

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, or relevant extracts, 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 received

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Department of Treasury and Finance	A-2
Court Services Victoria	A-4
Department of Families, Fairness and Housing	A-6
Department of Health	A-8
Department of Jobs, Skills, Industry and Regions	A-10
Department of Justice and Community Safety	A-12
Department of Transport and Planning	A-14



Department of Treasury and Finance

1 Treasury Place
Melbourne Victoria 3002 Australia
Telephone: +61 3 9651 5111
dtf.vic.gov.au

D23/171794

Mr Andrew Greaves
Auditor General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3002

Dear Mr Greaves

LIMITED ASSURANCE REVIEW – MAJOR PROJECTS PERFORMANCE REPORTING 2023

Thank you for your letter dated 17 October 2023, inviting the Department of Treasury and Finance (DTF) to respond to the limited assurance review: Major Projects Performance Reporting 2023.

DTF notes the conclusions of the review and the two recommendations directed at DTF including the Office of Projects Victoria (OPV). DTF accepts in principle the recommendations and I have attached an action plan to this letter to address your recommendations.

In response to a 2021 VAGO recommendation, DTF/OPV developed an online Capital Investment Dashboard which was first published in June 2022. This dashboard was subsequently enhanced with additional functionality and through DTF issuing further guidance to agencies on the information expected from them. We will continue to work with VAGO on improving reporting of projects in Budget Paper 4: State Capital Program and options to refresh and update the online 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 more extensive than comparable jurisdictions.

Thank you for the opportunity to respond to the review.

Yours sincerely

David Martine
Secretary

30/10/2023





Department of Treasury and Finance

1 Treasury Place
 Melbourne Victoria 3002 Australia
 Telephone: +61 3 9651 5111
 dtf.vic.gov.au

Attachment 1 – DTF action plan to address recommendations from Major Projects Performance Reporting

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
2	Improve its reporting of Budget Paper 4: State Capital Program footnotes to include, where practical, agency comments that reflect any significant changes to a project in line with its guidance, including where comments are relevant across multiple years (see Section 2).	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle	DTF will update the <i>DTF Information Request Major projects and capital program performance reporting</i> requirements to provide agencies with further clarity on the information required as part Budget Paper 4 reporting.	May 2024
3	Improve its Capital Investment Dashboard to include information that can provide greater transparency about capital projects to Parliament and the community. At a minimum, it should improve the dashboard to include the information reported in our Major Projects Performance dashboard (see Section 1).	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle	DTF will continue to maintain its existing public-facing dashboard, and further develop and improve its functionality to increase the usability and accessibility of information on major projects.	May 2024



Office of the CEO

PO Box 13193
Law Courts 8010

31 October 2023

Mr Andrew Greaves
Victorian Auditor-General
Level 31, 35 Collins Street
Melbourne VIC 3000

Dear Mr Greaves,

Provisional Draft Report Major Projects Performance Reporting

Thank you for your letter of 17 October 2023. I have reviewed the proposed report, which includes the audit findings and recommendations.

Court Services Victoria (CSV) accepts the one recommendation directed to the Wyndham Law Courts Project, which is to:

Improve reporting to the Department of Treasury and Finance (DTF) for Budget Paper 4: State Capital Program footnotes to explain changes in major projects' completion dates in line with the Department of Treasury and Finance's guidance, including why a project's date or schedule has changed.

Outlined below in Attachment 1 is CSV's proposed Action Plan in response to the abovementioned recommendation.

Should you require any further information, please do not hesitate to contact me.

Yours sincerely,

A black rectangular box redacting the signature of Louise Anderson.

Louise Anderson
Chief Executive Officer
Court Services Victoria



Attachment 1 – CSV Action Plan to address the 2023 VAGO Major Projects Performance Reporting Audit

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	Improve their reporting to the Department of Treasury and Finance (DTF) for Budget Paper 4: State Capital Program (BP4) footnotes to explain changes in major projects' completion dates in line with the DTF's guidance, including: <ul style="list-style-type: none"> • why a project's date or schedule has changed • any other significant project information (see Section 2). 	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle <input type="checkbox"/>	CSV will ensure that all relevant Business Units are aware of this VAGO recommendation. In line with the annual State Budget process, CSV will work with DTF to provide adequate narrative in line with this VAGO recommendation for the next budget paper cycle. The draft wording CSV will propose DTF publish in Budget Paper 4 will align with the following: <i>The estimated completion date for the project was revised in the 2023/24 Budget Paper 4 from the original estimated completion date (Q1 2024/25) to an updated estimated completion date (Q3 2024/25) to reflect:</i> <ul style="list-style-type: none"> • CSV receiving funding later than the timelines outlined in the original business case; • The project's 'go live' date rather than the building completion date; and • The outcome of market response at main works contract award (October 2022) and align with the main works contractor's Program. 	In line with the next budget paper cycle. Budget Papers are expected to be published in May 2024.

Response provided by the Secretary, Department of Families, Fairness and Housing



Secretary

Department of Families, Fairness and Housing

50 Lonsdale Street
Melbourne Victoria 3000
Telephone: 1300 475 170
GPO Box 1774
Melbourne Victoria 3001
www.dffh.vic.gov.au

BAC-EOB-225

Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31 / 35 Collins Street
Melbourne VIC 3000
c/o: [REDACTED]

Dear Mr Greaves

Thank you for your letter enclosing the provisional draft report on Major Projects Performance Reporting 2023 and for allowing the Department of Families, Fairness and Housing (the department) the opportunity to provide further submissions or comments.

The department supports Victorian Auditor-General's Office (VAGO's) recommendation in ensuring that the Budget Paper 4: State Capital Program footnotes are clear and informative to provide transparency of changes for readers of the Budget Papers.

The department acknowledges VAGO's representation to the Department of Treasury and Finance with regards to including commentary on historical changes and context which is now captured in Recommendation 2. This change will support agencies providing key contextual information to the footnotes. As previously raised, the 'Carlton redevelopment – 246 units/sites' project is shown with a 20-quarter variance, however the social housing outcomes were achieved in 2014 and the project will not be formally finalised until the balance of the private apartments are sold. The extended duration has allowed for increased financial outcomes to the State (without an increase in Total Expected Investment).

Thank you for the opportunity to respond to the report.

Yours sincerely

Peta McCammon
Secretary

27/ 10 /2023



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DFFH action plan to address recommendations from Major Projects Performance Reporting

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	<p>Improve their reporting to the Department of Treasury and Finance for Budget Paper 4: State Capital Program footnotes to explain changes in major projects' completion dates in line with the Department of Treasury and Finance's guidance, including:</p> <ul style="list-style-type: none"> • why a project's date or schedule has changed • any other significant project information (see Section 2). 	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle </p>	<p>The Department will continue to provide transparency as to the reasoning of project completion date changes.</p> <p>The Department acknowledges VAGO's representation to Department of Treasury & Finance with regards to including commentary on historical changes/context and the subsequent revision to Recommendation 2 to accommodate such commentary.</p>	N/A

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Response provided by the Secretary, Department of Health



Secretary

Department of Health

50 Lonsdale Street
Melbourne Victoria 3000
Telephone: 1300 650 172
GPO Box 4057
Melbourne Victoria 3001
www.health.vic.gov.au
DX 210081

BAC-BR-22984

Andrew Greaves
Victorian Auditor-General

Via email: [REDACTED]

Dear Mr Greaves

Proposed Report - Major Projects Performance Reporting – 2023

Thank you for providing my department with the opportunity to provide a submission to your report, Major Projects Performance Reporting – 2023.

My department is committed to providing value for money for the Victorian community in respect to the significant investments government has made in health infrastructure. It is also committed to accurate and transparent reporting of progress of capital projects and the rationale behind any changes to budget, completion date and scope in pursuing this objective. VAGO's advice as to how this might be improved is accepted.

In VAGO's acquittal of issues raised by the Department of Health on the provisional report, the BP4 2023-24 footnote has been used to explain the Ballarat Base Hospital redevelopment completion date change. However, that footnote relates to a subsequent unrelated Total Estimated Investment (TEI) change due to additional scope. The relevant BP4 2022-23 footnote explains this change is different. I acknowledge that you have included a column in Figure 6, *reasons for variance*, to highlight context that agencies provided in their survey response or in our report last year.

For the projects raised in Chapter 2 of the report, I am pleased to offer the following further information on the TEI and completion date changes:

Building a world class hospital for Frankston families

The TEI change reflects an amended procurement strategy (moving from a traditional procurement model to a public private partnership). The TEI includes 25 years of operational and lifecycle costs alongside the capital costs and remains within its original approved affordability benchmark. There is no additional cost to the taxpayer over the whole project term.

Additional acute mental health beds in regional Victoria

The estimated completion date was revised to align with efforts across the portfolio to maximise market capacity.



Response provided by the Secretary, Department of Health – *continued*

Ballarat Health Services expansion and redevelopment

The completion date was extended due to include the new central energy plant in scope, which required an amended sequence of works, and the inclusion of a 12-month defects and liabilities period.

Goulburn Valley Hospital – planning and development

The completion date was revised to account for the inclusion of refurbishment and compliance works due to additional scope to include 24-hour emergency imaging services, a radiology facility and a new operating theatre. Additionally, resequencing of works was required to maintain capacity and clinical segregation to respond to COVID-19.

Yours sincerely



Professor Euan M Wallace AM
Secretary
15/11/2023

Copy: Ben Hasker, Director: 



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Department of Jobs, Skills, Industry and Regions

GPO Box 4509
Melbourne, Victoria 3001 Australia
Telephone: +61 3 9651 9999

Ref: CSEC-2-23-21923

Mr Andrew Greaves
Auditor General
Victorian Auditor General's Office
Level 31, 35 Collins Street
MELBOURNE VICTORIA 3000

Dear Mr Greaves

PROPOSED REPORT - MAJOR PROJECTS PERFORMANCE REPORTING 2023

Thank you for your letter of 17 October 2023, providing the Department of Jobs, Skills, Industry and Regions (the department) with the proposed report for the Major Projects Performance Reporting 2023 limited assurance review.

The department welcomes VAGO's recommendation and will continue to foster best practices for strengthening its controls around major projects performance reporting. Enclosed with this correspondence is a document confirming that the department has the recommended action in place.

I appreciate the professional way this review has been conducted.

If you require further information, please contact Karan Gill, Chief Audit Officer on [REDACTED] or [REDACTED].

Yours sincerely

Tim Ada
Secretary

Date: 26/10/2023



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DJSIR action plan to address recommendations from Major Projects Performance Reporting

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	<p>Improve their reporting to the Department of Treasury and Finance for Budget Paper 4: State Capital Program footnotes to explain changes in major projects' completion dates in line with the Department of Treasury and Finance's guidance, including:</p> <ul style="list-style-type: none"> • why a project's date or schedule has changed • any other significant project information (see Section 2). 	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle </p>	<p>Budget Paper 4 (BP4) is a product of Department of Treasury and Finance (DTF). DJSIR explains changes in major projects' completion dates in line with the DTF footnotes guidance, which is to explain a change in the estimated completion date of the project since the last publications of BP4.</p> <p>Additionally, on a quarterly basis, DJSIR provides an Asset Investment report to DTF which provides reasons for variances in TEI and schedules/timelines.</p> <p>DJSIR will continue to meet DTF reporting requirements in relation to BP4 initiatives.</p>	

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Department of Justice and Community Safety

Secretary

Level 26
121 Exhibition Street
Melbourne Victoria 3000
Telephone: (03) 8684 0501
justice.vic.gov.au

Our ref: EBC: 23104437

Mr Andrew Greaves
Auditor-General
Via email: [REDACTED]

Dear Mr Greaves

Thank you for your letter of 17 October 2023 and the opportunity to review the proposed report and draft dashboard for your assurance review on Major Projects Performance Reporting 2023.

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.

The department's action plan to address the recommendation for all agencies in scope is attached.

If you have any questions or require further information, your office can contact Julianne Brennan Executive Director, Governance and Assurance, on [REDACTED] or via email: [REDACTED]

Yours sincerely

[REDACTED]

Kate Houghton PSM
Secretary

31/10/2023



DJCS action plan

Major projects performance reporting 2023

#	VAGO recommends that all departments and agencies:	Response	#	DJCS will:	By:
2	<p>Improve their reporting to the Department of Treasury and Finance for Budget Paper 4: State Capital Program footnotes to explain changes in major projects' completion dates in line with the Department of Treasury and Finance's guidance, including:</p> <ul style="list-style-type: none"> • why a project's date or schedule has changed • any other significant project information. 	Accept	2.1	Continue to adhere to the Department of Treasury and Finance guidance on preparing proposed footnotes for inclusion in the budget papers, including clearly explaining why the estimated end date or total estimated investment for an initiative has changed.	16-Nov-23



Department of Transport and Planning

GPO Box 2392
Melbourne, Victoria 3001 Australia

Ref: BSEC-1-23-4586

Mr Andrew Greaves
Auditor-General of Victoria
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves

Victorian Auditor-General's Office - Major Projects Performance Reporting 2023 - Proposed Report

Thank you for your letter of 17 October 2023 inviting a response to the *Major Projects Performance Reporting 2023 Proposed Report* which has been provided to the Department of Transport and Planning (DTP), Major Transport Infrastructure Authority (MTIA) and Suburban Rail Loop Authority (SRLA).

The Department, MTIA and SRLA have reviewed the proposed report and the associated proposed data for use in the VAGO data dashboard.

On behalf of the Department, MTIA and SRLA, I acknowledge the report's conclusion that public reporting by the Department of Treasury and Finance (DTF) continues to have limitations and that agencies could improve how they report changes to major projects' completion dates. DTP, MTIA and SRLA accept in principle the recommendation raised to agencies.

DTP, MTIA and SRLA continue to support the principle of improving the quality of major projects performance reporting through DTF and subsequently reducing the frequency of future limited assurance reviews from your office in this regard.

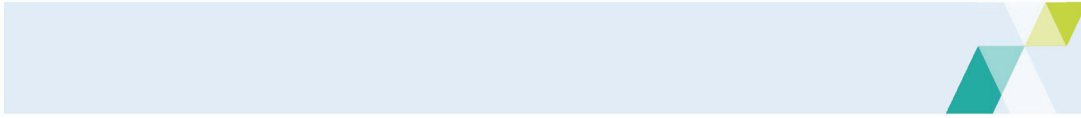
Yours sincerely



Paul Younis
Secretary
Department of Transport and Planning

27 October 2023





Major Projects Performance Reporting 2023

Department of Transport and Planning (DTP), Major Transport Infrastructure Authority (MTIA) and Suburban Rail Loop Authority (SRLA) – Action plan

No.	VAGO Recommendation	DTP Action	Due date
1	<p>Improve their reporting to the Department of Treasury and Finance (DTF) for Budget Paper 4: State Capital Program footnotes to explain changes in major projects' completion dates in line with the Department of Treasury and Finance's guidance, including:</p> <ul style="list-style-type: none"> • why a project's date or schedule has changed • any other significant project information (see Section 2). 	<p>Accepted in principle.</p> <p>DTP, MTIA and SRLA will implement DTF's guidance to support providing accurate, complete and well-structured footnotes within the broader budget process.</p> <p>As part of the next BP4 process:</p> <ul style="list-style-type: none"> - DTP will provide clear instruction reinforcing the use of the BP4 Footnote checklist (provided by DTF); and, - DTP will include in its quality assurance activity that the footnotes meet the criteria when submitted to DTF for review. 	31-May-2024