
Annual Plan 2019–20

Performance audit work program 2019–2022



Central Agencies and Whole of Government



Education



Environment and Planning

2019–20	<p>Personnel security: Due diligence over public sector employees</p> <p>Sexual harassment in the Victorian public sector*</p> <p>Use of contractors and consultants in the Victorian public sector</p>	<p>Early years management in Victorian sessional kindergartens</p> <p>Management of the Student Resource Package</p> <p>Systems and support for principal performance</p>	<p>Managing native vegetation clearing*</p> <p>Reducing bushfire risks*</p> <p>Supporting communities through development and infrastructure contributions*</p>
2020–21	<p>Cyber resilience in the Victorian public sector</p> <p>Fraud control over grants in local government</p> <p>Service Victoria: Digital delivery of government services</p>	<p>ICT provisioning in schools</p> <p>Student attendance in Victorian government schools</p> <p>Supporting workers in transitioning industries</p>	<p>Conserving threatened species</p> <p>Implementing <i>Plan Melbourne 2017–50</i></p> <p>Meeting Victoria's renewable energy targets</p> <p>Water authorities' contributions to reducing greenhouse gas emissions</p>
2021–22	<p>Fraud and corruption control—Victorian Secretaries' Board initiatives</p> <p>Measuring and reporting on Victorian public sector performance</p> <p>Outcomes for Aboriginal Victorians: Community housing</p> <p>Revenue management</p>	<p>Delivery of the Victorian Certificate of Applied Learning</p> <p>Effectiveness of the Navigator program</p>	<p>Domestic building regulation and dispute resolution</p> <p>Electronic waste ban</p> <p>Supply and use of alternative urban water sources</p>

*Audit commenced

Note: 1-2 follow-up audits yet to be added to 2020-21 and 2021-22



Health and Human Services

Clinical governance

Efficiency and economy of Victoria's public hospitals

Managing Support and Safety Hubs

Victoria's homelessness response

Follow up of *Access to public dental services in Victoria**



Infrastructure and Transport

Accessibility of tram services

Freight outcomes from regional rail upgrades*

Safety on Victoria's roads—regional road barriers*



Justice and Community Safety

Managing and enforcing infringements

Ravenhall prison: Rehabilitating and reintegrating prisoners*

Follow up of *Regulating gambling and liquor**



Local Government and Economic Development

Council libraries*

Rehabilitating mines

Clinical trials in public hospitals

Health and wellbeing of the medical workforce

Supporting sexual and reproductive health

Managing railway assets across metropolitan Melbourne

Melbourne Metro Tunnel project—Phase 2: main works

Planning and management of metropolitan bus services

Administration of Victorian courts

Disability services in corrections

Reducing the harm caused by gambling

Council waste management services

Maintaining local roads

Aboriginal health outcomes

Effectiveness of the Enhanced Maternal and Child Health Program

Managing drug and alcohol rehabilitation services

Management of non-clinical services in health services

Integrated transport planning

Major infrastructure program delivery capability

Rolling stock fleet sustainability

Corrections data

Reducing the harm caused by alcohol and drugs on Victorian roads

Wellbeing in emergency services

Agricultural productivity and digital technologies

Developing Fishermans Bend

Parks and open space management

The Victorian Auditor-General's *Annual Plan 2019–20* was prepared pursuant to the requirements of section 7A of the *Audit Act 1994*, and tabled in the Victorian Parliament on 27 June 2019.

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Annual Plan 2019–20



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Acronyms and Abbreviations

AHV	Aboriginal Housing Victoria
CSV	Court Services Victoria
CV	Corrections Victoria
DELWP	Department of Environment, Land, Water and Planning
DET	Department of Education and Training
DHHS	Department of Health and Human Services
DJCS	Department of Justice and Community Safety
DJPR	Department of Jobs, Precincts and Regions
DoT	Department of Transport
DPC	Department of Premier and Cabinet
DSAPT	<i>Disability Standards for Accessible Public Transport (2002)</i>
DTF	Department of Treasury and Finance
EMCH	Enhanced Maternal and Child Health
EYM	Early Years Management
IBAC	Independent Broad-based Anti-corruption Commission
ICT	information and communications technology
MTM	Metro Trains Melbourne
PAEC	Public Accounts and Estimates Committee
PPP	public private partnership
PTV	Public Transport Victoria
SRO	State Revenue Office
SRP	Student Resource Package
VAGO	Victorian Auditor-General's Office
VCAL	Victorian Certificate of Applied Learning
VicTrack	Victorian Rail Track
VRGF	Victorian Responsible Gambling Foundation



About our annual plan

The role of the Auditor-General is to provide independent assurance to the Parliament of Victoria and the Victorian community on the financial integrity and performance of the state.

Under the *Audit Act 1994*, we must prepare and table an annual plan before 30 June each year that details our proposed work program for the coming financial year.

To provide assurance, the Victorian Auditor-General's Office conducts performance audits and financial audits of public sector agencies and reports the results of these audits to Parliament. Our audits help Parliament hold government to account and help the public sector improve its performance.

Performance audits assess whether government agencies, programs and services are meeting their objectives effectively, using resources economically and efficiently, and complying with legislation. They provide assurance about activities that are performed well or represent better practice and identify opportunities for further improvement.

A financial audit is an audit of the financial statements of an agency. It provides assurance that the financial statements present fairly the financial position, cashflows and results of operations for the year.

Performance audits and financial audits integrate with and support each other. Our financial audits are our early warning systems. Intelligence obtained from our regular annual contact with agencies feeds into our performance audit program. In turn, our public reporting on the results of financial audits responds to and is shaped by our annual planning efforts.

The budgeted cost of delivering our proposed program is in Appendix A.

Performance audits

From the *Annual Plan 2017–18* onwards, we have adopted a rolling three-year planning cycle for our performance audit work program. This forecast horizon provides Parliament, the public sector and the Victorian community with foresight of our short to medium-term goals and priorities. It also provides us with opportunities to undertake early engagement with our stakeholders and allows audited agencies to make necessary preparations for scheduled audits well in advance.

Our annual planning process has three substantive components:

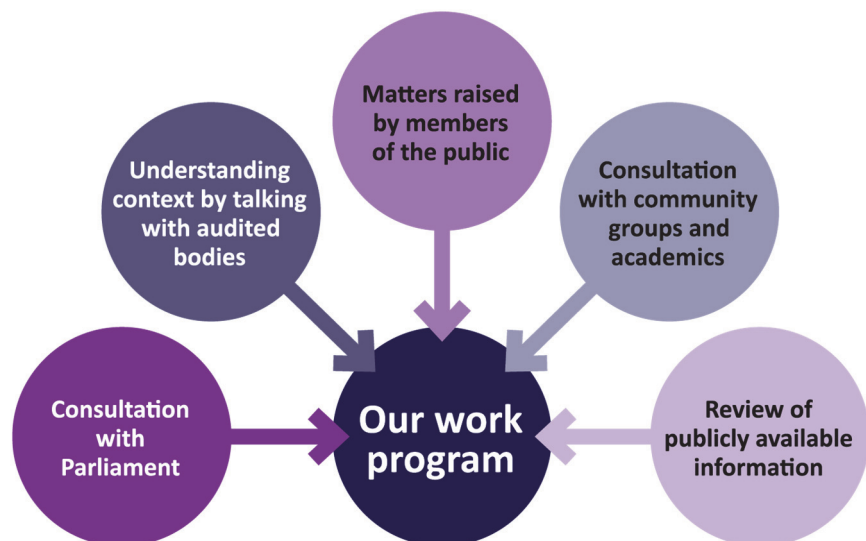
- understanding the environmental context
- deciding potential areas for audit focus
- communicating these plans to relevant stakeholders and incorporating their feedback where appropriate.

Understanding the environmental context

We consult with stakeholders and review publicly available information to inform our understanding of public sector programs and initiatives. Our understanding of the environment helps us generate potential areas of audit interest.

Our consultations include Parliamentarians, citizens and community groups, government agencies, and other key stakeholders. Their input helps us to understand the context of information we have gathered and assists in generating ideas for audit topics.

Our review of information can include research, statistical data, reports by other external sources and information we have previously gathered in the course of conducting our audits. We focus on risks, challenges and emerging issues which may influence the achievement of objectives.



Deciding which areas to audit

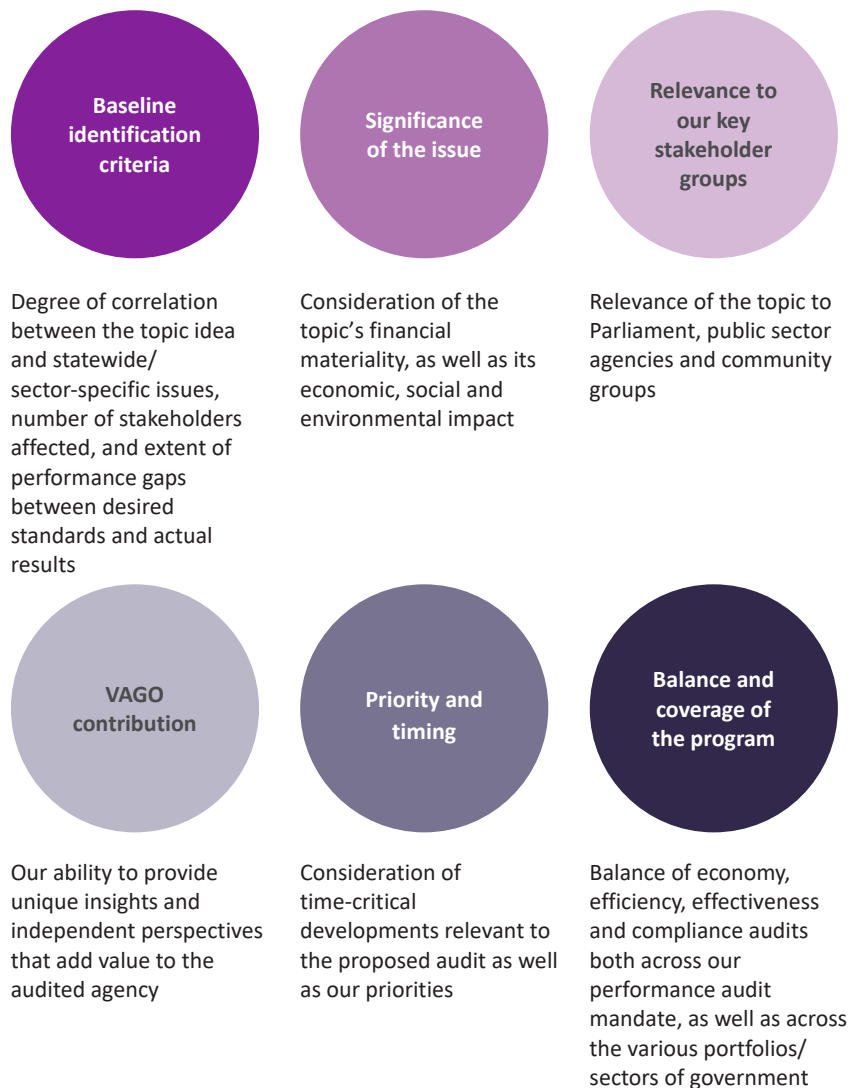
When we decide which areas to audit, we anticipate and respond to current and emerging risks and challenges in the Victorian public sector. We use a multi-faceted approach to identify, assess and prioritise potential topic areas. Our planning process informs the development of a work program that balances predictability and responsiveness.

Our forward program also complements our strategic plan and objectives. It is important that we increase our relevance, by delivering credible and authoritative reports and advice about things that matter and will make a difference.

We will continue to focus in 2019–20 on maintaining a balanced audit program that covers our mandate—a mix of audits that examine whether public sector objectives are being achieved effectively, economically and efficiently, and in compliance with relevant legislation.

Assessment steps

Once the environmental scan is complete, we assess potential audit topics against the following criteria:



Consulting on our work program

Once we have considered, assessed and moderated each topic based on its merits, we consult with the Public Accounts and Estimates Committee (PAEC), and with departments and other agencies proposed for inclusion in audits. Our consultation is thorough and transparent, and provides the opportunity for considered feedback throughout the planning process.

We thoroughly analyse all the feedback we receive to refine the focus of our audits, check factual accuracy, identify issues with proposed audit timing and to better understand the impact of current or proposed public sector reforms on audit topics. We acquit the written feedback we receive, explaining where we have made amendments based on provided information and why.

Follow-up audits

Our performance audit work program also includes a commitment to undertake follow-up audits. Our follow-up audits aim to monitor agency progress in implementing actions from previous audits, and also verify that actions taken by agencies have been effective in addressing our recommendations.

To contribute to our selection of audits to follow-up, we undertake a comprehensive annual Follow-up Survey. The survey requires agencies to self-attest to the actions they have taken on recommendations over a three-year period. Their responses are assessed by VAGO staff against criteria related to the adequacy, progress and timeliness of their actions. Our 2018–19 survey included all performance audits tabled in 2016–17 and those recommendations yet to be implemented from audits tabled in 2014–15 and 2015–16.

The issues identified in the initial audit, the risk and materiality of the subject matter, and feedback received through our ongoing engagement with key stakeholders also inform the follow-up audit topics we select.

Finalising our work program

The table inside the front cover sets out the performance audits we intend to undertake over the next three years. This forecast provides us with more opportunities for early engagement with our stakeholders and allows audited agencies to prepare for scheduled audits well in advance.

Performance audits are conducted in accordance with relevant standards issued by the Australian Auditing and Assurance Standards Board. These standards cover planning, conduct, evidence, communication, reporting and other elements of performance audits. Additional information about how we deliver our performance audits can be found in Appendix B.

Financial audits

Our financial audit program delivers a range of assurance services for public sector agencies. This includes:

- audit opinions on financial reports and performance statements of public sector agencies
- an opinion on the *Annual Financial Report of the State of Victoria*

- a review report on the estimated financial statements of the state of Victoria
- three reports to Parliament on the results of audits
- a report to Parliament on the outcome and findings of our audit of the *Annual Financial Report of the State of Victoria*.

Public Accounts and Estimates Committee

The *Audit Act 1994* requires that we seek comments on our draft annual plan from PAEC and include any suggested changes not adopted. We value PAEC's input and seek its suggestions on potential areas of public sector service delivery that may benefit from audit scrutiny.

PAEC suggested four topics for new performance audits including:

- violence in Victorian prisons
- passenger rail punctuality
- Parks Victoria
- efficiency and effectiveness in Victorian Government tax collection.

The Auditor-General has included a performance audit of the State Revenue Office in this Annual Plan in response to PAEC's suggested efficiency and effectiveness in Victorian Government tax collection topic. The Auditor-General has determined not to include the 'violence in Victorian prisons', 'passenger rail punctuality' and 'Parks Victoria' topics in this Annual Plan.

PAEC recommended we reinstate the Information sharing to address family violence audit that was included in our 2018-19 Annual Plan.

The Auditor-General has determined not to reinstate the Information sharing to address family violence audit at this time. We will continue to monitor risk in relation to the family violence information sharing scheme through our planned 2019–20 audit Managing Safety and Support Hubs audit and the legislated independent review of the Family Violence Information Sharing Scheme by Monash University.

Amendments to the Audit Act 1994

The Audit Amendment Bill 2018 was passed in Parliament on 28 May 2019 and will commence on 1 July 2019.

The Bill was designed to restructure and modernise the current *Audit Act 1994* to make it more accessible, effective and efficient.

The Bill modernises our information gathering and disclosure powers and clarifies our existing reporting obligations and powers. The Bill also gives the Auditor-General new powers to conduct assurance reviews and to report to Parliament on these reviews.

Assurance reviews are more targeted, time sensitive and smaller-scale compared to financial or performance audits. They are cost-effective and enable the Auditor-General to respond quickly and effectively to discrete and lower-risk issues brought to the Auditor-General's attention by other integrity offices, members of Parliament, or the community.

The Auditor-General has the discretion to determine when an assurance review is appropriate. They are intended to enable us to, for example, review specific operational matters, follow up on compliance with previous audit recommendations or referrals from other integrity bodies.

Assurance reviews are provided for under Australian Auditing and Assurance Standards and are available in all Australian jurisdictions, except for Queensland and South Australia.



Performance audit work program

This section sets out our proposed performance audit program for the next three years. In 2019–20, we plan to deliver 20 performance audits and two follow-up audits.

For each audit listed, we outline the audit specification, which includes our proposed objective for the audit, the issues we intend to examine, and the proposed agencies we expect to include.



**Central Agencies
and Whole of
Government**



Education



**Environment and
Planning**



**Health and
Human Services**



**Infrastructure and
Transport**



**Justice and
Community Safety**



**Local
Government and
Economic
Development**



Central Agencies and Whole of Government

Personnel security: Due diligence over public sector employees

2019–20

Objective To determine whether fraud and corruption controls regarding personnel security are well-designed and operating as intended.

Issues The Victorian community invests considerable trust in the public sector. Victorians expect public sector employees to act in the public interest, and with integrity. A key area of risk for fraud and corruption is in recruitment and staff promotion—studies estimate that between 20 and 30 per cent of job applications contain some form of false information.

In 2018, the Independent Broad-based Anti-corruption Commission (IBAC) released a report—Corruption and misconduct risks associated with employment practices in the Victorian public sector. IBAC’s report highlights the risk of ‘recycling’ public sector employees with problematic discipline or criminal histories. Our 2018 *Fraud and Corruption Control* audit identified issues such as failure to complete and document references, police and qualification checks, or to respond appropriately when checks identified anomalies.

This audit will examine human resource practices that focus on integrity and identity checks, including sound recruitment practices such as declaring conflicts of interests when forming a recruitment panel. The audit will consider reference, qualification and police record checks practices.

The audit will also consider agency practices to confirm eligibility for employment, including testing whether applicants have accepted targeted separation packages and have valid Working with Children Checks where relevant.

Proposed agencies A selection of government agencies.

Sexual harassment in the Victorian public sector

2019–20

Objective To assess whether the Victorian public sector is providing work places that are free from sexual harassment.

Issues A 2018 survey by the Australian Human Rights Commission found that one in three people over the age of 15 had been sexually harassed at work in the past five years, an increase from one in five in 2012.

Media and public attention on sexual harassment has also increased following the #MeToo movement.

Various reports and publications demonstrate that sexual harassment at work can have wide-ranging impacts, such as psychological harm, social isolation, health issues and economic loss.

Sexual harassment is unlawful and may also constitute a criminal offence in some instances. The public sector has a duty under Victoria's *Equal Opportunity Act 2010* to take proactive, reasonable and proportionate measures to eliminate sexual harassment. The measures are supported by core values in the *Public Administration Act 2004*.

In the public sector, some workplaces may have increased risk of sexual harassment because of cultural or historical gender balances. Reporting and recording of sexual harassment complaints can be complicated, as the behaviour is often accompanied by other forms of victimisation. Addressing sexual harassment may involve multiple agencies depending on how the victim describes the event, which agency receives the complaint, and what legislation is then applied. Since 2016, the Victorian Public Sector Commission's People Matter Survey has included questions about sexual harassment to help improve monitoring and understanding of patterns of harassment in the public sector.

This audit will use data to investigate the prevalence of sexual harassment in the Victorian public sector and assess the effectiveness of agencies' actions to address it.

Proposed agencies DPC, DTF, DHHS, DELWP, DoT, DJPR, DET, DJCS, Victorian Equal Opportunity and Human Rights Commission, Victorian Public Sector Commission and WorkSafe Victoria.

Use of contractors and consultants in the Victorian public sector

2019–20

Objective To determine whether Victorian state government agencies are achieving value for money in their use of contractors and consultants and preventing deskilling of public sector staff.

Issues Government agencies use consultants and contractors for a range of purposes, and the decision to procure such services is often driven by a need for specialist or technical skills, an external viewpoint, or to supplement internal resources. However, underlying systemic issues can lead the public service to place undue reliance on consultants and contractors, reducing the capability of their staff. Such issues include poor staff recruitment and development, a lack of planning leading to a reactive and short-term resourcing focus, a culture of risk aversion, and ineffective knowledge management. In addition, government agencies also need to demonstrate that they are achieving value-for-money outcomes when using consultants and contractors.

This audit will assess the prevalence of contractor and consultant use in the public service and whether departments are investing enough in their core capabilities to develop a capable, self-reliant public sector.

Proposed agencies DPC, DTF, DHHS, DELWP, DoT, DJPR, DET and DJCS.

Cyber resilience in the Victorian public sector

2020–21

Objective To determine whether departments and agencies can prevent, respond to, and recover from cybersecurity attacks.

Issues The Victorian Government released its cybersecurity strategy in 2017. The strategy's purpose is to develop and implement cybersecurity capabilities to protect sensitive data, ensure government resilience to cyber threats, ensure continuity of service, and coordinate Victoria's response to threats against infrastructure. In addition, the *Victorian Protective Data Security Framework* (VPDSF) and *Victorian Protective Data Security Standards* (VPDSS) provide direction for Victorian public sector agencies on their data security obligations.

Our previous audits found that agencies' inadequate information and communications technology (ICT) security controls and immature operational processes may expose them to cyberattacks. We found undeveloped disaster recovery procedures and little awareness of how agencies' ICT systems would perform if subject to a cyberattack. Further, agencies needed to significantly improve their adherence to the Australian Signals Directorate's Top 4 strategies to mitigate cyber intrusion.

This audit will assess whether the government's cybersecurity strategy and its implementation of the VPDSF and VPDSS have effectively improved government's cyber resilience.

Proposed agencies DoT, DJPR, DELWP, DET, DHHS, DJCS, DPC, DTF, the Office of the Victorian Information Commissioner, and CenITex.

Fraud control over grants in local government

2020–21

Objective To determine whether fraud and corruption controls over grants in local government are well designed and operating as intended.

Issues The local government sector is primarily funded through rates and charges, and government grants to deliver services. In the 2016–17 financial year, Victorian councils recorded revenue of \$10.5 billion, \$1.9 billion of which was from government grants.

In 2017, the Local Government Inspectorate (LGI) released its investigation report *Protecting integrity: Central Goldfields Shire Council*. The LGI's investigation found that significant grant funding had been mismanaged by the council and could not be accounted for. It found that the same invoices were submitted to acquire two separate grants.

Following the LGI's investigation, the government strengthened the role of council Audit and Risk Committees and proposed legislation requiring that these committees 'monitor and provide advice on risk management and fraud prevention systems and controls'.

This audit will focus on risks associated with grant funding in the local government sector, including grants allocated by Local Government Victoria and by councils.

Proposed agencies DELWP and a selection of local government councils.

Service Victoria: Digital delivery of government services

2020–21

Objective To determine whether digital delivery of government services has improved customer experiences and reduced transaction costs.

Issues The government has made commitments to develop better digital channels and mobile services for service delivery. In May 2015, DPC launched Service Victoria with the aim of enhancing government online service delivery and improving customer experience.

With hundreds of phone hotlines and over 500 different websites, accessing Victorian Government services and information can be difficult as well as costly to government and individuals. According to government estimates, the disparate systems for Victorians to contact government entities costs around \$461 million and this figure could rise to \$713 million by 2026 without changes to service delivery approach.

Significant delays and cost overruns in delivering government ICT projects in the past raise questions regarding the timely delivery of services by Service Victoria and realisation of reduced transaction costs. In addition, citizens require confidence that governments will protect their privacy when they transact digitally.

The audit will assess if Service Victoria is meeting its mandate to overcome current challenges in government digital delivery.

Proposed agencies Service Victoria and DPC.

Fraud and corruption control—Victorian Secretaries' Board initiatives

2021–22

Objective To determine whether fraud and corruption controls initiated by the Victorian Secretaries' Board are well designed and operating as intended.

Issues In 2015–16, IBAC investigated a number of allegations of corruption in DET. In response to IBAC's findings, the Victorian Secretaries' Board established a Corruption Prevention and Integrity Subcommittee, which developed an action plan to strengthen integrity frameworks.

The Victorian Secretaries' Board worked with the Victorian Public Sector Commission on initiatives to strengthen processes in relation to conflicts of interest, gifts, benefits and hospitality, code of conduct, tendering and procurement, integrity structure, and governance and ethical leadership. Base-level policy and practice requirements were agreed on and adopted by the Secretaries.

This audit will focus on the implementation of initiatives from the Victorian Secretaries' Board to improve integrity in the Victorian public sector following IBAC investigations and will test the effectiveness of these controls.

Proposed agencies DET, DELWP, DHHS, DJPR, DJCS, DoT, DPC and DTF.

Measuring and reporting on Victorian public sector performance

2021–22

Objective To determine whether Victorian Public Sector Budget Paper 3 performance measurement provides a relevant, appropriate and fair representation of actual performance.

Issues VAGO audits in 2001, 2003, 2007, 2010 and 2014 have repeatedly found significant weaknesses in the way departments measure and report on performance. The Public Accounts and Estimates Committee's (PAEC) *Report on the 2018–19 Budget Estimates* also found significant shortcomings in performance measurement and reporting systems by departments.

Key issues include, but are not limited to, poor or absent links between objectives and output and/or outcome measures, lack of meaningful analysis of results, targets that are either unchallenging or can induce perverse incentives, and important service areas without performance measurement. These limitations prevent Parliament and the public from properly understanding whether government agencies are effectively delivering their services and intended outcomes.

This audit will assist in enhancing measurement and reporting of Victorian public service performance by continuing to shine a light on current practice in departments.

Proposed agencies DoT, DJPR, DELWP, DET, DHHS, DJCS, DPC and DTF.

Outcomes for Aboriginal Victorians: Community housing

2021–22

Objective To assess whether the transfer of public housing assets to Aboriginal Housing Victoria (AHV) is supporting improved housing access, stability and uptake of support services for Aboriginal Victorians.

Issues The Aboriginal population experiences poorer outcomes than the general population on multiple indicators. Aboriginal Victorians are 8.5 times more likely to be the subject of a child protection assessment and are incarcerated at 11 times the rate of non-Aboriginal people. In 2016, 14 per cent of Aboriginal Victorians were unemployed compared with 7 per cent of non-Aboriginal Victorians. Research indicates that for Aboriginal people, access to stable housing can be a significant factor in achieving positive health, wellbeing and employment outcomes.

In 2016, the government transferred ownership of 1 448 public housing assets to AHV, valued at approximately \$500 million. Transferring ownership of these properties is a key part of the government's commitment to self-determination for Aboriginal Victorians. It empowers AHV to plan for, maintain and develop a property portfolio that is financially sustainable and improves stability of housing for Aboriginal Victorians. This stability should improve referrals to support services and ultimately help to improve the health, wellbeing and employment opportunities of residents.

This audit will assess the extent to which the policy intent and transfer of ownership of assets to AHV, and the support provided to AHV post the transfer, has improved housing stability and referrals to relevant support services for Aboriginal Victorians, and contributed to positive outcomes.

Proposed agencies DHHS, AHV, DPC and DTF.

Revenue management

2021–22

Objective To determine whether the State Revenue Office is delivering efficient and effective revenue management services.

Issues The State Revenue Office (SRO) is the Victorian Government’s major revenue management agency and is responsible for administering a range of state taxes, duties, grants and levies, collecting more than \$18.5 billion in revenue in 2017–18. The revenue collected by SRO is used to fund government spending on hospitals, schools, transport and other infrastructure.

Fundamental to the equitable administration of SRO’s function is the need to ensure that taxpayers pay the correct amount of tax when it is due, and that those receiving a grant or rebate are entitled to do so.

The current economic environment, including the softening housing market and tighter credit standards, will have a significant impact on the state’s revenue and highlights the importance of SRO’s role to protect government revenue.

This audit will determine whether SRO is efficiently and effectively managing the state’s revenue collection. It will focus on how SRO manages revenue collection, including its debt and compliance strategies, key information systems and recent digitalisation initiatives.

Proposed agencies SRO and DTF.



Education

Early years management in Victorian sessional kindergartens

2019–20

Objective To determine whether the Department of Education and Training (DET) has supported organisations managing sessional kindergartens to meet the outcomes of the *Early Years Management Policy Framework*.

Issues Kindergarten is a one to two-year program to help three and four-year-old students develop social, emotional, cognitive and physical skills. Kindergarten is not compulsory in Victoria, however, in 2018 over 93 per cent of children attended a four-year-old program, the year prior to starting school.

Kindergarten programs are provided either as part of a long day care arrangement or as sessional programs—limited only to the kindergarten program hours. Sessional kindergarten can also provide ‘wrap-around’ care that extends beyond the funded, teacher-delivered kindergarten program.

In 2017, 68 per cent of four-year-old kindergarten students attended a sessional program. These have traditionally been managed by volunteer parents on Committees of Management and local governments. However, Committees of Management have increasingly transferred their responsibilities to independent, not-for-profit early years management (EYM) organisations due to the time commitments and expertise required of the role. In addition to sessional kindergarten programs, EYM organisations may also provide other services such as long day care, occasional care, and playgroups.

DET’s role includes regulating early education and care services in Victoria through issuing approvals for providers and their services. DET is also responsible for monitoring and enforcing compliance with their requirements. It also provides funding to EYM organisations, in addition to funding provided for the delivery of kindergarten services. Local governments are responsible for planning for early years services, and many provide infrastructure. Local governments can also take on the role of an EYM organisation.

In 2016, DET released its *Early Years Management Policy Framework* to provide for a more integrated and sustainable early childhood education and care system. The *Early Years Management Policy Framework* defines five outcomes. This replaced DET’s 2009 Kindergarten Cluster Management Policy Framework.

This audit will assess whether DET supports organisations involved in EYM partnerships to meet the EYM policy framework outcomes.

Proposed agencies DET, Glen Eira City Council, Early Childhood Management Services Inc, Glen Eira Kindergarten Association, Greater Shepparton City Council, Goulburn Region Pre-School Association Inc, City of Whittlesea, TRY Australia Children’s Services, Goodstart Early Learning Ltd.

Management of the Student Resource Package

2019–20

Objective To determine whether government schools are allocated funding through the Student Resource Package fairly, consistently and transparently to support intended school outcomes.

Issues In Victoria, government schools must deliver free instruction in the standard curriculum program to all students under the age of 20 years. DET distributes Victorian Government funding to each school through its Student Resource Package (SRP).

The SRP was introduced in 2005 to bring about improvements in learning outcomes for students. Its objectives include to provide a fair, transparent funding model that provides greater funding certainty to schools. Funds are allocated based on factors specific to individual schools including for teaching and learning, school infrastructure and programs, and targeted initiatives.

DET centrally manages approximately 90 per cent of the SRP allocated for staff wages through its eduPay system. DET provides the remaining 10 per cent directly to schools to be transferred to the school's official bank account for use by the school council.

This audit will assess DET's process for allocating the SRP funds and whether schools understand their SRP funding allocations and are using the funds for their intended purpose.

Proposed agencies DET and a selection of schools.

Systems and support for principal performance

2019–20

Objective To determine whether DET supports and manages principals' development and performance to optimise student outcomes.

Issues School principals are pivotal to ensuring that students have positive learning experiences. Each principal is responsible for encouraging and supporting their teachers to deliver high-quality education for all students. Principals strategically manage their school's day-to-day operations, including staff, finances, and assets, and ensure compliance with legislation, government policies and DET requirements. Principals are also members of their school council and provide further support in their role as executive officer.

DET supports the Minister for Education to run government schools. DET employs principals for up to five years and oversees their performance and development. It is critical that DET supports principals to effectively discharge their duties because principals' management practices can influence school learning programs and the learning environment. This audit will assess how DET supports its principals to meet their obligations.

This audit will examine the assistance provided by DET's regional offices, as well as its training, guidance, templates, and tools. It will also assess DET's principal performance reviews, including its strategies for holding principals accountable for their actions and decisions.

Proposed agencies DET.

ICT provisioning in schools

2020–21

Objective To determine whether DET and government schools are equipped with the ICT infrastructure and resources necessary for effective ICT-facilitated teaching and learning.

Issues ICT is an effective tool to support student learning in all curriculum areas. In addition, it is important that students have general ICT capabilities that allow them to use digital tools to enquire, create solutions, and collaborate in response to tasks or new challenges. The integration of ICT in the curriculum and students' ICT capabilities depends on each school's level of access to ICT infrastructure and resources. The provision of core ICT infrastructure is therefore a necessary condition for ICT-enabled learning.

DET shares responsibility with its government schools for ensuring they are appropriately equipped to implement ICT-facilitated teaching and learning. DET provides its government schools with access to core ICT infrastructure and resources, such as networks, email, school administration software, teaching and learning software and technical support. Schools are also responsible for strategic planning and budgeting for ICT products and services needed for the delivery of their teaching and learning programs and school administration. As such, DET provides a range of school policies and guidance to support schools' ICT resource planning and budget forecasting.

This audit will assess whether schools have adequate ICT infrastructure and resources to support teaching and learning, and whether DET monitors and responds to schools' ICT needs.

Proposed agencies DET and a selection of schools.

Student attendance in Victorian government schools

2020–21

Objective To determine whether DET and government schools understand student attendance and effectively use this information to drive improvements.

Issues Consistent student attendance at school is important for academic performance and success. Absenteeism is often the greatest single cause of poor achievement, which is linked to unemployment, homelessness, poor health outcomes, and poverty. In Victoria, attendance at school is compulsory for all children aged six to 17 years.

All Victorian schools must comply with the minimum standards and other requirements for school registration—including the need to monitor and maintain a register of student attendance. In January 2018, the Minister for Education issued guidelines for all Victorian schools to help them meet their legislated responsibilities to manage student attendance. DET collects and monitors student attendance data for all government schools. It also sets policy requirements for government schools to support student attendance through whole-of-school plans, targeted responses, and effective intervention strategies.

This audit will examine whether the systems and supports that oversee and manage student attendance provide appropriate assurance that schools accurately record, monitor and promote student attendance and follow up on unexplained absences. It will also examine how DET and government schools use this information to address underlying issues and improve student attendance.

Proposed agencies DET and a selection of schools.

Supporting workers in transitioning industries

2020–21

Objective To determine whether Victoria's education and training programs are successfully supporting workers in declining industries to transition to new employment.

Issues Globalisation, automation, disruptive technologies, and increased demand for service and knowledge-oriented industries have collectively shifted Victoria's industrial landscape.

Industries like end-to-end manufacturing—once considered the 'backbone' of Victoria's economy—have declined in size and relevance, and the prevalence of short-term contracts have supplanted the idea of a 'job for life.' To maintain employability in this climate, individuals must continuously upgrade and expand their skillset. As a result, education and training is now considered a 'career constant' as opposed to a practice that is completed prior to entering the workforce.

Revitalising the vocational education and training sector to better support transitioning industries has been a major focus of the Victorian Government since 2014. A suite of initiatives, as well as the establishment of the Victorian Skills Commissioner, have been implemented to support the Victorian Government's objective to ensure that the vocational education and training sector system is well-resourced and able to respond to the changing needs of industry and workers.

In addition to these broader reforms, a range of specific initiatives have been implemented to support workers impacted by industrial changes, such as the establishment of Skills and Job Centres and the Jobs Victoria Employment Network. This audit will assess the effectiveness of DET's and the Victorian Skills Commissioner's activities and specific initiatives to support workers impacted by industrial changes.

Proposed agencies DET, Department of Jobs, Precincts and Regions (DJPR) and the Victorian Skills Commissioner.

Delivery of the Victorian Certificate of Applied Learning

2021–22

Objective To determine whether the Victorian Certificate of Applied Learning (VCAL) delivery and oversight is supporting students to meet their further education and/or employment objectives.

Issues Victorian students in Year 11 and 12 can choose from two certificates to complete their secondary education—the Victorian Certificate of Education and the VCAL. Unlike the Victorian Certificate of Education—which is widely used as a pathway to university—the VCAL offers hands-on or ‘applied’ learning that aims to give students practical work experience and skills, as well as literacy and numeracy skills. The VCAL is suited to students who are interested in completing further training at a technical and further education institute, an apprenticeship, or securing a job after completing Year 12.

There are three types of VCAL delivery in the government school sector:

- The secondary school delivers VCAL subjects directly to students onsite.
- Community VCAL, where students are enrolled at a host school but external providers—known as Non-School Senior Secondary Providers, which are authorised VCAL providers in their own right—are contracted by the school to deliver the program offsite.
- Satellite VCAL, where a school delivers the program offsite. These programs are not outsourced to external providers.

The Victorian Curriculum and Assessment Authority, DET, and the Victorian Registration and Qualifications Authority each play a role in ensuring that VCAL provides accessible and engaging learning pathways leading to further training or employment.

The audit will examine whether the performance of VCAL providers is being monitored and managed effectively.

Proposed agencies DET, Victorian Registration Qualifications Authority, Victorian Curriculum and Assessment Authority and a selection of VCAL providers.

Effectiveness of the Navigator program

2021–22

Objective To determine the extent to which the Navigator program is effectively re-engaging students in education.

Issues Academic attainment and school completion is strongly correlated with student engagement, which has three key dimensions:

- behavioural engagement—the extent to which students participate in academic, social, and extracurricular activities at school
- emotional engagement—the sense of belonging that students derive from their peers, teachers, and the broader school environment
- cognitive engagement—the extent that students value their education and persist at learning.

According to the 2012 Program for Student Assessment results, Australian students from high socio-economic backgrounds have greater average levels of engagement than those from lower socio-economic backgrounds. Targeted assistance may break pervasive cycles of disadvantage, as early school leavers generally have fewer employment opportunities and poorer health outcomes.

In July 2016, DET commenced the Navigator pilot program to assist disengaged young people to reconnect with education. The program funds community service organisations to deliver case management and outreach services to young people at risk of disengaging from school.

In 2018–19, the Victorian Government committed \$43.8 million over four years to expand the program across the state.

This audit will assess various facets of the program, including its evidence base, funding model, monitoring and governance arrangements, and early outcomes.

Proposed agencies DET, and a selection of participating schools and community service providers.



Environment and Planning

Managing native vegetation clearing

2019–20

Objective To determine whether management of native vegetation clearing is protecting native vegetation.

Issues Victoria is the most cleared Australian state. Around 46 per cent of original native vegetation coverage has been retained on public land, while on private land 21 per cent remains.

The Victorian Government's native vegetation management programs aim to conserve plant species indigenous to Victoria—including trees, shrubs, herbs and grasses, which provide various ecological services including stable animal habitats, preventing land degradation and maintaining the land's productive capacity.

The removal of native vegetation in Victoria is regulated through the Victorian planning provisions of the *Planning and Environment Act 1987*. This framework is referred to as the native vegetation regulations and was reformed in December 2017.

Victoria's new biodiversity strategy *Protecting Victoria's Environment – Biodiversity 2037*, which was released in 2017, sets an objective of ensuring a net gain in habitat extent and condition by 2037.

There has been a decline in the quality and extent of native vegetation due to the removal of vegetation on private land and felling of old growth trees as part of planned burning and vegetation removal that is exempt from normal planning controls, such as for some road and mining activities.

The audit will examine whether responsible agencies are appropriately applying the native vegetation regulations following recent changes, as well as how effectively Victoria is managing the clearing that occurs outside of these regulations.

Proposed agencies Department of Environment, Land, Water and Planning (DELWP), Parks Victoria, VicRoads, Colac-Otway Shire and West Wimmera Shire Council.

Reducing bushfire risks

2019–20

Objective To assess whether responsible agencies are effectively working together to reduce Victoria's bushfire risk.

Issues Victoria is one of the most bushfire prone areas in the world. The increasing severity of weather conditions in Australia and across the world may lead to even greater bushfire risk in the future.

While it is not possible to eliminate the threat of bushfires, the Victorian Government plays a key role in reducing the risk of bushfires and their impact on people, property and the environment.

In 2013, the Bushfires Royal Commission Implementation Monitor concluded that the previous planned burning target of five per cent of public land to reduce bushfire risk was not achievable, affordable or sustainable. The Inspector General of Emergency Management agreed and recommended that the government replace the hectare-based target with a risk reduction target that measures the impact of fuel management activities on the overall risk of bushfires.

Fuel management is the main method of managing bushfire risk, as reducing the leaves, bark, twigs and shrubs that fuel bushfires can reduce their intensity and make them easier for firefighters to control. Fuel management includes planned burning, that is, lighting and managing fires in the landscape at times of the year when bushfire risk is lower. Other fuel management treatments include mowing, mulching and applying herbicides.

In 2015, the Victorian government accepted the Inspector General of Emergency Management's recommendation. From 1 July 2016, a statewide target to maintain bushfire risk at or below 70 per cent of Victoria's maximum bushfire risk was implemented. DELWP's 2017–18 *Fuel Management Report* estimates the state's bushfire risk at 66 per cent.

This audit will examine whether responsible agencies are effectively and efficiently reducing the state's bushfire risks.

Proposed agencies DELWP, Parks Victoria, Country Fire Authority, Department of Justice and Community Safety (DJCS) (Emergency Management Victoria), Energy Safe Victoria, Murrindindi Shire Council, City of Whittlesea and East Gippsland Shire Council.

Supporting communities through development and infrastructure contributions

2019–20

Objective To determine whether development and infrastructure contributions provide required infrastructure to new and growing communities as intended.

Issues Between 2015 and 2031, the population of Victoria is projected to grow by 1.8 million to reach 7.7 million. Accommodating population growth requires significant planning and development, and the creation of essential infrastructure to support the health, wellbeing, and social and economic participation of growing communities.

The Victorian Government and councils currently operate multiple developer contribution schemes that help to fund essential works and services such as roads, parks, local sports grounds and community facilities. The Infrastructure Contributions Plans system, introduced in 2016, applies to greenfield growth areas and strategic developments within existing urban areas. The Growth Areas Infrastructure Contribution scheme operates in newly developing areas. Councils can also require a contribution through section 173 of the *Planning and Environment Act 1987*.

This audit will examine whether the development and infrastructure contribution schemes effectively support the creation of essential infrastructure for new and growing communities.

Proposed agencies DELWP, Department of Jobs, Precincts and Regions (DJPR), Victorian Planning Authority, State Revenue Office, Melton City Council, Cardinia Shire Council, Golden Plains Shire and Whitehorse City Council.

Conserving threatened species

2020–21

Objective To determine whether threatened species are being conserved.

Issues Victoria's native plants and animals contribute major economic benefits to the state as well as holding intrinsically high environmental value.

The historic clearing of native vegetation in much of Victoria has resulted in the widespread loss of habitat and the decline of many species. Victoria is the most cleared state in Australia, with nearly two-thirds of the state's landscape now modified for agriculture and urban development. This loss of habitat, combined with ongoing pressures such as further clearing, habitat fragmentation, changed river flows, inappropriate land use, and invasive species and diseases, has put enormous stress on our native species.

Victoria's most recent *State of the Environment* report in 2013 identified that only 11 of 294 threatened species showed signs of recovery. There are many signs that the state's threatened species continue to decline and some formerly common species are also threatened.

The *Flora and Fauna Guarantee Act 1988* is the primary piece of Victorian legislation for conserving threatened species and ecological communities and managing the processes that threaten the state's native flora and fauna.

Our 2009 audit *Administration of the Flora and Fauna Guarantee Act 1988* identified that the main threatened species management tools were either not working or were not being used. A review of the Act is currently being finalised.

This audit will examine whether DELWP is appropriately managing and applying the available laws and tools cost effectively to prevent further declines in threatened species.

Proposed agencies DELWP and Parks Victoria.

Implementing *Plan Melbourne 2017–50*

2020–21

Objective To determine whether actions to implement *Plan Melbourne 2017–50* are sustained and coordinated at a statewide, regional and local level.

Issues Melbourne is the fastest growing city in Australia. The city's population is projected to grow from 4.6 million to almost 8 million—with Victoria's total population set to top 10 million—by 2051. Population growth, increased congestion, a changing climate, and increased globalisation are already testing the resilience of Melbourne's built and natural environment.

Plan Melbourne 2017–50 is the government's overarching policy for responding to this challenge. The plan is accompanied by a separate *Five-Year Implementation Plan*. The implementation plan outlines the necessary actions to realise *Plan Melbourne 2017–50's* outcomes and allocates these actions to government departments and agencies. DELWP oversees the implementation plan.

Implementing *Plan Melbourne 2017–50* requires coordinated action at all levels of government, the private sector, and the community. This audit will examine whether a sound and integrated governance framework underpins the implementation of this major statewide plan.

Proposed agencies DELWP, DJPR and a selection of local councils.

Meeting Victoria's renewable energy targets

2020–21

Objective To determine whether the Victorian Renewable Energy Auction Scheme provides value for money for the state and will help support Victoria to meet its renewable energy targets.

Issues The *Renewable Energy (Jobs and Investment) Act 2017* legislates the Victorian Renewable Energy Targets, which require that 25 per cent of electricity generated in Victoria will come from renewable energy sources by 2020 and 40 per cent by 2025. The Victorian Government has also committed to establishing a new target of 50 per cent by 2030.

The Victorian Government established the Victorian Renewable Energy Auction Scheme to support achievement of the Victorian Renewable Energy Targets. The first auction was finalised in February 2018. The total capacity of the six successful projects aims to generate 928 MW of power, producing enough electricity for 646 273 households and a 16 per cent reduction in Victoria's electricity sector greenhouse gas emissions by 2034–35.

There remains a risk that the projects chosen through the reverse auction will not provide the best or most cost-effective option to reach the state's energy targets. Concerns relate to how the 'strike' price was set by government, specifically:

- the potential cost to the government/taxpayers over the 15-year life span of the contracts
- the cost to the state if contracts are cancelled early
- a potential failure to take into account the extra expenses associated with investment in transmission and distribution needed to connect these renewable projects to the grid.

This audit will assess the Victorian Renewable Energy Auction Scheme's contribution to achieving Victoria's renewable energy targets and whether the projects chosen represent value for money.

Proposed agencies DELWP.

Water authorities' contributions to reducing greenhouse gas emissions

2020–21

Objective To determine whether water authorities are on track to achieve their emissions reduction targets.

Issues The Victorian water sector produces 24 per cent—the largest proportion—of state government carbon emissions. In 2016, *Water for Victoria* committed to achieving net-zero emissions in the water sector by 2050, consistent with the broader state government target of net zero emissions by 2050. *Water for Victoria* also commits water corporations to an interim emissions reduction target to be achieved by 2025.

In 2018, the Minister for Water issued a *Statement of Obligations (Emissions Reduction)*, which set the collective emissions reduction target at 42 per cent by 1 July 2025. The statement also sets an individual emissions target for each water authority, and requires them to:

- achieve emissions reduction efficiently, making full use of the time available to do so
- pursue actions and targets at the lowest possible cost, seeking to minimise impact on water consumer bills
- have regard to price impacts on their vulnerable customers.

Water authorities must report their progress to the minister against the target and report any non-compliance with the requirements within 30 days including a plan to rectify any issues.

Despite this requirement, there is a risk that efforts by water authorities to meet their targets may result in an increased cost on water consumer bills. Water is an essential service and any increase in cost may have an impact on vulnerable customers. In addition, the ability of water authorities to meet their collective target may be impacted if several authorities do not meet their individual targets.

This audit will provide an assessment of the progress water authorities are making toward achieving their emissions reduction targets.

Proposed agencies DELWP and a selection of water authorities.

Domestic building regulation and dispute resolution

2021–22

Objective To determine whether the Victorian Building Authority and Domestic Building Dispute Resolution Victoria provide effective protection to domestic building consumers.

Issues The Victorian Building Authority oversees the regulation of Victoria's building and plumbing industries and is responsible for registering and disciplining building practitioners and undertaking inspections. Domestic Building Dispute Resolution Victoria was established in April 2017 as an independent government agency that provides free services to help resolve domestic residential building disputes. The service aims to resolve building disputes before they reach the Victorian Civil and Administrative Tribunal.

Given that a home construction or renovation is often the single largest investment an individual makes in their lifetime, it is vital that consumers are protected by a well-functioning regulatory and dispute resolution framework. Our 2015 audit *Victoria's Consumer Protection Framework for Building Construction* found that the existing consumer protection framework did not provide consumers with adequate protection.

This audit returns to the themes of our 2015 audit to assess whether changes made to the domestic building regulation system have been effective in protecting consumers.

Proposed agencies Victorian Building Authority, Domestic Building Dispute Resolution Victoria and DJCS (Consumer Affairs Victoria).

Electronic waste ban

2021–22

Objective To determine whether responsible agencies are maximising the recovery and reprocessing of electronic waste.

Issues Electronic waste, or ‘e-waste’, refers to any device or piece of equipment that requires an electric current to operate. It includes, but is not limited to, televisions, computers, mobiles and toys with electronic components.

Despite e-waste only making up 1 per cent of waste to landfill, it is one of the fastest growing waste materials. In Victoria, DELWP estimates that e-waste will increase from 109 000 tonnes in 2015 to approximately 256 000 tonnes in 2035.

In December 2014, the Victorian Government committed to banning e-waste from landfill. DELWP estimates that over 20 years, the costs of meeting the additional regulatory requirements for e-waste are approximately \$215 million. Councils are also concerned about the readiness of both the community and waste sector to effectively implement the e-waste ban.

This audit will review the Victorian Government’s implementation of the e-waste ban, including whether intended benefits are being achieved and whether operational and financial issues raised during its planning are being addressed.

Proposed agencies DELWP, Sustainability Victoria, Environment Protection Authority Victoria, Goulburn Valley Regional Waste and Resource Recovery Group and a selection of local councils.

Supply and use of alternative urban water sources

2021–22

Objective To assess whether responsible agencies are increasing the use of alternative water sources to meet future demand.

Issues Liveability and economic security depend on a safe, reliable supply of water. According to government projections, the demand for water in Melbourne and the surrounding peri-urban regions could almost double over the next 50 years due to population growth. However, annual water flows from major catchments could decrease by more than 40 per cent due to climate change. Also, urban encroachment and degraded surface and groundwater sources are putting pressure on the peri-urban irrigation districts.

Using alternative water sources can improve water supply and offset the demand for potable water. There are many examples of alternative water usage across Melbourne, including private household rainwater tanks and the use of recycled water for non-potable uses in growth areas for homes and irrigation of crops. The use of alternative water sources also provides environmental benefits by reducing the amount of stormwater and treated wastewater discharged to our waterways and bays.

To optimise the use of alternative water sources, government agencies need to address potential barriers such as cost effectiveness compared to other water sources, poor demand forecasting, varying risk appetites and mixed community attitudes to water recycling.

This audit will examine whether alternative water sources are being best utilised to meet Melbourne's water needs now and in the future.

Proposed agencies DELWP, Environment Protection Authority Victoria, and a selection of water authorities and local councils.



Health and Human Services

Clinical governance

2019–20

Objective To determine whether clinical governance has improved across the public health system through implementation of the accepted recommendations of *Targeting Zero: Supporting the Victorian hospital system to eliminate avoidable harm and strengthen quality of care*.

Issues In 2016, the Minister for Health commissioned a wide-ranging review of clinical governance in response to the avoidable deaths of seven infants at Bacchus Marsh Hospital, part of Djerriwarrh Health Services. The review, *Targeting Zero: Supporting the Victorian hospital system to eliminate avoidable harm and strengthen quality of care* identified systemic clinical governance issues, which increase the risk of harm occurring in hospitals across the system. The review made 178 recommendations focused on improved data collection and analysis, better engaging clinical expertise and enhancing safety in the system.

The Department of Health and Human Services (DHHS) accepted all recommendations and incorporated them into a response plan, *Better, Safer Care: Delivering a world-leading healthcare system*. These recommendations require that DHHS significantly improve its collection and analysis of data, and how it enacts its role in ensuring strong clinical governance in the public hospital system. The changes are underpinned by new structures and two specialist agencies within DHHS—the Victorian Agency for Health Information and Safer Care Victoria.

This audit will examine whether DHHS, its specialist agencies and a selection of health services have implemented accepted recommendations and the impact of these activities on clinical governance across the sector.

Proposed agencies DHHS (including Safer Care Victoria and Victorian Agency for Health Information), Melbourne Health, Ballarat Health Services, Peninsula Health and Djerriwarrh Health Services.

Efficiency and economy of Victoria's public hospitals

2019–20

Objective To determine the relative efficiency and economy of Victorian metropolitan acute public hospitals.

Issues Population changes, changes in patient complexity, and new technology are increasing costs and influencing the efficient and economical delivery of health care. Since the early 1990s, worldwide healthcare spending per capita has risen by over 70 per cent in real terms. These challenges place increasing pressure on acute health services, which must meet demand growing in both size and complexity, while also maintaining quality care provision.

The Victorian public health system, due to its devolved governance model, has limited access to cross-agency, benchmarked data to show and explore variation in service costs, efficiency and outcomes.

This audit aims to address the data gap and assist public health services to understand and respond to demand pressures by examining and analysing cost and demand drivers across acute metropolitan health services.

Proposed agencies DHHS, Melbourne Health, Alfred Health, Austin Health, Barwon Health, Eastern Health, Western Health, Northern Health, St Vincent's Health and Peninsula Health.

Managing Support and Safety Hubs

2019–20

Objective To determine whether DHHS's Support and Safety Hubs are providing effective and efficient service coordination for women and families.

Issues Family violence has been a major issue in Victoria. The Royal Commission into Family Violence and the government's Roadmap to Reform recommended that Victoria introduce Support and Safety Hubs in a bid to prevent and respond to family violence in Victoria, and help women and children experiencing family violence. In response to the commission's recommendation, DHHS established Support and Safety Hubs. The aim of the hubs is to connect people directly to services and provide a coordinated response to a range of different needs identified through risk and needs assessments. This includes a role in providing an entry point to services for perpetrators.

Victoria is making a significant investment in these hubs, with \$448 million committed over four years from 2017–18 to establish 17 Support and Safety Hubs statewide by 2021. It will be important that the hubs achieve intended outcomes.

This audit will examine how Support and Safety Hubs are operating and whether they have been effective in addressing family violence issues in Victoria.

Proposed agencies DHHS (including Family Safety Victoria).

Victoria's homelessness response

2019–20

Objective To determine whether DHHS has reduced the incidence and impacts of rough sleeping through implementation of Victoria's *Homelessness and Rough Sleeping Action Plan*.

Issues Homelessness results in significant social and economic costs, not just to individuals and families but also communities and the nation. For individuals, homelessness makes it difficult to maintain school or further study and leaves people vulnerable to long-term unemployment and chronic ill health.

The Australian Bureau of Statistics estimates that more than 20 000 Victorians are homeless. Further, DHHS notes that there are approximately 1 100 people sleeping rough in Victoria each night.

In January 2018, the government launched Victoria's *Homelessness and Rough Sleeping Action Plan*. The plan is the first phase in the development of a long-term homelessness strategy. Victoria has several plans to address homelessness, including elements of the response to the Royal Commission into Family Violence.

This audit will examine DHHS's implementation of the *Homelessness and Rough Sleeping Action Plan* and the extent to which it is achieving intended outcomes.

Proposed agencies DHHS, Launch Housing, Haven, Home Safe and Neami National.

Follow up of *Access to public dental services in Victoria*

2019–20

Objective To assess whether DHHS and Dental Health Services Victoria have effectively implemented the recommendations made in our *Access to public dental services in Victoria* audit (2016–17) and addressed the underlying issues that led to the recommendations being made.

Issues We ask agencies each year to attest to their progress in responding to and monitoring recommendations from previous performance audits. Using these attestations and other sources of intelligence, we then select past performance audits to follow up.

The follow-up performance audits are limited to the review of the recommendations made by the Auditor-General to the selected agencies, including whether and how effectively:

- agencies have responded to the performance audit recommendations
- the actions taken have addressed the root issues that led to the recommendations.

Proposed agencies DHHS and Dental Health Services Victoria.

Clinical trials in public hospitals

2020–21

Objective To determine whether the governance of clinical trials in Victorian public hospitals ensures patient safety.

Issues Clinical trials in medicine help to determine the safety and effectiveness of medications, devices, diagnostic products, biologicals and treatment regimens intended for human use. The Therapeutic Goods Administration is a division of the Commonwealth Department of Health, which is responsible for regulating medications, devices and biologicals. The Therapeutic Goods Administration conducts a pre-market assessment before goods are available for sale and use. To show the efficacy of the goods, this pre-market assessment relies on clinical trials often conducted within public hospitals.

Public hospitals are responsible for ensuring their staff adhere to the significant range of governance and regulatory requirements while undertaking clinical trials. In addition, the pharmaceutical industry makes a significant investment in research, which means that public entities should have rigorous processes in place to avoid conflicts of interest.

This audit will examine whether audited agencies have, and implement, a robust governance framework for ensuring clinical trials align with governance and regulatory requirements.

Proposed agencies DHHS and a selection of public health services.

Health and wellbeing of the medical workforce

2020–21

Objective To determine whether health services, DHHS and WorkSafe Victoria have effective systems to ensure that the medical workforce maintains good health and wellbeing.

Issues Medical practitioners need to be healthy to deliver high-quality health care to their patients and the community, and to find reward and satisfaction in healthcare. Under occupational health and safety legislation, health services are obliged to eliminate or minimise the risks to the health and safety of their employees. For the medical workforce, risks include bullying and harassment, occupational violence, fatigue, and mental health stressors such as long and unpredictable working hours, repeated exposure to trauma, violence and death, difficult interpersonal interactions and high professional expectations. These workplace risks can be eliminated or minimised with a range of controls, such as positive cultural initiatives, policies, training and education.

Studies such as Beyond Blue's 2014 report *Creating a mentally healthy workplace: Return on investment analysis* indicate that a mentally healthy workplace, on average, may deliver benefits worth more than double the original investment.

This audit will examine the effectiveness of DHHS, WorkSafe Victoria and health service initiatives on improving the health and wellbeing of the medical workforce.

Proposed agencies DHHS, WorkSafe Victoria and a selection of public health services.

Supporting sexual and reproductive health

2020–21

Objective To determine whether Victorian women have sufficient access to sexual and reproductive health information and services to support their health and wellbeing.

Issues Sexual and reproductive health issues affect the wellbeing of Victorian women. These issues include endometriosis, polycystic ovarian syndrome, and the symptoms of menopause.

To better support the health of Victorian women, the government has launched the *Women's sexual and reproductive health key priorities 2017–2020*. The priorities include improving citizens' knowledge and capacity to manage fertility, providing services in respectful and culturally safe ways, improving access to reproductive choices, and services for women with endometriosis, polycystic ovary syndrome or those who are undergoing menopause.

This audit will examine whether, through the implementation of the key priorities, women's access to sexual and reproductive health information and services is improving in line with intended outcomes.

Proposed agencies DHHS, Royal Women's Hospital, Monash Health, Goulburn Valley Health and Ballarat Health Services.

Aboriginal health outcomes

2021–22

Objective To assess whether the DHHS is making progress in improving health outcomes for Aboriginal Victorians.

Issues There is a significant gap between the health status of Victoria's Aboriginal population and the non-Aboriginal population. The Victorian Government has several initiatives designed to give better access for Aboriginal people to healthcare services to improve their health and life expectancy, and to reduce child mortality.

Koolin Balit: Victorian Government strategic directions for Aboriginal health 2012–2022 is the Victorian Government's and Aboriginal community's strategic direction for Aboriginal health over the 10 years to 2022. It sets out what DHHS, together with Aboriginal communities, other parts of government and service providers, will do to achieve the government's commitment to improve Aboriginal health.

Korin Korin Balit-Djak: Aboriginal health, wellbeing and safety strategic plan 2017–2027 details how DHHS will work with Aboriginal communities, community organisations, other government departments and mainstream service providers to improve the health, wellbeing and safety of Aboriginal people in Victoria.

This audit will examine the progress and outcomes of these two key Aboriginal health initiatives in improving the overall health status of Victoria's Aboriginal population.

Proposed agencies DHHS and a selection of Aboriginal health service providers.

Effectiveness of the Enhanced Maternal and Child Health Program

2021–22

Objective To determine whether the Enhanced Maternal and Child Health (EMCH) program leads to improved access, participation, and outcomes for vulnerable children and their families targeted by the program.

Issues DHHS administers the Maternal and Child Health service to all Victorian families with children from birth to school age. It recognises that adverse prenatal or early childhood experiences, such as neglect, abuse, family violence and sustained poverty, may negatively impact a person's health, wellbeing, learning, and development. The Maternal and Child Health service offers holistic, multidisciplinary care that targets infants, children, and the parent-child relationship. It includes the EMCH program, which supplements the universal care provided to all parents and their children across Victoria. The EMCH program offers an additional 20 hours of care to families at greater risk of poor outcomes (with a further 2.67 hours available to rural and remote families), as well as case coordination services.

Prior to 1 January 2019, the Department of Education and Training (DET) oversaw the EMCH program. The EMCH program transferred to DHHS following changes made after the November 2018 state election. DHHS now leads, funds, monitors, and evaluates the EMCH program, while local government coordinates and contracts service delivery.

In 2017–18, the Victorian Government committed \$37.7 million to progressively expand the EMCH program. As part of this, DET raised the maximum age threshold from 12 months to three years and increased the average hours of care delivered to each family from 15 to 20.

This audit will assess the EMCH program’s methodology, delivery and outcomes.

Proposed agencies DHHS, DET, Municipal Association of Victoria, and a selection of local councils.

Managing drug and alcohol rehabilitation services

2021–22

Objective To determine whether DHHS’s management of drug and alcohol services is enabling service providers to reduce harm.

Issues The Victorian Government funds drug and alcohol treatment services across the state, including residential and non-residential withdrawal, rehabilitation and pharmacotherapy services. There is also funding for services providing care and recovery coordination for individuals with complex needs. Treatment services can also help individuals to access other pathways during recovery, such as employment and education.

In 2014, the government used a competitive tender process to partially recommission alcohol and other drug treatment services, and adult community service providers rolled out new services in August 2014. Aboriginal, youth and residential services were not recommissioned.

In September 2015, the government commissioned an external review that examined the new arrangements for alcohol and drug and mental health community support service delivery. The review made a range of recommendations to DHHS, including reviewing its central intake process and moving the assessment function back to service providers, improving data collection and reporting, and undertaking a comprehensive review of the drug treatment funding model.

This audit will examine DHHS’s implementation of these recommendations and examine whether DHHS is managing the sector to enable it to reduce harm.

Proposed agencies DHHS and a selection of funded service providers.

Management of non-clinical services in health services

2021–22

Objective To assess the value for money of non-clinical services in Victorian public health services.

Issues Health services are responsible for a wide range of non-clinical services including engineering and building maintenance, security, ground maintenance, linen, cleaning, waste services, managed equipment services, transport and sterilisation. These services are either managed directly by health services, contracted out to private providers or, where a public private partnership (PPP) arrangement exists, are managed by the relevant private entity.

Effective procurement and management of these services should provide value for money for health services and the state. Benefits for health services should include better utilisation of resources, improved patient satisfaction, committed service levels and metrics and transparent performance reporting to track and drive operational improvements.

This audit will assess the value for money of a selection of non-clinical services purchased through PPP and non-PPP health service contracts.

Proposed agencies DHHS and a selection of public health services.



Infrastructure and Transport

Accessibility of tram services

2019–20

Objective To determine whether tram services are meeting the accessibility needs of mobility challenged passengers.

Issues The Commonwealth's *Disability Standards for Accessible Public Transport* (2002) (DSAPT) require states and territories to work towards removing discrimination from public transport services. The DSAPT covers all aspects of transport and transport infrastructure, such as ramps and boarding surfaces, doorways and doors, and tactile ground surface indicators. Full compliance with DSAPT for trams is due 31 December 2032. Meeting DSAPT requirements does not guarantee improved transport access for people with a disability, for example, without whole-of-route level-access tram stops, a low-floor tram may not fully meet the needs of people with mobility challenges.

Currently, only 25.4 per cent of Melbourne tram stops have level access and 34.8 per cent of trams have low floors. Only 7 per cent of tram services across the network combine low-floor trams with level-access stops. Progress on upgrading tram stops to level-access stops has slowed in recent years and since 2016–17, agencies have not delivered the target number of upgrades.

This audit will examine whether actions to meet the DSAPT requirements for tram services are meeting the accessibility needs of passengers with a mobility challenges.

Proposed agencies Department of Transport (DoT), Public Transport Victoria (PTV), VicRoads, Yarra Trams.

Freight outcomes from regional rail upgrades

2019–20

Objective To determine whether regional rail upgrades are improving rural freight outcomes in a timely and cost-efficient way.

Issues Victoria has a diversified export economy beyond the manufacturing, knowledge and service industries that are mainly located in metropolitan areas. Victoria exported food and fibre products worth \$14.1 billion in 2017–18.

The majority (89 per cent) of freight within Victoria is carried by road, however, for bulk commodities, as well as containerised products, rail to the export ports of Portland, Geelong and Melbourne can be a more price-effective freight mode.

The Victorian Government has recognised the important role of rail for the export freight task and has invested heavily in rail upgrade programs. One key project is the \$440 million Murray Basin Rail Project, co-funded with the Commonwealth. A further suite of regional rail upgrades worth \$2.14 billion, known as the Regional Rail Revival, is also co-funded with the Commonwealth and commenced in 2018. The program is expected to improve reliability and increase line capacity for most rural rail corridors.

This audit will examine whether the various regional rail upgrades underway are being effectively delivered according to approved time, cost, scope and quality expectations. It will also examine in more detail whether expected freight outcomes have been realised on the recently completed components of the Murray Basin Rail Project.

Proposed agencies DoT (Major Transport Infrastructure Authority), V/Line.

Safety on Victoria's roads—regional road barriers

2019–20

Objective To determine whether Victoria's regional road barriers program is delivering intended safety outcomes.

Issues Victoria's current \$1.1 billion road safety strategy, *Towards Zero 2016–2020*, aims to reduce Victoria's road toll to fewer than 200 deaths and serious injuries by 15 per cent by 2020. Making rural roads safer is one of the strategy's four focus areas. At the time it was introduced, fatalities were four times more likely on regional than metropolitan roads. These crashes are primarily head-on collisions or collisions with roadside objects such as trees.

The strategy's \$340 million program for making rural roads safer includes installing barriers on 330 kilometres of high-risk, high-volume and high-speed regional roads. Research has shown that flexible safety barriers can reduce these types of crashes by up to 85 per cent. In 2018, the number of road crash fatalities fell by 17 per cent from the previous year and fatalities on high-speed regional roads reduced by 44 per cent.

Despite the fall in 2018 of road crash fatalities on high-speed regional roads, regional road safety barriers have received significant media attention because of their high visibility and a range of concerns. Some stakeholders are concerned that the barriers may not be as effective as the Victorian Government claims, and that they may exacerbate injuries for motorcyclists.

This audit will examine the regional road barriers program and the extent to which the barriers are contributing to improved safety outcomes.

Proposed agencies VicRoads, Transport Accident Commission and DoT.

Managing railway assets across metropolitan Melbourne

2020–21

Objective To determine whether rail infrastructure in metropolitan Melbourne is maintained to deliver safe, reliable, punctual and fit-for-purpose train services for commuters.

Issues Public transport patronage in metropolitan Melbourne is increasing at a steady pace. Reliable and well-maintained rail infrastructure is fundamental to the effective operation of the metropolitan train system.

Melbourne's metropolitan railway system uses more than 220 six-carriage trains on 965 kilometres of track. Services operate on 16 regular service lines and one special event line. Victorian Rail Track (VicTrack) owns these assets on behalf of the state and leases them to PTV. PTV then on-leases rail assets to the metropolitan train franchisee, Metro Trains Melbourne (MTM), and pays MTM for maintenance and renewal works, in line with the franchise agreement. DoT is responsible for long-term asset management strategy and processes across the public transport network.

Melbourne Metro Tunnel project— Phase 2: main works

2020–21

Previous VAGO audits have identified ongoing problems with railway maintenance. Our 2007 audit *Maintaining Victoria's Rail Infrastructure Assets* identified significant challenges in cost-effectively maintaining the performance of rail infrastructure, particularly signalling infrastructure, which is critical to the safety and reliability of the rail system. Our December 2016 audit *Managing the Performance of Rail Franchisees* found that PTV had significant work to do before it could show that it has robust asset management strategies and could comply with the Department of Treasury and Finance's (DTF) *Asset Management Accountability Framework*.

This audit will examine how well DoT, VicTrack, PTV and MTM have dealt with these challenges, as well as assessing the extent to which maintenance practices help to deliver safe, reliable, punctual and fit-for-purpose train services for commuters.

Proposed agencies DoT, PTV, VicTrack, V/Line and MTM.

Objective To determine whether main works and supporting projects for the Melbourne Metro Tunnel are on track to achieve expected project outcomes.

Issues The main works for the \$11 billion Melbourne Metro Tunnel are being delivered under an availability public private partnership (PPP) contract with a private sector consortium (Cross Yarra Partnership).

Other projects that are relevant to the tunnel include:

- High Capacity Metro Trains PPP project worth \$2.3 billion
- High capacity signalling (Rail Systems Alliance) worth \$1 billion
- Network interface and preparation works (Rail Infrastructure Alliance) worth \$1 billion.

The main works to be delivered by the Melbourne Metro Tunnel PPP include tunnelling, excavation and construction of five underground stations, station fit-out, mechanical and electrical systems and ongoing maintenance services for the infrastructure delivered by the package. The PPP will also have commercial opportunities at the new stations and has partnered with other companies to build over site developments at State Library and Town Hall.

The audit will review the performance of the PPP as well as the other relevant projects in terms of scope, time, cost and quality against the overall project expectation and targets.

Proposed agencies DoT (Major Transport Infrastructure Authority), DTF, VicTrack, PTV (as supervising entity of MTM and Yarra Trams) and associated entities.

Planning and management of metropolitan bus services

2020–21

Objective To determine whether metropolitan bus services are reliable, regular and integrated with other forms of public transport.

Issues Melbourne's bus network consists of 342 routes covering over 5 500 kilometres and serviced by approximately 1 700 buses. In 2018, Infrastructure Victoria found that 40 per cent of this bus network is underperforming.

New bus contracts began on 1 August 2018 and are dependent on operators meeting performance targets. Previous VAGO reports identified the lack of contract and performance management mechanisms as significant issues in the previous bus contracts.

DoT is the lead transport agency. DoT's role is to consolidate and focus transport planning across modes and lead the development of the integrated transport plan. PTV also plays a key role in the management and planning of bus services. Coordination and communication between these agencies is important to ensure effective management and planning of bus services.

As Melbourne's growth continues towards the outer suburbs, effective bus services are increasingly important. This audit will follow up relevant recommendations from past audits and assess whether bus service planning and delivery provides commuters with a reliable and connected service.

Proposed agencies PTV, DTF, DoT, Victorian Planning Authority and VicRoads.

Integrated transport planning

2021–22

Objective To assess whether Victorian transport planning is integrated and coordinated.

Issues Challenges associated with Victoria's sustained strong population growth and increasing congestion in metropolitan Melbourne mean an integrated transport system is more important than ever for the state's economic prosperity and liveability. The *Transport Integration Act 2010* requires the lead transport agency to develop and regularly update a transport plan that demonstrates an integrated approach to transport and land use planning.

The Victorian Government has refined institutional arrangements in the transport system since 2010 to assist delivery of the core objective for an integrated, multi-modal and strategic approach to the planning and operation of Victoria's transport network and systems. The office of the Head of Transport for Victoria was established in 2017 as the lead transport agency to consolidate and focus transport planning across modes and lead the development of the integrated transport plan required by the Act. The plan is yet to be published.

DoT has taken over the role as lead transport agency under recent machinery of government changes.

This audit will examine how well DoT and transport sector agencies have worked together and with relevant stakeholders to deliver improved integration and coordination in long-term transport planning.

Proposed agencies DoT, PTV, VicRoads, V/Line, VicTrack and Infrastructure Victoria.

Major infrastructure program delivery capability

2021–22

Objective To determine whether responsible agencies are planning and acting to secure the technical, material and human resources needed to deliver major infrastructure programs.

Issues Victoria's population is expected to increase by around 50 per cent in the next 20-plus years. As the state's population increases, new infrastructure will be required to meet the community's needs.

A large portion of the Victorian Government's confirmed capital investment of \$79.8 billion is focussed on transport infrastructure, including \$36 billion for road and rail upgrades. The very large and complex capital projects pipeline places pressure on the capacity and capability of the public sector to plan, analyse and oversee major projects.

In September 2016, the Office of Projects Victoria was established within DTF to 'provide project oversight and assurance so projects are delivered on time and on budget, and the full benefits of the investment are realised for Victorians'.

In its short period of operation, Office of Projects Victoria has recognised challenges arising from the increased investment in public infrastructure, including a need to improve technical skills and project leadership so that project delivery capability can be improved and made more repeatable. In addition, Victoria also faces availability and cost pressures on basic construction inputs such as sand, rock and gravel.

This audit will examine whether responsible agencies are planning and acting to secure the technical, material and human resources needed to deliver major infrastructure programs.

Proposed agencies DTF (Office of Projects Victoria, Gateway and High Value High Risk units), DoT (Major Transport Infrastructure Authority) and VicTrack.

Rolling stock fleet sustainability

2021–22

Objective To determine whether Victoria's rolling stock fleet is being effectively maintained over its useful lifecycle.

Issues Management of Victoria's rolling stock is complex because multiple agencies are involved. The state's rolling stock assets are owned by VicTrack and leased to PTV. In turn, PTV subleases the rolling stock to metropolitan and regional rail operators—MTM, V/Line and Yarra Trams.

Under agreements with PTV, rail operators are responsible for the effective management of rolling stock across all asset lifecycle phases, which includes preparing a strategic plan for the long-term management, maintenance, and performance of the rolling stock. The cost of maintaining and renewing rolling stock is met by PTV.

In May 2015, the government released its *Rolling Stock Strategy: Trains, Trams, Jobs 2015–2025*, which sets out a 10-year plan for procuring 100 new metropolitan trains, 100 new trams and a significant expansion of the regional train fleet. Over 40 per cent of the train fleet and 60 per cent of the tram fleet will require replacement over this period. The Strategy also provides for maintenance and refurbishment of some older trains and trams. DoT is responsible for the extensive procurement activity required to deliver the rolling stock strategy.

Previous VAGO asset management audits have found that maintenance funding has not kept pace with what is required to maintain a fully operational and reliable passenger network, resulting in network deterioration.

This audit will examine the effectiveness of PTV and rail operators to improve their asset management practices, and DoT's oversight of rolling stock fleet lifecycle management practices.

Proposed agencies DoT, PTV, MTM, Yarra Trams, V/Line and VicTrack.



Justice and Community Safety

Managing and enforcing infringements

2019–20

Objective To determine whether the rollout of the new infringement system was effective and cost-efficient.

Issues The infringements system provides an efficient way of dealing with situations where a person may have committed an offence, but the nature of the offence and the level of the penalty do not warrant the involvement of a judge. An infringement notice generally requires payment of a fine, but may also attract other penalties, such as demerit points in the case of traffic offences.

In 2017, Fines Victoria commenced operating as the single administrative model for the collection and enforcement of infringements and court fines. The *Fines Reform Amendment Act 2017* introduced new requirements for Fines Victoria. To achieve these, Fines Victoria restructured and procured a new information technology system.

The rollout of the system is incomplete and difficulties with implementation, and tight timeframes for delivery, have caused a significant fall in the clearance rate of infringements within 180 days and backlogs in processing requests. There has been a \$60 million revenue shortfall as a result of issues, including delays in enforcing fines.

This audit will consider whether the rollout of the new infringement system was effective and cost-efficient.

Proposed agencies Department of Justice and Community Safety (DJCS), including Fines Victoria.

Ravenhall prison: Rehabilitating and reintegrating prisoners

2019–20

Objective To determine whether Ravenhall has developed best practice prisoner management to rehabilitate prisoners and reduce recidivism, and has effective performance and evaluation frameworks to assess outcomes.

Issues Prison is a temporary solution for protecting the community—over 99 per cent of prisoners are released after they have served their sentence. However, many prisoners experience significant challenges reintegrating into the community after their release. These challenges can be exacerbated by social disadvantage and complex needs related to drug and alcohol abuse, mental illness, acquired brain injury, homelessness and unemployment.

Successfully rehabilitating and reintegrating prisoners is not only important for reducing risks to the Victorian community, including recidivism, but can also help ease overcrowding in prisons and reduce the high cost of operating them.

The opening of Ravenhall Correctional Centre in November 2017 provided an opportunity to implement best-practice prisoner management to address the complex challenge of recidivism. The prison operator's contract includes specific measures and targets associated with recidivism and the reintegration of prisoners after their release. Ravenhall is the first prison in Victoria to have service payments linked to prisoners' recidivism.

This audit will assess whether there are any gaps or weaknesses in Ravenhall's initiatives to improve prisoner rehabilitation, as well as the proposed performance monitoring and evaluation framework. It will assess whether Corrections Victoria's strategic decision making enables Ravenhall to achieve prisoner rehabilitation targets.

Proposed agencies DJCS (CV) and The GEO Group Australia Pty Ltd (Ravenhall prison operator).

Follow up of *Regulating gambling and liquor*

2019–20

Objective To assess whether the Victorian Commission for Gambling and Liquor Regulation has effectively implemented the recommendations made to it in our *Regulating gambling and liquor* audit (2016–17) and address the underlying issues that led to the recommendations being made.

Issues We ask agencies each year to attest to their progress in responding to and monitoring recommendations from previous performance audits. Using these attestations and other sources of intelligence, we then select past performance audits to follow up.

The follow-up performance audits are limited to the review of the recommendations made by the Auditor-General to the selected agencies, including whether and how effectively:

- agencies have responded to the performance audit recommendations
- the actions taken have addressed the root issues that led to the recommendations.

Proposed agencies Victorian Commission for Gambling and Liquor Regulation.

Administration of Victorian courts

2020–21

Objective To determine whether Court Services Victoria (CSV) is providing the necessary administrative services and facilities for Victorian courts to effectively perform their functions.

Issues Victorian courts and tribunals aim to dispense justice in a fair, timely and efficient way. Victoria has experienced significant growth in criminal justice services and CSV predicts a 26.8 per cent increase in service demand in the central business district by 2031. The demand for court services is being driven by factors including bail and sentencing reforms, increased prisoner and remand numbers, the Royal Commission into Family Violence and the recruitment of 3 000 new police officers. Increasingly, the legal and managerial issues dealt with by judges are becoming more complex, creating a need to improve court capacity and efficiency.

The 2018–19 state budget allocated \$127 million for additional court capacity in the next four years, including eighteen new magistrates. To manage the increase in court activity, court staff require efficient, reliable and secure systems. Any administrative issue can impact on the judicial process by creating delays and bottlenecks and could lower the community's confidence in the system.

CSV is responsible for providing some centralised administrative services, procurement, data warehousing, records management and facilities for Victorian courts, the Victorian Civil and Administrative Tribunal and the Judicial College of Victoria.

This audit will consider whether CSV is providing effective and efficient administrative services and facilities to enable Victorian courts to effectively perform their functions.

Proposed agencies CSV.

Disability services in corrections

2020–21

Objective To determine whether the needs of people with disabilities are met in the corrections system.

Issues Sentenced and unsentenced prisoners with a cognitive disability are significantly over-represented in Victoria's prisons. A 2011 study showed that 42 per cent of male and 33 per cent of female prisoners had an acquired brain injury, compared to 2 per cent of the general Australian population.

Disabled prisoners are among the most disadvantaged people in the community, as well as being a highly vulnerable group in prison. CV currently has one specialist unit for prisoners with a disability in the private Port Phillip prison, however, many others are placed within the general prison population.

Providing effective, tailored services for prisoners has a significant effect on their wellbeing and increases the chances of successful rehabilitation and reintegration into the community. Successful reintegration also reduces the risk to the broader community.

CV is a business unit of DJCS and is responsible for the safe and secure custody of all prisoners, including those with disabilities.

This audit will investigate whether the corrections system is effectively meeting the needs of prisoners with disabilities.

Proposed agencies Department of Health and Human Services (DHHS) and DJCS (CV).

Reducing the harm caused by gambling

2020–21

Objective To determine whether the Victorian Responsible Gambling Foundation (VRGF) is effectively reducing the severity of harm related to gambling.

Issues Gambling is an accepted part of Victorian culture and generates positive economic benefits for the state, such as revenue and employment. However, gambling harm is a public health issue that needs a whole-of-community response. More than half a million Victorians may experience some sort of harm every year from gambling activities. Many are not regular gamblers and do not consider they have a problem. It is estimated that for every individual who experiences severe gambling harm, up to nine other people are affected, including family members, friends and employers.

The social impact of problem gambling is high. VRGF studies have found that while fewer people are gambling than in previous years, the people who are gambling are doing so more often and spending more. It estimates that 35 500 Victorians have serious gambling problems and that the prevalence of low-risk gambling has increased from 5.7 per cent in 2008 to 8.9 per cent in 2014.

VRGF was established to provide education, research, treatment and support services to Victorians. Its mandate is to address the challenge of gambling harm in the Victorian community.

This audit will assess whether VRGF is achieving its mandate to reduce the severity of the harm caused by gambling.

Proposed agencies VRGF and DJCS.

Corrections data

2021–22

Objective To determine whether corrections data is reliable—complete, accurate and timely—and is effectively used to manage offenders and correctional services.

Issues As of 31 December 2018, Victoria had 8 030 prisoners, which is a 90 per cent increase since 2008. Corrections Victoria, as a business unit within DJCS, manages these prisoners and also approximately 13 817 offenders on community-based orders. The number of remand prisoners is growing and there is greater movement of prisoners through the corrections system. Violence and drugs in prisons are increasing, and recidivism—the rate at which prisoners return to prison within two years—reached 43.7 per cent in 2017–18. CV needs appropriate information and communications technology (ICT) infrastructure to meet the needs of this increasingly complex corrections system.

CV's data is currently managed across several divisions and contained in disparate legacy systems which have passed end-of-life support. Prisoner and offender information is shared between CV and other criminal justice systems, such as court and police systems. The accuracy of CV's data systems is important to ensure that the critical data shared between justice stakeholders is reliable. Data errors resulting in a miscarriage of justice, or early or late release of prisoners, would significantly damage public confidence in the corrections system.

This audit will examine whether corrections data is reliable—complete, accurate and timely—and helps CV to complete effective data analysis.

Proposed agencies DJCS (CV).

Reducing the harm caused by alcohol and drugs on Victorian roads

2021–22

Objective To determine whether measures taken to address alcohol and other drug use on Victorian roads are delivering intended safety outcomes.

Issues Driving under the influence of drugs and alcohol is a serious road safety issue. Alcohol and other drugs impair a person's driving ability—a driver under the influence of alcohol or drugs is a potential hazard to themselves, their passengers and other road users.

In 2018, 214 people died on Victorian roads. Around one in five drivers and riders who lost their lives in the last five years had a blood alcohol concentration greater than 0.05g/100ml. Research has shown that when drivers with three or more drugs in their blood are involved in crashes, they are at fault in more than 95 per cent of cases.

The importance of minimising the harm of alcohol and drugs on Victorian roads is reflected in the following:

- *Towards Zero 2016–2020: Victoria's Road Safety Strategy and Action plan*
- *Victoria Police Capability Plan 2016–25*
- *Ice Action Plan* (2015)—which includes a \$15 million allocation to provide Victoria Police with 10 new booze and drug buses to improve road safety
- performance measures for DJCS in the *2018–19 Budget Paper 3*.

This audit will examine whether current methods to address the impact of alcohol and other drugs on Victorian roads are being effectively managed and delivering intended safety outcomes.

Proposed agencies Victoria Police, Transport Accident Commission, Department of Transport (DoT) (the office of the Head of Transport for Victoria), DHHS and a selection of service providers.

Wellbeing in emergency services

2021–22

Objective To determine whether emergency services have effective strategies to maintain the mental health of their staff and volunteers.

Issues Emergency services workers are regularly exposed to traumatic incidents which can impair their mental health. Poor workplace practices and culture are equally debilitating for emergency service personnel.

Despite this, knowledge about mental health in the emergency services sector is poor and there is a high rate of stigma and shame about mental health conditions.

A 2016 review of the Metropolitan Fire Brigade's employee support programs, including mental health strategies, contained negative findings on workplace culture, stigma and leadership. It also found that while the employee support program was well regarded, it was under-resourced and not extensive enough to meet the emerging risk profile.

Poor mental health in emergency services carries personal consequences for emergency services workers. The stigma associated with reporting mental health issues could lead to negative coping mechanisms such as alcohol and drug abuse that impact workers' private and social networks. Organisationally, poor mental health could result in a lower employee productivity. The cost of mental health claims to WorkCover Victoria is an added impact on emergency services.

This audit will examine whether emergency services have implemented effective strategies to ensure the well-being and mental health of their staff and volunteers.

Proposed agencies DJCS, Metropolitan Fire Brigade, Country Fire Authority, Victorian State Emergency Services and WorkSafe Victoria.



Local Government and Economic Development

Council libraries

2019–20

Objective To determine whether local councils achieve value for money from their library services.

Issues In satisfaction surveys, residents consistently rate public libraries as one of the best performing areas of local government. The cost of delivering library services and the type of service varies between council areas. Public library services are located in all 79 Victorian local government areas. Of the 46 public library services in Victoria, 36 are run by individual councils and 10 are delivered in partnerships between municipalities.

Since 2012, successive reviews have sought to identify ways to make Victoria's library services more efficient, with a particular focus on potential cost savings through increased coordination between libraries, new technologies and the expansion of shared services.

The audit will examine how councils have responded to these reviews and assess whether councils' library services are achieving value for money.

Proposed agencies Department of Environment, Land, Water and Planning (DELWP), Alpine Shire Council, City of Boroondara, Buloke Shire Council, Mornington Peninsula Shire, Eastern Regional Libraries Corporation and Municipal Association of Victoria.

Rehabilitating mines

2019–20

Objective To determine whether the state is effectively managing its exposure to liabilities from the rehabilitation of mines on private and public land.

Issues The purpose of mine rehabilitation under the state's legislation is to establish a landform that is safe and stable to protect people, land, infrastructure and the environment. Rehabilitating mines can be a long and expensive process, so the site owner must provide a rehabilitation bond to the state as financial security before work commences, to ensure the mine can be rehabilitated should the operator be unable to meet its obligations.

Limited or poor-quality rehabilitation of historical mine sites has resulted in significant environmental issues across large areas of Victoria which remain contaminated or unusable.

The report on the inquiry into the 2014 Hazelwood mine fire identified several issues in the Latrobe Valley, including limited or slow rehabilitation of mines, poor rehabilitation plans, insufficient rehabilitation bonds and a regulatory system that lacked transparency and clarity. The Victorian Government committed to implementing recommendations to address these issues.

This audit will examine how effectively Earth Resources Regulation within the Department of Jobs, Precincts and Regions (DJPR) is regulating the rehabilitation of mines and managing the state's exposure to liabilities associated with rehabilitation within the context of the state's policy and legislative framework.

Proposed agencies DJPR, DELWP, Environment Protection Authority Victoria, Goulburn Broken Catchment Management Authority and the Latrobe Valley Mine Rehabilitation Commissioner.

Council waste management services

2020–21

Objective To determine whether councils' waste management services are achieving value for money.

Issues In 2017–18, Victorian councils spent over \$775 million on the delivery of waste management services, including kerbside household, recycling and green waste collections, hard rubbish collections, and the operation of landfill and resource recovery centres. Local councils own and/or operate 249 landfills and transfer stations—198 of which are located in rural communities. In addition to local councils, there are seven region-based waste and resource recovery groups established under the *Environment Protection Act 1970*, which support councils' waste management activities. The groups undertake a range of duties, including planning for the provision of waste and resource recovery infrastructure, and managing joint procurement and waste management contracts.

With the introduction of the Fair Go Rates System in 2016, there is increased attention on the financial sustainability of councils and the efficiency of local government service delivery. However, waste charges are not subject to rate capping and make a considerable contribution to councils' revenue. In 2017–18, councils' recurrent revenue for waste management was over \$199 million, of which 89 per cent came from user fees.

China was Australia's biggest export market for recycling waste until January 2018, when it restricted imports, citing high contamination rates. The ban is expected to impact councils' recycling costs.

This audit will examine whether local councils and waste and resource recovery groups are ensuring that waste management services deliver value for money for ratepayers.

Proposed agencies Metropolitan Waste Resource Recovery Group, Grampians Central West Waste and Resource Recovery Group, City of Melbourne, City of Ballarat, Bayside City Council and City of Greater Dandenong.

Maintaining local roads

2020–21

Objective To determine whether councils are achieving value for money in maintaining their local roads.

Issues Victoria's 79 councils are responsible for the care and management of local roads under the *Local Government Act 1989*. Their obligations are set out in the *Road Management Act 2004*.

Across the state, there are approximately 130 000 kilometres of local roads and 6 000 bridges. Local roads include both sealed and unsealed—unformed, formed or gravel—roads, and account for approximately 85 per cent of the state's total road network. In 2017–18, councils collectively spent approximately \$1 billion maintaining local roads and bridges.

The introduction of rate capping has created challenges for local government, which may impact councils' ability to effectively manage local roads and meet their asset renewal obligations. Small rural councils in particular face an increasing risk that they may not be able to replace or build new assets as required due to their low number of ratepayers and lengthy road networks.

This audit will examine whether councils are identifying efficiencies, managing costs appropriately and assessing how they can maintain their road networks in a financially sustainable way.

Proposed agencies DELWP, VicRoads, Northern Grampians Shire Council, City of Greater Bendigo, Maribyrnong City Council and Yarra Ranges Shire Council.

Agricultural productivity and digital technologies

2021–22

Objective To determine whether responsible agencies are effectively assisting farmers with digital technologies to manage risks and enhance productivity.

Issues Victoria is Australia's largest agricultural producer, with the country's biggest food and fibre sector. This is Victoria's largest export sector, contributing 4.9 per cent to gross state product. The two biggest drivers of risk to the agricultural sector are seasonal conditions and commodity prices. Opportunities to adapt to and manage these risks now lie in the development and adoption of new and emerging risk management tools.

Building farmers' capabilities to use new and emerging technology tools to respond to climate variability, and investing in further research and development in this area will contribute to innovation and improve agricultural productivity.

The government's Connecting Regional Communities Program aims to assist farmers to manage climate change variability through increased digital connectivity and usability in Victoria's regions. The following issues have been identified as potential barriers to the effective implementation of Connecting Regional Communities Program—digital literacy, connectivity, access to data and program uptake.

This audit will examine how well DJPR is implementing the government's objective to ensure that the agriculture sector becomes more resilient to climate change impacts through the adoption of new technologies.

Proposed agencies DJPR and Sustainability Victoria.

Developing Fishermans Bend

2021–22

Objective To assess whether planning and development of Fishermans Bend is consistent with the project’s sustainability goals.

Issues Fishermans Bend is Australia’s largest urban renewal project, covering approximately 480 hectares of central Melbourne, more than twice the size of the current central business district.

It is expected that by 2050, Fishermans Bend will be home to, and provide employment to, approximately 80 000 people. The way that Fishermans Bend is planned and developed will have a significant impact on the future liveability of the city.

In October 2015, a Ministerial Advisory Committee appointed by the Minister for Planning criticised the initial phase of the Fishermans Bend development. Since then, the government has ‘recast’ the planning for Fishermans Bend to include detailed precinct plans developed in consultation with the community. It has also established the Fishermans Bend Taskforce and the Fishermans Bend Development Board to strengthen project governance.

This audit will examine whether the relevant departments are effectively managing Fishermans Bend to support growth and promote sustainability.

Proposed agencies DELWP, DJPR, Development Victoria, City of Melbourne and City of Port Phillip.

Parks and open space management

2021–22

Objective To determine whether councils are effectively and efficiently planning for and managing their parks and open spaces.

Issues Parks and open spaces support community health and wellbeing by providing places for exercise, relaxation, children’s play and organised sport. Councils own and manage thousands of open spaces across the state, collectively spending \$937 million on parks, reserves and sports grounds in 2017–18.

Issues including population growth, demographic change, urbanisation and climate change together with limited opportunities to create new open space pose challenges for councils to manage open spaces effectively. In the rapidly expanding suburbs on the outskirts of Melbourne, councils need to plan for adequate open space in new subdivisions to ensure the health and wellbeing of residents.

This audit will consider whether councils effectively address the need for parks and open spaces in their strategic planning and explore ways councils could improve their management of these important assets. It will also examine the role of DELWP in assisting councils and overseeing the planning system. This audit is part of a series of planned audits examining councils’ asset management practices across different services.

Proposed agencies DELWP and a selection of local councils.



Financial audit work program

Our financial audit program delivers a range of assurance services for public sector agencies.

Financial audits are conducted in accordance with the Australian Auditing Standards and relevant professional and legislative requirements. Additional information about the delivery of our financial audits is in Appendix C.

The following section sets out our financial audit work program for 2019–20, targeting matters that provide the greatest value to Parliament and the Victorian community.





Financial audits

Auditor-General's Report on the Annual Financial Report of the State of Victoria 2019–20

As required under section 16A of the *Audit Act 1994*, the Auditor-General reports to Parliament each year on the outcome of our audit of the Annual Financial Report of the State of Victoria.

This report analyses and provides commentary on key aspects of the financial performance and position of the state. In line with the Act, and where appropriate, it will provide information and recommendations for the more effective and efficient management of public resources. This report is tabled in Parliament in November each year. This is the only report on our audits that is required each year under the Act.

Results of 2019–20 Audits

Our Results of Audits reports to Parliament provide information on the outcome of our financial audits of the following sectors:

- local government
- technical and further education institutes
- universities.

Each report will provide an analysis of the financial sustainability, performance and position of the sector. Additionally, it will inform Parliament about the strengths and weaknesses in the control environments at entities within the relevant sector and make recommendations to improve these as appropriate.

Our reports on the education sector table in Parliament in May each year. We expect to table our 2019–20 local government report in November 2019.

Attestation of agency statements

We are required to undertake annual audits of the financial statements of all state and local government agencies and express an audit opinion thereon.

We are also required to audit and express an opinion on performance statements where these are prepared by agencies.

We may be required to provide an audit opinion on a grant acquittal by an agency to the grant funding body.

During the 2019–20 financial year, we expect to issue the following:

Audit opinions

Opinions on the financial statements of agencies—560+

Opinions on the performance statements of agencies—110+

Opinion on the Annual Financial Report of the State of Victoria—1

Review opinion

Review of Estimated Financial Statements of the Victorian general government sector

Grant acquittal certifications

80+

Appendix A

Our budget

	Updated forward estimate (\$)		
	2019–20	2020–21	2021–22
Revenue			
Section 29	27 124 000	27 802 000	28 497 000
General appropriations	17 712 000	18 112 000	18 519 000
Special appropriations	587 000	601 000	616 000
Recoup of expenses	100 000	0	0
Resources received free of charge	35 000	48 000	50 000
Total	45 558 000	46 563 000	47 682 000
Expenditure			
Employee costs	25 948 000	26 741 000	27 410 000
Accommodation	570 000	749 000	782 000
Depreciation	2 095 000	1 999 000	1 949 000
Capital asset charge	330 000	278 000	229 000
Other expenses	16 615 000	16 796 000	17 312 000
Expenditure	45 558 000	46 563 000	47 682 000
Surplus / (deficit)	0	0	0

Appendix B

Delivering performance audits

Our performance audits are typically delivered by in-house staff who we train specially. However, we periodically engage experts to advise our performance audit teams on complex and technical issues. We also use contractors to supplement our staff resources where required.

To reach conclusions against our audit objectives, we determined criteria against which to assess agency performance. We develop our audit criteria in accordance with relevant standards issued by the Australian Auditing and Assurance Standards Board and in consultation with the audited agencies. The figure below illustrates the types of criteria commonly included in performance audits.

Effectiveness Definition: Achievement of the objectives or other intended effects of activities at a program or entity level. Examples: <ul style="list-style-type: none">the agency has achieved its objectiveprogram recipients have responded in line with objectivesthe project has delivered the solution in accordance with requisite standards.	Economy Definition: Acquisition of the appropriate quality and quantity of resources at the appropriate times and at the best cost. Examples: <ul style="list-style-type: none">services, projects and goods are procured for the best possible pricethe agency has prevented or minimised wastage of resourcesdesired quality standards have been achieved within time and budget parameters.	Efficiency Definition: Use of resources such that output is optimised for any given set of resource inputs, or input is minimised for any given quantity and quality of output. Examples: <ul style="list-style-type: none">resources are used to maximise output or activity levelsdata is actively used to minimise inefficiencycontrols and monitoring are applied to track and manage resource use and improve efficiency.	Compliance Definition: Compliance of an agency/program with all relevant Acts. Examples: <ul style="list-style-type: none">agencies can demonstrate compliance with objectives, functions and requirements of relevant legislationagencies have systems and processes to monitor compliance and address instances of noncompliance.
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Appendix C

Delivering financial audits

The Auditor-General undertakes financial report audits for over 560 public sector entities each year. Around a third of these are undertaken solely using VAGO staff. The remainder are undertaken with the assistance of private sector firms—audit service providers—contracted by the Auditor-General. VAGO reviews this work, and all audit opinions are issued on behalf of the Auditor-General.

In addition, some entities are also required to produce audited performance statements, detailing performance indicator targets and outcomes, with supporting commentary. We audit these alongside our financial report audits.

Financial report audits are conducted in accordance with Australian Auditing Standards using a risk-based approach. We plan our audits based on our understanding of the entity, which involves assessing any risks that may significantly (materially) affect the entity's financial statements. This includes assessing the effectiveness of any internal controls the entity has in place which could prevent or detect and correct such risks.

We design and perform our audits to obtain sufficient appropriate audit evidence that the assessed risks have been appropriately addressed and the prepared financial reports present fairly in accordance with the entity's financial reporting requirements. At the end of our audit, we issue an independent auditor's report containing our opinion on whether the financial statements present fairly the financial performance and financial position of the entity, and if they have been prepared in accordance with the entity's financial reporting requirements. The entity includes our opinion in its annual report.

In addition to the financial audits, the Auditor-General conducts a review of the State of Victoria's Estimated Financial Statements included in the State Budget.

