Appendix C:
Audit scope and method

Scope of this audit

Who we examined

We examined the following agencies:

Agency	Their key responsibilities
DTP	DTP is the client for the SRL East project. It also chairs the SRL Coordination Committee (SRLCC) established in February 2026 to oversee the project. This committee meets monthly and includes representatives from DPC, DTF and SRLA. The SRLCC replaces the previous interdepartmental committee that was chaired by DPC. The department provides advice to relevant ministers on the project.
DPC	DPC participates in a range of project governance groups, provides secretariat functions for the SRL Cabinet Committee and prepares a monthly report to the government on SRL East project delivery status and issues based on information from SRLA and DTF. The department provides advice to the Premier on the project.
DTF	DTF developed the funding and financing strategy for the project and applies its major project assurance processes to the project under the high value, high risk framework. It also participates in a range of project governance groups and contributes to the monthly report to the government on the project delivery status. The department provides advice to the Treasurer on the project.
SRLA	SRLA is the delivery agency for the SRL East project. It is also a member of the interdepartmental committee overseeing the project and the various project governance groups established from November 2024 to guide planning and delivery of the project. SRLA also provides advice to relevant ministers on the project.

Our audit objective

Is SRL East precinct planning and project delivery proceeding as planned to enable the benefits identified in the *SRL Business and Investment Case* to be realised?

What we examined

We examined:

- if SRLA is on track to meet the timelines, scope and budget approved by government for the project
- whether SRLA's planning for SRL East precincts is proceeding as planned and consistent with supporting delivery of the benefits asserted in the *SRL Business and Investment Case*
- the funding and financing strategy for the project.

Aspects of performance examined

Our mandate for performance audits and reviews includes the assessment of economy, effectiveness, efficiency and compliance (often referred to as the '3Es + C').

In this audit we focused on the following aspects:

Economy	Effectiveness	Efficiency	Compliance

Key:

Primary focus

Secondary focus

Not assessed

Conducting this audit

Assessing performance

To form a conclusion against our objective we used the following lines of inquiry and associated evaluation criteria.

Line of inquiry	Criteria	
1. Is SRLA's precinct planning for SRL East proceeding as planned and consistent with delivering the benefits asserted in the *SRL Business and Investment Case*?	1.1	SRLA's draft precinct structure plans and planning scheme amendments for SRL East are consistent with delivering the benefits asserted in the *SRL Business and Investment Case*.
	1.2	SRLA can demonstrate that the SRL East precinct planning process will meet the timelines approved by government.
2. Are SRLA's precinct planning outputs consistent with realising the project funding streams identified in the *SRL Business and Investment Case* and related advice to the government?	2.1	SRLA and DTF are working together effectively to ensure consistency between precinct planning outputs and the SRL East funding and financing strategy approved by government.
	2.2	SRLA's draft precinct structure plans and planning scheme amendments for SRL East are consistent with delivering the state-led development and other value capture funding streams assumed in the *SRL Business and Investment Case* and advice to the government on the funding and financing strategy in terms of type, amounts and value capture objectives.
	2.3	The actual and planned timing of the precinct planning process and outputs and SRL East works packages will enable income from relevant funding streams to start flowing in line with the expected timing approved as part of the funding and financing strategy.
	2.4	Progress on state-led property development activities in SRL East precincts is consistent with the scope, timelines and projected returns agreed with government.
3. Is SRLA on track to meet the timelines, scope and budget approved by government for the SRL East rail infrastructure, precinct and related works?	3.1	SRLA can demonstrate that the SRL East initial and early works, main works packages and precinct works are progressing in line with approved timelines, scope and budget.
	3.2	SRLA can demonstrate that the impacts of any changes to the agreed scope, timing and cost of the SRL East initial and early works package, main works packages and precinct works have been identified and addressed.

Our methods

As part of the audit we:

- reviewed documents, data and other evidence held by audited entities
- interviewed entities' key staff involved in different phases of the project
- toured SRL East work sites.

The significance of this project means that key decisions on its planning, procurement and delivery are made by Cabinet committees and endorsed by Cabinet. These decisions are informed by submissions to the relevant Cabinet committees from entities including SRLA, and advice from DPC and DTF as the central agencies.

The *Victorian Government Cabinet Handbook* acknowledges the Auditor-General's right of access to Cabinet material under the *Audit Act 1994*. The Act also provides for the Auditor-General to include information acquired in performing duties and functions or exercising powers under the Act in a report to Parliament on that work, even if that may be contrary to other provisions in the Act or any other Act. The Act requires the Auditor-General to consider whether any such information is relevant to the subject matter of the report, and whether its inclusion in the report is in the public interest, before including it in a report.

In this audit we had to review submissions and central agency advice considered by Cabinet committees and Cabinet decision extracts. We have relied on and referred to that material where necessary when finalising this report.

Level of assurance

In an assurance review, we primarily rely on the agency's representations and internally generated information to form our conclusions. By contrast, in a performance audit, we typically gather evidence from an array of internal and external sources, which we analyse and substantiate using various methods. Therefore, an assurance review obtains a lower level of assurance than a performance audit (meaning we have slightly less confidence in the accuracy of our conclusion).

Compliance

We conducted our audit in accordance with the *Audit Act 1994* and ASAE 3500 *Performance Engagements* to obtain reasonable assurance to provide a basis for our conclusion.

We complied with the independence and other relevant ethical requirements related to assurance engagements.

Cost and time

The full cost of the audit and preparation of this report was $1,700,000.

The duration of the audit was 24 months from initiation to tabling.

Key issue: SRLA responsiveness to our information requests as part of this audit

This audit was formally initiated in September 2024. Our published performance target for the average duration taken to produce performance audit parliamentary reports for 2024–25 was 9 months or less.

SRLA did not respond to our requests for information and evidence in a timely manner across the extended duration of this audit. SRLA took 14 weeks, or 3 and a half months, to respond to our first detailed information request.

SRLA’s average response time for our 11 subsequent initial information requests on specific works packages and related issues was 7 and a half weeks, or nearly 2 months. Most of SRLA’s responses required follow-up requests to seek more comprehensive information.

SRLA's responsiveness was a key reason for anchoring our analysis at the end of 2025. Some of the information necessary to finalise our assessment for this period was provided by SRLA in June 2026.

We note SRLA's suggestion in its response to this report that we re-open the audit fieldwork to update our analysis. This was not possible while meeting our reporting timeframes. We have included information on key developments that have occurred during 2026 where relevant and available.