

APPENDIX A

Submissions and Comments

We have consulted with DTF and the 13 agencies that we surveyed. We considered their views when reaching our review conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses were received as follows:

DH	28
DJCS	30
DJPR	31
DoT	32
DTF	33
MTIA	34



Secretary

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Andrew Greaves
Auditor General
Victorian Auditor-General's Office

Via email: [REDACTED]

Dear Mr Greaves

Proposed Major Projects Performance Reporting - 2022

Thank you for providing the Department of Health the opportunity to make submissions and comments on the proposed report on Major Projects Performance Reporting – 2022, including the associated dashboard.

I acknowledge your office's advice that, at times, government does not sufficiently explain scope changes in Budget Papers (BP4). Specifically, in relation to the scope changes for the New Footscray Hospital and the Frankston Hospital Redevelopment projects, I am pleased to offer the following further information:

- a. The original TEI for both projects reflected a traditional procurement model.
- b. Subsequently, a decision was taken to deliver both projects as Public Private Partnerships (PPPs), which includes capital costs and 25 years of operational and lifecycle costs, including the requirement for capital upgrades across the contract term.
- c. As noted in BP4, the total contracted cost of the New Footscray Hospital Project and the New Frankston Redevelopment Project each remains within its (original) approved affordability benchmark.
- d. A PPP model will deliver additional value for both projects. For example the additional value for the Frankston Redevelopment Hospital includes 15 fully fitted-out operating theatres; new and expanded 26-bed intensive care unit; more cots for the special care nursery; and more birthing rooms.

The additional value for the New Footscray Hospital Project includes: education and research space for exclusive use by Victoria University; a pedestrian footbridge over Ballarat Road; 6,226 sqm in the additional area; 24 additional carparks and additional measures to achieve long-term sustainability outcomes (including a pathway to achieving full electrification).

While this level of detail may be outside the scope of your report, I hope that additional information of this sort may aid greater community understanding of why project costs can change as a result of robust, value-for-money processes.



Should you require clarification or additional information, please contact Sri Kumarasamy, Director, Victorian Health Building Authority, via email: Sri.Kumarasamy@health.vic.gov.au.

Yours sincerely



Professor Euan M Wallace AM
Secretary

06/09/2022



Department of Justice and Community Safety

Secretary

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Mr Andrew Greaves
Victorian Auditor-General
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Dear Mr Greaves

Thank you for your letter of 11 August 2022 and the opportunity to review the proposed report and dashboard for your assurance review on Major Projects Performance 2022.

The Department of Justice and Community Safety (DJCS) is committed to accurate and transparent reporting of progress for its major projects that have attracted significant government investment.

While the report does not make recommendations for DJCS, my department has concerns that some of the dashboard graphics could be misinterpreted. In particular, the total expected investment view for the Western Plains Correctional Centre could be misinterpreted as a cost blowout when it should reflect planned investment across multiple budgets. While the department appreciates other changes you have made to improve the report and dashboard, further improvements to accurately convey this important context would be welcomed.

If you have any questions or require further information, please contact Fiona Dowsley, Associate Deputy Secretary, Corporate Governance and Support on 0418 334 971 or via email fiona.dowsley@crimestatistics.vic.gov.au

Yours sincerely



Rebecca Falkingham
Secretary

29/08/2022





Department of Jobs, Precincts and Regions

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Ref: BSEC-2-22-23987

Mr Andrew Greaves
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Dear Mr Greaves

VAGO's proposed report and data dashboard – Major Projects Performance

Thank you for your letter of 11 August 2022, providing the Department of Jobs, Precincts and Regions with a copy of the proposed report and interactive data dashboard for VAGO's Major Projects Performance limited assurance review.

I note that VAGO has not made any recommendations to the department in the proposed report. Our feedback on the proposed report and data dashboard has been provided to VAGO in discussions through the process. I appreciate the professional manner demonstrated by VAGO's team throughout the conduct of the review.

If you require further information, please contact Jenny Lee, Acting Director Strategic Audit and Assurance on 0417 392 850 or jenny.lee@ecodev.vic.gov.au.

Yours sincerely



Simon Phemister
Secretary

09/09/2022





Department of Transport

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Mr Andrew Greaves
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Dear Mr Greaves

Victorian Auditor-General's Office - Assurance Review - Major Projects Performance Reporting - Proposed Report

Thank you for your letter of 11 August 2022 inviting a response to the proposed report for the *Major Projects Performance Reporting – 2022* limited assurance review.

The Department of Transport (DoT) has reviewed the proposed report and the associated proposed data for use in the VAGO data dashboard. DoT acknowledges that the report finds deficiencies in the way that the Department of Treasury and Finance (DTF) and Office of Projects Victoria (OPV) transparently report the performance of major projects against cost, time, scope, and benefits.

DoT supports the principle of improving the quality of major projects performance reporting, including from DTF and OPV, and subsequently reducing the frequency of future limited assurance reviews from your office in this regard.

Yours sincerely



Paul Younis
Secretary
Department of Transport

2 September 2022





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Mr Andrew Greaves
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Dear Mr Greaves

LIMITED ASSURANCE REVIEW – MAJOR PROJECTS PERFORMANCE REPORTING 2022

Thank you for your letter dated 11 August 2022, inviting the Department of Treasury and Finance (DTF) to respond to the limited assurance review: Major Projects Performance Reporting 2022.

DTF notes the conclusions of the review and the recommendation directed at DTF including the Office of Projects Victoria (OPV). DTF accepts in principle the recommendation.

In response to a 2021 VAGO recommendation, DTF/OPV developed an on-line *Capital Investment Dashboard* which was first published in June 2022. We will continue to work with VAGO on options to refresh and update the on-line *Capital Investment Dashboard* based on information collected from project delivery agencies.

I note DTF's reporting on the progress and performance of the State's major capital program is aligned with or above comparable jurisdictions.

Thank you for the opportunity to respond to the review.

Yours sincerely

David Martine
Secretary

1/9/2022





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Mr Andrew Greaves
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Dear Andrew

Proposed Limited Assurance Review Report: Major Projects Performance Reporting — 2022

Thank you for your letter of 11 August 2022 providing the Major Transport Infrastructure Authority with the opportunity to provide feedback and comments on the proposed draft report for the proposed Limited Assurance Review Report: Major Projects Performance Reporting.

MTIA values the opportunity to review the proposed report and we have also worked closely with your staff to ensure the information included in the survey on the progress of capital projects relating to MTIA projects is current and complete.

Should you require any further information, please contact Sara McIvor, Acting Corporate, MTIA on 0402 119285 or by email: sara.mcivor@mtia.vic.gov.au.

Please do not hesitate to contact me if you wish to discuss this matter.

Yours sincerely



Corey Hannett
Director-General

1 / 09 / 2022

