

Appendix A:

Submissions and comments

We have consulted with the Department of Education, Department of Families, Fairness and Housing, Department of Health, Department of Justice and Community Safety and Department of Treasury and Finance, and we considered their views when reaching our audit 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 relevant agency head.

Responses received

Agency	Page
Department of Education	A-2
Department of Families, Fairness and Housing	A-4
Department of Health	A-6
Department of Justice and Community Safety	A-8
Department of Treasury and Finance	A-10

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Department of Education

Secretary

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COR-260600378

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
[REDACTED]

Dear Mr Greaves

Proposed report: Investing in early intervention initiatives

Thank you for your letter on 1 June 2026 and the opportunity to comment on the proposed report for this performance audit.

The Department of Education is committed to implementing the Early Intervention Investment Framework (EIIF) effectively and ensuring it enables evidence-based investment decisions.

The department has reviewed the proposed report and accepts recommendations directed to agencies delivering EIIF initiatives and has prepared a management action plan to address the relevant recommendations. The department would also like to reaffirm the commitment to working with the Department of Treasury and Finance and other line agencies in responding to findings and recommendations outlined in the report.

Should your team wish to discuss the department's response, please contact Shamiso Mtenje, Executive Director, Assurance, Knowledge and Executive Services on [REDACTED] or [REDACTED]

Yours sincerely

Tony Bates PSM
Secretary
16 / 6 / 2026

Encl.: The department's action plan

Your details will be dealt with in accordance with the *Public Records Act 1973* and the *Privacy and Data Protection Act 2014*. Should you have any queries or wish to gain access to your personal information held by this department please contact our Privacy Officer at the above address.



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DE action plan: Investing in Early Intervention Initiatives audit

#	Recommendations: That all audited departments except Department of Treasury and Finance:	Response	#	The department will:	By:
2	Establish processes to comply with the Department of Treasury and Finance's updated guidance (see Section 3 and Section 4).	Accept	2.1	Review internal processes against the Department of Treasury and Finance's updated guidance and identify and document any areas that require update.	December 2027
			2.2	Develop internal guidance, in consultation with the Department of Treasury and Finance and utilising the review performed in 2.1, that establishes the DE processes for delivering its obligations to EILF.	July 2028 (ahead of 2029-30 State Budget preparation)
6	Make sure proposed Early Intervention Investment Framework initiatives are available in the clearinghouse for the period recommended by the Department of Treasury and Finance, to enable meaningful review and collaboration (see Section 4).	Accept	6.1	Review internal processes to identify pressure points regarding clearinghouse processes and document any areas that require update.	December 2027
			6.2	Based on the outcome of the review as per 6.1 and updated DTF guidelines, develop internal processes to ensure DE meets EILF clearinghouse obligations.	July 2028 (ahead of 2029-30 State Budget preparation)



Secretary

Department of Families, Fairness and Housing

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CSEC-260600025

Andrew Greaves
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Level 31, 35 Collins Street
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Dear Mr. Greaves

Thank you for your letter dated 1 June 2026 providing the Department of Families, Fairness and Housing (the department) with the opportunity to comment on the proposed report *Investing in early intervention initiatives*.

The department remains committed to supporting the diverse needs of Victorians and providing early intervention and prevention to respond to challenges before they become crises. This is a critical enabler of our work to support children and families, keep them safe, provide stable housing and build strong communities.

The department supports the recommendations of the audit, and in particular, its focus on improving processes to estimate actual outcomes resulting from early intervention programs and updating departmental savings attributable to early intervention programs accordingly. The department has accepted all recommendations directed towards it either in full or in principle, and an action plan to implement these recommendations is attached. I note that implementation of the recommendations, particularly in relation to calculating actual avoided costs, is subject to available resources.

The department looks forward to continuing to work with the Department of Treasury and Finance, and other government departments, to implement shared responses to the audit's findings and recommendations to improve the Early Intervention Investment Framework. Thank you for your team's continued engagement and collaboration throughout this audit.

Yours sincerely

Peta McCammon PSM
Secretary

17/06/2026

Encl. Attachment 1 – DFFH Agency action plan



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Department of Families, Fairness and Housing action plan to address recommendations from *Investing in early intervention initiatives*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
2	Establish processes to comply with the Department of Treasury and Finance's updated guidance (see Section 3 and Section 4).	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle	<p>The Department of Families, Fairness and Housing (the department) supports this recommendation in principle. The department welcomes updated guidance on outcomes measures, estimating savings and setting baselines and targets, and once this is in place, will establish processes to comply with this guidance.</p> <p>The department notes that implementation of this recommendation is dependent on the delivery of recommendation 1 of this audit. The department looks forward to working collaboratively with the Department of Treasury and Finance (DTF) and other government departments to support the development of updated Early Intervention Investment Framework (EIIF) guidelines.</p>	Dependent on delivery timelines for recommendation 1 (led by DTF).
6	Make sure proposed Early Intervention Investment Framework initiatives are available in the clearinghouse for the period recommended by the Department of Treasury and Finance, to enable meaningful review and collaboration (see Section 4).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	<p>The department is committed to the clearinghouse process and collaboration across departments on EIIF initiatives. The department will work with the Department of Treasury and Finance and other departments to ensure that modelling for its EIIF initiatives can continue to be considered in the clearinghouse for the recommended period.</p>	2027-28 State Budget process onward.

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Department of Health

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Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office

Via e-mail: [REDACTED]

Dear Mr Greaves

VAGO Proposed Report: *Investing in Early Intervention Initiatives*

Thank you for your letter of 1 June 2026 providing the Department of Health (the department) with an opportunity to comment on the Proposed Report for the *Investing in Early Intervention Initiatives* performance audit.

I welcome the findings and recommendations in the Proposed Report, including the identified opportunities to strengthen the application of the framework.

I am pleased to provide you with my department's actions in response to your recommendations enclosed with this letter at **Attachment 1**.

If you require further information, please contact Laura Littlepage, Acting Director, Budget Strategy via email [REDACTED]

Yours sincerely

Jenny Atta PSM

Secretary

12/06/2026

Attachment 1: Department of Health action plan: Investing in Early Intervention Initiatives



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Department of Health action plan to address recommendations from *Investing in early intervention initiatives*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
2	Establish processes to comply with the Department of Treasury and Finance's updated guidance (see Section 3 and Section 4).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	The department will revise its state budget process guidance materials and in-house training to ensure consistency with the Department of Treasury and Finance's updated guidance.	30 October 2026
6	Make sure proposed Early Intervention Investment Framework initiatives are available in the clearinghouse for the period recommended by the Department of Treasury and Finance, to enable meaningful review and collaboration (see Section 4).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle	The department will seek advice from the Department of Treasury and Finance on the classification of proposals early in the state budget cycle. Timely classification of Early Intervention Investment Framework initiatives will enable avoided cost modelling to be available in the clearinghouse for the period recommended by the Department of Treasury and Finance.	30 October 2026

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Department of Justice and Community Safety

Secretary

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Our ref: 26060663

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Officer
Via email: [REDACTED]

Proposed report: Investing in early intervention initiatives

Dear Mr Greaves

Thank you for your letter of 1 June 2026 providing the proposed report for the audit on Investing in early intervention initiatives, and the opportunity to provide a formal response.

The department remains committed to using early intervention programs to slow the growth of acute issues impacting the justice system and community safety and to complying with requirements of the program.

The department has reviewed the proposed report and advised your audit team about the risk of recommendation 6 resulting in less time for departments to comment on other departments' analysis.

The department accepts one of your recommendations in full and the other in principle, due to the dependencies on the central agency's actions being implemented and resulting requirements practicable. The action plan to address these recommendations is attached.

If you have any questions or require further information, please contact Fiona Dowsley, Executive Director, Data, Performance and Governance via [REDACTED]

Yours sincerely

Emma Cassar PSM
Secretary

16 / 06 / 2026



DJCS action plan

Investing in early intervention initiatives

#	VAGO recommends that all audited departments:	Response	#	DJCS will:	By:
2	Establish processes to comply with DTF's updated guidance.	Accept	2	Review and update its EIIIF processes as further requirements are issued and will continue to apply DTF's guidance, subject to the application of these requirements being practical, appropriate and proportionate. DJCS will also balance any future DTF requirements, such as public reporting, against relevant and legitimate factors that have the potential to increase reporting gaps, including small sample sizes, cultural safety and participant privacy considerations.	30-Jun-27
6	Make sure proposed EIIIF initiatives are available in the clearinghouse for the period recommended by DTF, to enable meaningful review and collaboration.	Accept in principle	6	Continue to ensure its initiatives are submitted to the clearinghouse in accordance with deadlines and periods set by DTF, provided DTF facilitates enhanced clearinghouse processes to enable this. E.g. DTF needs to enable this by: <ul style="list-style-type: none"> giving sufficient advance notice of clearinghouse commencement dates to enable departments adequate time to prepare their submissions in time ensuring there is no lag time in materials provided by departments being uploaded to the clearinghouse portal. 	30-Jun-27



Department of Treasury and Finance

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CSEC-260600006

Mr Andrew Greaves
Auditor-General
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Dear Auditor-General

DTF RESPONSE TO VAGO'S PROPOSED REPORT – INVESTING IN EARLY INTERVENTION INITIATIVES

Thank you for your letter dated 1 June 2026 inviting the Department of Treasury and Finance (DTF) to respond to the proposed report for the *Investing in early intervention initiatives* performance audit.

Purpose of EIIF and the value that it adds

The Early Intervention and Investment Framework (EIIF) is an innovation that improves the evidence base for government decision-making and for program oversight, and supports investment in early intervention social services. Evidence-based investment in early intervention produces better service delivery, better outcomes for individuals, and fiscal benefits for the State.

The proposed report should be read in the context of the additionality that EIIF provides to the existing budget process – particularly:

- improved evidence supporting business cases and DTF's briefing advice to government;
- improved engagement and coordination across departments on program impacts across the service system;
- annual monitoring of program outcomes for EIIF initiatives, which provides evidence to government that would not otherwise exist on the progress of initiatives; and
- funding set aside each budget to explicitly consider early intervention proposals in the budget process, which helps to embed early intervention into decision-making.

Approach to building evidence

EIIF is a recent innovation, and DTF's approach to implementing EIIF recognises that it takes time to build data collection systems and improve outcome measurement capability across the Victorian Public Service. DTF has worked with departments and social sector experts to together build this capability over time. DTF has sought departments' best efforts in reporting, focusing on building the evidence base, rather than penalising departments that do not have perfect information to begin with. For example:



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- DTF has accepted that some imperfect outcome measures may need to be refined over time; and
- DTF has accepted that there are some gaps when some initiatives begin reporting outcomes while working with departments to improve the number and quality of outcome measures and level of reporting each year.

The evidence in the proposed report shows that this approach is working, with 45.6 per cent of measures reporting outcome results in year 1 of a program, rising to 89.5 per cent of measures reporting outcome results by year 4. This recognises the value in taking time to build the evidence base and the significant progress being made since the inception of EIIIF.

As outlined above, EIIIF provides annual evidence to government on the progress of initiatives that would not otherwise exist. DTF will implement the proposed report recommendations as part of embedding and continuing to improve the framework.

EIIIF provides accountability for delivery, including wellbeing outcomes and savings

Departments are expected to be accountable for delivering the savings that they commit to achieve as part of receiving funding for EIIIF initiatives. EIIIF provides incentives for departments to develop robust outcome measures to inform whether these savings are being realised over time, as well as to better understand the impact on service user outcomes.

Savings are not the sole focus of EIIIF - nevertheless DTF has processes in place to monitor the risk of departments not being able to realise their committed savings. DTF will complement and enhance these in response to the recommendations.

Recognising the opportunity for continual improvement VAGO's report provides

DTF acknowledges the key findings of the engagement and appreciate your team's consultative approach. DTF is generally supportive of the report's recommendations, and DTF's Action Plan outlines the department's response to your recommendations (attached).

Thank you again for the opportunity to respond to the proposed report.

Yours sincerely



Chris Barrett
Secretary

12 / 6 / 2026

Attachments encl.: Department of Treasury and Finance action plan to address recommendations from Investing in early intervention initiatives

Department of Treasury and Finance action plan to address recommendations from *Investing in early intervention initiatives*

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	<p>Update Early Intervention Investment Framework guidance so that:</p> <ul style="list-style-type: none"> outcome measures show if and where service demand has reduced, and reflect if an initiative is universal or for a targeted cohort departments are supported by practical approaches to estimate savings and set outcome measure baselines and targets, including where their initiatives are reclassified as Early Intervention Investment Framework initiatives submissions and clearinghouse reviews test assumptions about reduced service demand and estimated savings' modelling risks <p>(see Section 3 and Section 4).</p>	<p>Acceptance</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle</p>	<p>The Department of Treasury and Finance (DTF) will make these amendments to the Early Intervention and Investment Framework (EIIIF) guidance, consistent with the continuous improvement approach taken by DTF under EIIIF.</p> <p>DTF will test updated guidance with departments to ensure it best supports improved practice and outcomes under EIIIF.</p>	<p>Quarter 1, 2026-27</p>

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3	<p>In consultation with departments, establish a process to calculate actual savings using evidence of reduced service demand from outcome measures (see Section 3).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle</p>	<p>The current process for re-examining savings accrued under EIFF involves using the outcomes report to identify where such analysis is warranted and invites Ministers to submit requests for adjustment to the Treasurer. DTF will work with departments to further enhance this process by developing guidance on how actual savings may be considered by the Treasurer and the criteria for such a review. This could include identifying other evidence sources (such as evaluations) and establishing a process by which departments could trigger a review of their savings. DTF notes that re-calculation of avoided costs/savings is unlikely to be required for all initiatives, particularly those of lower value, or when there is evidence that an initiative performance is on track. The guidance will seek to improve oversight while ensuring efficient and well-targeted use of departmental resources.</p>	<p>Quarter 2, 2026-27</p>
4	<p>Periodically reassess budget reductions using outcome measure results and, where initiatives do not reduce service demand or costs as estimated, advise the government on appropriate adjustments to budget reductions or funding (see Section 3).</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle</p>	<p>DTF supports the intent of this recommendation, consistent with the structured approach contained in Recommendation 3. DTF notes that it is the only department allocated this recommendation. In practice, all departments responsible for EIFF initiatives will need to undertake a fulsome reassessment for government which would then be considered by DTF as part of providing advice to the Treasurer on any reassessment of savings. DTF guidance will be prepared as outlined in the response to Recommendation 3. The guidance will consider roles and responsibilities for undertaking aspects of this work, including where a request is made by a department that is not the funded department.</p>	<p>Quarter 2, 2026-27; ongoing</p>

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5	<p>Make sure assessment of Early Intervention Investment Framework submissions and advice to the government identifies key limitations in the supporting evidence. This includes:</p> <ul style="list-style-type: none"> • if outcome measures can show reduced service demand and include baselines and targets • known modelling risks • unresolved clearinghouse issues • the basis for outcome ratings where departments' information is incomplete • any limitations arising from reclassifying initiatives as Early Intervention Investment Framework initiatives (see Section 4). 	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input type="checkbox"/> In principle</p>	<p>DTF advice to government on the appropriate avoided cost of initiatives takes account of modelling risks and unresolved clearinghouse issues. Limitations in supporting evidence are included in briefing advice where DTF considers the issues are substantial and critical to decision-making.</p> <p>DTF supports providing government with as much information as possible to make funding decisions but, given the volume of information being considered throughout the budget process, additional information needs to be balanced against making sure the information is of sufficient relevance and magnitude to influence funding decisions.</p>	Quarter 3, 2026-27; ongoing
7	<p>Report Early Intervention Investment Framework outcomes publicly so that service user outcomes, changes in service demand and savings can be assessed over time (see Section 5).</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle</p>	<p>Public reporting will be a decision for Government; DTF will advise on options for releasing EIF outcomes publicly in line with the recommendation. This advice will identify ways to mitigate potential negative incentives on reporting quality created by publication. Release of detailed program-level information is also subject to consultation with departments and their data custodians.</p>	Quarter 1 - Quarter 2, 2026-27; ongoing

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