levels collaborate to service the small business sector in providing appropriate regulatory advice and information.</p> |

Table 10.2: Departments' Responses to Critical Future Priority 1

| Department | Response |
|---|---|
| Department of Education and Early Childhood Development | <p>1.1 Established Children's Services Coordination Board to:</p> <ul style="list-style-type: none"> • review annually and report to the Minister for Children and Early Childhood Development and the Minister for Community Services on the outcomes of the Government's actions in relation to children; and • monitor administrative arrangements to support co-ordination of the Government's actions relating to children at local and regional levels. <p>1.2 Established Secretaries' Committee for Education and Training to:</p> <ul style="list-style-type: none"> • identify how the Departments of Education and Early Childhood Development; Innovation, Industry and Regional Development; and Planning and Community Development fit into the Government's overarching education and training policy framework; and • consider policy issues where responsibilities of the Departments overlap. <p>1.3 Established joint Departments of Education and Early Childhood Development and Human Services executive meetings to:</p> <ul style="list-style-type: none"> • consider the Departments' joint activities; • liaise on cross-departmental responsibilities; and • facilitate cooperation and resolve issues, particularly in relation to the health, development and wellbeing of Victorian's children and young people. |
| Department of Transport | <p>1.1 The Department is represented at forums designed to bring together a co-ordinated approach to the complex needs of communities, such as:</p> <ul style="list-style-type: none"> • Ageing in Victoria Policy Framework IDC and Youth Affairs IDC, chaired by the Department of Planning and Community Development; • Social Development IDC, chaired by the Department of Premier and Cabinet; and • Department of Sustainability and Environment Senior Executives Meetings. <p>1.2 The Department has worked closely with the Department of Planning and Community Development, the Department of Human Services and the Department of Education and Early Childhood Development in the planning and delivery of tailored, innovative transport solutions to small communities in regional Victoria that provide enhanced accessibility. This also includes the engagement of community groups, transport providers and local businesses.</p> <p>1.3 The Department has worked closely with other departments and agencies (the Departments of Planning and Community Development, Premier and Cabinet, Treasury and Finance, Sustainability and Environment, Industry, Innovation and Regional Development, and VicRoads) to develop a comprehensive Victorian Transport Plan²⁵¹.</p> |

²⁵¹ The Victorian Transport Plan aims to fully integrate transport planning with the Government's land-use, sustainability, regional development, and economic capacity building strategies. It provides a 21st Century transport vision that addresses individuals and families' access, mobility and liveability requirements, and the wider economic and environmental needs of business and the community.

Table 10.2: Departments' Responses to Critical Future Priority 1

| Department | Response |
|--|---|
| Department of Justice | <p>1.1 The Department is involved in cross-jurisdictional and cross-portfolio collaborations in dealing with challenging issues of community concern. For example, the Department advised a cabinet sub-committee established to investigate issues relating to alcohol abuse and public safety.</p> <p>1.2 As part of the Mental Health Reform Strategy, the Department is working closely with the Department of Human Services to further investigate co-morbidity factors and develop a strategic approach that identifies and responds to indicators of potential criminality.</p> <p>1.3 Consumer Affairs Victoria (CAV) continues to champion a reform agenda in consumer protection:</p> <ul style="list-style-type: none"> • involvement in the Productivity Commission review into the national consumer protection framework, including coordinating the Victorian Government's submissions to the review; • signing a Memorandum of Understanding between CAV and the Australian Competition and Consumer Commission. The Memorandum sets out a framework for cooperation between the two agencies to serve consumers' interests best, and promote fair trading and competition; • leading a whole-of-government strategy to improve protections for residents of rooming houses, caravan parks, residential parks and student accommodation; and • joining forces with the Building Commission in creating an advice and dispute resolution service for consumers dealing with the domestic building industry. |
| Department of Premier and Cabinet | <p>1.1 The Department is engaged across-jurisdictions as a result of the Premier's leadership role on national reform. This included engagement in:</p> <ul style="list-style-type: none"> • Council for the Australian Federation; • Council of Australian Governments; • Murray-Darling Basin (MDB) Water Reform Package; • Garnaut Review; and • Cabinet and Cabinet Committees. <p>1.2 One of the key roles of the Department involves developing and leading whole of government initiatives which aim to ensure effective outcomes for all Victorians. For example, the Office of Climate Change is responsible for policy and strategy which focus on longer term issues and economic, environmental and social impacts of climate change. It brings together the interests of multiple portfolios and also leads inter-jurisdictional policy development through the COAG Climate Change and Water Working Group.</p> |
| Department of Primary Industries | <p>1.1 The Department is strengthening whole-of-government and national collaborations through initiatives such as:</p> <ul style="list-style-type: none"> • establishing the National Primary Industries Research Development and Extension Framework; • release of the whole-of-government Future Farming Strategy; and • developing and securing funding for a range of whole-of-government Future Energy initiatives, including funding for continued membership of the Australian Cooperative Research Centre for Greenhouse Technologies. |
| Department of Sustainability and Environment | <p>1.1 The Department continues to partner with other departments, government agencies and private industry to ensure the community benefits from public policies. For example, the \$115 million funding for drought affected communities involved a multi-agency response.</p> |
| Department of Treasury and Finance | <p>1.1 The Department as a central agency plays an integral role in providing advice across jurisdictions.</p> |

Table 10.2: Departments’ Responses to Critical Future Priority 1

| Department | Response |
|--|--|
| Department of Planning and Community Development | <p>1.1 The Office of Women's Policy continues to lead whole-of-government family violence prevention activity – The Government has worked closely with the community to reform the service system responding to violence against women. In addition, the Family Violence Statewide Advisory Committee and the Statewide Advisory Committee to Prevent Sexual Assault provide advice to the Government on all aspects of service reform. \$75 million has been committed since 2005 to reform and integrate system responses to family violence. \$39 million has been committed since 2006 to strengthen and improve the system response to sexual assault.</p> <p>1.2 The Office for Disability supported government departments and statutory authorities in the development and implementation of Disability Action Plans. The plans are seen as one of the most effective vehicles for organisations to improve access to goods and services, as well as employment opportunities.</p> <p>1.3 The Office of Senior Victorians is actively represented on many interdepartmental committees addressing community needs, particularly in relation to seniors.</p> <p>1.4 The Youth Affairs Interdepartmental Committee continues to be the predominant mechanism for co-ordinating reporting of actions under future directions.</p> <p>1.5 Melbourne 2030 engaged the expertise of all appropriate stakeholders and co-producers in 2007-08 in consultation, delivery and review. Other agencies, peak bodies, local government, developers and not-for-profit organisations were included.</p> |
| Department of Parliamentary Services | The Department reported that this critical future priority is not applicable. |

Sources: Departmental Responses to the Financial and Performance Outcomes Questionnaire Part One.

10.4.3 Preparing to Meet Workforce Planning Challenges

The public sector provides a myriad of services to Victoria. Internal workforce demographics and external labour market conditions present various challenges for effective public sector workforce planning. These challenges include:²⁵²

- ageing workforce;
- recruitment and succession planning;
- specialised knowledge transfer and retention; and
- competitive remuneration.

While many public sector occupations experience shortages of skilled workers, healthcare and aged care, and infrastructure project management have been identified as two areas where the impact of shortages is considered to be extreme unless remedial actions are taken.²⁵³

²⁵² State Services Authority, *The Future of the Public Sector in 2025*, p.37

²⁵³ State Services Authority, *The State of the Public Sector in Victoria 2006-07*, p.61

Table 10.3: Departments' Responses to Critical Future Priority 2

| Department | Response |
|--|--|
| Department of Human Services | 2.1 The Department's People Strategy was launched to transform leadership and people management across the Department. The Strategy aims to achieve a sustainable, high-performing, and well managed workforce, as well as an efficient and effective workplace. |
| | Health and Aged Care |
| | 2.2 The Department contributed to the establishment of the John Richards Initiative at La Trobe University. A Professor has been appointed to lead research through the initiative, with a particular focus on workforce issues in rural aged care services. |
| | 2.3 Workforce Development Project: blood-borne viruses (BBV)/sexual health was underway. The Project involved: <ul style="list-style-type: none"> • mapping of current workforce development activities available to the BBV and sexual health workforce; and • conduct of needs analysis to better inform future planning, priority setting and policy development for workforce development initiatives. |
| | Community Services |
| | 2.4 The Department is developing a Youth Justice Workforce Strategy. Initiatives were implemented to recruit, develop and retain skilled and experienced staff, including: <ul style="list-style-type: none"> • strengthening partnerships with universities and colleges; • implementation of overseas recruitment campaigns; • public tender for a Graduate Certificate in Child and Family Practice and Graduate Diploma in Child and Family Practice Leadership; • development of a capability framework for all child protection staff; and • implementation of strategic priorities for improved retention in child protection. |
| | 2.5 Community Sector Investment Fund was used to: <ul style="list-style-type: none"> • create a tool for competency based training and assessment; • promote community sector careers, particularly to students and mature aged workers; and • develop a staff bank and Portable Long Service Leave scheme. |
| | 2.6 The Workforce Planning and Development Strategy for the Provision of Support for People with a Disability – 2008-2013 and beyond is currently being finalised for release in early 2009. The Strategy aims to ensure a skilled and qualified workforce beyond 2013. |
| | 2.7 The implementation of the Workforce Development and Learning Strategic Plan resulted in an increased number of staff who are either qualified or undertaking a Certificate IV in Disability Traineeship Program, from 52 per cent in 2001 to almost 98 per cent in 2008. |
| 2.8 Over 2,000 disability services staff undertook training in the Quality Framework for Disability Services in Victoria. Further learning and development will be provided in 2009. | |
| Housing | |
| 2.9 Work has commenced on the development of a comprehensive workforce strategy. | |

Table 10.3: Departments' Responses to Critical Future Priority 2

| Department | Response |
|---|---|
| Department of Innovation, Industry and Regional Development | 2.1 Developed the People Strategy 2008-09 – 2011-12, to attract and engage a quality workforce. Implementation of the Strategy will commence shortly. 2.2 Developed a Recruitment Guide for Managers to assist them in effective recruitment and selection techniques. The Guide will be marketed via a major promotional and training program for all managers in 2009. 2.3 Developed the 2007-08 Learning and Development Calendar in consultation with senior managers of the Department. The Calendar comprises several development programs aimed at addressing gaps in workforce skills. 2.4 Conducted the Mentoring Program with a record number of participants (62 pairs of mentors & mentees). This Program is now one of the largest mentoring programs run by a state government department. 2.5 Introduced the Accelerated Development Program for identified high-achieving and high-potential VPS5 and VPS6 staff to enhance leadership capability within the Department. 2.6 Continued participation in external executive development programs (e.g. ANZSOG, Cranlana, Victorian Leadership Development Centre Executive Leadership Program). |
| Department of Education and Early Childhood Development | 2.1 Continued to implement the reform strategies outlined in the 2003 Blueprint for Government Schools. The Blueprint provides a framework for a highly effective Government school system, including a focus on building the skills of the education workforce to enhance the teaching and learning relationship and the capacity of school leaders. Significant progress was made in the implementation of the Blueprint initiatives in 2007-08, including implementation of 19 leadership professional learning programs to meet the development needs of principals and teachers. 2.2 Overall goal of the Early Childhood Workforce initiatives is to increase the quality of early childhood programs by increasing the supply of qualified staff, and to improve the skills and qualifications of early childhood education and care workers. The Early Childhood Teaching Scholarship Scheme and the Incentives for Early Childhood Teachers in Long Day-Care Scheme were introduced to encourage diploma-qualified staff to undertake a degree in early childhood education and to encourage recent early childhood teaching graduates to take up employment in long day-care settings. |
| Department of Transport | 2.1 The Department has developed a workforce planning framework and is currently undertaking a workforce forecasting project to identify critical workforce needs. It is also strengthening staff development to meet future gaps with measures such as: <ul style="list-style-type: none"> • a new and improved mentor program; • introduction and continuation of the Rail Engineering Graduate Program (in partnership with the private sector); • partnership with Engineers Australia to offer DOT engineers participation in the Chartered Engineering Professional Development Program; • development and implementation of a six-module managers' training program. (Topics included: OHS, Budget, Difficult Conversations); • introduction of a specific accredited training program to develop core competencies required for regulatory roles in the specific statutory authorities; and • partnership with universities to offer industry work placements for IT graduates. 2.2 The Department is developing A Workforce Strategy for Road Freight Drivers and participating in the Australian Transport Council's national working group (led by the Northern Territory) on workforce planning and skills. |

Table 10.3: Departments' Responses to Critical Future Priority 2

| Department | Response |
|--|---|
| Department of Justice | <p>2.1 The Department continued to provide corporate training through its learning service, which targets competencies needed for effective and productive contributions to the work of the Department. The Department subscribes to the VPS Leadership Framework developed by the recently established Victorian Leadership Development Centre.</p> <p>2.2 The Department has been trialling new approaches to recruit high quality staff and meet the Department's objective of modernising and broadening the capabilities of its workforce. For example, the Department overhauled the way it recruits Sheriff's Officers in 2007-08.</p> <p>2.3 The Department is an equal opportunity employer that values and actively supports a diverse workforce. For example, the Koori Recruitment and Career Development Strategy aims to increase the number of Indigenous people employed across all areas and all levels of the Justice portfolio. Recruitment strategies and workplace support networks are also in place for people with a disability and people from non-English speaking backgrounds.</p> |
| Department of Premier and Cabinet | 2.1 The Department is reviewing its workforce planning policies. |
| Department of Primary Industries | <p>2.1 The Department has implemented a leadership development framework to build and foster leadership skills and capabilities. To date, 480 supervisors/managers have attended.</p> <p>2.2 The Department has commenced assessing current and future capability requirements within the Department.</p> |
| Department of Sustainability and Environment | 2.1 A strategic workforce planning framework was implemented in 2007-08. This framework addresses key workforce issues such as recruitment and retention, career planning and succession planning and focuses on new and innovative responses. |
| Department of Treasury and Finance | 2.1 The Department's People and Culture Strategy addressed the workforce planning challenges including the implementation of the Leadership Framework and the Capabilities and Behaviour Frameworks. |
| Department of Planning and Community Development | 2.1 The Department has developed a Capability Framework for VPS employees and Executive Officers to describe and develop the capabilities required by the Department now and in the future. The Framework defines the behavioural capabilities, specialist knowledge areas and personal qualities required by staff to perform effectively in all roles across the Department. The Framework has improved workforce planning governance and capability by providing a common platform for recruitment, performance management, career planning, learning and development and organisational development. |
| Department of Parliamentary Services | <p>2.1 Actions taken by the Department to meet its workforce planning goals included:</p> <ul style="list-style-type: none"> • promoting Parliament as an employer of choice; • participating in professional forums to promote Parliament; • implementing flexible employment strategies and a variety of employment modes; • offering attractive employment conditions; and • putting in place professional development and progression plan for each staff, who are supported by an annual calendar of training. <p>2.2 The three parliamentary departments and parliamentary committee continue to adequately meet their critical workforce needs through current practices. Some short term and specific difficulties occur from time to time in recruiting staff in areas of shortage, such as accounting and finance, information technology and specialist skill areas required for specific research and investigations.</p> |

Sources: Departmental Responses to the Financial and Performance Outcomes Questionnaire Part One.

10.4.4 Building and Strengthening Citizens' Trust in Public Institutions

Trust in public institutions provides the operating legitimacy required to make the institutions' activities credible and effective. A high level of 'generalised trust' in the community reduces barriers to voluntary participation in programs that are based upon shared values and mutuality.

Public trust is dependent on the behaviour and integrity of public officials and their adherence to coherent values. It is therefore important for agencies to be bound by clearly articulated values and principles.²⁵⁴

Table 10.4: Departments' Responses to Critical Future Priority 3

| Department | Response |
|---|--|
| Department of Human Services | <p>Health and Aged Care</p> <p>3.1 Your Hospitals website provides information on hospital processes, treatment times, patient experience, preventing illness and health workforce.</p> <p>Community Services</p> <p>3.2 The Department adopted a quality assurance and quality improvement approach which involves a commitment to consultation and utilisation of client feedback, including formal complaints to improve services. This approach is enhanced by other initiatives, including:</p> <ul style="list-style-type: none"> • appointment of Principal Child Protection Practitioner to undertake practice reviews and provide practice leadership; • appointment of Quality of Care Managers in each region to monitor and review practice outcomes for Child Protection clients; and • collaboration with Office of the Child Safety Commissioner to improve outcomes for vulnerable children, including implementing recommendations from Child Death Inquiries. <p>3.3 A regular cycle of compliance audits by community service organisations with the new <i>Children, Youth and Families Act 2005</i> registration standards.</p> <p>3.4 The implementation of the <i>Disability Act 2006</i> to protect the rights, health and well being of people with a disability.</p> <p>Housing</p> <p>3.5 Key policy information and program data are provided to the public regularly, including the public housing waiting list, and the Annual Summary of Housing Assistance Programs.</p> |
| Department of Innovation, Industry and Regional Development | <p>3.1 A Citizen Engagement Framework – Crafting the Dialogue between Government and Citizen in the 21st Century was drafted and is being refined as a guiding set of principles for any subsequent pilot of online citizen engagement.</p> <p>3.2 Revised the Department's website to provide more comprehensive information relevant to the Department, strengthening citizens' trust, making its activities more credible and effective.</p> |
| Department of Education and Early Childhood Development | This critical future priority was not addressed by the Department. |

²⁵⁴ State Services Authority, *The Future of the Public Sector in 2025*, p.35

Table 10.4: Departments' Responses to Critical Future Priority 3

| Department | Response |
|-------------------------|--|
| Department of Transport | <p>3.1 The Department has established a culture of openness, accountability and transparency. Its website contains information to keep citizens well informed. Examples include: the Code of Conduct for Victorian Public Servants; regulations, fees and fines; public transport timetables, facts & figures and performance; the East West Link Needs Assessment final report; the Don't Risk It railway crossing safety awareness campaign; a list of current, completed and future projects on the rail network; and the rail freight network review.</p> <p>3.2 VicRoads conducts surveys of Community Attitudes to Road Safety. The Department's Have Your Say website invites community submissions on initiatives such as the Metropolitan Bus Service Reviews, the Taxi Safety Camera specifications and the Transport Legislation Review. In addition, general feedback is also invited.</p> <p>3.3 The Department and transport operators provide real-time travel information to enable the community to make more informed travel choices. Examples include SMS TramTracker, travel time information on the VicRoads website, and electronic information boards with real-time arrivals information at railway stations, tram stops and bus stops.</p> <p>3.4 Recorded information about the Department and its projects is available in 12 community languages (in addition to English). In addition to the Multilingual Information Line, it provides translations and advertisements in community languages for many of key projects.</p> |
| Department of Justice | <p>3.1 Community confidence in justice institutions is being fostered in a number of ways. A major project has been underway since 2004 to review gambling licenses arrangements for the period beyond 2012, culminating in the announcement of changes to the structure of the gambling industry in Victoria in April 2008.</p> <p>3.2 There is ongoing work to ensure people in need can access legal aid and recent reforms provide for victim centred justice. These include enhanced victims assistance and counselling services, new support services for victims of sexual assault, and the establishment of Victoria's Child Witness Service.</p> <p>3.3 A network of 10 Local Aboriginal Justice Action Committees has been established as a grass roots extension to the Regional Aboriginal Justice Committees to develop closer relationships and build trust with local Indigenous communities currently experiencing poor justice outcomes. Community input has been sought via the Sentencing Advisory Council and the Victorian Law Reform Commission to a wide range of sentencing and law reform issues.</p> <p>3.4 To assure the community of protection from high security offenders, a new highly secure and state-of-the-art 'prison in a prison' was officially opened at Barwon prison in August 2007.</p> <p>3.5 CAV, Aboriginal Affairs Victoria, and the Office of the Registrar of Indigenous Corporations are working together to deliver a Governance Training Program to Indigenous-controlled community organisations in Victoria. As a result of the Program, more Indigenous community organisations have been contacting us for advice, help in resolving disputes, and for reviews of their constitutions.</p> |

Table 10.4: Departments' Responses to Critical Future Priority 3

| Department | Response |
|--|--|
| Department of Premier and Cabinet | <p>3.1 The Department has supported the Government to build and strengthen citizens' trust in public institutions by:</p> <ul style="list-style-type: none"> • coordinating and publishing the Victorian Government's first Statement of Government Intentions, outlining the major legislative initiatives for 2008. This initiative provides Victorians with the opportunity to participate in the consultation process on the Government's legislative agenda for the year; • managing 10 Community Cabinet visits; • assisting the Department of Innovation, Industry and Regional Development in its public releases of quarterly reports, detailing costs and benefits of Ministerial overseas travel for the 2007-08 financial year; • advising the Premier on the Government's reference to the Public Accounts and Estimates Committee Inquiry into Strengthening Government and Parliamentary Accountability in Victoria; • supporting the project development for audio webcasting of all sessions of the Legislative Assembly and Legislative Council, including Question Time; • advising the Premier on the Government's introduction into Parliament of amendments to Freedom of Information legislation, that will implement reforms recommended by the Ombudsman; • publishing the names of those who serve on Government boards, and the remuneration bands for public board appointees on the internet; and • coordinating and developing a Climate Change Summit at Parliament House involving over 100 delegates from various sectors, including local government, business and non-government organisations to discuss how Victorians can best meet the challenge of climate change. |
| Department of Primary Industries | <p>3.1 The Department is systematically reviewing its sectoral strategies in close consultation with key stakeholders and maintaining high standards of probity to achieve this goal.</p> |
| Department of Sustainability and Environment | <p>3.1 The Department is committed to open and transparent reporting, and provides updates on outcomes and service delivery in a number of ways. This includes the Department's Annual Report and its reporting in the Annual State Budget Papers. The Department also follows all requirements under the <i>Financial Management Act</i>, as well as any directions made by the Minister for Finance or the Department of Treasury and Finance, such as the Financial Management Compliance Framework.</p> |
| Department of Treasury and Finance | <p>3.1 Further enhancement of the Department's governance framework occurred in 2007-08.</p> |
| Department of Planning and Community Development | <p>3.1 The Officer of Women's Policy continues to actively work on increasing women's representation on government boards and committees to 40 per cent through the Diversity Register and the Women's Register.</p> <p>3.2 The Victorian Disability Advisory Council (VDAC) operates in accordance with the <i>Disability Act 2006</i>. Comprised solely of people with disabilities or parents of children with disabilities, VDAC aims to reflect the disability sector and in turn, build trust in public institutions and initiatives being developed across government. Specifically, VDAC provides advice to the Minister for Community Services in the following areas: whole-of-government policy directions; strategic planning and the implementation of initiatives for persons with a disability; raising community awareness of the rights of persons with a disability and; monitoring the implementation of strategies for promoting inclusion and participation in the community of persons with a disability. The Council works with local and national community and government advisory councils to create opportunities for all Victorians with disabilities.</p> |
| Department of Parliamentary Services | <p>3.1 The Parliament has established an Education and Community Engagement Unit to develop a range of materials for schools.</p> <p>3.2 House Departments regularly conduct public tours through the Parliament with material (delivered by Parliamentary Attendants as tour leaders) aimed at engaging the public and improving their awareness and trust in Parliamentary processes.</p> |

Sources: Departmental Responses to the Financial and Performance Outcomes Questionnaire Part One.

10.4.5 Developing More Responsive Public Services

Responsive services entail clear communication with clients (citizens) so that they understand their options, entitlements and obligations. Building more customer-oriented public services requires shifting attention away from meeting bureaucratic and organisational needs. However, service personalisation presents considerable challenges in an environment of limited resources.²⁵⁵

Table 10.5: Departments' Responses to Critical Future Priority 4

| Department | Response |
|---|---|
| Department of Human Services | <p>Health and Aged Care</p> <p>4.1 Hospital Boards are informed by Community Advisory Committees, which contain members of the public.</p> <p>4.2 The re-tender of Personal Alert Victoria service was for a new 5-7 year period, providing the opportunity to achieve economies of scale, and to optimise individual and service outcomes.</p> <p>4.3 Two key milestones achieved in 2007-08 were the hosting of the National Promoting Independence Forum on behalf of all States and Territories, and the release of the discussion paper on the development of the HACC Active Service Model.</p> <p>Community Services</p> <p>4.4 Services provided by the Children Youth and Families Division are mostly delivered sub-regionally to optimise economies of scale, inter-agency linkages within local communities and accessibility, in particular, the Child FIRST family services.</p> <p>4.5 The Government committed \$70 million over four years for additional individual support packages that will provide flexible support to enable people with a disability to live and participate in the community. The reorientation of disability services toward individual support packages is a deliberate reform under the State Disability Plan 2002-2012 to provide more responsive public services with greater personalisation and choice to citizens.</p> <p>Housing</p> <p>4.6 The Victorian Government has been rolling out the Opening Doors initiative over the past year. This involves homelessness services banding together, pooling their resources and establishing clear homelessness access points out of existing services.</p> |
| Department of Innovation, Industry and Regional Development | <p>4.1 Under World Class Service, governments at all levels collaborate to service the small business sector in providing appropriate regulatory advice and information.</p> |
| Department of Education and Early Childhood Development | <p>4.1 Released the Blueprint for Education and Early Childhood Development on 2 September 2008. The Blueprint sets out actions in 20 areas to improve the education, development and wellbeing of all Victorian children and young people over the next five years. It has been developed in the context of the Government's goal to build a cohesive system to foster children's development and support families in their parenting. Such a system will also ensure smooth transitions through each phase of early development and school education.</p> <p>Consultation process for the development of the Blueprint began in April 2008 and included:</p> <ul style="list-style-type: none"> • release of discussion papers as the basis for consultation with parents, early years staff and the wider early years community; • establishment of a dedicated website which generated over 40,000 page hits; • a summit with 283 attendees, public forums in Traralgon, Geelong, Dingley and Moonee Ponds (almost 700 attendees), and stakeholder roundtable discussions attended by over 100 representatives of unions, experts and academics, business and other key stakeholder groups; and • extensive feedback provided by local and international experts. |

²⁵⁵

State Services Authority, *The Future of the Public Sector in 2025*, pp.35-36

Table 10.5: Departments' Responses to Critical Future Priority 4

| Department | Response |
|--|--|
| Department of Transport | <p>4.1 The Department has been actively developing and delivering innovative public transport that provide for responsive services in areas without 'traditional' public transport services. These services are known as flexible or demand responsive services. Arising from the Hume/Moreland metropolitan bus service review, a new trial demand-responsive service commenced in July 2008 in the Gowanbrae area which has never had traditional fixed route bus services. This will provide for significantly enhanced connectivity for local residents.</p> <p>4.2 The Department has been conducting detailed planning for a new flexible bus service in the regional centre of Gisborne, which will include connections to the Bendigo rail line. The Gisborne flexible service will also allow residents to access retail and community services in the town centre.</p> <p>4.3 The Department is involved in the Australian Research Council Project: Investigating Transport Disadvantage, Social Exclusion and Well Being in Metropolitan, Regional and Rural Victoria. The Project is being undertaken by the Institute of Transport Studies (Monash University) in association with the University's Department of Social Work and the Department of Psychology, the Centre for Public Policy (Melbourne University), The Urban Transport Institute, The University of Westminster (UK) and the University of Ulster (UK). Project sponsors include the Australian Research Council, the Department of Transport, The Bus Association of Victoria, The Brotherhood of St Laurence, and The Interface Councils Forum of Melbourne.</p> |
| Department of Justice | <p>4.1 The Department has improved its responsiveness to differing community issues through its network of regional co-ordinators and participation in the Government's regional management forums. In addition, the co-location of services at four new Justice Service Centres opened this year is offering greater flexibility in addressing local client needs. The Department is now in the process of adopting a regional management structure to oversee and enhance the delivery of services across the State. This will align the Department with other departments and further facilitate a 'joined up' service delivery.</p> <p>4.2 The Department continues to develop its outreach services taking information to people who would not normally visit justice service centres or regional offices. For example, the Department travelled more than 3,000 kilometres and visited 12 towns in 2007-08. Consumer Affairs Online and Victorian Courts Online offer citizens accessible and tailored consumer and legal information and assistance, while the Victorian Registry of Births, Deaths and Marriages has a variety of online products and services that commemorate significant life events of all Victorians.</p> |
| Department of Premier and Cabinet | The Department reported that this critical future priority is not applicable. |
| Department of Primary Industries | 4.1 A major part of the Department's role is to be an agent of beneficial change, to address the large challenges and opportunities of the future. Initiatives implemented by the Department seek to complement, not compete with, the private sector. A key aim of the Department is to act where markets have failed or are likely to fail, and important public benefits are likely to arise. For example, the current review of the Department's farm services aims to segment client base, and target services to greater areas of impact without crowding private providers. |
| Department of Sustainability and Environment | 4.1 The Department focuses on providing outcomes and services that are responsive to community needs and expectations. One way this is achieved across Government is via community consultation processes. For example, the Department is currently developing a Land and Biodiversity White Paper, due for release in 2009. This White Paper has been informed by extensive community consultation and over 360 written submissions. This process has provided an opportunity for Victorians to provide input into the development of new policy approaches, which in turn allows the public service to be more responsive to community views. |
| Department of Treasury and Finance | 4.1 Through providing high quality policy and financial advice to other government departments and agencies, the Department is assisting in developing a more responsive public service. |
| Department of Planning and Community Development | 4.1 Youthcentral continues to lead the way in engagement of young Victorians using internet technology to offer information and engagement opportunities. |

Table 10.5: Departments' Responses to Critical Future Priority 4

| Department | Response |
|--------------------------------------|---|
| Department of Parliamentary Services | The Department reported that this critical future priority is not applicable. |

Sources: Departmental Responses to the Financial and Performance Outcomes Questionnaire Part One.

10.4.6 Supporting Development of Citizens' Individual Responsibility

Supporting citizens to manage their behaviour and accept individual responsibility for issues that affect them is a difficult but important challenge. There are multiple tools that can be applied to encourage individuals to take responsibility for their actions. These tools can involve punitive, informative, supportive and incentive approaches.²⁵⁶

Table 10.6: Departments' Responses to Critical Future Priority 5

| Department | Response |
|---|--|
| Department of Human Services | <p>Health and Aged Care</p> <p>5.1 The <i>Life! Taking Action on Diabetes</i> community-based lifestyle behaviour change programs were established for 25,000 eligible Victorians to reduce their risk of developing type 2 diabetes.</p> <p>Community Services</p> <p>5.2 The Children Youth and Families Division's work ensures parents, families and communities are able to fulfil their responsibilities for the good care of children and young people. This includes the development of the Child FIRST family services to work with families and minimise the need for Child Protection involvement. When Child Protection intervention is required, the way of working is to engage the child's family in all the decision-making processes.</p> <p>Housing</p> <p>5.3 26-week fixed rents for tenants were implemented in May 2008. This provides an extra incentive to seek employment, by giving up to 26 weeks' reprieve before rents increase once a job is secured.</p> |
| Department of Innovation, Industry and Regional Development | 5.1 The Department promotes a range of incentives that help industry and small businesses, <i>Time to Thrive</i> and <i>Moving Forward</i> are two examples. |
| Department of Education and Early Childhood Development | This critical future priority was not addressed by the Department. |

²⁵⁶ State Services Authority, *The Future of the Public Sector in 2025*, p.36

Table 10.6: Departments' Responses to Critical Future Priority 5

| Department | Response |
|--|---|
| Department of Transport | <p>5.1 A mixture of enforcement, education and ticketing improvements has helped to reduce fare evasion on Melbourne's public transport system to 7.8 per cent, which is the lowest level since Metlink fare evasion surveys began.</p> <p>5.2 The Department developed Maintaining Mobility: The Transition from Driver to Non-driver to inform discussion and identify practical actions to help senior Victorians maintain their mobility as they start to reduce the amount of driving they do or as they stop driving altogether. The Transition from Driver to Non-Driver, includes:</p> <ul style="list-style-type: none"> • development of a Driver to Non-Driver Communication Strategy, through a partnership that includes the Transport Accident Commission, RACV, VicRoads, Department of Human Services & Department of Planning and Community Development; and • a pilot trial of an individualised mobility support service, to assist people to identify and utilise alternative transport and mobility options when they reach the stage of limiting their driving and transitioning to non-driving (Travel Assist - keeping you on the move). Partnership includes the RACV, VicRoads, Department of Human Services, Department of Planning and Community Development, Monash City Council and Mornington Peninsula Shire Council. |
| Department of Justice | <p>5.1 A range of problem solving approaches to persistent offending is used to divert offenders out of the criminal justice system. For example, the Attorney General's Justice Statement 2 released in October 2008, outlines better approaches to the management of civil disputes, including stronger incentives for early resolution of disputes and sanctions for delay. In the field of emergency services, incentives are used to encourage volunteerism and promote preparedness for emergencies.</p> |
| Department of Premier and Cabinet | The Department reported that this critical future priority is not applicable. |
| Department of Primary Industries | <p>5.1 The Future Farming Strategy commits the Government to moving from business welfare during drought to encouraging greater preparedness by farm businesses managing climate and market risks.</p> <p>5.2 The Victorian Energy Efficiency Target provides incentives for households to contribute to climate change mitigation through more energy efficient appliances.</p> |
| Department of Sustainability and Environment | <p>5.1 The Department is supporting the community to achieve better outcomes in areas such as water management and climate change through a range of incentives and rebates. For example, rebates for the installation of rainwater tanks, free exchange of existing shower heads for efficient models, rebates for the installation of solar hot water systems, installation of dual fuel toilets and the retrofitting of Office of Housing accommodation and low-income housing to assist with the reduction of energy consumption.</p> |
| Department of Treasury and Finance | <p>5.1 The Department reported that this critical future priority is not applicable.</p> |
| Department of Planning and Community Development | <p>5.1 Under the Officer of Women's Policy Centenary of Suffrage Grants, funding of \$354,700 to more than 50 community groups and organisations has been provided to organise projects and events that explore and celebrate the centenary of women's suffrage.</p> |
| Department of Parliamentary Services | <p>5.1 As in the Department's responses 3.1 and 3.2 above.</p> |

Sources: Departmental Responses to the Financial and Performance Outcomes Questionnaire Part One.

10.4.7 Developing Systems and Skills

Public services are delivered on behalf of Government by a range of public, private and non-government providers. Supporting Government to work with the private sector to deliver these services requires multiple skill sets. Business-oriented skills need to be developed alongside the skills needed to operate in government environments with complex and competing demands.²⁵⁷

Table 10.7: Departments' Responses to Critical Future Priority 6

| Department | Response |
|---|--|
| Department of Human Services | <p>Health and Aged Care</p> <p>6.1 The Department of Human Services, community service organisations and proprietors of participating private-for-profit Supported Residential Services are working together to implement the Supporting Accommodation for Vulnerable Victorians initiative.</p> <p>Community Services</p> <p>6.2 The Youth Justice Service Delivery Model provides an integrated approach to the provision of intensive support and services to Youth Justice clients. The Model will be fully operational across Victoria from 1 January 2009.</p> <p>6.3 Child protection, out of home care and family services involve working in partnership with the non-profit organisations. Formal structures for supporting this partnership include:</p> <ul style="list-style-type: none"> • Child Protection, Placement and Family Services Strategy Group, a statewide group with membership from peak bodies, representatives of community service organisations, the Department's regional and central program, linked to Victorian Children's Council and with representation on sub-committee - Implementation and Monitoring of Children Youth and Families Act 2005; and • regional partnership structures convened by the Department with cross-agency representation. <p>6.4 Statewide and regional Reference Groups support virtually all significant projects, and many areas undergoing policy and program development.</p> <p>Housing</p> <p>6.5 The Housing Registrar conducted registration rounds of non-profit housing organisations seeking to manage properties beyond December 2008. By 30 June 2008, eight housing associations and four housing providers were registered.</p> |
| Department of Innovation, Industry and Regional Development | The Department reported that this critical future priority is not applicable. |
| Department of Education and Early Childhood Development | 6.1 The Department implemented the Victorian Schools Plan. The Plan is the Government's 10 year plan to transform State education by funding the rebuilding, renovation or extension of every Victorian Government school. In December 2007, the Premier announced that Victoria would seek to deliver a number of new schools in growth areas of Melbourne through a public-private partnership (PPP). A PPP will deliver new schools with the best possible learning environments for students, promote community use of school facilities and free up teachers' time to focus on teaching. The use of a PPP to build new schools will complement existing procurement methods, not replace them. |
| Department of Transport | <p>6.1 The Department has a track record of effective partnerships to deliver infrastructure projects and service delivery through public transport franchise managements with Connex and Yarra Trams.</p> <p>6.2 As part of its re-organisation, the Department has recently boosted its stakeholder relationships capability, with the aim of engaging more effectively with community groups, local government, stakeholders and the general public to provide information about infrastructure projects and service changes, information about service disruptions and to seek their input on improvements.</p> |

²⁵⁷

State Services Authority, *The Future of the Public Sector in 2025*, p.36

Table 10.7: Departments' Responses to Critical Future Priority 6

| | | |
|--|-----|--|
| Department of Justice | 6.1 | The County Court of Victoria and two of Victoria's prisons, Port Phillip Prison and Fulham Correctional Centre, are operated under public-private partnership arrangements with a focus on VFM and optimal risk allocation between the two sectors. |
| Department of Premier and Cabinet | | The Department reported that this critical future priority is not applicable. |
| Department of Primary Industries | 6.1 | The Department works in collaboration with a wide range of private companies in order to facilitate large capital projects and programs. In 2007-08, this included projects such as: <ul style="list-style-type: none"> • facilitation of the \$750 million HRL clean coal development near Loy Yang, which was announced in July 2008; and • development of a Biosciences Research Centre, which is being procured and delivered under the Victorian Government's Partnership Victoria policy. |
| Department of Sustainability and Environment | 6.1 | Many of the partners the Department undertakes its work with include private and not-for-profit organisations. For example, the Department effectively undertakes a range of work with Catchment Management Authorities and Committees of Management to deliver policies or share responsibilities in caring for public land. The Department also incorporates the Arthur Rylah Institute for Environmental Research which partners with private industry to provide strategic research and management advice to answer key questions affecting ecologically sustainable land or water management and resource use policies. |
| Department of Treasury and Finance | 6.1 | Through <i>Partnerships Victoria</i> , the Department is providing leadership in the development of public-private partnerships. |
| Department of Planning and Community Development | 6.1 | The establishment of the new Department provided the opportunity to review all structures, systems, practices and relationships to meet the goal of the new organisation. |
| Department of Parliamentary Services | | The Department reported that this critical future priority is not applicable. |

Sources: *Departmental Responses to the Financial and Performance Outcomes Questionnaire Part One.*

10.4.8 Fostering Agility to Support High-performing Public Sector

The public sector requires agility in its systems, structures and processes, to enable it to respond to future issues and external changes. Systems encompass budgeting, service delivery, information and communications, decision-making, employment and contract management systems. An agile public sector not only responds quickly to change, but also leads change.²⁵⁸

Table 10.8: Departments' Responses to Critical Future Priority 7

| Department | Response |
|---|---|
| Department of Human Services | <p>Health and Aged Care</p> <p>7.1 Through the Aged Care Branch Beyond Compliance Strategy, the Department has a strategic approach to supporting safety and quality in public sector residential services.</p> <p>Community Services</p> <p>7.2 The promotion of high performance within a constantly changing environment is how the Children Youth and Families Division expects to function on an ongoing basis and this is built into a range of learning and development strategies for staff.</p> <p>7.3 As part of building workforce capacity, the Department also implements a range of professional development programs for disability services staff to respond effectively in a changing environment.</p> <p>Housing</p> <p>7.4 The Housing & Community Building Division has developed a Regional Housing Workforce Strategy to target the training and development of housing office managers, housing service staff and new starters. In addition, a People Management Strategy has been developed to address learning and development needs and change management amongst head office senior managers.</p> |
| Department of Innovation, Industry and Regional Development | <p>7.1 As part of a high-performing public sector organisation, a number of divisions within the Department conducted and arranged their own business-specific skills development programs that assist in responding effectively, for example export skills, evaluation, policy development and climate change.</p> |
| Department of Education and Early Childhood Development | <p>7.1 By delivering leadership professional learning programs for Government schools, the Department continued to build the skills of the education workforce to enhance their teaching-learning relationship. The programs are targeted to meet the development needs of principals and teachers at different stages of their careers and in different contexts.</p> |
| Department of Transport | <p>7.1 The Department's leadership team has embarked on a mission of transformational change to create a culture with open and collaborative communication, and shared values. Its values are integrated into recruitment, performance management and development processes.</p> <p>7.2 The Department has strengthened its stakeholder relationships capabilities, in order to provide a better capacity for scanning and anticipating the external environment, and being able to respond more rapidly, flexibly and appropriately.</p> <p>7.3 Other initiatives include formal and informal Recognition and Reward programs, a range of work-life balance and corporate health and well being initiatives and a strong commitment to learning and development. Cultural change is seen as a very important component to building a high performing department which anticipate and respond to an environment of uncertainty.</p> |
| Department of Justice | <p>7.1 The Department recognises the importance of responding rapidly to critical, complex, cross-portfolio issues that require a 'joined-up' approach. Over the course of 2007-08, the Department dealt with a raft of complex and high profile policy issues, delivered on major social reforms and responded effectively to emergencies, including severe storms and intense bush fires.</p> |

²⁵⁸

State Services Authority, *The Future of the Public Sector in 2025*, p.37

Table 10.8: Departments' Responses to Critical Future Priority 7

| Department | Response |
|--|--|
| Department of Premier and Cabinet | <p>7.1 In 2007-08, the State Services Authority collaborated with the State Coordination and Management Council (SC&MC) to design and implement the proposal to establish the Victorian Leadership Development Centre (VLDC). The VLDC aims to foster, across the Victorian public sector, a culture of leadership development to promote a sustainable, highly skilled, diverse and professional leadership capacity which consistently meets the needs of the Victorian Government and its community.</p> <p>7.2 The Department strongly supports challenging public sector programs like the Australia and New Zealand School of Government Executive Fellows Program and Executive Master of Public Administration. Other programs include offerings from Cranlana and the Williamson Foundation. Further, the Department Secretary is a Fellow of the Institute of Public Administration Australia and has spoken publicly on numerous occasions on the issue of leadership in the public service.</p> <p>7.3 The new Performance Development and Progressions Plan and learning and development programs focus on professional and career development opportunities and support the Department's leadership role in fostering agility across the sector.</p> |
| Department of Primary Industries | <p>7.1 The Department has commenced identifying a number of collaborative and innovative tools that enable agility amongst its workforce. This includes collaborative tools that allow for knowledge sharing across IT infrastructure. The continued support for the Young Professionals Network also encourages collaboration and networking among staff.</p> <p>7.2 The Department is also fostering innovation and collaboration through conferences and a more rigorous and interactive framework for planning the investment of the Department's resources.</p> |
| Department of Sustainability and Environment | <p>7.1 The Department holds the key role in the management of bushfires on public land. As a result, the majority of departmental staff are trained in a secondary fire role, such as general fire-fighting or positions within the Emergency Management Centre. This flexibility allows the Department in conjunction with other agencies who have similar practices such as the Department of Primary Industries or Parks Victoria, to quickly respond to incidences of fire while still maintaining the day to day operations of the Department.</p> |
| Department of Treasury and Finance | <p>7.1 The Department's People and Culture Strategy focuses on four key priorities of:</p> <ul style="list-style-type: none"> • culture enhancement; • attraction and retention; • developing capability and wellbeing; and • continuous improvement of people management systems and processes. <p>The focus on these priorities will allow the Department to support a high performing public sector.</p> |
| Department of Planning and Community Development | <p>7.1 The establishment of the new Department provided the opportunity to review all structures, systems, practices and relationships to meet its goals. The new Department was operationalised very quickly to support the new direction. The learnings from this period are now informing change management practices across the organisation.</p> |
| Department of Parliamentary Services | <p>As in the Department's responses 2.1 and 2.2 above</p> |

Sources: Departmental Responses to the Financial and Performance Outcomes Questionnaire Part One.

CHAPTER 11: PERFORMANCE TARGETS

Key Findings of the Committee:

- 11.1 The 10 departments delivered 120 major outputs at a total cost of \$32.3 billion in 2007-08. This represents an expenditure additional to the budget estimate of \$1.1 billion (4 per cent).
- 11.2 The Department of Primary Industries reported an extra expenditure of \$126.8 million (26 per cent), the largest in percentage term. The Department of Human Services recorded an additional expenditure of \$354.6 million (3 per cent), the largest in dollar term.
- 11.3 The Department of Innovation, Industry and Regional Development was the only department to report an expenditure under budget.
- 11.4 Overall, on a total output cost basis departments achieved or exceeded 78 per cent of their 2007-08 performance targets. The Department of Planning and Community Development met or exceeded 89 per cent of the Department's targets. The Department of Transport's 70 per cent was the lowest in this regard.
- 11.5 Three other departments that did not achieve or exceed more than 75 per cent of their performance output targets were the Department of Human Services (71 per cent), the Department of Education and Early Childhood Development (71 per cent), and the Department of Justice (75 per cent).
- 11.6 Overall, departments failed to meet 262 (22 per cent) of the 2007-08 targets. Of which, 95 targets (8 per cent) registered an under-achievement in excess of 10 per cent. The Department of Transport reported the highest number of material performance output variances. Twenty four (13 per cent) of the Department's outputs fell short of targets by more than 10 per cent.
- 11.7 Fifty-five (51 per cent) of the Department of Innovation, Industry and Regional Development's performance measures recorded an actual to target variation in excess of 10 per cent. Forty-four per cent of these represent favourable variations, of which 23 were variations of 50 per cent or higher.

11.1 Introduction

11.1.1 Background

The Government's annual budget paper on service delivery outlines the service delivery obligations of departments. Service delivery obligations are themed into output groups and the expected cost, quantity, quality and timeliness of these output groups are detailed as performance targets for the departments.

Part 7 of the Financial Management Act 1994 (FMA) requires that the annual report of a department to comprise a report of operations and financial statements. Section 4.2(k) of the Standing Directions of the Minister for Finance and Financial Reporting Direction 8B 'Consistency of budget and departmental reporting'²⁵⁹ further require departments to compare output targets specified in the State budget with actual performance.

As part of the Committee's ongoing focus on improving accountability, this chapter examines the extent departments achieved set performance targets in 2007-08. Where relevant and appropriate, the Committee sought information that was not reported in the annual reports, and further clarification of points of interest or concern arising from a review of the available data.

11.1.2 Overview

In 2007-08, the 10 departments delivered 120 major outputs at a total cost of \$32.3 billion. This represents an expenditure of \$1.1 billion (4 per cent). The Department of Primary Industries reported an expenditure, in addition to budget estimates, of \$126.8 million (26 per cent), the largest in percentage term. The Department of Human Services recorded an additional expenditure of \$354.6 million (3 per cent), the largest in dollar term. On the other hand, the Department of Innovation, Industry and Regional Development was the only department reporting expenditure under budget.

The Department of Human Services received the largest share of output funding in 2007-08. Its actual spending of \$12.5 billion made up 39 per cent of the State's total budget. In comparison, the Department of Treasury and Finance received \$227.9 million in 2007-08, representing only 1 per cent of the total budget. The Department of Treasury and Finance reported the smallest actual-budget variance (\$0.1 million or less than 1 per cent).

Overall, departments disclosed that they achieved or exceeded 78 per cent of their 2007-08 performance output targets. The Department of Planning and Community Development reported that it met or exceeded 89 per cent of its targets. The Department of Transport's 70 per cent was the lowest in this regard.

Departments disclosed that in total 262 (22 per cent) of the 2007-08 targets were not met. Of which, 95 targets (8 per cent) registered an under-achievement in excess of 10 per cent. The Department of Transport reported the highest number of material output variances. Twenty four (13 per cent) of the Department's outputs fell short of targets by more than 10 per cent.

The Department of Planning and Community Development had 142 performance targets for one per cent of government expenditure. The Department of Education and Early Childhood Development, by contrast, accounted for 22 per cent of total government expenditure against 92 performance targets.

Recommendation 22:

The Department of Planning and Community Development review the number of its output performance targets identified in Budget Paper No. 3.

²⁵⁹ FRD 8B 'Consistency of budget and departmental reporting' has superseded FRD 8A following its withdrawal on 1 July 2008.

Table 11.1: 2007-08 Output Cost – Comparison of Actual and Budget

| Department | 2007-08 Budget | 2007-08 Actual | Variation | | Section Reference |
|---|-----------------|-----------------|----------------|----------|-------------------|
| | (\$ million) | (\$ million) | (\$ million) | (%) | |
| Department of Human Services | 12,176.9 | 12,531.5 | 354.6 | 3 | 12.3.1 |
| Department of Education and Early Childhood Development | 6,834.4 | 7,136.1 | 301.7 | 4 | 12.4.1 |
| Department of Transport | 4,042.4 | 4,110.7 | 68.3 | 2 | 12.5.1 |
| Department of Justice | 3,155.3 | 3,216.0 | 60.7 | 2 | 12.6.1 |
| Department of Innovation, Industry and Regional Development | 2,205.8 | 2,150.9 | -54.9 | -2 | 11.7.1 |
| Department of Sustainability and Environment | 1,115.4 | 1,348.2 | 232.8 | 21 | 11.8.1 |
| Department of Primary Industries | 487.0 | 613.8 | 126.8 | 26 | 11.9.1 |
| Department of Premier and Cabinet | 523.6 | 533.5 | 9.9 | 2 | 11.10.1 |
| Department of Planning and Community Development | 380.3 | 421.1 | 40.8 | 11 | 11.11.1 |
| Department of Treasury and Finance | 227.8 | 227.9 | 0.1 | <1 | 11.12.1 |
| Total | 31,148.9 | 32,289.4 | 1,140.5 | 4 | |

Sources: Department Annual Reports 2007-08 and Committee Questionnaire – Part Two.

Table 11.2: 2007-08 Performance Output Measures – Comparison of Actual and Target

| Department | Performance Output Target Met/Exceeded | | Performance Output Target Not Met (Variance ≤ 10%) | | Performance Output Target Not Met (Variance > 10%) | | Total | Section Reference |
|---|--|---------------------|--|---------------------|--|---------------------|--------------|-------------------|
| | Number | Percentage of Total | Number | Percentage of Total | Number | Percentage of Total | Number | |
| Department of Human Services | 157 | 71 | 53 | 24 | 12 | 5 | 222 | 11.3.2 |
| Department of Education and Early Childhood Development | 66 | 71 | 26 | 28 | 1 | 1 | 93 | 11.4.2 |
| Department of Transport | 126 | 70 | 30 | 17 | 24 | 13 | 180 | 11.5.2 |
| Department of Justice | 74 | 75 | 21 | 21 | 4 | 4 | 99 | 11.6.2 |
| Department of Innovation, Industry and Regional Development | 91 | 84 | 9 | 8 | 8 | 7 | 108 | 11.7.2 |
| Department of Sustainability and Environment | 77 | 83 | 6 | 6 | 10 | 11 | 93 | 11.8.2 |
| Department of Primary Industries | 40 | 78 | 5 | 10 | 6 | 12 | 51 | 11.9.2 |
| Department of Premier and Cabinet | 75 | 85 | 6 | 7 | 7 | 8 | 88 | 11.10.2 |
| Department of Planning and Community Development | 126 | 89 | 6 | 4 | 10 | 7 | 142 | 11.11.2 |
| Department of Treasury and Finance | 78 | 81 | 5 | 5 | 13 | 14 | 96 | 11.12.2 |
| Total | 910 | 78 | 167 | 14 | 95 | 8 | 1,172 | |

Sources: Department Annual Reports 2007-08.

11.2 Department of Human Services

11.2.1 Total output costs

The total cost to deliver the Department's 14 major outputs in 2007-08 was \$12.5 billion. This is \$354.6 million (3 per cent) higher than budget. *Housing assistance* reported additional expenditure in excess of 10 per cent.

Table 11.3: Total Output Cost

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|---|-----------------|-----------------|--------------|-------------------|
| | (\$ million) | (\$ million) | (\$ million) | % |
| Acute health services | 6,482.0 | 6,610.3 | 128.3 | 2 |
| Ambulance services | 417.0 | 457.8 | 40.8 | 10 |
| Mental health | 819.1 | 833.8 | 14.7 | 2 |
| Aged and home care | 858.5 | 884.7 | 26.2 | 3 |
| Primary and dental health | 314.5 | 326.3 | 11.8 | 4 |
| Small rural services | 406.0 | 431.1 | 25.1 | 6 |
| Public health | 315.3 | 347.2 | 31.9 | 10 |
| Drug services | 116.8 | 121.3 | 4.5 | 4 |
| Disability services | 1,070.2 | 1,162.3 | 92.1 | 9 |
| Child protection and family services | 468.4 | 510.0 | 41.6 | 9 |
| Youth services and youth justice | 111.1 | 101.3 | -9.8 | -9 |
| Early years services | 125.5 | 18.1 | -107.4 | (a) |
| Concessions to pensioners and beneficiaries | 288.8 | 300.0 | 11.2 | 4 |
| Housing assistance ^(c) | 383.7 | 427.3 | 43.6 | 11 ^(b) |
| Total | 12,176.9 | 12,531.5 | 354.6 | 3 |

Notes: (a) *Early years output was transferred to the Department of Education and Early Childhood Development effective from 1 September 2007 as a result of machinery of government changes.*

(b) *Actual expenditure reflects additional State funding provided for the Victorian contribution to the National Rental Affordability Scheme²⁶⁰.*

(c) *Excluded 'house ownership and renovation assistance' which is fully funded by Office of Housing's internal revenue²⁶¹.*

Sources: *Department Annual Report 2007-08.*

²⁶⁰ Department of Human Services, *Annual Report 2007-08*, p.160

²⁶¹ *ibid*

11.2.2 Performance against output targets

The Department achieved or exceeded 157 (71 per cent) of its 222²⁶² performance output targets reported in 2007-08. However, 37 (17 per cent) of the performance measures recorded an actual-target variation in excess of 10 per cent. Twelve (5 per cent) of these were unfavourable variations where the Department failed to achieve the related performance targets. In addition, the Department's current reporting system was unable to generate the actual data for a new performance measure²⁶³.

The Committee sought further information about the following output variations reported in the 2007-08 Annual Report.

Table 11.4: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual |
|---|----------------|----------------|
| Admitted Services | | |
| Emergency patients transferred to a ward within 8 hours (per cent) | 80 | 67 |
| Semi-urgent (Category 2) elective surgery patients admitted within 90 days (per cent) | 80 | 70 |
| Emergency Services | | |
| Emergency Category 3 treated in 30 minutes (per cent) | 75 | 68 |
| Drug Prevention and Control | | |
| GPs trained to prescribe pharmacotherapy (number) | 70 | 40 |
| Drug Treatment and Rehabilitation | | |
| Alcohol and drug workers accredited (per cent) | 85 | 64 |

Source: Department of Human Services Annual Report 2007-08, pp.140-1, 150

The Department responded to the Committee's Questionnaire as follows:²⁶⁴

1. Emergency patients transferred to a ward within 8 hours

Q: What was the impact on health outcomes for those emergency patients not transferred to a ward within 8 hours? What strategies have been implemented to improve performance against this measure in 2008-09?

A: Emergency patients who are ready for transfer to a ward bed, must wait in the emergency department until a bed becomes available. All patients in the emergency department are under medical and nursing care until they are transferred to a ward.

In 2005-06, the Government allocated \$21.2 million over four years to improve access and provision of timely care at Victorian hospitals. This included provision of observation medicine, emergency department care coordination, medical day-treatment centres and medihotels.

²⁶² This excludes the performance targets for *total output costs* and outputs transferred to the Department of Education and Early Childhood Development as a result of machinery of government changes.

²⁶³ The performance measure is '*compliance with requirement to formally review each child subject to more than two reports in a 12 month period*'.

²⁶⁴ Department of Human Services, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.3-8

A Winter Demand Management Strategy to meet peak demand for health services during the winter period has been developed. This will help open additional beds, provide focused services, and enable a flexible response to seasonal issues. The Strategy consists of:

- emergency clinical assessment and treatment in-reach service to residential aged care facilities at 10 health services;
- 100 step-down beds across 16 health services;
- ICU liaison nurse services to increase ICU capacity;
- review and revision of HEWS and bypass guidelines for ambulance services and emergency departments; and
- plans to identify strategies and services to better manage demand over winter.

In 2008-09, the Government announced a \$321.5 million package over four years to improve bed access and patient flows. Funding will be directed to providing:

- 100 acute hospital beds;
- four ICU beds and two NICU beds;
- 170 sub-acute beds; and
- diversion programs such as short stay capacity, community based rehabilitation and additional emergency department diversion under the Hospital Admission Risk Program.

2. Semi-urgent (Category 2) elective surgery patients admitted within 90 days

Q: What was the impact on health outcomes for those semi-urgent elective surgery patients not admitted within 90 days? What strategies have been implemented to improve performance against this measure in 2008-09?

A: Patients who require elective surgery are individually assessed by surgeons and allocated an urgency category. Patients categorised as Category 2 require surgery for conditions that may cause some pain and dysfunction, but are unlikely to deteriorate quickly or become an emergency. For example, hip joint replacement or hernia repair.

Health services are responsible for managing patients on the elective surgery waiting list and patients are scheduled for surgery according to their clinical priority. Health services are required to routinely monitor patients to determine whether they still require surgery, and whether there has been a change in their clinical circumstances. Patients waiting for elective surgery also have their clinical condition regularly monitored by their general practitioners. Patients in consultation with their general practitioners may initiate a specialist review of their condition and urgency category if required.

This system of active management and review ensures that patients with the greatest clinical priority are treated in a timely manner and that those waiting are clinically stable. Health services monitor the quality and safety of the services provided to patients. This includes local clinical audit and review of performance against clinical indicators. There are also systems in place for reviewing sentinel and adverse events.

In 2008, the State and Commonwealth Governments provided funding of \$60 million for additional activity, capital works and equipment improvements. The additional investment in elective surgery has resulted in an increase in the number of patients treated. There has been a particular focus on the treatment of patients who have waited longer than clinically recommended.

The Commonwealth Government also provided \$36.8 million funding (\$25.2 million in 2008-09 and \$11.6 million in 2009-10) to improve elective surgery waiting times. This has been allocated for facilities redevelopment capital projects at Melbourne Health,

Southern Health, Peninsula Health, Western Health and Barwon Health, the purchase of additional equipment and new technologies and for service improvement projects.

The Department has also continued to develop policies and programs and implement new models of care to improve waiting times for surgery.

Committee Comment

Admitted services represents the Department’s largest output. The cost of this output in 2007-08 was \$5.2 billion, making up more than 40 per cent of the Department’s total output cost for the year. Outcome performance data indicates that two outcomes have deteriorated over the last two years:

Table 11.5: Admitted Services Performance Measurers

| Performance Measure (Timeliness) | 2006-07 and 2007-08 Target | Actual | |
|--|----------------------------------|---------|---------|
| | | 2006-07 | 2007-08 |
| | (%) | (%) | (%) |
| Emergency patients transferred to a ward within 8 hours | 80 | 71 | 67 |
| Semi-urgent (Category 2) elective surgery patients admitted within 90 days | 80 | 75 | 70 |

Sources: Department Annual Reports 2006-07 and 2007-08.

While the Department is commented for achieving 100 per cent admission for urgent (Category 1) elective surgery patients within 30 days, it should now consider setting a new target for 2009-10 as the target of 30 days has been consistently met since 2000-01.

3. Emergency Category 3 treated in 30 minutes

Q: What was the impact on health outcomes for those Emergency Category 3 presentations not treated in 30 minutes? What strategies have been implemented to improve performance against this measure in 2008-09?

A: All patients who come to an emergency department are triaged. Category 3 conditions are triaged to be treated within 30 minutes of attendance but may not be treated within the parameters of this target due to numbers of more urgent cases. While patients are waiting, they are under constant clinical observation and where necessary, may be re-triaged and treated more quickly to avoid adverse clinical outcomes.

Strategies supporting this target include (see answers to question 1 above):

- expansion of new models of patient care at Victorian hospitals to improve access and provision of timely care;
- Winter Demand Management Strategy;
- Government funding (\$321.5 million over 4 years) to treat additional patients.

4. GPs trained to prescribe pharmacotherapy

Q: In relation to 2006-07 and 2007-08, the number of GPs trained to prescribe pharmacotherapy has remained constant at 40. What factors led to the new marketing and recruitment program commencing later than anticipated? What were the consequences of the lower than expected number of GPs trained to prescribe pharmacotherapy in 2007-08?

A: The marketing and training contract was unexpectedly delayed as the preferred supplier altered the terms of their bid. As a consequence, further assessment, analysis and negotiation were required to ensure consistency with the Department's purchasing guidelines.

Following an extended period of pharmacotherapy training to GPs and Registrars across Victoria, recruitment of new course participants waned due to the limited supply of GPs and Registrars willing to provide pharmacotherapy services. Extensive course marketing through direct contact with GP practices and Divisions of General Practice, as well as a series of marketing activities undertaken through the Royal Australian College of General Practice were undertaken to reverse this trend.

The January 2009 Pharmacotherapy Census recorded 11,950 current clients, representing a 30.3 per cent increase in the past five years. The pharmacotherapy trainee situation will continue to be monitored.

5. Alcohol and drug workers accredited

Q: How does the Department propose covering the entire Alcohol and Other Drug (AOD) sector in future with regard to obtaining reliable data (rather than a snapshot) concerning the extent of staff holding a qualification in a relevant health or minimum qualification area? What other data does the Department have at its disposal to be satisfied that adequate qualification standards in the AOD sector were met in 2007-08?

Shaping the Future – The Victorian Alcohol and Other Drug Quality Framework was launched in April 2008. The Framework outlines a set of specifications and minimum standards required of all funded drug treatment services in Victoria. It requires that all funded services be accredited or work toward accreditation through an appropriate quality accreditation program. Services report to the Department on their progress with regard to accreditation, and provide confirmation once accreditation has been granted.

In addition, the Framework requires all agencies funded by the Department to develop effective workforce policies and practices. The requirement to adhere to the standards outlined in the Framework will be included in the service agreements agencies enter into with the Department. The Department will then monitor compliance as part of the regular annual contract review cycle.

In lieu of agreed, consistent standards and mindful of the reporting burden of agencies, survey result was the principle data used to measure the extent to which qualifications standards in the Alcohol and Other Drug sector were met in 2007-08. However, a number of additional data collection measures are being implemented to strengthen the Department's ability to monitor performance. These measures include listing of all agencies achieving accreditation with an appropriate quality accreditation program, and analysis of compliance against standards through the Department's Annual Monitoring Framework.

11.3 Department of Education and Early Childhood Development

11.3.1 Total output costs

The total cost to deliver the Department’s nine major outputs in 2007-08 was \$7.1 billion. This is \$301.7 million (4 per cent) higher than budget. The Committee noted that none of the outputs registered a variation from budget in excess of 6 per cent.

Table 11.6: Total Output Cost

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|------------------------------------|----------------|----------------|--------------|----------|
| | (\$ million) | (\$ million) | (\$ million) | % |
| Child health and support services | 73.4 | 70.7 | -2.7 | -4 |
| Early childhood education and care | 170.2 | 168.0 | -2.2 | -1 |
| Early childhood intervention | 49.5 | 48.1 | -1.4 | -3 |
| Early years | 2,192.2 | 2,308.5 | 116.3 | 5 |
| Middle years | 2,161.1 | 2,295.7 | 134.6 | 6 |
| Later years and youth transition | 1,423.5 | 1,475.3 | 51.8 | 4 |
| Services to students | 717.2 | 721.9 | 4.7 | 1 |
| Adolescent health services | 9.2 | 9.5 | 0.3 | 3 |
| Policy and regulation | 38.1 | 38.4 | 0.4 | 1 |
| Total | 6,834.4 | 7,136.1 | 301.7 | 4 |

Sources: Department Annual Report 2007-08.

11.3.2 Performance against output targets

The Department achieved or exceeded 66 (71 per cent) of its 93265 performance output targets reported in 2007-08. However, 23 (25 per cent) of the performance measures recorded a variation in excess of 10 per cent. Only one of these was an unfavourable variation.

The Department did not report actual data for four performance measures. These performance measures relate to percentages of Years 3 and 5 Indigenous students reaching national benchmarks for reading and numeracy. The Department explained that the data was not available at the time of submission to the Department of Treasury and Finance²⁶⁵. However, the Committee noted that similar data for other students were included in the Department’s annual report. The Committee believes data for Indigenous students should also be obtained for timely inclusion in future reports. Further information on Indigenous student performance can be found in Chapter 16, Quality Health and Education.

²⁶⁵ This excludes the performance targets for *total output costs* and three outputs which are no longer required or assessed – *Student drug education learning outcomes index*, *reader satisfaction with news publications* and *recommendations of non-government school registration reviews approved by Registered Schools Board*.

²⁶⁶ Department of Education and Early Childhood Development, response to the Committee’s Financial and Performance Outcomes Questionnaire – Part Two, p.22-23

11.4 Department of Transport

11.4.1 Total output costs

The total cost to deliver the Department's 15 major outputs in 2007-08 was \$4.1 billion. This is \$68.3 million (2 per cent) higher than budget. Five of the output areas reported additional expenditure in excess of 10 per cent, whereas two others reported an under-target expenditure in excess of 10 per cent. *Freight, logistics, ports and marine development* reported the largest extra expenditure (146 per cent), while *public transport infrastructure development* recorded the largest expenditure (36 per cent) below budget.

Table 11.7: Total Output Cost

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|---|----------------|----------------|--------------|----------|
| | (\$ million) | (\$ million) | (\$ million) | % |
| Public transport safety and regulation | 20.0 | 35.8(a) | 15.8 | 79 |
| Road safety and regulation | 84.9 | 135.1 | 50.2(b) | 59 |
| Vehicle and driver regulation | 131.7 | 138.1 | 6.4 | 5 |
| Marine safety and regulation | 19.9 | 14.2 | -5.7(c) | -29 |
| Transport and marine safety investigations | 1.8 | 1.8 | - | - |
| Infrastructure security and emergency management | 4.4 | 4.5 | 0.1 | 2 |
| Integrated metropolitan public transport services | 1,772.7 | 1,763.5 | -9.2 | -1 |
| Rural and regional public transport services | 603.4 | 606.2 | 2.8 | 1 |
| Specialist transport services | 221.3 | 225.9 | 4.6 | 2 |
| Integrated transport policy and planning | 28.3 | 36.2 | 7.9 | 28 |
| Public transport infrastructure development | 114.1 | 72.9 | -41.2(d) | -36 |
| Road system management | 868.6 | 871.4 | 2.8 | 1 |
| Traffic and transport management | 125.2 | 115.4 | -9.8 | -8 |
| Freight, logistics, ports and marine development | 26.9 | 66.3 | 39.4(e) | 146 |
| Public construction and land development | 19.2(f) | 23.4 | 4.2 | 22 |
| Total | 4,042.4 | 4,110.7 | 68.3 | 2 |

Notes: (a) 2007-08 actual included additional funding approved post State budget for Level Crossing Safety Package 2007²⁶⁷.

(b) Variation primarily reflects reclassification of activities between operating and capital²⁶⁸.

(c) Variation reflects changes in the timing of payments under the Boating Safety and Facilities Program²⁶⁹.

(d) Variation primarily reflects revised project schedule for Public Transport Ticketing Solution²⁷⁰.

²⁶⁷ Department of Transport, *Annual Report 2007-08*, p.190

²⁶⁸ *ibid.*, p.191

²⁶⁹ *ibid.*, p.193

²⁷⁰ *ibid.*, p.203

- (e) Variation primarily reflects country rail freight maintenance funding approved post-budget and reclassification from capital²⁷¹.
- (f) 2007-08 target excluded costs of transit cities functions which were transferred to the Department of Planning and Community Development as part of machinery of government changes in 2007-08²⁷².

Sources: Department Annual Report 2007-08.

The Committee sought further information about material variations in the Department's reported output costs. The Department responded to the Committee's Questionnaire as follows²⁷³.

1. Public transport safety and regulation

Q: The Department's Annual Report stated that this figure included additional funding for Level Crossing Safety Package 2007. Please provide details of the additional funding provided to the Level Crossing Safety Package 2007 including the additional funding provided and the purpose of the additional funding.

In addition, works on the level crossing upgrade program was accelerated in 2007-08 with 46 upgrades being completed against a target of 40. Please comment on the accuracy of the Department's estimates planning for this output.

A: On 25 June 2007, the Government announced the \$33.2 million Level Crossing Safety Package. The Package contained extra safety measures in addition to the annual program, including automated advanced warning signs, rumble strips and a trial of red light cameras. Of the \$33.2 million budget, \$9.5 million was spent in 2007-08 on operating costs and is included in the output cost figure.

Additional spending in 2007-08 reflected the Government's commitment to improving level crossing safety across Victoria.

2. Marine Safety and Regulation

Q: Please detail any anticipated impacts of the revised timing of payments under the Boating Safety and Facilities Program (BSFP) on the delivery of this program.

A: All grants awarded under the BSFP are subject to terms and conditions of funding. In the past, no payments were made until the Grants Administration Team was satisfied that the grant recipients had adhered to all stipulated conditions and provided evidence of milestone achievement or project completion. These requirements contributed to the delay in making grant payments.

To achieve a more efficient allocation and distribution of grant funding, Marine Safety Victoria has introduced a process for upfront payments. Under this system, all applicants are assessed for possible risk in areas such as the ability to effectively undertake the projects and the likelihood that a project will be completed within cost and time constraints.

In addition, each grant awarded under the BSFP has an allocated Grant Project Officer (GPO) who focuses on developing a relationship with the grant recipient. This process allows the GPO to identify any emerging issues which might impact on timely project delivery and has enhanced the capacity of grant recipients to implement projects effectively and in a timely manner.

²⁷¹ *ibid*, p.207

²⁷² *ibid*, p.208

²⁷³ Department of Transport, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.2-4

3. Integrated Transport Policy and Planning

Q: Please provide a detailed explanation for this cost variation.

A: Additional activities were undertaken in 2007-08, including:

- Victorian Integrated Survey of Travel and Activity;
- transport energy policy development, particularly in relation to climate change; and
- coordination of the transport component of Victoria's contribution to Commonwealth and The Council of Australian Governments investment and reform programs.

11.4.2 Performance against output targets

The Department achieved or exceeded 126 (70 per cent) of its 180²⁷⁴ performance output targets reported in 2007-08. However, 42 (23 per cent) of the performance measures recorded a variation in excess of 10 per cent. Twenty four (13 per cent) of these were variations where the Department failed to achieve the related performance targets.

The Committee sought further information about the following output variations reported in the 2007-08 Annual Report:

²⁷⁴ This excludes the performance targets for *total output costs* and *application for a material change (to a safety management system of an accredited rail organisation) reviewed within 30 days*. The latter measure was discontinued as under the current Rail Safety Act 2006, the Director of Public Transport Safety Victoria now approves variations to operators' existing terms and conditions of accreditation.

Table 11.8: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|--|----------------|----------------|--------------|-----|
| | | | (\$ million) | % |
| Vehicle and Driver Regulation Taxis conform to quality standards (per cent) | >80 | 70 | -10 | -13 |
| Taxi service complaints investigated and closed (number) | 1,700 | 2,557 | 857 | 50 |
| Customer satisfaction index: taxi services (score) | >64.4 | 58.2 | -6.2 | -10 |
| Customers served within 10 minutes in VicRoads licensing and registration offices (per cent) | 80 | 70 | 10 | -13 |
| Calls answered within 30 seconds in VicRoads call centres (per cent) | 80 | 48 | -32 | -40 |
| Specialist Transport Services Transport access sites treated by VicRoads (number) | 115 | 89 | -26 | -23 |
| Integrated Transport Policy and Planning Local Area Access Program evaluation framework developed (per cent) | 100 | 80 | -20 | -20 |
| Public Transport Infrastructure Development Projects progressed to agreed plans and timeframes (per cent) | 100 | 75 | -25 | -25 |
| Public Road System Management Bridge strengthening and replacement projects completed (number): | | | | |
| Metropolitan | 2 | 1 | -1 | -50 |
| Regional | 7 | 3 | -4 | -57 |
| Bridges with Level 4 Defects – Metropolitan (per cent) | 1.2 | 1.8 | 0.6 | 50 |
| Traffic and Transport Management Road user facilities improvement projects (number) | 48 | 35 | -13 | -27 |

Source: Department of Transport, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, pp.5-9

The Department responded to the Committee's Questionnaire as follows²⁷⁵.

1. Vehicle and Driver Regulation

Q: The Department's Annual Report disclosed that the failure to meet quality and customer satisfaction targets, and the increased number of complaints investigations related to increased monitoring and increased customer awareness of complaints processes. Please detail the steps taken/planned to address these issues.

²⁷⁵ Department of Transport, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.5-9

A: Taxis conform to quality standards

In 2008, the Victorian Taxi Directorate (VTD) increased the number of Transport Safety Officers from 13 to 36. This has enabled the VTD to have a greater on-road presence, and carry out more taxi inspections and compliance operations. A zero-tolerance approach is also taken against any vehicle safety breaches.

The Safe Taxi Audit launched in November 2008 will be the primary strategy used by the VTD to increase taxi vehicle standards. The Strategy involves inspection of all Victorian taxis to ensure full compliance with relevant licence conditions. New accreditation licence plates are issued to taxis once standards have been met.

In addition, industry accreditation requires taxi operators to carry out regular inspections on their taxis. The VTD audit team conducts random and targeted inspections on taxi operators.

Taxi service complaints investigated and closed

The VTD addressed resource and capacity issues to improve workflow and ensure a backlog of complaints was systematically investigated and closed. In addition, a review of the VTD Complaints Management Procedures was completed. The new procedures will ensure greater accountability by Network Service Providers (NSPs) in responding to and resolving customer complaints. This accountability will be linked to the accreditation standards and is consistent with responsibilities detailed under those standards. Other process changes have brought a greater focus on earlier resolution of customer complaints, such as the introduction of a case assessment procedure.

The VTD is also in the process of establishing a public awareness campaign which will educate the public on how to lodge feedbacks and complaints about unsatisfactory taxi services, what they can expect from the VTD in relation to complaints and other avenues they can take if they are not satisfied with the outcome.

Customer satisfaction index: taxi services

Taxi users are primarily concerned with service punctuality, availability at peak periods and passenger safety. Under the Taxi Industry Accreditation regime, accredited NSPs are required to advise passengers of any known delay. There are also specific standards to ensure wheelchair accessible taxis (WATs) are performing wheelchair bookings as a priority. In addition to this, performance quotas and a new booking system will be introduced in 2009 to ensure that WAT services are being dedicated to wheelchair work.

To address the under-supply of taxis, 200 new conventional taxi licences will be released across the metropolitan and outer suburban taxi zones. A further 330 WAT licences will also be issued to ensure people with a disability have improved access to taxi services. These licences will be issued by tender in the first half of 2009.

The final planned release of 100 peak service taxi licences occurred in November 2008. It is expected that these taxis will be on the road in March/April 2009. The release of extra licences is supported by the following initiatives:

- doubling the Multi Purpose Taxi Program (MPTP) trip cap from \$30 to \$60 per trip from 13 December 2008;
- doubling the MPTP annual subsidy cap from \$1,090 to \$2,180 from 13 December 2008; and
- increased driver lifting fees to provide an added incentive for drivers to service people in wheelchairs.

2. Customers served within 10 minutes in VicRoads licensing and registration offices and calls answered within 30 seconds in VicRoads call centres

Q: The Department's Annual Report advised that the failure to meet these timeliness targets was a result of increasing volume and complexity of enquiries. Please detail the steps taken/planned to address this issue.

A: Funding of \$16 million over four years was announced in the 2008-09 State budget for the VicRoads Customer Service Transformation Program. Under this three-phase Program, VicRoads will invest in its people, systems, and processes and will provide customers with more transaction options. The first year of the Program focuses on initiatives such as channel management, community engagement, workforce recruitment, retention and training.

Call centres reported that 66 per cent of the calls were answered within 30 seconds in November 2008, an increase of 18 per cent.

3. Transport access sites treated by VicRoads

Q: Please detail the nature of the increased complexities mentioned in the Department's Annual Report, and advise as to the steps taken to address this issue and to provide better estimates for the following year.

A: These projects had greater complexity due to the following factors:

- service relocations were required, such as pits which sit in the location where tactile paving is provided;
- signal pedestals had to be relocated in order to provide sufficient room for wheelchair access;
- heritage overlays required a greater level of consultation before works could proceed;
- installation difficulties created by high pedestrian volumes; and
- An audit of projects in this category will be undertaken in 2009-10 to provide better estimates.

4. Local Area Access Program evaluation framework developed

Q: Please provide a detailed explanation for the delay in the completion of this evaluation framework and impacts of the delay.

A: The Local Area Access Program evaluation framework was developed to assist staff to ascertain the success of this Program. No prior evaluation framework existed for this Program. The delay to complete the framework was due to revised program milestones. There are no long term impacts as the Program returns to its original timelines by the end of June 2009.

5. Projects progressed to agreed plans and timeframes

Q: Please provide a detailed explanation for the delays noted in the Department's Annual Report and advise as to any impacts of these delays.

A: Nine of the 12 projects (75 per cent) progressed to agreed plans and timeframes. The three delayed projects were track duplication (Clifton Hill to Westgarth), Metropolitan Train Communications System replacement and Vigilance Control and Event Recording System. Explanation for and impact of the delay is detailed on pages 202 and 203 of the Department's 2007-08 Annual Report.

6. Bridge strengthening and replacement projects completed

Q: Please provide a detailed explanation of the current needs assessment and the impact this has had on the completion of these projects.

A: Further structural analysis of the proposed projects identified that improvements to the structures could be deferred in the short-term without any adverse impact to the road network's capacity to service freight vehicles. These projects were subsequently deferred for 12 months.

7. Bridges with Level 4 Defects (Metropolitan)

Q: Please provide a detailed explanation for the increased percentage of bridges with Level 4 defects.

A: VicRoads' regular bridge inspection program identified a small number of bridges that had deteriorated faster than originally anticipated. The bridges are safe and any necessary improvement works have either been undertaken or are planned to be undertaken as part of the regular maintenance program. Bridge inspection frequency ranges between 2 and 5 years based on the previous condition and risks associated with the structure. Bridges with components in poor condition are inspected every 2 years.

8. Road user facilities improvement projects

Q: Please detail the projects that were completed early in 2006-07 and those rescheduled for completion in 2008-09. Please also provide explanations for the rescheduling of the delayed projects.

A: Projects completed in 2006-07 were:

- Old Calder Highway, pedestrian refuges, Taylors Lakes;
 - Eltham-Yarra Glen Rd, metering signals, Eltham;
 - Queens Parade, on-road bicycle lanes, Fitzroy North; and
 - Furlong Rd, intersection signals, St Albans.
- Projects rescheduled for completion in 2008-09 (and reasons for delays) are:
- Mt Alexander Road – On-road bicycle lanes, Essendon (scheduling difficulties);
 - Maroondah Highway – Bridge construction, Lilydale (bridge design issues);
 - Eastern Freeway – Ramp metering (bus company's objection to ramp metering);
 - Mornington Peninsula Route – Right-turn lanes, Frankston (project scope changes);
 - Upfield off-road bicycle path, Fawkner (finalisation of a project related agreement impacting on contract advertising);
 - Hopkins-Whitehall Street – Pedestrian signals, Footscray (scheduling difficulties);
 - Wellington Road – Intersection signals, Lysterfield (planning permit and land acquisition);
 - Maroondah Highway – Intersection signals, Coldstream (planning permit); and
 - Boundary Road – Intersection signals, Braeside (avoiding any additional congestion as a result of other major works in the area.).

11.5 Department of Justice

11.5.1 Total output costs

The total cost to deliver the Department's 16 major outputs in 2007-08 was \$3.2 billion. This is \$60.7 million (2 per cent) higher than target. Three of the output areas reported an above-target expenditure in excess of 10 per cent, whereas one other (*infringement and orders management*) reported an under-target expenditure in excess of 10 per cent. *Protecting consumers* reported the largest over-spending at 58 per cent.

Table 11.9: Total Output Cost

| Output | 2007-08 | 2007-08 | Variation | | |
|---|----------------|----------------|--------------|----------|------|
| | (\$ million) | (\$ million) | (\$ million) | % | Note |
| Policing services | 1,639.4 | 1,630.8 | -8.6 | -1 | |
| Police integrity | 20.9 | 21.5 | 0.6 | 3 | |
| Legal policy, advice and law reform | 31.7 | 34.5 | 2.8 | 9 | |
| Protecting community rights | 24.4 | 26.6 | 2.2 | 9 | |
| Supporting the judicial process | 72.5 | 76.7 | 4.2 | 6 | |
| Privacy regulation | 1.8 | 2.1 | 0.3 | 17 | (a) |
| State electoral roll and elections | 19.0 | 18.1 | -0.9 | -5 | |
| Court matters and dispute resolution | 302.7 | 315.5 | 12.8 | 4 | |
| Public prosecutions | 49.8 | 50.1 | 0.3 | 1 | |
| Infringement and orders management | 155.5 | 132.9 | -22.6 | -15 | (b) |
| Community safety and crime prevention | 30.1 | 31.6 | 1.5 | 5 | |
| Emergency management capability | 161.8 | 187.5 | 25.7 | 16 | (c) |
| Prisoner supervision and support | 443.0 | 438.1 | -4.9 | -1 | |
| Community-based offender supervision | 57.7 | 59.5 | 1.8 | 3 | |
| Protecting consumers | 80.9 | 127.9 | 47.0 | 58 | (d) |
| Gaming and racing management and regulation | 64.1 | 62.6 | -1.5 | -2 | |
| Total | 3,155.3 | 3,216.0 | 60.7 | 2 | |

- Notes:
- (a) This output administers the Information Privacy Act 2000 through the Office of the Victorian Privacy Commissioner. The Privacy Commissioner was provided with additional funding of \$0.3 million during the year to meet resourcing requirements²⁷⁶.
 - (b) The variance is attributable to the combined impact of higher than scheduled demand traffic camera downtime arising from a rigorous testing and maintenance regime, increased public awareness of safety cameras and improvements in driver behaviour²⁷⁷.
 - (c) The variance reflects the reinstatement within the department of two Statewide Integrated public Safety Communications Strategy projects that were originally to be delivered by the Emergency Services Telecommunications Authority²⁷⁸.

²⁷⁶ Department of Justice, Annual Report 2007-08, p.106 & 107

²⁷⁷ *ibid*, p.111

(d) The variance is mainly attributable to a \$50 million grant from the Victorian Property Fund for additional public housing units²⁷⁹.

Source: Department of Justice, Annual Report 2007-08, pp.101-116

11.5.2 Performance against output targets

The Department achieved or exceeded 74 (75 per cent) of its 99²⁸⁰ performance output targets reported in 2007-08. However, 27 of the performance measures recorded a variation in excess of 10 per cent. Four of these were unfavourable variations where the Department failed to achieve the related performance targets.

The Committee sought further information about the following output variations reported in the 2007-08 Annual Report:

Table 11.10: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual |
|---|----------------|----------------|
| Policing services | | |
| Reduction in property crime (per cent) | 3.0 | 0.4 |
| Reduction in crimes against the person (per cent) | 2.0 | -1.4 |
| Police integrity | | |
| Complaints managed (number) | 700.0 | 909.0 |
| Investigations undertaken within required timelines (per cent) | 85.0 | 74.5 |
| Public prosecutions | | |
| Number of Appeals lodged in the Court of Appeal and the High Court (number) | 380.0 | 506.0 |

Source: Department of Justice, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, pp.3-5

The Department responded to the Committee's Questionnaire as follows²⁸¹.

1. Reduction in property crime

Q: Please explain why this target has not been met.

A: While the actual incidence of crime indicates a 0.4 per cent reduction in 2007-08, the rate of property crime as measured per 100,000 population decreased by 2 per cent in 2007-08. The rate per 100,000 population measure factors population growth in the assessment of crime rates. Crime against property includes arson, property damage, burglary, deception, handling stolen goods, and theft.

Theft from motor vehicles recorded a 12.3 per cent increase. The increase was mostly due to a significant increase in number plate thefts. The stolen number plates were subsequently linked to petrol drive off thefts.

A detailed breakdown of crime statistics is provided in Appendix 1: Victoria Police Media Release, 'Official Police Figures Released', 18 August 2008, page 31.

²⁷⁸ *ibid*, p.113

²⁷⁹ *ibid*, p.115

²⁸⁰ This excludes the performance targets for *total output costs*.

²⁸¹ Department of Justice, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.3-5

Committee Comment

If police regard the performance measure of crime per 100,000 population as a more realistic measure, then that should be formally adopted in preference to a raw percentage target.

2. Reduction in crimes against the person

Q: Please outline the factors that led to the increase in personal crimes in 2007-08.

A: While the actual incidence of crime against the person indicates a 1.4 per cent increase, the rate of crime against the person as measured per 100,000 population decreased by 0.2 per cent in 2007-08. Crimes against the person include homicide, sex offences, robbery, assault and abduction/kidnapping.

Assaults account for some 73 per cent of crimes against the person as a category, which means any increase in offences recorded for assault will have a significant impact on the outcome. Assault offences increased by 0.7 per cent in 2007-08. The new code for responding to family violence implemented by Victoria Police, has led to a substantial increase in police attendance at family violence incidents. The number of assaults occurring at other locations also increased in 2007-08, and was linked to alcohol related violence, in and around licensed premises and places of entertainment.

3. Complaints managed

Q: While the Committee recognises that it is difficult to predict exact numbers of complaints, it considers a 30 per cent variance to be significant and worthy of consideration. Please detail the determining factors behind this discrepancy.

A: Media coverage of the Office of Police Integrity (OPI) in 2007-08 raised the profile of the OPI, and public awareness of its functions. The heightened public awareness of the functions of the OPI resulted in higher than anticipated number of complaints managed.

4. Investigations undertaken within required timelines

Q: Please explain whether there is a relationship between the increased number of complaints managed and the 12.4 per cent variance between the targeted and actual number of investigations undertaken within required timelines in 2007-08.

Further, please clarify the comment on page 102 of the Annual Report that the OPI exceeded the target for timeliness, which appears to contradict the output figures supplied.

A: There is a partial relationship between the number of complaints managed, and investigations undertaken and completed within the required timelines. Some complaints can be resolved very quickly whereas others may take years to finalise. Even then, the results cannot be published. See OPI Annual Report 'Operation Clarendon', page 40.

The investigations undertaken within timelines was lower than the target as three large investigations, requiring significant resources commenced in 2007-08 but was not completed by year-end. The comment on page 102 of the Department of Justice Annual Report relates to the 'quantity' performance measure 'Parliamentary reports published'.

5. Number of Appeals lodged in the Court of Appeal and the High Court

Q: While the number of Appeals lodged in 2007-08 was lower than the preceding year, there was a 33.2 per cent variance from the target. Please explain the reason for this variance and identify the numbers of criminal and non-criminal matters appealed.

A: A target of 380 for this performance measure was set in 2006-07, and 2007-08. A decline in the number of appeals lodged was expected during 2007-08. Actual outcome for this performance measure declined from 671 in 2006-07 to 506 in 2007-08. However, the level of decline was not in line with the 2007-08 target.

The BP3 measure relates to appeals to the Court of Appeal and High Court in which the DPP is involved. Overwhelmingly, these are criminal appeals (i.e. against conviction and/or sentence). There are significantly fewer non-criminal appeals, e.g. in confiscation matters. These matters are generally allied to a criminal prosecution in the first instance. At this time, the numbers of criminal and non-criminal matters appealed are unavailable.

Committee Comment

The Committee expects that more realistic targets be set in future rather than simply repeating the previous year's target which was 43 per cent lower than the actual performance. The relatively high number of appeals may relate to sentencing outcomes but these are not dealt with in the response.

11.6 Department of Innovation, Industry and Regional Development

11.6.1 Total output costs

The total cost to deliver the Department's 15 major outputs in 2007-08 was \$2.2 billion. This is \$54.9 million (2 per cent) lower than budget. Five of the output areas reported additional expenditure in excess of 10 per cent, whereas five others reported an under-target expenditure in excess of 10 per cent. *ICT policy and program* reported the largest expenditure (300 per cent) in excess of the budget estimate (due to machinery of government changes), while *regional development/regional promotion and development* recorded the largest expenditure (44 per cent) under budget.

Table 11.11: Total Output Cost

| Output | 2007-08 | 2007-08 | Variation | |
|---|----------------|----------------|--------------|-----------|
| | (\$ million) | (\$ million) | (\$ million) | % |
| Investment attraction/Investment facilitation and | 24.1 | 36.0 | 11.9 | 49 |
| Trade development/Export promotion | 12.4 | 10.3 | -2.1 | -17 |
| Developing innovative industries/Small | 22.7 | 27.8 | 5.1 | 22 |
| Developing innovative industries/Innovative and | 14.5 | 12.1 | -2.4 | -17 |
| Developing innovative industries/Science | 127.9 | 132.0 | 4.1 | 3 |
| Developing innovative industries/Advanced | 6.9 | 7.1 | 0.2 | 3 |
| Developing innovative industries/Service | 3.2 | 2.9 | -0.3 | -9 |
| Developing innovative industries/Creative | 28.3 | 22.8 | -5.5 | -19 |
| Developing innovative industries/Strategic | 4.9 | 6.9 | 2.0(b) | 41 |
| ICT policy and program | 20.2 | 80.9 | 60.7 | 300(c) |
| Regional development/Regional economic | 26.1 | 26.4 | 0.3 | 1 |
| Regional development/ Regional promotion and | 31.9 | 17.8 | -14.1 | -44 |
| Regional development/ Regional infrastructure | 92.2 | 53.8 | -38.4 | -42 |
| Marketing Victoria/Tourism | 70.3 | 79.8 | 9.5 | 14 |
| Skills | 1,720.2 | 1,634.3(a) | -85.9 | -5 |
| Total | 2,205.8 | 2,150.9 | -54.9 | -2 |

Notes: (a) Included the actual Employment Program output cost of \$25.7 million following the transfer of the Workforce Participation Branch from the Department of Planning and Community Development in 2007-08.

(b) The Department explained that the over-budget spending relates to expenditure for the Innovation Economy Advisory Board and expenditure carried over from 2006-07²⁸².

(c) The Department explained that the over-budget spending relates to additional expenditure for the Peak Computing Facility and the Citizens Access and Transformation output (\$7.6 million) following the transfer of the Citizens Access and Transformation Branch from the Department of Planning and Community Development in 2007-08²⁸³.

Source: Department of Innovation, Industry and Regional Development, Annual Report 2007-08.

The Committee sought further information about material variations in the Department's reported output costs. The Department responded to the Committee's Questionnaire as follows:²⁸⁴

1. Investment attraction/Investment facilitation and attraction

Q: Please provide details of the additional funding received for the Investment Support Program and the achievement to date of deliverable outcomes under this program.

A: The Department received Treasurer's Advance funding of \$14 million in 2007-08 for expenditure relating to the Investment Support Program. Historically, the Department has received a small base allocation for this program of approximately \$7 million and expenditure in excess of this has been funded at year end by a Treasurer's advance, hence the variance to the initial target.

²⁸² Department of Innovation, Industry and Regional Development, Annual Report 2007-08, p.185

²⁸³ *ibid*

²⁸⁴ Department of Innovation, Industry and Regional Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.3-5

Committee Comment

The Department did not include a response to the Committee's request for information relating to outcome achievement under the Investment Support Program.

Recommendation 23: **The Department of Innovation, Industry and Regional Development disclose both qualitative and quantitative outcomes achieved under the Investment Support Program, together with explanations in relation to material actual to target variations in future Annual Reports.**

2. Trade development/Export promotion

Q: Please provide details of the specific initiatives where under-expenditure occurred and the impact of underspending on the on-time delivery of these initiatives.

A: The 2007-08 budget included an estimated carryover of \$0.9 million for the Agenda for New Manufacturing and an estimated carryover of \$0.2 million for the Opening Doors Export Plan. The actual carryover of 2006-07 funding for these two initiatives against this output was only \$0.4 million, a reduction of \$0.5 million to the estimate. The 2007-08 actual expenditure was also lower due to \$0.8 million of grant duplication savings applied to the Agenda for New Manufacturing Program, and Business Development Program. The balance relates to changes in attribution of corporate overheads to this output.

3. Developing innovative industries/Small business support

Q: Please provide details of the additional external funding received in relation to this output.

A: Additional expenditure was incurred against funding received for the Victorian Property Fund \$0.9 million, e-commerce \$0.4 million and Reducing the Regulatory Burden \$0.2 million. There was also additional expenditure in 2007-08 as the actual carryover of funding from 2006-07 was \$1.5 million higher than the estimated carryover included in the 2007-08 budget. This related to an increased carryover for My Business My People \$0.5 million, World Class Service \$0.4 million, Small Business Statement \$0.2 million, Streetlife \$0.2 million and Koorie Business Network \$0.2 million. The rest of the increase related to changes in the attribution of corporate overheads to this output.

4. Developing innovative industries/Innovative and high performing workplaces

Q: Please provide details of the specific initiatives where under-expenditure occurred and the impact of underspending on the on-time delivery of these initiatives.

A: Under expenditure was spread over a number of initiatives and had no impact on output deliverables. Most of the variance related to application of savings and reduction in the attribution of corporate overheads to this output.

5. Developing innovative industries/Creative industries

Q: Please provide details of the specific initiatives where under-expenditure occurred and the impact of underspending on the delivery and outcomes of these initiatives.

A: The variance relates mainly to the rephasing of \$3.2 million of 2007-08 funding for the Design Sector Strategy into future years, and a reduction in the actual 2007-08 carryover for this item as compared to the estimated carryover included in the original budget.

6. Regional development/ Regional promotion and development

Q: Please provide details of the Provincial Victoria Initiatives subject to rephasing, including the revised milestones for these initiatives and the impacts of delays on deliverable outcomes.

A: The Provincial Victoria Growth Fund was re-phased, predominately into 2009-10. The rephasing was to better align the annual budgets with expected expenditure. As the re-phase sought to better align budget with projects that have long lead times (such as the formation of significant regional plans), no significant impact on outcomes are anticipated as a result of the re-phase.

7. Regional development/ Regional infrastructure development

Q: Please provide details of the specific initiatives where under-expenditure occurred and the impact of underspending on the delivery and outcomes of these initiatives.

A: This under budget expenditure relates to the Regional Infrastructure Development Fund (RIDF) and is a reflection of the long lead time of infrastructure projects and the milestone and performance based agreements that are a feature of the RIDF. RIDF funding continues to be allocated to approved projects in accordance with available budget. As grantees continue to deliver their projects and claim funding in accordance with milestones, no significant impact on outcomes is expected.

11.6.2 Performance against output targets

The Department achieved or exceeded 91 (84 per cent) of its 108²⁸⁵ performance output targets reported in 2007-08. However, 55 (51 per cent) of the performance measures recorded a variation in excess of 10 per cent. Forty seven (44 per cent) of these represent positive variations, of which 23 were variations of 50 per cent or higher.

The Department explained that performance targets are set in consultation with the Department of Treasury and Finance, and approved by the Ministers concerned. However, substantial changes in market conditions can lead to material actual to target variations. Output structure and related targets are reviewed from year to year and revised where necessary, to incorporate changes in market conditions and government machinery²⁸⁶.

Recommendation 24:

In view of the many targets which were significantly exceeded in 2007-08, the Department of Innovation, Industry and Regional Development consider putting in place a more rigorous target setting process to generate more meaningful (realistic and stretch) performance targets.

²⁸⁵ This excludes the performance targets for *total output costs*.

²⁸⁶ Department of Innovation, Industry and Regional Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.13 & 14

The Committee sought further information about the following output variations reported in the 2007-08 Annual Report:

Table 11.12: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual | Variation |
|--|-------------------|-------------------|-----------|
| | | | % |
| Investment attraction/Investment facilitation and attraction Client satisfaction rating by businesses with investment facilitation services (per cent) | 80 | - | N/A |
| Jobs derived from investments facilitated (number) | 5,000 | 8,212 | 64 |
| New investments facilitated (\$ million) | 1,600 | 3,254 | 103 |
| Trade development/Export promotion Exports facilitated and imports replaced (\$ million) | 689 | 2,150 | 212 |
| Number of firms participating in individual export specific programs (number) | 700 | 1,167 | 67 |
| Developing innovative industries/Small business support Businesses participating in the <i>My Business My People</i> Program (number) | 200 | 325 | 63 |
| Developing innovative industries/Innovative and high performing workplaces Respond to general workplace enquiries (number) | 8,000 | 17,596 | 120 |
| Workplace Rights Advocate: Information sessions provided (number) | 30 | 56 | 87 |
| Developing innovative industries/Science technology and innovation Patents sought by STI funded organisations (number) | 25 | 59 | 136 |
| Skills Expansion – PHD's commenced in STI funded projects (number) | 200 | 326 | 63 |
| Developing innovative industries/Advanced manufacturing Attendees at presentations by keynote speakers (number) | 2,400 | 960 | -60 |
| Developing innovative industries/Creative industries Value of film, television and new media production supported by Film Victoria production (\$ million) | 78 | 204.9 | 163 |
| Additional employment from production supported by Film Victoria (number of EFT) | 2,340 | 6,147 | 163 |
| Design Sector Initiative: Lectures, seminars and workshops held (number) | 20 | 45 | 125 |
| Design Sector Initiative: People participating in lectures, seminars and workshops (number) | 1,000 | 2,418 | 142 |
| Citizens access and transformation Victoria Online – Increase in usage (per cent) | 10 | 58.1 | 481 |
| Regional development/Regional economic development and investment Jobs created in regional Victoria (number) | 1,000 | 2,766 | 177 |

Table 11.12: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual | Variation |
|---|-------------------|-------------------|-----------|
| | | | % |
| New exports facilitated in regional Victoria (\$ million) | 100 | 699 | 599 |
| New investments facilitated in regional Victoria (\$ million) | 750 | 1,191 | 59 |
| Regional development/Regional promotion and development Provincial economic partnerships (number) | 15 | 43 | 187 |
| Regional development/Regional infrastructure development RIDF projects funded (excluding Gas Towns Development Fund) (number) | 15 | 55 | 267 |
| Marketing Victoria/Tourism Value of media coverage generated: Domestic (\$ million) | 40-50 | 24.4 | -39 |
| Value of media coverage generated: International (\$ million) | 120-140 | 104.4 | -13 |
| Skills Number of individuals assisted through Skill Up (number) | 1,000 | 2,347 | 135 |
| Number of people assisted by Returning to Earning Program (number) | 1,600 | 2,950 | 84 |
| Employment programs Experience Counts Program – commencements (number) | 130 | 0 | -100 |
| Disability Training Scheme – commencements (number) | 25 | 0 | -100 |
| Experience Counts Program – participants in employment, education or training three months after leaving the program (per cent) | 55 | N/A | N/A |
| Disability Training Scheme – participants in employment, education or training three months after leaving the program (per cent) | 50 | N/A | N/A |

Source: Department of Innovation, Industry and Regional Development Responses to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, pp.4-11

The Committee asked the Department to outline the major factors that enabled favourable results to be achieved, and comment on the veracity of the assumptions behind the establishment of the original targets. The Department was also asked to provide detailed explanations for material unfavourable results. The Department's responses to the Committee's Questionnaire are as follows:²⁸⁷

1. Client satisfaction rating by businesses with investment facilitation services

Strachan Research undertook a survey of 82 investors including metropolitan, regional and international based organisations. The investors were asked to rate satisfaction with the following performance factors:

- response to requests in a timely manner;
- usefulness of advice provided;
- understanding business needs;
- solving problems that arise;
- follow-up support when investment was completed;
- staying ahead of issues to facilitate the investment process.

The actual rating was 97.6. The investors were highly satisfied with timeliness of response and usefulness of advice.

2. Jobs derived from investments facilitated/New investments facilitated

The Department has been successful over the last few years in attracting several large projects that had very high investment and job numbers. Unprecedented boom times have been reflected in this investment/job result.

'New investments facilitated' has a 4-year rolling target and is implemented as part of *Growing Victoria Together*. The Department's targets are reviewed internally on a regular basis. Investment attraction continues to fluctuate and the results are difficult to accurately predict from one year to the next. Some projects have a lead time of 3-4 years (e.g. wind energy). Targets have been raised consistently through to 2004-05. The investment/job targets and results since 2000-01 are listed below.

Committee Comment

The Committee queries the consistency with which targets are claimed to have been reviewed given the figures in Table 11.3.

²⁸⁷ Department of Innovation, Industry and Regional Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.6-13

Table 11.13: Jobs derived from Department Investment

| Year | Investments | | Jobs | |
|---------|--------------|--------------|----------|----------|
| | Actual | Target | Actual | Target |
| | (\$ million) | (\$ million) | (Number) | (Number) |
| 2000-01 | 1,674.1 | 1,200 | 5,429 | 4,000 |
| 2001-02 | 2,243.0 | 1,200 | 5,760 | 4,000 |
| 2002-03 | 2,417.0 | 1,200 | 7,463 | 4,000 |
| 2003-04 | 2,460.0 | 1,400 | 7,995 | 4,000 |
| 2004-05 | 2,117.0 | 1,600 | 5,866 | 5,000 |
| 2005-06 | 2,481.6 | 1,600 | 6,091 | 5,000 |
| 2006-07 | 3,541.5 | 1,600 | 8,002 | 5,000 |

Source: Department of Innovation, Industry and Regional Development, Response to the Committee's 2007-08 Financial and Performance Questionnaire - Part Two, p.5.

3. Exports facilitated and imports replaced

This outcome consists of three components: exports resulting from export programs (such as trade fairs & missions); exports resulting from import replacement (primarily facilitated by the Industry Capability Network); and exports resulting from investments. The export outcomes resulting from export programs such as trade fairs and missions and the import replacement facilitated by the Industry Capability Network do not show any significant fluctuations over the period from 2004-05 to 2007-08. The main cause of fluctuation in the outcome is due to the investment related export component. The positive variation in this component resulted from a number of one-off significant investments facilitated by the Department, in energy, aviation, food and general manufacturing. The targets and actuals for this output for the previous three years are listed below:

Table 11.14: Exports resulting from Export programmes

| Year | Actual | Target |
|---------|--------------|--------------|
| | (\$ million) | (\$ million) |
| 2004-05 | 1,123.0 | 680 |
| 2005-06 | 864.7 | 689 |
| 2006-07 | 1,520.4 | 689 |

Source: Department of Innovation, Industry and Regional Development, Response to the Committee's 2007-08 Financial and Performance Questionnaire - Part Two, p.5.

Committee Comment

The Committee notes that in spite of significant outcomes in excess of targets, little attempt has been made to adjust targets upwards.

4. Number of firms participating in individual export specific programs

The original targets for this outcome were established in 2004-05, based on the capacity and nature of the export programs and services to service clients and the budget available to support the initiatives. The export programs and services have evolved to enable servicing of clients on a greater scale. In addition, over the past four years additional Access Programs have been established in overseas locations, such as India and Japan. The annual targets have been increased annually anticipating increased participation levels which have been surpassed by actual usage by Victorian clients. The targets and actuals for this output for the previous three years are listed below:

Table 11.15: Number of firms participating in Export programs

| Year | Actual | Target |
|---------|----------|----------|
| | (Number) | (Number) |
| 2004-05 | 582 | 450 |
| 2005-06 | 789 | 450 |
| 2006-07 | 1,283 | 600 |

Source: Department of Innovation, Industry and Regional Development, Response to the Committee's 2007-08 Financial and Performance Questionnaire - Part Two, p.5.

Committee Comment

Target Setting by the Department seems to be less than rigorous.

5. Businesses participating in the My Business My People Program

The variance was exceeded primarily due to an unanticipated demand for program services. As a pilot program, the original target of 100 businesses participating in the Program in 2006-07 was based on a reasonable estimation derived from the uptake of other Small Business Victoria programs. It was considered to be a realistic target for a new program. In the Program's second year the target was doubled to 200, reflecting an expectation of additional interest and demand. This figure was exceeded again due to stronger than expected demand for the Program given that skill shortages have been a key issue for small and medium enterprises.

6. Respond to general workplace enquiries/ Workplace Rights Advocate: Information sessions provided

There was increased demand for information about federal legislative changes and the need to inform people about the upcoming initiative of the Office of the Workplace Rights Advocate.

7. Patents sought by STI funded organizations/Skills Expansion – PHD's commenced in STI funded projects

The data collected from the 2007-2008 STI Outcome Monitoring Tool (the Tool) indicated that the STI program excelled in the number of discoveries requiring Patent Co-operation Treaty and US Patent Protection (59). This suggests that the STI programs focused on commercial outcomes. The data collected from the Tool also indicated that 326 PhD students were engaged in STI funded projects, reflecting that mature STI projects are performing at their peak and are contributing to a highly skilled workforce for Victoria's knowledge economy.

8. Attendees at presentations by keynote speakers

The keynote speaker program was discontinued due to a policy change in programs delivered under the Agenda for New Manufacturing. While no additional funds were forthcoming, approval by the Minister for Industry and Trade was given to reallocate funding within the existing Agenda budget. This was necessary to fund new Government commitments on strategic initiatives including some referred to in the Ministerial Statement on Manufacturing and Industry Policy (December 2006).

9. Value of film, television and new media production supported by Film Victoria production/Additional employment from production supported by Film Victoria

The original targets for Film Victoria were set with the unexpected impact of international production and filming of the Pacific, which highly contributed to the exceeded outcomes of both these targets.

10. Design Sector Initiative: Lectures, seminars and workshops held/Design Sector Initiative: People participating in lectures, seminars and workshops

Targets for the Design Sector Initiative were set and have been in place since 2006-2007. The strong performance is due to increased collaborative opportunities for workshops and seminars across the State during 2007-2008.

11. Victoria Online – Increase in usage

Result higher than target due to high relevance and usefulness of new content added to site.

12. Jobs created in regional Victoria/New exports facilitated in regional Victoria/New investments facilitated in regional Victoria

Results for the Regional Job, Investment and Export targets fluctuate significantly on an annual basis depending on the number, size and timing of investments facilitated.

13. Provincial economic partnerships

Results reflect commencement of new Provincial Economic Partnership funding under *Moving Forward*, and stronger than anticipated interest from regional councils for Economic Promotion and Marketing Grants.

14. RIDF projects funded (excluding Gas Towns Development Fund)

The target reflects the number of projects RDV expects to support during the year depending on available funds. In 2007-08 a higher volume of smaller projects were approved under RIDF Sub-programs, particularly Roads to Markets and Water for Industry.

15. Value of media coverage generated: Domestic

Outcomes are based on independent research conducted by Millward Brown. The target was not met due to a shift in the focus of domestic media away from showcasing domestic travel destinations in favour of international travel stories.

16. Value of media coverage generated: International

Outcomes are based on independent research conducted by Millward Brown. The target was not met due to the strong appreciation of the Australian dollar which reduced the conversion of advertising equivalency rates.

17. Number of individuals assisted through Skill Up

Machinery-of-Government changes were announced soon after the end of 2006-07. The Department adopted the Skills Victoria performance measures for inclusion in the 2007-08 Budget Papers. The outcome was significantly higher than the target due to ongoing demand for this program.

18. Number of people assisted by Returning to Earning Program

Machinery-of-Government changes were announced soon after the end of 2006-07. The Department adopted the Skills Victoria performance measures for inclusion in the 2007-08 Budget Papers. The outcome was significantly higher due to a change in policy which altered the way grants are distributed. The total figure combines 1,680 Universal Access grants and 1,270 Community Access grants approved in 2007-2008.

19. Experience Counts Program – Commencements

This is a new four year program which was launched in March 2008 following consultation with stakeholders. Four projects were approved for funding in 2007-08 following a tender, application and assessment process. Each Project will deliver a number of Experience Counts commencements. The commencement of project participants began in the first half of 2008-09. As at 31 January 2009, there were 122 commencements. It is anticipated that there will be over 130 commencements by the end of 2008-09. In addition, a new round of applications will be sought shortly. The four-year target of 700 commencements will be met.

20. Disability Training Scheme – commencements

This is a new four year program which was launched in November 2007 following consultation with stakeholders. Three projects were approved for funding in 2007-08 following a tender, application and assessment process. Each Project will deliver a number of Disability Trainee Scheme commencements. The commencement of project participants began in the first half of 2008-09. As at 31 January 2009, there were 63 commencements. It is anticipated that there will be over 90 commencements by the end of 2008-09. In addition, a new round of applications will be sought shortly. The four-year target of 200 commencements will be met.

21. Experience Counts Program – participants in employment, education or training three months after leaving the program

This is a new four year program which commenced in 2007-08. The data will become available three months after Experience Counts Program participants complete and leave the program. The first participants are expected to begin to complete the program in Quarter 3 2008-09. The survey of completing participants will therefore be undertaken in Q4 2008-09. Initial data is expected to be available by Quarter 4 2008-09.

22. Disability Training Scheme – participants in employment, education or training three months after leaving the program

This is a new four year program which commenced in 2007-08. The data will become available three months after Disability Trainee Scheme participants complete and leave the program. The first participants are expected to begin to complete the program in Quarter 3 2008-09. However, sufficient numbers of completing participants for survey purposes will only become available as at Quarter 4 2008-09. The survey of these completing participants will therefore be undertaken in Quarter 1 2009-10. Initial data is expected to be available by Quarter 2 2009-10.

11.7 Department of Sustainability and Environment**11.7.1 Total output costs**

Total cost of delivering the Department's eight major outputs in 2007-08 was \$1.3 billion. This is \$232.8 million (21 per cent) higher than budget. Four of the output areas reported an above-budget expenditure in excess of 10 per cent. *Biodiversity* was the output registering the largest expenditure (111 per cent) as a proportion of budget.

Table 11.16: Total Output Cost

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|---|----------------|----------------|--------------|-----------|
| | (\$ million) | (\$ million) | (\$ million) | % |
| Sustainable water management and supply | 228.3 | 359.9 | 131.6 | 58 |
| Public land | 284.4 | 281.0 | -3.4 | -1 |
| Biodiversity | 20.1 | 42.5 | 22.4 | 111 |
| Natural resources | 177.5 | 199.1 | 21.6(a) | 12 |
| Land and fire management | 161.1 | 223.0 | 61.9 | 38 |
| Environmental policy and climate change | 48.7 | 44.4 | -4.3 | -9 |
| Statutory activities and environmental protection | 107.2 | 102.7 | -4.5 | -4 |
| Land administration and property information | 88.1 | 95.6 | 7.5 | 9 |
| Total | 1,115.4 | 1,348.2 | 232.8 | 21 |

Notes: (a) *The Department explained that additional funding was provided for the catchment Management Authority Drought Relief Program, the eradication of invasive species (fire ants) and for National Action Plan and National Heritage Trust projects. The increases were partially offset by the transfer of native vegetation funding to the Biodiversity output and Bushfire Recovery funding to the Land and Fire Management output²⁸⁸.*

Source: *Department of Sustainability and Environment, Annual Report 2007-08.*

The Committee sought further information about material variations reported in three outputs areas: *Sustainable water management and supply, biodiversity, and land and fire management.*

The Department responded to the Committee’s Questionnaire as follows:²⁸⁹

1. Sustainable water management and supply

Q: The Department’s Annual Report identified that additional funding had been provided to a number of significant water projects. Please:

- (a) provide details of the additional funding provided to these projects during 2007-08;*
- (b) explain why this additional funding was required during 2007-08; and detail whether these costs will be recovered over the life of each key project*

²⁸⁸ Department of Sustainability and Environment, *Annual Report 2007-08*, p.190

²⁸⁹ Department of Sustainability and Environment, response to the Committee’s Financial and Performance Outcomes Questionnaire – Part Two, received 9 February 2009, p.2 & 3

- A: The sustainable water management and supply projects that received additional funding in 2007-08 included:
- Grants for Water Bills – received \$55.0 million to pay for water bills of drought affected irrigators that were receiving less than 40 per cent of their water entitlements;
 - Wonthaggi Desalination Project – received \$36.3 million to commence procurement activities, including technical and engineering analysis, planning and environmental, commercial and legal analysis;
 - Foodbowl Modernisation Project – received \$10.5 million to establish a special purpose entity under the *State Owned Enterprise Act 1992* to oversee implementation;
 - Environmental Flows and River Health Project – due to errors in previous years made by the Department of Treasury and Finance, received \$7.2 million to balance to TEI and enable continued works in relation to environmental water reserve management, river health policies and research and flood plain management; and
 - Victorian Water Trust-Goulburn River Projects – received \$9.8 million from the Snowy Joint Government Enterprise for the Central Goulburn 1234 Channel Automation Project Revised Stages 2 and 3 and the Goulburn-Murray Water for Strategic Measurement Project.

2. Biodiversity

Q: Please detail the extent, objectives and purpose of the additional funding provided for the Arthur Rylah Institute.

A: Of the increase in actual spend in 2007-08, \$0.5 million was provided to the Arthur Rylah Institute to refurbish the building to a standard consistent with the Victorian Government Office Accommodation guidelines.

3. Land and fire management

Q: Please detail the total costs (including the additional costs) associated with the 2007-08 fire season and the Gippsland flood relief package.

A: In addition to the allocated budget, funding of \$38.3 million for fire suppression activities was received by the Department. A further \$10 million was received for Gippsland flood relief (with a further \$10 million going directly to the Catchment Management Authorities from the Commonwealth via the Department of Treasury and Finance).

11.7.2 Performance against output targets

The Department achieved or exceeded 77 (83 per cent) of its 93²⁹⁰ performance output targets reported in 2007-08. However, 26 (28 per cent) of the performance measures recorded an actual-target variation in excess of 10 per cent. Ten (11 per cent) of these were variations where the Department failed to achieve the related performance targets.

²⁹⁰ This excludes the performance targets for *total output costs, planning, heritage protection, and urban design and housing affordability*. The latter two outputs were transferred to the Department of Planning and Community Development as a result of machinery of government changes.

The Committee sought further information about the following output variations in 2007-08:

Table 11.17: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual | Variation |
|--|----------------|----------------|-----------|
| | Number | Number | % |
| Sustainable water management and supply Rebates approved for households for improved water efficiency in the house and gardens | 38,000 | 31,580 | -17 |
| Public land Participants in Coast Action/Coastcare activities | 25 | 15 | -40 |
| Biodiversity Number of developers and landholders signing up to use the Bush Broker/Bush Tender Program | 50 | 148 | 196 |
| Environmental Policy and Climate Change Number of Councils participating in the Victorian Local Sustainability Accord | 20 | 15 | -25 |

Source: Department of Sustainability and Environment, Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, pp.3-4

The Department's responses to the Committee's Questionnaire are as follows:²⁹¹

1. Rebates approved for households for improved water efficiency in the house and gardens

Q: The Department's Annual Report advised that increased demand for rebates led to an increase in the average rebate paid during 2007-08, resulting in a lower than expected number of rebates available within budget. For 2007-08 and the previous two financial years, please provide details of:

- (a) the total rebate budget;*
- (b) the average value of rebates; and*
- (c) the total number of rebates paid.*

Please also explain in detail, why the increased demand has led to an increase in the average rebate and the impact of this increase on future rebates.

- A:**
- (a) Total rebate budget: 2005-06 = \$2.5 m;
2006-07 = \$2.5 m; 2007-08 = \$5.0 m;
 - (b) Average rebate value: 2005-06 = \$55;
2006-07 = \$74; 2007-08 = \$137; and
 - (c) Total number of rebates paid: 2005-06 = 23,675; 2006-07 = 33,056; 2007-08 = 31,580.

During 2007-08, larger rebates were introduced for large rainwater tanks and greywater rebates (for which the budget doubled). The increased demand for 'large rainwater tank' rebates (\$500, \$900, and \$1,000 depending on size of the tanks and a requirement for connection to the toilet and/or laundry) since January 2007 has increased the amount of the average rebate.

²⁹¹ Department of Sustainability and Environment, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, received 9 February 2009, p.3 & 4

At the time of initial estimation, it was expected that \$5.0 million per year would be evenly split between the general rebates and the large tank rebates, however slightly more of the budget was spent on the large tank rebates in 2007-08. It is expected that the average rebate will continue to be higher as a result of the uptake of higher value rebates.

2. Participants in Coast Action/Coastcare activities

Q: The Department's Annual Report advised that the target was not reached due to reduced Commonwealth funding. Please outline the nature of the reduction in funding and the impact of this on achieving the objectives of the program and its future.

A: The Commonwealth funding for the Summer Activity Program was reduced after 2006. As facilitators are part funded through this source, activity numbers were reduced in 2007-08, resulting in a drop in the number of participants engaged. New funding arrangements may continue to have similar impacts on numbers of activities offered.

3. Number of developers and landholders signing up to use the Bush Broker/Bush Tender Program

Q: The Department's Annual Report advised that the level of interest exceeded expectations. Please detail the reasons for the increased level of interest and any resultant impacts on service delivery and costs.

A: Increased levels of interest were due to more landholders understanding the benefits of the programs, particularly in times of drought when other on-farm income may have decreased. Delays in site assessments have occurred due to the increased demand, but are being managed by the Department.

4. Number of Councils participating in the Victorian Local Sustainability Accord

Q: Please provide details of the delays that have occurred in the signing of the accord and advise any additional steps taken to promote the Accord and encourage participation by Councils.

A: The lower number of Councils signing onto the Accord at the end of 2007-08 was due to:

- unanticipated delays in procedures for full Council endorsement of the Accord; and
- limited capacity of Councils to develop Local Environmental Sustainability Priority Statements and establish sustainability projects.

To ensure these delays are avoided and that the project meets future targets, additional resources have been allocated for Council support activities.

11.8 Department of Primary Industries

11.8.1 Total output costs

The total cost of delivering the Department's four major outputs in 2007-08 was \$613.8 million. This is \$126.8 million (26 per cent) higher than budget. The Committee noted that all of the outputs reported a variation in excess of 10 per cent. *Sustainable practice change* recorded the largest over-budget expenditure (100 per cent), while *strategic and applied scientific research* was the only output registering an expenditure (22 per cent) less than budget.

Table 11.18: Total Output Cost

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|---|----------------|----------------|--------------|-----------|
| | (\$ million) | (\$ million) | (\$ million) | % |
| Primary industries policy | 44.5 | 62.5 | 18.0(a) | 40 |
| Regulation and compliance | 86.0 | 101.8 | 15.8(b) | 18 |
| Strategic and applied scientific research | 216.3 | 168.7 | -47.6(c) | -22 |
| Sustainable practice change | 140.2 | 280.8 | 140.6(d) | 100 |
| Total | 487.0 | 613.8 | 126.8 | 26 |

- Notes:
- (a) The Department explained that variation was mainly due to higher costs for the structural adjustment of Western Zone Rock Lobster fishery and the establishment of the Victorian Renewable Energy Target scheme administration²⁹².
 - (b) The Department explained that variation was mainly a result of additional costs incurred for pest and diseases control relating to equine influenza and fruit fly outbreaks²⁹³.
 - (c) The Department explained that variation was mainly due to a re-phasing of the Energy Technology Innovation Strategy (ETIS) Projects. Projects together with associated costs were deferred²⁹⁴.
 - (d) The Department explained that variation largely reflects additional funding received for drought assistance programs and Commonwealth and State Exceptional Circumstances assistance²⁹⁵.

Sources: Department Annual Report 2007-08.

The Committee sought further information about material variations in the Department's reported output costs. The Department responded to the Committee's Questionnaire as follows:²⁹⁶

1. Primary industries policy

Q: Please provide details about the actual cost variations viz the expected costs for the Structural adjustment of the Western Zone Rock Lobster fishery. Please also advise as to the status of this project and planned completion targets.

A: The Western Zone Rock Lobster structural adjustment was not part of the published budget as the allocation was made during the year via Treasurer's Advance. The \$5 million allocated was fully expended via a grant to the Rural Finance Corporation, which is administering the program on behalf of the State. The project is currently underway and will be completed by 30 June 2009. Progress to date includes consultation with the western zone rock lobster industry and the commissioning of an independent market valuation of western zone rock lobster pots, quota and licenses.

2. Regulation and compliance

Q: Please detail the additional costs incurred for pest and disease control for both equine influenza and fruit fly outbreaks.

A: Additional costs incurred in responding to the Equine Influenza (EI) outbreak in 2007-08 were mostly funded by Treasurer's Advances of \$8.16 million. Total cost of the EI response (excluding normal time salaries) was \$10.90 million. \$8.95 million was recovered under the national Emergency Animal Disease Response Agreement to which Victoria is a signatory.

²⁹² Department of Primary Industries, *Annual Report 2007-08 - Appendices*, p.42

²⁹³ *ibid*, p.43

²⁹⁴ *ibid*, p.44

²⁹⁵ *ibid*, p.45

²⁹⁶ Department of Primary Industries, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.1-3

The additional costs included extensive border security measures, including the engagement of contract security staff and equipment. Costs were also incurred for disease investigation and testing, and an intensive public awareness campaign in the media. Considerable costs were incurred for overtime, travel and accommodation expenses. Grants were also paid by the Department to not-for-profit recreational horse organisations which incurred financial losses due to voluntary cancellation of horse events. The cooperation of these organisations was critical to enabling Victoria to remain EI free.

The Department also received a Treasurer's Advance of \$1.4 million in responding to the Queensland Fruit Fly outbreak in metropolitan Melbourne and North Eastern Victoria. The additional costs comprised mainly employment of contractors, blocking (suppression), fruit stripping, trap inspection, tree mapping and other eradication activities. The metropolitan outbreak centering in Kensington was complicated by:

- proximity to the Melbourne Wholesale Fruit and Vegetable Market;
- large number of individual households (up to 10,000) with backyard citrus trees; and
- multicultural nature of the population.

Additional surveillance and compliance monitoring, and a comprehensive communication and awareness program for the greater metropolitan area were necessitated.

3. Strategic and applied scientific research

Q: Please provide details of the revised phasing of the ETIS and any costs or savings identified that relate to this re phasing.

A: The re-phasing of the ETIS budget was mainly driven by the timing of the agreement for the HRL large-scale energy technology demonstration project. The Deed of Agreement was finalised in June 2008 to allow for the construction of a new large-scale energy technology demonstration plant utilising HRL's integrated drying and gasification combined cycle technology. The delay in finalising the agreement was largely due to confirmation of the financing arrangements and other operational issues. No payments were made in 2007-08 as the agreement was not finalised until June 2008. The timing of future payments are subject to the commencement of construction and a revised business plan. It is expected that construction will commence in 2009-10, following finalisation of a site for the demonstration plant. The State Government's contribution through the ETIS Program remains at \$50 million, out of a total project cost of \$750 million. The Commonwealth and HRL are funding the balance.

11.8.2 Performance against output targets

The Department achieved or exceeded 40 (78 per cent) of its 51²⁹⁷ performance output targets reported in 2007-08. Seventeen (33 per cent) of the performance measures recorded a variation in excess of 10 per cent. Six (12 per cent) of these were negative variations.

The Committee sought further information about the following output variations in 2007-08:

²⁹⁷ This excludes the performance targets for *total output costs*.

Table 11.19: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual | Variation |
|---|-------------------|-------------------|-----------|
| | | | % |
| Primary Industries Policy | | | |
| Structured management arrangements in place for fisheries (number) | 19 | 16 | -16 |
| Enhanced Fishing Grants: program components meet agreed milestones for delivery (per cent) | 100 | 85 | -15 |
| Strategic and Applied Scientific Research | | | |
| Area of the State for which first generation regional 3D geological models are available (per cent) | 47 | 40 | -15 |

Source: Department of Primary Industries, Response to Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.4

The Department's responses to the Committee's Questionnaire are as follows²⁹⁸.

1. Structured management arrangements in place for fisheries

Q: Please provide a detailed explanation as to why the Corangamite, Wimmera and West Gippsland fishery management plans have been delayed.

A: The Fishery Management Plan schedule was amended following a review of resource capacity. As a result, the Corangamite and West Gippsland Fisheries Management Plans were declared in the first half of 2008-09, while the Wimmera Management Plan is to be declared in the second half of 2008-09.

2. Enhanced Fishing Grants: program components meet agreed milestones for delivery

Q: Please provide details of the revised milestones associated with the following projects and advise as to any financial implications of these revisions: artificial reef trial; native fish production facility; and adopt a stream grants program.

²⁹⁸ Department of Primary Industries, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, received 9 February 2009, p.4-6

- A: There are no significant financial implications. Funding not spent in 2007-08 has been carried over and will be expended in 2008-09. Milestones and status to date for these initiatives are detailed below.

Table 11.20: Enhanced Fishing Grants milestone information

| Milestones | Timelines | Status |
|---|----------------|--|
| Trial artificial reef program | | |
| Prepare draft project brief | January 2008 | Completed |
| Project brief endorsed | February 2008 | Completed |
| Develop draft guidelines for the Trial to be approved by the Department of Sustainability and Environment (DSE) | February 2008 | Completed |
| Engage recreational fishers to determine objective | March 2008 | Meeting held in April 2008 |
| Engage scientists and implement a robust monitoring program | June 2008 | Ongoing |
| Commence baseline monitoring of deployment site | November 2008 | Commenced |
| Gain approval of application for Coastal Management Act consent from DSE | December 2008 | Lodged in November |
| Engage contractors to deploy reef | January 2009 | On target |
| Native fish production facility in Northern Victoria | | |
| Develop options paper highlighting most desirable option | March 2008 | Completed |
| Fisheries Victoria executive team sign off on preferred option | March 2008 | Completed |
| Develop project plan for endorsement | March 2008 | Completed |
| Secretary to sign off on recommendations | June 2008 | Completed |
| Minister to sign off on preferred location | September 2008 | Signed off in November 2008 |
| Engage Project Officer | February 2009 | On target |
| Habitat Improvement Program | | |
| Consultant developed amended concept paper | November 2007 | Completed |
| Sign off on concept paper | December 2007 | Not complete |
| Integrate website design and program design | March 2008 | Completed |
| Advertise program opportunities | August 2008 | Communication plan developed and program launched in August 2008 |
| Applicant contracts signed off on | August 2008 | Ongoing |
| Works commences | Ongoing | Commenced in September 2008 |
| Works completed | Varied | Ongoing |

Source: Department of Primary Industries, Response to Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.5

Committee Comment

The Committee was unable to understand why the concept paper for the Habitat Improvement Program has yet to be signed off.

3. Area of the State for which first generation regional 3D geological models are available

Q: Please provide further details on how the Department plans to address this issue in 2008-09. Please also provide details of the elements of the program which were rescheduled including updated milestones, and advise as to any financial implications to the project as a result of this rescheduling.

A: Delay in the development of first generation regional 3D geological models in 2007-08 has been rectified in 2008-09, and the target of 63 per cent is expected to be achieved by June 2009. The program scope has been changed to incorporate both onshore and offshore areas. This will deliver more complete geoscience information, critical for attracting new investment to the State. The first results from the 3D Victoria project will be released by January 2009, with a focus on data package for the Bendigo zone utilising new information from the Victorian seismic project.

Major changes to the program schedule include:

- public tender for the major Gippsland Basin 3D modelling contract rescheduled to January 2009;
- completion milestone for major elements of the Otway Basin 3D model brought forward to March 2009 from January 2010; and
- completion milestone for major elements of the Gippsland Basin 3D model set back to May 2010.

As part of the Rediscover Victoria initiative, the 3D geological modelling program has a total cost of \$2.5 million over four years. This has not changed as a result of the changes to the program schedule. Funds carried over from 2007-08 has been utilised for work rescheduled to 2008-09.

11.9 Department of Premier and Cabinet

11.9.1 Total output costs

The Department of Premier and Cabinet did not disclose output costs in its *2007-08 Annual Report*. In response to the Committee's Questionnaire, the Department reported that the total cost of delivering its 12 major outputs in 2007-08 was \$533.5 million²⁹⁹. This is \$9.9 million or 2 per cent higher than budget. *Strategic policy projects* was the only major output reported a variation in excess of 10 per cent.

Recommendation 25:

In line with best practice for public accountability, the Department of Premier and Cabinet disclose output costs, together with explanations to material actual to target variations in future Annual Reports.

²⁹⁹ Department of Premier and Cabinet, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.1

Table 11.21: Total Output Cost

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|---|----------------|----------------|--------------|----------|
| | (\$ million) | (\$ million) | (\$ million) | % |
| Strategic policy advice | 32.2 | 32.7 | 0.5 | 2 |
| Strategic policy projects | 10.9 | 24.3 | 13.4 | 123(a) |
| Government information services and support | 42.3 | 43.5 | 1.2 | 3 |
| Protocol and special events | 2.0 | 1.9 | -0.1 | -5 |
| Advice and support to the Governor | 8.8 | 8.8 | - | - |
| State services authority | 11.7 | 11.4 | -0.3 | -3 |
| Ombudsman Victoria | 7.0 | 6.7 | -0.3 | -4 |
| Chief parliamentary counsel services | 4.7 | 4.4 | -0.3 | -6 |
| Arts development and access | 40.6 | 41.3 | 0.7 | 2 |
| Creating place and space | 98.8 | 101.2 | 2.4 | 2 |
| Portfolio services and policy | 4.3 | 4.0 | -0.3 | -7 |
| Arts portfolio agencies | 260.3 | 253.3 | -7.0 | -3 |
| Total | 523.6 | 533.5 | 9.9 | 2 |

Note: (a) The Department explained that variation was due to the one-off grant funding provided for establishment of the Australian Institute for Public Policy³⁰⁰.

Source: Department of Premier and Cabinet, Annual Report 2007-08.

The Committee sought further information about the following output variations reported in the 2007-08 Annual Report:

11.9.2 Performance against output targets

The Department achieved or exceeded 75 (85 per cent) of its 88³⁰¹ performance output targets reported in 2007-08. Twenty eight (32 per cent) of the performance measures recorded a variation in excess of 10 per cent. Seven (8 per cent) of these were variations where the Department did not achieve the related performance targets.

³⁰⁰ *ibid.*, p.1

³⁰¹ This excludes the performance targets for *total output costs*.

Table 11.22: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual | Variation |
|--|----------------|----------------|-----------|
| | Number | Number | % |
| Strategic Policy Advice Number of briefs | 3,050 | 6,500 | 113 |
| Government Information Services and Support Communication activities/products reviewed by the Government Communications Review Group | 130 | 224 | 72 |
| State Services Authority Referred reviews underway or completed, aimed at improving service delivery, governance and/or public administration efficiency and effectiveness | 12 | 18 | 50 |
| Formal events and activities delivered across the public sector that promote values and employment principles; effective workplace planning and development; good governance in public sector entities; and effectiveness in public administration | 80 | 206 | 158 |
| Ombudsman Victoria Finalise consideration of cases (including general, Freedom of Information and Whistleblower complaints) | 3,100 | 8,741 | 182 |
| Arts Development and Access Regional Touring Victoria destinations | 53 | 43 | -19 |
| Arts Portfolio Agencies Public Records Office Victoria – digital records preserved | 700,000 | 143,220 | -80 |

Source: Department of Premier and Cabinet, Response to the Committee’s Financial and Performance Questionnaire - Part Two, pp.2-4.

The Department responded to the Committee’s Questionnaire as follows:³⁰²

1. Number of briefs

Q: Please explain the reasons for increased demand and comment on the accuracy of the establishment of the Department’s estimates. Is any assessment made of the quality of the briefs? Is so, what was the outcome of these assessments?

A: The increased demand for advice is due to the complex nature of resolving key policy issues and the increased coordination required to manage departmental interrelations at a State and national level. For example, National Reform and Climate Change.

Estimates are established based on likely trends, Ministerial preference and historical performance.

The quality of policy advice provided in the briefs is assessed through the Policy Services Rating Questionnaire completed by the Department’s senior executive. These results are published in the Budget Papers and Annual Report. The 2007-08 quality rating was 87 per cent, against the target of 86 per cent.

³⁰² Department of Premier and Cabinet, response to the Committee’s Financial and Performance Outcomes Questionnaire – Part Two, pp 2-4

2. Communication activities/products reviewed by the Government Communications Review Group (GCRG)

Q: Please indicate the reasons for this higher than average utilisation.

A: Increased departmental awareness of the GCRG requirements has led to an increase in the number of activities/products submitted for review.

Targets for this measure will be adjusted once the number of activities/products submitted by departments stabilises, and the submission requirements set by GCRG are reviewed and reissued.

3. Referred reviews underway or completed, aimed at improving service delivery, governance and/or public administration efficiency and effectiveness

Q: Please indicate the reasons for this higher than planned result.

A: In addition to developing an annual work program, the State Services Authority is also required to undertake reviews as requested under Section 50, Public Administration Act. The requests under this Section were greater than anticipated.

4. Formal events and activities delivered across the public sector that promote values and employment principles; effective workplace planning and development; good governance in public sector entities; and effectiveness in public administration

Q: Please detail which departments and agencies participated in these events, the number held and costs incurred.

A: 121 departments and agencies participated in these events in 2007-08³⁰³. Extracting the costs incurred for these events would take substantial time and resources.

5. Finalise consideration of cases (including general, Freedom of Information and Whistleblower complaints)

Q: This variance has been attributed to the use of a new case management system. Please indicate whether this substantial increase has effected a reduction in case backlogging.

A: The new system allows for efficiencies in the way complaints are handled, including improved capture and counting of approaches made to the office. Ombudsman Victoria's workload has increased by 13 per cent in 2007-08 compared to 2006-07. This increase is consistent with the upward trend in the number of complaints reported.

Ombudsman Victoria continues to meet its targets for complaints resolved within required timelines, but this has been possible only because of the introduction of the new case management system and the consequent efficiencies in complaint handling.

6. Regional Touring Victoria destinations

Q: Please provide an itemised list of regions receiving funding.

A: 45 regions received the funding³⁰⁴.

³⁰³ The departments and agencies are listed in Appendix 1 of the Department's response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two. The response can be downloaded from the Committee's website [[link](#)].

³⁰⁴ The regions are listed on p.3 & 4 of the Department's response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two. The response can be downloaded from the Committee's website [[link](#)].

7. Public Records Office Victoria digital records preserved

Q: This output variance (nearly 80 per cent below target) is attributed to a more ‘accurate estimation of digital records’ by departments. Please indicate whether all departments fully complied with requirements for digital record preservation in 2007-08.

A: All departments fully complied with requirements for digital records preservation in 2007-08.

Committee Comment

The Committee expects the Public Records Office Victoria to provide more accurate estimates of performance targets in future.

11.10 Department of Planning and Community Development

11.10.1 Total output costs

The total cost to deliver the Department’s 14 major outputs in 2007-08 was \$421.1 million. This is \$40.8 million or 11 per cent higher than budget. Four of the output areas reported additional expenditure in excess of 10 per cent, whereas another four reported expenditure in excess of 10 per cent below target.

Table 11.23: Total Output Cost

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|--|----------------|----------------|--------------|-----------|
| | (\$ million) | (\$ million) | (\$ million) | % |
| Local government sector development | 43.5 | 44.5 | 1.0 | 2 |
| Citizen engagement and information services | 10.2 | 1.7 | -8.5(a) | -83 |
| Community strengthening | 39.6 | 19.2 | -20.4(b) | -52 |
| Sport and recreation sector development | 55.8 | 93.8 | 38.0(c) | 68 |
| Planning, urban design and housing affordability | 71.5 | 99.0 | 27.5(d) | 38 |
| Heritage protection | 10.2 | 11.7 | 1.5(e) | 15 |
| Youth affairs | 14.9 | 14.7 | -0.2 | -1 |
| Multicultural affairs | 10.4 | 10.1 | -0.3 | -3 |
| Women’s policy | 4.9 | 4.3 | -0.6(f) | -12 |
| Seniors and veterans | 11.2 | 11.1 | -0.1 | -1 |
| Indigenous community and cultural development | 30.8 | 24.7 | -6.1(g) | -20 |
| Disability | 6.4 | 7.0 | 0.6 | 9 |
| Neighbourhood houses | 18.9 | 19.0 | 0.1 | 1 |
| Adult and community education | 52.0 | 60.3 | 8.3(h) | 16 |
| Total | 380.3 | 421.1 | 40.8 | 11 |

- Notes:
- (a) The Department explained that majority of the outputs were transferred to the Department of Innovation Industry and Regional Development during the year³⁰⁵.
 - (b) 2007-08 target included an adjustment of \$17.8 million for the Community Support Fund (difference between estimated revenue of \$90.2 million and estimated payments of \$108 million). Variation in output cost was due to higher revenue received of \$96.9 million and lower payments of \$94.1 million from the Community Support Fund³⁰⁶.
 - (c) Variation was due to additional funding received for Drought Response initiatives and initiatives announced as part of the 2008-09 budget³⁰⁷.
 - (d) Variation reflects the revised budget to include the machinery of government transfer of the Transit Cities funding from the Department of Transport³⁰⁸.
 - (e) Variation reflects additional funding received for the Heritage Works Package as part of the 2008-09 budget³⁰⁹.
 - (f) 2007-08 target excluded the estimated carryover of \$0.55 million for the Family Violence Unit³¹⁰.
 - (g) Variation was due to a budget revision for lower than estimated carryover from 2006-07, as well as lower than expected expenditure in 2007-08 for the Aboriginal Land and Economic Development Program³¹¹.
 - (h) Variation reflects additional revenue from the Commonwealth Government and payments relating to the Youth Guarantee program that were not confirmed at the time of the 2007-08 budget³¹².

Source: Department of Planning and Community Development, *Annual Report 2007-08*.

The Committee sought further information about material variations reported in two output areas: *Sport and recreation sector development*, and *adult and community education*. The Department responded to the Committee's Questionnaire as follows:³¹³

1. Sport and recreation sector development

Q: This variation is attributed in the Annual Report to Drought Response initiatives and other initiatives announced in the 2008-09 budget. Please provide details of these initiatives and related expenditure and comment on the accuracy of the Departments planning and estimates for this expenditure.

A: The nature of the portfolio dictates that large year-to-year variations will be experienced when Victoria hosts major events and receives funding for key sport and recreation related initiatives. As stated in the budget papers, the restated base figure for 2007-08 of \$55.8 million increased to a final actual outcome figure of \$93.8 million. This increase relates to a number of significant one-off projects which received advances, such as the Drought Assistance Funding and Synthetic Surfaces program, and the bringing forward of expenditure against projects from 2008-09 allocations (\$2 million). The remainder of the variation in funding relates to expenditure on:

- improving community access to AFL training grounds project (\$10.5 million);
- Synthetic Surfaces Drought Assistance funding (\$8.3 million);
- improving community access to VFL training grounds project (\$4 million);
- new works for the MCG Concourse (\$9.5 million); and
- Days in the Diocese major event (\$3.7 million).

³⁰⁵ Department of Planning and Community Development, *Annual Report 2007-08*, p.32

³⁰⁶ *ibid.*, p.35

³⁰⁷ *ibid.*, p.38

³⁰⁸ *ibid.*, p.41

³⁰⁹ *ibid.*, p.43

³¹⁰ *ibid.*, p.49

³¹¹ *ibid.*, p.54

³¹² *ibid.*, p.60

³¹³ Department of Planning and Community Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.2 & 3

2. Adult and community education

Q: This increase is attributed to additional revenue from the Commonwealth Government and payments relating to the Youth Guarantee program. Please provide details of the additional Commonwealth funding, including the purpose and value of the funding and how this additional funding was allocated and differentiated from State funded initiatives.

A: Refer to summary below.

Table 11.24: Adult and Community education

| Output | Allocation | | Remarks |
|--|------------|------------|--|
| | State | C'wealth | |
| | \$ million | \$ million | |
| Youth Guarantee and related youth delivery | 4.5 | - | |
| Other program funding | 1.2 | - | Funding allocated towards a number of programs, including ACE Minor Capital Works Program and development of training materials to support Responsible Gaming initiative of the Department of Justice. This was recognised as post budget revenue. |
| Corporate overheads | 0.8 | - | A revision of overhead costs took place in August 2007 following machinery of government changes. |
| Adult Learners' Week | - | 0.1 | Project is monitored by the ACFE Board and separately reported to the Commonwealth. |
| 2007/08 LearnScope | - | 0.1 | As above. |
| Australian Working Together | - | 0.6 | Funds support targeted delivery of training separately reported in the national statistical collection AVETMISS. |
| Transfer of 2006-07 Commonwealth funds | - | 1.0 | Funds were transferred to DPCD post output publication as a consequence of machinery of government changes. |
| TOTAL | 6.5 | 1.8 | |

Source: Department for Planning and Community Development, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.3

11.10.2 Performance against output targets

The Department achieved or exceeded 126 (89 per cent) of its 142³¹⁴ performance output targets reported in 2007-08. However, 36 (44 per cent) of the performance measures recorded a variation in excess of 10 per cent. Ten (7 per cent) of these were variations where the Department did not achieve the related performance targets.

³¹⁴ This excludes the performance targets for total output costs.

The Committee sought further information about the following output variations in 2007-08:

Table 11.25: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|--|-----------------|----------------|--------------|--------|
| | | | (\$ million) | % |
| Local Government Sector Development Meetings held by Best Value Commission with Councils (number) | 4 | - | -4 | -100 |
| Community Strengthening Volunteering Small Grants approved (number) | 90-120 | 215 | 125-95 | 139-79 |
| Sport and Recreation Sector Development Community Sporting Facility Grants approved (number) | >120 | 308 | 188 | 157 |
| Planning, Urban Design and Housing Affordability Prior authorisations of planning scheme amendments (number) | 400 | 272 | -128 | -32 |
| Transit Cities projects/works delivered in accordance with agreed plans (per cent) | 80(a) 100(b) | 80 | N/A | N/A |
| Planning permits issued within statutory timelines (per cent) | 98 | 47 | -51 | -52 |
| Urban Development Program (UDP) prepared (date) | Dec 2007 | March 2008 | -3 months | N/A |
| Transit Cities projects progressed in accordance with agreed timelines (per cent) | 80(a) 100(b) | 80 | N/A | N/A |
| Women's Policy Women participating in consultations (number) | 1,000 | 500 | -500 | -50 |
| Adult and Community Education Minimum target for ACE and adult education institution students funded through Youth Pathways Program (number) | 500 | N/A | N/A | N/A |

Notes: (a) Target as stated in Department of Planning and Community Development Annual Report 2007-08.

(b) Target identified, for Department of Sustainability and Environment, in Budget Paper No. 3 2007-08.

Source: Department for Planning and Community Development, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, pp.4-6.

The Department's responses to the Committee's Questionnaire are as follows:³¹⁵

1. Meetings held by Best Value Commission with Councils

Q: Please explain why there were no meetings held?

A: The Best Value Commission's last term ended on 31 Dec 2007. A review of the Commission recommended that the Commission be dissolved, which was accepted by the Minister. No meetings were conducted while the review was being undertaken.

³¹⁵ Department of Planning and Community Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.4-6

2. Volunteering Small Grants approved

Q: Please identify whether the exceeded target for grants required extra funding and if so, please detail how much and where the funding was sourced from.

A: The target, which reflects the maximum available amount of \$5,000, was exceeded because the average grant amount was \$3,000 to allow for a greater number of grant approvals within the original allocation. Program delivery efficiencies have also contributed to the greater numbers and are likely to produce a higher number in 2008-09.

3. Community Sporting Facility Grants approved

Q: Please identify whether the exceeded target for grants required extra funding and if so, please detail how much and where the funding was sourced from.

A: The target was exceeded as a result of funding for the Drought Relief for Community Sport and Recreation Program 2008 (175 projects) and the Synthetic Surfaces Program (eight projects). The funding was part of the whole-of-government response to the continuing drought.

4. Prior authorisations of planning scheme amendments

Q: Please explain the reason for the lower number of prior authorisations.

A: Councils across the State submitted fewer requests for prior authorisation. Variations in the number of authorisations requested have many causes, such as:

- economic conditions;
- progress of existing amendments, strategic projects (e.g. structure plans), Council policy development;
- community expectations; and
- Council election cycles.

5. Transit Cities projects/works delivered in accordance with agreed plans

Q: Please explain why the target stated in the Annual Report differs from the target identified in the 2007-08 Budget and why the actual output is below this original target.

A: The target of 100 per cent relates to work performed on Transit Cities within the Department of Transport. It does not relate to that part of the Transit Cities program for which the Department of Planning and Community Development is responsible. The Transit Cities performance measure for the Department of Planning and Community Development (as stated on p.212 of the 2007-08 Budget Paper No. 3) was 80 per cent. This target was met.

6. Planning permits issued within statutory timelines

Q: Please explain the factors for the delays in issuing planning permits.

A: The target of 98 per cent was not met due to a number of factors, including complexities of applications, time taken to receive mandatory referral comments and applications held in abeyance at the request of the applicants.

Committee Comment

The Committee is concerned over the extraordinarily low achievement against target. This result calls into question the achievability of the original target.

7. Urban Development Program (UDP) prepared

Q: Please explain the reason for the delay, including the role played by changes in machinery of government.

A: The 2007 UDP was delayed pending finalisation and analysis of future population forecasts following release of the 2006 census data. The 2006 Australian Census and other recent data show that net overseas migration is at record highs, and is driving residential dwelling demand in Victoria. The interim projections for new households based on these data and the resultant impact on available residential land stock needed to be properly assessed and understood before the release of land supply forecasts.

8. Transit Cities projects progressed in accordance with agreed timelines

Q: *Please explain why the target stated in the Annual Report differs from the target identified in the 2007-08 Budget and why the actual output is below this original target.*

A: As in Q&A 5 above.

9. Women participating in consultations

Q: *Please explain why online consultations have been discontinued.*

A: A number of focused and in-depth consultations were undertaken in 2007-08 for the development of activities such as the Women's Policy Framework 2008-11, the Financial Literacy Project, the Centenary of Suffrage and other projects. Based on the learnings from this process, the Office of Women's Policy decided that online consultation was not the most appropriate communication mechanism.

10. Minimum target for ACE and adult education institution students funded through Youth Pathways Program

Q: *Please indicate the actual result (not included in Annual Report) and if there is a variance greater than 10 per cent please provide details explaining why.*

A: The Youth Pathways Program targets identified in the Budget Paper are for the calendar year 2008. Actual results will not be available until the statistics are collated and validated, which is anticipated to occur in March 2009.

11.11 Department of Treasury and Finance

11.11.1 Total output costs

The total cost to deliver the Department's 13 major outputs in 2007-08 was \$227.9 million. This is \$0.1 million (less than 1 per cent) higher than budget. Three of the output areas reported additional expenditure in excess of 10 per cent, whereas two others reported expenditure in excess of 10 per cent below budget. *Economic and financial policy: research and development* reported the largest additional expenditure (28 per cent), while *economic and financial policy: analysis and advice* recorded the most significant expenditure (69 per cent) below budget.

Table 11.26: Total Output Cost

| Output | 2007-08 Target | 2007-08 Actual | Variation | | |
|--|----------------|----------------|--------------|------------|------|
| | (\$ million) | (\$ million) | (\$ million) | % | Note |
| Financial and resource management frameworks | 5.4 | 4.5 | -0.9 | -17 | (a) |
| Budget and financial policy advice | 13.1 | 11.9 | -1.2 | -9 | (a) |
| Economic and financial policy: Analysis and advice | 16.5 | 5.1 | -11.4 | -69 | (b) |
| Economic and financial policy: Research and development | 6.0 | 7.7 | 1.7 | 28 | (c) |
| Financial reporting | 10.4 | 11.0 | 0.6 | 6 | (a) |
| GBE performance monitoring services | 3.0 | 3.4 | 0.4 | 13 | (d) |
| Public financial corporations and balance sheet management | 3.3 | 3.1 | -0.2 | -6 | |
| Commercial and infrastructure project management | 11.5 | 11.7 | 0.2 | 2 | |
| Government services | 63.1 | 68.2 | 5.1 | 8 | |
| Government land and property services | 10.0 | 10.9 | 0.9 | 9 | |
| Economic regulatory services | 12.7 | 15.7 | 3.0 | 24 | (e) |
| Business environment policy advice | 5.5 | 5.8 | 0.3 | 5 | |
| Revenue management services to Government | 67.3 | 68.9 | 1.6 | 2 | |
| Total | 227.8 | 227.9 | 0.1 | 0.1 | |

- Notes:
- (a) Output costs were reprioritised within Financial Reporting, Financial and Resource Management Framework, and Budget and Financial Policy Advice output budgets to meet changing workloads³¹⁶.
 - (b) Variance was mainly due to the Victorian Workcover Authority not requiring the grant funding for public safety activities in 2006-07 and 2007-08, totalling \$11.1 million across the two years³¹⁷.
 - (c) Additional costs were incurred for the Better Regulation Unit, including a transfer from POBOS Appropriation pursuant to Section 30 of the Financial Management Act 1999 and additional funding approved in December 2007 for various Research & Development projects³¹⁸.
 - (d) Additional costs were incurred a result of internal refunding of overheads and general output costs³¹⁹.
 - (e) Variance was mainly due to: ESC Price Determination for Water; The Victorian Renewable Target Scheme and Victorian Energy Efficiency Target Scheme; and the Supreme Court appeal by Alinta Asset Management³²⁰.

Sources: Department of Treasury and Finance, Annual Report 2007-08 and Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two.

³¹⁶ Department of Treasury and Finance, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.1

³¹⁷ ibid

³¹⁸ ibid

³¹⁹ ibid

³²⁰ ibid, p.2

11.11.2 Performance against output targets

The Department achieved or exceeded 78 (81 per cent) of its 96³²¹ performance output targets reported in 2007-08. However, 37 (39 per cent) of the performance measures recorded a variation in excess of 10 per cent. Thirteen (14 per cent) of these were negative variations.

The Committee sought further information about the following output variations in 2007-08:

Table 11.27: Performance Output Variation

| Output | 2007-08 Target | 2007-08 Actual | Variation | |
|---|----------------|----------------|-----------|------|
| | | | | % |
| Economic and financial policy: Analysis and advice | | | | |
| Accuracy of estimating State taxation revenue (per cent) | < 5.0 | -10.9 | N/A | -318 |
| Public financial corporations and balance sheet management | | | | |
| Public financial corporation corporate plans reviewed and assessed (number) | 7 | 5 | -2 | -29 |

Source: Department of Treasury and Finance, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.3

The Department's responses to the Committee's Questionnaire are as follows:³²²

1. Accuracy of estimating State taxation revenue

Q: Given that the estimate was exceeded due to a strong economy and higher than expected payroll tax, land tax and land transfer revenue, has the department implemented any strategies and risk management processes designed to improve the accuracy of revenue estimation practices in future, in view of the impact that the global financial crisis and other economic variables may have on Victoria's revenue base?

A: The Department has improved its quality assurance processes and continued to review and update forecasting procedures to enhance accuracy. In view of the global economic and financial crisis, the monitoring of both taxation revenue and economic variables, and related information that influence them, has been intensified. This includes more regular assessments of risks to the taxation revenue forecasts.

2. Public financial corporation corporate plans reviewed and assessed

Q: Why were only five plans reviewed and assessed?

A: The Department did not meet the target as two of the plans for the Transport Accident Commission and the Victorian Workcover Authority were not available for assessment until after 30 June 2008.

³²¹ This excludes the performance targets for *total output costs*.

³²² Department of Treasury and Finance, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.3

CHAPTER 12: ENVIRONMENTAL OUTCOMES

Key Findings of the Committee:

- 12.1 Total energy usage across the 10 departments increased by 3.6 per cent in 2007-08 from the previous year, from 256,012 gigajoules to 265,344 gigajoules. *Green Power* use rose only by 1.3 per cent from 31,044 gigajoules to 31,453 gigajoules, indicating that the higher demand for energy in 2007-08 was met mostly by means other than *Green Power*.
- 12.2 The Department of Sustainability and Environment and the Department of Planning and Community Development continued to be the two largest purchasers of *Green Power*. Together, these two departments used *Green Power* to meet 22 per cent of their total energy demand, compared to between eight and 9 per cent per cent achieved by the three largest energy consumers and greenhouse gas producers, the Department of Primary Industries, the Department of Human Services and the Department of Justice.
- 12.3 Departments were required to disclose total units of office waste disposed of by destination for the first time in 2007-08. While all departments provided current year data, four departments (the Department of Innovation, Industry and Regional Development, the Department of Transport, the Department of Justice, and the Department of Primary Industries) did not include previous year's comparative data. As such, the Committee was unable to determine if total waste generated by these four departments has reduced or otherwise.
- 12.4 The other six departments reported a 14 per cent reduction in total waste in 2007-08.
- 12.5 With the exception of the Department of Human Services, all the departments and environmental agencies achieved an office waste recycling rate of 80 per cent or higher.
- 12.6 None of the departments disclosed the optional FRD 24C performance measures: total units of A4 equivalent copy paper used in publications and percentage of publications available electronically.
- 12.7 The Department of Treasury and Finance reported that total water consumption on the Treasury Reserve dropped approximately 22 per cent in 2007-08. Of the other six departments which provided data, three departments recorded a reduction in water consumption in excess of 10 per cent.
- 12.8 Excluding the Department of Education and Early Childhood Development, total energy usage by vehicle fleets across the other nine departments decreased by 3 per cent, from 319,658 gigajoules in 2006-07 to 310,261 gigajoules in 2007-08.
- 12.9 Travel associated with entity operations rose by 11 per cent, from 82.6 million kilometres in 2006-07 to 92 million kilometres in 2007-08. This averaged approximately 3,150 kilometres travelled for every department EFT in 2007-08. As in the previous year, the Department of Human Services registered the highest mileage, representing 41 per cent of total distance across the 10 departments.
- 12.10 Departments disclosed total distance travelled by air for the first time in 2007-08. The 10 departments registered a total distance travelled of 21 million kilometres. The Department of Justice recorded the highest mileage at 4.6 million kilometres, representing 22 per cent of the 10 departments' combined total.

- 12.11** Total greenhouse gas emissions associated with energy use across all departments fell by 1.6 per cent in 2007-08, from 72,421 tonnes to 71,279 tonnes of CO₂ equivalent. Due to data coverage issues arising in a number of departments, this figure should not be compared directly to the quantity of *Green Power* purchased.
- 12.12** Departments were required to disclose greenhouse gas emission offset purchased for the first time in 2007-08. Only three departments disclosed specific amounts of offset purchased.
- 12.13** All departments have taken steps to minimise the environmental impact resulting from paper used in publications. These steps primarily involve minimising hard copy printing and where hard copy printing is necessary, printing on environmentally sustainable papers.

12.1 Introduction

A survey conducted in 2008 showed that 84 per cent of Victorians are concerned about the present State of the environment.³²³ Overall, 33 per cent of Victorians nominated environmental issues as the most important matter for the State government to attend to.³²⁴

Financial Reporting Directive (FRD) 24C (reporting of office-based environmental data by government entities) requires all departments and environmental agencies to report performance against a number of environmental indicators. These indicators relate to the reporting entities' consumption of resources and production of greenhouse gas. By examining FRD 24C reporting, the Committee has evaluated the departments and environmental agencies performance in improving efficient use of resources and reducing environmental impacts.

12.2 Environmental Reporting Directions of the Minister for Finance – FRD 24C

Under FRD 24C, disclosures relating to the following office-based environmental indicators are made:

- energy use;
- waste production;
- paper use;
- water consumption;
- transportation fuel consumption;
- greenhouse gas emissions; and
- sustainable procurement.

FRD24 was updated from version B to version C during 2008, to incorporate new reporting requirements around greenhouse gas emissions and sustainable procurement practices.

The following sections of this report examine the performance of departments and agencies in relation to the reporting requirements of FRD 24C.

³²³ Sustainability Victoria, *Green Light Report: Victorians and the Environment in 2008, 2008*, p.6
³²⁴ *ibid.*, p.7

12.2.1 Energy use

Total energy usage across the 10 departments increased by 3.6 per cent in 2007-08 from the previous year, from 256,012 gigajoules to 265,344 gigajoules. *Green Power* use rose by only 1.3 per cent from 31,044 gigajoules to 31,453 gigajoules, indicating that the higher demand for energy in 2007-08 was met mostly by the use of non-renewable sources.

The Department of Justice, the Department of Planning and Community Development, and the Department of Transport reported the highest year-to-year increases in energy usage.

The Department of Justice consumed 26,165 gigajoules in 2007-08, an increase of 98 per cent from the previous year. The Department of Justice explained that office-based energy data used for reporting in 2007-08 covered 43 per cent of full time equivalent staff and 30 per cent of all the departmental locations, whereas the 2006-07 data covered only 31 per cent of EFT staff and 1.5 per cent of departmental locations.³²⁵ While the Committee was pleased to note the increased coverage by the Department in 2007-08, it remains concerned that less than 50 per cent of the workforce and only 30 per cent of locations are represented in the data and encourages the Department to ensure that in future years, comparable historical data is presented.³²⁶

Recommendation 26: The Department of Justice report office-based energy use for all staff and all locations in its 2008-09 Annual Report.

The Department of Planning and Community Development consumed 6,236 gigajoules in 2007-08, an increase of 45 per cent from previous year. The Department explained that this significantly higher energy usage was due to the machinery of government changes. In August 2007, the former Department for Victorian Communities and the planning functions of the Department of Sustainability and Environment were combined with the Department of Planning and Community Development.

The Department of Transport consumed 10,093 gigajoules, 21 per cent higher than previous year's consumption. The increase in energy usage was due to co-location of two sites during relocation and refurbishment of the Department's offices.³²⁷

As in 2006-07, the Department of Primary Industries again reported the highest overall energy consumption, using 91,947 gigajoules in 2007-08. It also registered the highest per EFT energy consumption and the highest energy intensity (energy used per m² office space) among the 10 departments. However, the Department's overall energy usage was 6 per cent lower than in 2006-07. This was attributed to improved mapping and monitoring following the introduction of a multi-year Environmental Improvement Roadmap in 2007-08.³²⁸

The Department of Sustainability and Environment and the Department of Planning and Community Development continued to be the two largest purchasers of *Green Power* representing 28 per cent and 22 per cent of total power respectively.³²⁹ The Department of Primary Industries, the Department of Human Services and the Department of Justice, three of the largest energy consumers and greenhouse gas producers, purchased only 8 to 9 per cent in 2007-08.

³²⁵ Department of Justice, *Annual Report 2007-08*, p.138

³²⁶ Department of Justice reporting includes Community Correctional Officer and Sheriff's Offices, but does not include Victoria Police (reported in their annual report), Metropolitan Fire and Emergency Services Board (reported in their annual report), Country Fire Authority (not reported) or the State Emergency Services (not reported).

³²⁷ Department of Transport, *Annual Report 2007-08*, p.210

³²⁸ Department of Primary Industries, *Financial Statements & Appendices 2007-08*, p.60

³²⁹ *Green Power* is electricity supplied through a government accredited *Green Power* scheme.

The Environment Protection Authority reduced energy usage marginally by 2 per cent, from 9,362 gigajoules in 2006-07 to 9,203 gigajoules in 2007-08 and 94 per cent of power purchased was *Green Power*. Sustainability Victoria reduced its energy usage by 47 per cent from 764 gigajoules in 2006-07 to 408 gigajoules in 2007-08, and continued to meet all of its energy needs with *Green Power*.

Table 12.1: Yearly Energy Consumption per Department EFT

| | Units of Energy Used per EFT (megajoules) | | Variation | |
|---|--|-----------|------------|------|
| | 2007-08 | 2006-07 | megajoules | % |
| | | | | |
| Department of Human Services | 5,747 | 5,458 | 289 | 5.3 |
| Department of Innovation, Industry and Regional Development | 8,366 | 8,024 | 342 | 4.3 |
| Department of Education and Early Childhood Development | 7,928 | 7,669 (a) | 259 | 3.4 |
| Department of Infrastructure/Transport | 9,216 | 8,104 | 1,112 | 13.7 |
| Department of Justice | 7,718 | 5,997 | 1,721 | 28.6 |
| Department of Premier and Cabinet | 8,232 | 9,018 | -786 | -8.7 |
| Department of Primary Industries | 39,120 | 38,784 | 336 | 0.9 |
| Department of Sustainability and Environment | 16,883 | 15,919 | 964 | 6.0 |
| Department of Treasury and Finance | 8,544 | 7,992 | 552 | 7.0 |
| Department of Planning and Community Development | 6,508 | 6,275 | 233 | 3.7 |

Notes: (a) The comparative data for 2006-07 has been amended to include both central and regional offices.

Sources: Departmental Annual Reports 2006-07 and 2007-08.

Table 12.2: Total Energy Consumption by Department and Environmental Agency

| | Use of Electricity & Gas | | | | Use of Green Power | | | | Total Energy Use | | Variation | |
|---|--------------------------|--------------|----------------|--------------|--------------------|--------------|---------------|--------------|------------------|----------------|--------------|-----------|
| | 2007-08 | | 2006-07 | | 2007-08 | | 2006-07 | | 2007-08 | 2006-07 | (gigajoules) | (%) |
| | (gigajoules) | (% of Total) | (gigajoules) | (% of Total) | (gigajoules) | (% of Total) | (gigajoules) | (% of Total) | (gigajoules) | (gigajoules) | | |
| Human Services (a) | 56,219 | 91 | 55,708 | 89 | 5,700 | 9 | 7,144 | 11 | 61,919 | 62,852 | -933 | -1 |
| Innovation, Industry and Regional Development | 6,391 | 85 | 5,989 | 86 | 1,141 | 15 | 976 | 14 | 7,532 | 6,965 | 567 | 8 |
| Education and Early Childhood Development (b) | 8,280 | 86 | 7,789 | 85 | 1,657 | 17 | 1,325 | 15 | 9,937 | 9,114 | 823 | 9 |
| Infrastructure/Transport (c) | 8,357 | 85 | 7,081 | 85 | 1,556 | 15 | 1,250 | 15 | 9,913 | 8,331 | 1,582 | 19 |
| Justice(d) | 24,015 | 92 | 11,526 | 87 | 2,150 | 8 | 1,667 | 13 | 26,165 | 13,193 | 12,972 | 98 |
| Premier and Cabinet | 2,996 | 85 | 3,227 | 85 | 529 | 15 | 570 | 15 | 3,525 | 3,797 | -272 | -7 |
| Primary Industries | 84,799 | 92 | 90,289 | 92 | 7,148 | 8 | 7,477 | 8 | 91,947 | 97,766 | -5,819 | -6 |
| Sustainability and Environment | 33,378 | 78 | 35,665 | 80 | 9,455 | 22 | 9,019 | 20 | 42,833 | 44,684 | -1,851 | -4 |
| Treasury and Finance | 4,383 | 85 | 4,260 | 85 | 774 | 15 | 752 | 15 | 5,157 | 5,012 | 145 | 3 |
| Planning and Community Development (e) | 4,892 | 78 | 3,433 | 80 | 1344 | 22 | 865 | 20 | 6,236 | 4,298 | 1,938 | 45 |
| Department Total | 233,710 | 88 | 224,967 | 88 | 31,454 | 12 | 31,045 | 12 | 265,164 | 256,012 | 9,152 | 4 |
| Environment Protection Authority | 573 | 6 | 718 | 8 | 8,630 | 94 | 8,644 | 92 | 9,203 | 9,362 | -159 | -2 |
| Sustainability Victoria | 0 | 0 | 0 | 0 | 408 | 100 | 764 | 100 | 408 | 764 | -356 | -47 |
| Agency Total | 573 | 6 | 718 | 79 | 9,038 | 93 | 9,408 | 92 | 9,611 | 10,126 | -515 | -5 |

- Notes:
- (a) The comparative data for 2006-07 has been amended to include both central and regional offices.
 - (b) In April 2008, the Department of Transport was created from the former Department of Infrastructure as part of the machinery of government changes.
 - (c) The comparative data for 2006-07 has been amended to reflect the effect of machinery of government changes.
 - (d) The Department of Justice explained that office-based energy data used for reporting in 2007-08 covered 43 per cent of EFT staff and 30 per cent of all the departmental locations, whereas the 2006-07 data covered only 31 per cent of EFT staff and 1.5 per cent of departmental locations.
 - (e) In August 2007, the former Department for Victorian Communities and the planning functions of the Department of Sustainability and Environment were combined with the Department of Planning and Community Development resulting in an increase in energy use within the Department of Planning and Community Development Sources: Department and agency annual reports 2006-07 and 2007-08.

Sources: Departmental Annual Reports 2006-07 and 2007-08.

12.2.2 Waste production

From 1 July 2007, FRD 24C requires the disclosure of total units of office waste disposed of by destination. While all departments provided data for 2007-08, four departments (the Department of Justice, the Department of Transport, the Department of Innovation, Industry and Regional Development, and the Department of Primary Industries) did not include previous year's comparative data. As such, the Committee was unable to determine if total waste generated by these four departments has reduced or otherwise.

The other six departments reported a 14 per cent reduction in total waste, from 1,217 tonnes in 2006-07 to 1,047 tonnes in 2007-08. Among these six departments, the Department of Premier and Cabinet and the Department of Sustainability and Environment achieved the biggest percentage improvement with a reduction of 34 per cent and 33 per cent respectively.

Actions taken by the Department of Premier and Cabinet to reduce office waste included reuse of office stationery and use of biodegradable rubbish bags.³³⁰ The Department of Sustainability and Environment attributed the reduced waste to initiatives such as Green Collect, printer cartridge collection services and other recycling programs.³³¹

Seven departments recorded a fall in office waste disposed of per EFT in 2007-08. However, the Department of Justice, the Department of Transport and the Department of Primary Industries each reported an increase of 22 per cent. The Department of Justice waste data was based on waste audits covering 32 per cent of the Department's total EFT and only 2 per cent of departmental locations and it attributed the increase to factors such as staff behaviour and office relocation.³³² The other two departments did not provide an explanation for the variation. The lack of explanation and the lack of detail in the explanations provided do not meet the standard of reporting that Committee would expect to see from departments and the Committee encourages all departments to ensure that where explanations for variations are provided in future annual reports, that they are detailed and precise.

³³⁰ Department of Premier and Cabinet, *Annual Report 2007-08*, p.103

³³¹ Department of Sustainability and Environment, *Annual Report 2007-08*, p.16

³³² Department of Justice, *Annual Report 2007-08*, p.139

Table 12.3: Total Office Waste Disposed and Office Waste Disposed per EFT by Department and Environmental Agency

| | Total Office Waste Disposed | | | | Office Waste Disposed per EFT | | | |
|---|-----------------------------|------------------|----------------|-----------|-------------------------------|-------------|-------------|------------|
| | 2007-08 | 2006-07 | Variation | | 2007-08 | 2006-07 | Variation | |
| | (kilograms) | (kilograms) | (kilograms) | (%) | (kilograms) | (kilograms) | (kilograms) | (%) |
| Department of Human Services | 593,120 | 648,185 | -55,065 | -8 | 88 | 95 (c) | -7 | -7 |
| Department of Innovation, Industry and Regional Development | 49,710(a) | (b) | N/A | N/A | 49 | 74 | -25 | -33 |
| Department of Education and Early Childhood Development | 109,027 | 135,074 | -26,047 | -19 | 87 | 124 | -37 | -30 |
| Department of Infrastructure/Transport | 84,765 | (b) | N/A | N/A | 79 | 65 | 14 | 22 |
| Department of Justice | 182,426 | (b) | N/A | N/A | 90 | 73 | 17 | 23 |
| Department of Premier and Cabinet | 32,332 | 49,257 | -16,925 | -34 | 76 | 117 | -41 | -35 |
| Department of Primary Industries | 73,220 | (b) | N/A | N/A | 79 | 65 | 14 | 22 |
| Department of Sustainability and Environment | 176,354 | 264,745 | -88,391 | -33 | 69 | 94 | -25 | -26 |
| Department of Treasury and Finance | 71,891 | 77,121 | -5,230 | -7 | 119 | 123 | -4 | -3 |
| Department of Planning and Community Development | 64,661(d) | 43,174(d) | 21,487 | 50 | 67 | 70 | -3 | -4 |
| Total | 1,437,506 | 1,217,556 | 219,950 | 18 | 80 | 90 | -10 | -11 |
| Environment Protection Authority | 19,779 | 21,042 | -1,263 | -6 | 52 | 57 | -5 | -10 |
| Sustainability Victoria | (b) | (b) | N/A | N/A | 49 | 47 | 2 | 4 |

- Notes:
- (a) Estimated based on total units of waste recycled and recycling rate disclosed in the Department's annual report.
 - (b) Current/Prior year data for this new FRD 24C disclosure requirement were not provided in the annual reports.
 - (c) The comparative data for 2006-07 has been amended to reflect the effect of 2007-08 machinery of government changes.
 - (d) As part of the machinery of government changes, the former Department for Victorian Communities and the planning functions of the Department of Sustainability and Environment were combined with the Department of Planning and Community Development in August 2007.

Sources: Departmental and Agency Annual Reports 2007-08.

With the exception of the Department of Human Services, all departments and environmental agencies achieved a recycling rate of 80 per cent or higher. The Department of Premier and Cabinet and the Department of Treasury and Finance both reported a recycling rate in excess of 90 per cent. The Department of Human Services improved its recycling rate from 35 per cent in 2006-07 to 73 per cent in 2007-08. The Department explained that its waste management system was made available to more staff in 2007-08.

The Environment Protection Authority achieved an 8 per cent reduction in office waste disposed of per EFT, while Sustainability Victoria reported a slight increase of 4 per cent.

Overall, departments and environmental agencies achieved considerable improvements in minimising office waste and maximising recycling in 2007-08.

Table 12.4: Recycling Rate by Department & Agency

| | Recycling Rate | | Variation |
|---|----------------|---------|-----------|
| | 2007-08 | 2006-07 | |
| | (%) | (%) | (%) |
| Department of Human Services | 73 | 35 | 109 |
| Department of Innovation, Industry and Regional Development | 88 | (a) | N/A |
| Department of Education and Early Childhood Development | 82 | 90 | -9 |
| Department of Infrastructure/Transport | 83 | (a) | N/A |
| Department of Justice | 83 | (a) | N/A |
| Department of Premier and Cabinet | 93 | (a) | N/A |
| Department of Primary Industries | 80 | (a) | N/A |
| Department of Sustainability and Environment | 87 | 92 | -5 |
| Department of Treasury and Finance | 91 | (a) | N/A |
| Department of Planning and Community Development | 85 | 75 | 13 |
| Environment Protection Authority | 82 | 81 | 1 |
| Sustainability Victoria | 90 | 85 | 6 |

Notes: (a) Comparative data for this new FRD 24C disclosure requirement were not provided.

Sources: Departmental and Agency Annual Reports 2007-08.

12.2.3 Paper Use

Ten departments increased A4 equivalent copy paper usage in 2007-08. Total usage was 373,273 reams, an increase of 2 per cent from 2006-07.

The Department of Justice reported the biggest increase in usage with 60,674 reams used in 2007-08, an increase of 63 per cent from the previous year. However, usage per EFT fell marginally from 21 reams to 20 reams over these periods. The Department disclosed that more departmental locations were covered in 2007-08. Previous year's data excluded community correctional offices and sheriff offices.³³³

The Department of Human Services continued to be the largest user of A4 equivalent copy paper. The Department used 132,602 reams, representing 36 per cent of total usage across the 10 departments in 2007-08. However, the Department's usage in 2007-08 was 8 per cent lower than that in 2006-07 and usage per EFT was among the lowest of all departments.

³³³ Department of Justice, *Annual Report 2007-08*, p.138

The Department of Education and Early Childhood Development recorded the highest per EFT consumption at 25 reams, an increase of 3 per cent from previous year. The Department explained that the higher consumption was partly due to a miscalculation in the independent stationery supplier's 2006-07 data.³³⁴

Last year, the Department of Treasury and Finance advised the Committee that plans would be developed to reduce paper consumption. In 2007-08, the Department's use of A4 equivalent copy papers increased by another 322 reams or 3 per cent from the previous year. Its usage per EFT of 22 reams was the third highest among all departments.

The Department of Primary Industries reported the lowest per capita consumption at 11 reams, compared to 13 reams in the previous year.

Except for the Department of Education and Early Childhood Development, all the departments purchased copy papers with a recycled content higher than 80 per cent. Both the Department of Premier and Cabinet and the Department of Transport used copy papers with a 100 per cent recycled content. In the Department of Education and Early Childhood Development, the recycled content of copy paper was 69 per cent in 2007-08, a considerable improvement from just 18 per cent in the previous year.

The Committee noted that none of the departments disclosed the optional FRD 24C performance measures:

- total units of A4 equivalent copy paper used in publications; and
- percentage of publications available electronically.

Copy papers used by the Environment Protection Authority and Sustainability Victoria rose by 16 per cent to 4,368 reams in 2007-08. In addition, the two environmental entities' per capita consumption increased by 2 per cent to 16 reams per EFT. Both entities reported a recycled content of 80 per cent in 2007-08.

The overall usage of A4 equivalent papers in 2007-08 remained high. However, almost all the departments and environmental entities used papers with a high (80 per cent or higher) recycled content.

Recommendation 27:

The Department of Treasury and Finance revise FRD 24C to require mandatory disclosure of papers used in publications and percentage of publications available electronically.

³³⁴ Department of Education and Early Childhood Development, *Annual Report 2007-08*, p.161

Table 12.5: Total A4 Equivalent Copy Papers Used and A4 Equivalent Copy Papers Used per EFT by Department and Environmental Agency

| | Total A4 Equivalent Copy Papers Used | | | | A4 Equivalent Copy Papers Used per EFT | | | |
|---|--------------------------------------|-------------|-----------|-----|--|---------|-----------|-----|
| | 2007-08 | 2006-07 | Variation | | 2007-08 | 2006-07 | Variation | |
| | (reams) | (reams) | (reams) | (%) | (reams) | (reams) | (reams) | (%) |
| Department of Human Services | 132,602 | 143,396 (a) | -10,794 | -8 | 12 | 12 | 0 | 0 |
| Department of Innovation, Industry and Regional Development | 15,242 | 17,100 | -1,858 | -11 | 17 | 20 | -3 | -14 |
| Department of Education and Early Childhood Development | 31,515 | 26,158 | 5,357 | 20 | 25 | 22 | 3 | 14 |
| Department of Infrastructure/Transport | 21,493 | 20,544 | 949 | 5 | 20 | 20 | 0 | 0 |
| Department of Justice | 60,674 | 37,322 | 23,352 | 63 | 20 | 21 | -1 | -5 |
| Department of Premier and Cabinet | 9,880 | 10,463 | -583 | -6 | 23 | 23 | 0 | 0 |
| Department of Primary Industries | 27,990 | 32,209 | -4,219 | -13 | 11 | 13 | -2 | -13 |
| Department of Sustainability and Environment | 44,982 | 51,057 | -6,075 | -12 | 18 | 18 | 0 | -3 |
| Department of Treasury and Finance | 13,171 | 12,849 | 322 | 3 | 22 | 19 | 3 | 15 |
| Department of Planning and Community Development | 15,724 | 13,163 | 2,561 | 19 | 16 | 19 | -3 | -16 |
| Department Total | 373,273 | 364,261 | 9,012 | 2 | | | | |
| Environment Protection Authority | 3,575 | 3,110 | 465 | 15 | 9 | 8 | 1 | 18 |
| Sustainability Victoria | 793 | 651 | 142 | 22 | 6 | 6 | 0 | 0 |
| Total | 4,368 | 3,761 | 607 | 16 | | | | |

Notes: (a) The comparative data for 2006-07 have been amended to include the Department's reprographics unit.

Sources: Departmental and Agency Annual Reports 2006-07 and 2007-08.

Table 12.6: Percentage of Recycled Content in Copy Papers Purchased by Department & Agency

| Department/Agency | Percentage of Recycled Content in Copy Papers Purchased | | Variation |
|---|---|---------|-----------|
| | 2007-08 | 2006-07 | |
| | (%) | (%) | |
| Department of Human Services | 83 | (a) | N/A |
| Department of Innovation, Industry and Regional Development | 96 | (a) | N/A |
| Department of Education and Early Childhood Development | 69 | 18 | >100 |
| Department of Infrastructure/Transport | 100 | (a) | N/A |
| Department of Justice | 92 | (a) | N/A |
| Department of Premier and Cabinet | 100 | (a) | N/A |
| Department of Primary Industries | 92 | (a) | N/A |
| Department of Sustainability and Environment | 92 | (a) | N/A |
| Department of Treasury and Finance | 99 | (a) | N/A |
| Department of Planning and Community Development | 94 | 98 | -4 |
| Environment Protection Authority | 79 | (a) | N/A |
| Sustainability Victoria | 80 | 80 | 0 |

Notes: (a) Comparative data for this new FRD 24C disclosure requirement was not provided.

Sources: Departmental and Agency Annual Reports 2007-08.

12.2.4 Water Consumption

As in 2006-07, four departments (the Department of Innovation, Industry and Regional Development, the Department of Education and Early Childhood Development, the Department of Premier and Cabinet, and the Department of Treasury and Finance) were unable to provide full details on water consumption because the water reticulation systems on the Treasury Reserve could not adequately allow billing data to be attributed to individual departments. However, the Department of Treasury and Finance reported that total water consumption on the Treasury Reserve dropped approximately 22 per cent in 2007-08. The Department also disclosed that a water sub-metering system has been installed to enable accurate annual reporting and on-going water consumption management in the future.³³⁵

Among the other six departments, the Department of Primary Industries recorded the highest water consumption in 2007-08 at 106,120 kilolitres. However, the Department explained that the two years' consumption data were not comparable due to a change in reporting methodology. The Department's water consumption reported in 2007-08 was based on actual domestic metered and billed water at 62.9 per cent of the departmental sites. These sites included meters at dedicated offices as well as locations for non-core activities, such as research. In 2006-07, water consumption was reported based on an extrapolation of data collected from water meters at a limited number of locations.³³⁶

³³⁵ Department of Treasury and Finance, *Annual Report 2007-08*, p.103

³³⁶ Department of Primary Industries, *Financial Statements & Appendices 2007-08*, p.61 & 62

The Department of Transport recorded a significant reduction in water consumption, from 14,401 kilolitres in 2006-07 to 4,041 kilolitres in 2007-08. In addition, usage per EFT reduced from 14 kilolitres to 13 kilolitres. However, the Department explained that the two years' consumption data were not comparable due to machinery of government changes. In April 2008, the Department of Transport was created from the former Department of Infrastructure. These changes included the transfer of Major Projects Victoria to the Department of Innovation, Industry and Regional Development.

In addition, the Department of Infrastructure reported last year that it occupied multi-tenanted buildings which were not separately metered. As such, water consumption was estimated and extrapolated.³³⁷ The Department of Transport relocated in 2007-08 to a building where water meters were installed on every floor. This allowed the department to report water consumption based on meter readings.³³⁸

The Department of Justice also recorded an apparent significant reduction in water consumption, from 23,228 kilolitres in 2006-07 to 11,411 kilolitres in 2007-08. However, water data in 2007-08 from 121 Exhibition Street was extrapolated based on tenancy only usage, which was not possible during 2006-07.³³⁹ More importantly, usage per EFT remained at the previous year's level of 12 kilolitres.

The Committee commends the Department of Justice and the Department of Primary Industries for their efforts to improve their reporting capacity and looks forward to their reporting in 2008-09 on all Departmental locations. The Committee encourages all departments to take the required steps to ensure more comprehensive reporting is available in the future.

The Department of Sustainability and Environment is another department which reduced water consumption considerably in 2007-08. The Department's water usage fell from 13,671 kilolitres in 2006-07 to 10,183 kilolitres in 2007-08. In addition, usage per EFT fell from 11 kilolitres to eight kilolitres. The Department explained that water-saving measures were undertaken during the year, such as the implementation of waterless urinals and dual flush toilets. The installation of sub-meters also contributed to accurate reporting of water consumption in 2007-08.³⁴⁰

Water consumption per EFT of Environment Protection Authority and Sustainability Victoria remained largely unchanged, at previous year's levels of 10 kilolitres and one kilolitre respectively.

³³⁷ Department of Infrastructure, *Annual Report 2006-07*, p.196

³³⁸ Department of Transport, *Annual Report 2007-08*, p.213

³³⁹ Department of Justice, *Annual Report 2007-08*, p.139

³⁴⁰ Department of Sustainability and Environment, *Annual Report 2007-08*, p.13

Table 12.7: Total Metered Water Consumption and Metered Water Used per EFT by Department and Environmental Agency

| | Total Metered Water Consumption | | | | Metered Water Used per EFT | | | |
|---|---------------------------------|----------------|---------------|------------|----------------------------|---------------|--------------|-------------|
| | 2007-08 | 2006-07 | Variation | | 2007-08 | 2006-07 | Variation | |
| | (kilolitres) | (kilolitres) | (kilolitres) | (%) | (litres/day) | (litres/day) | (litres/day) | (%) |
| Department of Human Services | 46,332 | 45,379(e) | 953 | 2 | 49.3 | 49.3 | 0.0 | 0.0 |
| Department of Innovation, Industry and Regional Development | 2,404(a) | 7,318(a) | -4,914(c) | -67(c) | 43.8 | 30.1 | 13.7 | 45.5 |
| Department of Education and Early Childhood Development | 4,305(a) | 7,098(a) | -2,793(d) | -39(d) | 30.1 | 54.8 | -24.7 | -45.0 |
| Department of Infrastructure/Transport | 4,041 | 14,401 | -10,360 | -72 | 35.6 | 38.4 | -2.8 | -7.3 |
| Department of Justice(e) | 8,595 | 23,228 | -14,633 | -63 | 32.9 | 32.9 | 0.0 | 0.0 |
| Department of Premier and Cabinet | Not disclosed | Not disclosed | N/A | N/A | Not disclosed | Not disclosed | N/A | N/A |
| Department of Primary Industries | 106,120(b) | 27,460(b) | 78,660 | 286 | 43.8 | 41.1 | 2.7 | 6.6 |
| Department of Sustainability and Environment | 10,183 | 13,671 | -3,488 | -26 | 21.9 | 30.1 | -8.2 | -27.2 |
| Department of Treasury and Finance | 42,204(a) | 54,194(a) | -11,990 | -22 | Not disclosed | Not disclosed | N/A | N/A |
| Department of Planning and Community Development | 10,995 | 9,980 | 1,015(f) | 10(f) | 32.9 | 41.1 | -8.2 | -19.9 |
| Total | 235,179 | 202,729 | 32,450 | 16 | 290.3 | 317.8 | -27.5 | -8.7 |
| Environment Protection Authority | 5,890 | 8,310 | -2,420 | -29 | 30.1 | 27.4 | 2.7 | 9.8 |
| Sustainability Victoria | 128 | 116 | 12 | 10 | 2.7 | 2.7 | 0.0 | 0.0 |
| Agency Total | 6,018 | 8,426 | -2,408 | -29 | 32.8 | 30.1 | 2.7 | 9.0 |

- Notes:
- (a) Reported data excludes water used by offices located on the Treasury Reserve because departments reported that the water reticulation systems could not adequately allow billing data to be attributed to the departments.
 - (b) The Department of Primary Industries disclosed that water consumption in 2007-08 was reported based on actual domestic metered and billed water at 62.9 per cent of the departmental sites. These sites included meters at dedicated offices as well as locations for non-core activities, such as research. In 2006-07, water consumption was reported based on an extrapolation of data collected from water meters at a limited number of locations.
 - (c) The Department of Innovation, Industry and Regional Development disclosed that consumption data used for reporting in 2007-08 covered 80 per cent of total EFT and 26 per cent of all sites, whereas the 2006-07 data covered 92 per cent of total EFT and 36 per cent of all sites. In addition, the Department was subject to machinery of government changes in 2007-08.³⁴¹
 - (d) The Department of Education and Early Childhood Development disclosed that the significant reduction in water consumption was attributable to an approximate 2,500 kilolitres of water leakage at the Loddon Mallee Regional Office in 2006-07.³⁴²
 - (e) Department of Justice 2007-08 figures cover 40 per cent of the Department's EFT and 37 per cent of the Department's locations. The 2006-07 figures cover 31 per cent and 1.5 per cent of locations.
 - (f) The Department of Planning and Community Development explained that the increase in water consumption was due to the addition of other groups from the Department of Sustainability and Environment, and the Department of Infrastructure as part of machinery of government changes.³⁴³

Sources: Departmental and Agency Annual Reports 2006-07 and 2007-08.

Excluding the Department of Education and Early Childhood Development, total energy usage by vehicle fleet decreased by 3 per cent, from 319,658 gigajoules in 2006-07 to 310,261 gigajoules in 2007-08. The Department of Education and Early Childhood Development did not include previous year's comparative data explaining that the 2006-07 data was unreliable.³⁴⁴

Five departments (the Department of Human Services, the Department of Innovation, Industry and Regional Development, the Department of Transport, the Department of Justice, and the Department of Sustainability and Environment) recorded a reduction in energy consumption totalling 40,898 gigajoules. This reduction is largely offset by the increased usage in the other four departments (the Department of Primary Industries, the Department of Premier and Cabinet, the Department of Treasury and Finance, and the Department of Planning and Community Development).

The Department of Primary Industries recorded a significantly higher energy consumption of 72,770 gigajoules in 2007-08, compared to 45,113 gigajoules in previous year. The Department explained that the two years' consumption data are not comparable as the 2007-08 data related to the energy consumption of the Department's fleet vehicles, whereas the 2006-07 data related to passenger vehicles. Passenger vehicles represent only a subset of the Department's total fleet.

Similarly, the Department of Treasury and Finance disclosed that a new reporting methodology was used in 2007-08 to provide more accurate data.³⁴⁵ As a result, the Department's energy usage for fleet vehicles registered a rise of 28 per cent from 207 gigajoules to 264 gigajoules. However, the Department did not provide any information in its annual report about the nature of the new methodology or the impact it had on the data.

³⁴¹ Department of Innovation, Industry and Regional Development, *Annual Report 2007-08*, p.132

³⁴² Department of Education and Early Childhood Development, *Annual Report 2007-08*, p.162

³⁴³ Department of Planning and Community Development, *Annual Report 2007-08*, p.148

³⁴⁴ Department of Education and Early Childhood Development, *Annual Report 2007-08*, p.162

³⁴⁵ Department of Treasury and Finance, *Annual Report 2007-08*, p.102

The Department of Planning and Community Development is another department which reported a considerable increase in energy consumption in 2007-08, rising by 20 per cent from 7,307 gigajoules to 8,794 gigajoules. The Department explained that its performance was impacted by the machinery of government changes. In August 2007, the former Department of Victorian Communities and the planning functions of the Department of Sustainability and Environment were combined to form the Department of Planning and Community Development.

FRD 24C introduced a new requirement in 2007-08 – disclosure of energy consumption by vehicle fleet segmented by vehicle type. Three departments (the Department of Premier and Cabinet, the Department of Treasury and Finance, and the Department of Sustainability and Environment) did not disclose the required segment data. The Department of Primary Industries disclosed energy consumption by vehicle type (e.g. two wheel drive, four wheel drive, passenger vehicles, high environmental performance vehicles), whereas all other departments disclosed energy consumption by fuel type (e.g. petrol, diesel, LPG). The Committee has recommended that the guidelines associated with FRD 24C be updated to incorporate more detailed and specific instruction to ensure consistent responses from all departments (refer Section 12.4).

As summarised, the two-year trend in energy consumption is skewed due to changes in bases of measurement and presentation. The Committee noted that travel associated with entity operations rose by 11 percent, from 82.6 million kilometres in 2006-07 to 92 million kilometres in 2007-08. This equates to approximately 3,150 kilometres travelled for every department EFT in 2007-08. As in previous year, the Department of Human Services and the Department of Primary Industries registered the highest mileage. The Department of Human Services recorded 38 million kilometres, representing 41 per cent of total distance across the 10 departments.

The Department of Primary Industries recorded 21 million kilometres, representing 23 per cent of total mileage registered by the 10 departments and an increase of 55 per cent from the previous year. This higher mileage also corresponds to the 61 per cent increase in energy consumption over the two periods. However, the Department of Primary Industries reported that total distance travelled by its passenger vehicles³⁴⁶ fell by 5.6 per cent from 13.5 million kilometres in 2006-07 to 12.7 million kilometres in 2007-08. In addition, the Department set a target to reduce this further by 10 per cent in 2008-09.³⁴⁷

The Committee noted that travel associated with the two environmental entities' operations reduced by 15 percent, from 1.9 million kilometres in 2006-07 to 1.7 million kilometres in 2007-08.

Of the six departments which provided segment data, 67 per cent of the departments' energy requirement was met by petrol fuel. LPG constituted 26 per cent of total fuel consumption, while diesel and E10 made up the balance. LPG is less efficient than petrol per distance travelled but more efficient in green house emissions.

Another new requirement of FRD 24C is the disclosure of total distance travelled by air. The 10 departments registered a total distance travelled of 21 million kilometres. The Department of Justice recorded the highest mileage at 4.6 million kilometres, representing 22 per cent of the 10 departments' combined total. The Department explained that departmental fleet and air travel data include a number of statutory entities.³⁴⁸ The Committee will include in future reports the departments' performance trends.

Except for two departments (the Department of Planning and Community Development, and the Department of Premier and Cabinet), more than 80 per cent of employees at CBD offices regularly (more than 75 per cent of work attendance days) used alternative modes of transport. This represents a general improvement in 2007-08 across departments. The Department of Sustainability and Environment is the only department reporting a reduction, from 86 per cent to 84 per cent. On the other hand, more staff at the Department of Human Services at its CBD locations used alternative modes of transport. In 2007-08, 93 per cent of the Department of Human Services staff regularly used public transport, cycling, walking, or car pooling to and from work, or working from home.

³⁴⁶ The Department of Primary Industries classifies four-door general passenger vehicles, such as Holden Commodores, Ford Falcon sedans and Toyota Camry's, as passenger vehicles.

³⁴⁷ Department of Primary Industries, *Annual Report 2007-08*, p.65

³⁴⁸ Department of Justice, *Annual Report 2007-08*, p.141

Table 12.8: Total Energy Consumption by Department Vehicle Fleet and Total Vehicle Travel Associated with Entity Operations by Department and Environmental Agencies

| | Total Energy Consumption by Department Vehicle Fleet | | | | Total Vehicle Travel Associated with Entity Operations | | | |
|---|--|---------------|--------------|-----|--|---------------|--------------|-----|
| | 2007-08 | 2006-07 | Variation | | 2007-08 | 2006-07 | Variation | |
| | (gigajoules) | (gigajoules) | (gigajoules) | (%) | (kilometres) | (kilometres) | (kilometres) | (%) |
| Department of Human Services | 145,542 | 153,728(a) | -8,186 | -5 | 38,095,918 | 38,656,869(a) | -560,951 | -1 |
| Department of Innovation, Industry and Regional Development | 4,397 | 7,890 | -3,493 | -44 | 1,338,838 | 2,232,152 | -893,314 | -40 |
| Department of Education and Early Childhood Development | 23,507 | Not disclosed | N/A | N/A | 7,030,951 | Not disclosed | N/A | N/A |
| Department of Infrastructure/Transport | 9,135 | 10,261(b) | -1,126 | -11 | 2,438,663 | 2,676,774 | -238,111 | -9 |
| Department of Justice | 52,006 | 75,624 | -23,618 | -31 | 14,021,165 | 17,429,514 | -3,408,349 | -20 |
| Department of Premier and Cabinet | 175 | 137 | 38 | 28 | 56,059 | 44,992 | 11,067 | 25 |
| Department of Primary Industries | 72,770 | 45,113 | 27,657 | 61 | 20,979,156 | 13,494,062 | 7,485,094 | 55 |
| Department of Sustainability and Environment | 17,179 | 19,391 | -2,212 | -11 | 5,317,696 | 6,096,384 | -778,688 | -13 |
| Department of Treasury and Finance | 264 | 207 | 57 | 28 | 80,574 | 72,615 | 7,959 | 11 |
| Department of Planning and Community Development | 8,794 | 7,307 | 1,487 | 20 | 2,619,328 | 1,904,559 | 714,769 | 38 |
| Total | 310,261(d) | 319,658 | -9,397 | -3 | 91,978,348 | 82,607,921 | 9,370,427 | 11 |
| Environment Protection Authority | (c) | (c) | (c) | (c) | 1,551,229 | 1,761,253 | -210,024 | -12 |
| Sustainability Victoria | 191 | 320 | -129 | -40 | 111,117 | 187,315 | -76,198 | -41 |

Notes: (a) The comparative data for 2006-07 has been amended to reflect the effect of machinery of government changes.

(b) The comparative data for 2006-07 has been amended to correct a calculation error in prior year.

(c) Environment Protection Authority disclosed energy consumption in litres of fuel used.

(d) Total excludes consumption data of Department of Education and Early Childhood Development.

Sources: Departmental and Agency Annual Reports 2006-07 and 2007-08.

Table 12.9: Percentage of Employees in CBD Regularly (>75% of Work Attendance Days) Using Public Transport, Cycling, Walking, or Car Pooling to and from Work, or Working from Home by Department & Agency

| Department/Agency | Percentage of Employees in CBD Regularly using Alternate Modes of Transport | | |
|---|---|---------|------|
| | 2007-08 | 2006-07 | |
| | (%) | (%) | |
| Department of Human Services | 93 | 78 (a) | 19 |
| Department of Innovation, Industry and Regional Development | 80 | 74 | 9 |
| Department of Education and Early Childhood Development | 89 | 78 | 14 |
| Department of Infrastructure/Transport | 88 | 77 | 14 |
| Department of Justice | 88 | 75 | 17 |
| Department of Premier and Cabinet | 79 | 67 | 18 |
| Department of Primary Industries | 82 | 36 | >100 |
| Department of Sustainability and Environment | 84 | 86 (b) | -2 |
| Department of Treasury and Finance | 80 | 75 | 7 |
| Department of Planning and Community Development | 77 | 75 | 3 |
| Environment Protection Authority | 65 | 58 | 11 |
| Sustainability Victoria | 87 | 90 | -4 |

Notes: (a) The comparative data for 2006-07 have been amended to reflect the effect of machinery of government changes.

(b) The comparative data for 2006-07 have been amended to follow FRD 24C disclosure requirements.

Sources: Departmental and Agency Annual Reports 2006-07 and 2007-08.

12.2.5 Greenhouse Gas Emissions

Greenhouse gas emissions by government departments are measured in relation to energy use and the vehicle fleet. In total, 95,300 tonnes of CO₂ equivalent were produced by the 10 government departments in 2007-08. This is an increase of 2,885 tonnes over the 2006-07 figure of 92,415.

Total greenhouse gas emissions associated with energy use across all the departments fell marginally by 1.6 per cent in 2007-08, from 72,421 tonnes to 71,279 tonnes of CO₂ equivalent. Consistent with the departments' energy consumption profiles, the Department of Primary Industries and the Department of Human Services generated the biggest volumes of greenhouse gas.

The Department of Primary Industries recorded 22,045 tonnes, representing 31 per cent of total emissions across the 10 departments. However, the Department of Primary Industries was successful in bringing the previous year's emissions level down by 13 per cent. The Department of Human Services recorded 19,625 tonnes, representing 28 per cent of total emissions registered by the 10 departments. However, their 2007-08 emissions level was 3 per cent lower than in 2006-07.³⁴⁹

³⁴⁹ Department of Justice, *Annual Report 2007-08*, p.138

The Committee noted that the Department of Justice more than doubled its greenhouse gas emissions associated with energy use in 2007-08. The Department generated 7,394 tonnes of CO₂ equivalent, an increase of 104 per cent from previous year. However, the Department explained that in 2007-08 energy consumption data covered 37 per cent of total locations, whereas only 1.5 per cent was covered in 2006-07.

The Department of Justice has set a target to reduce energy consumption by 15 per cent and increase *Green Power* purchase by 15 per cent in 2008-09. While the Committee commends the Department's aims in increasing data coverage, care will be required to ensure consistency of data to determine the measurability and achievement of this target. It will also need to report data from all locations in 2008-09.

The Department of Planning and Community Development also reported a considerable increase in greenhouse gas emissions, rising by 41 per cent from 1,263 tonnes to 1,780 tonnes. The Department explained that this was impacted by the machinery of government changes. The Department has set a target to reduce energy consumption by 5 per cent and increase *Green Power* purchase by 25 per cent in 2009-10.

Total greenhouse gas emissions associated with the government vehicle fleet increased by 20 per cent in 2007-08, from 19,994 tonnes to 24,021 tonnes of CO₂ equivalent.

In 2007-08, the Department of Human Services' and the Department of Primary Industries' vehicle fleets together recorded 59 million kilometres of operation related travel, generating 15,678 tonnes of CO₂ equivalent as a result. This represents 65 per cent of total emissions associated with vehicle fleets across the 10 departments. Compared to the previous year, the Department of Human Services' CO₂ equivalent emission was lower by 5 per cent. The lower emission level was consistent with the reduction in the Department's operation related travel from 38.7 million kilometres 2006-07 to 38.1 million kilometres in 2007-08 (refer Table 12.8). The Department of Primary Industries did not provide the CO₂ equivalent emission data for 2006-07. However, the Department reported a significant increase in operational travel, from 13.5 million kilometres to 21.0 million kilometres (refer Table 12.8).

FRD 24C introduced a new measure in 2007-08 - total greenhouse gas emissions associated with air travel. The 10 departments reported total emissions of 5,861 tonnes of CO₂ equivalent. The Department of Primary Industries recorded the highest volume of greenhouse gas at 1,096 tonnes, representing 19 per cent of the 10 departments' combined total. However, this is not consistent with air travel data disclosed by other departments. The Department of Justice recorded a higher mileage of 4.6 million kilometres, double that of the Department of Primary Industries, however, its reported emissions for the year were 50 per cent lower than that of the latter. Further guidance is required to ensure that sufficient information is provided by departments in their annual reports to allow meaningful comparisons to be made. The Committee has made a recommendation to this effect.

Another new requirement of FRD 24C is the disclosure of greenhouse gas emission offset purchased. The Committee noted that:

- three departments (the Department of Education and Early Childhood Development, the Department of Transport and the Department of Primary Industries) disclosed specific amounts of offset purchased;
- two departments (the Department of Premier and Cabinet, and the Department of Treasury and Finance) made a general disclosure that the Department of Sustainability and Environment contracts the supply of offsets for government vehicle fleets;
- three departments (the Department of Human Services, the Department of Planning and Community Development, and the Department of Innovation, Industry and Regional Development) disclosed that data was unavailable; and
- two departments (the Department of Sustainability and Environment, and the Department of Justice) did not make any disclosure. If no offsets were purchased, this should be disclosed by departments.

Environment Protection Authority's greenhouse gas emissions associated with energy use reduced by 5 per cent in 2007-08. As in 2006-07, Sustainability Victoria did not report any greenhouse gas emission. Sustainability Victoria continued to meet all its energy needs with *Green Power* in 2007-08.

In addition, the two environmental agencies' greenhouse gas emissions associated with vehicle fleets fell by 19 per cent in 2007-08, from 454 tonnes to 369 tonnes of CO₂ equivalent. This is consistent with the 15 per cent fall in operation related travels in 2007-08.

Table 12.10: Total Greenhouse Gas Emissions Associated with Energy Use and Total Greenhouse Gas Emissions Associated with Vehicle Fleet by Department and Environmental Agency

| | Total Greenhouse Gas Emissions - Energy Use | | | | Total Greenhouse Gas Emissions - Vehicle Fleet | | | |
|---|---|-------------------------------------|-------------------------------------|-------|--|-------------------------------------|-------------------------------------|-----|
| | 2007-08 | 2006-07 | Variation | | 2007-08 | 2006-07 | Variation | |
| | (Tonnes CO ₂ Equivalent) | (Tonnes CO ₂ Equivalent) | (Tonnes CO ₂ Equivalent) | (%) | (Tonnes CO ₂ Equivalent) | (Tonnes CO ₂ Equivalent) | (Tonnes CO ₂ Equivalent) | (%) |
| Department of Human Services | 19,625 | 20,210(a) | -585 | -2.9 | 10,375 | 10,962(a) | -587 | -5 |
| Department of Innovation, Industry and Regional Development | 2,326 | 2,204 | 122 | 5.5 | 312 | 592 | -280 | -47 |
| Department of Education and Early Childhood Development | 2,901 | 2,798(b) | 103 | 3.7 | 1,612 | (c) | N/A | N/A |
| Department of Infrastructure/Transport | 3,041 | 2,577(d) | 464 | 18.0 | 652 | 741 | -89 | -12 |
| Department of Justice (e) | 7,394 | 3,629 | 3,765 | 103.7 | 3,866 | 5,665 | -1,799 | -32 |
| Department of Premier and Cabinet | 1,282 | 1,468 | -186 | -12.7 | 13 | 11 | 2 | 18 |
| Department of Primary Industries | 22,045 | 25,349 | -3,304 | -13.0 | 5,303 | (c) | N/A | N/A |
| Department of Sustainability and Environment | 9,284 | 11,276 | -1,992 | -17.7 | 1,228 | 1,453 | -225 | -15 |
| Department of Treasury and Finance | 1,601 | 1,647(a) | -46 | -2.8 | 19 | 16 | 3 | 19 |
| Department of Planning and Community Development | 1,780 | 1,263 | 517 | 40.9 | 641 | 554 | 87 | 16 |
| Total | 71,279 | 72,421 | -1,142 | -1.6 | 24,021 | 19,994 | 4,027 | 20 |
| Environment Protection Authority | 31 | 36 | -5 | -13.9 | 355 | 429 | -74 | -17 |
| Sustainability Victoria | 0 | 0 | 0 | | 14 | 25 | -11 | -44 |

- Notes:
- (a) The comparative data for 2006-07 has been amended to reflect the effect of machinery of government changes.
 - (b) The comparative data for 2006-07 has been amended to include both central and regional offices.
 - (c) Comparative data for this new FRD 24C disclosure requirement was not provided.
 - (d) The comparative data for 2006-07 have been amended to follow FRD 24C disclosure requirements.
 - (e) Greenhouse gas emissions were calculated using the National Greenhouse Accounts Factors and factors provided by the Environment Protection Authority, Victoria. As such, the coverage obtained (89 per cent of the Department's locations and 95 per cent of the Department's EFT) may differ from other results detailed in this chapter.

Sources: Departmental and Agency Annual Reports 2006-07 and 2007-08.

12.2.6 Procurement

FRD 24C requires the disclosure of whether and how procurement activities:

- are environmentally responsible; and
- support the objectives of the government's environmental procurement policy.

The disclosure should include

- how environmental considerations have been incorporated into procurement decision making;
- a list of tenders, contracts, or products incorporating sustainability clauses or specifications; and
- progress in achieving any procurement related targets.

The Committee noted that each of the departments and environmental agencies disclosed how environmental considerations were incorporated into procurement processes. Four departments (the Department of Human Services, the Department of Education and Early Childhood Development, the Department of Treasury and Finance, and the Department of Primary Industries) gave examples of contracts with sustainability specifications.

Four departments (the Department of Innovation, Industry and Regional Development, the Department of Education and Early Childhood Development, the Department of Planning and Community Development, and the Department of Primary Industries) reported progress in achieving procurement related targets.

The Committee looks forward to the implementation of consistent disclosure guidelines by the Department of Treasury and Finance in relation to procurement activities.

12.3 Costs/Savings Associated with Environmental Initiatives

The Committee asked departments to quantify the financial costs/savings associated with meeting each of the requirements set out in FRD 24C. In addition, departments were asked to outline the measures undertaken to minimise the impact on the environment of the preparation and publication of their 2007-08 annual reports and other key publications.

12.3.1 Financial Costs/Savings

In the *Report on the 2006-07 Financial and Performance Outcomes*, the Committee noted that departments had largely failed to adopt a consistent form of monitoring of financial savings or costs associated with their efforts to make environmental savings.³⁵⁰

³⁵⁰ Public Accounts and Estimates Committee, *Report on the 2006-07 Financial and Performance Outcomes*, May 2008, p.426.

Responding to the Committee's recommendation to review and develop FRD 24B to include set criteria and guidance to assist departments to report the costs and savings associated with their office-based environmental activities, the Government stated that:³⁵¹

FRD24B was updated in April 2008 to FRD24C. The development of FRD24 and guidance materials was undertaken by the Department of Sustainability and Environment in consultation with the Commissioner for Environmental Sustainability, the Department of Treasury and Finance and other departments and agencies implementing an office-based EMS...

...Departments will continue to report environmental savings, but not monetary costs and savings. The only cost required to be reported is the total cost of Green Power purchased.

The Committee maintains that there is value in measuring the financial impact of office-based environmental activities and is disappointed that, for the second year running and despite its recommendations to the contrary, that there has been no notable improvement in the quality or quantity of data provided to the Committee. Given the lack of development on this matter in the recent review of FRD 24, the Committee will continue to seek this information from departments and expects that more accurate, detailed and consistent information will be made available to the Committee in future years.

Recommendation 28: The Department of Treasury and Finance and the Department of Sustainability and Environment, collaborate to develop guidelines to enable departments to report the costs and savings associated with their office-based environmental activities.

Due to the variations in data collection practices, the cost/savings data provided by departments has not been reported in this report, however, the following points were able to be drawn from the information provided:

- six departments (the Department of Human Services, the Department of Innovation, Industry and Regional Development, the Department of Transport, the Department of Primary Industries, the Department of Sustainability and Environment, and the Department of Planning and Community Development) provided both actual and estimated financial costs/savings associated with energy use, paper use, water consumption and transportation;
- with the exception of the Department of Planning and Community Development,³⁵² none of the departments reported financial costs/savings associated with waste production, greenhouse gas emissions and procurement;
- the Department of Innovation, Industry and Regional Development reported additional transportation costs of \$79,743 in 2007-08. The Department explained that the increase was due largely to higher petrol and LPG costs;³⁵³
- the Department of Primary Industries reported that cost savings achieved from lower energy and transportation use were more than off set by higher energy and fuel costs, resulting in overall increases in energy cost of \$304,000 and transportation cost of \$8,400; and ³⁵⁴

³⁵¹ Victorian Government, Government's Response to the PAEC Report No. 79, 2006-07 Financial and Performance Outcomes, November 2008, p.36

³⁵² The Department of Planning and Community Development estimated cost savings based on a 24 per cent decrease in costs associated with purchasing remanufactured toners and inks compared to OEM pricing

³⁵³ Department of Innovation, Industry and Regional Development, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.14

³⁵⁴ Department of Primary Industries, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.7

- the Department of Human Services and the Department of Sustainability and Environment reported savings in transportation costs totalling \$662,000 and \$83,426 respectively. The Department of Human Services explained that it increased the use of low emission vehicles by 43 per cent in 2007-08.³⁵⁵ The Department Sustainability and Environment attributed the cost reduction to lower fuel consumption by the Department's vehicle fleet.³⁵⁶

12.3.2 Environmental Impact of Publications

The Committee found that all the departments have taken steps to minimise the environmental impact of publishing annual reports and other key publications. These steps primarily involved the following initiatives:

- hard copy printing is minimised. Users are directed to departments' web sites to obtain information; and
- where distribution of publications solely via the internet is not feasible, publications are printed on environmentally sustainable papers or stored on compact discs for distribution.

12.4 Issues in Reporting of Office-based Environmental Data by Government Entities

FRD 24C sets the minimum requirements for all government departments and environmental agencies to report on office-based environmental impacts. The reported information is useful to gaining a better understanding and reducing the entities' office-based environmental impacts.

The Committee observed the following deficiencies in the entities' reporting in accordance with FRD 24C:

- FRD 24C replaced FRD 24B and was effective from 1 July 2007. FRD 24C introduces several new measures which require disclosure of more detailed information. For instance, energy use should be disclosed by primary source. Only five departments disclosed the required segment information for energy use, waste production and transportation;
- FRD 24C requires the disclosure of at least one future target per indicator. The Department of Premier and Cabinet, the Department of Treasury and Finance, and Sustainability Victoria did not disclose future performance targets;
- FRD 24C requires the disclosure of performance trends for each indicator. The Department of Justice and the Department of Innovation, Industry and Regional Development did not provide previous year's comparative data;
- the requirements in FRD 24C were interpreted differently. For instance, FRD 24C requires energy consumption by vehicle fleet to be disclosed by vehicle type. The Department of Primary Industries disclosed energy consumption by vehicle type (e.g. two wheel drive, four wheel drive, passenger vehicles, high environmental performance vehicles), whereas all other departments disclosed energy consumption by fuel type (e.g. petrol, diesel, LPG). As at 6 March 2009, the FRD guidance on the websites of the Department of Treasury and Finance and the Environment Protection Authority still reflect FRD 24B despite the change to FRD 24C on 1 July 2008; and
- significantly different measurement bases were used. For instance, office-based energy data reported by the Department of Justice in 2007-08 covered 43 per cent of EFT staff and 30 per cent of all the Department locations, whereas the previous year's data covered only 31 per cent of EFT staff and 1.5 per cent of Department locations.

³⁵⁵ Department of Human Services, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.31

³⁵⁶ Department of Sustainability and Environment, response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, received 9 February 2009, p.10

These reporting deficiencies render it difficult to compare the entities' performance between reporting periods. This view is shared by the Commissioner for Environmental Sustainability following his audit of Victorian Government agencies' environmental management systems. The Commissioner also identified the following improvement opportunities:

- making reporting on greenhouse gas emissions and water mandatory across all functions of Government;
- incorporating the Global Reporting Initiative (GRI) framework in Government's reporting directive to disclose issues materially significant to departments' and agencies' operations and to their stakeholders, including greenhouse gas emissions and water; and
- developing a risk-based regime of regular verification to conduct verification via Government's current audit function or a third party.³⁵⁷

Recommendation 29: **Future Annual Reports of Operations disclose all the mandatory information in accordance with FRD 24C, including segment data, future targets and performance trends.**

Recommendation 30: **The Department of Treasury and Finance and the Environment Protection Authority revise the FRD guidance and provide clearer directions to implementation of FRD 24C.**

Recommendation 31: **The Department of Treasury and Finance and the Environment Protection Authority incorporate the Commissioner for Environmental Sustainability's recommendations in revising FRD 24C and related guidance.**

Recommendation 32: **Where there is a change in previous year's reporting method, previous year's comparative data be amended and presented in accordance with current year's reporting method.**

³⁵⁷ Commissioner for Environmental Sustainability Victoria, Strategic Audit: Environmental Performance Reporting Supplementary Report 2007-08, January 2009, p.20

CHAPTER 13: REGIONAL AND RURAL OUTCOMES

Key Findings of the Committee:

- 13.1 The profile of doctors in regional and rural Victoria shows that:
- there is one general practitioner (GP) per 1,161 people in rural Victoria;
 - the rural GP workforce is ageing – the average age is close to 50 years; and
 - approximately one-third of GPs want to reduce their hours or retire within the next five years.
- 13.2 In early March 2008, there were around 120 vacancies for GPs in regional and rural Victoria, with priority vacancies occurring in Casterton, Cohuna, Kerang, Warrnambool, Ouyen, Mildura, Robinvale, Shepparton, Timboon and Geelong.
- 13.3 From a strategic point of view, the Rural Workforce Agency Victoria has predicted that by 2012, an additional 700 doctors will be needed in rural areas.
- 13.4 A wide range of strategies are in place to promote the wellbeing of young people in rural settings in terms of gaining access to dental, sexual health and mental health services. The Committee has recommended that a formal evaluation should be commissioned after a sufficient lead time had elapsed to assess whether the intended objectives of these strategies have been realised in a coordinated manner.
- 13.5 In November 2005, the Department of Innovation, Industry and Regional Development launched a new plan to develop, grow and strengthen Regional Victoria, *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest*. The Committee believes that further work is required by the Department and Regional Development Victoria to present financial information associated with *Moving Forward* in a concise and consistent manner.
- 13.6 As of June 2008, the Department of Education and Early Childhood Development employed 2,091 full time equivalent non teaching staff in its central and regional offices throughout Victoria. Of these staff, 17.9 per cent (374.8 EFT) were employed in regional Victoria.
- 13.7 Five departments have been involved in delivering the Government's \$400 million drought relief package and a significant number of the programs and initiatives outlined are either complete or nearing completion. Given this, the Committee believes that it would be prudent for the Government to coordinate a progress update and project evaluation covering the major drought projects contained within its \$400 million drought relief package.
- 13.8 During 2007-08, the Government contributed \$8 million to the Natural Disasters Relief Trust Account and spent \$6.3 million, primarily supporting those affected by the Gippsland Floods.
- 13.9 The 2006-07 Budget allocated \$8.2 million to the Department of Infrastructure (Transport) to undertake a program to fit door safety mechanisms to 85 N,S and Z class locomotive-hauled V/Line carriages which did not have central locking systems, of which 68 carriages (81.9 per cent) have been completed.

13.1 Rural health workforce – resourcing strategies

In examining the profile of doctors in regional and rural Victoria, the Committee found that:

- there is one general practitioner (GP) per 1,161 people in rural Victoria;
- 1,220 GPs were operating in rural Victoria of which 140 (11.5 per cent) were registrars;
- the rural GP workforce is ageing – the average age of rural GPs is close to 50 years;
- older GPs are mostly male; and
- approximately one-third of GPs want to reduce their hours or retire within the next five years.

The Committee also noted that there were around 120 vacancies in early March 2008, with priority vacancies occurring in Casterton, Cohuna, Kerang, Warrnambool, Ouyen, Mildura, Robinvale, Shepparton, Timboon and Geelong. From a strategic point of view, the Rural Workforce Agency, Victoria has predicted that by 2012, Victoria will need 700 additional doctors working in rural areas.³⁵⁸

Related to this, a major outcome identified in the Department of Human Services *Annual Plan 2007-08*, was to develop a skilled and highly performing workforce across Victoria. To achieve this outcome, the Department identified a need to strengthen the rural workforce and in doing so set three targets for delivery by June 2008:³⁵⁹

- 15 posts for advanced medical specialist trainees in rural settings;
- 15 posts to train GPs in advanced procedural skills; and
- a plan for recruitment of international health care professionals.

The Department of Human Services advised the Committee that in relation to these targets:

- fifty posts for advanced medical specialist trainees in rural settings were funded in 2008. These 50 posts covered 22 specialties.
- funding for 15 advanced procedural skills training posts for GPs in rural settings was made available in 2008. In June 2008, 12 of these 15 posts were filled (Obstetrics, Anaesthetics and Paediatrics) and 3 posts were not filled as candidates withdrew from the training program at short notice and the vacancies could not be filled. The uptake of these posts has increased for 2009, with 15 posts filled for 2009.
- in 2006, the state government announced a recruitment campaign to attract international medical graduates into the Victorian health system. In 2007-08, achievements for key components of the campaign were:
 - incentive Packages initiated to support overseas recruitment - 71 new doctors and 13 allied health practitioners have successfully been brought into the Victorian system in the first year of operation (67 doctors (94.4 per cent) and 11 allied health practitioners (84.6 per cent) were recruited to rural locations);
 - free advertising was secured in the British Medical Journal for Victorian health services to advertise medical vacancies;
 - a research project looking at the barriers to recruitment of international medical graduates to Victoria has been completed. Responses to the recommendations are being considered; the report will then be released; and
 - the Department has placed an officer in the London Victorian Government business office to facilitate recruitment of medical staff to Victoria. Through the departmental officer, Victoria has a presence at a number of the expos in the United Kingdom such as the British Medical Journal Careers Fair. The officer is also liaising with hospitals in the United Kingdom and

³⁵⁸ Rural Workforce Agency, Victoria, *Victorian Rural General Practice Workforce Planning for 2002-12 Summary Report*, p.4

³⁵⁹ Department of Human Services, *Departmental Plan 2007-08*, p.25

relevant bodies to promote Victoria as a great place to work. The introduction of the Register your interest to work in Victoria website in May 2008 has seen over 250 doctors register their interest to work in the Victorian health system. Names of suitable applicants are forwarded to health services for follow up.

The Committee is of the view that a progress report should be prepared at 30 June 2009 of where Victoria stands in terms of:

- filling all vacancies for doctors in regional and rural areas of Victoria as at that date; and
- projections over the forthcoming three year period to 30 June 2012.

Such a report would be invaluable in terms of developing long-term resourcing and funding strategies if required, pinpointing areas of greatest need, so that Victoria's rural health workforce will have adequate capacity to meet the health needs of rural Victoria into future.

Recommendation 33: **To address the possibility of critical shortages of general practitioners in regional and rural Victoria, the Department of Human Services prepare a progress report and long-term plan which covers the recruitment of an adequate number of doctors to meet the health requirements of rural Victorians into the future.**

13.2 Wellbeing of young people in rural settings – access to dental, sexual health and mental health services

According to report prepared by the Department of Education and Early Childhood Development and the Department of Planning and Community Development titled, *The state of Victoria's young people: A report on how Victorian young people aged 12-24 are faring*, young people in rural areas:³⁶⁰

- visited a dentist in the past 12 months at much the same rate as City youth; and
- report a range of barriers to their access to sexual health and mental health services (fears of stigma and a lack of anonymity were important contributory factors to this).

The Committee was interested in examining the strategies adopted by the Department of Human Services in these three key areas and the progress made towards improving healthcare accessibility for young people in rural areas.

13.2.1 Dental Health Care

The Department advised the Committee that the research which informed the reference to dental visits in *The state of Victoria's young people: A report on how Victorian young people aged 12-24 are faring*, also indicated that the percentage of people aged 15-34 visiting dentists within the last 12 months is 59.6 per cent for the capital city and 60.4 per cent for other places, showing no significant difference between location and dental visits.³⁶¹

The Department explained that since 1999, the Victorian Government has invested \$950 million into initiatives for increasing access for children to dental care in both metropolitan and regional Victoria.

During 2007-08, the Department also initiated an extensive program to integrate school and community dental services, enabling families to present together at the one community dental site, which was completed in October 2008.

³⁶⁰ Department of Education and Early Childhood Development and the Department of Planning and Community Development, *The state of Victoria's young people: A report on how Victorian young people aged 12-24 are faring*, 27 August 2007.

³⁶¹ Slade, G, Spencer, A & Roberts-Thomson, K, *Australia's dental generations: the National Survey of Adult Oral Health 2004–2006 AIHW cat.no. DEN 165, Canberra, Australian Institute of Health and Welfare (Dental Statistics and Research Series No. 34)*, 2007.

As discussed in the *Report on the 2006-07 Financial and Performance Outcomes*,³⁶² the Department has attempted to address the shortage of dentists and dental therapists in rural areas by through several programs:³⁶³

- the establishment of the Bachelor of Oral Health Science at La Trobe University Bendigo. The Bachelor/Master of Dentistry commenced in 2008 at La Trobe University with an intake of 60 students, who are expected to graduate in 2012. The new course paves the way for an increase of dentists trained in rural Victoria.
- The establishment of a pre-clinical teaching laboratory at La Trobe University Bendigo and provision of capital for satellite clinics at Wodonga (10 chairs), Mildura (eight chairs) and Melton (12 chairs) to accommodate clinical teaching needs for an expanded Dental School at La Trobe Bendigo.

13.2.2 Sexual Health Care

The Department of Human Services provides funding to approximately 100 Community Health Services (CHSs) across Victoria many of which, including in those located in rural areas, have developed proactive targeted programs providing ‘youth friendly’ counselling and health services. In recognition of the higher prevalence of mental health problems in the under 25 year old age group and as an early intervention / prevention response, young people and their families form one of three focus areas for counselling in CHSs. In addition, five rural CHSs (Shepparton, Ballarat, Portland, Geelong and Mildura) received funding under the State / Commonwealth Innovative Health Services for Homeless Youth (IHSY) Program. IHSY facilitates access to health care for homeless and otherwise at risk young people.³⁶⁴

Sexual health is a priority for the Department of Human Services where it featured prominently under two primary objectives in the Department’s *2007-08 Annual Plan*:

- Outcome: More people living healthy lifestyles. Develop new health promotion framework and plans for physical activity and active communities, accessible and nutritious food, reducing tobacco-related harm, and sexual and reproductive health; and
- Outcome: Reduced burden of disease. Implement a range of health promotion activities to address the rising rates of HIV and sexually transmissible infections.

In 2005, a collaboration between Family Planning Victoria, the Royal Women’s Hospital and the Centre for Adolescent Health launched the report titled *The Sexual and Reproductive Health of Young Victorians* (SRHYV). This report identified issues with access and confidentiality for young people seeking sexual health services.³⁶⁵

³⁶² Public Accounts and Estimates Committee, *Report on the 2006-07 Financial and Performance Outcomes*, May 2008, pp.457-459.

³⁶³ Department of Human Services, *Response to the Public Accounts and Estimates Committee Financial and Performance Outcomes Questionnaire Part Two*, January 2009.

³⁶⁴ *ibid.*

³⁶⁵ *ibid.*

Following this, in 2006, the Department of Human Services published the report titled *Victorian Sexually Transmissible Infections Strategy 2006–2009*. This report recognised that increasing levels of sexually transmissible infections in Victoria is of significant public health concern and provided a framework for a coordinated and sustained response to reducing the incidence and impact of STIs throughout Victoria. Together these documents provided a framework for the Government to improve the sexual health of young Victorians, including those who reside in rural areas. These initiatives included:³⁶⁶

- Sexuality Education in Victorian Schools – a partnership project between the Department of Human Services and the Department of Education and Early Childhood Development. This joint project has made significant advances in the delivery of sexuality education within Victorian primary and secondary schools. The major emphasis has been on ensuring sexuality education is ongoing in schools and integrated across all year levels and that schools build links with local health providers which reduces barriers to access for young people;
- Health Promotion Funding Initiative: 10 projects that focused on the prevention on sexually transmissible infections in young Victorians. Activities funded under this initiative included training for a range of service providers on the delivery of sexual health services to young people, including a range of marginalised youth. Access issues were also addressed with agencies addressing issues of condom distribution and appropriate referral pathways and collaboration between primary care services in order to improve service delivery; and
- Awareness campaigns: The Department has supported a range of safe sex and chlamydia activities around Victoria. In addition, the Department delivered a chlamydia awareness campaign across Victoria in 2007 which was targeted at young people.

13.2.3 Mental Health Care

In February 2007, the Department of Human Services released a report titled *Families where a parent has a mental illness a service development strategy*. The report details a strategy aimed at assisting services to develop more coordinated and effective approaches to address the heightened risk burden of families on the basis that:³⁶⁷

Families in which a parent has a serious or recurring mental illness are more likely to experience poverty, housing problems, family disruption and disorganisation, marital conflict, a reduction of social and leisure activities, disruption of children's schooling and isolation as a result of the parental illness

During 2007-08, young people in some rural areas (Goulburn Valley, Bendigo and Barwon) received assistance from FaPMI co-ordinators (Families where a parent has a mental illness) and a second round of national headspace funding saw the establishment of these integrated youth mental health services for young people aged 12-25 in rural Victoria in Geelong, South Western Victoria, Central Gippsland and the Mornington Peninsula.³⁶⁸

The *Report on the 2006-07 Financial and Performance Outcomes* identified a number of projects initiated by the Department of Human Services to support families through the drought and to tackle mental health issues facing rural communities.³⁶⁹

The Department of Human Services advised the Committee that under the 'Tackling Mental Health' 2006-07 initiative, rural community health and family services counselling services were expanded. This initiative has been continued in response to sustained drought under the following initiatives: 'Sustaining Community Wellbeing' (2007-08) and 'Drought Relief – Mental Health Services'

³⁶⁶ ibid.

³⁶⁷ Department of Human Services, *Families where a parent has a mental illness A service development strategy*, February 2009, p.1

³⁶⁸ Department of Human Services, *Response to the Public Accounts and Estimates Committee Financial and Performance Outcomes Questionnaire Part Two*, January 2009.

³⁶⁹ Public Accounts and Estimates Committee, *Report on the 2006-07 Financial and Performance Outcomes*, May 2008, p.252.

(2008-09). These initiatives focus on protecting and promoting the social-emotional health and wellbeing of rural people who are impacted by drought.³⁷⁰

Mental health services were also strengthened in rural populations through the following programs:³⁷¹

- 'Mental Health Drought Recovery - Mental Health Early Intervention' initiative. This initiative funded a clinician in each rural Area Mental Health Service to specifically provide secondary consultation to drought counsellors and other front-line drought workers. This initiative was superseded by the Future Farming Strategy, which became the whole of Victorian Government response to drought and climate change;
- Mental Health First Aid (MHFA) developed by Orygen at Melbourne University. Aimed at building the mental health literacy and service knowledge of non-mental health professionals across communities, MHFA was provided in all rural areas between 2006 and 2008. Up to 1,200 people are now trained in MHFA across Victoria; and
- other support networks. Looking Out For Your Neighbour was established through a partnership with the Victorian Farmers Federation. Initiatives such as this indirectly support young peoples' mental health by helping to strengthen family and community structures.

On 13 March 2009 the Government released *Because Mental Health Matters – Victorian mental health reform strategy 2009-19*. The strategy outlines a series of eight reforms based on the core elements of prevention, early intervention (in life, illness and episode) recovery and social inclusion.³⁷²

Reform area two – Early In Life outlines four goals to help children, adolescents, young people (0–25) and their families, these are:

- strengthen early identification and intervention through universal services, including early childhood services, primary health care and educational settings;
- provide earlier and age-appropriate treatment and care for children, adolescents and young adults with emerging or existing mental health problems and their families;
- deliver targeted mental health support for particular groups of highly vulnerable young people; and
- build stronger, more resilient families where there is risk related to mental health and drug and alcohol problems.

Given the wide range of initiatives funded by the Government that are aimed at promoting the wellbeing of young people in rural Victoria in terms of access to dental, sexual health and mental health services, the Committee is of the view that a formal evaluation should be commissioned after a sufficient lead time had elapsed to assess whether the intended objectives have been realised in a coordinated manner. An important precursor should be the establishment of a consolidated suite of performance measures and reporting mechanisms which encapsulates the diverse range of initiatives that have been implemented by the Department.

Recommendation 34:

After a sufficient lead time has elapsed, the Department of Human Services evaluate the effectiveness of the initiatives aimed at promoting the wellbeing of young people in rural Victoria in terms of access to dental, sexual health and mental health services.

³⁷⁰ Department of Human Services, *Response to the Public Accounts and Estimates Committee Financial and Performance Outcomes Questionnaire Part Two*, January 2009.

³⁷¹ *ibid.*

³⁷² Department of Human Services, *Because mental health matters – Victorian mental health reform strategy 2009-19*, March 2009.

13.3 Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest

In November 2005, the Department of Innovation, Industry and Regional Development launched a new plan to develop, grow and strengthen regional Victoria, *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest*. Given that this program is now in its fourth year of implementation, the Committee requested a detailed update of expenditure and progress against major targets and milestones for each of the 15 actions in the plan. The plan committed the Government to investing \$502 million across 15 major actions.

In June 2008, the Government released an update to the plan, *Moving Forward: Update, The Next Two Years 2008 to 2010*. This update included an additional \$68.3 million across five priority areas:³⁷³

- manage growth and change;
- industry development;
- skills development; and
- tackling drought and climate change.

The *Report on the 2006-07 Financial and Performance Outcomes* examined *Moving Forward* expenditure, focusing on two major funds, the *Provincial Victoria Growth Fund* and the *Regional Infrastructure Development Fund* which accounted for two of the 15 actions.³⁷⁴

Following on from this, the Committee determined to examine the progress made to date on addressing the 15 actions in the plan. The Department provided the Committee with a detailed breakdown of expenditure and progress against milestones for each of the 15 actions in the plan, see Table 13.1.

Since June 2006, \$217.4 million has been spent on *Moving Forward* initiatives, 43.3 per cent of the original budget of \$502 million. However, data provided by the Department indicated that the current estimated total investment has increased by 36.1 per cent to \$683.3 million. While acknowledging the numerous funding sources associated with *Moving Forward*, including the *Provincial Victoria Growth Fund* and the *Regional Infrastructure Development Fund*, the Committee believes that further work is required by the Department and Regional Development Victoria to present financial information associated with *Moving Forward* in a concise and consistent manner.

Recommendation 35:

The Department of Innovation, Industry and Regional Development, and Regional Development Victoria develop a clear, useful and concise means for reporting financial information associated with *Moving Forward: Making Provincial Victoria the Best Place to Live, Work and Invest*.

Within the 15 actions identified in *Moving Forward* are over seventy individual initiatives. The Department has provided an update against each of these initiatives, as detailed in Table 13.1. One initiative, has been discontinued, *Strategy to Support Teleworking and Home Based Business*, while 13 others have been completed. More generally, there is evidence to indicate that significant progress has been made across all actions identified in *Moving Forward*.

³⁷³ Regional Development Victoria, Annual Report 2007-08, p.23

³⁷⁴ Public Accounts and Estimates Committee, *Report on the 2006-07 Financial and Performance Outcomes*, May 2008, pp.455-457.

Table 13.1: 2007-08 Expenditure Incurred by Action

| Action | Moving Forward Investment (\$million) | Total Expenditure since July 2006 (\$million) | Actual Expenditure 2007-08 (\$million) | Actual Expenditure 2006-07 (\$million) |
|---|---------------------------------------|---|--|--|
| 1 Creating a new Provincial Victoria Growth Fund | 100.0 | 31.3 | 19.0 | 12.3 |
| The announcement by the Premier on June 3 2008 of new and revised initiatives in the <i>'Moving Forward: Update The Next Two Years 2008 to 2010'</i> has brought the number of initiatives under the Provincial Victoria Growth Fund to 45 and has committed most of the \$100 million. Many of the initiatives are repeated under various actions below. | | | | |
| 2 Renewing and enhancing the Regional Infrastructure Development Fund | 200.0 | 60.9 | 19.1 | 41.8 |
| All RIDF sub-programs have commenced and are reported under various actions below. Overall RIDF has contributed over \$402.7 million to 192 announced major capital works projects throughout rural and regional Victoria and the \$200 million allocation has contributed to this. | | | | |
| 3 Attracting more people to live, work and invest in provincial Victoria | 14.7 | 6.6 | 3.0 | 3.6 |
| <p>Investing in Provincial Victoria campaign - The campaign has sponsored the Herald Sun Tour, Geelong Football Club and the Bendigo Spirit Women's National Basketball team.</p> <p>Provincial Victoria Sponsorship for Local Events - There is continuing strong interest in the program. 138 Events encompass sporting, musical, arts, food and wine themes have been funded since the program's establishment.</p> <p>Provincial Economic Partnerships program - 28 projects with grants totalling \$575,313 have been funded to date providing assistance for regional councils for economic promotion and marketing activities and for upgrading the skills of council employees involved in economic development.</p> <p>A new provincial unit within VicUrban - The key highlight in 2007-08 for the Vic Urban provincial unit was the identification of a number of potential development opportunities, both surplus government-owned and privately-owned land.</p> | | | | |
| 4 Managing growth and change in regional communities | 13.5 | 3.7 | 2.5 | 1.2 |
| <p>Supporting councils to manage and plan for growth - 57 projects have been approved to date under this initiative to the value of over \$4.4 million. <i>'Moving Forward: Update The Next Two Years 2008 to 2010'</i> outlined funding of \$3 million from this initiative towards the Regional Strategic Planning Initiative that will focus on developing long-term regional and sub-regional plans, overseen by the Ministerial Taskforce on Regional Planning.</p> <p>New Planning Cadetships and Traineeships - 10 Cadetships and 9 Traineeships were approved to be placed during the last round</p> <p>Geelong – study to renew Corio/Norlane – Initiative Complete</p> <p>Scoping study for Geelong Performing Arts Centre and Geelong Cultural Precinct Masterplan - Project Complete</p> | | | | |
| 5 Delivering greater support for small towns | 36.6 | 5.3 | 3.9 | 1.4 |
| <p>Small Towns Development Fund - 236 projects funded since Moving Forward announced. • To date, \$12,925,372 has been committed to 130 STDF projects from the \$25 million Moving Forward allocation with grants expenditure totalling \$6,485,509.</p> <p>Small Towns Program - Minister Allan launched the Rural Economic Development Opportunities Fund in Rosedale on 18 March 2008. Inaugural Small Towns Summit held in Birchip with 200 attendees. Business Vitality Initiative pilot program held in five towns (Myrtleford, Robinvale, Macarthur, Dimboola & Yarram). Effective Community Engagement workshops held in Lorne, Benalla, Halls Gap & Swan Hill.</p> <p>Community Enterprises - Projects approved by the Minister include the towns of Chiltern, Woomelang and Hopetoun</p> | | | | |
| 6 Boosting regional arts, cultural and recreational facilities | 34.3 | 6.8 | 4.2 | 2.6 |

Table 13.1: 2007-08 Expenditure Incurred by Action

| Action | Moving Forward Investment (\$million) | Total Expenditure since July 2006 (\$million) | Actual Expenditure 2007-08 (\$million) | Actual Expenditure 2006-07 (\$million) |
|---|---------------------------------------|---|--|--|
| <p>Building new arts and cultural facilities in provincial Victoria - Projects announced Wangaratta Performing Arts Centre Development, Arts facility upgrades to various venues in the Glenelg Shire and Shepparton Eastbank Centre Improvements.</p> <p>Growing regional arts - Projects under consideration include redevelopment of the Hamilton Arts Precinct, View Street Arts Precinct, Bendigo - Stage 1 works and Warragul Civic Precinct Redevelopment: Upgrade of West Gippsland Arts Centre.</p> <p>Extending the Country Football and Netball program - 60 projects have been funded through the Moving Forward CFNP initiative.</p> | | | | |
| 7 Attracting investment and promoting exports | 6.3 | 4.1 | 2.1 | 2.0 |
| <p>New Investment Partnership Program <i>Wimmera Mallee Pipeline</i> - Projects approved include Sustainable Agribusiness Opportunities – WMP Project, WDA Business Advisory Officer, WDA Business Directory and WDA Business Workshops.</p> <p>A new Provincial Victoria Buy Locally Campaign - 18 projects have been approved to date</p> <p>Boosting Local Public Private Partnerships - 5 Gateway Reviews of local government projects have been undertaken.</p> <p>Regional Inward Buyer Mission and Export Links Advancing Opportunity - 12 projects have been approved to date.</p> <p>Innovation and Regional Specialisation Opportunities through Science, Technology and Innovation - 4 projects have been approved to date.</p> <p>Delivering new technology commercialisation services <i>VicStart Regional Technology Commercialisation Program</i> - Over 150 regionally-based Technology Commercialisation Opportunities have participated in the program to date.</p> | | | | |
| 8 Building a skilled provincial workforce | 43.0 | 12.3 | 7.1 | 5.2 |
| <p>Make Your Career Happen in Provincial Victoria - A number of industry projects have been approved involving the Building Commission (building surveying) the Master Builders Association (building construction trades) and the Rural Workforce Agency Victoria (rural doctors)</p> <p>Positioning Provincial Victoria to Capitalise on Skilled Migration - The Global Skills for Provincial Victoria program was launched by the Minister for Skills and Workforce Participation in November 2007 in Wangaratta. There was a further announcement by the Premier of the Grampians Pyrenees partnership in Stawell in April 2008. 10 regional partnerships applied for funding and all have been approved.</p> <p>Attracting Skilled Migrants to Provincial Victoria - Major enhancements to the LIV website's content and structure were implemented in June 2008 and included detailed regional profiles. Provincial Victoria was showcased at overseas expos in the United Kingdom and the Republic of Ireland in March/April 2008, as well as 'States of Australia' Roadshows in May 2008. A series of advertorials were published in migration magazines profiling skilled migrants who settled in regional Victoria. Live and Work in Melbourne and Regional Victoria is the new brochure promoting Victoria and providing information on how to migrate to Victoria.</p> <p>Skills and Jobs for Disadvantaged Workers - Following completion of Stage 1, which identified skills gaps and opportunities, Stage 2 involves establishment of projects tailored to meet the needs identified in Stage 1. Four dedicated projects have commenced in Ballarat and Western Victoria to address the skill needs of the manufacturing industry.</p> <p>Vocational Education and Training - Regional TAFE institutions have met the delivery targets for 2006 meaning that the department is on-track to meet the required additional 2,600 places. An induction program for graduate engineers, to be known as the Power Enterprise Graduates of Gippsland Program (PEGG), has been endorsed by the Generation Skills Advisory Group. Three skills analyses have been undertaken to identify the need for customised training programs</p> <p>Extending CRISP - As at 30 June 2008 there have been 46 CRISP II projects approved with total funding of \$3.89M. Promoting Provincial Leadership Boosting Leadership Skills. 38 projects have been funded since the program's establishment.</p> | | | | |
| 9 Driving growth and competitiveness in Victoria's primary industries | 46.5 | 23.5 | 11.4 | 12.1 |

Table 13.1: 2007-08 Expenditure Incurred by Action

| Action | Moving Forward Investment (\$million) | Total Expenditure since July 2006 (\$million) | Actual Expenditure 2007-08 (\$million) | Actual Expenditure 2006-07 (\$million) |
|--|---------------------------------------|---|--|--|
| <p>Government support for new investment in Dairy Industry <i>a) Leichtville - MG projects</i> - Physical works have commenced with works on two of the four project components completed - Saline Evaporative Pond (December 2006) and In Plant water Re-use System (October 2007). Government support for new investment in Dairy Industry - <i>b) Leongatha - MG project</i>. Legal agreement completed and signed by both parties.</p> <p>A New Dairy Industry Roads Sub Program of RIDF <i>Dairy Farm Gate Access Scheme</i> - 134 applications have been received under this program to date 92 of these projects have been completed with grants expenditure totalling \$164,827. <i>Local Dairy Roads Program</i> - Of the 16 projects approved, 7 have been completed and another 5 are under construction or finalising completion. The other 4 projects are in planning and design phases.</p> <p>Further extension of the Stock Over/Under-pass Road Safety program - To the end of June 2008 a total of \$1,742,400 had been allocated to 77 underpass/overpass projects from the new funding.</p> <p>Driving Growth in Victoria's Dairy Industry <i>Promoting Good Employment Practices in the Dairy Industry</i> - The project has gone live with the website and is receiving a lot of positive response. Dairy Australia have used the Live Library modules on Farm Policies & Systems, Recruitment, Engagement & Reward and Individual Performance as the basis of a Diploma of Business (HR), with 16 advisers and farmers enrolled and completing 5 units by May 2008. <i>Driving Growth in Victoria's Dairy Industry</i> - The second draft options paper for the Review of Future Infrastructure Requirements for Research, Development and Extension in the Australian Dairy Industry was completed in June 2008.</p> <p>Developing gold undercover - A key achievement was the release to tender for the information technology GUIDe 7 Search & Delivery capability in June 08.</p> <p>Developing the Latrobe Valley's resources future - Expenditure on exploration related activities for coal has increased from \$0 in the year 2000 to over \$100m today. Expenditure on exploration related activities for emerging industries like coal bed methane has increased from \$0 in the year 2000 to over \$20m today. Victoria has attracted large scale multi-billion dollar investment in non power related developments for coal resources including the granting of a mining licence to Monash Energy (coal to liquids project) and the recent announcement of a urea production plant by the Australian Energy Company. Government has increased its strategic capacity to plan coal development and has funded Clean Coal Victoria \$12.2m over 4 years.</p> <p>Centre for Greenhouse and Energy Technology - CEGT's 'Key Strategic Challenge' achieved financial self sustainability via the successful raising of the \$50m Cleantech Australia Fund and the consequent cost reductions able to be achieved within the CEGT Fund by spreading costs across both funds. 2 more high quality Investment Managers have joined the team that now totals 5 investment professionals on the ground – Australia's biggest team of early stage sustainable energy / cleantech investment professionals;</p> <p>Emerging Sectors– Biofuels - Biofuels Champion has been appointed and work is being undertaken on each of the key parts of the plan.</p> <p>Four Seasons Energy pilots - Five Projects have been approved for Corryong, Edenhope, Kaniva, Wangaratta and Mt Hotham amounting to \$688,000. Additional proposals have been received for Swan Hill, Lorne and Heathcote.</p> <p>Geo-exchange Program - Application has been received to establish the Geo-exchange centre of excellence</p> <p>Implementing the Plantation Incentives Strategy - SW Land Use Change Project: Living with land use change: different views and perspectives report released. • Hardwood plantation thinning and mulching trials have been completed in Bendigo with City of Greater Bendigo and in Lismore with Smarttimbers. • Forest Health Surveillance Workshop held in Ovens in conjunction with Melbourne University to launch and promote use of the Forest Health Surveillance Field Guide and report. • DPI promoted forestry careers at the Austimber 2008 Careers Conference and Expo. • DPI conducted the first OH and S forestry safety workshop in Gippsland. • A series of workshops have been held.</p> <p>CRC for Innovative Dairy Products - Initiative Complete Gold Workforce Development Plan - Initiative Complete Technology Road Map for Victoria's Earth Resources - Initiative Complete Industry Road Map for Alternative Fuels - Initiative Complete Establishing the Sustainable Timber Industry Council - Initiative Complete</p> | | | | |

Table 13.1: 2007-08 Expenditure Incurred by Action

| Action | Moving Forward Investment (\$million) | Total Expenditure since July 2006 (\$million) | Actual Expenditure 2007-08 (\$million) | Actual Expenditure 2006-07 (\$million) |
|--|---------------------------------------|---|--|--|
| 10 Meeting new challenges in strategic regional industries | 30.8 | 12.0 | 8.5 | 3.5 |
| <p>Breakthrough Eco-Tourism in Victoria's State Forests</p> <p><i>Land bank</i> - Preliminary site identification workshops have been held with DSE and Parks Victoria staff in Traralgon, Orbost, Dunkeld and Alexandria. All sites have been mapped and recorded on the DSE land management mapbase.</p> <p><i>Otway Forest Lodge</i> - A development concept was finalised and used as a basis for informal market sounding. A pre-feasibility assessment of the concept has been completed</p> <p>Marketing Provincial Victoria Program - A new marketing campaign to entice visitors to the High Country was launched in March 2008. Tourism and Major Events Minister, Tim Holding launched a new tourism campaign for the Grampians in May 2008. Regional Brand Guidelines and marketing toolkits were developed to assist regional campaign committees to implement and underpin their brand campaigns. Provincial Victoria gained significant coverage on the Postcards television program, which has been dedicated to the promotion of Victoria's regions, tourism activities and attractions. A new Regional Tourism Association in the Grampians region was finalised in April 2008.</p> <p>A new state-wide Provincial Pathways program - Two projects currently being developed to address problems associated with planning / design / costing of pathway projects in regional Victoria.</p> <p>Boosting Recreational Fishing and Tourism Opportunities - Improvements at Lake Hyland (Churchill) have been completed. Family fishing events were conducted at all five Premier Lakes. The Go Fishing in Victoria web site has been further developed and is proving popular as an informative resource for this project and on recreational fishing in general. A series of eight 'Let's Go Fishing For...' cards have been recently released.</p> <p>Falls Creek All Season Gateway Project - Landscape works including pedestrian and vehicular paving, stonewalling, retaining walls, subsurface drainage and services complete May 2008.</p> <p>New Support for Next Generation Food Strategy - For 07/08 there are three projects completed and a further one approved. A highlight has been the further promotion within the restaurant sector with the restaurant 08 in Melbourne. The North east regional product project ventured into the niche area of working with equine buyers and investors. A total of 14 applications have been approved for Supporting Greater Collaboration-Network to Success.</p> <p>New Support for the Wine Industry - 19 regional branding workshops have occurred throughout the state. The workshops encouraged the regions to adopt the 'Wine of Victoria' branding in synergy with the regional branding.</p> <p>Lean Manufacturing - Program complete</p> <p>Manufacturing- Water Technologies Industries Cluster - Critical mass achieved. High performing entities with links to R&D. Cluster manager appointed June 2008.</p> <p>Emerging Sectors - Water Technologies - Funding of \$100,000 for an initial project (Regional Industry Link – RIL) has been approved and activity has commenced. The website development has been completed and is now 'live'. Company registration is starting to build.</p> <p>Manufacturing- Agricultural Machinery and Equipment - An Agricultural Machinery Consortium (Buloke Shire) has been developed to address some key issues impacting on this sector.</p> <p>Manufacturing- Furniture - Program complete.</p> | | | | |
| 11 Promoting sustainable development and better land management | 19.1 | 9.9 | 5.9 | 4.0 |

Table 13.1: 2007-08 Expenditure Incurred by Action

| Action | Moving Forward Investment (\$million) | Total Expenditure since July 2006 (\$million) | Actual Expenditure 2007-08 (\$million) | Actual Expenditure 2006-07 (\$million) |
|---|---------------------------------------|---|--|--|
| <p>Developing Streamlined Property Management Systems - Six case studies covering native vegetation, whole of farm planning, intensive cattle and lamb feedlot industry, dairy cattle feedpads and the Victorian broiler industry, have been undertaken to develop and test a methodology for streamlining regulatory and planning processes.</p> <p>Services and Information for New Land Managers - Developed 6 new fact sheets. Held 13 events for new landowners in Central, North East Victoria and Gippsland. Distributed 1,100 information kits throughout Victoria</p> <p>Targeted Bush Tender - Both BushTender auctions have now been completed, and a report is currently being prepared on the results of the auctions.</p> <p>Community Management of Crown Land - 2007/2008 Funding - Funds have been allocated to 81 projects.</p> <p>Tackling Weeds and Pests in High Risk Rural Areas - The CaLP Act Amendments component concluded on 30 June 2008• Data systems have all been updated to ensure that use of the new CaLP Act compliance tools can be sufficiently recorded and reported. • Demonstrated application of amendments on 1 priority weed compliance project• 16 Fact Sheets have been completed• Weed Risk Assessments for next 45 Victorian Alert Weeds completed.</p> | | | | |
| 12 Creating new bus and transport connections | 50.8 | 22.5 | 14.0 | 8.5 |
| <p>Park & Ride Stations - All park and ride facilities have been completed and opened to the public</p> <p>Regional Bus Services - All Bus service initiative have been delivered.</p> <p>Refitting V/line's regional train fleet - The refurbishment of 6 Sprinters, 2 x 4 carriage H sets, and 4 x 4 N class trains and 2 BZN carriages have been completed.</p> | | | | |
| 13 Delivering a new deal for local ports | 61.5 | 18.2 | 9.2 | 9.0 |
| <p>A new Deal for Local Ports - In 2007/08 a total of \$5,597,000 of RIDF funding and co-contributions by the port managers was allocated to works projects in Port Fairy, Bellarine, Gippsland Lakes, Port Welshpool and Port Albert. Projects funded in 2007/08 for SEMP implementation and asset maintenance included projects in Swan Bay, Cowes Pier, Portarlington, Port Fairy, Barwon Heads, and Lorne.</p> <p>Keeping the Port of Lakes Entrance Open - A major milestone was achieved in March when the TSHD the Pelican commenced dredging operations on the bar and in the channels of Lakes Entrance</p> | | | | |
| 14 Improving access to broadband infrastructure | 6.2 | 0.3 | - | 0.3 |
| <p>Investing in Next Generation Broadband - In early April 2008, the Commonwealth Government announced it would not proceed with OPEL. Subsequently a revised project (VicFibreLINKS [VFL]) received \$20 million funding through the 2008/09 Budget.</p> <p>Strategy to Support Teleworking and Home Based Business - This initiative is discontinued</p> | | | | |
| 15 Building better freight and supply chain links | 20.0 | 0 | - | - |
| <p>A new Intermodal Freight program - Discussions are progressing well with stakeholders and users of intermodal terminals at Doon, Warrnambool and Shepparton.</p> <p>Strategic industry road plans - All studies have been completed.</p> | | | | |

Source: Department of Innovation, Industry and Regional Development, Response to the Public Accounts and Estimates Committee Financial and Performance Outcomes Report Part Two.

13.4 Staff located in central office and regions in the Department of Education and Early Childhood Development

As of June 2008, the Department of Education and Early Childhood Development employed 2,091 full-time equivalent non-teaching staff in its central and regional offices throughout Victoria. Of these staff, 17.9 per cent (374.8 EFT) were employed in regional Victoria.

Overall, the number of staff employed in regional offices rose by 2.7 per cent from 2007 to 2008, however, this change is relatively minor when compared with the 51.3 per cent increase in the central office staff for the same period. The Department explained that the June 2008 EFT figure for central office staff included:

- 11.3 EFT staff transferred from the Department of Innovation, Industry and Regional Development to the Victorian Registration and Qualifications Authority;
- 554.3 EFT transferred from the Department of Human Services as part of Machinery of Government changes during 2007-08.

Table 13.2 discloses a comparison of full-time equivalent staff located in the Department's central office and regions.

Table 13.2: Department of Education and Early Childhood Development

| | <i>Staff employed in regional locations (EFT)</i> | <i>Staff employed in central locations (EFT)</i> | <i>Total (EFT)</i> | <i>Regional staff expressed as a percentage of the total (%)</i> |
|-------------------------|---|--|--------------------|--|
| June 2007 | 364.9 | 1134.5 | 1499.4 | 24.3 |
| June 2008 | 374.8 | 1716.6 | 2091.4 | 17.9 |
| Percentage Increase (%) | 2.7 | 51.3 | 39.5 | |

Notes: (a) Central office staff includes all non-school locations (other than regions) and statutory bodies.

Source: Department of Education and Early Childhood Development, Response to the Public Accounts and Estimates Committee Financial and Performance Outcomes Report Part Two.

The Department also advised the Committee that it does not retain historical data for individual payrolls, or include a breakdown by location.

The Committee is of the view that for monitoring purposes, the Department should consider the feasibility of implementing a payroll system that provides historical data and details by location.

Recommendation 36:

For the purpose of analysing payroll information, the Department of Education and Early Childhood Development consider introducing a payroll system that enables historical data for individual payrolls to be retained and provides a breakdown of payroll details by location.

Table 13.3: Department of Primary Industries Drought Activities

| Item | 2007-08 Budget (\$) | 2007-08 Expenditure (\$) | Explanation for Variations |
|---|---|--------------------------|--|
| <p>Progress against major milestones</p> <p>The drought communications initiative involved the production of a DVD to encourage farmers to be more proactive and to embrace change. The production of the DVD – <i>A Step Ahead</i> - was completed by 30 August 2008.</p> <p>An evaluation will be undertaken in 2009.</p> | | | |
| Delivering the Sustainable Farm Families Program in partnership with the Western District Health Service, which addresses health, wellbeing and farm safety issues | 1.4 | 1.4 | |
| <p>Progress against major milestones</p> <p>This Sustainable Farm Families program delivered 44 programs to 850 participants at the 30 June 2008. The remaining 6 programs were completed by 5 August 2008. The second round of workshops with the same participants will occur throughout 2008-09. These workshops will measure changes in participant health. This information will be available at the end of 2008-09.</p> <p>An external evaluation is underway, being undertaken by Roberts Evaluation. The evaluation will be completed in 2009.</p> | | | |
| Hosting 13 Rural Futures Forums across seven areas in Victoria to help drought-affected farmers, industries and communities make decisions about their future and adjust to change | 0.8 | 0.6 | The Rural Futures Initiative (RFI) budget was underspent due to delays in staff appointments and reduced data purchase costs. The unused funds were transferred to other drought initiatives to ensure all the 2007-08 drought commitments were met. |
| <p>Progress against major milestones</p> <p>The RFI program delivered 11 forums held across the 7 focus areas.</p> <p>Evaluation exit surveys showed that:</p> <ul style="list-style-type: none"> • 87% of forum participants were either satisfied or very satisfied with the forums • 87% agreed that they would use the information learned from the forums in the future • 96% felt they were given an adequate opportunity to express their views • 40% indicated that their participation had changed their views about the future of their farming community <p>An external evaluation was undertaken by RMCG. The evaluation showed that many participants more clearly understand the implications of change and the need to respond.</p> | | | |
| Administering \$15 million in Victorian Government interest rate subsidies | 15.0 | 15.0 | |
| <p>Progress against major milestones</p> <p>This refers to the Exceptional Circumstance Interest Rate subsidy scheme which was administered by the Rural Finance Corporation on behalf of both the Commonwealth and Victorian Governments.</p> | | | |
| Helping local industry and communities submit Exceptional Circumstances applications to the Commonwealth Government | This is not a specific drought initiative. It is a supporting function. | | |
| <p>Progress against major milestones</p> <p>DPI worked with the VFF to provide information on seasonal conditions to the Commonwealth Government to assist the Exceptional Circumstances review process.</p> | | | |
| Administering the delivery of \$17.3 million in municipal rates subsidies to drought-affected farmers | 10.6 | 17.9 | Budget: \$10.6 million Expenditure: \$17.9 million |

Table 13.3: Department of Primary Industries Drought Activities

| Item | 2007-08 Budget (\$) | 2007-08 Expenditure (\$) | Explanation for Variations |
|---|---|--------------------------|--|
| <p>Progress against major milestones The MRS program provided \$3.83 million in assistance to drought-affected farmers in its first year (2005-06), with an average subsidy of \$1,450 granted to 2,700 recipients, and \$9.50 million in assistance in 2006-07. Subsidies to the value of \$17.33 million have been granted in 2007-08. Councils have been paid \$0.60 million for administration. Independent audits of the administration of the MRS Scheme in 2006-07 and 2007-08 have taken place. The audits concluded that there were no significant issues that needed to be addressed. There were minor systemic improvements recommended for two of the councils that were audited.</p> | | | |
| <p>Administer the delivery of \$2.4 million to 1,173 applicants of the Grampians Wimmera Mallee Water Tank Rebate</p> | 2.5 | 2.5 | Budget: \$2.5 million Expenditure: \$2.5 million |
| <p>Progress against major milestones 2,450 rebate applications have been approved to 30 June 2008 since the commencement of the program. Grampians Wimmera Mallee Water (GWMW) and DPI continued to process applications until July 2008. In May 2007, GWMW staff conducted a random audit of eligible customers who have received rebates. The audit found there were no significant issues that needed to be addressed.</p> | | | |
| <p>Coordinating the Victorian Government input to the National Rural Advisory Council Exceptional Circumstances review process</p> | This is not a specific drought initiative. It is a supporting function. | | |
| <p>Progress against major milestones DPI cooperated fully with the National Rural Advisory Council (NRAC) to make data available to help facilitate the review process prior to a review of Exceptional Circumstances in September 2008. DPI worked with the Victorian Farmers Federation to provide information on seasonal conditions to the Commonwealth Government to assist the Exceptional Circumstances review process. This occurred in Central and East Gippsland, South and West Gippsland.</p> | | | |
| <p>Administering 1,672 on-farm productivity improvement grants of \$4.64 million to part-fund infrastructure improvements in areas most affected by drought</p> | 10.0 | 7.0 | The uptake of the On-Farm Productivity Improvement Grants program was initially slower than anticipated. At 30 June 2008, it was estimated that the \$10 million allocation was likely to be under spent by \$3 million, so the allocation for 2007-08 was reduced to \$7 million. |
| <p>Progress against major milestones Applications closed on 30th June 2008, and businesses had until the 30th of December 2008 to submit receipts and receive final approval and payments from the scheme. As at 30th of December 2008 Rural Finance had processed 4,203 applications with 3,355 applications approved (80% approval rate) for \$9.3 million. The breakdown of infrastructure improvements is:</p> <ul style="list-style-type: none"> • Feed pads or feed troughs (348) • Fodder storages and systems (1,666) • Packing shed improvements (112) • Reticulated water systems (1,174) • Other Structural Improvements (55) <p>An evaluation will be undertaken in 2009.</p> | | | |
| <p>Providing \$816,750 to 533 employers across drought-affected regions of the State to help them retain apprentices. A total of 1,089 trainees and apprentices were supported through this scheme</p> | 1.9 | 1.9 | Budget: \$1.9 million Expenditure: \$1.9 million |

Table 13.3: Department of Primary Industries Drought Activities

| Item | 2007-08 Budget (\$) | 2007-08 Expenditure (\$) | Explanation for Variations |
|---|------------------------|--------------------------------|--|
| <p>Progress against major milestones</p> <p>The Drought Apprenticeship Retention Bonus (DARB) program provided support to 636 businesses covering 1,224 apprentices in 2007-08. These figures are higher than those that appeared in the DPI annual report as applications continued to be processed into July 2008.</p> <p>A telephone survey of DARB recipients was undertaken in October 2007. The report showed all recipients valued the bonus highly and most said it helped them to retain their apprentice.</p> | | | |
| <p>Providing assistance to humanely dispose of or rehouse horses at risk due to financial or management failure of businesses during drought</p> | 0.1 | 0.1 | |
| <p>Progress against major milestones</p> <p>This project:</p> <ul style="list-style-type: none"> • Funded the management of care and disposal of approximately 60 horses affected by drought • Provided general advisory services to persons on decision making with regard to sale, disposal or rehousing of horses that could not be maintained • Funded the development of a DPI guideline for the Rehabilitation of Horses. <p>Project duration was from August 2007 to February 2008.</p> <p>This initiative provided funding for the care and disposal of horses that might otherwise have suffered during drought that otherwise may have become serious welfare problems for investigation and prosecution.</p> | | | |
| <p>Delivering drought management workshops in areas where horses were at risk</p> | 0 | 0 | N/A - Expenditure against Budget not available as we do not report on this project specifically. |
| <p>Progress against major milestones</p> <p>This project delivered 4 forums to approximately 150 horse owners across Victoria. Forums were delivered through October and November 2007.</p> <p>This initiative provided information to horse owners on proper care of horses and options available through drought.</p> | | | |
| <p>Providing industry grants of \$500,000 to 11 organisations in northern Victoria that suffered from reduced income as a result of the drought</p> | 0.5 | 0.5 | |
| <p>Progress against major milestones</p> <p>This project provided grants of up to \$75,000 to 11 industry support groups that suffered from reduced income as a result of the drought. Applications were received in November 2007 from 25 groups totalling \$1.3 million. A panel ranked the applications against an eligibility criterion and provided funding to 11 groups totalling \$0.45 million.</p> <p>This initiative provided financial support to rural groups to assist them through the drought. All industry groups have satisfactorily completed final reports.</p> | | | |
| <p>Assisting 255 irrigated horticulture growers on the Goulburn or Murray system to access the services of independent consultants</p> | 0.3 | 0.3 | The original budget of \$1.2 million was reduced after the Commonwealth Government broadened the scope of the Professional Advice & Planning Grant to include the development of all risk management & business plans not just a drought plan. |

Table 13.3: Department of Primary Industries Drought Activities

| Item | 2007-08 Budget (\$) | 2007-08 Expenditure (\$) | Explanation for Variations |
|---|--|--------------------------|----------------------------|
| <p>Progress against major milestones This decision support program provided 255 horticulture growers with consultancy advice. This program targeted horticulture growers in Northern Victoria and Sunraysia. The breakdown of growers who accessed the services are:</p> <ul style="list-style-type: none"> • Goulburn Valley (53) • Murray Valley (25) • Torrumbarry/Pyramid-Boort (27) • Lower Murray (129) • North East (6) <p>A final report on the program will be completed in 2009.</p> | | | |
| <p>Coordinating the Victorian Government’s collaboration with the Commonwealth and other states and territories through the Primary Industries Ministerial Council (PIMC) to improve drought policy, by shifting from an emergency response focus toward an emphasis on preparedness and adaptation.</p> | <p>This is not a specific drought initiative. It is a supporting function.</p> | | |

Source: Department of Primary Industries, Response to the Public Accounts and Estimates Committee Financial and Performance Outcomes Questionnaire Part Two.

13.6 Victorian Natural Disasters Relief Trust Account

The Victorian Natural Disasters Relief Trust Account is operated by the Victorian Government to provide grants and reimbursements to local councils, individuals, small businesses and primary producers who are adversely impacted by natural disasters.

Table 13.4 identifies the trust account balances as of July 2006, 2007 and 2008.

Table 13.4: Victorian Natural Disasters Relief Trust Account Balances

| | 1 July 2006 (\$,000) | 1 July 2007 (\$,000) | 1 July 2008 (\$,000) |
|---|----------------------|----------------------|----------------------|
| Victorian Natural Disasters Relief Trust Account | 7,470.5 | 4,693.9 | 6,401.0 |

Sources: Department of Treasury and Finance, Annual Report 2007-08, p.82 and Public Accounts and Estimates Committee, Report on the 2006-07 Financial and Performance Outcomes, p.223.

During 2007-08, the Government contributed \$8 million to the trust account and spent \$6.3 million, primarily supporting those affected by the Gippsland Floods. Of the Payments made in 2007-08:

- funds were granted to local councils to reimburse costs associated with emergency protection and asset restoration works that are required as a consequence of a natural disaster associated with, for example, bushfire, flooding or storm events. These works include repairs to roads and other essential public assets that would normally be beyond the resources available to many local councils and communities;
- additional money was provided to local councils to fund Gippsland Flood recovery works, with further claims still being received and assessed; and

- \$5.5 million was provided to the Rural Finance Corporation, who, on behalf of government, administer the provision of concessional loans and Community Recovery Grants to small business and primary producers. These loans and grants support the recovery of a community following a significant natural disaster, such as the 2006-07 bushfires and 2007 Gippsland floods.

Given the magnitude of the Victorian bushfires experienced in early 2009, the Committee considers that it would be prudent for the Government to review the adequacy of the balance held in the Victorian Natural Disasters Relief Trust Account to support local government, families and businesses to deal with the impacts of periodic exceptional major natural disasters of a larger scale.

13.7 Automatic Locking Doors on Passenger V/Line Trains

The 2006-07 Budget allocated \$8.2 million to the Department of Infrastructure (Transport) to undertake a program to fit door safety mechanisms to 85 N,S and Z class locomotive-hauled V/Line carriages which did not have central locking systems. The new locking systems were designed to ensure that passengers could not open the doors while the trains are in transit.

The Department of Transport *Annual Plan 2007-08*, advised that 54 cars were modified, by 30 June 2008, with the rest due for completion by the end of 2008.

The Department advised the Committee that \$4.9 million (59.8 per cent) has been spent to date (January 2009) and 68 carriages have been completed. Of the 85 carriages initially designated to have the door locking mechanism fitted, two carriages will not be completed. This is because one carriage was involved in the Kerang incident and will be scrapped and the second carriage, a club car, will be handed back to VicTrack as it is no longer suitable for service. As of January 2009, the following progress had been made:

- 68 carriages completed (81.9 per cent);
- 7 carriages have been started and are due for completion by the end of February 2009 (8.4 per cent); and
- 8 carriages will be completed by June 2009 (9.6 per cent)

CHAPTER 14: THRIVING ECONOMY

Key Findings of the Committee:

- 14.1** Given that 96 per cent of the 300,000 businesses in Victoria are regarded as small businesses and the impact of the small business sector in terms of driving the economy including job creation, the Government should develop measures and targets in terms of:
- skilling small business operators;
 - generating jobs, exports and investment; and
 - providing support for innovative small businesses.
- 14.2** The Government's Maintaining the Advantage initiative is aimed at increasing the skills of Victoria's workforce with a resultant growth in productivity. Over the past two financial years (2006-07 and 2007-08), expenditure has tracked at \$21.2 million below budget. The largest area of under-spending (\$18.8 million) is associated with the construction of four Technical Education Centres (TECs). While the Berwick, Wangaratta and Heidelberg TECs are to be built and operational by mid 2009, the delay with the Ballarat TEC requires a re-assessment of the completion date.
- 14.3** With more than half a million students participating in the Vocational Education and Training (VET) system in 2007 (2.5 per cent more than in 2006) and almost 126 million student contact hours (SCHs) being delivered by the VET system in 2007 (an increase of 8.3 per cent over 2006), there has been an increase in the number of skilled, job ready Victorians available to participate in the workforce. However, in relation to students' employment outcomes, only 13.6 per cent of graduates had gained employment after training in 2008, albeit that this outcome was the highest since 2005 and was above the national average of 12.5 per cent.
- 14.4** In 2005-06, the community and not-for-profit sector delivered around \$2.2 billion in government services. Two years into the Reducing the Regulatory Burden initiative, the Government has achieved an estimated net reduction in the administrative burden of \$162 million in 2007-08. Key initiatives that have contributed to this outcome centre on streamlining reporting processes and requirements (\$85 million per annum) and legislative reviews and amendments (\$53 million per annum).
- 14.5** In reducing the regulatory burden and streamlining interaction with government, the Committee believes that it will be important for the Government to be mindful of the need to responsibly balance administrative simplicity with the fundamental need for an adequate level of accountability and transparency. Achieving an appropriate balance and tradeoffs will depend on how risk is apportioned for individual cases.
- 14.6** The increase in net debt of the water sector during 2007-08 of 25.4 per cent from \$3.2 billion at 30 June 2007 to \$4.0 billion at 30 June 2008 was primarily due to the increase in the sector's capital expenditure program, which was largely directed at capacity augmentation to provide for growth and regulatory obligations.

- 14.7** In the metropolitan water sector, Melbourne Water's capital expenditure includes provision for the cost of construction of the Sugarloaf Interconnector (TEI \$750 million), and its share of the capital cost of the Northern Sewer Project (TEI \$650 million) (joint project with Yarra Valley Water).
- 14.8** In the regional water sector, net debt has increased to fund the Goldfields Superpipe Bendigo leg (TEI \$71.8 million) and the Ballarat leg (TEI \$178.7 million), the Wimmera Mallee Pipeline (TEI \$688 million) and the Gippsland Water Factory (TEI \$183.1 million).
- 14.9** Real Gross State Product (GSP) per employed person in Victoria grew by 0.5 per cent in 2007-08, and increased overall since 2000-01 by 23.7 per cent. Victoria continues to provide a tax system that is competitive with other states.
- 14.10** Obtaining value from government services has been derived through the Department of Treasury and Finance implementing a range of initiatives that include:
- adopting a strategic approach to planning, establishing and managing whole of government contracts through State Purchase Contracts for items such as travel, fuel and personal computers;
 - managing the Victorian Office Telephony Services agreement;
 - managing Telecommunications Carriage Services;
 - playing a lead role in the area of public private partnerships for the delivery of infrastructure projects, particularly in the areas of education, health and water;
 - being influential in developing the Wonthaggi Desalination Water Plant strategy and launching the Partnerships Victoria schools project; and
 - supporting the Government's decision-making through budget and expenditure review processes.
- 14.11** In relation to the Yarrawonga Airport Upgrade and the Mallacoota Airport Infrastructure Enhancement, estimated to be completed by 31 December 2009, no expenditure from the Regional Infrastructure Development Fund through the Regional Aviation Fund had been incurred as of mid February 2009. Progress on these projects will have to be closely monitored to ensure they are completed on time.

Overview

14.1 Introduction

Thriving Economy is the first *Growing Victoria Together* vision examined by the Committee in this year's Financial and Performance Outcomes Report.

14.2 Linkage of issues examined to the *Growing Victoria Together* visions

This chapter contains outcome-related comments pertaining to eight issues categorised according to each relevant agency. As well as serving to enhance accountability, the Committee believes that this information will engender debate and provide a springboard for follow-up as part of the Committee's impending inquiry into the 2009-10 budget estimates.

The Committee asked a range of questions to departments and agencies in relation to the Thriving Economy Vision. These questions, and the relevant department or agency responses, are detailed in the in full, with supporting commentary from the Committee where it is deemed relevant. Issues selected by the Committee for examination aligned to the *Growing Victoria Together* goals cover the following topics:

More quality jobs and thriving, innovative industries across Victoria

- effectiveness of small business programs in terms of skilling small business operators, generating jobs, exports and investment, and providing support for innovative small businesses;
- outcomes from the development of education and training opportunities in terms of skilling Victoria's workforce;
- Brand Victoria Initiative – costs and impact;
- reducing the regulatory burden on the not-for-profit sector;
- the water sector's capital expenditure program aimed at capacity augmentation to provide for growth and regulatory obligations;
- Victoria's productivity and competitiveness; and
- improving value for money from government services for optimising service delivery.

Growing and linking all of Victoria

- Aviation infrastructure improvements.

More quality jobs and thriving, innovative industries across Victoria

14.3 Department of Innovation, Industry and Regional Development

14.3.1 Effectiveness of small business support programs

(a) Question

Please outline the financial commitment made by the Government, through Small Business Victoria, to support small businesses during 2007-08 and the three previous years.

Please outline the major programs undertaken and achievements by Small Business Victoria during this time in relation to:

- small business operator skills;
- job generation;
- exports; and
- investments.

Response

Over the last three financial years, the Victorian Government, specifically through Small Business Victoria, has provided small business support to the value of \$27.8 million in 2007/08, \$22 million in 2006-07 and \$19.6 million in 2005-06.

Small Business Victoria programs are designed to skill small business operators; generate jobs, exports and investment; and provide support for innovative small businesses. Key programs and achievements in this time have been:

- the release of the Victorian Government's Small Business Statement, *Time to Thrive*: Supporting the changing face of Victorian small businesses, that sets out a \$98 million whole of government commitment and the Government's five year strategy from 2006 to 2010 for promoting a thriving economic environment in which small businesses operate;
- the Energise Enterprise Small Business Festival is firmly established as Victoria's pre-eminent event for people who are starting, running and building their small businesses. Since the inaugural festival in 2006, Energise Enterprise has provided inspiration, ideas and information to more than 66,000 small business people attending over 945 events throughout regional and metropolitan Victoria. In 2008, 31,000 people attended over 335 events delivered by more than 100 partner host organisations, industry groups and agencies;
- the development and delivery of the My Business My People pilot program in 2006 assisted Victorian small and medium businesses to overcome skills shortages and to attract and retain a skilled workforce. My Business, My People helped businesses identify their future skills needs and to start training their existing staff to ensure they have the right people at the right time. This program has since been expanded to form a key part of the Government's 2008 Securing Jobs for Your Future: Skills for Victoria statement. The \$52 million initiative, Skills for Growth: The Workforce Development Program, will address the skill needs of business and the training needs of the workforce;

- the Small Business Mentoring Service has provided low cost mentoring for established small businesses and business intenders in Victoria during this time. The program aims to improve the performance and employment potential of Victorian small businesses. It delivers more than 1,500 mentoring sessions annually and maintains a high level of client satisfaction, with an independent survey showing 88 per cent of clients rated their mentors as ‘good to excellent’;
- the Under New Management program provides valuable and practical information for start-up businesses through workshops and seminars. From 2005-06 to 2007-08, the program has offered 806 seminars or workshops and assisted 10,576 people across the state;
- the launch of the C21 Challenge pilot program in March 2008 is a \$1 million investment to assist the future sustainability of Tier 2 and Tier 3 automotive component manufacturers; and
- the Grow Your Business program provided assistance, including grant subsidies, to help Victorian businesses invest in the development and implementation of strategies to become internationally competitive. Over the last three financial years from 2005-06 to 2007-08, 362 individual companies were assisted under the program and 122 group programs approved.

The programs provided by Small Business Victoria complement a range of additional initiatives provided by the Department of Innovation, Industry and Regional Development to support and assist businesses to export. Grants are available under the *First Step Exporter* program, *Trade Fairs and Missions Program* and *Export Networks* program. Businesses looking to enter markets in the United States, Middle East, India and China, may also access desk space as well as market entry assistance, cultural training, agent identification and product evaluation.³⁷⁵

Committee comment

The Committee, in acknowledging the programs relating to small business that have been developed over a wide range of fronts, was interested in examining the results that have transpired from such activity in terms of:

- skilling small business operators;
- generating jobs;
- enhancing exports;
- increasing investment; and
- supporting innovative small businesses.

While not confined solely to small business, the Committee observed, from reviewing information reported by the Department of Innovation, Industry and Regional Development in its 2007-08 annual report, that increased activity occurred in 2007-08 compared to targets and that of the previous year. Table 14.1 sets out details relating to selected outcomes achieved by the Department for various outputs.

³⁷⁵ Department of Innovation, Industry and Regional Development, response to the Committee’s Financial and Performance Outcomes Questionnaire Part Two, received 17 February 2009, pp.26-27

Table 14.1: New jobs, investments, exports and apprenticeships 2007-08 compared to expectations and the prior year

| Output Group/Output | Performance measure | Unit of measure | Target | Actual | Target | Actual |
|--|---|-----------------|---------|---------|---------|---------|
| | | | 2006-07 | 2006-07 | 2007-08 | 2007-08 |
| Investment Attraction/Investment Facilitation and Attraction | Jobs derived from investments facilitated | number | 5,000 | 8,002 | 5,000 | 8,212 |
| | New investments facilitated | \$ million | 1,600 | 3,541.5 | 1,600 | 3,254 |
| Trade Development/Export Promotion | Exports facilitated and imports replaced | \$ million | 689 | 1,520.4 | 689 | 2,150 |
| Skills | Number of apprentices/trainees completions who qualify for the completion bonus | number | 13,070 | 13,070 | 13,360 | 16,057 |
| | Number of apprentices/traineeship commencements by new employees | number | 56,785 | 56,785 | 52,600 | 57,991 |

Sources: Department of Innovation, Industry and Regional Development, 2007-08 Annual Report, pp.179 and 185, and 2006-07 Annual Report, pp.212-213 and 219

The Committee acknowledges the financial commitment provided to small business by the Government and the wide range of programs underway to support that sector. The Committee also understands that with in excess of 300,000 businesses in Victoria of which 96 per cent are regarded as small businesses, the level of employment generated by the small business sector signifies that this sector is an important driver of the economy.³⁷⁶

To supplement the performance measures contained in the budget papers and reporting on the generic topics of workforce skilling, jobs, exports, investment and innovation, the Committee is of the view that as funding is provided to small business to generate program outcomes in these areas, the Government should develop specific measures and challenging targets to assess the contribution that small business has made as part of the wider business community.

In terms of target setting, the Committee observed in its 2003-04 Budget Outcomes report that there were a number of measures where, although results substantially exceeded expectations, the departmental targets set for the following year were not made more challenging.³⁷⁷ In response to the Committee’s recommendation for the Department to review whether there was scope for making targets more challenging to reflect past performance,³⁷⁸ the Government indicated that as part of the continuous improvement process, the Department would continue to analyse performance measures and targets to ensure they are responsive to the requirements of the Government and the reporting requirements of the Department of Treasury and Finance.³⁷⁹ In view of the level of performance achieved in 2007-08 compared to targets, the Committee maintains that it would be timely for this area to be revisited by the Department. As stated by the Committee in its Report on the 2003-04 Budget Outcomes, the performance of an organisation can be misleading if the targets set are understated and do not keep pace with the results achieved in the previous year.

³⁷⁶ Hon.T.Theophanous, Minister for Small Business, 2007-08 Budget Estimates hearing, transcript of evidence, 4 May 2007, p.3

³⁷⁷ Public Accounts and Estimates Committee, Report on the 2003-04 Budget Outcomes, p.226

³⁷⁸ *ibid.*, p.227

³⁷⁹ Government Responses to the Recommendations of Public Accounts and Estimates Committee’s 62nd Report on the 2003-04 Budget Outcomes, p.20

With specific reference to small business and programs designed to generate jobs in that sector, to enhance accountability for outcomes achieved in a particular year and facilitate analysis, the Committee maintains that the Department should gather information which stratifies the number of jobs created by firm size and per sector/industry in each year.

Recommendation 38: **Given that a key policy platform of the Government is to stimulate the economy and the role that small businesses play as a driver of the economy, the Department of Innovation, Industry and Regional Development develop a suite of performance measures that relate specifically to the effectiveness of small business programs in terms of the skilling of small business operators and the generation of jobs, exports, investment and innovation.**

Recommendation 39: **For the purpose of enhancing the concept of continuous improvement across agencies, the Department of Innovation, Industry and Regional Development examine whether there is scope for making its targets more challenging based on past performance.**

Recommendation 40: **The Department of Innovation, Industry and Regional Development gather information covering the small business sector which stratifies the number of jobs created by firm size and per sector/industry in each year.**

14.3.2 Skilling Victorians – outcomes from the development of education and training opportunities

The 2006 Ministerial Statement, *Maintaining the Advantage: Skilled Victorians*, outlined a \$241.5 million, four year investment to develop education and training opportunities for Victorians. Through the statement, a range of policy reforms and investments are targeted at increasing productivity and workforce participation in Victoria's labour force.

The Statement indicated that as Victoria faces rising competition from increasingly skilled emerging economies, Victoria's workforce must increase its skills and competitiveness. As outlined in the Statement, there is a growing body of international evidence that demonstrates the link between educational attainment and the rate of productivity growth. According to the Government, the effectiveness of an education and training system can be measured in terms of how well it meets the new and emerging needs of individuals and businesses.

(a) Question

Please outline works undertaken against milestones, expenditure against budget and achievements to date for each of the major components of this major initiative. Please provide information on the tangible impacts of this investment on productivity and workforce participation in Victoria's labour force at the end of 2007-08.

Please also provide details of the role played by Skills Victoria in delivering these initiatives and the impact of the machinery of Government changes on the delivery of programs under *Maintaining the Advantage*.

Response

Achievements against milestones to date

- Three of the initiatives announced in *Maintaining the Advantage* (MTA) have been successfully completed, Establishing Skills Stores, Redefining the VET System and Careers in Manufacturing.
- Initiatives on track for successful completion consist of Expanding opportunities for young people (28 per cent above target), Guaranteed place for young people (8 per cent above target), Recognition of Prior Learning (RPL), Industry Skills Advisors (ISAs) and My Business, My People.
- Three initiatives that are tracking below targets at this point in time are Construction of four Technical Education Centres (TECs); Mature Age Priority Training which is 5 per cent below target³⁸⁰; and Higher Skills which is 3 per cent below target.
- It is expected that Berwick, Wangaratta and Heidelberg TECs will be built and operational by mid 2009, however the delay with the Ballarat TEC requires a re-assessment of the likely completion date. Delays in construction are being effectively managed with minimal impact on training as it is being delivered in temporary facilities.

Expenditure against budget to date

The previous table shows expenditure against budget for each of the major components of MTA. Over the last two financial years (2006-07 and 2007-08 combined) expenditure is tracking \$21.2 million below budget. The largest area of under-spending is in the construction of the four TECs. This is to be expected given the delays associated with this initiative, as outlined in the previous section of this report.

³⁸⁰ This initiative being 5 per cent below target relates to the actual number of training places delivered in the 2007 calendar year.

Table 14.2: Expenditure against budget to date for each of the major components of Maintaining the Advantage: Skilled Victorians

| Initiative | 2006-07 (\$m) | | 2007-08 (\$m) | | Total (\$m) | | |
|---|---------------|-------------|---------------|-------------|--------------|-------------|--------------|
| | Budget | Actual | Budget | Actual | Budget | Actual | Difference |
| Guaranteed places in TAFE for young people | 2.5 | 2.3 | 6.2 | 5.1 | 8.7 | 7.4 | -1.3 |
| Expanding opportunities for young people | 8.0 | 7.5 | 8.2 | 6.8 | 16.2 | 14.3 | -1.9 |
| Technical Education Centres | 8.0 | 2.6 | 16.0 | 2.6 | 24.0 | 5.2 | -18.8 |
| Mature-age priority Training | 1.0 | 1.0 | 3.1 | 3.1 | 4.1 | 4.1 | 0.0 |
| Industry Skills Advisers | 1.5 | 0.5 | 0.5 | 0.9 | 2.0 | 1.4 | -0.6 |
| Higher Skills | 9.6 | 9.4 | 10.6 | 9.1 | 20.2 | 18.5 | -1.7 |
| Expanding specialist training centres and networks | 2.1 | 2.0 | 1.6 | 1.0 | 3.7 | 3.0 | -0.7 |
| Improving TAFE Equipment | 12.0 | 12.0 | 12.0 | 11.7 | 24.0 | 23.7 | -0.3 |
| Establishing Skills Stores | 2.8 | 2.8 | 5.2 | 9.2 | 8.0 | 12.0 | +4.0 |
| Providing more support for apprentices and trainees | 1.0 | 1.0 | 1.0 | 1.0 | 2.0 | 2.0 | 0.0 |
| Total | 48.5 | 41.1 | 64.4 | 50.5 | 112.9 | 91.6 | -21.3 |

Source: Department of Innovation, Industry and Regional Development, Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p 28

Tangible impacts on productivity and workforce participation

Since the launch of MTA in 2006, the Victorian VET system has grown. This translates into an increase in the number of skilled, job ready Victorians ready to participate in the workforce. Key results for Victoria are summarised below:

- more than half a million students participated in the Victorian VET system in 2007 - 2.5 per cent more than in 2006;³⁸¹
- almost 126 million student contact hours (SCHs) were delivered by the Victorian VET system in 2007. This is an increase of 8.3 per cent over 2006 when a total of 116 million SCHs were delivered;³⁸²
- figures reported by the National Centre for Vocational Education Research (NCVER) indicate that over the 12 months ended 30 June 2008, there was a 12 per cent increase in the uptake of apprenticeships within Victoria.³⁸³ This trend is supported by Departmental data which shows that apprenticeship commencements grew by 14 per cent, driven primarily by greater numbers within the Building and Construction industry;

³⁸¹ Skills Victoria student statistical data collection

³⁸² *ibid.*

³⁸³ NCVER publication: Apprentices and Trainees June Quarter 2008

- the 2008 NCVER Student Outcomes Survey reports that in 2008, the proportion of graduates in Victoria gaining employment after training has climbed to 13.6 per cent - the highest since 2005, and is above the national average (12.5 per cent);³⁸⁴ and
- the 2007 NCVER Employers Use and Views survey reports that 95.2 per cent of employers with apprentices/trainees in Victoria consider apprenticeships/traineeships as being important in meeting skills needs. This is the highest result amongst all states and territories, indicating the significance Victorian employers place on VET compared to other states. The national result for this measure was 91.1 per cent.³⁸⁵

Role played by Skills Victoria in delivering initiatives

Skills Victoria has actively participated in the implementation of all MTA initiatives since its inception. This includes purchasing VET places in priority areas (youth, mature-age and higher skills), managing campaigns (Redefining the VET system, Careers in Manufacturing), monitoring capital works projects (construction of TECs and specialist training centres), implementing initiatives (establishment of Skills Stores, apprenticeship field officers, reforming national training packages) and progressively allocating funding (improving TAFE equipment, Business Skills for the Future) as required.

Impact of machinery of government changes on delivery of initiatives

There has been negligible impact on the delivery of MTA programs and initiatives as a result of machinery of government changes.³⁸⁶

Committee comment

The Committee noted that the \$32.0 million budget for the construction of the first four Technical Education Centres (Berwick, Wangaratta, Heidelberg and Ballarat) comprised \$8.0 million in 2006-07, \$16.0 million in 2007-08 and \$8.0 million in 2008-09.³⁸⁷ As capital works had not progressed according to plan with expenditure of only \$5.2 million of the \$24.0 million budget (or 21.7 per cent) being incurred in the first two years of the three year timeframe, rigorous project management processes will be needed in the final year to ensure that capital works are completed on time. The Committee is of the view that it is important that Technical Education Centres are constructed in a timely manner in order to create employment pathways for local students and addressing the issue of skill shortages in those communities.

With regard to enhancing workforce participation and increasing productivity, the Committee acknowledges the increase in the number of students and student contact hours delivered by the vocational and education training system in 2007 compared to the previous year. The increase in the number of skilled, job ready Victorians available to participate in the workforce is encouraging for the future. The Committee was interested to find, however, that in relation to students' employment outcomes, only 13.6 per cent of graduates had gained employment after training in 2008, albeit that this outcome was the highest since 2005 and was above the national average of 12.5 per cent. Victoria should strive for improved employment outcomes in this area.

³⁸⁴ NCVER publication: Student Outcomes Survey 2008

³⁸⁵ NCVER publication: Employers' use and views of the VET system 2007

³⁸⁶ Department of Innovation, Industry and Regional Development, response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, received 17 February 2009, pp.27-29

³⁸⁷ Budget Paper No.3, 2006-07 Service Delivery, p.293

The Committee was interested in examining the impact that the increased education and training opportunities has had on improving productivity. While an overwhelming proportion of employers with apprentices/trainees considered they were important in meeting skill needs, the Committee did not find any measures in place to demonstrate the impact of the increased training of apprentices on improving productivity. The Committee has recommended in the past that the Department of Treasury and Finance should disclose in the budget papers, specific productivity targets to be achieved as a result of the introduction of budget initiatives where considered appropriate, while departments should disclose in the budget papers key performance measures relating to productivity.³⁸⁸

Recommendation 41: **In relation to the establishment of Technical Education Centres for senior secondary students, the Department of Innovation, Industry and Regional Development take action to enable capital works to be completed in accordance with planned milestones.**

Recommendation 42: **To maximise student employment outcomes, the Department of Innovation, Industry and Regional Development explore avenues for increasing the employment of graduates from the vocational education and training system who were not employed before training.**

14.3.3 Brand Victoria initiative

(a) Question

Please provide details of all costs associated with the Brand Victoria initiative, including a year-on-year and program-by-program breakdown since inception.

Please detail the core objectives associated with the four key export sectors (Invest Victoria, Study Melbourne, Live in Melbourne and Visit Melbourne) and detail the impact of Brand Victoria on achieving these objectives.

Response

Approximately \$2.4 million over four years was allocated to Brand Victoria as part of the 2007-08 State Budget. To facilitate establishment of the Brand Victoria Unit, funding was provided for the two previous years to the level reflected in the table below.

Table 14.3: Brand Victoria Unit Funding

| Year | Salaries (\$) | Marketing (\$) | Total (\$) |
|--------------------|------------------|----------------|------------------|
| 2005-06 | 154,000 | 118,000 | 272,000 |
| 2006-07 | 388,000 | 369,000 | 757,000 |
| 2007-08 | 348,000 | 163,000 | 511,000 |
| 2008-09 (budgeted) | 352,000 | 277,000 | 629,000 |
| Total | 1,242,000 | 927,000 | 2,169,000 |

Source: Department of Innovation, Industry and Regional Development, Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, pp.29-30.

³⁸⁸ Public Accounts and Estimates Committee, Report on the 2007-08 Budget Estimates Part Three, p.75

Brand Victoria is a service provider and therefore the majority of its expenditure is directed towards salaries, as reflected in the table. Major marketing activity and expenditure remains the responsibility of individual sectors. However, the Brand Victoria Unit does provide efficiencies for client agencies in areas such as photography, moving image and design. These make-up the majority of non-salary expenditure reflected in the above table.

The key objectives for Brand Services are to:

- promote Melbourne and Victoria as a desirable destination to live, visit, study and invest;
- be recognised as the primary contact point for any government agency or associated stakeholders involved in international marketing;
- set the quality benchmark for all marketing activities conducted under the Brand Victoria program; and
- maximise the effectiveness of all Brand Victoria marketing activities through better coordination and shared assets.

As a service provider, the impact the Unit has had on the above objectives can be measured in output rather than outcome terms. The achievement of the objectives is therefore reflected in the following:

- brand marks and style guides have been completed for the four core sectors i.e. education, skilled migration, investment and tourism;
- a Brand Victoria publication is currently being developed that can be used by all sectors to highlight Melbourne's strengths;
- greater consistency of brand through internationally televised events such as the Australian Tennis Open and Australian Grand Prix; and
- established online portals for the shared distribution of logos, images and templates.³⁸⁹

Committee comment

Comment by the Committee of the impact of branding on induced tourism is included in the Committee's May 2009 report titled 'Review of the findings and recommendations of the Auditor-General's reports – 2007 – State Investment in Major Events.'

14.4 Department of Planning and Community Development

14.4.1 Reduction in the regulatory burden for not-for-profit organisations

(a) Question

The Government has, through the Victorian Government's *Action Plan: Strengthening Community Organisations*, aimed for a reduction in the regulatory burden for not-for-profit organisations.

Please provide details of performance measures implemented for regulatory reduction, details of the reductions achieved and quantifiable success, based on feedback from targeted organisations.

How have these reductions increased the capacity of organisations to effectively deliver community development?

³⁸⁹ Department of Innovation, Industry and Regional Development, response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, pp.29-30

Response

In the 2008-09 Budget, the Victorian Government committed \$13.87 million over four years to implement the Victorian Government's Action Plan: Strengthening Community Organisations.

The Action Plan features 25 actions aimed at strengthening the long-term sustainability of not-for-profit (NFP) community organisations. The 25 actions include a number dedicated to reducing the regulatory burden currently experienced by NFP community organisations.

Page 201 of the 2008-09 Budget Paper No. 3 states that an Office for the Community Sector will be established in the first quarter of 2008-09. This new office is responsible for implementing the Victorian Government's Action Plan: Strengthening Community Organisations in collaboration with other government departments and with the NFP sector.

Following the 2008-09 Budget announcements, the Office for the Community Sector has been established and commenced delivering on the commitments in the Action Plan including those relating to reducing the regulatory burden on NFP community organisations.

In line with the Government's Reducing the Regulatory Burden initiative, the Victorian Standard Cost Model will be used to measure those Action Plan activities aimed at reducing the regulatory burden on not-for-profit community organisations.

Assessment of the adequacy of the measurement of changes in the administrative burden of regulation will be undertaken by the Victorian Competition and Efficiency Commission's (VCEC), as per October 2006 amendment to Order in Council and described in the Treasurer's Reducing the Regulatory Burden 2007 – 08 Progress Report, November 2008.³⁹⁰

Committee comment

The examination of initiatives designed to reduce inefficient regulation that can inhibit economic activity is an issue that the Committee has pursued in previous reports and will continue into the future. This issue is of particular interest to the Committee in these economic times, given the role that the not-for-profit sector plays in providing community services that improve productivity and enhance public welfare.³⁹¹ Extending across a broad range of community areas that include aged care, children's services, the environment, social services, sport, education and the arts, the Committee notes that in 2005-06, the community and not-for-profit sector delivered around \$2.2 billion in government services.³⁹²

The *Reducing the Regulatory Burden* initiative, which was announced in the 2006-07 Victorian Budget, committed Victoria to reduce the administrative burden of regulation on businesses and not-for-profit organisations by 15 per cent over three years (\$154 million per annum by July 2009) and 25 per cent over five years (\$256 million per annum by July 2011).³⁹³

With these targets in mind, the Committee notes that two years into the initiative, the Government has been able to achieve an estimated net reduction in the administrative burden of \$162 million in 2007-08. Key initiatives that have contributed to this outcome centre on streamlining reporting processes and requirements (\$85 million per annum) and legislative reviews and amendments (\$53 million per annum).³⁹⁴

³⁹⁰ *ibid.*

³⁹¹ Hon .J. Lenders, MP, Treasurer, *Reducing the Regulatory Burden, 2007-08 Progress Report*, Foreword

³⁹² Victorian Government, *the Victorian Government's Action Plan: Strengthening Community Organisations*, April 2008, p.3

³⁹³ Department of Treasury and Finance, *Reducing the Regulatory Burden, 2007-08 Progress Report*, November 2008, pp.7-8

³⁹⁴ Hon. J. Lenders, MP, Treasurer, *Reducing the Regulatory Burden, 2007-08 Progress Report*, pp.7 and 10-11

The Committee understands that imposing undue administrative burden on the not-for-profit sector can deter community organisations from adapting to new methods and opportunities as well as diverting resources from key activities. However, in considering future options designed to reduce the regulatory burden and streamline interaction with government, the Committee believes that it will be important for the Government to be mindful of the need to responsibly balance administrative simplicity with the fundamental need for an adequate level of accountability and transparency. Achieving an appropriate balance and tradeoffs will depend on the how risk is apportioned for individual cases.

14.5 Department of Treasury and Finance

14.5.1 Water sector's capital expenditure program – increase in net debt levels to provide for growth

The Department of Treasury and Finance's financial statements for 2007-08 disclosed that a contingent liability in the form of *Guarantees for Loans to Water Industry Entities* increased from \$3,188.3 million at 30 June 2007 to \$3,999.5 million at 30 June 2008.³⁹⁵

(a) Question

Please outline the factors involved that caused the water industry to increase debt levels in the form of loan borrowings by 25.4 per cent in 2007-08.

What are the main regions of the State where water entities have had to engage in the highest level of borrowings and why?

Have increased borrowings and contingent liabilities impacted on the cost of funds to the state?

Response

The increase in net debt of the water sector during 2007-08 is primarily due to the increase in the sector's capital expenditure program. The increase in the capital expenditure program of the sector is substantially driven by the delivery of the State Water Plan, including capacity augmentation to provide for growth, and regulatory obligations.

In the metropolitan water sector, Melbourne Water's capital expenditure includes provision for the cost of construction of the Sugarloaf Interconnector (TEI \$750 million), and its share of the capital cost of the Northern Sewer Project (TEI \$650 million) (joint project with Yarra Valley Water).

The increase in Yarra Valley Water's capital expenditure is required to service the expansion of its network to service new growth, meet compliance obligations set by the Environment Protection Authority, the Northern Sewer Project (TEI \$650 million), renewal of water and sewer mains and pressure reduction to reduce levels of burst and leaks.

In the regional water sector, net debt has increased to fund the Goldfields Superpipe Bendigo leg (TEI \$71.8 million) and the Ballarat leg (TEI \$178.7 million), the Wimmera Mallee Pipeline (TEI \$688 million) and the Gippsland Water Factory (TEI \$183.1million).

Borrowings and contingent liabilities have not impacted on the costs of funds to the State.³⁹⁶

³⁹⁵ Department of Treasury and Finance, *2007-08 Annual Report*, p.74

³⁹⁶ Department of Treasury and Finance, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 20 March 2009, pp.5-6

14.5.2 Victoria's productivity and competitiveness

The Committee notes that an objective of the Department is to guide government actions to best increase living standards for all Victorians through the provision of innovative policy advice.³⁹⁷

A performance indicator outlined in the Department's 2007-08 Business Plan linked to this objective is for Victoria's productivity and competitiveness to increase.³⁹⁸

(a) Question

Please describe in quantitative terms how the Department fared against this performance indicator in 2007-08.

Response

Real Gross State Product (GSP) per employed person in Victoria grew by 0.5 per cent in 2007-08, and has increased overall since 2000-01 by 23.7 per cent.

The *Reducing Regulatory Burden* initiative has set targets for cutting unnecessary regulatory burden on businesses and not-for-profit organisations of 15 per cent by July 2009 and 25 per cent by July 2011. The Victorian Standard Cost Model has been developed to provide a transparent methodology for measuring changes in the burden. Progress towards achieving these targets is encouraging with (as stated earlier in this chapter) the net reduction in the administrative burden based on current initiatives estimated to be \$162 million per annum since July 2006. These estimates confirm that Victoria is progressing towards achieving the three-year target of a \$154 million per annum reduction in the administrative burden.

Good financial management has enabled the Government to fund its substantial infrastructure program and continues to provide much-needed services for the Victorian community, while maintaining a triple-A credit rating and State taxes at competitive levels. The strong income growth in 2007-08 also allowed the injection of additional cash funds into the State's superannuation schemes.

The government continues to provide a tax system that is competitive with other states, with taxation reform announced in both the 2007-08 and 2008-09 Budgets keeping Victoria's taxation revenue as a percentage of nominal GSP below that of New South Wales.³⁹⁹

14.5.3 Improving value for money from government services for optimising service delivery

An objective of the Department is to champion an integrated whole-of-government 'value for money' approach to ensure optimal service delivery and provision of world-class infrastructure to benefit all Victorians.⁴⁰⁰

A performance indicator outlined in the Department's 2007-08 Business Plan linked to this objective is for improved overall VFM from government services.⁴⁰¹

(a) Question

Please outline key examples (up to 10) of where VFM has been achieved for Victorian taxpayers that demonstrate the performance of the Department in 2007-08 against this indicator.

³⁹⁷ Department of Treasury and Finance, *2007-08 Business plan*, p.1

³⁹⁸ *ibid.*

³⁹⁹ Department of Treasury and Finance, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 20 March 2009, p.6

⁴⁰⁰ Department of Treasury and Finance, *2007-08 Business plan*, p.1

⁴⁰¹ *ibid.*

Response

The Department has adopted a strategic approach to planning, establishing and managing whole of government contracts through State Purchase Contracts (SPCs). SPCs create additional value for public expenditure by judiciously aligning departmental requirements and aggregating purchasing demand. SPC's have been established for:

- travel services comprising all aspects of travel management services including discounts off published fares, bookings and ticket account management for domestic and international travel;
- fuel and associated products to all government departments and agencies;
- procurement of PCs and notebooks for the Whole of Victorian Government (WoVG), with benefits including:
 - bulk purchasing power;
 - centralised tendering;
 - stable computing platforms across WoVG; and
 - improved environmental management.

In addition, the Department manages the Victorian Office Telephony Services (VOTS) agreement allowing it to be operated as a network to standardise services and oversee the establishment of contracts with individual departments for WoVG. VOTS is the provision of managed office telephony services for the WoVG. The VOTS solution is a hybrid PABX that provides the capability for agencies to have a managed, internet protocol enabled, office telephony service at the desktop.

Furthermore, the Department manages Telecommunications Carriage Services (TCS). It reviews supplier performance and pricing at the WoVG level to ensure agencies are receiving the best possible prices and services. TCS was established on behalf of Victorian government departments, agencies and statutory authorities for the provision of Voice, Mobile and Data Carriage Services. The Department also refreshed the e-Services panel in 5 specialist Information and Communication Technology services categories providing improved service and rates on a WoVG basis.

The Department has also played a lead role in the area of public private partnerships by overseeing the delivery of well managed infrastructure projects, particularly in the vital areas of education, health and water. These projects are an example of the Department's commitment to a VFM approach to ensuring optimal service delivery and the provision of world class infrastructure to benefit all Victorians.

Through the *Partnerships Victoria* initiative, the Department has been influential in developing the Wonthaggi Desalination Water Plant strategy and launching the *Partnerships Victoria* schools project.

In supporting the Government's decision-making through budget and expenditure review processes, the Department is contributing to a whole of government approach to VFM and optimal service delivery for government services.⁴⁰²

⁴⁰² Department of Treasury and Finance, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 20 March 2009, pp.7-8

Growing and linking all of Victoria

14.6 Regional Development Victoria

14.6.1 Aviation infrastructure improvements

(a) Question

The Regional Development Victoria (RDV) Annual Report identified as a highlight of the 2007-08 year, the aviation infrastructure improvements funded through the Regional Aviation Fund (RAF).

Please provide details of the history of the RAF since its inception.

For each project supported by the RAF, please identify the following:

- nature of the project;
- total allocation of funds;
- expenditure to date; and
- estimated completion date and key milestones.

Response

In 2006 the Victorian Government provided \$5 million through the Regional Infrastructure Development Fund (RIDF) for a Regional Aviation Fund to upgrade regional airport infrastructure across Victoria.

This targeted funding program recognised the potential for regional airports to boost economic development in regional Victoria by catering for increased numbers of tourists and business travellers, while complementing the Government's broader commitment to improving regional infrastructure and assisting regional development and population growth.

Priority is given to projects that can demonstrate sustainable benefits to the local economy and community.

Eligible projects may include:

- upgrades or extensions to runways;
- levelling and/or strengthening of aprons;
- building or improving passenger terminal facilities;
- upgrading or relocating navigational aids and refuelling areas; and
- providing additional infrastructure such as car parking, drainage or landscaping.

Funding will be available over three years from 1 July 2007 as follows:

- total funds committed to the RAF to date: \$5,000,000;
- total funds allocated to projects from the RAF: \$2,783,000;
- total expenditure of funds from the RAF: \$615,500; and
- success of projects against pre-established performance measures and RAF objectives.

Projects currently funded are all on track to meet their defined completion dates.

Table 14.3 Regional Aviation Fund Projects

| | | | |
|---|--|--|---|
| Stawell Airport Upgrade Regional Aviation Fund | Upgrade runways, to accommodate a larger range of aircraft, relocate weather station, and improve public amenities, car park and lighting. Realign and improve internal access roads. | Estimated completion date: 31/12/2009 | RIDF Grant: \$950,000 Total Project Cost: \$1,201,500 RIDF expenditure to date: \$350,000 |
| Yarrawonga Airport Upgrade Regional Aviation Fund | Construct passenger terminal and additional runway. Widen existing aircraft refuelling taxi lane and construct an additional sealed aircraft parking area. | Estimated completion date: 31/12/2009 | RIDF Grant: \$550,000 Total Project Cost: \$810,000 RIDF expenditure to date: \$0 |
| Latrobe Airport Airpark Development Regional Aviation Fund | Provision of services to Village Avenue, creation of a new emergency access road and completion of sealing aircraft apron, relocation of power and water supplies. Development of 4 commercial allotments. | Estimated completion date: 08/05/2009 | RIDF Grant: \$492,000 Total Project Cost: \$984,000 RIDF expenditure to date: \$265,500 |
| Mallacoota Airport Infrastructure Enhancement Regional Aviation Fund | Install pilot activated lighting. Seal runways, taxiways, aircraft apron. Install permanent refuelling facility and expand and improve terminal and facilities. | Estimated completion date: 31/12/2009 | RIDF Grant: \$791,000 Total Project Cost: \$1,091,000 RIDF expenditure to date: \$0 |

Source: *Regional Development Victoria, Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two, p.3.*

Committee comment

The Committee noted that as of mid February 2009, no RIDF expenditure had been incurred on the Yarrawonga Airport Upgrade and the Mallacoota Airport Infrastructure Enhancement that were estimated to be completed by 31 December 2009. Progress on these projects will have to be closely monitored to ensure they are completed on time.

CHAPTER 15: QUALITY HEALTH AND EDUCATION

Key Findings of the Committee:

Quality health

- 15.1** Patients treated in specialist outpatient clinics between 2003-04 and 2007-08 increased by 10.5 per cent from 1,131,019 to 1,249,777. According to advice provided to the Committee by the Department of Human Services, the development of performance indicators in regard to waiting times for outpatient services is under consideration. A number of activities are aimed at reducing waiting periods for access to outpatient appointments such as funding provided in the 2007-08 Budget for an extra 72,000 outpatient appointments over four years.
- 15.2** Based on information provided by the Department, elective surgery events increased by 5.3 per cent from 126,651 in 2003-04 to 133,369 in 2007-08. Over this period, admissions of Category One elective patients increased by 30 per cent from 26,328 in 2003-04 to 34,227 in 2007-08.
- 15.3** The Committee's analysis also shows that 3,011 Category One elective patients experienced hospital initiated postponements to their surgery in 2007-08. This is equivalent to 2.2 per cent of elective surgery events. This outcome represented an increase of only 57 hospital initiated postponements (1.9 per cent) over the prior year. Advice from the Department indicated that policies and processes are in place to manage such occurrences. The Committee observed, however, that the extent of postponements of Category One elective surgery increased markedly in certain hospitals.
- 15.4** Reasons for postponements of surgery for Category One elective patients during 2007-08 centred largely on patients being deemed unfit for surgery (2,037 situations), bookings brought forward (2,008) and patients postponing surgery (1,923). While in the minority, other reasons included the unavailability of surgeons (492 occasions), theatre overruns (270), ward beds being unavailable (250), critical care beds being unavailable (243), hospital staff being unavailable (138) and equipment not being available (106). The Committee believes such figures should be published on a regular basis.
- 15.5** The Victorian Budget for 2007-08 allocated \$1.5 million (\$5.8 million over four years) to support the agreement to grow Vocational and Education Training places by supporting 1,500 Division 2 nursing and 420 allied health support VET training places in Victoria. An additional 360 Certificate IV in Nursing (Division 2) places and 80 Certificate 111/IV in Allied Health Assistance training places were provided by June 2008.
- 15.6** The Department of Human Services did not spend within the financial year, \$4.7 million (11.7 per cent) of the \$40 million allocated through the budget for the Medical Equipment Replacement Program in 2007-08, given that a number of high cost specialised equipment items from overseas resulted in delays to installation timelines.

- 15.7 The Department of Human Services provided a total of 10.29 million hours of home and community care (HACC) activities in 2007-08 against a target of 10.13 million hours. However, in terms of HACC allied health services, the Department achieved 84.3 per cent of the target for 2007-08 (446,718 hours compared to the target of 529,883). This result continues a pattern first noted by the Department in 2006-07 of persistent difficulty experienced by community health centres in recruiting allied health staff to fill vacancies. Rural regions appeared to have the most difficulty in hiring qualified staff.
- 15.8 The Committee noted that the Auditor-General recently reported on the topic *Access to Public Hospitals: Measuring Performance*. This report will be examined by the Committee as part of its program of regularly undertaking follow-up reviews of the findings and recommendations of Auditor-General's reports. In preparing its Report on Financial and Performance Outcomes for 2007-08, the Committee has relied on performance-related information provided by the Department of Human Services.

Quality education

- 15.9 In terms of enhancing accountability, there is room for improving the level of transparency over funding allocation decisions connected with the capital works program for schools.
- 15.10 The percentage of Year 5 Indigenous students reaching national benchmarks in numeracy for the 2007 calendar year of 75.4 per cent (subject to a measurement error of 4.6 per cent) was lower than the target of 85 per cent. A considerable improvement has been achieved in this measure for 2008 with 83.3 per cent of Year 5 Indigenous students (subject to a measurement error of 3.5 per cent) attaining a level at or above the national minimum standard. Other benchmarks for years 3 and 5 were exceeded.
- 15.11 Various characteristics of the Victorian overseas fee paying program brought to the Committee's notice are mentioned below:
- revenue derived from the program increased by \$4.4 million or 15.4 per cent in 2007-08 compared to the previous year;
 - almost a third of overseas students (531) recruited into government schools in the 2007 calendar year were from China;
 - schools that hosted the largest numbers of overseas students were predominately located in the eastern and south eastern suburbs of Melbourne; and
 - various programs were in place to promote the social inclusion and welfare of overseas students. Examples included the option provided to overseas students to stay with a local family under a homestay arrangement and the provision of an orientation program when students begin at each school.
- 15.12 With regard to the Department of Education and Early Childhood Development responding to more than 1,700 notifications of incidents and complaints about children's services in 2007-08, 68 were considered by the Department to be of a serious nature. The Department should monitor performance against benchmarks in this area in future.

- 15.13** There was a slight reduction in the extent of significant school fires in government schools in 2007-08 compared to the prior year (12 in 2006-07 compared to 10 in 2007-08). A range of fire prevention and health and safety strategies have been implemented at schools across the State, which included the conduct of security risk assessments and targeted security patrols at schools that were subjected to repeated incidents of vandalism, property damage and graffiti.
- 15.14** With nearly a quarter of young people in Years 6 and 8 measured as overweight and 7.4 per cent measured as obese, a range of initiatives are underway to help increase the level of healthy eating and physical activity among Victorian school students. The Committee believes that after the program evaluation work is completed, a consolidated report disclosing outcomes achieved from these initiatives would be useful.
- 15.15** With just under a third of students in Years 6 and 8 showing the presence of depressive symptoms, the Committee is of the view that a report should be published that draws together the impact that the various initiatives have had in addressing this issue.

Overview

15.1 Introduction

Quality Health and Education is the second *Growing Victoria Together* visions examined by the Committee in this year's *Financial and Performance Outcomes Report*.

15.2 Linkage of issues examined to the *Growing Victoria Together* visions

This chapter contains outcome-related comments pertaining to 14 issues categorised according to each relevant agency. As well as serving to enhance accountability, the Committee believes that this information will engender debate and provide a springboard for follow-up as part of the Committee's impending inquiry into the 2009-10 Budget Estimates.

The Committee asked a range of questions to departments and agencies in relation to the *Healthy Environment Vision*. These questions, and the relevant department or agency responses, are detailed in full, with supporting commentary from the Committee where it is deemed relevant. Issues selected by the Committee for examination aligned to the *Growing Victoria Together* goals cover the following topics:

High quality, accessible health and community services

- access to outpatient services;
- postponements and cancellations of elective surgery;
- vocational education and training places – nursing and allied staff;
- replacement of critical medical equipment;
- provision of individual support in home and community-based settings; and
- Melbourne Health – management of key challenges.

High quality education for lifelong learning

- accountability for funding allocation decisions made in respect of building, rebuilding and modernising schools under the Victorian Schools Plan;
- the percentage of Victorian primary school students achieving the national benchmark level in Year 3 writing and Year 5 numeracy – comparison between 2005, 2006 and 2007;
- 2007 national benchmark results for Indigenous students;
- overseas fee paying student program - demographics, revenue generation and program management
- children's services – incidents and complaints,⁴⁰³
- significant fires at government schools;
- Years 6 and 8 students measured as either overweight or obese; and
- depression among students in Years 6 and 8.

15.3 High quality, accessible health and community services

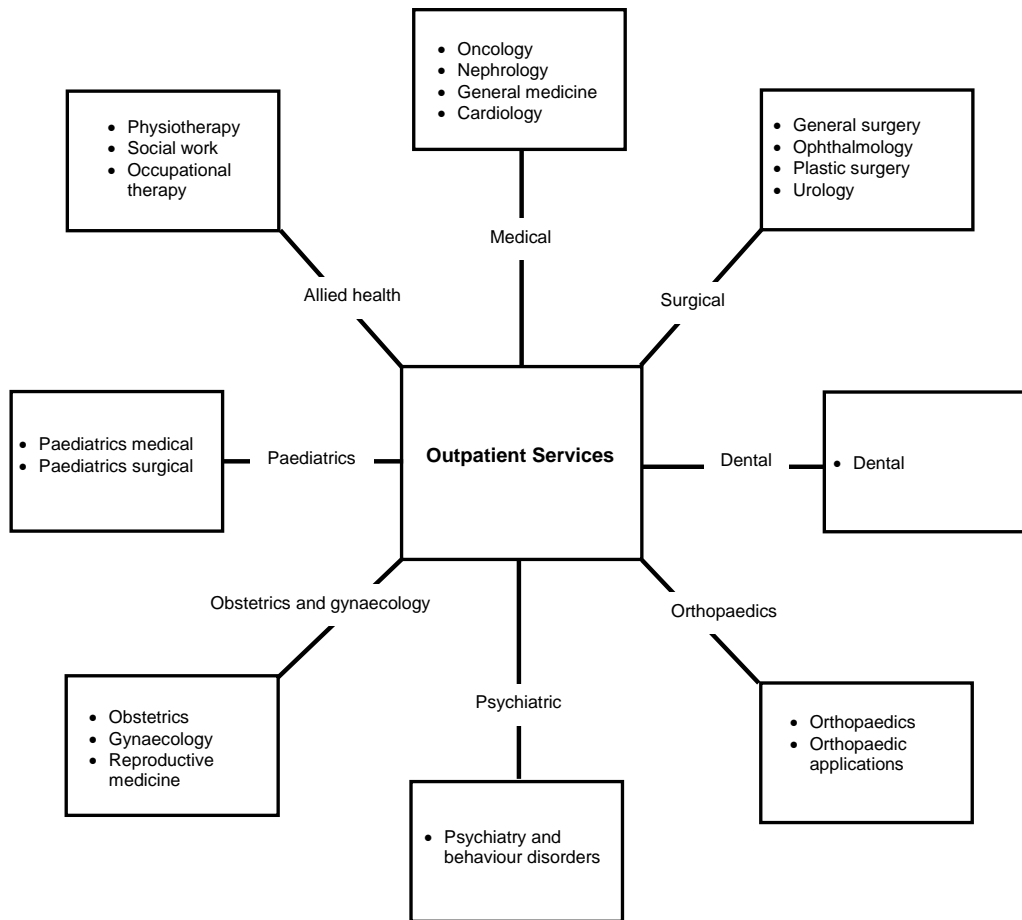
15.3.1 Access to outpatient services

Hospital outpatient services are provided to non-admitted patients and cover a range of services, including specialist medical care, allied health and diagnostic services. Outpatient services are one of the most common ways that patients come into contact with the health system. They are a source of free specialist medical treatment, provision of specialist assessment, consultations before admission to hospital, specialist management of chronic conditions, diagnostic tests, and care following discharge from hospital.⁴⁰⁴ Figure 15.1 illustrates the major outpatient services provided in Victorian hospitals.

⁴⁰³ Note: prior to machinery of government changes that created the Department of Education and Early Childhood Development, issues relating to the wellbeing of young children were included in the previous outcomes report of the Committee under the Department of Human Services i.e the community services element of Growing Victoria Together was included under the broad umbrella of 'health' for reporting purposes to be consistent with the categorisation under the Growing Victoria Together publication

⁴⁰⁴ Auditor-General Victoria, Auditor-General's Report, *Access to specialist medical outpatient care*, June 2006, p.29

Figure 15.1: Major Victorian Outpatient Services



Source: Victoria Auditor-General, *Auditor-General's Report, Access to specialist medical outpatient care, June 2006, p.29*

Delays in accessing outpatient care have the potential to affect patient outcomes and demand on other areas of the hospital, especially if the patient's condition deteriorates before they have their outpatient appointment. Promptly diagnosing and treating medical conditions may prevent unnecessary inpatient admissions, reducing demand on health services generally and reducing associated health care costs.⁴⁰⁵

The Committee noted that the Auditor-General recently reported on the topic *Access to Public Hospitals: Measuring Performance*. This report will be examined by the Committee as part of its program of regularly undertaking follow-up reviews of the findings and recommendations of Auditor-General's reports. In preparing its *Report on the 2007-08 Financial and Performance Outcomes*, the Committee has relied on performance-related information provided by the Department of Human Services

⁴⁰⁵ *ibid.*, p.31

(a) Question

In terms of outpatient appointments, how many patients were waiting for an appointment at the end of December and June during 2007-08 compared to 2006-07?

Please provide a breakdown of outpatient appointments per year for the last five years together with the percentage changes form year to year as well as over the whole period.

Please provide a breakdown of the number of patients waiting for outpatient appointments at 30 June 2008 and 30 June 2007 for each hospital listed in the *Your Hospitals Report* (Appendix 1).

What was the average waiting time for patients waiting for outpatient appointments at 30 June 2008 and 30 June 2007 for each hospital listed in the *Your Hospitals Report*?

Response

The Department of Human Services (DHS) is examining the capability of current hospital systems to collect unit-record level data, including waiting times. Data definitions that have been agreed nationally are essential to the uniform treatment and classification of the waiting period. The Australian Health Care Agreement between the Commonwealth and Victoria requires both parties to work together to develop performance indicators, including waiting times, for access to services for admitted and non-admitted patient services. Currently, national collections consist of only aggregate attendance data by clinic; there are no agreed national definitions. The Department, Commonwealth and jurisdictions have been progressing development of unit record collections, however there is neither a National Minimum Data Set nor agreed definitions of waiting measures at this time.⁴⁰⁶

Budget Paper No.3 identifies the number of patients in specialist outpatient clinics in Victorian Ambulatory Classification System (VACS) hospitals. This constitutes a subset of all outpatient activity and provides an indicative view of outpatient encounter trend. The funding provided in the 2007-08 Budget was allocated for the whole system which also includes specialist appointments in non-VACS hospitals, and allied health services. Data on patients treated in VACS specialist outpatient clinics is outlined in Table 15.1.⁴⁰⁷

Table 15.2: Outpatient encounters 2003-04 to 2007-08

| | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|---|-----------|-----------|-----------|-----------|-----------|
| Patients treated in Specialist outpatient clinics | 1,131,019 | 1,153,580 | 1,181,578 | 1,236,782 | 1,249,777 |
| Annual change (%) | | 2.0 | 2.4 | 4.7 | 1.1 |
| 5 year period change (%) | | | | | 10.5 |

Source: Department of Human Services, *Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two*, p.34

The department's health data collections do not currently include the collection of outpatient waiting data. Currently, national collections consist of only aggregate attendance data by clinic; there are no agreed national definitions.

⁴⁰⁶ Department of Human Services, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, received 25 February 2009, p.33

⁴⁰⁷ *ibid.*, pp.33-34

(b) Question

What strategies are in place to reduce the number of, and shorten the waiting time for, patients waiting for appointments at outpatient clinics attached to Victoria's public hospitals?

In terms of the Department's priority for 2007-08 to expand hospital outpatient services to support admitted services growth, how did the Department perform against its target to provide an additional 18,000 outpatient appointments by June 2008?⁴⁰⁸

How does the Department ensure that the waiting time experienced by patients for outpatient appointments has not had an adverse impact on their health outcomes?

Response

The Specialist Clinic Reform program has been working closely with hospitals over the last 2 years to improve access to outpatient appointments and reduce waiting times. Funding of \$44 million was provided in the 2007-08 Budget for an extra 72,000 outpatient appointments over the subsequent four years and includes funding to health services to implement additional measures designed to reduce delays in accessing outpatient services. Activities underway to reduce and shorten waiting times include: improvement of referral processes; increase in the number of Medical Benefits Schedule (MBS) clinics; development of care pathways to address four key areas for high demand including maternity, orthopaedics, gastroenterology and urology; and the introduction of individualised appointments for patients.⁴⁰⁹

There were approximately an additional 13,000 patients in specialist outpatient clinics in Victorian Ambulatory Classification System (VACS) funded hospitals in 2007-08 compared to the previous year.

The Government is committed to further increase the range of specialist services available that do not require an overnight stay in hospital. These services include urgent care clinics, day hospitals, community rehabilitation and diagnostics services, as well as a range of specialist outpatient clinics, such as orthopaedics, endocrinology and cardiology.⁴¹⁰

Access to outpatient services in Victoria is based on clinical need. Individual health services are responsible for ensuring that protocols and policies exist to make sure that patients are seen in outpatient departments according to their clinical need. General Practitioners (GP) also play a key role in this process by monitoring and referring patients and can provide information to the health service to allow prioritisation of appointments.⁴¹¹

Committee comment

In a report covering the topic *Access to specialist medical outpatient care*, the Auditor-General recommended in June 2006 that the Department of Human Services should develop a range of benchmarks to measure service delivery performance in outpatient services, including measures of access and timeliness. The Auditor-General also recommended that the Department's planned review of VACS should ensure, in part, that the activity target setting process takes into account the number of people waiting for outpatient care and the length of time they have waited.⁴¹²

⁴⁰⁸ Department of Human Services, *Departmental Plan 2007-08*, p.26

⁴⁰⁹ Department of Human Services, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, received 25 February 2009, p.34

⁴¹⁰ *ibid.*, p.34

⁴¹¹ *ibid.*, pp.34-35

⁴¹² Auditor-General Victoria, Auditor-General's Report, *Access to specialist medical outpatient care*, June 2006, p.5

The Department's response indicated, in part, that consideration of benchmarks and performance indicators would be possible when unit-record level data was available and would be investigated as part of the Outpatient Services Review. However, the department considered that a performance indicator targeting access based on need for care would not be introduced easily, given the difficulty of achieving standard definitions of urgency of care.

The Department also stated that the VACS target setting process currently included review of hospital-provided information on demand for services. Implementation of unit record data collection would inform part of the target setting process by providing standardised data on the number of patients waiting for appointments and information on time waited.⁴¹³

The Committee also notes in a recent Auditor-General's report titled *Access to Public Hospitals: Measuring Performance*, tabled on 1 April 2009, the Auditor-General calls for the Department to address the need to measure hospital performance in providing access to specialist outpatient appointments.⁴¹⁴

While acknowledging that the Victorian Government provides detailed information on elective surgery activity, it is apparent that improvements could be made to the information collected and reported on outpatients waiting lists and times, prior to being placed on elective surgery waiting lists. The Committee notes that 1.2 million patients were treated in specialist outpatient clinics in 2007-08 (a 10.5 per cent increase on 2003-04).

The Committee encourages the Department to pursue with the Commonwealth the development of nationally agreed data definitions of 'waiting periods' that people are experiencing for outpatient appointments. A timetable should be established for the finalisation of performance indicators that provide information about the waiting times for access to non-admitted patient services, in the form of outpatient services, i.e. waiting times for outpatient appointments. Appropriate information recording systems within hospitals will need to be in place to ensure that data maintained in relation to outpatient waiting lists and waiting times to access hospital outpatient clinics is reliable.

Recommendation 43: **The Department of Human Services ensure that outpatient data covering waiting list numbers and times is maintained and disclosed in its report on Victoria's public hospitals. To provide a complete picture of outpatient encounter trends for all outpatient activity, this information include data on the whole system including specialist appointments in non-Victorian Ambulatory Classification System hospitals and allied health services.**

15.3.2 Postponements and cancellations of elective surgery

(a) Question

Please provide a breakdown of the surgery events by categories per year for the last five years together with percentage changes from year to year as well as over the whole period.

With regard to 'Hospital Initiated Postponements', how many *Category 1* patients had their surgeries cancelled or postponed during 2007-08 compared to 2006-07?

Please provide a breakdown of the number of *Category 1* patients that had their surgeries cancelled or postponed during 2007-08 compared to 2006-07 for each hospital listed in the *Your Hospitals Report* (Appendix 1).

In relation to *Category 1* patients that had encountered a 'Hospital Initiated Postponement' during 2007-08 and 2006-07, how many of these patients for each year had to wait for more than the 30 day benchmark for their surgery from the date of initially being recorded on the waiting list?

⁴¹³ *ibid.*, p.5

⁴¹⁴ Victorian Auditor-General's Report, *Access to Public Hospitals: Measuring Performance*, April 2009, p.32

Please provide a breakdown for each hospital listed in the *Your Hospitals* Report of the number of *Category 1* patients that had their surgeries cancelled or postponed during 2007-08 and 2006-07 that had to wait for more than the 30 day benchmark for their surgery.

Response

Table 15.3: Elective surgery events 2003-04 to 2007-08

| | Category 1 | Category 2 | Category 3 | Total |
|----------------------|--------------------------------------|------------|------------|---------|
| 2003-04 | 26,328 | 58,764 | 41,559 | 126,651 |
| 2004-05 | 27,495 | 59,643 | 42,072 | 129,210 |
| 2005-06 | 30,143 | 63,137 | 41,244 | 134,524 |
| 2006-07 | 32,313 | 62,906 | 36,450 | 131,669 |
| 2007-08 | 34,227 | 61,696 | 37,446 | 133,369 |
| | Change from previous year (per cent) | | | |
| 2004-05 | 4.4 | 1.5 | 1.2 | 2.0 |
| 2005-06 | 9.6 | 5.9 | -2.0 | 4.1 |
| 2006-07 | 7.2 | -0.4 | -11.6 | -2.1 |
| 2007-08 | 5.9 | -1.9 | 2.7 | 1.3 |
| 5 year period change | 30.0 | 5.0 | -9.9 | 5.3 |

Source: Department of Human Services, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, p.35

The number of *Category 1* patients with 'Hospital Initiated Postponements' is shown below:

| | |
|---------|-------|
| 2006-07 | 2,954 |
| 2007-08 | 3,011 |

This is equivalent to 2.2 per cent of elective surgery events in 2007-08.

Surgery may be cancelled or postponed for a number of reasons relating to clinical issues, patient preparedness or deemed fitness for surgery, or where the patient has postponed or failed to attend for scheduled surgery.

All health services monitor hospital initiated postponement rates and have strategies to minimise these and give priority to those patients whose surgery has been previously postponed. These strategies include optimal scheduling of surgery in relation to theatre utilisation, emergency demand, staff and bed availability. *Category 1* elective surgery patients are the most complex patients requiring elective surgery and as such every effort is made to prioritise the scheduling of their surgery.

There was a small increase (57 or 1.9 per cent) overall in the number of elective surgery *Category 1* patients with hospital initiated postponements between 2006-07 and 2007-08. This occurred over a period during which there was an increase of 1,914 or 5.9 per cent in elective surgery *Category 1* patients admitted from the elective surgery waiting list compared to the previous year.⁴¹⁵

Elective surgery *Category 1* patients with 'Hospital Initiated Postponements', as per the hospitals listed in *Your Hospitals* for 2006-07 and 2007-08, are shown in Table 15.4.

⁴¹⁵ Department of Human Services, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, received 25 February 2009, p.36

Table 15.4: Elective Surgery Category 1 patients with Hospital Initiated Postponements 2006-07 and 2007-08

| Hospital/health service | 2006-07 | 2007-08 | Variance (per cent) (a) |
|---------------------------------|--------------|--------------|-------------------------|
| Angliss Hospital | 12 | 12 | - |
| Austin Health | 323 | 558 | 72.8 |
| Ballarat Health Services | 42 | 71 | 69.0 |
| Barwon Health | 51 | 83 | 62.7 |
| Bendigo Health Care Group | 66 | 78 | 18.2 |
| Box Hill Hospital | 219 | 237 | 8.2 |
| Casey Hospital | 34 | 37 | 8.8 |
| Dandenong Hospital | 65 | 107 | 64.6 |
| Frankston Hospital | 41 | 73 | 78.0 |
| Goulburn Valley Health | 37 | 42 | 13.5 |
| Latrobe Regional Hospital | 11 | 27 | 145.5 |
| Maroondah Hospital | 133 | 84 | -36.8 |
| Mercy Hospital for Women | 9 | 9 | - |
| Mercy Public Werribee | 0 | 3 | na |
| Monash Medical Centre Clayton | 116 | 169 | 45.7 |
| Monash Medical Centre Moorabbin | 103 | 82 | -20.4 |
| Royal Children's Hospital | 181 | 179 | -1.1 |
| Royal Melbourne Hospital | 699 | 507 | -27.5 |
| Royal Vic Eye and Ear Hospital | 60 | 53 | -11.7 |
| Royal Women's Hospital | 15 | 12 | -20.0 |
| Sandringham Hospital | 21 | 6 | -71.4 |
| St Vincent's Hospital | 66 | 87 | 31.8 |
| Sunshine Hospital | 58 | 44 | -24.1 |
| The Alfred | 359 | 242 | -32.6 |
| The Northern Hospital | 41 | 45 | 9.8 |
| Wangaratta District Base | 8 | 5 | -37.5 |
| West Gippsland Healthcare | 5 | 12 | 140.0 |
| Western Hospital | 162 | 130 | -19.8 |
| Williamstown Hospital | 17 | 17 | - |
| Grand Total | 2,954 | 3,011 | 1.9 |

Note: (a) included by the Public Accounts and Estimates Committee

Source: Department of Human Services, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, pp.36-37

(b) Question

What were the main reasons for the postponements of elective surgery for Category 1 patients that occurred during 2007-08 and 2006-07?

Response

In 2007-08 the data set for postponement reasons was enhanced to capture additional details. A transition phase occurred during 2007-08, where data was provided in both old and new code set formats. Please note that each 'Hospital Initiated Postponement' often has multiple, both patient and hospital initiated, reasons for postponement and that the main reason for postponement is not often specifically identified. Reasons for postponements of elective surgery for Category 1 patients in 2006-07 and 2007-08 are set out in Table 15.5.

Table 15.5: Reasons for Elective Surgery Postponements Category 1 patients 2006-07 and 2007-08

| 2006-07 | Reason – description | Number | Proportion of total (per cent) (a) |
|---------|---|--------|------------------------------------|
| | Hospital | 2,287 | 23.2 |
| | Patient | 2,120 | 21.6 |
| | Clinical | 1,866 | 18.9 |
| | Booking Brought Forward | 1,615 | 16.4 |
| | Administrative change before patient notification | 1,191 | 12.1 |
| | Surgeon | 502 | 5.1 |
| | Admission postponed, surgery date unchanged | 270 | 2.7 |
| | All Reasons | 9,851 | 100.0 |
| 2007-08 | Reason – description | Number | |
| | Booking brought forward | 2,172 | 20.7 |
| | Patient deemed unfit | 2,037 | 19.4 |
| | Patient has postponed | 2,031 | 19.4 |
| | Emergency priority | 736 | 7.0 |
| | Surgeon unavailable | 492 | 4.7 |
| | Elective priority | 421 | 4.0 |
| | Patient has failed to attend | 373 | 3.6 |
| | Admission postponed, surgery date unchanged | 277 | 2.6 |
| | Theatre over-run | 270 | 2.6 |
| | Ward bed unavailable | 250 | 2.4 |
| | Critical care bed unavailable | 243 | 2.3 |
| | Surgical unit initiated | 240 | 2.3 |
| | Clerical/Booking error | 186 | 1.8 |
| | Hospital staff unavailable | 138 | 1.3 |
| | Theatre overbooked | 107 | 1.0 |
| | Equipment unavailable | 106 | 1.0 |
| | Clinical | 96 | 0.9 |
| | Hospital | 93 | 0.9 |
| | Patient is unprepared | 84 | 0.8 |
| | Administrative change before patient notification | 54 | 0.5 |
| | Hospital/surgeon has not prepared patient | 39 | 0.4 |
| | Surgeon | 25 | 0.2 |
| | Admission postponed, surgery date unchanged | 5 | 0.1 |
| | All Reasons | 10,475 | 100.0 |

Note: (a) included by the Public Accounts and Estimates Committee

Source: Department of Human Services, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, pp.37-38

(c) Question

What strategies are in place to reduce the extent of ‘Hospital Initiated Postponements’?

Response

The *Elective Surgery Access Policy* (2006) provides health services with the guidelines for the management of ‘Hospital Initiated Postponements’. The Policy states that ‘all health services must monitor hospital initiated postponement rates, introduce strategies to minimise hospital initiated postponements and give priority to those patients whose surgery has been previously postponed’.

The Policy continues to define principles to be considered in minimising hospital initiated postponements. These include:

- scheduling of surgery to optimise theatre utilisation while anticipating emergency demand, bed availability and staff leave;
- minimising the number of postponements experienced by an individual patient; and
- preventing postponements of patients that are currently admitted, or have already arrived at the hospital.

Initiatives including liaison nurses and pre-admission clinics contribute to optimising the elective surgery patients prior to admission, and reduce the chance of day of surgery cancellations for patients that are not adequately prepared.

Improvement in the management of emergency surgery demand reduces the impact on elective surgery patients. During-hours emergency theatre capacity and Emergency Theatre Booking Systems both contribute to the health services capacity to manage emergency and elective demand. The Redesigning the Surgical Patient Journey demonstration project to be completed at three sites in 2009 will identify solutions to maximise operating resources.

The Department monitors all health services against a performance target of less than 8 hospital initiated postponements per 100 scheduled elective surgery admissions. This target is included within the Statement of Priorities agreed between the Minister for Health and the health service.

In 2007-08 the median time to treat urgent patients admitted from the elective surgery waiting list was seven days.⁴¹⁶

(d) Question

How does the Department ensure that the cancellation or postponement of elective surgery for Category 1 patients has not had an adverse impact on their health outcomes?

Response

The scheduling of surgical patients, and any changes to the operating list, including postponements and cancellations, is conducted in consultation with the treating surgeon. As a consequence, patients identified as having an urgent clinical need will be prioritised by the surgeon. In addition, as the surgeon is responsible for the clinical care of the patient, any patient that is postponed or cancelled but unfit to be sent home will be admitted by the hospital.

⁴¹⁶ Department of Human Services, response to the Committee’s 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, received 25 February 2009, p.38

In 2006, the Department released the *Elective Surgery Access Policy* advising on the management of elective surgery patients in Victoria's public hospitals. The policy provided guidelines for the postponing of elective surgery patients, including information to be provided to the patient and support services to be made available. The policy also defines factors to be considered when determining which patient is to be postponed, including that patients of a lower clinical need should be postponed ahead of those of higher clinical need.

The policy states that in the event of cancellation or postponement of a *Category 1* patient, approval must be sought from a senior member of hospital administration, while the patient is to be ideally notified by a senior member of the surgical team. A *Category 1* patient must also be informed of a new admission date for their surgery at the time of postponement.

Upon postponement, the policy directs that the patient should have the opportunity to discuss with a doctor any medical issues that may arise as a result of the postponement of the surgery. In addition, with the patient's consent, the patient's general practitioner should be informed of the postponement and any significant issues relating to the patient's health that may arise as a consequence.

In Victoria, all *Category 1* patients are admitted within the recommended waiting time of 30 days. In 2007-08 the median time to admission was seven days.⁴¹⁷

Committee Comment

The Committee noted that over the past five years, elective surgery events increased by 5.3 per cent from 126,651 in 2003-04 to 133,369 in 2007-08. Over this period, admissions of *Category 1* elective patients increased by 30 per cent from 26,328 in 2003-04 to 34,227 in 2007-08.

While acknowledging the increase in the admission of *Category 1* elective patients and that all urgent elective surgery patients were treated within the recommended waiting time of 30 days in 2007-08 with a median time to admission of seven days, the Committee's analysis also shows that 3,011 *Category 1* elective patients experienced hospital initiated postponements to their surgery in 2007-08. This outcome represented an increase of only 57 hospital initiated postponements (1.9 per cent) over the prior year and a one third rate of increase in surgeries. Advice from the department indicated that policies and processes are in place to manage such occurrences. However, the Committee observed that the extent of postponements of *Category 1* elective surgery increased markedly in certain hospitals.

For example, at Austin Health, Dandenong Hospital and Frankston Hospital, postponements increased by 72.8 per cent, 64.6 per cent and 78.0 per cent respectively between 2006-07 and 2007-08. Conversely, of the larger metropolitan hospitals, notable reductions in postponements were achieved over this period by the Alfred (32.6 per cent) and the Royal Melbourne Hospital (27.5 per cent). Reasons for postponements during 2007-08 centred largely on patients being deemed unfit for surgery (2,037 situations), bookings brought forward (2,008) and patients postponing surgery (1,923). While in the minority, other reasons included the unavailability of surgeons (492 occasions), theatre overruns (270), ward beds being unavailable (250), critical care beds being unavailable (243), hospital staff being unavailable (138) and equipment not being available (106). The Committee, however, has not compared these variations with those of surgery numbers at individual hospitals.

The Committee considers that it is essential for hospital initiated postponements of urgent elective surgery to be kept to an absolute minimum in order to promote the health related quality of life of patients, reduce the distress and inconvenience to patients (e.g. if patients have had to travel large distances to the hospital or taken time off work) and optimise the utilisation of operating theatres.

⁴¹⁷ *ibid.*, p.39

The Health Training Package (HLT07) has been endorsed and both qualifications were revised. The new Certificate IV in Nursing (Division 2) qualification now includes a medicines administration component which has increased the nominal course hours from 850 to 1,018 hours. The HLT07 also now includes a Certificate IV in Allied Health Assistance (previously only a Certificate III existed) which has a greater number of nominal course hours. These events have increased the overall delivery cost and therefore decreased the number of additional training places that can be purchased with the funding available.

However, the recently announced reform to the Victorian VET sector is designed to move the VET system towards a demand-led approach, creating more flexibility. This model will provide the opportunity for the State Government to deliver additional places in areas of high workforce demand, including the Certificate IV in Nursing (Division 2) and the Certificate III/IV in Allied Health Assistance. By taking advantage of this new skills system, it should still be possible to achieve the initial target for additional training places announced in 2006.⁴²⁰

Committee Comment

The Committee noted that as part of the COAG Health Workforce Reform Initiative, the Victorian Budget for 2007-08 allocated \$1.5 million (\$5.8 million over four years) to support the agreement to grow Vocational and Education Training places by supporting 1,500 Division 2 nursing and 420 allied health support VET training places in Victoria.⁴²¹

Given the reforms that have taken place in the Victorian VET sector, the Government will need to carefully monitor and report actual performance on a progressive basis against the targets established for the level of funding provided over the forward estimates in 2007-08 (i.e. 1,500 Division 2 nursing and 420 allied health training places).

Recommendation 46:

In terms of keeping track of performance against deliverable targets for funding that has been provided over the forward estimates period, the Government disclose, on a progressive basis, how it has performed in terms providing 1,500 Division 2 nursing and 420 allied health training places for the \$5.8 million provided over the four year period to 2010-11.

15.3.4 Replacement of critical medical equipment

(a) Question

With a desired outcome to provide safer health services, the Committee noted that a priority of the department for 2007-08 was for critical medical equipment to be replaced to reduce risks to patients, staff and service availability.⁴²² The 2007-08 Budget provided \$145 million over four years (\$40 million in 2007-08) for the Medical Equipment Replacement Program.⁴²³

In terms of the Department's target to replace critical medical equipment across the public health system by June 2008,⁴²⁴ how has the Department performed against the specifics of what was planned to be achieved in 2007-08 according to the Medical Equipment Replacement Program?

Please provide a summary of how the \$40 million allocated for 2007-08 has been spent by the Department.

⁴²⁰ *ibid.*, pp.40-41

⁴²¹ Department of Human Services, Victorian Budget 2007-08 Information Kit and Budget Paper No.3, 2007-08 *Service Delivery*, p.283

⁴²² Department of Human Services, *Departmental Plan 2007-08*, p.29

⁴²³ Budget Paper No.3, 2007-08 *Service Delivery*, p.293

⁴²⁴ Department of Human Services, *Departmental Plan 2007-08*, p.29

Response

Working closely with health agencies, the medical equipment replacement program is targeted towards replacing highest priority high cost critical medical equipment items across Victoria. The program is specifically designed to replace high risk (i.e. category 1 and 2) items.

During 2007-08, the Department was allocated \$40 million as part of the medical equipment replacement program. The total budget was fully committed to health agencies. In total, the Department funded over 270 submissions for medical equipment replacement, with 180 submissions received from metropolitan hospitals, and more than 90 submissions funded across rural Victoria.

The overall budget was allocated as follows:

- \$27.3 million to replace items in metropolitan hospitals;
- \$9.1 million for items in rural hospitals;
- \$1.2 million to replace statewide public health items; and
- \$2.4 million specifically allocated for a new linear accelerator at Austin Health.

As of the end of June 2008, the Department had expended \$35.3 million of the total \$40 million committed to health agencies. Full expenditure of the program was not achieved in the 2007-08 financial year as a number of the high cost specialised equipment items needed to be sourced from overseas, resulting in a delay to expected installation timelines.⁴²⁵

Committee comment

The Committee disclosed in its Report on the *2008-09 Budget Estimates Report, Part Three* that the Medical Equipment Replacement Program, with budgeted expenditure for 2008-09 totalling \$145.0 million, formed the largest component of the Department's Asset Investment Program (10.4 per cent).⁴²⁶ In terms of acquiring specialised medical equipment in a timely manner, the Committee agrees with the following advice prepared by the Victorian Government Procurement Group of the Department of Treasury and Finance:⁴²⁷

For government, good procurement means ensuring that business units are able to access the market for their needs in a timely, efficient, value-generating and appropriate way. There is no benefit in developing a complex process which satisfies a variety of process and control standards if it fails to deliver in a timely and efficient way.

The Committee noted that the Department was not in a position to fully utilise \$4.7 million (11.7 per cent) of the \$40 million allocated through the Budget for the Medical Equipment Replacement Program in 2007-08, given that a number of high cost specialised equipment items from overseas resulted in delays to installation timelines.

To minimise any risk to patients, the Committee believes that every effort needs to be made to ensuring that specialised medical equipment sourced from overseas suppliers is received in a timely manner during the remaining three years of its program. Where overseas suppliers are involved, the framing of expected timelines needs to take into account possible delays that may eventuate due to the specialised nature of manufacture and distances involved, based on past experience. Consideration should also be given to developing contingency plans to minimise any risks to patient health that may be accentuated in the event of delays occurring in the procurement process for the final commissioning of specialised equipment.

⁴²⁵ Department of Human Services, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, received 25 February 2009, p.41

⁴²⁶ Public Accounts and Estimates Committee, *Report on the 2008-09 Budget Estimates Part Three*, October 2008, p.72

⁴²⁷ Department of Treasury and Finance, Victorian Government Procurement Group, Department of Treasury and Finance, Information Paper, *Practitioners' Guide to Strategic Procurement (non-SPCs)*, June 2006, p.10

- Recommendation 47:** To minimise any risks to patients due to untimely procurement processes, the Department of Human Services strive to ensure that medical equipment of a specialised nature is acquired in line with expected timelines. Forward order contracts could incorporate commercial terms for risks, penalties and incentives for timely delivery and commissioning.
- Recommendation 48:** In the event of delays occurring in the procurement process resulting in medical equipment not being acquired when planned, the Department of Human Services evaluate the risk of such equipment not being supplied on time in terms of patient health outcomes and develop contingency plans to address such risks.

15.3.5 Provision of individual support in home and community-based settings

(a) Question

In terms of achieving the outcome of providing more individualised support in home and community-based settings, how did the Department actually perform compared to the target of providing 9.27 million hours of service to a total of 260,000 HACC clients by June 2008?⁴²⁸

If these targets were not achieved, please provide the reason(s) and any contributing factors.

Please provide a summary of the how the hours involved in providing HACC services in 2007-08:

- were allocated between the various services; and
- compared to budget/expectations (please also account for any variations of more than 10 per cent).

Response

The Home and Community Care (HACC) output target was achieved.

In 2007-08, according to the HACC minimum data set (MDS), a total of 10.29 million hours of service were reported by agencies delivering the range of activities that corresponded to the Budget Paper No.3 target. The count includes the basic range of unit-priced activities measured in hours, but excludes hours attributable to Linkages packages, the number of delivered meals and non-unit priced activities. The target of 9.27 million hours did not include the target of 735,000 hours set for Small Rural Health Services. The combined target for HACC general and small rural HACC services was 10.01 million hours.

Against the target of 260,000 HACC clients in 2007-08, the final outcome for 2007-08 was 256,162 clients. This calculation followed the MDS data resubmission period and data cleansing process, and was based on a revised method introduced to conform to Commonwealth reporting requirements. It excludes anonymous client records.

If the revised counting method is applied retrospectively to the 2006-07 outcome, it can be seen that there was a growth in client numbers of about 1.4 per cent.

The mix of service types corresponding to these hours of service is shown in Table 15.6.

⁴²⁸ Department of Human Services, *Departmental Plan 2007-08*, p.30

Table 15.6: Home and Community Care activities output compared to target for service types 2007-08

| Chart of accounts activity name | Target output (Total units including FYE 2007-08) | Actual outputs units from all funding sources | % of target achieved |
|------------------------------------|---|---|----------------------|
| HACC Allied health | 529,883 | 446,718 | 84.3 |
| HACC Domestic Assistance | 2,576,502 | 2,577,654 | 100.0 |
| HACC Nursing | 1,188,654 | 1,221,063 | 102.7 |
| HACC Personal Care | 1,044,854 | 1,001,865 | 95.9 |
| HACC Planned Activity Group - Core | 2,217,843 | 2,349,405 | 105.9 |
| HACC Planned Activity Group - High | 1,569,442 | 1,682,850 | 107.2 |
| HACC Property Maintenance | 269,832 | 254,671 | 94.4 |
| HACC Respite | 730,057 | 753,460 | 103.2 |
| Total | 10,127,067 | 10,287,686 | 101.6 |

Source: Department of Human Services, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, pp.42-43

The target of 10.127 million hours in column 2 is a little higher than the Budget Paper target as it reflects the result of negotiations with funded agencies in July 2007. In column 3, the actual outputs reported via the HACC minimum data set include hours of service attributable to the Commonwealth/State matched grant, the additional unmatched State funding, and any own-source contribution made by service providers such local councils.

All outputs were within 10 per cent of target, except for allied health services.

The statewide result in hours of allied health continues a pattern first noted in 2006-07 of persistent difficulty for community health centres in recruiting allied health staff to fill vacancies and meet unmet demand due to competition for allied health professionals becoming tougher with the Commonwealth's change in the rules that now make MBS reimbursement available to private practitioners. In some cases, the difficulty is in recruiting part-time staff. Rural regions appear to have the most trouble in hiring qualified staff.⁴²⁹

Committee comment

The Committee encourages the Department to develop a human resource recruitment strategy that targets the recruitment of qualified allied health practitioners to community health centres in order to assist in meeting HACC output targets. The Committee suggests that it may be worthwhile for the Department to survey community health centres with a view to identifying:

- workforce shortages;
- challenges experienced in recruiting and retaining allied health staff; and
- innovative solutions to address these challenges such as contracting services to off-site providers, increasing overtime or providing more allied health training programs.

Recommendation 49:

With a view to addressing allied health workforce shortages, the Department of Human Services develop a human resource recruitment strategy aimed at filling vacancies in community health centres.

⁴²⁹ Department of Human Services, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, received 25 February 2009, p.43

15.4 Melbourne Health

15.4.1 Management of key challenges

(a) Question

According to the Chairman's Report to Melbourne Health's Annual Report, 2007-08 had been a challenging year.⁴³⁰

Please provide a summary of the key challenges in relation to achieving government policy outcomes in quality health that were experienced by Melbourne Health in 2007-08.

How were each of these challenges addressed?

Response

The Melbourne Health Board and Executive Management identified three key focus areas for the 2007 Financial Year. They were to:

- improve access to Melbourne Health services – reduce waiting lists and meet increasing demand and acuity;
- undertake \$56.2 million capital works program, which included completion of the shared retail precinct associated with the relocated Royal Women's Hospital and the new RMH front entrance as well as the redevelopment of the RMH Emergency Department; and
- improve Melbourne Health's financial position.

During the year Melbourne Health, in meeting these challenges, continued to provide high quality clinical services in the context of increasing demand, higher acuity and significant capital works.

Increased demand and acuity are summarized below in Table 15.7.

Table 15.7: Melbourne Health activity indicators 2007-08 compared to 2006-07

| Item | Change | 2006-07 | 2007-08 | Variance (Number) | Variance (per cent) |
|--|-----------|---------|---------|-------------------|---------------------|
| WIES(a) | Increased | 63,171 | 66,097 | 2,926 | 4.6 |
| Multiday Separations (total including sub-acute and mental health) | Increased | 31,346 | 33,554 | 2,208 | 7.0 |
| Emergency Department presentations | Increased | 54,873 | 55,423 | 550 | 1.0 |
| Emergency Admissions | Increased | 13,595 | 14,251 | 656 | 4.8 |
| Category 1, 2, 3 Emergency Department patients | Increased | 26,680 | 29,633 | 2,953 | 11.1 |
| Emergency Department arrivals by ambulance | Increased | 17,965 | 18,903 | 938 | 5.2 |
| Outpatient occasions of service (includes acute, subacute and mental health) | Increased | 629,976 | 660,587 | 30,611 | 4.8 |
| Trauma admissions | Increased | 2,399 | 2,487 | 88 | 3.7 |
| Total elective waiting list admission | Increased | 6,987 | 7,498 | 511 | 7.3 |

Notes: (a) WIES: Weighted Inlier Equivalent Separation

Source: Melbourne Health, Response to the Committee 2007-08 Financial and Performance Outcomes Questionnaire – Part Two, pp.1-2

⁴³⁰ Melbourne Health, Annual Report 2007-08, p.2

The key to Melbourne Health's achievements during the financial year has been the high level of employee involvement across all improvement areas. The groundwork for this higher level of involvement was laid through the Melbourne Health cultural change program where around 500 staff representing all levels and disciplines developed the organisation's values and behaviours through a series of workshops and focus groups.

Supporting this staff engagement has been a structured approach to improvement activities.

Access:

The Melbourne Health Improvement Program is a whole of organisation strategy to achieve sustainable, systematic changes across outpatient, emergency and elective services, sub-acute and community-based care, involving staff from appropriate clinical areas in identifying and implementing improved processes and systems. This program was a silver winner of the Victorian Public Healthcare Awards.

A total of 24 improvement streams were identified to address patient flow. Examples of improvement projects include:

- changes to the theatre templates to optimise theatre flows;
- improved flows through diagnostic services;
- the Orthopaedic surgery waitlist project;
- improved flows through Emergency care; and
- improving care management for inpatients.

Clinical standards were maintained as evidenced by achieving four year ACHS Accreditation in December 2007.

Capital Works:

The State Government has funded significant capital works at The Royal Melbourne Hospital City Campus, including the \$56 million Emergency Department redevelopment, retail precinct and front entry and the brick rectification project. This capital works activity affected a number of areas of the hospital, including significant noise issues and temporary relocation of staff and services (in particular, the Emergency Department).

While the capital works caused some inconvenience to staff, patients and visitors, this was minimised and disruption to services was avoided by:

- formulating clear communication strategies;
- developing close working relationships between capital works, infrastructure staff and the clinical programs; and
- achieving a high degree of cooperation and commitment of staff to provide high quality clinical services in temporary accommodation.

Financial position:

Improving the Melbourne Health budget deficit for the year ended 30 June 2007 of \$13,328,000 presented a significant challenge. Through improved financial management, the organisation was able to reduce the deficit to \$641,000 for the year ended 30 June 2008.

Again, staff were involved in identifying opportunities to maximise revenue opportunities and achieve savings across clinical and non-clinical areas. Improved financial processes, such as the introduction of the FMIS-Oracle system, helped to achieve this as did improved reporting and monitoring systems.⁴³¹

Further details are contained in Chapter 19 (Vibrant Democracy) of this report.

⁴³¹ Melbourne Health, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire, received 18 February 2009, pp.1-3

High quality education for lifelong learning

15.5 Department of Education and Early Childhood Development

15.5.1 *The Victorian Schools Plan – allocation of funding among schools*

The Department's annual report for 2007-08 indicates that it is on track with the delivery of the Victorian School's Plan, which has a target of 500 schools to be built, rebuilt or modernised by 2011. The State Budget for 2007-08 funded the first stage of the plan, which involved 131 schools receiving funding.⁴³²

The Committee noted that in relation to the substantive basis for the initial funding commitment of \$1.8 billion to rebuild or reconstruct 500 schools by 2011, the Auditor-General reported to Parliament in November 2008 that his Office did not find documentation within the Department that adequately explained the basis for selecting schools for inclusion in the 2007-2011 phase of the Victorian Schools Plan and that there were many anomalies that could not be explained from the available information.⁴³³

(a) Question

Please provide a schedule that identifies:

- each of the schools that received funding in 2007-08;
- the funding allocation to each school;
- the basis on which they were selected; and
- the planned date when each school will be opened or modernisation completed.

In a broader sense, please explain the criteria used to prioritise building projects for those schools included in the 2007-2011 phase of the Victorian Schools Plan.

Response

Table 15.8 shows the schools that received funding in 2007-08 for school modernisation and completion dates.

⁴³² Department of Education and Early Childhood Development, *Annual Report 2007-08*, pp.6 and 48

⁴³³ Victorian Auditor-General, *School Buildings: Planning, Maintenance and Renewal, November 2008*, pp.35-36

Table 15.8: Schools modernisation program 2007-08

| School | \$ | Date |
|------------------------------------|-----------|----------|
| Ballarat Secondary College | 5,633,000 | 28/04/09 |
| Beaconsfield Upper Primary School | 1,523,000 | 21/07/08 |
| Beechworth Secondary College | 5,153,000 | 14/11/08 |
| Bentleigh Secondary College | 6,233,000 | 20/11/08 |
| Bentleigh West Primary School | 6,153,000 | 01/04/09 |
| Black Hill Primary School | 3,013,000 | 21/12/08 |
| Box Hill High School | 5,763,000 | 11/02/08 |
| Brauer Secondary College | 1,593,000 | 28/04/08 |
| Buckley Park College | 5,003,000 | 12/01/09 |
| Caroline Springs College Brookside | 4,933,000 | 28/11/08 |
| Carranballac P-9 College Boardwalk | 6,973,000 | 20/11/08 |
| Coburg Senior High School | 3,095,000 | 16/12/08 |
| Cranbourne West Primary School | 5,083,000 | 05/12/08 |
| Drouin Primary School | 2,000,000 | 01/12/09 |
| Drouin Secondary College | 1,930,000 | 01/05/08 |
| East Doncaster Secondary College | 6,393,000 | 18/12/08 |
| Echuca College | 5,278,000 | 04/08/09 |
| Elsternwick Primary School | 4,373,000 | 20/11/08 |
| Euroa Secondary College | 3,903,000 | 22/01/09 |
| Geelong South Primary School | 2,120,000 | 15/12/08 |
| Gladesville Primary School | 2,813,000 | 18/07/08 |
| Glendal Primary School | 5,660,000 | 06/10/08 |
| Greenhills Primary School | 4,553,000 | 05/09/08 |
| Inverleigh Primary School | 1,153,000 | 10/11/08 |
| Kent Park Primary School | 4,043,000 | 12/02/09 |
| Kinglake West Primary School | 3,163,000 | 20/11/08 |
| Kurnai College | 4,303,000 | 25/06/09 |
| Macclesfield Primary School | 3,193,000 | 09/12/08 |
| McClelland Secondary College | 5,565,000 | 23/03/09 |
| Mill Park Primary School | 4,433,000 | 13/11/08 |
| Mount Waverley Primary School | 6,343,000 | 15/09/09 |
| New Gisborne Primary School | 2,873,000 | 22/09/08 |
| North Melbourne Primary School | 2,153,000 | 26/05/09 |
| North Shore Primary School | 2,910,000 | 24/11/08 |
| Oberon High School | 1,783,000 | 04/02/09 |
| Parkdale Secondary College | 8,913,000 | 05/03/09 |
| Point Lonsdale Primary School | 4,063,000 | 15/09/08 |
| Roberts McCubbin Primary School | 6,192,000 | 04/05/09 |
| Sale College Macalister campus | 953,000 | 04/04/08 |
| Tate Street Primary School | 1,540,000 | 30/09/08 |
| Torquay P-9 College | 6,613,000 | 30/01/09 |
| Upwey High School | 4,360,000 | 29/07/09 |
| Vermont Secondary College | 6,103,000 | 18/11/09 |
| Werribee Secondary College | 6,760,000 | 15/01/10 |

Source: Department of Education and Early Childhood Development, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.11

The schools funded under this program in 2007-08 are:

Table 15.9: Better Schools today program 2007-08

| School | \$ |
|-------------------------------------|---------|
| Stawell West Primary School | 500,000 |
| Mount Clear Primary School | 480,000 |
| Collingwood English Language School | 500,000 |
| Merri Creek Primary School | 500,000 |
| Fairfield Primary School | 500,000 |
| Northcote Primary School | 500,000 |
| Carlton North Primary School | 500,000 |
| Puckapunyal Primary School | 400,000 |
| Tallangatta Primary School | 400,000 |
| Katandra West Primary School | 400,000 |
| Nangiloc Colignan Primary School | 300,000 |
| Castlemaine North Primary School | 300,000 |
| Maldon Primary School | 300,000 |
| Carrum Downs Primary School | 400,000 |
| Valkstone Primary School | 500,000 |
| Black Rock Primary School | 500,000 |
| Belvedere Primary School | 400,000 |
| Mentone Park Primary School | 400,000 |
| Toorak Primary School | 500,000 |
| Altona North Primary School | 400,000 |
| Essendon North Primary School | 500,000 |
| South Yarra Primary School | 500,000 |
| Woodville Primary School | 500,000 |
| Derrinallum College (P-12) | 500,000 |
| Skipton Primary School | 350,000 |
| Simpson Primary School | 450,000 |
| Cann River P-12 College | 400,000 |
| East Gippsland Specialist School | 500,000 |
| Swan Reach Primary School | 400,000 |
| Clifton Creek Primary School | 400,000 |
| The Basin Primary School | 400,000 |
| Monbulk Primary School | 500,000 |
| Gruyere Primary School | 500,000 |
| Scoresby Primary School | 400,000 |
| Glenferrie Primary School | 500,000 |
| Orchard Grove Primary School | 500,000 |
| Doncaster Gardens Primary School | 500,000 |
| Ripponlea Primary School | 500,000 |
| Stonnington Primary School | 500,000 |
| St Kilda Primary School | 500,000 |

Source: Department of Education and Early Childhood Development, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p. 12.

Table 15.10: New Schools

| School | \$ | Date |
|--|-------------|----------|
| Berwick Chase Primary School | \$7,850,000 | 23/01/09 |
| Caroline Springs College Springside P-9 Campus | \$7,850,000 | 21/03/09 |
| Laurimar Primary School | \$4,850,000 | 21/03/09 |
| Manor Lakes P-12 Specialist College | \$6,900,000 | 22/01/09 |
| Mount Ridley P-12 College | \$7,850,000 | 01/03/09 |
| Pakenham Lakeside Primary School | \$7,850,000 | 03/03/09 |
| Point Cook Senior Secondary College | \$6,850,000 | 30/07/09 |

Source: Department of Education and Early Childhood Development, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.13.

Specialist schools

\$10 million has been allocated to the Maribyrnong Secondary College to complete its transformation into a specialist sports school. \$1 million is earmarked for planning work on new select entry schools. This project is due for completion 31 August 2009. A further \$35 million has been allocated to purchase land to build other new schools.

Table 15.11: Replacement schools

| School | \$ | Date |
|-------------------------------------|------------|----------|
| Albert Park College | 30,000,000 | 30/10/10 |
| Grevillea Park Primary School | 3,300,000 | 20/06/08 |
| Monash Special Developmental School | 2,700,000 | 28/11/08 |
| Skene Street School Stawell | 5,000,000 | 18/12/09 |

Source: Department of Education and Early Childhood Development, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.13.

Table 15.12: Small rural schools

| School | \$ | Date |
|----------------------------------|-----------|----------|
| Drouin West Primary School | 2,000,000 | 12/05/09 |
| Harcourt Valley Primary School | 2,000,000 | 21/08/09 |
| Lethbridge Primary School | 2,000,000 | 21/08/09 |
| Mooroopna North Primary School | 2,500,000 | 21/08/09 |
| Toora Primary School | 2,000,000 | 21/08/09 |
| Trentham District Primary School | 2,500,000 | 21/08/09 |

Source: Department of Education and Early Childhood Development, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.13.

Table 15.13: Regeneration schools

| School | \$ | Date |
|---|------------|----------|
| Altona Secondary College | 6,210,000 | 28/04/09 |
| Bayside P-12 College | 6,250,000 | 04/02/09 |
| Crusoe 7-10 Secondary College (Bendigo) | 10,000,000 | 21/07/09 |
| Eaglehawk Secondary College (Bendigo) | 10,000,000 | 21/05/09 |
| Broadmeadows (Blair Street) | 11,415,000 | 27/05/09 |
| Broadmeadows (Dimboola Road) | 10,400,000 | 14/09/09 |
| Colac college | 5,000,000 | 16/01/09 |
| Dandenong High School | 9,970,000 | 13/03/09 |
| Laverton Secondary College | 5,660,000 | 30/04/09 |
| Wangaratta High School | 4,630,000 | 16/02/09 |
| Western Heights Secondary | 13,770,000 | 02/12/10 |

Source: Department of Education and Early Childhood Development, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.13.

Science rooms and technical wings

An amount of \$50 million was committed over five years to build 30 new technical wings in secondary schools and modernise equipment in all others. The locations of the technical wings have yet to be identified. Funding of \$3.3 million was allocated for 16 new science rooms at six schools in 2007-08, with a further 47 science rooms being refurbished as part of modernisation, regeneration, new and replacement school projects.

The schools identified in the Victorian Schools Plan (VSP) are given the highest priority by the Department for intake into the Building Futures application process. Key categories for schools identified in the VSP are:

- modernisations (including science classrooms, technical wings, regeneration programs and special schools);
- new schools in growth areas;
- schools excelling in specialist areas (selective entry schools, Science schools and sports schools, Science and Maths Specialist Centres);
- rural replacement schools; and
- relocatable classrooms (does not proceed through the Building Futures process).

Identification of schools within the different program categories is based on different needs.

In 2007 the Government announced the Better Schools Today Program. This program provides funding between \$300,000 and \$500,000 for each school requiring modernisation and a smaller upgrade. In 2007, 40 schools received this funding and in 2008, 70 schools received this funding. These schools are identified through regional nominations.

Prioritisation for funding for construction of projects which are fully planned at Building Futures Stage 4 is undertaken as part of the annual Budget process.⁴³⁴

⁴³⁴ Department of Education and Early Childhood Development, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire

Committee comment

The Committee maintains that the basis for resource allocation decisions associated with major funding initiatives, particularly those that involve numerous recipients, should be fully transparent. In applying this concept, in order to be able to be accountable for the prioritisation of funding requests for schools to be built, rebuilt or modernised, the Department should develop a set of criteria that encompasses the differing needs of schools for inclusion in the 2007-11 phase of the Victorian Schools Plan.

15.5.2 Percentage of Victorian primary school students achieving the national benchmark level in Year 3 writing and Year 5 numeracy – comparison between 2005, 2006 and 2007

(a) Question

Although exceeding the national average, what are the implications (if any) of the reduction over the past three years in the percentage of Victorian primary school students achieving the:⁴³⁵

- national benchmark level in Year 3 writing (97.5 per cent, 2005; 96.6 per cent, 2006; 94.1 per cent, 2007); and
- national benchmark level in Year 5 numeracy (95.4 per cent, 2005; 94.9 per cent, 2006; 91.5 per cent, 2007)?

Response

National benchmark data are subject to measurement error which has not been included in the data quoted in the question.

In respect of Year 3 writing the data are as follows:

- 97.5 per cent (+0.1 per cent) 2005
- 96.6 per cent (+0.5 per cent) 2006
- 94.1 per cent (+1.2 per cent) 2007.

When measurement error is taken into account, there is a statistical difference of 0.3 of a percentage point between 2005 and 2006, and 0.8 of percentage point between 2007 and 2006.

In respect of Year 5 numeracy, the data are as follows:

- 95.4 per cent (+0.7 per cent) 2005
- 94.9 per cent (+0.9 per cent) 2006
- 91.5 per cent (+1.3 per cent) 2007.

When measurement error is taken in to account, there is no statistical difference between 2005 and 2006, and 1.2 of a percentage point between 2007 and 2006.

The changes in these data sets across the three year period do not support an interpretation of a detrimental performance.

⁴³⁵ Department of Education and Early Childhood Development, *Annual Report 2007-08*, p.18

Committee comment

The Victorian Auditor-General found in his recent examination of literacy and numeracy achievement in Victoria's government schools that the Government had made a substantial commitment to improving literacy and numeracy, investing \$1.2 billion in initiatives over the past six years. However, the Department's efforts between 1998 and 2007 had not resulted in a marked improvement across age groups.⁴³⁶

The Auditor-General found that, although improvements were more noticeable for students in their early years, these gains were not sustainable as they progressed through schooling. Students generally performed less well in numeracy than in literacy, with average student performance often further below the expected level, and with fewer improving trends apparent.⁴³⁷

As reported by the Auditor-General, given that the Department expected improvements in literacy and numeracy achievements resulting from its actions since 2003 would commence to emerge by 2008, the Committee will be interested in monitoring outcomes in this area in future.⁴³⁸

In examining this issue, the Committee acknowledges the findings contained in a National Report on Schooling in Australia 2008 titled *The National Assessment Program Literacy and Numeracy, Achievement in /Reading, Writing, Language, Conventions and Numeracy* prepared by the Ministerial Council on Education, Employment Training and Youth Affairs (MCEETYA) that relate to Victoria. MCEETYA found that in relation to Year 9 students:⁴³⁹

Between 87 and 94 per cent (Writing and Numeracy, respectively) of Australian students are estimated to be working at or above the national minimum standard. As was the case for Years 3, 5 and 7, the percentage of students estimated to be working at or above the national minimum standard is greatest for Victoria, New South Wales and the Australian Capital Territory.

15.5.3 National benchmark results for Indigenous students for 2007

(a) Question

Given that according to the Department's annual report, the final 2007 national benchmark results were not released at the time of submission to Department of Treasury and Finance, what were the actual results for the 2007 calendar year for the performance measures relating to Indigenous students.⁴⁴⁰ Please comment on any of the above targets that were not achieved.

⁴³⁶ Victorian Auditor-General's Report, *Literacy and Numeracy Achievement*, February 2009, pp.2, 76-77

⁴³⁷ *ibid.*, pp.31

⁴³⁸ *ibid.*, p.2

⁴³⁹ Ministerial Council on Education, Employment, Training and Youth Affairs, *National Assessment Program Literacy and Numeracy, Achievement in Reading, Writing, Language Conventions and Numeracy*, 19 December 2008, p.202

⁴⁴⁰ Department of Education and Early Childhood Development, *Annual Report 2007-08*, pp.22-23

Response

Table 15.14: Performance measures relating to Indigenous students

| | Target (per cent) | Actual (per cent) |
|---|----------------------|----------------------|
| Percentage of Year 3 Indigenous students reaching national benchmarks in Reading | 74 | 86.1 |
| Percentage of Year 3 Indigenous students reaching national benchmarks in Numeracy | 82 | 88.5 |
| Percentage of Year 5 Indigenous students reaching national benchmarks in Reading | 75 | 79.9 |
| Percentage of Year 5 Indigenous students reaching national benchmarks in Numeracy | 85 | 75.4 |

Source: Department of Education and Early Childhood Development, *Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two*

As can be seen from the above table, the target for the performance measure *Percentage of Year 5 Indigenous students reaching national benchmarks in Numeracy* was not achieved. The result (75.4 per cent) is subject to a measurement error of 4.6 per cent. As such, the result could be as high as approximately 80 per cent. Data for Indigenous students in Victoria are volatile and, because of the small size of the cohort, are subject to cohort effects.

From 2008, the National Assessment Program for Literacy and Numeracy (NAPLAN) was introduced and Koori results will need to be closely monitored.⁴⁴¹

Committee comment

The Committee was encouraged to find that according to MCEETYA's National Report on Schooling in Australia 2008, a considerable improvement had been achieved in this measure for 2008 with 83.3 per cent of Year 5 Indigenous students (subject to a measurement error of 3.5 per cent) attaining a level at or above the national minimum standard for numeracy in that year.⁴⁴²

15.5.4 Overseas fee paying student program – demographics, revenue generation and program management

(a) Question

In terms of the 1,699 overseas students recruited to study in Victorian government schools in the 2007 calendar year, compared to the target of 1,000,⁴⁴³ please provide a breakdown of:

- the students per major countries of residence (please list the top five); and
- the students categorised according to the Victorian government schools where they were enrolled (please list the top 20 schools).

Please outline the revenue derived from the overseas fee-paying student program in Victorian government schools during 2007-08 compared to the previous financial year.

⁴⁴¹ Department of Education and Early Childhood Development. Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire, received 30 January 2009

⁴⁴² Ministerial Council on Education, Employment, Training and Youth Affairs, *National Assessment Program Literacy and Numeracy, Achievement in Reading, Writing, Language Conventions and Numeracy*, 19 December 2008, p.90

⁴⁴³ Department of Education and Early Childhood Development, *Annual Report 2007-08*, p.28

What programs are in place to promote the social inclusion and welfare of overseas students, thereby ensuring that international students feel part of the wider society?

Response

The top five countries of residence of the students recruited into Victorian government schools in the 2007 calendar year were:

Table 15.15: International students, country of residence

| Country | Number of Students |
|---------|--------------------|
| China | 531 |
| Vietnam | 224 |
| Korea | 211 |
| Japan | 64 |
| Germany | 62 |

Source: Department of Education and Early Childhood Development, Response to the committee's Financial and Performance Outcomes Questionnaire - Part Two, p.18

The top 20 Victorian government schools with commencing international students in 2007 were:

Table 15.16: Number of International students commencing in 2007

| School | No. |
|----------------------------------|-----|
| Hawthorn Secondary College | 60 |
| Brighton Secondary College | 59 |
| Northcote High School | 58 |
| Sandringham College | 44 |
| Box Hill High School | 38 |
| Balwyn High School | 33 |
| Kew High School | 30 |
| Wellington Secondary College | 30 |
| Doncaster Secondary College | 29 |
| Glen Waverley Secondary College | 28 |
| Melbourne Girls College | 27 |
| Elwood College | 27 |
| Mount Eliza Secondary College | 25 |
| Westall Secondary College | 25 |
| East Doncaster Secondary College | 24 |
| Frankston High School | 23 |
| Wantirna College | 23 |
| Braybrook College | 22 |
| Brentwood Secondary College | 21 |
| Templestowe College | 21 |

Source: Department of Education and Early Childhood Development, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.18-19

Revenue from the overseas fee paying student program in 2007-08 was \$32,792,831 compared with \$28,426,287 in 2006-07.

A range of programs are in place to promote the social inclusion and welfare of overseas students.

A feature of the Victorian Government Schools Program is that overseas students over the age of 15 may choose to stay with a local family under a homestay arrangement. These students stay in a family home and are cared for by a local family, participate in the family's social, sporting, and cultural activities. For these students, the opportunity to live with a local family is a highly valued aspect of the program.

The Department has welfare responsibility for students who are in homestay and has rigorous policies, procedures and quality standards to ensure the appropriate selection of families, monitoring of the homestay and ongoing support to the students and the homestay families.

The schools which host overseas students are required to provide a comprehensive orientation program when the student begins at that school. The orientation program is designed to promote the student's successful adjustment to living in the local community and studying at the host school.

Each school has a designated International Student Coordinator (ISC), who reports to a principal class officer. The ISC and principal class officer actively support students throughout their enrolment, ensuring that their welfare, social inclusion and academic issues are sustained. The schools help the students to develop social and community networks and personal friendships within the school community.

The Department has detailed policies, procedures and quality standards to which all schools with fee paying overseas students must adhere. The policies, procedures and Quality Standards are designed to ensure full compliance by the Department with the Commonwealth Government's *Education Services for Overseas Students Act 2000* and migration regulations.⁴⁴⁴

Committee comment

The Committee noted that revenue derived from the overseas paying student program increased by \$4,366,544 or 15.4 per cent between 2006-07 and 2007-08. In terms of areas for potential revenue expansion, this is an area that may need to be considered for the future.

The Committee noted that:

- the largest number of students recruited into Victorian government schools in the 2007 calendar year were from China (531 students or almost a third of the total recruited); 137 per cent higher than Vietnam, the next highest country of destination (224 students); and
- the vast majority of Victorian government schools that hosted the largest numbers of international students were located in the eastern and south eastern suburbs of Melbourne of Hawthorn, Brighton, Sandringham, Box Hill, Balwyn, Kew, Doncaster, East Doncaster and Templestowe.

15.5.5 Children's services – incidents and complaints

(a) Question

With regard to licensing and regulating children's services, the Department's annual report for 2007-08 discloses that a response was made to more than 1,700 notifications of incidents and complaints about children's services.⁴⁴⁵

Please categorise these incidents and complaints according to main groupings.

Of the 1,700 notifications, how many would be regarded by the Department to be serious in nature?

Please describe the action taken in broad terms to address those incidents and complaints that needed to be actioned.

⁴⁴⁴ Department of Education and Early Childhood Development. Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire, received 30 January 2009

⁴⁴⁵ Department of Education and Early Childhood Development, *Annual Report 2007-08*, p.34

Response

The top five groupings relate to:

- Section 26 of the *Children's Services Act 1996*, which refers to protecting children from hazards likely to cause injury;
- Section 27 of the *Children's Services Act 1996*, which refers to inadequate supervision of children;
- Regulation 28 of the *Children's Services Regulations 1998*, which refers to educational or recreational programs;
- Regulation 24 of the *Children's Services Regulations 1998*, which specifies child/staff ratios; and
- Regulation 51 of the *Children's Services Regulations 1998*, which directs how and in what time frame complaints must be dealt with and responded to by a proprietor of a children's service.

Of the notifications, 68 were considered as serious in nature (Priority 1 – incidents).

Priority 1 non-compliances are those which place children at risk of serious harm or where a child or children have been seriously harmed. Investigation must commence and service inspected within two working days of the incident occurring.

All notifications of incidents and complaints to the Department where the health, safety or wellbeing of a child may have been compromised or there may have been a contravention of the *Children's Services Act 1996* or the *Children's Services Regulations 1998* are investigated.

In most cases, the investigation involves an inspection of the children's service by the Department and may also involve interviewing relevant people and seizing evidence from the service.

Where there has been a contravention of the *Children's Services Act 1996* or *Children's Services Regulations 1998*, the Department will take appropriate action.

Licenses are required to rectify the non-compliances and report to the Department action that has been taken.

The Department may also conduct further unannounced inspections of the service at any time during the service's hours of operation, increase monitoring of the service, caution or prosecute the service, or place additional conditions on the service licence.⁴⁴⁶

Committee comment

With departmental responses being made to more than 1,700 notifications of incidents or complaints about children's services in 2007-08, the Committee maintains that the Department should develop benchmarks from other similar jurisdictions and monitor the acceptability of performance on an ongoing basis. Action taken in this regard would enable the Department to assess whether the number of incidents or complaints notified in a particular year, especially those of a serious nature, is excessive, thereby warranting policies and procedures relating to the licensing and regulation of children's services to be examined and amended if necessary.

Recommendation 50:

In order for the Department of Education and Early Childhood Development to assess whether the extent of incidents or complaints about children's services in a given year is excessive, thereby calling for policy shifts to occur or procedures to be amended, the Department monitor performance against appropriate benchmarks in this area.

⁴⁴⁶ Department of Education and Early Childhood Development, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire, received 30 January 2009

15.5.6 Significant fires at government schools

(a) Question

The Committee noted that there were 10 significant school fires during 2007-08, with structural and replacement costs estimated at approximately \$3.1 million.⁴⁴⁷

Please provide:

- a listing of these 10 schools;
- the estimated costs involved for each school;
- the cause of each fire (if known), including whether the fire was deliberately lit;
- details of whether any legal action has been taken in response to any of the damage caused by the fires;
- details of whether any of the particular schools had a history of fires or vandalism; and
- a description of whether as a result, any new safeguards or preventative action has been taken by the Department to guard against the risk of damage to schools caused by fires in the future.

Response

Table 15.17: Fire damage to Victorian schools 2007-08

| Schools | Dates | \$ | Cause | History of Criminal Activity |
|---|------------|-----------|----------------|--|
| Bethal Primary School | 7/07/2007 | 500,000 | Unknown | Wheelie Bin Fire - January 2008 |
| Kingsley Park Primary School | 24/8/2007 | 400,000 | Arson | 2 Wheelie Bin Fires - July 2007 Burglary - February 2008 11 Vandalism Reports – January to June 2008 |
| Belgrave South Primary School | 27/01/2008 | 100,000 | Accidental | 1 Graffiti Report - April 2008 1 Vandalism Report - May 2008 |
| Fairhills High School | 24/11/2007 | 500,000 | Arson | 2 Vandalism Reports - December 2007 1 Vandalism Report - June 2008 5 Burglaries - Nov 2007 - June 2008 |
| Hume Central Secondary College | 28/1/2008 | 100,000 | Arson | 2 Burglaries - February 2008 and May 2008 |
| Bentleigh Secondary College | 10/2/2008 | 100,000 | Unknown | 4 Burglaries - September 2007 to May 2008 |
| Tempy Primary School (School Residence) | 4/03/2008 | 150,000 | Not Determined | No Activity |
| Apollo Parkways Primary School | 31/1/2008 | 1,000,000 | Accidental | 2 Burglaries – January 2008 and April 2008 |
| Craigieburn Primary School | 17/5/2008 | 200,000 | Unknown | 3 Burglaries - July 2007 to March 2008 2 Vandalism Reports - October 2007 and April 2008 |
| Traralgon College - East Campus | 1/6/2008 | 100,000 | Arson | No Activity |

Source: Department of Education and Early Childhood Development, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.21

The Department has taken no legal action in response to any of the damages caused by the fire incidents.

⁴⁴⁷ Department of Education and Early Childhood Development, Annual Report 2007-08, p.48

The Department continues to provide professional advice and support to schools across the State regarding fire prevention and health and safety strategies including:

- the *Securing Your School* booklet, which provides schools with practical information for securing schools and minimizing criminal damage, was issued in June 2008;
- a Bushfire Safety Checklist for schools in fire prone areas and is updated and re-issued prior to each fire season;
- improvements to the security systems to schools across the State;
- security risk assessments conducted at 109 schools during 2007-08;
- targeted security patrols introduced to schools which were subjected to repeated incidents of vandalism, property damage and graffiti. These schools are also considered as high risk for arson attack - patrols commenced in November 2007;
- support for schools to ensure that fire prevention and risk management strategies are implemented, including the priorities of managing and securing wheelie/dumpster/rubbish bins and inspecting the underfloor of school buildings, particularly relocatable classrooms and the removal of all debris;
- the Fire Mains Upgrade Program which is an ongoing program involving the testing of several systems in schools and the repair or re-construction of fire mains and hydrants;
- electronic tracking of essential services through the Schools Maintenance System which assists schools in the maintenance of fire protection and other essential services; and
- audit (currently underway) of all Essential Safety Measures for all Victorian government schools including fire prevention systems.⁴⁴⁸

Committee comment

Continuing the Committee's interest in the issue of fire safety at Victoria's government schools, the Committee noted that in comparison to the advent of 12 significant school fires that took place in 2006-07, which caused approximately \$3.2 million damage,⁴⁴⁹ 10 significant school fires occurred during 2007-08 necessitating around \$3.1 million to be incurred in terms of structural and replacement costs.

It was of interest to the Committee that only a slight reduction in significant school fires was achieved in 2007-08, despite a number of fire prevention and health and safety strategies continuing to be in place.

The Committee observed that, based on the information provided by the Department relating to schools where a significant fire had taken place, invariably other forms of criminal activity had taken place such as vandalism and burglaries. It for this reason the Committee fully supports the action outlined by the Department for targeted security patrols to be introduced at those schools that have a history of criminal activity and pose a high risk for arson attack.

⁴⁴⁸ Department of Education and Early Childhood Development, Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire, received 30 January 2009

⁴⁴⁹ Public Accounts and Estimates Committee, *Report on the 2006-07 Financial and Performance Outcomes*, May 2008, p.533

15.5.7 Years 6 and 8 students measured as either overweight or obese

(a) Question

The Committee noted that according to the Department's 2007 annual report: *The State of Victoria's Young People*, nearly a quarter (23.7 per cent) of young people (in Years 6 and 8) were measured as being overweight and 7.4 per cent were measured as being obese.⁴⁵⁰ According to the report, Years 6 and 8 students from lower socioeconomic groups in the Healthy Neighbourhoods School Survey had higher rates of overweight and obesity.⁴⁵¹

What initiatives were taken by the Department in conjunction with other agencies in 2007-08 or are planned for the future to address this issue?

What measures are in place to assess the effectiveness of government programs in this area?

Response

The Department is an active participant in the Whole of Government 'Go for your life' initiative which aims to increase the levels of healthy eating and physical activity of all Victorians. The Department implements a number of initiatives in school settings to help increase the level of healthy eating and physical activity of Victorian school students. These initiatives are the Healthy Canteen Kit, Free Fruit Friday, Healthy Start in Schools Grants and the Kitchen Garden Project with Stephanie Alexander. The Department also contributes to collaborative work with other 'Go for your life' initiatives such as Kids – 'Go for your life'.

⁴⁵⁰ Department of Education and Early Childhood Development, *Annual Report 2007-08*, p.48

⁴⁵¹ Department of Education and Early Childhood Development and the Department of Planning and Community Development, *The State of Victoria's young people; A report on how Victorian young people aged 12-24 are faring*, 27 August 2007

Table 15.18: 'Go for your life' initiatives in Victorian schools 2007-08

| Initiative | Description | Budget 2007-08 | Planned for the future |
|---|--|--|---|
| Healthy Canteen Kit | Resource to assist schools develop healthy canteens and other food services - The Kit includes: School Canteens and Other School Food Services Policy Food Planner Getting Started Canteen manual Curriculum material Posters | Nil | Release of support materials for the banning of confectionery from school food services from 2009 |
| Healthy Canteen Advisory Service | Supports Victorian primary schools provide a nutritious and safe food service consistent with the Australian Dietary Guidelines. The Department works collaboratively with the service provider. | Department of Human Services (DHS) funding | Service continues until June 2010 DHS funding 2007-10 : \$0.42million |
| Kitchen Garden Project with Stephanie Alexander | Supports 42 projects involving 46 primary schools to establish and maintain a kitchen garden program. Selected projects receive up to \$62,500 funding over two years to allow them to establish a garden, a kitchen and an area where children can share a meal. | \$0.475 million | Phase 1 schools funded 2007-08 Phase 2 schools funded 2009-10 2008-09: \$0.75 million 2009-10: \$0.5 million Total funding of \$2.425million for Phase 1 and Phase 2 over four years. Department of Education and Early Childhood Development (DEECD) funding for two additional schools in Phase 2: 2008-09: \$75,000 2009-10: \$50,000 |
| Healthy Start in Schools Grants | Grants of up to \$6,000 to approximately 585 primary schools across Victoria, to provide resources and build capacity to respond to opportunities to promote healthy eating and physical activity. | \$1.020 million | 2008/09: \$750,000 2009/10: \$960,000 |
| Free Fruit Friday | Initiative to boost fruit and vegetable consumption by young Victorians and to establish a lifetime of healthier eating. Schools receive grants to purchase fresh fruit and vegetables for Prep -Year 2 students each school week. | \$1.600 million | 2008-09: \$2.7 million 2009-10 - \$3.3 million 2010-11 - \$3.5 million Total of \$11.1 million over four years |

Table 15.18: ‘Go for your life’ initiatives in Victorian schools 2007-08

| Initiative | Description | Budget 2007-08 | Planned for the future |
|---|--|----------------|--|
| Kids – ‘Go for your life’ | Kids - ‘Go for your life’ is a State-wide program designed to reduce risk of overweight and obesity in children aged 0-12 years. The focus is on children in early childcare services and primary schools. Schools/services can register as a member of Kids - ‘Go for your life’ and work progressively towards achieving an award, which seeks to encourage the development of supportive environments for increasing healthy eating and physical activity. | DHS funding | Total of \$2.82 million over three years Evaluation funding to go to The Cancer Council for evaluation of Phase 2 of Kids ‘Go for your life’ 2007-10 \$0.18 million |
| Mandated times for Physical and Sport Education in government schools | Schools are required to undertake mandated time requirements for physical and sport education by providing: 20-30 minutes per day of physical education for students in Years Prep-3 3 hours per week of physical and sport education with at least 50 per cent being the physical education component for student in Years 4-6 A minimum of 100 minutes each week of physical education and a minimum of 100 minutes each week of timetabled sport for students in Years 7-10. | Nil | Indefinite |

Source: Department of Education and Early Childhood Development, Response to the Committee’s Financial and Performance Outcomes Questionnaire - Part Two, pp.24-25

The effectiveness of programs in this area is being measured in a number of different ways. Overall, an Evaluation Framework for health promotion projects has been established through the 'Go for your life' Secretariat located in the Department of Human Services. A review of 'Go for your life' interim performance monitoring arrangements is being undertaken with the goal of working towards developing common indicators to be used across Departments.

School Compliance Checklist (Department of Education and Early Childhood Development internal reporting). This tool requires schools to self report annually against a number of items regarding implementation of Victorian government policies relating to healthy eating and physical activity. These items:

- Adhere to mandated time requirements for physical and sport education (as outlined in the response for Question 4.8 (a) above)
- In adhering to the School Canteen and Other School Food Services Policy -
 - provides a healthy school food service consistent with the school canteens and other schools food services policy;
 - does not supply high sugar content soft drinks; and
 - is phasing out the sale of confectionery.

This data is provided to program areas and the Department's regional offices for information and action. Questions on the checklist will be updated to reflect the ban on confectionery from 2009.

'Go for your life' - The Kitchen Garden Project with Stephanie Alexander

Evaluation is being undertaken by The McCaughey Centre at the University of Melbourne.

Kids – 'Go for your life'

An evaluation of the whole program is being undertaken. Planning is also underway to evaluate the effectiveness of the Healthy Start in Schools and Free Fruit Friday grants programs.⁴⁵²

Committee comment

Given the wide range of initiatives in place in school settings to assist in increasing the level of healthy eating and physical activity of Victorian school students and measurement activities designed to measure effectiveness of programs in this area, the Committee is of the view that a consolidated report should be issued that records the impact of this activity on reducing the extent of young people in Years 6 and 8 being measured as overweight or obese.

Recommendation 51:

The Department of Education and Early Childhood Development publish a consolidated report card that discloses the impact that its strategies, aimed at encouraging healthy eating and physical activity among Victorian school students, have had on reducing the extent of young people (in Years 6 and 8) who are overweight or obese.

⁴⁵² Department of Education and Early Childhood Development. Response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire

15.5.8 Depressive symptoms among students in Years 6 and 8

(a) Question

The Committee noted that according to the Department's 2007 annual report: *The State of Victoria's Young People*, just under a third of students in Years 6 and 8 (29.8 per cent) scored more than seven on the depression scale, indicating the presence of depressive symptoms of concern.⁴⁵³

What initiatives were taken by the Department in conjunction with other agencies in 2007-08 or are planned for the future to address this issue?

What measures are in place to assess the effectiveness of government programs in this area?

Response

Initiatives taken by the Department are set out in the following table.

⁴⁵³ Department of Education and Early Childhood Development and the Department of Planning and Community Development, *The State of Victoria's young people; A report on how Victorian young people aged 12-24 are faring*, 27 August 2007

Table 15.19: Government initiatives to address depression amongst Victorian School Students 2007-08

| Initiative | Description | Budget 2007-08 | Planned for the future |
|--|--|----------------|---|
| Safe Schools are Effective Schools | <p>In 2006 the Department developed the 'Safe Schools are Effective Schools' anti-bullying policy in line with its commitment to provide safe, secure and stimulating environments for all students. The policy includes a definition of bullying; an anti-bullying policy; key characteristics of safe and effective schools; strategies for schools including case studies of good practice schools; and strategies for parents dealing with bullying incidents.</p> <p>By the conclusion of Term 2, 2008 all schools were required to have developed a Student Code of Conduct in alignment with the Safe Schools are Effective Schools anti-bullying strategy.</p> | Nil | The Department is planning to promote the 'Safe Schools are Effective Schools' anti-bullying policy as part of the K-12 media campaign at the beginning of the 2009 school year. |
| School Wide Positive Behaviour Support | <p>School Wide Positive Behaviour Support (PBS) is a process for creating safer and more effective schools. Rather than a prescribed program, PBS provides systems for schools to design, implement and evaluate effective school-wide, classroom, non-classroom and student specific discipline plans to support positive student behaviour. PBS has been piloted extensively both internationally and in other states in Australia and is based on a large body of evidence in support of the approach.</p> <p>Due to the strong evidence base for PBS, the Department trialled the approach in eight specialist schools during 2007-08 as the first phase of the PBS initiative. An evaluation has been completed which indicated PBS was having a positive impact on student behaviour and provided the evidence for further phases of piloting.</p> | Nil | As a consequence of the PBS Phase One evaluation, the Phase Two initiative has been implemented, including the expansion of PBS into 15 varying schools across three regions during 2008-09. This will be evaluated during late 2009. |
| Student Support Services Officers | <p>Student Support Services Officers (SSSOs) comprise psychologists, guidance counsellors, speech pathologists, social workers and visiting teachers.</p> <p>The Student Support Services Program was established to support the wellbeing of students with additional learning or wellbeing needs and to strengthen schools' capacity to keep students connected to education.</p> | Nil | <p>The program is currently being strengthened to provide a greater emphasis on targeted support for students who need additional support to achieve successful learning and wellbeing outcomes.</p> <p>In line with this, strengthening other services providing support partnerships to children and families, including child and adolescent mental health services, will be a significant focus in order to provide enhanced early intervention and intervention support to children and young people at risk of developing mental health issues.</p> |

Table 15.19: Government initiatives to address depression amongst Victorian School Students 2007-08

| Initiative | Description | Budget 2007-08 | Planned for the future |
|--------------------------------|---|--|--|
| | | | Each Departmental region will develop a Regional Implementation Plan outlining how each component of the strengthened model will be put into place and the timelines for actions to occur. While Regional Implementation Plans will be developed by 1 March 2009, these plans will continue to be further developed and refined over time by regions as planning progresses. |
| Primary Welfare Officers (PWO) | This initiative supports students who are at risk of disconnecting from school and not achieving strong outcomes in literacy, numeracy and participation in learning. The introduction of the initiative to primary schools will extend work currently undertaken in schools to promote a safe and secure environment and enhance student outcomes. The first phase of the PWO initiative ceased in 2007, but PWO's are being funded until the end of 2010-11. | \$80 million over four years for 256 PWO's to support 573 schools. | Primary Welfare Officer allocations in the Schools Resource Package have been agreed for the period 2008-2010. |
| Mind Matters | Mind Matters is a national mental health initiative which is used by Victorian schools to promote mental health with a whole-school focus. It was evaluated positively in 2006. | Nil | Mind Matters is continuing to be utilised in schools across Victoria |
| Kids Matter | The Kids Matter initiative is a national program aimed at improving the mental health and wellbeing of primary school students. The pilot phase commenced in 2006 and finished in 2008. In Victoria, 20 schools participated. | Nil | During 2009, in a staged process, the Kids Matter Consortium will seek to jointly develop ways of supporting full implementation in more schools. The Department will be involved in discussions regarding an appropriate strategy. |
| Mental Health Reform | The Department is involved with the current Whole of Government Mental Health Reforms. Departmental representatives participate in various working parties to plan the implementation of appropriate initiatives. | Nil | The Department will continue to participate in cross-Government activities regarding mental health issues focus on children and families. |

Source: Department of Education and Early Childhood Development, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, pp.27-29

All student wellbeing and health support programs are evaluated on an ‘as needed’ basis in order to determine their continued efficacy. As a result of this ongoing review process, policies relating to student wellbeing, including mental health issues, are refined and updated. This reflects the Department’s strong commitment to an evidence based policy.

As outlined in the *Blueprint for Education and Early Childhood Development*, the Department is also committed to improving the mental health of children and young people in its forward agenda.

Mind Matters and Kids Matter

In instances where the Department utilises and promotes external programs or materials related to mental health, it ensures that this material is based on best practice and a solid evidence base. The *Mind Matters* and *Kids Matter* materials are key examples of the Department utilising external programs based on this requirement.

Positive Behaviour Support

The next phase of the initiative, which is implementation in 15 schools, will be evaluated to ensure that it is consistent with the current evidence base.

Student Support Services Officers

The Student Support Services Officers reforms currently underway will more fully integrate mental health strategies into the work performed by the Student Support Service Officers. The new service delivery approach and associated improvements to the program will ensure an increase in the timeliness, responsiveness and targeting of support services to schools. This is consistent with the *Blueprint for Education and Early Childhood Development* which articulates a new vision for Victorian education and early childhood development over the next five years based on four key priorities:

- increase access to high quality early childhood health, education and care services;
- strengthen public confidence in a world class school education system, with a strong and vibrant government school sector at its core;
- integrate services for children and families; and
- improve outcomes for disadvantaged young Victorians.

Attitudes to School Survey and Drug Education, Evaluation and Monitoring Surveys.

The Department also undertakes annual surveys to determine the attitudes of students, teachers and parents towards the school environment. These surveys are:

- The Attitudes to Schools Survey which is aimed at students aged from Years 5-12 to assist schools gain an understanding of students and parents attitudes towards wellbeing, school in general and teaching and learning. Questions examine students’ morale, distress levels, student relationships and the classroom learning experience. The resulting data is provided on a gender and year level basis in order for schools to more fully understand the interventions required at particular year levels, and whether an intervention should be gender specific.
- The Drug Education Evaluation and Monitoring surveys comprise teacher and student surveys and provide data to assist schools evaluate, benchmark and monitor their drug education programs. The surveys cover student wellbeing and drug education matters and ask questions in relation to how student’s feel about school, parental involvement and drug education.⁴⁵⁴

⁴⁵⁴ Department of Education and Early Childhood Development, Response to the Committee’s 2007-08 Financial and Performance Outcomes Questionnaire

Committee comment

The Committee is of the view that the results of the evaluations connected with the wide range of initiatives that deal with depression among students in Years 6 and 8 should form the basis of a published report.

Recommendation 52:

The Department of Education and Early Childhood Development publish a report that discloses the impact that initiatives have had on addressing depression among Years 6 and 8 students.

CHAPTER 16: HEALTHY ENVIRONMENT

Key Findings of the Committee:

Protecting the environment for future generations

- 16.1** In the time since new levies were introduced for Prescribed Industrial Waste in Victoria, \$18.1 million has been raised. As of 30 June 2008, \$11.2 million (61.9 per cent) had been allocated or spent on a range of activities to reduce the impact of hazardous waste on the environment. With the levies expected to generate a further \$12.4 million in 2008-09 a clear rationale and spending program for the future allocation of these funds will be required.
- 16.2** The HazWaste Fund is designed to support industry to avoid waste generation, reuse, recycle, develop advanced treatment technologies and research into recycling and treatment of hazardous waste. \$5.6 million was allocated to the fund and \$0.9 million was dispersed from the fund in 2007-08. Currently, 28 projects have been approved with a total commitment of \$10.7 million. The Committee has recommended that the Environment Protection Authority provide detailed revenue projections and expenditure information for the HazWaste fund either online or in its Annual Report.
- 16.3** During 2007-08, 690 bushfires occurred in Victoria affecting 32,364 hectares. This was a 7 per cent increase over the 30 year average of 615 fires, but the area affected was considerably less than the 30 year average of 173,153 hectares per year. Government expenditure in 2007-08 on fire fighting and management activities was \$37.2 million, 37.6 per cent higher than budgeted.
- 16.4** During 2007-08 the Environment Protection Authority introduced ‘tackling climate change’ as a new corporate objective, signalling its increasing focus on mitigating and adapting to climate change. Funding for climate change projects in the Environment Protection Authority included \$0.8 million to undertake innovative research and initiatives such as establishing a Carbon Innovators Network.
- 16.5** In February 2008, the Department of Primary Industries finalised negotiations for a \$420 million large scale solar power plant to be built in north-west Victoria. A 140kW Research and Development facility near Bendigo opened on 31 October 2008 and the next stage of the project is to develop a 500kW small scale demonstration plant. Full commissioning of the plant is expected in 2013.
- 16.6** The Department of Education and Early Childhood Development has implemented a number of energy reduction initiatives which included the installation of solar panels in schools and ‘switch-off’ campaigns in schools and the Department’s corporate offices. The Department will need to ensure that future reporting of the target to reduce energy consumption per square metre by 20 per cent of 1999-2000 consumption by 30 June 2010 will enable meaningful comparisons to be made with the baseline data, given the machinery of government changes that have occurred since 1999-2000.

- 16.7 During Victoria's response to the Equine Influenza outbreak, many non-critical animal health activities were delayed or reduced, whereas critical program activities were maintained through extensive staff overtime as well as the engagement of private veterinarians in testing and the employment of contractors to deliver certain elements of the response, especially border security.

Efficient use of natural resources

- 16.8 *Our Water Our Future: The Next Stage of the Government's Plan*, launched in June 2007, outlined the Government's approach to secure Victoria's water supplies at an estimated cost of \$4.9 billion. The Department of Sustainability and Environment has published a Progress Report and presented information on these major projects in its Annual Report. While the Committee considers this to be good practice, it has recommended that future progress reports should, wherever possible, include information about performance in relation to major milestones and targets.
- 16.9 A major component of the White Paper, *Securing our Water Future Together*, was the development of five *Regional Sustainable Water Strategies*. In late 2007, the Government decided to merge the Wimmera and Glenelg Region with the South West Region into a single *Western Region Sustainable Water Strategy* following the release of *Our Water Our Future: The Next Stage of the Government's Water Plan*.
- 16.10 The Department of Sustainability and Environment advised the Committee that the *Central Region Sustainable Water Strategy* was completed in October 2006, the *Northern Region Sustainable Water Strategy* will be completed in May 2009, the *Western Region Sustainable Water Strategy* will be completed in October 2009 and the *Gippsland Region Sustainable Water Strategy* will be completed in March 2010. The Committee has requested more detailed reporting of the progress of the development and implementation of these strategies in the Department's *Annual Report*.
- 16.11 The Lower Wimmera ecological risk assessment, undertaken by the Environment Protection Authority, was developed to identify risks to the lower Wimmera River, provide information to assist Wimmera Catchment Management Authority in managing these risks and provide a practical example to other natural resource managers of an ecological risk assessment. The Environment Protection Authority in future will provide technical support to Catchment Management Authorities undertaking ecological risk assessment, rather than undertake risk assessments itself. The Committee has identified a need for a coordinated approach to the development of future ecological risk assessments to ensure maximum efficiency and coverage of at risk ecosystems.
- 16.12 Preliminary analysis indicates Tranche 1 (\$41.9 million) of the Large Scale River Restoration Project will contribute to the improvement of more than 1,250 km of riparian and instream habitat within priority rivers and estuarine systems. Following completion of regional reports covering the 4 years (2004-05 to 2007-08), an independent evaluation will also be completed in 2009. The Government has committed to Tranche 2 funding (\$46.8 million) for this project which will be used to improve the health of 55 priority river or estuarine reaches covering an estimated 2,600 km.

16.13 While 1,291 State schools participated in the Schools Water Efficiency program (81.3 per cent of the 1,587 Government schools), only 121 private schools (17.1 per cent of the 220 Independent schools and 486 Catholic schools) had signed up for the program as at 15 December 2008.

16.1 Introduction

Healthy Environment is the third *Growing Victoria Together* vision examined by the Committee in this year's *Financial and Performance Outcomes Report*.

16.2 Linkage of issues examined to the *Growing Victoria Together* visions

This chapter contains outcome-related comments pertaining to 14 issues. As well as serving to enhance accountability, the Committee believes that this information will engender debate and provide a springboard for follow-up as part of the Committee's impending inquiry into the 2009-10 budget estimates.

The Committee asked a range of questions to departments and agencies in relation to the *Healthy Environment Vision*. These questions, and the relevant department or agency responses, are detailed in full, with supporting commentary from the Committee where it is deemed relevant. Issues selected by the Committee for examination, aligned to the *Growing Victoria Together*, goals cover the following topics:

Protecting the environment for future generations

- Waste Management in Victoria
 - Hazardous Waste Disposal
 - HazWaste Fund
 - Contaminated Sites
- 2007-08 Bushfire Season
- Climate Change
 - Tackling Climate Change – Environment Protection Authority
 - Solar Photovoltaic Power Station
- Energy Reduction Initiatives in the Department of Education and Early Childhood Development
- Equine Influenza Outbreak

Efficient use of natural resources

- Management of Victoria's Waterways
 - Our Water Our Future: The Next Stage of the Government's Plan
 - Regional Sustainable Water Strategies
 - Lower Wimmera River Health Ecological Risk Assessment Program
 - Fish Deaths
 - Large Scale River Restoration Program
- Water Efficiency in Schools

16.3 Protecting the environment for future generations

16.3.1 Waste Management in Victoria

Waste management in Victoria is governed by the *Environment Protection Act 1970*. The Environment Protection Authority is responsible for the development and implementation of Victoria's statutory framework for waste.

There are three types of waste, *municipal waste, commercial and industrial waste* and *prescribed industrial waste* (PIW). PIW's, which include hazardous wastes, are generated from industrial activities and are listed in the *Environment Protection (prescribed waste) Regulations 1998*.

The Committee has examined three areas relating to the management of waste and contamination:

- hazardous waste disposal;
- management of the HazWaste Fund; and
- identification and management of contaminated sites.

16.3.2 Hazardous Waste Disposal

The Environment Protection Authority has been heavily involved in the Government's strategy to minimise hazardous waste disposed to landfill in Victoria

The Environment Protection Authority annual report advised that a key initiative to achieve the Government's target to eliminate Category B PIW disposed to landfill by 2020, was to increase the landfill levy cost from \$26 per tonne to \$130 per tonne on 1 July 2007 and to \$250 on 1 July 2008. The Committee requested the following information from the Environment Protection Authority.

Question

Please provide details of the total revenue generated by these levies in 2005-06, 2006-07 and 2007-08 and the expected revenue for 2008-09. Please advise how these funds have been/will be expended and how this will contribute to the 2020 target.

Response

The total revenue generated by these levies was:

Table 16.1: Revenue from Category B PIW Landfill Levies

| Year | | 2005-06 | 2006-07 | 2007-08 | 2008-09 (forecast) |
|---------|--------------|---------|---------|---------|--------------------|
| Revenue | (\$ million) | \$2.9 | \$4.0 | \$11.2 | \$12.4* |

Note*: The forecast revenue to be generated in 2008-09 takes into account the expectation that the higher levy will reduce the amount of Category B waste going to landfill, consistent with the aims of the *Toward Zero Waste Strategy*.

Source: Environment Protection Authority, *Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.4.*

The funds have been spent in two ways:

- in 2007-08, \$5.6 million was used on services provided by Environment Protection Authority including enforcement, licensing, liaison and partnerships with industry, community consultation and hazard identification; and
- as per the *Environment Protection Act 1970* Schedule E, revenue from the increases in the levy have been allocated to the HazWaste Fund. For 2007-08 this allocation was \$5.6 million.

Activities funded through the HazWaste Fund will help drive Victoria towards the elimination of Category B prescribed industrial waste by 2020 in particular through the development and implementation of new technology recycling and treatment methods. It is envisaged these methods will replace waste going to landfill.

Committee Comment

In 2006, the Government released *Our Environment Our Future – Sustainability Action Statement 2006*. This major policy document indicated the Government's intention to raise landfill levies from \$30/tonne to \$130/tonne, with the proceeds to be targeted at initiatives to help industry avoid waste and reuse materials.⁴⁵⁵

Since 2006, the increased landfill levies have been used to establish waste management infrastructure, industry waste reduction programs, education programs, regulatory controls and enforcement regimes. Levy funds have also been allocated by the Treasurer and the Minister for Environment through the Sustainability Fund.⁴⁵⁶

In total (to 30 June 2008), \$18.1 million has been raised from Category B PIW Landfill Levies since 2005-06. As at 30 June 2008, \$11.2 million (61.9 per cent) was allocated or spent on a range of activities to reduce the impact of hazardous waste on the environment.

With the levies expected to generate a further \$12.4 million in 2008-09, the Committee expects the Environment Protection Authority, in consultation with related agencies, to develop a clear rationale and spending program for the future use of funds that are not allocated to the HazWaste Fund.

16.3.3 HazWaste Fund

Question

Please provide details of the role and objectives of the HazWaste Fund. Please detail the total amount allocated to the fund and the total funds disbursed to date. Please provide full details for each project that has received approval up to 30 June 2008 including:

- nature of the project;
- approval date;
- funding allocation;
- expenditure to date;
- project status;
- estimated completion date and key milestones; and
- performance measurements and description of the objectives of the HazWaste Fund and *Growing Victoria Together* objectives for a Healthy Environment.

Please also provide details of the selection criteria and processes for funding applications including but not limited to, risk assessments, cost-benefit analyses and needs analyses.

⁴⁵⁵ Department of Sustainability and Environment, *Our Environment Our Future – Sustainability Action Statement 2006*, July 2006, pp.49-50

⁴⁵⁶ < http://www.epa.vic.gov.au/waste/landfill_levies.asp>, viewed 3 April 2009.

Response

The HazWaste Fund (the fund) is designed to support industry to avoid waste generation, reuse, recycle, develop advanced treatment technologies and research into recycling and treatment of hazardous waste. Its objectives include:

- reduce hazardous waste to landfill;
- reduce the hazard category of hazardous waste disposed to landfill; and
- increase remediation of contaminated soil.

The amount allocated to the fund in 2007-08 was \$5.6 million. Commitments for approved projects total \$10.73 million. Expenditure since the fund's commencement (1 July 2007 – 23 December 2008) is \$883,280 due to the time taken to process applications and the number of applications received. Table 16.2 lists the approved projects under the program.

All projects listed in Table 16.2, apart from TPI and Civil Contractors Federation (CCF), have had contracts signed with agreed milestones, key performance indicators, payment schedules, intellectual property management clauses and reporting requirements. The TPI and CCF contracts were expected to be signed in January 2009. The process for applications and selection criteria are set out in the HazWaste Fund Framework.

The Panel has been established to inform Fund decision making and investment priorities. Its membership comprises a cross section of industry and government experts. Its role is to review the commercial, innovative and technical aspects of applications and make recommendations; maximise the value of the Fund in accordance with its objectives; provide current fund strategy and recommendations; and review its performance.

Table 16.2: Projects funded to date through HazWaste Fund

| Company | Funding \$ | Status | Estimated Completion Date |
|---|------------|---------------------------------------|---------------------------|
| Rohm and Haas | 15,000 | Commenced Oct 2008 | Jan 2009 |
| DAF sludge sector project - PB | 75,000 | Commenced Sept 2008 | Feb 2009 |
| Geocylce | 600,000 | Commenced Aug 2008 | Mar 2009 |
| Veolia | 2,000,000 | Five year project commenced Sept 2007 | Sept 2012 |
| Trans Pacific Industries | 5,000,000 | Two year project yet to commence | Jan 2011 |
| ASIRC | 953,000 | March 2007 | March 2009 |
| PQ Australia | 600,000 | Commenced May 2008 | Jan 2009 |
| Hawker de Havilland | 14,000 | Commenced Feb 2008 | Jan 2009 |
| ITW Buildex (via AiG) | 40,000 | Completed | Completed Feb 2008 |
| Metal industry - Hyder (via AiG) | 90,000 | Commenced June 2008 | March 2009 |
| Alcoa (via AiG) | 45,000 | Commenced August 2008 | February 2009 |
| Bendigo foundry sands - Greenchip (via AiG) | 52,000 | Completed | Aug 2008 |
| Machinery & equipment sector - Hyder | 105,000 | Commenced June 2008 | February 2009 |
| Geelong Galvanizing | 50,000 | Commenced Jan 2008 | Feb 2009 |
| Visy - Fly Ash | 25,000 | Completed | Completed May 2008 |
| Rosedale Leather | 53,000 | Completed | Completed June 2008 |
| Visy - Resource Efficiency | 39,000 | Completed | Completed Dec 2007 |
| Smorgon Wire (via AiG) | 30,000 | Completed | Completed Dec 2007 |
| ASIRC - knowledge project | 20,000 | Completed | Completed July 2008 |
| Laminex (via AiG) | 80,000 | Completed | Completed August 2008 |
| Robert Bosch | 14,000 | Completed | Completed May 2008 |
| Mobil Refining Australia Pty | 32,000 | Completed | Completed Sept 2008 |
| Visy (project review) - URS | 5,000 | Completed | Completed June 2008 |
| PQ Australia | 14,000 | Completed | Nov 2007 |
| Civil Contractors Federation (CCF) Vic | 430,000 | Yet to commence | Jan 2012 |
| Golders - knowledge project | 49,000 | Completed | Completed November 2008 |
| HRL - knowledge project | 15,000 | Completed | Completed October 2008 |
| Resources - Govt liaison | 280,000 | Ongoing. Commenced Nov 2008 | Nov 2012 |

Source: *Environment Protection Authority, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.4.*

Committee Comment

In 2007-08, \$5.6 million was allocated to the fund from landfill levies (approximately half of the funds raised through the levies in 2007-08), while a further \$5.1 million has already been committed from the fund, presumably from future landfill levies.

The HazWaste Fund framework indicates that the Environment Protection Authority will report quarterly to the Minister for Environment and Climate Change on the revenue received from each waste stream.

With an expected reduction in landfill, levies will also decline. The Environment Protection Authority will need to monitor such reduction carefully to ensure that project commitments under the HazWaste Fund do not exceed expected revenue from levies.

16.3.4 Contaminated Sites

According to the Department of Treasury and Finance *Annual Report 2007-08*, while the State does not admit any liability in respect of potentially contaminated sites, remedial expenditure may be incurred to restore the sites to an acceptable environmental standard in the event of future developments taking place.

Question

What are the potentially contaminated sites that have been identified in terms of environmental concerns surrounding land remediation, leading to the disclosure of non-quantifiable contingent liabilities in the Department's balance sheet as at 30 June 2008?

Response

The properties that lead to the non-quantifiable contingent liabilities on the Department's balance sheet are those that were allocated to the State from the Gas and Fuel Corporation of Victoria (GFCV) and State Electricity Commission of Victoria (SECV) via a series of Treasurer's Allocation Statements, the last of which was dated 20 September 2001. These included a number of former gasworks sites.

In addition, all subsisting property and rights (if any) of SECV (and GFCV), and all liabilities of SECV (and GFCV) in relation to former SECV (and GFCV) Properties (i.e. properties that SECV (and GFCV) had, at any time, a legal or equitable estate or interest in) have been allocated to the State.

16.3.5 2007-08 Bushfire Season

In December 2008, the Committee asked the Department of Sustainability and Environment to provide further information about the 2007-08 fire season. The Department's response, detailed below, was received by the Committee several days prior to the Black Saturday bushfires of 2009.

Question

During 2007-08, 690 bushfires occurred in Victoria affecting 32,364 hectares. This was a 7 per cent increase over the 30 year average of 615 fires, but the area affected was considerably less than the 30 year average of 173,153 hectares.

Please outline the steps taken by the Department, in association with other agencies, to minimise the impact of bushfires during 2007-08, detailing which strategies met with the greatest level of success.

Response

In response to various previous inquiries and reports into Victorian bushfires, the Department continues to strengthen and streamline the relationships with its partner agencies – the Networked Emergency Network – Parks Victoria, Department of Primary Industries, VicForests and Melbourne Water. Continued efficiencies in the working relationships between all of the Networked Emergency Network partners enables quicker response times and better management of fire breakouts, preventing larger bushfire events.

On the fire line itself, a greater number of seasonal fire-fighters were employed and trained earlier in the 2007-08 (680 personnel) season enabling 90 percent of outbreaks to be controlled within 5 hectares. For further detail see pages 54-55 and page 191 of the 2008 Annual Report.

In addition to the on-ground efforts, the Department has also concentrated on developing the *Living with Fire - Victoria's Bushfire Strategy* which provides a comprehensive framework to effectively manage preparedness and response efforts as well as respond effectively to inquiries, audits and their recommendations. The Strategy was launched in December 2008 and is now being incorporated into operations.

Question

Please also provide the following information regarding the 2007-08 fire season:

- budget vs actual expenditure on fire fighting activities (by month and region / outbreak) and reasons for variances greater than 10 per cent;
- most commonly occurring causes (by month and region / outbreak);
- estimated cost of fire damage (by month and region / outbreak); and
- number and impact of prevention and education programs undertaken during 2006-07 and 2007-08.

Response

The Department does not keep fire fighting activity expenditures on individual outbreaks per region, though below is a summary of the costs associated with the 2007-08 season and the reasons for variances.

Due to the varying nature of each fire season, a notional amount largely related to preparedness is allocated to the Department through the budget. The Department seeks additional funding through a Treasurer's Advance to cover the costs of an intense fire season. The total received is then published in the Annual Financial Report (see page 169 of the 2007-08 report for the total Treasurer's Advance for fire fighting).

Table 16.3: Costs and variations associated with the 2007-08 bushfire season

| | Budget (\$m) | Expenditure (\$m) | Variance (%) | Reasons |
|------------------|--------------|-------------------|--------------|---|
| Preparedness | 92.2 | 105.2 | 14.1 | Project Fire Fighters and aircraft also linked to hazard reduction. Additional funding was part of Treasurer's Advance. |
| Suppression | 3.5 | 24.6 | 602.1 | Suppression activities funded from Treasurer's Advance. |
| Hazard Reduction | 3.3 | 6.4 | 93.9 | Hazard reduction funded from Treasurer's Advance linked to Project Fire Fighters in preparedness. |
| TOTAL | 99.0 | 136.2 | 37.6 | |

Source: Department of Sustainability and Environment Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two.

The most commonly occurring causes of bushfires across the State in 2007-08 were lightning strikes (220) and deliberate lightings (140). A summary of the most commonly occurring fire causes during the 2007-08 fire season (November – April) include:

Table 16.4: Fire causes per region 2007-08 bushfire season

| | Total per region | | | | | Total (number of fires occurring by specific common cause across the State) |
|---|------------------|-----|-----|----|-----|---|
| | Gipps | NE | NW | PP | SW | |
| Campfire, BBQ | 8 | 28 | 22 | 5 | 20 | 83 |
| Deliberate (malicious) lighting | 14 | 10 | 38 | 30 | 48 | 140 |
| Lightning | 114 | 50 | 22 | 4 | 30 | 220 |
| Unknown | 7 | 18 | 39 | 7 | 20 | 91 |
| Total (number of fires per region starting by any of the most commonly occurring causes) | 143 | 106 | 121 | 46 | 118 | |

Source: Department of Sustainability and Environment, email received 15 April 2009

Table 16.5: Fire causes per month 2007-08 bushfire season

| | Breakdown by fire season month | | | | | | Total (number of fires started by specific common cause over 2007-08 fire season) | Total (number of fires started by specific common cause outside 2007-08 fire season) |
|--|--------------------------------|--------|--------|--------|--------|--------|---|--|
| | Nov-07 | Dec-07 | Jan-08 | Feb-08 | Mar-08 | Apr-08 | | |
| Campfire, BBQ | 2 | 9 | 6 | 10 | 24 | 9 | 60 | 23 |
| Deliberate (malicious) lighting | 15 | 14 | 30 | 13 | 15 | 15 | 102 | 38 |
| Lightning | 50 | 25 | 116 | 9 | 18 | 0 | 218 | 2 |
| Unknown | 12 | 7 | 19 | 4 | 16 | 8 | 66 | 25 |
| Total (number of fires started by common cause for that month) | 79 | 55 | 171 | 36 | 73 | 32 | | |

Notes: As detailed in the DSE 2008 Annual Report (page 54), 690 bushfires occurred in Victoria affecting 32 x 364 hectares during the 2007-08 fire season. The tables above, only list the most commonly occurring fire causes by region and by month, reflecting 534 of the total number of fires in the 2007-08 fire season.

Source: Department of Sustainability and Environment, email received 15 April 2009

The Department does not keep a tally of the individual costs associated with each fire outbreak or resulting damages and any costs incurred are expended on damages caused to public land infrastructure only. After the 2007-08 fire season the Department spent \$1.1 million on rehabilitation activities across the State, funded from the Treasurer's Advance (for suppression activities – see Table 16.3).

Living with Fire – A Community Engagement Framework 2008-2012 was launched October 2008. The Framework is a joint initiative of the Victorian Government and Victoria's fire agencies delivering bushfire awareness, information, education and engagement programs relating to fire in the environment, based on three key themes of people, communities and environment.

The Department also undertakes community surveys of around 1000 people on behalf of the Country Fire Authority (CFA) annually, to determine the impact of prevention and education programs. In 2007-08, 93.5 per cent of respondents had at some time received information about bushfire safety (the majority via their local fire brigade or letterbox drops). This was an improvement on the 2006-07 fire season, when survey results indicated that 89 per cent of respondents had seen or heard messages, advertisements or commercials about fire safety before or during the summer fire season and 2005-06 when 77 per cent of respondents reported seeing or hearing a bushfire safety message.

Committee Comment

Government expenditure in 2007-08 on fire fighting and management activities was \$37.2 million (37.6 per cent) higher than budgeted, including over 600 per cent additional funding for fire suppression and nearly 100 per cent extra for hazard reduction. This was funded through the Treasurer’s Advance. Examination of the Treasurer’s Advance identified an additional expenditure of \$199.9 million since 2003-04 relating to fire fighting and fire management activities. Over half (54.8 per cent) of this expenditure occurred in 2006-07 when the Great Divide Fires burnt nearly 800,000 hectares and took over 60 days to bring under control.⁴⁵⁷

Table 16.6: Treasurer’s advance bushfire payments 2003-04 to 2007-08

| Year | Total Amount (\$000) |
|--------------|----------------------|
| 2003-04 | 28,815 |
| 2004-05 | 9,020 |
| 2005-06 | 14,233 |
| 2006-07 | 109,614 |
| 2007-08 | 38,310 |
| Total | 199,992 |

Sources: *Annual Financial Report 2007-08*, p.169; *Annual Financial Report 2006-07*, p.152; *Annual Financial Report 2005-06*, p.169; *Annual Financial Report 2004-05*, p.139; *Annual Financial Report 2003-04*, p.136.

Preventative burning targets were increased from 100,000 hectares per annum in 2003-04 to 130,000 per annum in 2004-05 and for every subsequent year. While the preventative burning target was not met in 2005-06, it has been exceeded in 2007-08 (by 6.5 per cent) and 2008-09 (by 20.7 per cent). The Department’s *Annual Report 2005-06* noted that the preventative burning target was not met due to difficult weather conditions.

Table 16.7: preventative burning targets and actuals, 2003-04 to 2007-08

| Year | Fuel Reduction Burning Target (Hectares) | Fuel Reduction Burning Completed (Hectares) | Variance % |
|--------------|--|---|-------------|
| 2003-04 | 100,000 | 95,000 | -5.0 |
| 2004-05 | 130000 | 127,000 | -2.3 |
| 2005-06 | 130,000 | 49,000 | -62.3 |
| 2006-07 | 130,000 | 138,490 | 6.5 |
| 2007-08 | 130,000 | 156,473 | 20.7 |
| Total | 620,000 | 565,963 | -8.7 |

Sources: *Department of Sustainability and Environment Annual Report 2006-07 and 2007-08*, Budget Paper No.3 – 2004-05, 2005-06, 2006-07 and 2007-08.

⁴⁵⁷ Department of Sustainability and Environment Annual Report 2006-07, October 2007, p.16.

16.3.6 Climate Change

Maintaining its ongoing focus on the Government's efforts to tackle the multitude of prevalent climate change issues, the Committee has this year included a brief review of two areas of climate change policy and research:

- *Tackling Climate Change*, a new corporate objective of the Environment Protection Authority; and
- solar photovoltaic power station.

16.3.7 Tackling Climate Change – Environment Protection Authority

Question

During 2007-08 the Environment Protection Authority introduced 'tackling climate change' as a new corporate objective. Please outline the practical steps taken by the Environment Protection Authority during 2007-08 to help the Government tackle climate change. Please relate expenditure incurred to strategic objectives and the achievement of high level outcomes relating to climate change. Please also provide details of the role of Environment Protection Authority within a whole-of-Victorian-Government framework in tackling climate change.

Response

The introduction of Environment Protection Authority's fifth corporate objective 'tackling climate change' reflects its growing role in mitigation and adaptation. It explicitly captures the importance of the work the Environment Protection Authority does in this area, such as:

- working to reduce greenhouse gas (GHG) emissions from business and industry;
- providing strategy and research to help Victorians respond to environmental change;
- partnering with business to reduce waste and improve resource efficiency – a key step in reducing the use of natural resources and helping organisations become more resilient; and
- ensuring its scientific, policy and engagement work on climate change continues along with a variety of partners to deliver improved knowledge and actions.

Up to \$800,000 budget was allocated to the delivery of specific actions including:

- commencement of the Environment Protection Authority Environment and Resource Efficiency Plans (EREP) program with industry;
- launch of the Carbon Management Principles paper;
- establishment of the Carbon Innovators Network;
- production of a Carbon Offset Guide; and
- conducting Environment Protection Authority business in a carbon neutral manner.

Environment Protection Authority played an active role during 2007-08 in collaborating with other Victorian government departments/agencies and contributing to whole-of-government frameworks and processes aimed at tackling climate change. This included:

- working with all other departments/agencies on the Office of Climate Change-led climate change policy audit/green paper/white paper processes;
- leading the preparation of Victorian Government submissions (e.g. National Greenhouse and Energy Reporting System);
- collaborating with other key departments and jurisdictions to ensure coordination of climate change impacts and adaptation work; and
- ensuring programs and policies are strongly aligned with Victoria's climate change strategic objectives (e.g. the commitment to the EREP program was reaffirmed in the *Our Environment, Our Future* and the Reducing the Regulatory Burden policy was applied through its development).

Committee Comment

The Committee notes the Environment Protection Authority's new focus on climate change and its increased role in the Government's efforts to combat climate change.

Going forward, the Committee is interested to further understand the nature and outcomes of programs such as the Carbon Innovators Network and the Environment and Resource Efficiency Plans. To this end, it would appreciate clear and detailed reporting on these and similar programs in future annual reports and other supporting documentation.

16.3.8 Solar Photovoltaic Power Station

It is stated in the Department of Primary Industries *Annual Report 2007-08* that:

Climate change will have a profound effect on Victoria's energy sector. The sector will be called on to reduce emissions by moving to renewable electricity and high efficiency coal-fired generation with the geological storage of carbon dioxide emissions.

In February 2008, the Department finalised negotiations for Solar Systems' \$420 million large-scale solar power plant, the biggest solar photovoltaic power station in the world – to be located in north-west Victoria. About 70 per cent of the total project cost is expected to be invested in Victoria.

Question

Please outline the following:

- The development, construction and implementation timelines for the solar plant and its availability to provide electricity to Victorian homes and industry.
- It is noted that Department of Primary Industries Energy Technology Innovation Strategy provided up to \$50 million for the project – how will the rest of the costs be funded?
- Have performance measures been developed which will measure the effectiveness and efficiency of the new power plant? If so please outline what these performance measures are, how they will be implemented and proposed reporting arrangements.

Response

The \$420 million, 154MW large-scale solar power plant developed by Solar Systems Pty Ltd will be located in north-west Victoria (the Mildura region has been selected as the preferred location) and will be the world's largest and most efficient photovoltaic solar power station of its type - producing enough clean energy from the sun to power 45,000 homes by 2012-13. The photovoltaic technology is set to reduce greenhouse gas emissions by approximately 400,000 tonnes a year and place Victoria as a leading location globally for renewable innovation.

An important milestone for the project was the opening on 31 October 2008 of the \$10 million, 140kW Bridgewater Research and Development facility near Bendigo that will test the photovoltaic technology. This is the world's first grid connected Heliostat Concentrator Photovoltaic (HCPV) system. Next steps include finalising the optimum module size at the Bridgewater facility and subject to community consultation and environmental approvals progressing construction of the 154MW plant at the Mildura location. The first step in the 154MW power station will be the construction of 2MW generation capacity in 2010. The first stage of the project is due for completion in 2010 with full commissioning of the plant expected in 2013.

The \$420 million solar plant is to be developed through a combination of private and government funding. Government funding committed to this project amounts to \$129.5 million consisting of \$50 million from the Victorian Government through the Energy Technology Innovation Strategy program, \$75 million from the Commonwealth Government's Low Emissions Technology Demonstration Fund and \$4.5 million from the Commonwealth's Asia-Pacific partnership. TRUenergy, which is part-owner of Solar Systems, has committed \$290 million to the project following an agreement with Solar Systems announced in February 2008.

The Solar Systems project is one that involves some technical risk for this emerging technology which is why the State has provided financial assistance to bring the product to market. As part of the funding agreement Solar Systems was required to provide a project plan and is also required to provide regular project updates both on a time basis (every six months) and a milestone basis with government funding tied directly to achievement of agreed milestones. The funding program is on a stepped basis with only \$4.5 million being available to Solar Systems in the first tranche and the remaining \$45.5 million being the subject of a full technical and commercial review of the project to determine the outcomes of the first stage of the project and whether or not it has met the objectives of the State. The effectiveness and efficiency outcomes of the plant will be determined as part of this review.

Committee Comment

As with all major infrastructure projects, the Committee is keen to ensure that clear and comprehensive public reporting mechanisms are in place to ensure that Parliament and the public are informed of progress against milestones and achievement of outcomes. The Committee suggests that the good reporting practices by the Department of Sustainability and Environment (see section 16.4.1) in regard to major water infrastructure projects are used as a model for this and other major infrastructure projects. Key elements of this approach include detailed reporting of progress against milestones in the Department *Annual Report* and the publication of periodic progress reports.

16.3.9 Energy Reduction Initiatives in the Department of Education and Early Childhood Development

The Department of Education and Early Childhood Development's annual report for 2007-08 reveals that the 2007-08 target to reduce energy consumption per square metre by 20 per cent of 1999-2000 consumption by 30 June 2010 will be addressed through energy reduction initiatives.

Question

- What progress was made in 2007-08 towards achieving the long-term target?
- Please describe the energy reduction initiatives that were introduced in 2007-08 and those that are planned for the future.

Response

Machinery of government changes in August 2007 saw the Office for Children and Early Childhood Development being transferred from the Department of Human Services to the Department of Education. The inclusion of data for the Office for Children resulted in an overall increase in Departmental energy consumption.

The Department's Central Office is incorporated in the scoping and tendering of the Department of Treasury and Finance's Victorian Government Energy Performance Contract, which involves tenancy and base building energy efficiency opportunities to be implemented during 2008-09.

New corporate office accommodation exceeds environmental performance requirements, utilising Green Star and Australian Greenhouse Building Rating standards.

Energy upgrade projects in schools are continuing and include installation of solar panels in schools, de-lamping and re-lamping, motion sensors and solar hot water services.

The Department introduced computer, computer monitor and lighting audits, and 'Switch-off' campaigns in schools and the Department's corporate offices.

The Department also established a pilot program for solar panels, water tanks and solar heating for 50 schools. This project is a collaboration between the Commonwealth Government and Sustainability Victoria.

The Department's Central Office will operate under the Department of Treasury and Finance's Victorian Government Energy Performance Contract which will be implemented during 2009-10.

Committee Comment

The Committee commented in Chapter 13, *Environmental Outcomes*, on the importance of the ongoing provision of comparable data, encompassing changes that result from encroaching issues such as machinery of government changes and office relocations. As with the ongoing environmental measures discussed in Chapter 13, the Committee expects that the Department will take the required steps to ensure that the achievement of this target is reported in a manner which allows direct comparison with the 1999-2000 baseline figures.

Recommendation 53:

The Department of Education and Early Childhood Development ensure that future reporting of the target to reduce energy consumption per square metre by 20 per cent of 1999-2000 consumption by 30 June 2010, allows for meaningful comparison with the 1999-2000 data, notwithstanding the machinery of government changes which have impacted the Department since this time.

16.3.10 Equine Influenza Outbreak

Following the confirmation of Equine Influenza in New South Wales in August 2007, the Department of Primary Industries established a disease control centre to coordinate the Victorian response to the equine influenza outbreak, which ultimately, was successful in preventing Equine Influenza from entering the State.⁴⁵⁸

Question

- Please advise how animal pest, disease and residue control programs were maintained to assist industry to access markets.
- Please outline the total number of staff and total costs involved with dealing with the Equine Influenza outbreak

Response

Many non-critical animal health activities such as surveillance visits, inspections at sale yards and scales, meetings, sample collections, audits and training activities were either delayed or reduced to an absolute minimum during the Equine Influenza response. Critical program activities were also maintained through extensive staff overtime, the engagement of private veterinarians in testing and the employment of contractors to deliver some elements of the response, especially border security, and to backfill critical positions for staff occupied by the response.

Over 400 individuals, including contractors, were involved for varying lengths of time during the six month duration of the Equine Influenza response. Only a fraction of these were engaged at any particular time, with the high numbers due to the health and safety requirement to regularly rotate staff involved in emergency response and the subsidiary aim of ensuring that as many as possible received practical experience in an emergency animal disease response.

The total cost of the Equine Influenza outbreak response was \$12.7 million for 2007-08 comprising operating costs of \$8.03 million; salary costs of \$3.6 million including normal time salaries of approximately \$1.8 million (note total cost is \$10.9 million if normal time salaries are excluded), on costs, overtime and allowances; diagnostic equipment purchases of \$0.55 million; and compensation payments of \$0.52 million to assist non-government, not-for-profit equine organisations that incurred financial losses due to the voluntary cancellation of horse events in Victoria during the Equine Influenza outbreak. \$8.95 million of this cost was recouped during 2007-08 through the National Emergency Animal Disease Response Agreement under which all States, Territories, the Commonwealth and relevant industries contribute to the cost of significant emergency animal disease responses. Claims for reimbursement of eligible costs were independently audited by Ernst and Young.

16.4 Efficient use of natural resources

16.4.1 Management of Victoria's Waterways

The State's Waterways are of major social, economic and environmental significance. Climate change and long-term drought conditions have had a major environmental impact on Victoria's rivers, creeks and lakes.

⁴⁵⁸ Department of Primary Industries, *Annual Report 2007-08*, October 2008, p.47

In examining issues relating to the management of Victoria's waterways, the Committee chose to focus on expenditure incurred and progress made towards delivering:

- *Our Water Our Future: The Next Stage of the Government's Plan*;
- the five regional Sustainable Water Strategies;
- the Large Scale River Restoration Project;
- the Lower Wimmera River Health Ecological Risk Assessment Program; and
- improved outcomes in relation to fish deaths.

Our Water Our Future

Our Water Our Future: The Next Stage of the Government's Plan outlines the Government's approach to secure Victoria's water supplies. The Plan, launched in June 2007, was estimated to cost \$4.9 billion and included:⁴⁵⁹

- building a desalination plant to provide drinking water for Melbourne;
- modernising Victoria's Food Bowl irrigation;
- expanding Victoria's Water Grid including delivering five major pipeline projects;
- upgrading Melbourne's Eastern Treatment Plant; and
- support for new and existing water conservation programs for homes and industry.

In July 2008, the Government released a 12 month progress report, detailing at a high level, the status and progress of each of the major projects included in the plan. The Department of Sustainability and Environment's *Annual Report 2007-08* also contains further information about these projects. The following questions were asked of the Department.

Question

Please provide details of the expenditure against budget during 2007-08 on each of the major infrastructure elements next stage of the *Our Water Our Future* plan and reasons for any variances greater than 10 per cent. Please also provide details of the progress of this plan against key milestones.

Response

Significant progress was made during 2007-08 on the major infrastructure projects contained in the next stage of the *Our Water Our Future* plan. In total \$4.9 billion is being spent on these projects to manage the risk that Victoria's worst drought will continue indefinitely. The total supply for Melbourne will increase by 24 gigalitres annually by 2010 – half of its current water use.

⁴⁵⁹ *Our Water Our Future: The Next Stage of the Government's Plan – 12 month progress report*, July 2008, Department of Sustainability and Environment.

For details on the 2007-08 expenditure, refer to the response at Question 2.1 (see Table 16.6) and for details on individual project progress refer to pages 37-40 of the 2008 Department of Sustainability and Environment Annual Report.

Table 16.8: Expenditure on Major Water Infrastructure Projects

| Project | 2007-08 Budget | 2007-08 Actual | Variance (%) | Total Estimated Investment | Total Expenditure to 30 June 2008 | Remaining expenditure |
|--|----------------|----------------|--------------|----------------------------|-----------------------------------|-----------------------|
| | (\$ million) | (\$ million) | | (\$ m) | | (%) |
| Food Bowl Modernisation Project Stage 1 (i) | 82.0 | 76.0 | 7.3 | 600.0 | 76.0 | 87.0 |
| Geelong to Melbourne Pipeline | - | - | - | 20.0 | 0.0 | 100.0 |
| Goldfields Superpipe Ballarat Interconnector | | | | | | |
| Commonwealth Component (ii) | 90.0 | 89.5 | 0.5 | 90.0 | 89.5 | - |
| State Component | 38.9 | 39.6 | 1.8 | 70.7 | 70.7 | - |
| Goldfields Superpipe Bendigo Interconnector | | | | | | |
| Commonwealth Component | 25.0 | 25.0 | - | 25.0 | 25.0 | - |
| Hamilton to Grampians Pipeline | 1.0 | 1.0 | - | 10.0 | 1.0 | 90.0 |
| Wimmera-Mallee Pipeline Project Construction (iii) | | | | | | |
| Commonwealth Component | 43.3 | 168.5 | 289.1 | 266.0 | 245.0 | 8.0 |
| State Component | 36.8 | 139.0 | 277.7 | 266.0 | 207.9 | 22.0 |
| Wonthaggi Desalination Project Preparatory Work (iv) | 2.0 | 2.0 | - | 32.0 | 2.0 | 94.0 |

Notes: (a) Expenditure in 2007-08 on the Food Bowl Modernisation Project included some output expenditure, which is not reflected in BIP 1.2007-08 Actual expenditure (output and asset) was consistent with 2007-08 Budgeted expenditure.

(b) The Goldfields Superpipe has been completed. Consistent with many major projects, the Commonwealth withholds a minor amount of funding until the Final Report has been received. the remaining \$0.5 million is expected in the 2008-09 financial year.

(c) Funding in future years was brought forward into 2007-08 to allow for accelerated works.

(d) Table 16.6 only reflects funding provided by the Government for initial activities associated with the Desalination plant, as the plant will be delivered through a PPP arrangement.

Source: Department of Sustainability and Environment Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two.

Committee Comment

The Department of Sustainability and Environment has published a *Progress Report* and presented information on these major projects in its *Annual Report*. Regular reporting via a number of mediums is commendable and the Committee looks forward to this frequency and detail of reporting being maintained for the duration of these projects. This approach should also be replicated for other major program/policy initiatives across all departments.

The Committee would also like to see improved reporting against milestones and targets in future reports. Both reports (*Progress Report* and *Annual Report*) included high level information regarding actions taken to date and the *Progress Report* also provided an indication as to whether the project was ‘on track to achieve delivery date’. Both could be improved with the inclusion of detailed information about major milestones for each project, without which, it is difficult to determine the effectiveness, timeliness or efficiency with which the project is being administered. Stating that a project is on track to achieve its delivery date is not effective accountability.

Recommendation 54: **All departments prepare regular, detailed progress reports for major infrastructure initiatives. Progress reports should, wherever possible, include information about performance in relation to major milestones and targets.**

Regional Sustainable Water Strategies

In June 2004 the Victorian Government published the White Paper, *Securing our Water Future Together*. This major long term plan established over 100 water conservation initiatives. A major component of the White Paper was the development and implementation of sustainable water strategies for the five Victorian water regions. The Sustainable Water Strategies were to provide a comprehensive, long term plan for the sustainable use of water resources in each region.⁴⁶⁰

The first Sustainable Water Strategy was published in October 2006 following an extensive and lengthy planning and preparation process. Shortly after the Strategy was released, following a period of unprecedented low inflows to Victoria’s catchments *Our Water Our Future, The Next Stage of the Government’s Water Plan* was released. It included a range of projects designed to augment water supplies in the State.

The Department of Sustainability and Environment *Annual Report 2008* advised that the Northern Region Sustainable Water Strategy was under development and would be released in 2009. The Committee queried the status of each of the Regional Sustainable Water Strategies.

Question

Please outline the status of each of the regional sustainable water strategies against major milestones.

Response

Our Water Our Future (OWOF) 2004 proposed the preparation of five (one per region) sustainable water strategies. In late 2007, the Government decided to merge the Wimmera and Glenelg Region with the South West Region into a single Western Region Sustainable Water Strategy following the release of *Our Water Our Future, The Next Stage of the Government’s Water Plan*.

⁴⁶⁰ Central Region Sustainable Water Strategy, Department of Sustainability, October 2006, p.10

The Government also decided to stagger the preparation of the strategies to:

- ensure comprehensive, effective and manageable stakeholder consultation and engagement, particularly at a time when many key stakeholders were dealing with drought;
- allow lessons learnt in the early strategies to be taken into account in the later strategies; and
- allow the outcomes of work announced in *Our Water Our Future, The Next Stage of the Government's Water Plan*, such as the business case on the Eastern Recycled Water Proposal, to be completed and considered in later strategies.

The current status of the four Regional Sustainable Water Strategies (RSWS) is:

Table 16.9: Development of Regional Sustainable Water Strategies

| Project | Discussion Paper Due | Draft Strategy Expected | Final Strategy Expected | Status |
|----------------|----------------------|-------------------------|-------------------------|----------|
| Central RSWS | Delivered Oct 05 | Delivered Apr 06 | Delivered Oct 06 | Complete |
| Northern RSWS | Delivered Jan 08 | Delivered Oct 08 | May-09 | On track |
| Western RSWS | N/A | Apr-09 | Oct-09 | On track |
| Gippsland RSWS | Apr-09 | Sep-09 | Mar-10 | On track |

Source: Department of Sustainability and Environment Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two.

Committee Comment

The Department of Sustainability and Environment is required under section 22J of the *Water Act 1989*, to report on current and draft sustainable water strategies in its Annual Report. In his 2008 report, *Planning for Water Infrastructure*, the Auditor-General observed that:⁴⁶¹

The level of detail of the Department's 2006-07 annual report on sustainable water strategies was insufficient for it to meet its reporting obligations.

While the content in the *Annual Report 2007-08*, in regard to the Central and Northern Region Sustainable Water Strategies, was greatly improved, it did not provide sufficient detail about the status of the remaining incomplete strategies. Specifically, the Committee believes the omission of a major decision to amalgamate the Wimmera and Glenelg Region with the South West Region into a single *Western Region Sustainable Water Strategy* is a significant oversight which is compounded by the lack of information on the Department website about this decision.⁴⁶²

While the Committee understands that the pressing concerns which prompted the development of *Our Water Our Future: The Next Stage of the Government's Plan* had an impact on the development and delivery of the Regional Sustainable Water Strategies, it has some concern about the length of time taken to develop these strategies. Following the publication of the *Central Region Sustainable Water Strategy* in October 2006, after an 18 month development period, a further 29 months have elapsed without another strategy being completed.

The Committee notes the revised timelines provided by the Department regarding the development of the Regional Sustainable Water Strategies, and will continue to monitor progress towards achieving these timelines.

⁴⁶¹ Victorian Auditor-General's Office, *Planning for Water Infrastructure*, April 2008, p.46

⁴⁶² <www.ourwater.vic.gov.au/programs/sws>, accessed 24 March 2009.

Recommendation 55: **The Department of Sustainability and Environment provide detailed, comprehensive information on the development and implementation of each of the four Regional Sustainable Water Strategies, including timelines for completion and major implementation milestones.**

16.4.2 Lower Wimmera River Health Ecological Risk Assessment Program

An ecological risk assessment is a process used to gauge the risk posed to the health of a particular ecosystem by a range of threats. Ecological risk assessments are commonly used to inform management decisions in ecosystems where a significant new threat or a range of possible threats have been identified. In the case of the Lower Wimmera River Health Risk Assessment Program, conducted by the Environmental Protection Authority, the river has been identified as a priority reach for management, as it is of high ecological value, yet is highly stressed and regarded as degraded.⁴⁶³

Question

The Environment Protection Authority annual report provides details of an ecological risk assessment undertaken on the Lower Wimmera River. Please provide details of the river health ecological risk assessment program including:

- the objectives and planned outcomes associated with the program;
- funds allocated to the project and expenditure to date including a year-by-year breakdown;
- the number of assessments planned for 2007-08 and 2008-09;
- the number of assessments undertaken in 2007-08;
- major outcomes of assessments undertaken during 2007-08; and
- specific impacts of the program to date on improving river health in Victoria.

Response

The Lower Wimmera ecological risk assessment was a stand alone project, rather than part of any ongoing Environment Protection Authority program. Its objectives were to identify risks to the lower Wimmera River, provide information to assist Wimmera Catchment Management Authority (WCMA) in managing these risks and provide a practical example to other natural resource managers of an ecological risk assessment. The outcomes were to identify the key risks to the Lower Wimmera River ecosystem and develop a predictive model the WCMA can use to determine the optimal use of any allocated environmental flow.

⁴⁶³ An ecological risk assessment of the lower wimmera river, Environmental Protection Agency, October 2008, p.5

The funds allocated and expenditure to date are detailed in Table 16.8.

Table 16.10: Funds allocated to the Lower Wimmera River Health Ecological Risk Assessment Program

| | | Operating Costs | Salaries | TOTAL | Cumulative Total |
|---------|-------------|-----------------|----------|--------|------------------|
| | | (\$) | (\$) | (\$) | (\$) |
| 2004-05 | Budget | 5,000 | 22,500 | 27,500 | 27,500 |
| | Expenditure | 5,000 | 20,300 | 25,300 | 25,300 |
| | Variation | - | -2,200 | -2,200 | -2,200 |
| 2005-06 | Budget | 10,000 | 22,500 | 32,500 | 60,000 |
| | Expenditure | 10,000 | 20,000 | 30,000 | 55,300 |
| | Variation | - | -2,500 | -2,500 | -4,700 |
| 2006-07 | Budget | - | 22,500 | 22,500 | 82,500 |
| | Expenditure | - | 20,000 | 20,000 | 75,300 |
| | Variation | - | -2,500 | -2,500 | -7,200 |
| 2007-08 | Budget | - | 16,600 | 16,600 | 99,100 |
| | Expenditure | - | 16,560 | 16,560 | 91,860 |
| | Variation | - | -40 | -40 | -7,240 |

Source: Environment Protection Authority, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.4.

The Lower Wimmera ecological risk assessment is the only ecological risk assessment Environment Protection Authority conducted in 2007-2008 and the Environment Protection Authority has not planned to conduct any in 2008-09. From 2008-09 the Environment Protection Authority will be providing technical support and advice to Catchment Management Authorities as they conduct these assessments on 'water quality hotspots' with the assistance of DSE.

The predictive model developed for the Lower Wimmera project will be useful in planning future environmental water allocations with a view to maximising the environmental benefits. The model will assist in optimising water use and ecological value from any savings returned to the river through the Wimmera Mallee Pipeline project.

16.4.3 Fish Deaths

The Environmental Protection Authority Annual Report 2007-08 advised that high salinity and low oxygen levels resulting from low water levels in Victorian, lakes, creeks and rivers in 2007-08 created two major fish death incidents at Lake Boga and Lake Colac.

Question

Please outline the specific steps taken to address the ongoing problem of fish deaths due to low water levels in lakes, creeks and rivers during 2007-08 and going forward into 2008-09. Please provide details of the costs associated with the two major fish death incidents and Lake Boga and Lake Colac and the impact of these incidents on the local environment and communities. The Environment Protection Authority annual report advises that the Environment Protection Authority and other stakeholders met to assess how these incidents were managed during 2007-08. Please provide an overview of the key findings and measures subsequently introduced to minimise the possibility of a repeat of these incidents. Please also advise as to how the river ecological risk assessments tie into the work to prevent fish deaths.

Response

In October 2006 the Environment Protection Authority released the Waterway Incident (Fish Death) Response Guidelines. These guidelines provide a description of the roles and responsibilities for responding to fish deaths by water management and environment agencies and provide the framework to undertake improved responses to fish deaths in Victoria.

Additionally, in January 2007, further guidance was provided to Environment Protection Authority staff in the Environment Protection Authority Fish Death Response Procedure. While the events at Lake Boga and Lake Colac were due to the drought, the guidelines assist in preparing agencies to identify waterways at risk, likely impacts and the practicability of clean up measures.

The Environment Protection Authority has also worked with local agencies to ensure clean-up occurs where practicable.

The responsible agencies such as local governments, DSE and Parks Victoria bear the clean up costs for fish death events. Environment Protection Authority does not hold any records of these costs. Each of these events resulted in a large number of rotting fish carcasses, with significant amenity impacts (i.e. odour, unsightly) within the immediate vicinity of the lakes. Local communities were affected by these and expressed concern about perceived health implications, loss of local recreational and commercial fisheries, water resource management and the impact of erosion and weeds in the case of a drying lake. Drying of any lakes will result in at least temporary loss of fish, bird and aquatic biodiversity.

The key findings of the de-briefs chaired by the Environment Protection Authority after both incidents included:

- The value of providing information to the local community through the media and the need to ensure this is prepared ahead of any event if practicable;
- The importance of ongoing communication between agencies including clarification of roles and responsibilities at a local level;
- The value of assessing the risk of fish deaths ahead of any event to support planning;
- The importance of detailed record keeping; and
- The need to ensure all relevant agencies are involved early, including the Department of Human Services.

Avoiding a further fish death incident at Lake Colac is unlikely due to the continuing dry conditions. Environment Protection Authority has provided advice to the media to this effect with the aim of alerting the local community to this likelihood.

Lake Boga is now dry due to changes in its operational management as part of the irrigation supply system.

The ecological risk assessment project in the Wimmera was targeted at maximising the use of the environmental water allocation while not impacting on other values. Other assessments being undertaken by CMAs will focus on the issues relevant to those CMAs and their stakeholders.

Committee Comment

While drought conditions continue, it will remain a difficult task to balance the competing demands for water in the State's rivers and lakes. It appears likely that incidents such as those seen in Lakes Colac and Boga will continue to occur in coming years.

To this end, the Committee suggests that the Department of Sustainability and Environment, the Environment Protection Authority, Catchment Management Authorities and other relevant organisations work to develop a targeted program of ecological risk assessments, designed to mitigate the risk of extreme events and minimise their impact on the environment and local communities.

Recommendation 56: **The Department of Sustainability and Environment co-ordinate the various water management agencies in Victoria to develop a targeted program of ecological risk assessments for the States ‘at risk’ waterways.**

16.4.4 Large-Scale River Restoration Program

Water authorities pay an annual environmental contribution levy, which is used to fund water related initiatives that promote sustainable water management and improve environmental performance. The first tranche of this levy ran from October 2004 to June 2008 and raised \$225 million.⁴⁶⁴ In 2008, the Levy was extended for a further four years and is estimated to raise an additional \$295 million.⁴⁶⁵

The Large Scale River Restoration program (LSRR) was originally a four year, \$40 million program funded through the Environmental Contribution Levy. In line with the extension to the Levy, the LSRR was also extended for a further four years from 2008-09.

The LSRR was designed to improve the health of Victoria’s rivers, floodplains and estuaries by:⁴⁶⁶

- coordinating integrated large-scale restoration activities on priority river systems to maximise river health outcomes for investment; and
- using restoration programs to demonstrate and inform the community of the effectiveness of investment in river health.

Question

Please provide details of the LSRR program including:

- progress of projects against major milestones;
- information on completed projects including date of completion and assessment of achievement of outcomes;
- assessment of the extent to which the program outcomes and objectives were met by June 2008; and
- expenditure to date against budget (total and by year).

Response

The LSRR Tranche 1 objective was to contribute towards the Government’s commitment to ‘significantly improve the health of Victoria’s rivers, floodplains and estuaries by 2010 to ensure that they are capable of delivering a wide range of services to the community’ (OWOF 2004).

Preliminary analysis indicates Tranche 1 will contribute to the improvement of more than 1,250 km of riparian and instream habitat within priority rivers and estuarine systems. The program has also been successful at increasing community awareness, capacity and willingness to undertake river restoration works.

⁴⁶⁴ Public Accounts and Estimates Committee, *Report on the 2008-09 Budget Estimates Part 2*, May 2008, Verified Transcript with the Minister for Water, p.15

⁴⁶⁵ Department of Treasury and Finance, *Budget Paper No. 4*, May 2007, p.141

⁴⁶⁶ <[www.ourwater.vic.gov.au /environment/rivers/river-health-program/policy-and-investment](http://www.ourwater.vic.gov.au/environment/rivers/river-health-program/policy-and-investment)>, accessed 24 March 2009.

Final details documenting the 4th year of implementation are still in preparation, however key milestones delivered during the first 3 years of implementation include:

- 672 ha of indigenous re-vegetation;
- 511 ha of riparian zones fenced;
- 1,196 ha of riparian land treated and inspected for weeds;
- 182 stream frontage agreements signed with landowners;
- 97 off-stream watering points established;
- 743 large woody structures installed to provide habitat; and
- 3,170 M/L of environmental water delivered.

Following completion of regional reports covering the 4 years (2004-05 to 2007-08), an independent evaluation will also be completed (April 2009 deadline). The Minister for Water will be advised and results used to inform Tranche 2 implementation.

LSRR Tranche 2 will continue to support the Government’s commitments to improve river, wetland and estuary health. Its key milestone is to improve the health of 55 priority river or estuarine reaches covering an estimated 2,600 km. Work on this stage of the project commenced in 2008-09.

Tranche 1 projects are currently completing a 4 year report outlining regional achievements.

Quarterly financial and annual project reporting completed over the period of Tranche 1 indicates consistent delivery against proposed actions. An independent program evaluation will be undertaken, the brief for which is currently being prepared (to be completed by April 2009). The evaluation will assess the LSRR contribution towards program outcomes and objectives.

Table 16.11: Expenditure on the Large Scale River Restoration Program

| Funding Tranche and Year | | Budget | Actual |
|--------------------------|--------------|--------------|--------------|
| | | (\$ million) | (\$ million) |
| Tranche 1 | 2004-05 | 10.8 | 10.3 |
| | 2005-06 | 10.5* | 10.5 |
| | 2006-07 | 9.9* | 9.0 |
| | 2007-08 | 10.7* | 10.7 |
| | Total | 41.9 | 40.5 |
| Tranche 2 | 2008-09 | 11.0 | |
| | 2009-10 | 12.0 | |
| | 2010-11 | 13.0 | |
| | 2011-12 | 11.0 | |
| | Total | 46.8** | |

Notes: * Budgeted figures include approved carryforwards loaded from previous year/s

** Total allocation to LSRR program Tranche 2 = \$46.75m (includes \$8m to Melb. Water)

Source: Department of Sustainability and Environment, Response to the Committee’s Financial and Performance Outcomes Questionnaire - Part Two, p.17.

16.4.5 Schools Water Efficiency

Question

The \$3 million Schools Water Efficiency program (SWEP) helps schools connected to a reticulated water supply to save water. The Department of Sustainability and Environment's annual report advised that more than 650 schools joined the program in 2007-08. Please provide the information for each of the following categories, State/private, metropolitan/regional, by region, primary/secondary:

- total number of schools signed up to the program;
- total number of schools where works were completed prior to 30 June 2008;
- total number of State/private schools where works were completed during 2007-08;
- total water savings made to date; and
- total water savings made during 2006-07 and 2007-08 and savings estimated for 2008-09.

Please also outline steps taken to encourage participation in the program by all schools.

Response

A total of 1,412 schools had signed up for SWEP to 15 December 2008. Of these, 1,291 are State and 121 are private schools, while 655 are regional and 757 are metropolitan schools.

As of the 30 June 2008, 492 schools had all works completed. Of these 384 were State schools and 108 were private schools.

During 2007-08, 258 schools had works completed, of which 34 were private schools and 224 were State schools.

Total estimated water savings achieved to 15 December 2008 for the schools for which works are committed or have been completed is 213,677 kilolitres per year (kl/yr).

The total estimated savings for works committed or completed is:

Table 16.12: Estimated water savings from the School Water Efficiency Program

| | 2006-07 kl/year | 2007-08 kl/year | 2008-09 kl/year |
|-------------------------|--------------------|--------------------|--------------------|
| Savings Per Year | 115,471 | 172,708 | 300,000 |

Source: Department of Sustainability and Environment, Response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, p.15.

The above figures are cumulative estimates, with the 2007-08 figure reflecting actual achievement estimates. The 2008-09 estimated savings are based on average savings per school for 2008-09 to date. This could vary significantly based on the size of the schools which are to be completed for the remainder of 2008-09.

The Department of Sustainability and Environment worked extensively with the Department of Education and Early Childhood Development to get a mandate that all State schools undertake the SWEP. This has significantly increased participation in the program and the majority of State schools are signing up. Project managers are also working to encourage the private sector schools to join.

Committee comment

The Committee noted that 1,291 State schools participating in the SWEP represents 81.3 per cent of the 1,587 Government schools. However, only 17.1 per cent of private schools participated (121 of the 220 Independent schools and 486 Catholic schools). The Committee urges more schools to join the program.

Recommendation 57:

The Department of Sustainability and Environment, in conjunction with the Department of Education and Early Childhood Development, take steps to encourage greater participation by private schools in the Schools Water Efficiency program.

CHAPTER 17: CARING COMMUNITIES

Key Findings of the Committee:

Building friendly, confident and safe communities

- 17.1 The Victoria Police Annual Report 2007-08 presented a snapshot of key findings from the National Survey of Community Satisfaction with Policing in accordance with its strategy document *The Way Ahead*. The Committee identified a number of data limitations which impacted on the usefulness of these survey results and recommended that Victoria Police take further action to improve the robustness and relevance of performance indicators in future strategy documents.
- 17.2 Over all, the levels of reported crime in Victoria continue to decrease, however, crimes against the person continue to rise, albeit more slowly in 2007-08 (1.4 per cent) than the preceding two years. The data presented in the budget papers uses the gross number of offences while a measure of crimes per 100,000 population may be more relevant. The Committee has recommended that Victoria Police and the Department of Justice update this measure in future budget papers.
- 17.3 An output review undertaken by the Department of Justice has concluded that Victorian Legal Aid (VLA) is experiencing considerable demand pressures and the Department has had to provide assistance to VLA to ease cash flow pressures in 2008-09. The Department also identified that VLA no longer has the capacity to fund the shortfall between revenue and operating expenses from its reserves or the Public Purpose Fund. The Department advised that a review is underway as part of the 2009-10 budget process.
- 17.4 In 2007-08 there were 14 prisoner deaths in Victoria and 92 deaths amongst offenders serving community-based orders. In the three years to the end of 2007-08, drug-related deaths among offenders serving community-based orders have increased from 19 per cent of deaths to 30 per cent, while deaths as a result of suicide have fallen from 29 per cent to 16 per cent. The Department of Justice should review the effectiveness of drug control programs for offenders serving community based orders.
- 17.5 In 2007-08 there were 45 safety upgrades to railway crossings for pedestrians and road vehicles and 13 upgrades to pedestrian crossings to comply with the *Disability Discrimination Act 1992*. The average cost of a road crossing upgrade was approximately \$400,000 and was not significantly affected by the type of upgrade. Details of the level crossing works undertaken during 2007-08 are provided in this chapter of the report.

A fairer society that reduces disadvantage and respects diversity

- 17.6 Victoria Police's Multicultural Advisory Unit is enhancing the skill level of police and improving understanding between the police and diverse groups within the Victorian community. Chief amongst the Unit's work is the Police and Community Multicultural Advisory Committee, the New and Emerging Community Partnerships Fund, Arabic language training and an African/Sudanese Cross Cultural Advice Program.

- 17.7 The Department of Planning and Community Development awarded 215 grants to community projects to encourage volunteering in 2007-08, more than doubling its target of between 90 and 120 grants.
- 17.8 The Department's planned social housing unit acquisition program is on track to meet its targets. To date, the Department has spent \$111 million acquiring 353 units at an average cost of \$314,448 per unit.
- 17.9 Output reporting of \$50 million spent on public housing in 2007-08 from the Victorian Property Fund is inadequately reported. The Victorian Property Fund sits within Department of Justice but is an expenditure of the Office of Housing within the Department of Human Services. This practice results in an unmeasured output for the Department of Justice as the output is reported in the Department of Human Services Annual Report. There is scope for improved coordination and reporting.
- 17.10 The assessment method used to assess satisfaction with services provided by the Early Childhood Intervention Services may not have produced an accurate representation of people's experiences.

17.1 Introduction

Caring Communities is the fourth *Growing Victoria Together* vision examined by the Committee in this year's Financial and Performance Outcomes Report.

17.2 Linkage of issues examined to the *Growing Victoria Together* visions

This chapter contains outcome-related analysis and comment across six categories within the two goals for the Caring Communities vision which covers 13 issues. As well as serving to enhance accountability, the Committee believes that this information will prompt debate, contribute to policy development pertaining to Victoria's community life, and form a reference point for the Committee's impending inquiry into the 2009-10 budget estimates.

The Committee asked departments and agencies a range of questions relating to the Caring Communities vision. These questions, and the relevant department or agency responses, are detailed in the chapter in full, with supporting commentary from the Committee where it is deemed relevant. Issues selected by the Committee for examination aligned to the *Growing Victoria Together* goals cover the following topics:

Building friendly, confident and safe communities

- Policing, crime and justice
 - Community satisfaction with policing
 - Police and young people
 - Crimes against the person
 - Victorian Legal Aid funding
 - Community-based orders
- Safer transport
 - Upgrading pedestrian and road railway crossings

A fairer society that reduces disadvantage and respects diversity

- Addressing cultural diversity
 - Multicultural Advisory Unit
 - Diversity amongst Victoria's older population
- Building community
 - Encouraging volunteering
 - Neighbourhood renewal program
- Social housing
 - Improving and expanding social housing
 - Victorian Property Fund
- Early childhood intervention services

17.3 Building friendly, confident and safe communities**17.3.1 Policing, crime and justice****Community satisfaction with policing**

The Victoria Police Annual Report 2007-08 presented a snapshot of several key findings from the National Survey of Community Satisfaction with Policing (NSCSP). The NSCSP is an independent assessment of the community's perceptions and experiences of Victoria Police. While the survey results for 2007-08 reported perceptions of safety above 91 per cent, lower rates were reported for confidence in the police and community satisfaction with the delivery of policing services. The Committee asked the following questions in regard to the survey results.

(a) Question

Assessment of community perceptions and experiences of Victoria Police is measured by the independent National Survey of Community Satisfaction with Policing (NSCSP).

- The NSCSP reported that in Victoria, perceptions of safety was above 91 per cent during 2007-08, continuing an ongoing pattern. Please provide a breakdown of this perception level according to language spoken at home or its equivalent measure, geographic location, age and an indication of what contact survey respondents had had with the police.
- The percentage of people who have confidence in the police is, however, lower at 82.4 per cent. Please explain why confidence in the police is lower than the perceived safety, referred to above, and the factors identified by survey respondents as reasons for low confidence.
- The result for community satisfaction with delivery of policing services was lower again, at 69.7 per cent. Please provide more detail of this result, including reasons for dissatisfaction and satisfaction levels for different police services.

Response

The Community Survey sample population is stratified on the basis of location (in Police Regions), age groupings and gender. Victoria Police does not routinely produce cross tabulations of the type indicated in the question below whole of State level, because each 'refinement' of the data reduces the number of responses in the individual sample and therefore the reliability of the estimates.

The question that produces the result referred to asks respondents to rate their feelings of safety while out and about in their neighbourhood during the day. It is part of a series of questions which seeks information on perceptions of situational safety and is not linked to respondents contact with police.

The result of 91 per cent represents the average for the whole of State. In general terms, respondents living in rural areas tend on average to feel safer than those living in heavily urbanised areas; younger people tend on average to feel safer than the very elderly; and males tend to feel safer than females.

There is no direct connection between the section of the Community Survey which deals with the community's perceptions of situational safety and the section dealing with confidence in police. The 'confidence' question is contained in a section dealing with community perceptions of police honesty and integrity and is worded as:

'I do have confidence in police'.

Respondents are asked to rate the degree to which they agree with the statement. The result of 84.2 per cent is the proportion of respondents who 'Agreed' or 'Strongly Agreed' with the statement. The Survey does not ask those who 'neither agreed nor disagreed' or 'disagreed' why they did not express agreement with the statement.

The result for community satisfaction is derived from an introductory question in the Community Survey which asks:

'Would you please say how satisfied you are in general with the services provided by the police'

Respondents are asked to rate their level of satisfaction on a five point scale ranging from 'Very Satisfied' through to 'Very Dissatisfied'. The result represents the proportion of respondents who were 'Satisfied' or 'Very Satisfied' in general with the services provided by Victoria Police. The single question is asked of all respondents rather than being limited to those who have had direct contact with Victoria Police members during the year. Because this question is intended to seek very general information, no follow up question seeks additional information about reasons for dissatisfaction.

In a separate series of questions directed to those respondents who have had direct business contact with members of Victoria Police in the past 12 months, some 83 per cent those respondents reported that they were 'Satisfied' or 'Very Satisfied' with the service they received from police. It should be noted that this does not mean that 17 per cent of respondents were not satisfied, as a significant proportion of that 17 per cent were 'neither satisfied nor dissatisfied'.

Committee Comment

A relatively low number (69.7 per cent) of respondents indicated they were satisfied with the delivery of policing services in Victoria. The Department advised that this particular survey question is asked of all participants, not just those with recent police contact. The Department also identified a number of further data limitations which reduce the usefulness of the survey results. The restricted quantitative data is further compounded by the lack of qualitative data explaining the identified results.

It is important that the performance measures used in strategic planning documents such as *The Way Ahead 2003-2008*, are comprehensive and robust, providing detailed information that can be used to assist in policy development and to improve services. While pleased to note the wide range of performance measures employed and publicly reported by Victoria Police, the Committee encourages Victoria Police to further develop and enhance their performance measures in future planning and strategic documentation to include:

- demographic comparators covering as a minimum, age, location and gender; and
- qualitative information to support the numerical and statistical data.

Recommendation 58: **Victoria Police further develop and enhance the performance measures in future planning and strategic documentation to include demographic comparators and qualitative information.**

Police and young people

The Victoria Police identified relations with young people as a priority issue in 2007-08. However, details about programs and initiatives to address relationships between young people and the Police in the 2007-08 annual report was limited to the Victoria Police Youth Leadership Program.

(b) Question

Please provide details of programs that are addressing the relationship between young people and the police.

Response

At the present time there are some 187 identified, locally-based programs aimed at addressing and improving the relationship between young people and police. Those programs are spread across the State (all five Police Regions) and are locally developed to address specific issues and needs in particular communities. It will be appreciated that selecting a small number of examples for publication in the annual report when the scope of most programs is highly localised, carries some risk of seeming to ignore some valuable initiatives while highlighting particular challenges which may exist in other areas. Further information on some programs follows. The selection is not meant to imply that those programs are more extensive or worthy of attention than others:

Getting Dirty

This program targeted students 'at risk' of early disconnection from school and the community for reasons including behavioural problems, poor social skills, low academic achievement, poor school attendance record, low self esteem, family issues and recipients of a police caution.

It involved 12 'at risk' students from various schools within the Bacchus Marsh cluster aged between 10 - 14 yrs, both male and female. The program ran over six weeks with the group meeting every week for either full or half day sessions. Local Government and businesses, Rotary volunteers, student welfare workers, educational assistants and police participated in the program.

During the first day the young people participated in team building activities. These activities involved the participation of program facilitators, teachers, volunteers and police with the young people so that all parties could get to know each other and to build a rapport.

During the next four sessions of the program, participants attended Rotary Park located in Bacchus Marsh. With the assistance of Moorabool Shire Parks and Gardens Unit, they learned skills relating to horticulture, aspects of work safety and how to use tools safely. All participants had input in site selection, design and preparation and then planted and maintained trees and shrubs in the park.

As well as developing positive relationships with the adults during the program, students were able to develop their social and practical skills and were able to participate in activities which allowed them to practise what they had learnt. Participants also received recognition for their effort and they created a visible, long-term reminder of their contribution to their community and gained a sense of ownership of the park and its gardens.

The High Challenge Camp for Flemington Youth program

The High Challenge Camp for Flemington Youth program was developed to engage local African youth with police from the Flemington and Moonee Valley Police Service Area. The overall aim was to build on existing programs and continue improving relationships between local police, youth and the Culturally and Linguistically Diverse (CALD) community in order to reduce crime and criminal activity.

The existing programs are proactive strategies implemented through educational programs, camps and daily excursions in an attempt to gain the trust and understanding from the local youth and community. These strategies have evolved through consultation with the Kensington/Flemington Legal Service, Moonee Valley City Council, Department of Human Services (Ministry of Housing) and Victoria Police.

This High Challenge Camp which was conducted over three days had 15 male participants aged between 15 - 17 years of African descent (majority from the Horn of Africa) and who resided in the public housing estates in the Flemington and North Melbourne areas. The participants were selected through the local youth services worker from Moonee Valley City Council and local African youth group 'SAY GO'. Key issues faced by the group were; cultural integration and poor connection to community, inadequate literacy skills, low self esteem and poor leadership skills.

Objectives of the program:

- reduce stereotyping between young people and police;
- promote positive relationships between police, young people, community organisations and individuals;
- provide positive life experiences for participants using a variety of 'Challenge by Choice' activities;
- build self esteem and identify and utilise individuals' personal qualities; and
- facilitate the transference of learning to either the work or school environment and personal relationships/pursuits.

Parents were encouraged to attend the camp in a supportive capacity.

Don't Go There - Youth Perspectives

Don't Go There - Youth Perspectives, Brimbank is a Victoria Police initiative coordinated in partnership with Victoria University. Youth crime is very high within the City of Brimbank with youth in the 15 - 19 age group being over represented. There has been a great amount of media in relation to brawls, affrays, robberies, stabbings and other crime involving youth, especially those from CALD backgrounds.

Most police projects are based on anecdotal evidence or assumptions drawn from crime statistics. Many current projects are not based on evidence, but on opportunities made available by outside organisations.

This project involves surveying 528 youths aged 15 - 19 years within the Brimbank LGA in relation to their perceptions, fears and ideas on crime and related issues. Survey results will then form the evidence base for future projects within the Brimbank LGA. The survey will be conducted through secondary schools and CALD community groups using a mixed method approach involving surveys, focus groups and bilingual researchers.

This proposal will see the surveys conducted and a final report completed by April 2008.

The evidence base will canvass areas such as:

- youth perceptions of police (including trust) and what drives those perceptions;
- youth perceptions of safety and those perception drivers;
- areas where youth feel unsafe within Brimbank and why;
- ideas from youth on strategies to reduce crime (drugs, violence, weapons carriage, gangs);
- the level of gang activity within Brimbank;
- the level of ethnic-based criminal or anti-social activity; and
- the level of violence that is based on ethnic issues.

Further, the project will seek ideas from youth on how best to maintain on-going consultation with youth on safety and crime-related issues.

The project will have a specific focus on CALD youth so police can develop projects to specifically respond to these youths and their perceptions and needs. It is intended that the project will develop a transportable model for youth consultation for use anywhere within the state.

One of the key components of the project is the on-going communication model, based upon what youth perceive as the best way to communicate issues to police. This will provide a long-term ongoing sustainable outcome for the project. The CALD - specific component of the survey will help to develop a model for dealing with youth from any new emerging CALD community.

Operation Newstart - South East Region Indigenous Program

Operation Newstart - South East Region Indigenous Program is a Koori specific adventure-based outdoor pursuit and personal development program. The program seeks to reduce the level of risk factors of disadvantaged indigenous males aged between 13 - 16 yrs from the Dandenong area who attend an eight week intervention program which is culturally specific to indigenous youth. It is designed to assist these young people escape their behavioural cycle and reconnect them with their indigenous communities.

Indigenous specific inclusions to the program are:

- Koori rangers attending and assisting at the camps;
- visits to the Koori Heritage Trust;
- tour of Birrarung Marr;
- opportunity to trace family histories; and
- interaction with local Koori Elders at the Newstart Base.

The program gives participants a unique opportunity to develop new skills, attitudes and self belief and well as experiencing TAFE 'Taster' courses at Chisholm Institute.

Referrals to the program are made from parents, teachers, Student Welfare Coordinators, Victoria Police, the Department of Human Services and other welfare organisations.

The aims of the Newstart Program include:

- to allow young people to make a positive choice in their life and set realistic goals;
- to provide meaningful learning opportunities within a challenging and supportive environment;
- to promote individual achievement and the development of self belief;
- to practise & develop social & physical skills in a safe & supportive environment; and
- to provide an opportunity for students to remain engaged in mainstream schooling.

The Newstart program is a joint initiative between the Department of Education and Training and Victoria Police. It is staffed by one school teacher and one Koori police officer.

The key objectives of the program are measured through pre and post program surveys as well as interviews with teachers and parents/guardians and facilitators follow-up participants for two years post-program with a number of school visits per term and other contact when initiated by the young person.

The Operation Newstart - South East Region Indigenous Program is coordinated by Victoria Police in partnership with numerous agencies including Parks Victoria, Department of Education and Training, City of Greater Dandenong, Dandenong and District Aboriginal Co-Op and the CFA.

Committee Comment

The detailed response provided to the Committee regarding this particular question indicates the breadth and depth of information held, but not reported by Victoria Police in regard to one of its priority issues. The information also demonstrates the positive and diverse range of approaches being taken to foster relationships between a range of young people and the Police. It is considered paramount that department and agency annual reports provide comprehensive information in regard to identified priority issues.

Recommendation 59: **Victoria Police provide more detailed information, in its annual report, on priority issues and programs in line with the comprehensive responses provided in response to Committee questions.**

Crimes against the person

The Victorian crime rate has been declining every year for the past seven years. However, the number of crimes against the person has been increasing in recent years. In 2007-08 the increase in crimes against the person was approximately half the rate of increase of the previous two years. While this reduced increase is an improvement, it did not achieve the Government's target of a 2 per cent reduction in crimes against the person.

(c) Question

The Department of Justice highlighted the proportional bias of assault within this category in response to questions about crimes against the person from the Report on the 2006-07 Financial and Performance Outcomes. At that time an increase in assault offences was attributed to the introduction of the Code of Practice for the Investigation of Family Violence and the increased reporting of offences was considered a 'successful outcome'. Please:

- (a) detail the categories of crimes within the category of 'crimes against the person';
- (b) include a detailed list of target figures and actual occurrences for each category in 2007-08;
- (c) explain the contributing factors behind variances greater than 10 per cent; and
- (d) detail steps taken to reduce 'crimes against the person' in 2007-08, the method of assessing these steps and the hitherto assessment.

Response

The categories of crimes within the category of 'crimes against the person' are:

- homicide;
- rape;
- sex offences (other than rape);
- robbery;
- assault; and
- abduction/kidnapping

Table 17.1 shows the actual number of offences, and the rate of individual offences in each of the 'crimes against the person' sub-categories, and the variance between the 2006-07 and 2007-08 reporting period. Although the number of offences in 2007-08 has risen, the rate of offence per 100,000 population has decreased by 0.2 per cent in 2007-08.

Table 17.1: Numbers of crimes against the person by category

| Category of Crime | Number of Offences | | | Rate per 100,000 Population | | |
|----------------------|--------------------|---------------|--------------|-----------------------------|--------------|--------------|
| | 2006-07 | 2007-08 | Variance (%) | 2006-07 | 2007-08 | Variance (%) |
| Homicide | 197 | 169 | -14.2 | 3.8 | 3.2 | -15.6 |
| Rape | 1,700 | 1,562 | -8.1 | 32.9 | 29.8 | -9.6 |
| Sex (non-rape) | 6,210 | 6,263 | -0.9 | 120.3 | 119.4 | -0.7 |
| Robbery | 2,880 | 3,332 | 15.7 | 55.8 | 63.5 | 13.9 |
| Assault | 31,052 | 31,284 | 0.7 | 601.4 | 596.3 | -0.8 |
| Abduction/Kidnapping | 314 | 337 | 7.3 | 820.2 | 818.6 | -0.2 |
| Total | 42,353 | 42,947 | 1.4 | 820.2 | 818.6 | -0.2 |

Source: Department of Justice Response to the Public Accounts and Estimates Committee, Financial and Performance Outcomes 2007-08 Questionnaire Part Two.

As part of the 2007-08 budget process, a target of 2 per cent reduction in 'crime against the person' as a category was set. Separate targets for each offence are not set.

The 15.7 per cent increase in 'robbery' offences was due to an increase in 'unarmed robberies', occurring on streets, in lanes and on footpaths.

Personal cash remains as the most likely item to be stolen. Increases in persons carrying high value personal electronic devices, such as mobile phones and ipods, is also driving the increase in 'robbery' offences in public locations.

The 'unarmed robberies' are almost always associated with assaults occurring in similar locations, particularly in and around licensed premises/places of entertainment.

Historically the annual number of homicides does not vary greatly. The high number for 2005-06 is attributed to gangland violence. The 14.2 per cent decrease in homicides translates to 28 fewer offences in 2007-08. Because the total annual number is low, the corresponding percentage variance is significant.

Table 17.2: Annual homicides

| Year | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 |
|------------------|---------|---------|---------|---------|---------|
| No. of Homicides | 191 | 192 | 223 | 197 | 169 |

Source: Department of Justice Response to the Public Accounts and Estimates Committee, Financial and Performance Outcomes 2007-08 Questionnaire Part Two.

The introduction of the Safe Streets Taskforce and other related public order initiatives is already having an impact on the incidence of assault offences, particularly in the CBD. This impact is likely to continue through the 2008-09 reporting period. Ultimately, a reduction in these type of offences is also likely to lead to a reduction in assault-associated robbery offences since they are related. The relevant local crime statistics are monitored on a very regular basis to assess the impact of particular public order policing initiatives on reducing these offences.

Committee Comment

The specific measure used when presenting performance information can provide very different results for the same issue. In the case of crimes against the person, basing the figures on the gross number of crimes committed resulted in an increase of 1.4 per cent, while basing the figures on the number of crimes committed per 100,000 population returned a decrease of 0.2 per cent. Regardless of the measure used, the target of a 2 per cent reduction in crimes against the person was not achieved.

The performance output measure reported in the budget papers targets a 2 per cent reduction in the gross number of crimes, yet the Department's response indicates that reporting the measure against per 100,000 population may be more relevant. The relevance of targets such as this should be considered when preparing future budgets.

The Committee also considers that the increases noted in specific categories of crime such as robbery justify setting targets for individual categories of crime instead of using a combined target. This would encourage more accountability for the performance outcomes for programs designed to reduce particular crimes against the person.

Recommendation 60: **Victoria Police and the Department of Justice consider using, on a systematic basis, targets and reporting based on the number of crimes per 100,000 population.**

Recommendation 61: **Budget paper performance output measures identify separate targets for the crimes making up the category of crimes against the person.**

Victorian Legal Aid funding

The Department notes in its annual report that targets set for Victorian Legal Aid (VLA) 'reflect base funding capacity, rather than any projected increases in demand'. However, it is also noted that in the last two years, VLA has received 'additional discretionary funding'.

(d) Question

Please report on the progress of the output review of VLA's funding.

Response

The output review has concluded that VLA is experiencing considerable demand pressures. The Department of Justice has agreed to assist with any 2008-09 cash flow pressures. The appropriate long-term response to VLA demand pressures is currently being considered in the context of the 2009-10 State Budget.

VLA receives funding from three key sources: the Commonwealth Government, the State Government and the Public Purpose Fund (PPF) (which is income derived from interest on solicitors trust accounts and accordingly fluctuates annually). The Commonwealth Government requires that its funds can only be used on matters arising under Commonwealth laws (e.g. family law matters).

Accordingly, State Government and PPF funds are used for matters arising under State laws (e.g. criminal law matters, family violence matters, and child protection matters).

As a result of sustained, sound financial management over many years, VLA had accumulated significant financial reserves, particularly in respect of its Commonwealth funding. In 2004, the VLA Board decided to fund increased legal aid services to the Victorian public by accessing the reserve Commonwealth funds.

Also in 2004, a funding agreement with the Commonwealth was signed, which required VLA to use its excess reserves or risk a reduction in Commonwealth revenue.

The 'additional discretionary funding' referred to above is the funding VLA receives from the PPF. After steadily increasing over a number of years, this funding decreased by \$3.9 million in 2008-09, and in light of the Global Financial Crisis, it is anticipated that the amount of revenue VLA receives from this fund is likely to further decrease.

The expenditure of the excess reserves, and the increases up until 2007-08 of the PPF, has enabled VLA to deliver record, but by definition unsustainable, levels of services to the Victorian community. This has also been assisted partly by the \$3.5 million LFS 2002 funding that sunsets in 2008-09. Furthermore, in recent years there has been a significant increase in demand for VLA services, in particular in respect of child protection and criminal matters (which are State funded). Accordingly, the significant operating losses recorded by the VLA (shown in the Table below) were met by now depleted reserves.

There is no longer the capacity to fund the shortfall between revenue and operating expenses from the reserves or PPF.

Table 17.3: Financial results 2005-08

| | 2005-06 | 2006-07 | 2007-08 |
|-----------------|---------|---------|----------|
| | \$'000 | | |
| Revenue | 98,114 | 111,153 | 119,324 |
| Expenses | 102,081 | 117,623 | 139,629 |
| Results | (3,967) | (6,470) | (20,305) |

Source: Department of Justice Response to the Public Accounts and Estimates Committee, Financial and Performance Outcomes 2007-08 Questionnaire Part Two.

Community-Based Orders

Community-based orders are an alternative to custodial sentences and are used to balance the need for justice and rehabilitation of an offender. However, the breaching of community-based orders is an issue, particularly for indigenous male offenders who are twice as likely to breach a community-based order as non-indigenous male offenders.

(e) Question

Please outline these new programs identifying:

- whether it is a trial and/or the duration of the program;
- level of participation;
- the method for assessing program success against key program objectives including community, police and departmental responses to each program; and
- identify expenditure for each program.

Response

Wulgunggo Ngalu

The Wulgunggo Ngalu Learning Place (WNLP) is a key initiative of the Victorian Aboriginal Justice Agreement, and responds to the findings of the 1991 Royal Commission into Aboriginal Deaths in Custody.

The WNLP is another step in attempting to address the dramatic over-representation of Indigenous people in the criminal justice system. The WNLP is a culturally appropriate residential 'learning place' for Indigenous men who volunteer to attend the program as a condition of a Community-Based Order (CBO). The program will assist Indigenous offenders to successfully complete their CBOs, while teaching them life skills to reduce the likelihood of re-offending.

WNLP commenced taking participants in May 2008 and has been established as an ongoing program. This centre accommodates up to 20 Koori men at any one time with stays of between 3 to 6 months each. Currently 10 offenders are participating in the program.

An evaluation process has yet to be formalised, however, program success indicators will include:

- successful completion of community-based orders;
- offence specific and rehabilitation program completion rates;
- lower recidivism rates;
- community connectedness; and
- skill acquisition and securing employment / or education placement.

The facility cost some \$4.8 million to construct and the Government has provided \$0.8 million per annum for the operation of this facility.

Koori Offender Support & Monitoring Program

The Koori Offender Support and Mentoring Program (KOSMP) is designed to assist Koories to complete their community-based orders by engaging Koori Elders and Respected Persons to provide support, advice and cultural connection to program participants who are on community-based orders, intensive corrections order, community corrections treatment order or parole. KOSMP, an initiative of the Aboriginal Justice Agreement, is a collaboration between the Koori community and Community Correctional Services (DOJ).

Five community-based agencies have been funded for an initial period of approximately 2.5 years to deliver KOSMP in Shepparton, Bairnsdale, the Latrobe valley, Mildura and the north west region of Melbourne. The program was officially launched by the Attorney-General, the Hon. Rob Hulls in July 2008.

Each agency is expected to assist up to 30 Koori offenders per year.

Program success indicators include:

- successful completion of community based-orders;
- lower breach rates; and
- community connectedness.

The budget allocation for the Koori Offender Support and Mentoring Program is \$2.8 million over four years.

Local Justice Worker Program

The Local Justice Worker Program (LJW) is designed to assist Koories to complete their community-based orders by ensuring supervised community work opportunities in culturally friendly environments for Koori offenders on orders. Community-based agencies in 10 locations have appointed Local Justice Workers whose role is to find appropriate community work in a culturally friendly environment, as well as help offenders link in to development programs run by service providers.

Local Justice Workers will also assist Koories with outstanding fines to negotiate payment plans with the Sheriff's Office and act as one key point of contact between local Koori communities and Justice agencies. The Program is an initiative of the Aboriginal Justice Agreement.

Ten community-based agencies have been funded for an initial period of approximately 2.5 years to deliver LJW in Horsham, Western metro, Bendigo, Echuca, Warnambool, Wodonga, Lakes Entrance, Swan Hill, Drouin/Warragul and Dandenong. The program was officially launched by the Attorney-General, the Hon Rob Hulls in April 2008.

Each agency is expected to support and supervise up to 20 Koori offenders per year.

Program success indicators include:

- successful completion of community-based orders;
- lower breach rates;
- increased compliance with fines obligations; and
- community connectedness

The budget allocation for the Local Justice Worker Program is \$2.5 million over four years.

(f) Question

The 2007-08 target for successfully completed community supervision orders was 70 per cent, however, only 62.6 per cent were successfully completed, a variance of 10.6 per cent. This has been attributed to closer supervision and tougher breach policies. Please provide the following details for 2007-08 and the preceding two years:

- measures taken to provide closer supervision;
- policies for addressing a breach of community supervision orders; and
- categorise reasons cited for failures to complete community supervision orders in 2007-08.

Response

The Community Corrections Service (CCS) Offender Management Manual (OMM) was approved in April 2005. It underwent an initial review upon the establishment of the CCS Compliance Review Team in late 2005. Changes identified by the team focused on clarifying and emphasising that the foremost task of supervision was to enforce compliance of the order.

In January 2006, revisions were made to the OMM relating to monitoring of unacceptable absences and when additional intervention was required. This was set at three unacceptable absences. This determination is in line with the Offender Management Framework, consistent with clinical processes and practices, and operationally manageable and not incongruent with legislative requirements.

This was considered a more structured approach to the case management of offenders via a compliance-based model where tighter regimes are enforced around non- attendances, lateness and general overall compliance.

In February 2009, new Director's Instructions will be released reinforcing the above non compliance model.

Policies for addressing a breach of community supervision orders are detailed in:

- Corrections Victoria, Community Correctional Services 'Offender Management Manual Version 1.3.1', (Section 3/4) Breach of Court Orders; and
- As of February 2009, Director's Instruction
 - 5.15 Non-Compliance; and
 - 5.16 Breach and Application to Cancel/Vary will supersede the 'Offender Management Manual'.

In the event of non-compliance by an offender with the conditions of their order e.g. non-attendance for a drug and alcohol counselling appointment, the Case Manager will contact the offender to investigate the absence. Timelines are in place for the provision of documentation by the offender to verify the absence, and on the basis of this investigation, the Case Manager will deem the non-compliance as acceptable or unacceptable. The type of order, the offender's assessed risk of re-offending, and history of non-compliance (number of unacceptable absences incurred), informs the decision by the Senior Corrections Officer to commence breach proceedings and return the offender to Court.

Offenders subject to a Court-Based Order are subject to "Core conditions" which are prescribed in the *Sentencing Act 1991*, and are the same in all instances. Core conditions include:

- abstaining from violation of the law;
- notifying the Community Corrections Officer of change of address and employment within two working days;
- not leaving the State of Victoria without the permission of the Community Corrections Officer; and
- obeying all lawful instructions and directions of the Community Corrections Officer.

Offenders subject to Community-Based Orders must also be subject to at least one program condition, which may include unpaid community work, supervision, assessment and treatment, urine analysis testing or personal development.

Similarly, Parole Orders have core and program conditions, with which the Parolees are expected to comply. One component of the Supervising Officer's role is to ensure appropriate placement of offenders in programs stipulated by the Court / Adult Parole Board, and to monitor the offender's attendance / compliance with those requirements.

Should an offender fail to comply with any of the conditions of their order, for example by way of the categories outlined in this section of the report, he/she may be returned to Court. The Court may then re-sentence the offender on the original charges as if the offender had just been found guilty of that offence/s by the Court or, alternatively, may vary or confirm the existing order.

Non-compliance with program conditions attached to the community supervision orders include:

- failure to attend for appointments;
- failure to present at unpaid community work;
- failure to notify change of address;
- leaving the State without permission; and
- further offending during the operational period of the community supervision order.

(g) Question

In 2007-08 there were 14 deaths in Victorian prisons and 82 deaths among offenders under community supervision orders. Within the latter category, 30 per cent were suspected to be drug related and 17 per cent were suspected suicide. Please provide the comparable figures for the preceding two years and within each of three sets of annual figures:

- identify the proportion of these 82 deaths that were indigenous and non-indigenous;
- provide a breakdown by age and gender; and
- identify if any of the 82 were employed at the time of their death and include details of employment rates amongst people on community-based supervision orders.

Response

Please note, the data below is based on undated figures for 2007-08.

Table 17.4: Suspected Cause of Death for Offenders Under a Community Supervision Order

| Suspected Cause of Death | Proportion of Deaths (%) | | |
|--------------------------|--------------------------|---------|---------|
| | 2005-06 | 2006-07 | 2007-08 |
| Drug-Related | 19 | 28 | 30 |
| Suicide | 29 | 14 | 16 |

Source: Department of Justice Response to Public Accounts and Estimates Questionnaire Outcomes Part Two, p.27

Table 17.5: Indigenous Status of Offenders Under a Community Supervision Order Who Have Died

| Indigenous Status | Proportion of Deaths (%) | | |
|--|--------------------------|---------|---------|
| | 2005-06 | 2006-07 | 2007-08 |
| Australian Torres Strait Islanders | 9 | 0 | 5 |
| Non-Australian Torres Strait Islanders | 71 | 82 | 88 |
| Unknown | 20 | 18 | 7 |

Source: Department of Justice Response to Public Accounts and Estimates Questionnaire Outcomes Part Two, p.28

Table 17.6: Gender of Offenders Under a Community Supervision Order Who Have Died

| Gender | Proportion of Deaths (%) | | |
|--------|--------------------------|---------|---------|
| | 2005-06 | 2006-07 | 2007-08 |
| Male | 93 | 80 | 86 |
| Female | 7 | 20 | 14 |

Source: Department of Justice Response to Public Accounts and Estimates Questionnaire Outcomes Part Two, p.28

Table 17.7: Age of Offenders Under a Community Supervision Order Who Have Died

| Age at time of Death | Number of Deaths | | | Age at time of Death | Number of Deaths | | |
|----------------------|------------------|---------|---------|----------------------|------------------|-----------|-----------|
| | 2005-06 | 2006-07 | 2007-08 | | 2005-06 | 2006-07 | 2007-08 |
| 19 | 1 | 0 | 2 | 43 | 2 | 1 | 1 |
| 20 | 1 | 0 | 0 | 44 | 0 | 2 | 0 |
| 21 | 2 | 1 | 0 | 45 | 0 | 2 | 0 |
| 22 | 1 | 2 | 2 | 46 | 2 | 0 | 0 |
| 23 | 3 | 2 | 3 | 47 | 2 | 1 | 1 |
| 24 | 2 | 3 | 2 | 48 | 1 | 0 | 7 |
| 25 | 2 | 1 | 5 | 49 | 3 | 0 | 0 |
| 26 | 2 | 3 | 3 | 50 | 2 | 2 | 1 |
| 27 | 1 | 7 | 5 | 51 | 0 | 1 | 0 |
| 28 | 6 | 0 | 4 | 52 | 1 | 3 | 1 |
| 29 | 1 | 4 | 6 | 53 | 1 | 0 | 2 |
| 30 | 1 | 0 | 3 | 54 | 0 | 0 | 1 |
| 31 | 0 | 1 | 3 | 55 | 1 | 0 | 1 |
| 32 | 7 | 3 | 5 | 56 | 0 | 0 | 2 |
| 33 | 1 | 3 | 4 | 57 | 0 | 0 | 1 |
| 34 | 5 | 2 | 3 | 58 | 0 | 1 | 1 |
| 35 | 2 | 1 | 0 | 59 | 3 | 0 | 0 |
| 36 | 2 | 6 | 8 | 60 | 0 | 0 | 0 |
| 37 | 3 | 6 | 1 | 61 | 0 | 1 | 2 |
| 38 | 2 | 5 | 2 | 63 | 0 | 0 | 1 |
| 39 | 3 | 2 | 1 | 64 | 0 | 1 | 1 |
| 40 | 1 | 3 | 2 | 72 | 0 | 1 | 0 |
| 41 | 0 | 1 | 1 | 75 | 1 | 0 | 0 |
| 42 | 2 | 2 | 3 | 76 | 0 | 0 | 1 |
| Total | | | | | 70 | 74 | 92 |

Note: Variance in the total of deaths (2007-08) is due to notification being received by CCS post July 2008.

Source: Department of Justice Response to Public Accounts and Estimates Questionnaire Outcomes Part Two, p.28

Table 17.8: Employment Status of Offenders Under a Community Supervision Order Who Have Died

| Employment Status | Frequency | | |
|-------------------|-----------|-----------|-----------|
| | 2005-06 | 2006-07 | 2007-08 |
| Employee | 6 | 9 | 11 |
| Home Duties | 1 | 3 | 3 |
| Other | 1 | 1 | 2 |
| Pensioner | 3 | 5 | 5 |
| Student | 1 | 0 | 0 |
| Unemployed | 23 | 16 | 28 |
| Unknown | 35 | 40 | 43 |
| TOTAL | 70 | 74 | 92 |

Source: Department of Justice Response to Public Accounts and Estimates Questionnaire Outcomes Part Two, p.29

(h) Question

Please outline the inquiry process in the event of such a death and detail how findings have impacted on the operation or revisions to the community supervision order program.

Please detail how the health of offenders on community-based orders is monitored and limits to this monitoring.

Response

Director's Instruction 5.3 Incident/Injury Reporting and Management, 1.5 Death of an Offender, outlines the process in the event of a death of an offender subject to a community-based disposition. The process is as follows:

- an incident report is forwarded to Office of Correctional Services Review (OCSR);
- the offender file is forwarded to the OCSR by the CCS location within 5 working days of the notification of the offender's death; and
- a report is prepared and forwarded to the Coroner's Court by OCSR.

The dissemination of findings, transfer of learning and implementation of coronial recommendations across Corrections Victoria are tasks carried out by OCSR.

Health information is self-reported by the offender.

At the Court Assessment stage (for assessed orders only) the offender, as part of the completion of the Victorian Intervention Screening and Assessment Tool (VISAT) Module 8, is asked questions relating to health. Health information is also obtained from the Court file if present.

Upon an offender's initial reporting to a Community Corrections Location, the offender has explained to them their obligations and signs the rules and regulations relating to the order. At this time, the offender is again asked if any health issues exist that could prevent him/her from complying with the Order.

If the offender advises that they have health issues, they are instructed to obtain further medical documentation or reports if necessary, detailing their capabilities in undertaking unpaid community work or ability to comply with the Order in general.

In the event of severe or deteriorating health, the offender has the option of applying to have the order cancelled or varied by the Court.

In relation to Parolees, information is obtained from the Prison either prior to release, or upon them presenting to a CCS Location.

Committee comment

From the available data it is evident the Department has had success in reducing the number of suicides amongst offenders serving a community supervision order. However, despite the potential to make assessment and treatment programs and urine testing analysis a condition of community-based orders, there has been a 50 per cent increase in drug-related deaths. Further, the Department of Justice should evaluate and possibly disclose the extent of its duty of care to offenders subject to a community based order, just as it has in relation to Victorian prisoners. The increase in drug-related deaths should be addressed as a priority.

Recommendation 62: **The Department of Justice review the effectiveness of drug control programs for offenders serving community-based orders.**

17.3.2 Safer transport

Upgrading pedestrian and road railway crossings

The VicTrack annual report detailed safety upgrades at 45 pedestrian and road crossings, 13 upgrades to pedestrian crossing to comply with the *Disability Discrimination Act 1992* and the installation of three Active Advanced Warning Signs at road crossings.

(a) Question

Pedestrian Crossings

Please provide the following information for each of the crossing upgrades completed during 2007-08.

- location;
- cost of completing the upgrade;
- original estimated completion date; and
- original estimated budget.

Please detail the process for selecting and prioritising upgrade works for pedestrian crossings, including information on risk management processes. Include information on the total number of planned upgrades, the number completed to date and the anticipated timeframe and budget for completing the upgrade works. Please also include updated information on criteria for prioritisation of works.

Road Crossings

Regarding road crossings, please provide the following information for each of the crossing upgrades completed during 2007-08:

- location;
- cost of completing the upgrade;
- original estimated completion date; and
- original estimated budget.

Please detail the process for selecting and prioritising upgrade works for road crossings, including information on risk management processes. Include information on the total number of planned upgrades, the number completed to date and the anticipated timeframe and budget to complete each of the upgrades. Please also include updated information on criteria for prioritisation of works.

Response

Pedestrian Crossings

Table 17.9: Disability Discrimination Act Compliance Program

| No | Location | Upgrade | Cost at Completion | Date in service |
|----|---|----------------|--|-----------------|
| 1 | Queen St, Colac (2)* | DDA Compliance | Included in road crossing cost table 4 item 10 | 30/06/2008 |
| 2 | Queen St, Colac (1)* | DDA Compliance | Included in road crossing cost table 4 item 10 | 30/06/2008 |
| 3 | Hart St, Colac (2)* | DDA Compliance | Included in road crossing cost table 4 item 11 | 30/06/2008 |
| 4 | Hart St, Colac (1)* | DDA Compliance | Included in road crossing cost table 4 item 11 | 30/06/2008 |
| 5 | Armstrong St, Colac (1)* | DDA Compliance | Included in road crossing cost table 4 item 12 | 30/06/2008 |
| 6 | Armstrong St, Colac (2)* | DDA Compliance | Included in road crossing cost table 4 item 12 | 30/06/2008 |
| 7 | Sloane St, Stawell (2) | DDA Compliance | \$194,899 | 13/07/2007 |
| 8 | Queen St (Nhill-NetherbyRd), Nhill* | DDA Compliance | Included in road crossing cost table 4 item 29 | 24/02/2008 |
| 9 | Sunraysia Hwy (North Western Rd), St Arnaud (1) | DDA Compliance | \$209,928 | 6/08/2007 |
| 10 | Sunraysia Hwy (North Western Rd), St Arnaud (2) | DDA Compliance | Included above | 6/08/2007 |
| 11 | Calder Hwy, Irymple (1) | DDA Compliance | \$174,994 | 21/09/2007 |
| 12 | Calder Hwy, Irymple (2) | DDA Compliance | Included above | 21/09/2007 |
| 13 | Doyle / Napier St, Stawell | DDA Compliance | \$174,869 | 19/07/2007 |

* DDA compliant passive pedestrian crossing upgrade included in road crossing cost identified in Table 18.7.

Source: VicTrack response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, p.7

Table 17.10: Pedestrian Crossing Upgrade Program

| No | Location | Upgrade | Cost at Completion | Date in service |
|----|---|--------------------------------|--------------------|-----------------|
| 1 | Abbott St, Sandringham | DDA Compliant Pedestrian Gates | \$365,000 | 26/09/2007 |
| 2 | Wickham Rd, Highett | DDA Compliant Pedestrian Gates | \$375,000 | 17/10/2007 |
| 3 | Springvale, Lewis St | DDA Compliant Pedestrian Gates | \$800,000 | 20/04/2008 |
| 4 | Arden St, North Melbourne | DDA Compliant Pedestrian Gates | \$300,000 | 15/08/2007 |
| 5 | Cottage St, Blackburn | DDA Compliant Pedestrian Gates | \$280,000 | 24/02/2008 |
| 6 | Mason St, Westgarth | DDA Compliant Pedestrian Gates | \$265,000 | 28/10/2007 |
| 7 | Victoria Rd, Fairfield (Dennis) | DDA Compliant Pedestrian Gates | \$365,000 | 21/12/2007 |
| 8 | Birmingham St - Hick St cnr, Spotswood (South Kingsville) | DDA Compliant Pedestrian Gates | \$240,000 | 30/10/2007 |

Source: VicTrack response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, p.8

DDA & Pedestrian Crossing Upgrades are part of a total on-going program. There is a budget allocation for the total program with unit costs monitored to ensure the overall budget is achieved. The critical aspect of the program is to ensure the rate of upgrade delivery is met. Target completion dates can vary considerably due to a range of factors including the design complexity of the site, the availability of signalling contractors and rail operational staff and the availability of test trains.

Pedestrian Crossing upgrade priorities are determined by the Victorian Railway Crossing Safety Steering Committee chaired by the Department of Transport through the ALCAM assessment process.

ALCAM (Australian Level Crossing Assessment Model) is a nationally adopted assessment tool designed to prioritise road and pedestrian crossing safety improvement works, as well as assisting in the determination of the most effective safety improvements at these sites. The model is a complex scoring algorithm, which considers each site's physical properties (characteristics and controls) including consideration of the related common human behaviours, to provide each level crossing with a likelihood factor. This factor is then multiplied by the site's 'Exposure Rating' (a factor of Vehicles (or pedestrians), Trains & Consequence) which enables the comparison of the relative Total Risk Exposure Score across pedestrian crossings within the state.

Data utilised in the ALCAM model is obtained from a 4-year state-wide cycle of inspection surveys for road and pedestrian crossings. The most recent cycle was completed in May 2008.

The upgrade forward program utilises the priority crossings identified by ALCAM and overlays business rules approved by the Victorian Rail Crossing Safety Steering Committee. These business rules populate the 5 year forward works program and consider:

Grouping – Sites from the top ALCAM priority sites are grouped together in groups of approximately 7-8 based on their geographical location to achieve economies of scale and ensure coordination between other projects, and that contractors do not need to revisit an area within the next 5 years.

Adjacent Crossings – Where non-priority crossings are adjacent to priority crossings or where a group of crossings are located within an interlocking yard or localised area, the non-priority crossings will be assessed for upgrade.

The ongoing DDA Compliance program is being scheduled around meeting the DSAPT (Disability Standards for Accessible Public Transport) milestones. The program is working towards the 2012 milestone of 55% completion.

The Pedestrian Crossing upgrade program is ongoing and is programmed to deliver 2 – 3 pedestrian crossings per annum.

Number of upgrades completed to the end of 2007/08 financial year is:

- DDA Compliance Upgrades: 20 (since 2006/07)
- Pedestrian Crossing Upgrades: 65 (since 1997/98)

Road Crossings

Table 17.11: Ballarat – Ararat Road Crossing Safety upgrades

| No | Location | Upgrade | Cost at Completion | Date in service |
|----|----------------------------------|----------------------------|------------------------|-----------------|
| 1 | Black Bottom Rd, Trawalla | Passive to Boom Barriers | \$780,000 | 31/01/2008 |
| 2 | Scullin Rd, Trawalla | Passive to Boom Barriers | included in above cost | 31/01/2008 |
| 3 | Trawalla - Waterloo Rd, Trawalla | Passive to Flashing Lights | Included in above cost | 1/02/2008 |
| 4 | Greenhill Lake Rd, Ararat | Passive to Flashing Lights | \$375,000 | 29/04/2008 |
| 5 | Heath St, Ararat | Passive to Flashing Lights | \$490,000 | 25/05/2008 |

Source: *VicTrack response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, p.9*

Table 17.12: Road Crossing Upgrade Program

| No | Location | Upgrade | Cost at Completion | Date in service |
|----|--|--|------------------------|-----------------|
| 1 | Mornington - Tyabb Rd, Tyabb | Flashing Lights to Boom Barriers | \$296,000 | 17/02/2008 |
| 2 | Reid Pde, Hastings | Flashing Lights to Boom Barriers | \$400,000 | 6/04/2008 |
| 3 | Fairley (Kerang), Murray Valley Hwy | Flashing Lights to Boom Barriers and Active Advanced Warning Signs | \$550,000 | 25/10/2007 |
| 4 | Witt St, Benalla | Flashing Lights to Boom Barriers | \$550,000 | 18/05/2008 |
| 5 | Burrows St, Wangaratta | Passive to Boom Barriers | \$370,000 | 1/06/2008 |
| 6 | Wahgunyah - Wangaratta Rd (Three Chain Rd), Bowser | Flashing Lights to Boom Barriers | \$260,000 | 13/01/2008 |
| 7 | Havelock St (Indigo Creek Rd), Barnawartha | Flashing Lights to Boom Barriers | \$225,000 | 15/11/2007 |
| 8 | Buckley South Rd, Buckley | Passive to Flashing Lights | \$285,000 | 17/04/2008 |
| 9 | Princes Hwy, Warncoort | Flashing Lights to Boom Barriers | \$500,000 | 12/07/2007 |
| 10 | Colac, Queen St* | Flashing Lights to Boom Barriers | \$2.7M | 30/05/2008 |
| 11 | Colac, Hart St* | Flashing Lights to Boom Barriers | included in above cost | 30/05/2008 |
| 12 | Armstrong St, Colac* | Flashing Lights to Boom Barriers | included in above cost | 30/05/2008 |
| 13 | Colac, Cant St | Flashing Lights to Boom Barriers | included in above cost | 30/05/2008 |
| 14 | Swan Marsh Rd, Pirron Yallock | Passive to Flashing Lights | \$750,000 | 18/11/2007 |
| 15 | Swan Marsh - Stoneyford Rd, Swan Marsh | Passive to Flashing Lights | included in above cost | 18/11/2007 |
| 16 | Dykes Rd (Settlement Rd), Stonyford | Passive to Flashing Lights | included in above cost | 18/11/2007 |
| 17 | Station St, Garvoc | Passive to Flashing Lights | \$800,000 | 13/02/2008 |
| 18 | Sampsons Ford Rd, Garvoc | Passive to Flashing Lights | included in above cost | 13/02/2008 |
| 19 | Inverleigh, Hamilton Hwy | Flashing Lights to Boom Barriers and Active Advanced Warning Signs | \$500,000 | |
| | 20/01/2008 | | | |
| 20 | Brislanes Rd, Murgheboluc | Passive to Flashing Lights | \$740,000 | 22/06/2008 |
| 21 | Barpinba - Poorneet Rd, Wingeel | Passive to Flashing Lights | included in above cost | 22/06/2008 |
| 22 | Duverney Rd, Duverney | Passive to Flashing Lights | \$350,000 | 28/04/2008 |
| 23 | Gnarpurt Rd, Lismore | Passive to Flashing Lights | \$409,000 | 28/04/2008 |

Table 17.12: Road Crossing Upgrade Program

| No | Location | Upgrade | Cost at Completion | Date in service |
|----|---|--|------------------------|-----------------|
| 24 | Derinallum, Vite Vite Rd | Passive to Flashing Lights | \$350,000 | 4/02/2008 |
| 25 | Vite Vite Rd, Vite Vite | Passive to Flashing Lights | \$700,000 | 19/05/2008 |
| 26 | Darlington - Carranballac Rd, Pura Pura | Passive to Flashing Lights | included in above cost | 19/05/2008 |
| 27 | Stawell, Sloane St | Flashing Lights to Boom Barriers | \$390,000 | 16/03/2008 |
| 28 | Jung, Wimmera Hwy | Flashing Lights to Boom Barriers and Active Advanced Warning Signs | \$575,000 | 29/03/2008 |
| 29 | Queen St (Nhill-NetherbyRd), Nhill* | Flashing Lights to Boom Barriers | \$500,000 | 24/02/2008 |
| 30 | Old Ballarat Rd, Talbot | Passive to Flashing Lights | \$275,000 | 12/03/2008 |
| 31 | Dooleys Rd, Maryborough | Passive to Flashing Lights | \$320,000 | 12/12/2007 |
| 32 | Aerodrome Rd, Birchip | Passive to Flashing Lights | \$330,000 | 26/03/2008 |

* Road crossing cost includes cost of DDA compliant passive pedestrian crossing upgrade

Source: VicTrack response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, p.10-11

Road Crossing Upgrades are part of a total on-going program. There is a budget allocation for the total program with unit costs monitored to ensure the overall budget is achieved. The critical aspect of the program is to ensure the rate of upgrade delivery is met. Target completion dates can vary considerably due to a range of factors including the design complexity of the site, the availability of signalling contractors and rail operational staff and the availability of test trains.

Priorities for road crossings delivered under the Level Crossing Upgrade Program are determined by the Victorian Railway Crossing Safety Steering Committee chaired by the Department of Transport through the ALCAM assessment process.

Ballarat – Ararat Crossing Safety Upgrades – this is a separate program to upgrade or close all 19 passive crossings in the North Ballarat – Ararat line following the introduction of the V/Locity services along this corridor in 2006.

Number of upgrades completed to the end of 2007/08 financial year is:

- Ballarat – Ararat Crossing Safety Upgrades: 4 (since 2007/08)
- Road crossing upgrades: 90 (since 1998/99) (+96 upgrades delivered under the Regional Fast Rail Program during 2005/06 and 2006/07)

17.4 A fairer society that reduces disadvantage and respects diversity

17.4.1 Addressing cultural diversity

Multicultural Advisory Unit

The Victoria Police Multicultural Advisory Unit was established in 1983 and is staffed by bilingual/bicultural unsworn and sworn personnel. The unit is responsible for:

- advising police on multicultural issues;
- cross-cultural training for police members; and
- providing information on the role of police to Victorians from culturally and linguistically diverse backgrounds.

(a) Question

The Police and Community Multicultural Advisory Committee (PACMAC) met monthly across metropolitan Melbourne in 2007-08. Please provide:

- details of the major outcomes of the Committee meetings during 2007-08;
- an account of the cultural representation on the Committee and the locations for meetings in 2007-08; and
- inform the Committee what consideration has been given to holding meetings in regional areas with growing multicultural populations.

Please explain the reason for relaunching the New and Emerging Community Partnerships Fund in 2008. Please provide details of the grants awarded in 2007-08 and provide a list of applications that did not receive funding and the reason why.

Victoria Police annually provides Arabic language training for police officers. Please outline the number of police officers who completed this training, the level of competency reached and the areas of Victoria Police in which they work. Please detail the response from the Arabic speaking community to this initiative.

Since 2005 Victoria Police has delivered cross cultural training that addresses the needs of police officers in relating with the Sudanese community. Please:

- identify the number of police officers whom have undergone this training and the areas of Victoria Police in which they work;
- outline of how the Sudanese community is engaged in designing and delivering this training; and
- detail the response from the Sudanese community, including quantifiable research evidence.

Response

During 2007-08, PACMAC continued to advance a number of issues previously identified by the Committee. These included:

- the safety and wellbeing of International Students residing in Victoria;
- the accessibility to learner driver programs for refugee young people; and
- positive engagement between police and new and emerging communities.

Outcomes from issues raised at PACMAC during 2007–2008, include:

- supported Region 5 in appointing an additional Multicultural Liaison Officer to the region;
- provided ongoing advice and assistance to the Metropolitan Fire Brigade (MFB) in their setting up of a PACMAC-style committee within the MFB;
- facilitated dialogue and assisted in easing tensions between local police and the Muslim community in Region 3 after an incident involving the attendance of police at the Preston Mosque;
- initiated the establishment of a committee to address issues affecting the Pacific Islander community in the north and western metropolitan areas of Melbourne. The committee has since convened a community forum for members of this community, and are currently working to advance issues of disengagement affecting young males of Pacific Islander background; and
- developed the concept, and assisted with the advancement of the translation of the Victoria Police Strategic Plan 2008-2013, into 24 languages.

During this period PACMAC additionally provided ongoing support and advice to Victoria Police, particularly through the Multicultural Advisory Unit and regional Multicultural Liaison Officers.

During 2007-08, membership of PACMAC included representatives of the following organisations:

- Victoria Police;
- Victorian Multicultural Commission including VMC Commissioners from diverse cultural backgrounds;
- Department of Human Services;
- Victorian Cooperative on Children's Services for Ethnic Groups;
- Islamic Council of Victoria;
- Islamic Women's Welfare Council of Victoria;
- Centre for Multicultural Youth;
- South Central Region, Migrant Resource Centre;
- Office of Police Integrity;
- Northern Region Migrant Resource Centre;
- Ethnic Communities Council of the South East;
- Adult Migrant Education Services;
- Ethnic Communities Council of Victoria;
- Migrant Resource Centre, Westgate Region;
- Diversitat, Migrant Resource Centre, Geelong; and
- Equity Unit, Metropolitan Fire Brigade.

During this period monthly PACMAC meetings were held in the following metropolitan locations:

Table 17.13: PACMAC meetings

| 2007 | | 2008 | |
|-----------|------------------------------------|----------|--|
| July | Springvale | February | Williamstown |
| August | Footscray | March | Preston |
| September | Preston | April | Collingwood |
| October | Box Hill | May | Melbourne (Adult Migrant Education Services) |
| November | Melbourne (Victoria Police Centre) | June | Springvale |

Source: *Victoria Police response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, p.8*

Across the 2007-08 period, PACMAC meetings were convened in a range of locations across the Melbourne metropolitan area. Meeting locations and venues are arranged by way of nomination by organisations represented on the Committee. Maintaining a membership that is diverse and ethnically contemporaneous means that meetings are usually convened in areas with both established and growing multicultural populations. While the majority of such locations are in metropolitan Melbourne, meetings have been held in Ballarat, Geelong and Shepparton in previous years.

In 2008 following a comprehensive evaluation, the New and Emerging Community Partnership Fund was relaunched. The Fund is a joint initiative of Victoria Police and the Victorian Multicultural Commission. It offers small grants to projects that meet an identified need within the community and contributes to enhancing relationships between new and emerging communities and their local police.

The success of the New and Emerging Community Partnership Fund throughout its first round of funding was the major reason for relaunching the program in 2008. The initial program saw the approval of funding for 34 projects during 2005 – 2006, for amounts ranging from \$320 to \$3,000.

Through the New and Emerging Communities Partnership Fund, Victoria Police has played a major role in both addressing the settlement needs of new and emerging communities and supporting their inclusion in the social fabric of the greater Victorian community. To this end, both Victoria Police and the Victorian Multicultural Commission fully supported the relaunching of the New and Emerging Community Partnership Fund in 2008.

Table 17.14: Funded Events

| Grant application (Applicant and brief outline) | Grant Awarded (\$) | Non-awarding of grant Please state reason |
|--|------------------------------|---|
| Community Connection Program – Application by Region 3, Multicultural Liaison Officer for two youth camps for young people from CALD backgrounds residing in the region. Camps aimed at supporting engagement with young people at risk. | 3,000 | |
| Pacific Communities Youth Forum – Application by Centre for Multicultural Youth to fund a forum for young people of Pacific Islander background in inner Melbourne. | (Request for \$2,750) | Funds not awarded due to insufficient time to process application (application lodged 14 days prior to event). Encouraged to postpone event and re-apply with consideration to practical timelines. |
| Let's Talk Youth Camp – Application by to fund a youth camp for young people from Turkish background. Camp aimed at building relationships between police and potentially marginalised young people. | 3,000 | |
| Mozambique National Day Festival – Application from the President of the Mozambique Community in Victoria for funding to assist with staging of national day celebrations. To play a key role in building trust in Victoria Police with members of this newly arrived community. | 2,580 | |

Source: *Victoria Police response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, p.9*

The Victorian School of Languages has delivered Certificate 1 in Applied Language (Arabic) to approximately 30 Victoria Police members over the past two years. The Course will again be offered in 2009, and already over 40 members have expressed an interest in attending. In addition, discussions are currently underway with the Victorian School of Languages to develop a Certificate 11 Applied Language (Arabic) Course for members who have graduated from the Certificate 1 Course.

The part-time Certificate 1 Course runs for 6 months with one, four hour session delivered each week. The Certificate 1 Applied Language (Arabic) Course was developed specifically for Victoria Police members and focuses on language used in both a social and a law and order context.

Police members who have attended the course to date come from a range of workplaces, including: the Crime Department, Transit Police, Crime Stoppers, Dog Squad, Crime Themes Desk, Drug Task Force, Criminal Investigation Units, Force Response Unit, Sexual Offences Squad, Purana Task Force, the Multicultural Advisory Unit and various general duties police stations.

While no formal process has been undertaken to gauge the response of the Arabic community to this training, extremely positive feedback has been received by Victoria Police from a range of sources, including: the Victorian Multicultural Commission; the Multi-Faith Council; PACMAC; Victorian Arabic Social Services; and various Arabic and Islamic organisations.

The African/Sudanese Cross Cultural Advice Program is an initiative of the Region 5 Multicultural Liaison Unit (MLU) that was first rolled-out to local police members in early 2006. Since this time, demand for the training has steadily increased with requests from police across regions as well as external groups continually being received at the Unit. As a result, Region 5 Multicultural Liaison Officers continue to deliver the training on a regular basis to police members and external applicants.

Advice received from Region 5 Multicultural Liaison Officers confirms that while no detailed records of participants have been maintained, it is estimated that over 2000 Victoria Police members have received African/Sudanese cross cultural training. To date, training has been delivered to members performing a diverse range of duties, including: operational; transit; traffic; Crime Investigation Unit; Sex Offenders and Child Abuse Units; Prosecutions; and various levels of organisational management. Participants have come from a number of locations including: Dandenong; Springvale; Narre Warren; Cranbourne; Frankston; Morwell; Wonthaggi; Flemington; Carlton; and the Victoria Police Centre.

From an external perspective, over 5000 individuals in the multicultural service provision industry are deemed to have been trained to date. These individuals are employees of both government and non-government organisations, including: Department of Justice; Department of Immigration and Citizenship; Magistrates Courts; Centrelink; Hanover House; Salvation Army; Quantum CALD Services, Adult Migrant Education Services; Noble Park English Language School; Karingal Secondary College; and Melbourne Pathology. The African/Sudanese Cross Cultural Advice Program was developed following a lengthy period of engagement and consultation with long-settled members of the Sudanese community in the Region 5 area. Upon its development, and prior to endorsement, the training package was presented to the Sudanese community for assessment and comment. The training package received further input in 2007, following a study tour of Sudan by one of the Region 5 Multicultural Liaison Officers.

While Sudanese community members frequently attend training sessions and are encouraged to participate and offer comment, the program remains a Region 5 MLU initiative and is delivered by the Unit.

As neither an evaluation, nor a community survey of the training has yet been undertaken, it is not possible to provide a response to this question at this time. However, continued Sudanese community involvement in the training ensures it remains accurate, respectful and valuable to both police members and to the Sudanese community.

Committee comment

It was not clear from the agency response what the cultural representation at the PACMAC meetings was, with the majority of groups labelled broadly as 'Ethnic' or Migrant' groups. In a diverse cultural society, such narrow labels do not adequately reflect the differences in cultural representation.

Formal processes to assess responses to programs run by the Multicultural Advisory Unit are considered desirable by the Committee. These should include, formal responses from the Arabic community regarding the success of police using the Arabic language in dealings with the Arabic community and formal assessment of the success of the African/Sudanese Cross Cultural Advice Program amongst the African and Sudanese community.

Diversity amongst Victoria's older population

The Committee noted that according to the Productivity Commission, geographically, a number of states (in particular, Victoria) are likely to have relatively higher growth in culturally and linguistically diverse aged populations over time. In 2011, Victoria is projected to have the most diverse older population, with 30.8 per cent of its older population being immigrants from these backgrounds.

(b) Question

Please outline the measures taken in 2007-08 to ensure that appropriate aged care services were provided that recognise cultural differences between clients in terms of language barriers, belief systems, socio-economic status, histories and family and support systems.

What planning has taken place to address the forecast growing demand for appropriate aged care services that recognise diverse cultural needs?

Response

Home and Community Care program

The Home and Community Care (HACC) program provides funding for services which support frail older people, younger people with disabilities and their carers. These services provide basic support and maintenance to people living at home and whose capacity for independent living is at risk, or who are at risk of premature or inappropriate admission to long-term residential care. This program is funded jointly by the Australian and Victorian governments and supports over 250,000 frail older people and people with disabilities.

Equitable access to services by CALD communities has long been a focus of the HACC Program in Victoria for the reasons set out in the question. In Victoria there have been a number of significant responses aimed at improving access to HACC services by CALD communities, which have operated or affected service delivery during 2007-08. These include:

The Victorian HACC Program Expenditure Priorities Statements

These Statements, developed after close consultation with the HACC sector, guide the allocation of HACC growth funding over a three-year period. There have been two of these statements: 2003-06 and 2006-09, with the latter extending to 2011 to align with the recent development of a HACC National Planning Triennium. In both statements, improving services to CALD communities has been one of the three priorities. During 2007-08 the following applied:

2006-09 Priority 2:

Focus on enhancing access to HACC services and the quantity and quality of HACC Basic services for people from CALD backgrounds should be increased. Work should continue to develop linkages and raise cultural awareness between mainstream, multi-cultural and ethno-specific organisations.

The HACC Cultural Planning Strategy

This Strategy is a unique response to ensuring that HACC service providers meet the needs of people from CALD backgrounds through the use of the Cultural Planning Tool (CPT). Since 1997 all Victorian HACC service providers have been required to develop a strategy or action plan using the CPT. The Strategy underwent an evaluation in 2007-08, which has resulted in a number of recommendations to streamline and improve current practices and processes in order to ensure that more responsive services are provided.

HACC Access and Equity Program

Under this program, 31 projects across the state, resource service providers in their respective regions are tasked with submitting and implementing cultural action plans.

Access to Language services for HACC providers

The Department provides either direct funding or access to language service credit lines for all funded agencies. In 2007-08, the HACC program in Victoria substantially expanded recurrent funding for this service to ensure that all 500 HACC funded agencies have access to interpreting and translation services.

The Culturally Equitable Gateways Strategy (CEGS)

This Strategy, funded entirely by the Victorian Government, provided over \$8 million from 1 January 2004 to 31 December 2007 to selected local governments, ethno-specific and multicultural agencies to develop more culturally sensitive HACC services to meet the needs of older people from CALD backgrounds and increase service usage. The major components of the Strategy included funding to:

- help ethno-specific agencies provide practical support to local councils for culturally appropriate services;
- help selected local councils provide more culturally friendly HACC services;
- support the recruitment of bilingual and multicultural staff to deliver HACC services; and
- improve the access of small and emerging ethnic communities to HACC services.

Data analysis of trends in HACC service usage by CALD communities indicated that rates of participation increased over the life of the Strategy and continues to improve.

The Strategy evaluation reported that all organisations reported positive outcomes from participating in the Strategy. Most reported that the Strategy had provided the opportunity to dedicate time and resources to enhance their HACC services or their community's understanding of the HACC service system. Two areas were described as producing the most positive outcomes:

- capacity building within the sector to provide culturally appropriate access; and
- partnership and relationship development between a variety of organisations and individuals.

Future Directions in Culturally Appropriate Access to Services

During the course of CEGS, concurrent work was undertaken on strategic directions in HACC assessment in Victoria. From the outset it was seen that the work undertaken in CEGS, particularly around CALD assessment and the support that CALD agencies provide to their communities to access services, would inform and influence overall work on HACC assessment and client care coordination. Therefore the overall focus of improving CALD access to HACC services into the future will be through implementing improvements in assessment for HACC services from December 2007. These improvements include:

- a 'living at home assessment' aimed at addressing all the issues that impact on a person's capacity to continue living independently at home; and
- developing a capacity to actively help people to gain access to services where they are unfamiliar with or anxious about the agencies that deliver services. This capacity is called supported access. Eight pilot projects have been funded in ethno-specific and multicultural agencies in Victoria from 1 January 2008 to test this concept.

Funding to ethno-specific and multicultural organisations to provide HACC services

In addition to the various strategies and projects listed above, the HACC program in Victoria recurrently provides over \$12 million per annum in funding to 58 ethno-specific and multicultural agencies to provide culturally appropriate HACC services to CALD communities.

Aged Care Support Services

All Aged Care Support Services' policies, services and programs acknowledge the diverse needs of individuals and the requirement for differing ways to meet those needs.

The Falls Prevention Program funds Make a Move projects for HACC clients assessed as being at risk of falls. A number of these projects have a focus on CALD populations, especially in the North & West Metropolitan Region.

Supporting and assisting people with dementia - From 2007-08 to 2010-11, projects are being funded in all regions on dementia information and services for people from culturally and linguistically diverse backgrounds. In 2007-08, \$145,000 was provided for partnership projects in Barwon South Western and North and West Region. The projects focus on sustainable initiatives to support and assist people with dementia and their families and carers from CALD backgrounds.

Supporting people in care relationships is another partnership initiative, from Well for Life, that is supporting people in care relationships and features a partnership of Yanada House, Darebin City Council and Northcote Aquatic Centre, in which people of diverse CALD backgrounds can use the Centre facilities while the person they care for is in respite at the Centre.

A position in Alzheimer's Australia Vic (AAV) is also funded to explore the needs of and develop support and services for CALD people.

17.4.2 Building community

Encouraging volunteering

Volunteering is considered an important ingredient for communities and is one sign of a healthy community. The Department of Planning and Community Development has provided funding for more than 1,000 volunteer groups.

(b) Question

Please provide details of the DPCD programs designed to encourage volunteering and the quantifiable success of these programs in both strengthening community and people involved, including expenditure and budget allocations:

Infrastructure such as libraries, Neighbourhood Houses and sport and recreation facilities provide access points for delivery of government programs designed to develop communities and centres for fostering volunteering. Please outline how in 2007-08:

- volunteering is supported through government programs delivered through community infrastructure; and
- volunteering is co-ordinated and measured, including the experience of volunteers and the clients of services provided.

Response

The Victorian Volunteer Small Grants Program has been operating since 2004. These grants of up to \$5,000 provide direct investments into community organisations and are designed to:

- encourage community organisations to attract new volunteers from diverse backgrounds;
- create new volunteering opportunities;
- increase diversity amongst Victoria's volunteers and volunteer organisations; and
- improve capacity of small organisations to manage existing volunteer programs.

The 1000th grant was awarded in May 2008, bringing the total investment to \$3.15 million. The grants were extended in 2007-08 with a further \$4 million provided until 2011.

A review of the Victorian Volunteer Small Grants in 2007 provided both a quantitative and qualitative picture of the community outcomes of the grants (*Review of Victorian Volunteer Small Grants Program, DVC: March 2007*).

The quantitative analysis demonstrated that the distribution of the grants aligned with the objectives of the program, and was achieving its stated objectives. For the period reviewed (January 2005 – December 2006), a total of 6487 volunteers were recruited through 365 completed projects.

The qualitative evaluation supported this finding and also found that the grants have been successful in encouraging community organisations to attract new volunteers from diverse backgrounds, in creating new volunteering opportunities, and improving the capacity of small organisations to manage existing volunteer programs have achieved other significant community strengthening outcomes such as:

- building partnerships, relationships, networks and connectedness;
- learning and awareness;
- valuing volunteers and volunteering;
- benefits to individual volunteers; and
- represent for many recipients a ‘small investment for a big return’.

A number of DPCD programs directed at community infrastructure also deliver support for volunteering, for example:

- Victorian Community Support Grants – require applicants to demonstrate the extent to which the project will encourage and utilise volunteer effort throughout the project, thus increasing the number and diversity of people volunteering in community organisations and activities;
- Neighbourhood House Coordination Program – guidelines require the establishment of a voluntary Committee of Management which is accountable and responsive to the community, and includes representation from the community, and the programs in Neighbourhood Houses provide a range of opportunities for local people to voluntarily contribute time and skills;
- Community Renewal (CR) and Community Building Initiative (CBI) – in both of these place-based programs, guidelines for investment indicate the crucial role of voluntary community involvement in planning and direction of projects;
- Community Facility Funding Program (SRV) – guidelines require applicants to demonstrate the extent to which the project involves volunteers and/or community members in the planning and implementation of the project and how their involvement will increase their skill base;
- Living Libraries Program – provides library infrastructure which encourages community participation;
- Where appropriate, final reports from recipients of grants demonstrate the extent of volunteer involvement. For example:
 - Neighbourhood House Coordination Program Outcomes Reports (6-monthly) require identification of the number of volunteers involved in the reporting period, the number of people on the voluntary Committee of Management for the reporting period, and the average number of volunteer hours for the period;
 - The Community Renewal and Community Building Initiatives regular reporting requirements include identification of the number of new and continuing volunteers involved for the period, and the total volunteer time (volunteer hours) for the period; and
 - Living Libraries requires from funded libraries an annual survey of the numbers of volunteers who participate in library activities.

Committee comment

The Committee noted that the Department of Planning and Community Development awarded 215 grants to community projects to encourage volunteering in 2007-08, more than doubling its target of between 90 and 120 grants.

The Committee considers that reporting on grants by departments is important and that the Department of Planning and Community Development should report more fully on grants in its annual report. More detailed reporting will provide enhanced transparency and accountability in regards to community development work. The Committee found that a better practice example of grant reporting can be found in the Department of Innovation, Industry and Regional Development's annual report.⁴⁶⁷

Recommendation 63: **The Department of Planning and Community Development review its grant reporting practices and implement enhanced reporting that will provide the public with greater detail, transparency and accountability for its community development work.**

Neighbourhood Renewal Program

The Neighbourhood Renewal program is designed to narrow the gap between disadvantaged communities and the rest of Victoria. The program brings together residents, governments, businesses and community groups. A 2005 review of the Neighbourhood Renewal Program found progress across renewal indicators was uneven with levels of resources and sustained action appearing to influence the extent of neighbourhood renewal.

(c) Question

With the program now moving towards completion, please outline:

- how the department addressed these two findings, including steps taken and/or program modification to ensure more even progress and distribution of resourcing and action (including budget allocation); and
- the measures of success used to assess these steps/modifications and quantifiable outcomes.

Please detail any subsequent reviews and outline any significant report findings.

Response

Neighbourhood Renewal has reinforced efforts to address these areas as follows:

Improving health and wellbeing

Detailed health and wellbeing guidelines have been developed to link renewal activity to government priorities for health promotion and target initiatives through whole of government agreements. Achievements to date include:

- 17 projects promoting physical activity;
- 19 community kitchens (operating and in development) and 8 community garden;
- establishment of support groups, women's groups, men's groups/men's sheds, youth groups and volunteer groups; and
- over 50 festivals, community and cultural events.

⁴⁶⁷ Department of Innovation, Industry and Regional Development, Annual Report 2007-08, Appendix 13, pp.134-169

Improving the local economy

Neighbourhood Renewal has supported local enterprise developments to provide intermediate labour market opportunities and stimulate local economic activity. Seventeen Employment and Learning Coordinators link local economic activity and job creation opportunities to local residents. Achievements to date include:

- over 35 community enterprises delivering over 130 jobs and training opportunities per annum; and
- over 5,000 jobs created.

Levels of resourcing and sustained action in labour market participation

Neighbourhood Renewal has worked in partnership with other government departments to prioritise employment and training opportunities for residents through the Community Jobs Program, Work Force Participation Program, Public Tenant Employment Program, Community Enterprise, development of local employment hubs and job shops, IT projects and supporting local economic activity through Employment and Learning Coordinators. To ensure that communities continue to thrive, Neighbourhood Renewal is implementing a Mainstreaming Strategy to embed the key elements of Neighbourhood Renewal into the core business of State and Local Governments.

Neighbourhood Renewal is finalising a second evaluation report. Preliminary analysis indicates that the initiative is narrowing the gap between some of the most disadvantaged communities and the rest of the State. Key findings measured across the 15 more mature projects include:

- 50 per cent resident participation in Neighbourhood Renewal steering committees;
- a 4 per cent reduction in the unemployment rate from 17 per cent in 2001 to 13 per cent in 2006;
- over 7,000 housing works have been completed to improve housing conditions;
- over 100 community infrastructure and urban design projects have been undertaken;
- a 12 per cent reduction in total crimes was recorded from 2001-02 to 2006-07; and
- residents involved in Neighbourhood Renewal reported a 14 per cent improvement in self rated health.

17.4.3 Social housing

Improving and expanding social housing

The Department of Human Services Departmental Plan 2007-08 outlined the plan to spend \$500 million acquiring 1,550 new social housing units and upgrading 2,300 public housing units.

(a) Question

The Committee noted that the Human Services Ministers drew attention in the Department's annual plan to the significant boost of \$500 million provided in 2007-08 to expand and improve social housing. With a priority therefore to expand the supply of social housing, how has the Department performed in terms of meeting the following targets:

- acquiring 1,550 social housing units; and
- upgrading 2,300 public housing units?

If these targets were not achieved, please provide the reason(s) and any contributing factors.

Response

The funding boost of \$500 million forms the base of the asset acquisition program for 2007-08 to 2010-11. Of these funds, \$300 million has been allocated to generate growth in social housing through registered Housing Associations. A target of 1,550 units was set for this four-year program.

At the end of the 2007-08 financial year, 353 units had been achieved against the 1,550 target with expenditure of some \$111 million (average cost of \$314,448 per unit). Expenditure and unit delivery against the program plan is being monitored closely and the targets are expected to be achieved by the end of the 2010-11 financial year. The target of 2,300 public housing unit upgrades was included in Budget Paper No.3 as part of Housing Assistance outputs for 2007-08. A total of 2,436 major upgrades were actually completed.

Victorian Property Fund

A \$50 million grant from the Victorian Property Fund (VPF) for additional public housing contributed to a 58.1 per cent variance over the target output for protecting consumers within the Department of Justice portfolio.

(a) Question

Please detail the reasons for a lack of performance measures for public housing within this output category. Please detail how this grant was invested, including details of refurbishment, new properties and comparative geographical expenditure data. Please also indicate the rationale for public housing being located within the 'protecting consumers' output.

Response

Consumer Affairs Victoria (CAV) is responsible for the administration of the *Estate Agents Act 1980*, including the Victorian Property Fund (VPF), and grants made from the VPF.

Money for the VPF is sourced from:

- interest earned on licensed real estate agents and conveyancer trust accounts; and
- interest earned on investments and licence fees paid by agents and conveyancers.

Section 76(3)(g) of the *Estate Agents Act 1980* provides for the Minister for Consumer Affairs to make grants from the Victorian Property Fund (VPF) for:

projects providing or facilitating housing assistance for low income or disadvantaged Victorians

In the 2007/08 State budget the Government provided \$200 million grant (\$50 million per year over four years) through an application to the Victorian Property fund for an additional 800 new public housing units across Victoria. This growth in public housing is to be targeted to disadvantaged and low-income Victorians.

The Office of Housing (OOH) is part of the Department of Human Services, and is responsible for output delivery and associated performance reporting for the new public housing initiative.

The grant from the VPF to the Department of Human Services was for the provision of 800 new public housing units across Victoria in accordance with Section 76(3)(g) of the *Estate Agents Act 1980*.

Under the terms of the funding agreement, the OOH is required to report to CAV on the number of units acquired, their value, and their location when making an annual claim for payment. The location of the units is determined by the OOH in accordance with its Asset Management Strategy, 2007-08 to 2010-11.

As outlined in the response in part (a) above, under Section 76(3) (a) to (h) of the *Estate Agents Act 1980* the Minister for Consumer Affairs is empowered to make grants from the VPF. CAV is responsible for the administration of the Act, and grants made from the VPF. Because the grants program funding mechanism was used for this budget allocation for public housing, the funding appears under the ‘protecting consumers’ output.

Committee comment

The cross-over between two departments appears to have led to some confusion in performance reporting. Work should be undertaken collaboratively between the relevant departments and agencies to clarify and enhance the budget paper reporting with regard to the Victorian Property Fund.

Further, the VPF grant was for 800 new public housing units across Victoria. The Department stated that the Office of Housing is required to report the number, value and location of housing ‘units’ to Consumer Affairs Victoria annually when claiming funding. However, the Department did not provide the Committee with information pertaining to the geographical distribution of the grant as requested despite being provided this information by the Office of Housing as a requirement of grant funding.

17.4.4 Early childhood intervention services

Early Childhood Intervention Services provides a range of services and support for children with a developmental delay or disability and their families. The 2007-08 annual report from the Department of Education and Childhood Development reported that 85 per cent of families surveyed were satisfied with the services provided by the Department – meeting the department’s target.

(a) Question

- How many families were sampled and what proportion of all families did this sample represent?
- What was the response rate?
- Is the 85 per cent survey result based on all families surveyed or only those that responded?
- What were the main reasons for dissatisfaction?
- What action has the Department taken (or intends taking), if any, to address the main reasons that families were dissatisfied with the service provided?

Response

The Department has developed ‘Guidelines for asking service users about their satisfaction with services’.

All Early Childhood Intervention Services (ECIS) providers are required to collect data on service user satisfaction across many areas of service delivery.

There are many ways in which users are sampled and many ways in which the questions may be asked. Providers have a choice about the way they undertake the task and the degree of complexity which they use. User surveys may be undertaken:

- at intervals and with varying levels of detail; and
- during the service or at the conclusion.

Providers may choose to undertake a sample or a census survey. Individual service providers determine the most appropriate feedback mechanism taking into account demographic features of the client base.

All ECIS providers are monitored against performance measures detailed in departmental output statements and against targets specified for the activity in service agreements.

The Department does not record the number of families sampled. This information is held by the individual ECIS provider.

The 85 per cent survey result is based on the families who responded.

Specialist Children's Services Program Standards require all providers to document feedback generated from the family and incorporate this into the service's annual planning and review process.

Furthermore, a key tenet of service delivery is family centred practice underpinned by a family service and support plan. This plan is developed in collaboration with families and is reviewed regularly throughout the family's involvement with the service. Therefore, family satisfaction is monitored on an ongoing basis. This is in addition to the yearly client satisfaction performance measure.

While the Department does not hold specific responses to client satisfaction surveys, information is regularly sought from the Department's regions to assist planning and quality assurance.

Based on this feedback common themes appear to be:

- waiting times for early childhood intervention;
- cost of travel to access services for remote families;
- difficulty in rural regions to provide a range of services due to recruitment issues; and
- the need for a greater range of service delivery options to respond to varying needs of families and children.

The Victorian Government has allocated:

- \$23.9 million for extra ECIS places to deliver direct support for around 1000 more children. The Department has implemented 500 additional places in 2008-09 and a further 500 places will be implemented in 2009-10;
- \$3.3 million for an additional 150 Kindergarten Inclusion Support Services packages has been provided to help children with very high and complex needs to participate in a mainstream kindergarten program. Fifty additional packages were made available in 2008-09, 25 additional places will be available in 2009-10, a further 25 additional places will be available in 2010-11 and 50 additional places in 2011-12;
- \$1.8 million has been provided for the development of an ECIS workforce strategy which involves up-skilling the workforce, recruiting and retaining workers across the state with a particular focus on rural areas, supporting specialised post graduate training and mentoring programs. Applications for these scholarships are currently being processed; and
- increased staffing in central intake - three Equivalent Full Time (EFT) in 2008-09, and a further three EFT in 2009-10 to reduce waiting times.

The Department has also undertaken the ECIS reform project to review the adequacy of early childhood intervention, demand pressures, funding arrangements, transitions and linkages and workforce development. The Department is also implementing a range of quality improvement initiatives including:

- more flexible service options for families waiting to access ECIS;
- improved parent information resources to support transition from kindergarten to school and for parents of children with a hearing impairment;
- more flexible approaches to service delivery responding to the diverse needs of children and families; and
- Autism Secondary Consultation and Training Strategy to provide professional support to workers across universal early childhood services.

Committee comment

The Committee notes the Victorian Government's allocation to additional funding, staff and places available in 2009-10 for ECIS. The Committee, however, has concerns regarding the ways in which the 85 per cent level of satisfaction with service delivery has been determined. From the above information provided by the Department, there are a number of weaknesses in the survey approach, namely:

- providers undertake the client survey, resulting in potential conflicts of interest or untruthful answers given by users;
- providers can determine the way in which questions are asked, therefore questions are not standard and are not comparable across ECIS providers; and
- providers can determine how they wish to sample their users, which has the potential to result in a sample size that is not statistically reliable.

Given the weaknesses above, the Committee is unable to determine how the Department can calculate an overall satisfaction result, given that determining overall satisfaction would need to take into account the sample sizes and would require uniformity in questions asked. The Department should consider how it can address the identified weaknesses in its survey approach, given that it is reported in the Department's annual report.

Recommendation 64:

The Department of Education and Early Childhood Development improve its survey process to provide more robust and reliable data for annual reporting purposes with regards to the delivery of early childhood intervention services.

CHAPTER 18: VIBRANT DEMOCRACY

Key Findings of the Committee:

- 18.1 The Community Cabinet program, which was extended in 2007-08 allowing wider community participation, resulted in a broad range of issues being raised by participants that included matters relating to public transport, roads, health, planning, community services, education, water and drought, the environment, sport and recreational facilities, youth retention and skills. The reporting of outcomes connected with this program could, in the opinion of the Committee, be improved.
- 18.2 In the hospital sector, accountability would be enhanced if 'Activity Performance' reporting in annual reports was supplemented with targets (where applicable) and prior year comparative figures.
- 18.3 The combined net operating surplus of Victoria's public hospitals for 2007-08 before capital items, depreciation allowances and other specific items was \$29.5 million (2006-07, combined surplus of \$2.6 million). Fifty six of the 87 hospitals (64 per cent) reported a net surplus for 2007-08. Hospitals and the Department of Human Services should examine processes for evaluation and possible support of those hospitals that did not achieve a breakeven position in 2007-08.
- 18.4 Since the beginning of 2008, current tenant rental arrears associated with the provision of social housing reduced by \$2.2 million (2 per cent) to mid November 2008 due to the introduction of improved debt recovery procedures.
- 18.5 A revised Risk Management Framework for the Department of Human Services is expected to be released in mid 2009. An independent review of the Department's Risk Management Framework identified various improvement areas which included concise and relevant risk management reporting.
- 18.6 In the interests of strengthening financial management governance and oversight, the Committee is of the view that the inclusion of the results of internal audit activity for the year would be a useful addition to material contained in annual reports of public sector agencies, together with the status of action taken by agencies pertaining to the implementation of internal audit recommendations.
- 18.7 The Victorian Managed Insurance Agency's investment performance over the financial year 2007-08 was -7.19 per cent (before fees), which equates to an investment decline of \$82 million. Large falls in equity markets were the primary driver of the negative fund returns. Notwithstanding this decline, the Agency is estimated to have achieved an average 5.6 per cent real return over this period, which is above the Agency's investment objective of CPI plus 4 per cent per annum over five years.
- 18.8 The introduction of regular internal file reviews by the Victorian Managed Insurance Agency in December 2007 contributed to a reduction in open claims against the Public HealthCare Program and the General Government Program by 24 per cent and 11 per cent respectively for 2007-08.

Overview

18.1 Introduction

Vibrant Democracy is the fourth *Growing Victoria Together* vision examined by the Committee in this year's Financial and Performance Outcomes Report.

18.2 Linkage of issues examined to the *Growing Victoria Together* visions

This chapter contains outcome-related comments pertaining to 16 issues. As well as serving to enhance accountability, the Committee believes that this information will engender discussion and provide a springboard for follow-up as part of the Committee's impending inquiry into the 2009-10 Budget Estimates.

The Committee asked a range of questions to departments and agencies in relation to the Vibrant Democracy vision. These questions, and the relevant department or agency responses, are detailed in full, with supporting commentary from the Committee where it considers appropriate. Issues selected by the Committee for examination aligned to the *Growing Victoria Together* goals cover the following topics relevant to Vibrant Democracy.

Greater public participation and more accountable government

- Department of Premier and Cabinet - Extension of the Community Cabinet program in 2007-08; and
- Melbourne Health - 'Activity Performance' reporting

Sound financial management

- Department of Human Services:
 - 2007-08 financial results for the hospital sector;
 - social housing – debt recovery procedures; and
 - improvements to the Department's risk management framework.
- Melbourne Health:
 - turnaround in financial result for 2007-08;
 - increase in private practice fees;
 - reduction in the expense item 'supplies and consumables'; and
 - internal audit recommendations.
- Department of Treasury and Finance - implications of the net financial result for the State for 2007-08;
- Treasury Corporation of Victoria:
 - unrealised losses in 2007-08;
 - operational risk management plans; and
 - debt forecasts.

- Victorian Managed Insurance Agency:
 - effect of the downturn in global investment markets;
 - timeliness of claims handling; and
 - internal audit – action taken.

18.3 Department of Premier and Cabinet

18.3.1 Extension of the Community Cabinet program in 2007-08

(a) Question

The Community Cabinet program was extended in 2007-08.⁴⁶⁸ Please detail the response from public participants to both these changes and the experience of participation in the Community Cabinet program, including levels of satisfaction and suggested changes to the program.

Please indicate how knowledge gained through Community Cabinets has been utilised to shape government policy and contribute to the responsibilities of departments and agencies.

Please document the cost of the Community Cabinet program, including the average cost of each visit.

Response

Participants expressed a high degree of satisfaction with the new Community Cabinet program. In particular, participants greatly appreciated the opportunity to talk informally with Ministers at their tables and the opportunity to ask any question of the Premier and Cabinet Ministers. This is reflected in the feedback from participants. Of those who responded, 85 per cent were satisfied with the revised program, 15 per cent were neutral, with no-one expressing dissatisfaction with the program. Feedback on the 2008 program also indicates an increase in the number of people attending to specifically participate in a community event or attending to raise a social issue.⁴⁶⁹

A broad range of issues were raised by participants during 2008 including; public transport, roads, health, planning, community services, education, water and drought, the environment, sport and recreation facilities, youth retention and skills.

All Ministers, their advisers and senior departmental officers gained knowledge and a greater understanding of the issues of importance to the community and utilised this information as appropriate to inform their policy decision-making.⁴⁷⁰

Community Cabinet is an integral part of the core functions of the Department in supporting the Premier as Head of Cabinet. The supporting processes are delivered from within existing budgets and delivered as part of the Strategic Policy Advice and Projects output.

The costs associated with each visit are spread across each of the Ministers' departments so it is not possible to determine an average cost.⁴⁷¹

⁴⁶⁸ Department of Premier and Cabinet, *Annual Report 2007-08*, p.10

⁴⁶⁹ Department of Premier and Cabinet, response to the Committee's Financial and Performance Outcomes Questionnaire, received 12 March 2009 - Part Two, p.10

⁴⁷⁰ *ibid.*

⁴⁷¹ *ibid.*

Actuals for 2006-07 are shown in the following Table against actuals and targets for 2007-08.⁴⁷⁴

Table 18.1 Activity Performance 2007-08 vs 2006-07

| | Acute | | Subacute | | Mental Health | | Total | | Target |
|---|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|------------|
| | 2006-07 | 2007-08 | 2006-07 | 2007-08 | 2006-07 | 2007-08 | 2006-07 | 2007-08 | 2007-08 |
| Activity Performance | | | | | | | | | |
| Separations | | | | | | | | | |
| Sameday | 74,239 | 76,978 | 9 | 5 | 0 | 0 | 74,248 | 76,983 | n/a |
| Multiday | 26,112 | 27,640 | 1,539 | 1,548 | 3,695 | 4,366 | 31,346 | 33,554 | n/a |
| Total Separations | 100,351 | 104,618 | 1,548 | 1,553 | 3,695 | 4,366 | 105,594 | 110,537 | n/a |
| Emergency | 25,927 | 27,595 | 2 | 1 | 3,695 | 4,366 | 29,624 | 31,962 | n/a |
| Elective | 74,424 | 77,023 | 1,546 | 1,552 | 0 | 0 | 75,970 | 78,575 | n/a |
| Other inc. Maternity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n/a |
| Total Separations | 100,351 | 104,618 | 1,548 | 1,553 | 3,695 | 4,366 | 105,594 | 110,537 | n/a |
| Total WIES | 63,171 | 66,097 | 0 | 0 | 0 | 0 | 63,171 | 66,097 | 65,323 |
| Total Bed Days | 214,918 | 222,177 | 43,596 | 43,799 | 151,415 | 150,323 | 409,929 | 416,299 | n/a |
| Non-Admitted Patients | | | | | | | | | |
| Emergency Department Presentations | 54,873 | 55,423 | 0 | 0 | 0 | 0 | 54,873 | 55,423 | n/a |
| Outpatients Services – Occasions of Service (VACS and Non-VACS clinics) | 217,182 | 201,931 | 40,488 | 29,969 | 372,306 | 428,687 | 629,976 | 660,587 | n/a |
| Total occasions of service | 272,055 | 257,354 | 40,488 | 29,969 | 372,306 | 428,687 | 684,849 | 716,010 | n/a |
| Victorian Ambulatory Classification System (Number of Weighted Encounters). | 136,406 | 137,609 | 0 | 0 | 0 | 0 | 136,406 | 137,609 | 127,720 |

Source: 2006-07 and 2007-08 Annual Report for Melbourne Health under the heading 'Activity Performance'.

- Notes:
- 1) Targets are only set for Total WIES and for Total Victorian Ambulatory Classification System (VACS)
 - 2) Variance greater than 10% but not statistically relevant
 - 3) Variance greater than 10% but not statistically relevant
 - 4) Number of occasions of Subacute Outpatient Services decreased due to....
 - 5) Number of Mental Health Emergency Multiday Separations increased due to.....
 - 6) Number of occasions of Mental Health Outpatient Services increase due to.....

(b) Question

Please provide comment on the reasons for any variations of more than 10 per cent between performance for 2007-08 compared to targets as well as performance achieved in 2006-07.

⁴⁷⁴ Melbourne Health, response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, received 18 February 2009, pp.6-7

Response

There were no variances greater than 10 per cent in Melbourne Health's overall activity performance. Variances within Melbourne Health, including increased Mental Health Emergency Multiday Separations and increases in the number of occasions of Mental Health Outpatient Services, were a response to significant improvement activities within Mental Health.⁴⁷⁵

Committee comment

The Committee is of the view that health services such as Melbourne Health would become more accountable if information reported in relation to 'Activity Performance' for a reporting period was supplemented with targets (where applicable) and prior year comparative figures.

Recommendation 67: **To enhance accountability, health services disclose as part of their activity performance reporting regime, information relating to targets, where applicable, and prior year figures.**

Sound financial management

18.5 Department of Human Services

18.5.1 2007-08 Financial results for the hospital sector

(a) Question

Supporting hospitals to improve efficiency and control costs is one of the Department's priorities for 2007-08. One of the Department's targets is for a breakeven financial result for the hospital sector to be achieved in relation to 2007-08.⁴⁷⁶

What outcomes were achieved against this target for 2007-08? In responding to this question, please include the following details:

- the percentage of hospitals that achieved a breakeven financial result for 2007-08;
- the best performing hospitals in terms of exceeding a breakeven financial result by more than 10 per cent in 2007-08 (please include the financial result for each hospital); and
- a listing of those hospitals that did not achieve a breakeven financial result in relation to 2007-08 (please include the financial result for each hospital).

Response

The information requested by the Committee is derived from agency Annual Reports tabled before Parliament in October 2008. The combined net operating surplus of Victoria's public hospitals for the 2007-08 year was \$29.5 million, well up on the combined surplus of \$2.56 million the previous year – with 56 of the 87 hospitals (64 per cent) reporting a net surplus. The \$29.5 million represents the hospitals' financial result as reported before capital items, depreciation allowances and other specific items.

⁴⁷⁵ Melbourne Health, response to the Committee's Financial and Performance Outcomes Questionnaire Part Two, received 18 February 2009, p.7

⁴⁷⁶ Department of Human Services, *Departmental Plan 2007-08*, p.24

Three hospitals reported a surplus greater than 10 per cent of revenue from continuing operations before capital and specific items.

The three hospitals were Kooweerup Regional Health Service (\$1.044 million or 11.98 per cent), Numurkah and District Health Service (\$1.628 million or 14.59 per cent) and Timboon & District Health Care Service (\$1.372 million or 25.99 per cent).⁴⁷⁷

Agencies that recorded a net operating deficit before capital items, depreciation allowances and other specific items are as below.

Table 18.2: Agencies that recorded a net operating deficit

| Agency | Deficit \$'000 |
|--|-------------------|
| Alpine Health | (117.0) |
| Barwon | (3,157.0) |
| Bass Coast (Wonthaggi and District Hospital) | (407.0) |
| Bayside | (2,822.0) |
| Beechworth Hospital | (233.0) |
| Boort District Hospital | (75.0) |
| Calvary Health Care Bethlehem Ltd | (138.0) |
| Cobram District Hospital | (4.0) |
| Cohuna District Hospital | (53.0) |
| Djerriwarrh Health Services | (16.0) |
| East Wimmera Health Service | (54.0) |
| Heywood & District Memorial Hospital | (32.0) |
| Kilmore & District Hospital | (146.0) |
| Kyneton District Health Service. | (123.0) |
| Lorne Community Hospital | (117.0) |
| Mansfield District Hospital | (580.0) |
| Mclvor Health & Community Services | (223.0) |
| Melbourne | (641.0) |
| Mercy Public Hospitals Inc | (895.0) |
| Mt Alexander Hospital | (406.0) |
| Nathalia District Hospital | (6.0) |
| New Latrobe Regional Hospital | (1,601.0) |
| Northeast Health (Wangaratta) | (861.0) |
| Northern | (3,306.0) |
| Portland & District Hospital | (43.0) |
| Rochester & Elmore District Health Service | (93.0) |
| South West Healthcare | (351.0) |
| Southern | (2,469.0) |
| St Vincent's Hospital (Melbourne) | (719.0) |
| Tallangatta Hospital | (216.0) |
| Wodonga Regional Health Service | (1,184.0) |

Source: Department of Human Services, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, pp.54-55

⁴⁷⁷ Department of Human Services, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, received 25 February 2009, p.54

Committee comment

The Committee acknowledges that the Department has exceeded its target for a breakeven end of year financial result in aggregate terms across the hospital sector. However, given that 31 agencies incurred a net operating deficit before capital items, depreciation allowances and other specific items for the year ended 30 June 2008, the Department should evaluate the effectiveness of strategies aimed at hospitals in association with achieved efficiencies and control costs.

Recommendation 68: **Hospitals and the Department of Human Services examine whether processes need to be refined for hospitals that did not achieve a breakeven financial outcome for 2007-08.**

18.5.2 Social housing – debt recovery procedures

(a) Question

In terms of measures implemented to improve the viability of the social housing system, please describe the improved debt recovery procedures that have been introduced in 2007-08.⁴⁷⁸

Please quantify the outcomes achieved as a result of the introduction of these procedures.

Response

The Department strongly pursues all outstanding rent to minimise loss of revenue and assist tenants to manage their financial obligations in a responsible manner. The key feature of debt management is prevention through early intervention. As most public housing tenants are in receipt of low incomes, they are generally more able to resolve their rental debt if it is identified and managed at an early stage.

In May 2008, fixed rents for tenants were introduced. This measure means tenants can earn additional income without it affecting their rent for up to 26 weeks. To simplify the process of fixing tenants' rents, the initiative also involved introducing automated income confirmation through Centrelink. Specifically:

- new and transferring tenants with poor payment history are required to sign up to Centrelink's direct debit rent deduction scheme as a condition of offer of future tenancy; and
- new tenants are visited within six weeks of tenancy commencement, and all other tenants at least once every three years, and at the point of escalation of their rental arrears.

The Social Housing Advocacy and Support Program also assists to address the intensive tenancy support needs for new tenants identified as 'at risk' of accruing arrears.

In March 2008, the Rental Arrears Project Team (RAPT) was implemented to support and train regionally-based staff in arrears recovery along Best Practice Principles.

The Vacated Tenancy Accounts Branch continues to recoup vacated arrears once a tenancy is terminated as per the Executive Arrears Package.

⁴⁷⁸ Department of Human Services, *Departmental Plan 2007-08*, p.24

The percentage of public housing tenants paying rent by direct debit has increased to 70.2 per cent during 2007-08. Tenants who fall into rental arrears are able to make arrangements to repay the debt in affordable instalments. From January 2008, rental arrears levels began to decrease. Since the beginning of 2008 current tenant rental arrears reduced by \$2.2 million (2 per cent) to mid November 2008.⁴⁷⁹

18.5.3 Improvements to the Department of Human Services Risk Management Framework

(a) Question

Given that a priority for the Department of Human Services for 2007-08 was for Risk Management Framework improvement areas to be identified and a key target for the Department was for the Framework to be reviewed by December 2007:⁴⁸⁰

- was this target met;
- what areas for improvement were identified; and
- what is the status of implementing improvements to the framework?

Response

This target was met in 2007 and the Department's Risk Management Framework was independently reviewed.

Key areas for improvement identified included:

- making risk management a stronger component of business planning;
- management and staff to have a better understanding of their roles and responsibilities in relation to risk management;
- continuous review of risk registers for consistency, accuracy and completeness; and
- concise and relevant risk management reporting.

The Risk Management Framework is currently being revised to reflect the improvements made, and the revised Framework is expected to be released in mid 2009. The improvements are being made through a phased approach and it is anticipated that approximately two thirds of the recommendations to be addressed by the end of 2008-09 and the remaining recommendations in 2009-10.⁴⁸¹

Committee comment

An update on risk management practices in the public sector is contained in Chapter 4 of this report.

⁴⁷⁹ Department of Human Services, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, received 25 February 2009, p.55

⁴⁸⁰ Department of Human Services, *Departmental Plan 2007-08*, p.24

⁴⁸¹ Department of Human Services, response to the Committee's Financial and Performance Outcomes Questionnaire - Part Two, received 25 February 2009, p.56

18.6 Melbourne Health

18.6.1 Turnaround in financial result for 2007-08

(a) Question

What were the main factors that contributed to the improvement in the net result from a deficit of \$10,777,000 in 2006-07 to a surplus of \$18,901,000 for 2007-08?⁴⁸²

Response

The net result figures cited are surplus and deficit after capital and depreciation adjustments.⁴⁸³

The main factors contributing to the \$29,678,000 improvement (Net Surplus/(Deficit)) are as follows:⁴⁸⁴

- capital purpose income increased by \$22,159,000. These were primarily State and Commonwealth Government Grants (refer Melbourne Health 2007-08 Annual Report pages .54-55);
- depreciation and amortisation expense increased by \$7,307,000 (refer Melbourne Health 2007-08 Annual Report page 65); and
- operating result increased by \$12,687,000 (refer Melbourne Health 2007-08 Annual Report page 44), principally due to increased revenue through improved practices and higher activity levels (i.e. WIES – Weighted Inlier Equivalent Separations) as well as an organisation-wide approach to improved stock management, human resource management including rostering, purchasing and contracting practices and tighter controls on the use of consumables and motor vehicles.

18.6.2 Increase in Private Practice fees

(a) Question

In relation to ‘Services Supported by Health Services Agreement’, what factors led to the increase in the item ‘Private Practice Fees’ from \$7,941,000 in 2006-07 to \$16,484,000 in 2007-08.⁴⁸⁵

Response

Up until March 2007, private patients’ radiology work was undertaken by an external provider (Tress & Associates) in partnership with Melbourne Health. This business was acquired by Melbourne Health outright in 2007 and, as a result, all radiology private practices work is now invoiced directly by Melbourne Health which also contributed to the improvement in operating result (refer 19.7.1 above).⁴⁸⁶

⁴⁸² Melbourne Health, *Annual Report 2007-08*, pp.5 and 44

⁴⁸³ Melbourne Health, response to the Committee’s Financial and Performance Outcomes Questionnaire - Part Two, received 18 February 2009

⁴⁸⁴ *ibid.*

⁴⁸⁵ Melbourne Health, *Annual Report 2007-08*, p.6

⁴⁸⁶ Melbourne Health, response to the Committee’s Financial and Performance Outcomes Questionnaire - Part Two, received 18 February 2009

18.6.3 Reduction in the expense item ‘Supplies and Consumables’

(a) Question

With regard to ‘Services Supported by Hospital and Community Initiatives’, how was Melbourne Health able to achieve a reduction in expenses relating to the item ‘Supplies and Consumables’ from \$27,708,000 in 2006-07 to \$4,535,000 in 2007-08.⁴⁸⁷

Response

This has resulted from a change in accounting treatment for external supply agreements between 2007-08 and 2006-07.

Melbourne Health has a number of supply agreements with external entities (i.e. Royal Women’s Hospital, Royal Children’s Hospital, Healthscope, Freemasons and the Eye & Ear Hospital). In 2006-07 supply goods ‘ordered’ by these external entities were expensed in specific Melbourne Health parent Specific Purpose Fund cost centres (with the revenue received from these entities also allocated to these Specific Purpose Fund cost centres – this is observable in Note 2 Revenue of the 2007-08 Annual Report under External Supply Agreements where there is a comparable off-setting variance).

In 2007-08, these transactions were recorded in ‘external entities’ accounts which sit outside of the Melbourne Health Consolidated Structure.⁴⁸⁸

18.6.4 Internal audit recommendations

(a) Question

In relation to recommendations made by internal audit during 2007-08, how many were accepted, accepted in part and rejected?

Please disclose this information according to each internal audit, outlining the reasons why recommendations were rejected.

⁴⁸⁷ Melbourne Health, *Annual Report 2007-08*, p.7

⁴⁸⁸ Melbourne Health, response to the Committee’s Financial and Performance Outcomes Questionnaire - Part Two, received 18 February 2009

Response

The following internal audits were conducted during 2007-08:

Table 18.3: Internal Audit Recommendations

| Internal Audit Report | Date | Number of Audit Recommendations | | | |
|--|--------|---------------------------------|--------------|----------------------|--------------|
| | | Total Number | No. Accepted | No. Accepted in part | No. Rejected |
| Review of Private Practice Arrangements | Oct-07 | 11 | 10 | - | 1 |
| Review of Fund Raising Activities | Dec-07 | 6 | 6 | - | - |
| Review of Cash Handling | Apr-08 | 5 | 5 | - | - |
| Risk Management Follow Up Review | Apr-08 | 2 | 2 | - | - |
| Review of WIES Revenue and Other Revenue | May-08 | 11 | 10 | - | 1 |

Source: *Melbourne Health, Response to the Committee's Financial and Performance Outcomes Questionnaire – Part Two.*

Only two recommendations from the Internal Audits conducted during 2007-08 were rejected. Details are as follows:

(i) Review of Private Practice Arrangements:

The Internal Audit recommendation to reopen the existing private practice fund arrangements to new members was rejected because a management steering committee developed a range of newer and more flexible private practice arrangements that satisfied the requirements of all stakeholders.

(ii) Review of WIES Revenue and Other Revenue:

Management rejected the Internal Audit recommended approach to calculation of monthly WIES revenue accruals, on the basis that the newly adopted (and documented) approach resulted in fewer monthly fluctuations, and hence a more stable and representative result. It should be noted that the same result is achieved at financial year-end.⁴⁸⁹

Committee comment

The Committee is of the view that inclusion of the results of internal audit activity for the year would be a useful addition to material contained in annual reports of public sector agencies. Disclosure of material such as this would serve to strengthen financial management governance and oversight over the internal audit function throughout the public sector and enhance the status and profile of internal audit.

Recommendation 69:

The Department of Treasury and Finance require agencies to disclose details relating to internal audit activity in their annual reports, together with the status of action taken by agencies pertaining to the implementation of internal audit recommendations.

⁴⁸⁹ *ibid.*

18.7 Department of Treasury and Finance

18.7.1 Implications of the net financial result for the State for 2007-08

The Committee noted that the State achieved a negative net result (including transactions and economic flows) of \$3,107 million in 2007-08 (surplus of \$7,668 million, 2006-07), while the General Government Sector achieved a negative net result (including transactions and economic flows) of \$1,876 million in the year (surplus of \$5,307 million, 2006-07).⁴⁹⁰

The Auditor-General reported that the negative results for the year, which were attributed to the weaker performance of financial and equity markets, included realised losses of \$379 million.⁴⁹¹

(a) Question

Please provide a breakdown of the result incurred in 2007-08 according to the financial instruments affected.

What was the impact of the net result on the delivery of government programs in 2007-08?

What was the impact of the net result on the achievement of planned outcomes in 2007-08?

Response

Realised losses on financial investments largely relate to portfolio losses for the Transport Accident Commission (\$107.7 million) and the Victorian WorkCover Authority (\$334.8 million). While a detailed breakdown by financial instrument has been requested from agencies, it has not yet been received by the Department, as it has to be compiled by a number of external fund managers who manage the portfolios under the direction of the Victorian Funds Management Corporation. It will be forwarded to the Committee once it is available.

It is the net result from transactions which reflects the drivers of government service delivery and, as shown in the Annual Financial Report, this measure recorded a surplus in excess of \$1 billion for both the Whole of State and General Government Sectors.

Deficits in the net result do not affect the levels of service delivery in the year in which they are recorded. Rather they are the bottom line result of actual outcomes and therefore reflect service delivery and revenue policies, rather than drive them.

The net result has an impact on the measured value of the State's Balance Sheet, particularly estimates of the size of the State's net asset position. However, as the vast bulk of the losses reflect unrealised losses (i.e. reflecting valuation changes being applied to the stock of financial assets, or changes in the valuation of the superannuation liability), there is as yet no reason to adjust government policies and service delivery to make up these losses, as they could equally become unrealised gains as asset values recover, as anticipated over time.

As outlined above, the net result does not affect the achievement of planned outcomes. Rather, it reflects the impact of actual outcomes, plus the 'unplanned' movements arising from movements in financial markets through the financial year after the Budget is announced.⁴⁹²

⁴⁹⁰ Victorian Auditor-General, *Auditor-General's Report on the Annual Financial Report of the State of Victoria, 2007-08*, p.2

⁴⁹¹ *ibid.*

⁴⁹² Department of Treasury and Finance, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 20 March 2009, pp.12-13

18.8 Treasury Corporation of Victoria

The Committee noted that the Treasury Corporation of Victoria's (TCV) investment portfolio does not contain any exposure to sub-prime or low documentation housing loans, Collateralised Debt Obligations or other derivative credit instruments.⁴⁹³

According to the Chairman and Managing Director of TCV, having such a strong portfolio has insulated TCV from the worst of the financial asset repricing over the reporting period. The Committee observed that despite this, TCV's results reflected an unrealised 'market-to-market' revaluation loss on the investment portfolio as a result of the market repricing of financial assets.⁴⁹⁴

The Committee notes that, while the reported loss for the financial year of \$945,000 can be attributed to extraordinary market circumstances, the Chairman and Managing Director stressed in the Annual Report for 2007-8 that this is an unrealised loss.⁴⁹⁵

18.8.1 Unrealised losses in 2007-08

(a) Question

In terms of the exposure of TCV's investment portfolio to market repricing, please summarise TCV's policy position when it comes to risk exposure and the associated risk management processes in place to minimise the risk of unrealised losses being converted to realised losses some time in the future.

Response

The TCV Board of Directors is the governing body of TCV. The membership of the Board and the details of Directors are outlined in the annual report. The Board meets monthly to review operations reporting that encompass extensive risk metric (including credit risk) and revenue material. The risk material and policy is formulated by an independent (independent of the dealers/transacting unit) business unit at TCV (Middle Office) reporting directly to the Managing Director. The accounting results are completed by the financial reporting area reporting to the Chief Finance Officer and then to the Deputy Managing Director so also independent of the dealers.

The Prudential Supervisor (KPMG) reviews the risk metric and revenue material in line with the TCV Prudential supervision policy which accords closely with Australian Prudential Regulation Authority and audited by an independent prudential auditor.

That is the overall risk and financial management framework operation at a high level. Specific decisions on transactions are managed within a comprehensive limit framework and reported accordingly to the Board.

In terms of specific comment on the unrealised loss, these losses will be realised if the instruments are sold or the counterparty defaults.

The counterparties dealt with are the highest end of the credit spectrum and the likelihood of default relatively low. The transactions themselves are envisaged to be held until maturity so hence the confidence the unrealised loss will not be realised.

This process is reviewed on a constant basis in the manner described above.⁴⁹⁶

⁴⁹³ Treasury Corporation of Victoria, 2007-08 Annual Report, p.3

⁴⁹⁴ *ibid.*

⁴⁹⁵ *ibid.*

⁴⁹⁶ Treasury Corporation of Victoria, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 12 January 2009

(b) Question

In relation to the items that relate to realised and unrealised market movements of financial assets and financial liabilities shown in Note 3 to the financial statements,⁴⁹⁷ please provide a financial breakdown according to the following for 2008 compared to 2007:

- realised as distinct from unrealised market movements; and
- the particular financial assets and financial liabilities involved in each asset and liability item.

Response

TCV accounts for all financial instruments at fair market value through profit and loss. The accounting policy and related accounting standards do not require disclosure of realised versus unrealised accounting profits. This is because the realisation of the financial instruments on balance date should provide the same result as that declared.

TCV runs a number of portfolios and, in managing its risks position, will trade financial assets and liabilities between portfolios. From an external point of view, these transactions do not produce realised profits or losses. Practically however, to manage accounting at a portfolio level, they do create realised profits and reset values for the purposes of determining unrealised profits. Given external reporting requirements (as discussed above) this is of no consequence. In attempting to answer the Committee's query, however, it means a breakdown between realised and unrealised profit is not available.

The statement that 'TCV's results reflected an unrealised 'market-to-market' revaluation loss is supported by the very limited trading in financial instruments that occurred after market conditions caused a diminution in fair market values.

18.8.2 Operational risk management plans

In terms of operational risk, the TCV states that operational risk is defined as the risk of indirect or direct loss resulting from inadequate or failed internal processes, people and systems or from external events. After regularly mapping and evaluating its operational risk profile, and assessing the likelihood and consequence of identified risks, plans are then developed to manage these risks and actions monitored on a quarterly basis.⁴⁹⁸

(a) Question

Please outline the extent to which external events have impacted on the development of operational risk management plans for the TCV.

Response

The operational risk framework is reviewed annually in light of the current risk environment and reported to the Board quarterly as specific reports are completed over the year. The operational risk framework is supplemented by the enterprise risk assurance register which forms the basis of the audit planning process annually.

External events over recent times have not led to the identification of new risks as both registers are extensive. Recent events will, however, alter the risk weighting of specific risks.⁴⁹⁹

⁴⁹⁷ Treasury Corporation of Victoria, *2007-08 Annual Report*, p.40

⁴⁹⁸ *ibid.*, p.26

⁴⁹⁹ Treasury Corporation of Victoria, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 12 January 2009

18.8.3 Debt forecasts

TCV has revealed in its Annual Report for 2007-08 that general government net debt is expected to increase from \$A2.3 billion at 30 June 2008 to \$A9.5 billion at 30 June 2012. As a proportion of Gross State Product, net debt is expected to remain at low levels, increasing from 0.9 per cent of Gross State Product at 30 June 2008 to 2.9 per cent of Gross State Product at 30 June 2012. The TCV points out that this expected projected net debt of 2.9 per cent of GSP remains below the 30 June 1999 level of 3.0 per cent.⁵⁰⁰

(a) Question

In view of the global financial crisis and associated economic factors, does the TCV have any expert opinion on whether there is likely to be any variation to these forecasts? Please explain.

Response

TCV takes the forecasts of DTF and the participating authorities to work out the TCV funding plans which are correspondingly then updated on a regular basis through the year. The regularity of update is a function of the materiality of the size of the funding involved.

We do not have any further input to existing forecasts.⁵⁰¹

18.9 Victorian Managed Insurance Agency

18.9.1 Effect of the downturn in global investment markets

(a) Question

It is mentioned in the Chief Executive Officer's report contained in the 2007-08 Annual Report that the 'downturn in global investment markets in 2007-08 directly impacted on (the) financial performance'.⁵⁰²

Please describe and clarify specific impacts on the Victorian Managed Insurance Agency's (VMIA) financial performance in 2007-08 and risk management strategies in place to mitigate potential adverse impacts on financial performance in worsening investment markets.

Response

VMIA's investment performance over the financial year 2007-08 was -7.19 per cent (before fees), which equates to an investment decline of \$82 million. Large falls in equity markets were the primary driver of the negative fund returns. The negative return for 2007-08 should be viewed in the context of Australian equities over the past five years to 30 June 2008. Following 4 years of strong investment returns, balanced funds have suffered a negative year in 2007-08. Notwithstanding this decline, VMIA is estimated to have achieved an average 5.6 per cent real return over this period, which is above the VMIA investment objective of CPI plus 4 per cent per annum over five years.

As with the other State insurers, the VMIA is required to use the services of the Victorian Funds Management Corporation (VFMC) to manage its investments. Under the centralised model, the VFMC is obliged to prepare and submit to the Department of Treasury and Finance an Investment Risk Management Plan (IRMP) detailing investment management activities for each client pertaining

⁵⁰⁰ Treasury Corporation of Victoria, *2007-08 Annual Report*, p.18

⁵⁰¹ Treasury Corporation of Victoria, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 12 January 2009

⁵⁰² Victorian Managed Insurance Authority, *2008 Annual Report*, p.8

to the objectives set by the clients. To mitigate investment markets risks, VFMC considers the following factors when it prepares an IRMP:

- avoiding concentrated exposures, which individually could not have a significant impact on investment returns when adversely affected by external shocks, and in combination result in common factor risks or result in strongly correlated losses in period of crisis.
- following a policy of diversification – both across asset classes and within any individual asset class.
- hedging to protect the value of assets and liabilities against any significant decline in investment markets.⁵⁰³

18.9.2 Timeliness of claims handling

(a) Question

In the response to the Financial and Performance Outcomes Questionnaire sent by the Committee in relation to 2006-07, VMIA had identified a number of measures, which were introduced in late 2006-07 designed to improve the claims handling efficiency and to promote the early and cost effective resolution of claims.⁵⁰⁴

Please outline the following:

- the overall effectiveness of the improvements noted during 2007-2008 in relation to the timeliness of claims handling, broken down by claims categories (e.g. catastrophic, adverse, moderate etc);
- the performance measures developed to measure this expected improvement and efficiencies; and
- whether the targets set for these performance measures were met during 2007-2008.

Response

Measures to improve claims handling efficiency focussed on introducing regular and thorough file claims management and file review processes to optimise the efficient assessment, review and resolution of claims. The following measures were introduced during 2007-08:

Public HealthCare Program (PHP)

Whilst the number of claims raised in the PHP portfolio remains high, the ongoing high level of claims closure activity on PHP claims (catastrophic and non-catastrophic) has resulted in an overall reduction of open claims by 24 per cent since December 2007. This improvement in claims management reflects the introduction of regular internal file reviews that commenced in December 2007.

⁵⁰³ Treasury Corporation of Victoria, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 12 January 2009

⁵⁰⁴ Victorian Managed Insurance Authority, response to the Committee's 2007-08 Financial and Performance Outcomes Questionnaire - Part Two, received 20 March 2009, pp.2-3

Claims settled have increased by 13 per cent since December 2007 and the average number of months between claim lodgement and settlement has reduced by 0.15 months. This now brings the average settlement time for a PHP claim to below 12 months and reflects improvements introduced during 2007-08; in particular case/legal panel reviews are operating more effectively to actively promote early resolution.

The average cost estimate on all claims files in the Medical Indemnity (MI) portfolio has increased (by 12.9 per cent) compared to December 2007, however this reflects the current reserving philosophy of ensuring that estimates are being set earlier and monitored.

General Government Program (GGP)

Claims raising activity in the GGP portfolio have reduced marginally (by 5 per cent) since December 2007. The ongoing high level of claims closure activity has resulted in an overall reduction of open claims by 11 per cent for the same period. This improvement reflects the introduction of regular internal file reviews that commenced in December 2007.

Actively promoting early settlement resolution has resulted in the overall number of settled claims increasing by 20 per cent compared to December 2007.

The measures introduced by VMIA to improve claims performance include implementing a rigorous internal process, a proactive external provider management program and improving the monitoring and reporting of claims by type. New claims lodged and claims settled are reported and compared on a monthly and quarterly basis to actuarial projections and past performance. Higher value claims and older long tail claims are monitored by senior management and the Board as per the delegation of authorities, to ensure the current processes are effective and efficient.⁵⁰⁵

18.9.3 Internal audit/risk management and compliance recommendations – Action taken

(a) Question

In relation to recommendations made by the internal audit/ risk management and compliance division during 2007-08, how many were accepted, accepted in part and rejected?

Response

An annual internal audit program comprising compliance and performance reviews was undertaken during 2007-08. There were a total of 24 internal audit findings with recommendations presented to VMIA's Audit and Risk Committee. All of the recommendations were accepted in full and have been or are in the process of being implemented.⁵⁰⁶

⁵⁰⁵ *ibid.*, pp.3-4

⁵⁰⁶ *ibid.*, p.4