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Victorian Auditor-General's Office

Effectively Planning for Population Growth

August 2017

Victorian Auditor-General's Report
2017–18: 3

Effectively Planning for Population Growth

Ordered to be published

VICTORIAN GOVERNMENT PRINTER
August 2017

PP No 256, Session 2014–17

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ISBN 978 1 925678 00 0

The Hon Bruce Atkinson MLC	The Hon Colin Brooks MP
President	Speaker
Legislative Council	Legislative Assembly
Parliament House	Parliament House
Melbourne	Melbourne

Dear Presiding Officers

Under the provisions of section 16AB of the *Audit Act 1994*, I transmit my report *Effectively Planning for Population Growth*.

Yours faithfully

Andrew Greaves
Auditor-General

23 August 2017

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Acronyms

ABS	Australian Bureau of Statistics
AEDC	Australian Early Development Census
ATSI	Aboriginal and Torres Strait Islander
CALD	Culturally and linguistically diverse
CBD	Central business district
CDIS	Child Development Information System
DELWP	Department of Environment, Land, Water and Planning
DET	Department of Education and Training
DHHS	Department of Health and Human Services
GAA	Growth Areas Authority
KIM	Kindergarten Information Management
LGA	Local government area
MAV	Municipal Association of Victoria
MCH	Maternal and child health
OSD	Office of Suburban Development
PE Act	*Planning and Environment Act 1987*
PSP	Precinct structure plan
RWH	Royal Women's Hospital
SEIFA	Socio-Economic Indexes for Areas
SEHQ	School Entrant Health Questionnaire
VIF	Victoria in Future
VPA	Victorian Planning Authority
VAGO	Victorian Auditor-General's Office

Audit overview

Victoria's population has grown rapidly in recent years, with sustained, rapid growth since 2011. The Department of Environment, Land, Water and Planning (DELWP) forecasts the state's population to increase from just over 6.1 million to 7.7 million by 2031, with over 6 million people living in Greater Melbourne. To date, population growth has been more concentrated in the seven greenfield growth areas on Melbourne's fringe. These previously undeveloped areas are projected to share 42 per cent of the state's future growth. The five inner municipalities of Melbourne—the cities of Melbourne, Maribyrnong, Port Phillip, Stonnington and Yarra—are forecast to experience 14 per cent of the state's growth.

Rapid growth is creating unprecedented challenges for infrastructure and service delivery, especially in the growth areas, where infrastructure and services of all types are limited and generally lag behind population settlement. Planning and delivery challenges also exist in established areas, but they are different from those affecting growth areas.

Planning for services and related infrastructure needs to be based on a sound understanding of the population. Planners need to understand where growth is occurring, at what rate, and the ages, cultural backgrounds and socio-economic circumstances of those living in an area. These factors influence decisions about how land is to be used, what services and related infrastructure are needed for future communities, and when these services will be provided.

The timely provision of birthing, maternal and child health (MCH) and funded kindergarten services is vital. These services contribute to the health and wellbeing of babies and young children, particularly as they can identify health and developmental risks in children at an early stage.

Ineffective planning for birthing services may cause significant delays in meeting increasing demand in areas of rapid population growth. This can create heightened pressure on service providers in surrounding areas to safely meet demand. Even when local services can provide the required level of care, women may be unable to choose to give birth locally, due to demand exceeding service providers' capacity. This conflicts with the government's objective that women should be able to choose where they give birth, and be able to use local services if clinically appropriate.

Ineffective planning for MCH and funded kindergarten services risks exacerbating existing issues of under-participation in these services by specific groups—including Aboriginal and Torres Strait Islander (ATSI) families and those from culturally and linguistically diverse (CALD) backgrounds. These cohorts are over-represented in some growth council areas. Another risk is that there will not be enough funded kindergarten services to meet the government objective of providing 15 hours of kindergarten per week for 40 weeks for all children in the year before they start school. There is potential for long-term negative health and education consequences for children who miss out on these important services.

Responsibility and accountability for the planning and provision of these services is shared across a number of state government agencies and local councils.

In this audit we looked at several agencies' roles and responsibilities for strategic land use and implementation planning for population settlement, and strategic service planning for birthing, MCH and kindergarten services:

- DELWP
- Victorian Planning Authority (VPA)
- Department of Health and Human Services (DHHS)
- Department of Education and Training (DET)
- Hume City Council, Mitchell Shire Council and Moreland City Council
- The Kilmore & District Hospital and Northern Health.

Similar previous audits and stakeholder consultations have repeatedly identified the need for effective integration of strategic planning, and a coordinated and timely approach by those responsible for providing infrastructure and services.

In this audit, we assessed whether state planning is meeting the needs of the rapidly growing population for birthing, MCH, and funded kindergarten services and related infrastructure, in both greenfield growth areas and established areas. In particular, we assessed whether there are clear accountability mechanisms to assure the Parliament and the community that relevant government policies are being effectively implemented and are helping to achieve their intended outcomes.

Conclusion

Although a key objective of Victoria's planning policy is the timely provision of services and infrastructure to communities through orderly development, the arrangements that support coordinated planning and implementation are not clear. Under the existing arrangements, there is no mechanism to require key state government agencies to fully participate in the integrated land use planning process or to fulfil any commitments they make through these plans. As a result, there is a high level of uncertainty that birthing, MCH and funded kindergarten services, and related infrastructure will be provided when and where they are needed in areas of rapid population growth.

There are further opportunities to improve service planning for birthing, MCH and funded kindergartens. DHHS has recently begun to strengthen its role as system manager. The aim is to achieve greater oversight of statewide and strategic planning and better information sharing with individual health services to improve service planning. MCH and kindergarten services are delivered under a devolved arrangement, and a clear statewide oversight mechanism has been missing. Such a mechanism could better achieve government policy objectives for these services—including in areas of rapid population growth.

DET has recently begun to address this oversight deficiency through the *Early Childhood Reform Plan* and the Early Years Compact. The Early Years Compact is an action under the *Early Childhood Reform Plan* that formalises the partnership between DET, DHHS and local government for more integrated and more strategic planning of services for children and families. It is positive that DET will assume more leadership and oversight for kindergarten infrastructure planning across the state.

Findings

Strategic land use planning and implementation arrangements

Strategic land use planning in greenfield growth areas has improved since the Growth Areas Authority (GAA)—now the VPA—was established in 2006 as the responsible agency. Precinct structure planning is a key component of the planning processes. It enables integrated planning by the key stakeholders responsible for providing services and related infrastructure, and uses minimum service standards such as the suggested number of MCH rooms per 10 000 people as a basis for community consultation.

There is scope to further improve the process. Apart from transport agencies, which are required by legislation to participate, key stakeholders from government and non-government agencies are not obliged to fully participate in VPA's precinct structure planning process.

For example, DHHS has not committed to fully participating in precinct structure planning, as it needs to consider broader service requirements and catchments during its planning for health services. Although DHHS does have broader responsibilities, its limited participation hampers integrated planning for growth areas. The recent *Plan Melbourne 2017–2050* may help address this issue as it requires VPA's precinct structure planning process to incorporate planning for health precincts.

The creation of the Office of Suburban Development (OSD) in May 2016 and the supporting collaborative arrangements at DELWP may present an opportunity to improve the transparency and coordination of decision-making on local service delivery and investment in infrastructure.

There are existing processes for coordination and collaboration across multiple agencies—such as project-level memorandums of understanding, partnership agreements that delineate roles and responsibilities, and interdepartmental committees—with varying levels of authorising powers. However, our past audits have identified recurring problems with these arrangements, including insufficient accountability for outcomes, limited oversight of performance and unclear leadership roles and responsibilities, which can hinder achievement of intended outcomes.

Strategic service planning

DHHS and DET need to fulfil their oversight and leadership roles to ensure that government objectives for birthing, MCH and kindergarten services are achieved at the statewide level.

Birthing services

Until recently, DHHS's service planning activities were not underpinned by a wider statewide planning framework or a comprehensive understanding of the system-wide demand for, and supply of, birthing services. Similarly, DHHS assessed infrastructure requests on a project-by-project basis, often without considering statewide system needs and priorities.

Through its recent initiatives to strengthen its strategic leadership role and improve its statewide planning, DHHS is now addressing the accountability gap. By exercising greater statewide oversight of service planning and delivery, including better sharing of planning information with individual health services, DHHS is better placed to ensure birthing services are provided when and where needed.

Maternal and child health services

MCH services are important for monitoring and improving outcomes for the learning and development of babies and young children, and participation by all eligible children is strongly encouraged.

Although councils undertake operational planning for MCH services in their local area, no agency takes a clear leadership role to ensure the adequacy of this planning. There is no statewide perspective on whether policy objectives are being met across Victoria, particularly in areas of rapid population growth.

DET has recently undertaken work to understand the reasons for lower participation rates by CALD and ATSI families at both local government and state levels, and to improve them. However, more work is needed at the statewide level to better understand the specific groups in local communities that are under-participating in these services. DET and local councils need to share information more broadly to support child-centred planning and provision of services.

The *Early Childhood Reform Plan* and the Early Years Compact between DET, DHHS and local government will see DET taking a more active oversight role.

The Early Years Compact aims to strengthen the agencies' shared focus on improving outcomes for children through the provision of early years services, including MCH and funded kindergarten services. DET and its partners in the compact will develop implementation agreements that will specify accountability for monitoring and reporting on outcomes.

A key consideration of MCH service planning is the availability of qualified MCH nurses. Since local councils plan for and employ these nurses, DET has limited involvement at the statewide level in routine assessments of the demand for, and supply of, these nurses. DET is currently developing responses to the identified future need for increasing numbers of MCH nurses across the state. It received $5.2 million in the 2017–18 State Budget to invest in attracting new MCH nurses into the service, which is a positive initiative.

Funded kindergarten services

Participation in kindergarten is voluntary but encouraged, given its widely recognised benefits for children's learning and development.

Funded kindergarten services are planned and delivered by a mix of public and private providers. Until recently, DET's planning approach has not extended to overseeing whether kindergarten services are provided when and where they are needed across the state. Recent commitments through the *Early Childhood Reform Plan* and the Early Years Compact seek to address this.

DET contributes funding towards the cost of some kindergarten infrastructure through a competitive grant program. DET assesses applications against criteria that seek to respond to demand for funded kindergarten services and prioritise vulnerable and disadvantaged groups. Although this process enables DET to prioritise within the pool of applications, it does not allow DET to understand and make investment decisions based on the relative needs of communities and priorities across the state. DET intends to assume more responsibility for the planning of kindergarten infrastructure across the state.

Statewide service planning information

More needs to be done to improve the collection of system-wide information on participation and the reasons for under-participation in MCH and funded kindergarten services.

DET has improved its understanding of the factors contributing to low MCH participation by ATSI families and CALD families and has taken corrective actions, which have improved their participation.

DET has also introduced positive initiatives to improve kindergarten participation by other vulnerable groups. However, neither DET nor councils have a robust understanding of the major reasons for low participation in MCH and kindergarten services within particular local government areas.

There are gaps in the information on demand for MCH and funded kindergarten services. The magnitude of the weaknesses in the data is unknown, but many contributing factors have been identified:

- The health services we audited acknowledged they do not have systems or processes to ensure that all birth notices have been issued and received by councils. The audited councils also advised that there is no systematic check that the birth notifications they receive, predominantly by facsimile, are correctly recorded in the councils' database in a timely manner.
- Data on families with young children who move to Victoria from interstate or overseas is not reliably captured.
- A new standardised data management system for MCH services, introduced in late 2015, has experienced problems such as the loss of data during migration from the old to the new system. Users find the system difficult to navigate to enter data and to extract certain information, which has led to inaccurate reporting.
- It is not mandatory for kindergarten service providers to participate in centralised enrolment systems that some councils operate.

Kindergarten participation data that DET compiles can be overstated because population projections of specific age groups are less accurate for small areas and areas experiencing rapid population growth. This data also only captures attendance at a point in time and not ongoing attendance.

As a result, DET and councils were unable to plan effectively, and DET has reduced ability to oversee and monitor outcomes in the provision of MCH and kindergarten services. There was also limited assurance that the government's policy objectives for universal MCH and kindergarten services were being achieved in areas of rapid population growth. We acknowledge that the *Early Childhood Reform Plan* and the Early Years Compact are positive steps to address these issues, although they are still at an early stage.

Recommendations

We recommend that the Department of Environment, Land, Water and Planning:

1. in collaboration with key state and local government agencies, develop and advise government on mechanisms that will support them to:
   - participate effectively in the precinct structure planning process (see Section 2.3)
   - integrate precinct structure planning proposals into their planning and delivery processes (see Section 2.3)
2. develop guidelines that clarify the concept of 'timely' provision of services and infrastructure for new communities (see Section 2.2)
3. in conjunction with the Victorian Planning Authority and the Department of Health and Human Services, monitor the effectiveness of the precinct structure planning process for health precincts (see Section 2.3)
4. assess the implementation outcomes of existing precinct structure plans to continuously improve the process (see Section 2.3)
5. further develop and clarify the governance and oversight arrangements for the Office of Suburban Development, including assigning leadership and accountability arrangements to support its planning and delivery coordination functions (see Section 2.3)
6. develop and implement an outcome evaluation framework to periodically review how effectively the Office of Suburban Development is contributing to greater certainty in the timely delivery of services and related infrastructure for local communities (see Section 2.3).

We recommend that the Victorian Planning Authority:

7. implement the *Plan Melbourne 2017–2050* action to 'prepare a sequencing strategy for precinct structure plans in growth areas for the orderly and coordinated release of land and the alignment of infrastructure plans to deliver basic community facilities with these staged land-release plans' (see Section 2.3).

We recommend that the Department of Health and Human Services:

8. apply successful planning lessons learned in the Northern Growth Corridor Service Plan in developing other locality health plans (see Section 3.3).

We recommend that the Department of Education and Training:

9. in conjunction with local government, improve the completeness and accuracy of MCH and kindergarten participation data (see Sections 3.4 and 3.5)
10. undertake systematic analyses of reasons for under-participation in MCH including, from the eight-month visit onwards, and kindergarten services, including the participation of vulnerable children, and use these to evaluate service delivery models (see Sections 3.4 and 3.5)
11. accept responsibility for overseeing the adequacy of statewide kindergarten service delivery by taking a more active role in estimating demand for and supply of services, including the long-term availability of kindergarten infrastructure, to ensure that government objectives are achieved (see Section 3.6).

Responses to recommendations

We have consulted with DELWP, VPA, DET, DHHS, Hume City Council, Mitchell Shire Council, Moreland City Council, the Kilmore & District Hospital, and Northern Health, and we considered their views when reaching our audit conclusions. As required by Section 16(3) of the *Audit Act 1994*, we gave a draft copy of this report to those agencies and asked for their submissions or comments. We also provided a copy to the Department of Premier and Cabinet.

The following is a summary of those responses. The full responses are included in Appendix A.

DELWP and VPA accept the relevant recommendations directed to both agencies and provided a joint action plan on how they will implement them.

DET and DHHS accept the audit recommendations specifically directed to them and provided action plans. Both DET and DHHS also committed to actively participating in wider cross-agency planning processes.

Hume City Council agrees with the issues highlighted in the report and hopes the recommendations will address them. Moreland City Council supports the report's findings and recommendations, and commits to working with stakeholders to act on the recommendations directed at early years' service planning and infrastructure provision. Mitchell Shire Council did not respond.

The Kilmore & District Hospital and Northern Health responded, supporting the findings and recommendations.

1
Audit context

Victoria's population has grown significantly over recent years, with sustained rapid growth since 2011. Current forecasts indicate the trend will continue. The state's current population is just over 6.1 million people and is forecast to reach 7.7 million by 2031, with 1.7 million people living in Victoria's regions and over 6 million in Greater Melbourne.

Rapid population growth is creating unprecedented challenges for infrastructure and service delivery. Planning for population growth often focuses on transport and infrastructure, such as major rail and road projects, as these require significant funding and land allocations. However, planning for other key services, such as those for babies and young children, is also required when young families move into an area in significant numbers.

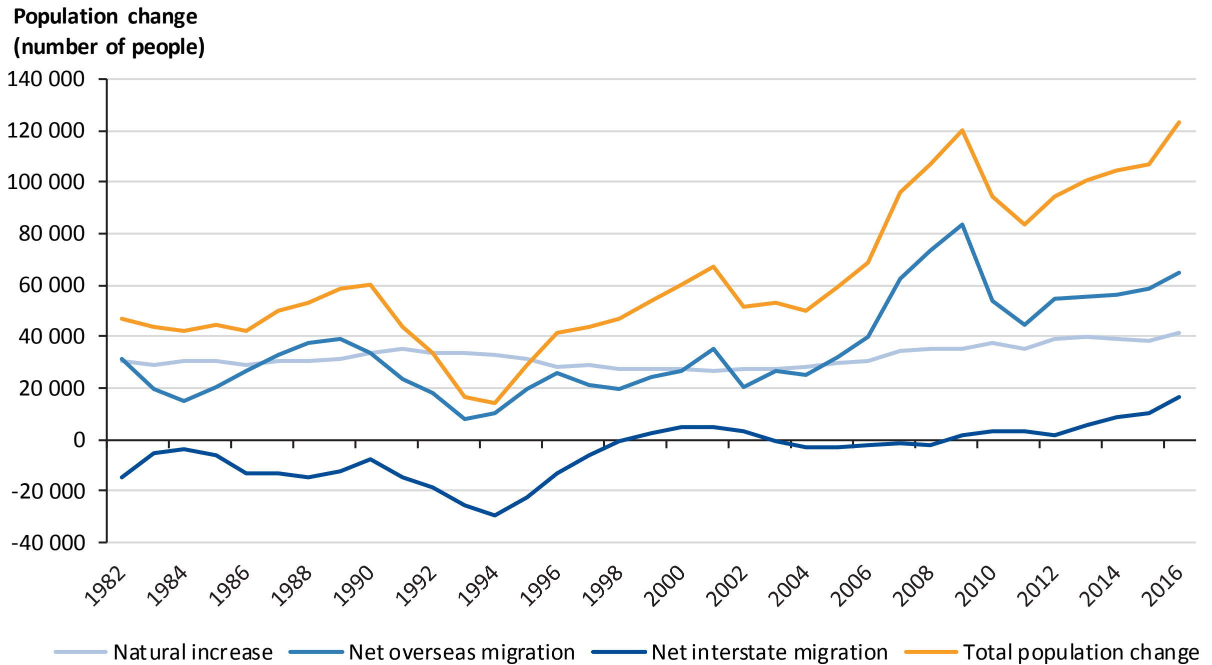
Birthing, MCH and funded kindergarten services are important for the health and wellbeing of babies and young children, as they offer early opportunities to identify vulnerable children and families. The importance of timely provision of these services, including in newly developed areas, cannot be overstated.

1.1 Nature of population growth

Sources of population growth

Figure 1A shows that, over recent years, higher net overseas migration has driven the rapid growth in population, which means that services must meet the needs of people from a wide range of cultural backgrounds.

Figure 1A
Annual population changes in Victoria



Source: VAGO, based on data from the Australian Bureau of Statistics.

Geographic distribution

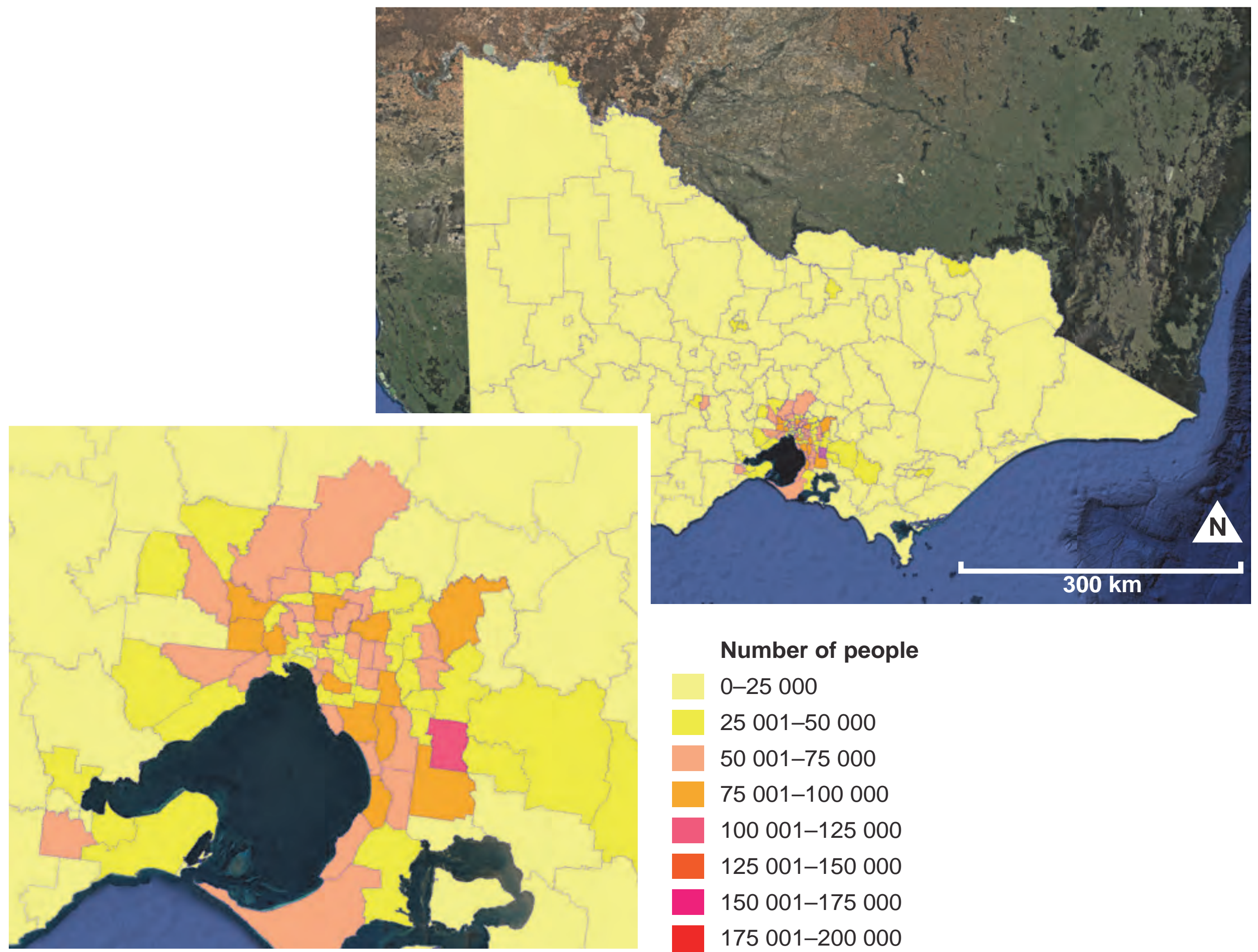
Population growth has not been evenly distributed across Victoria, nor is it expected to be in the future. Between 2011 and 2031, 42 per cent of the projected population growth is expected to occur in seven local government areas (LGA)—defined as designated growth areas under the *Planning and Environment Act 1987* (the PE Act). These areas are Cardinia, Casey, Hume, Melton, Mitchell, Whittlesea and Wyndham (growth areas). Lower costs of land and housing development in these areas fuels this growth. The five inner LGAs—the cities of Melbourne, Maribyrnong, Port Phillip, Stonnington and Yarra—are projected to account for 14 per cent of Victoria's population growth to 2031.

The challenges in providing services to a rapidly growing population differ depending on the nature of the area. In greenfield areas—the developing parts of growth areas—infrastructure and services of all types are limited and generally lag behind population settlement. Population growth in established areas, such as Melbourne's central business district (CBD) and middle-ring suburbs creates different challenges. These include land scarcity and high land prices limiting the scope for additional facilities or leading to higher financial costs for meeting the increasing demand for services.

Growth area councils can face both of these challenges, as they can include both established and developing suburbs. For example, Broadmeadows is an established suburb of Hume City Council, which is a growth area.

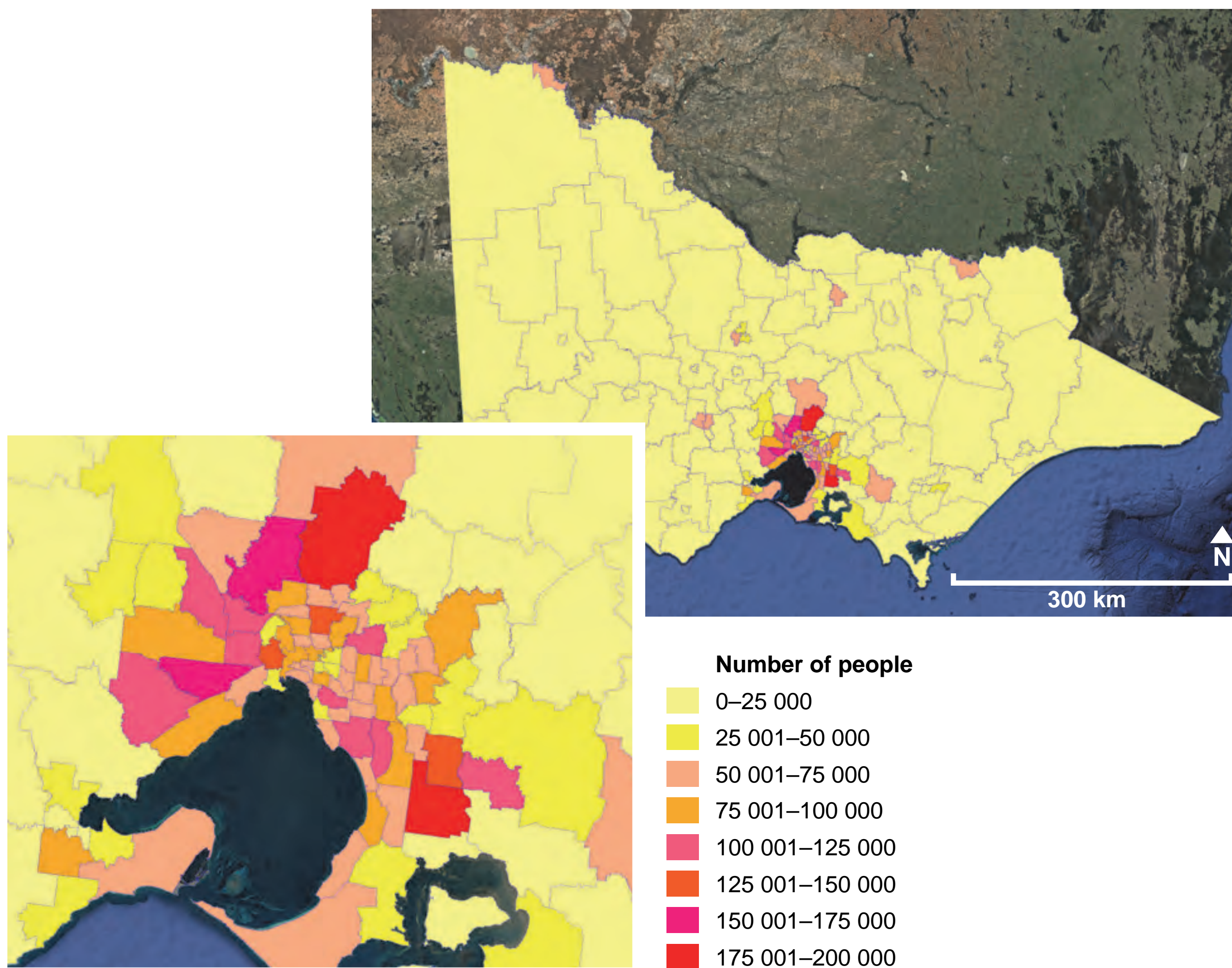
Figure 1B shows the distribution of the population in Victoria in 2011, and Figure 1C shows the projected population distribution in 2031. Projections indicate the greatest growth will occur in outer metropolitan areas.

Figure 1B
Distribution of Victorian population, 2011



Source: VAGO, based on *Victoria in Future 2016*. Map data: Google Earth, Satellite Industry Association, National Oceanic and Atmospheric Administration, US Navy, National Geospatial-Intelligence Agency, General Bathymetric Chart of the Oceans. Image: Landsat/Copernicus, TerraMetrics.

Figure 1C
Distribution of projected population, 2031

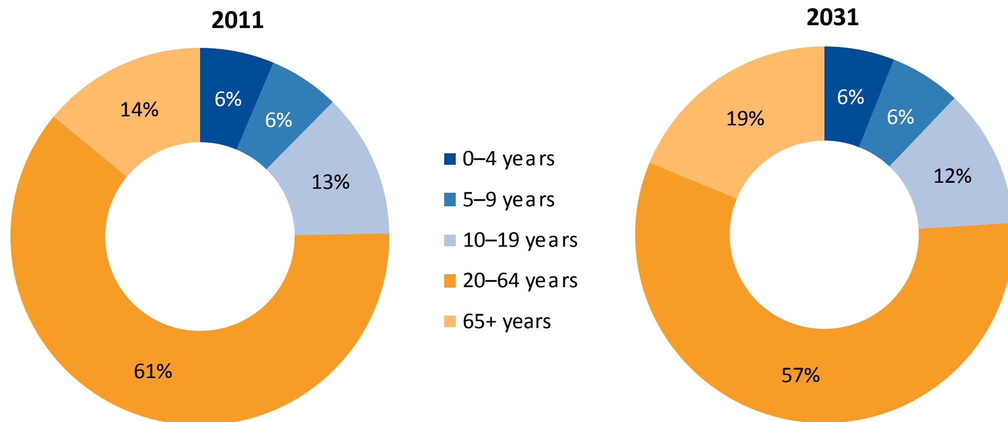


Source: VAGO, based on *Victoria in Future 2016*. Map data: Google Earth, Satellite Industry Association, National Oceanic and Atmospheric Administration, US Navy, National Geospatial-Intelligence Agency, General Bathymetric Chart of the Oceans. Image: Landsat/Copernicus, TerraMetrics.

Age profile

Victoria, along with the rest of Australia, has an ageing population. Figure 1D shows the 2011 population proportions and those projected for 2031, according to broad age groups in Victoria.

Figure 1D
Population proportions in Victoria by broad age groups, 2011 and 2031 (projected)



Source: VAGO, based on *Victoria in Future 2016*.

Projections indicate the population will increase across all age groups, with the proportion of young people (0–9 years) expected to remain consistent, and the group of those aged 65 years and over expected to experience the greatest increase from 14 per cent to 19 per cent. The rate of increase in the number of young people (aged 0–4 years and 5–9 years) in growth area councils is far greater than in the remaining areas of metropolitan Melbourne.

Figure 1E shows that between 2011 and 2031 the population in the younger age groups (0–4 years and 5–9 years) in growth areas is forecast to increase by 86 per cent, or around 131 000 children. The number of children in these same age groups in the remainder of metropolitan Melbourne is forecast to increase by 25 per cent, or just over 90 000 children. The projected increase in the number of young children has a direct effect on the demand for services in the growth areas, and a compounding effect on access and capacity issues for services in the surrounding areas.

Figure 1E
Projected increase in 0–9-year-old population in Melbourne, 2011 to 2031 (projected)

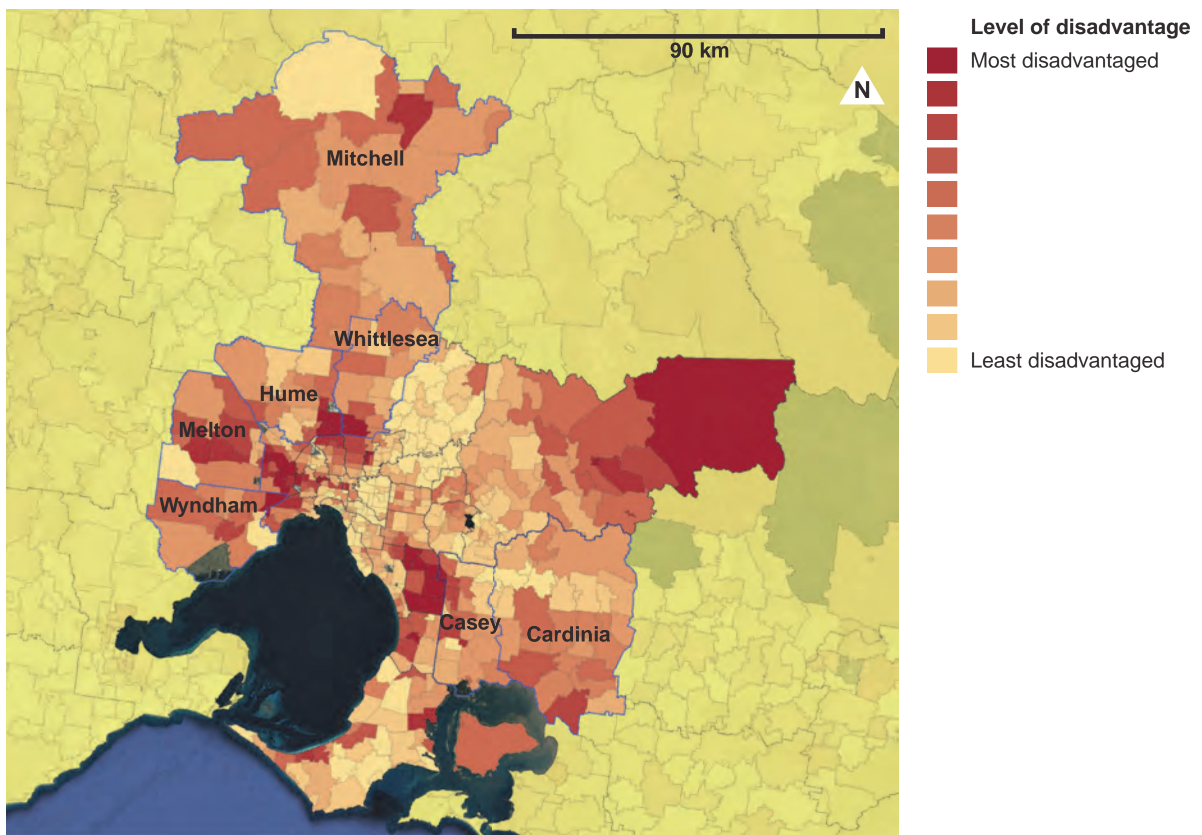
Age group and area	Actual population 2011	Projected population 2031	Total projected growth	
			Number	Per cent
Growth area councils				
0–4 years	79 063	140 500	61 437	78
5–9 years	73 166	142 824	69 658	95
Total	**152 229**	**283 324**	**131 095**	**86**
Remaining areas				
0–4 years	185 370	224 395	39 025	21
5–9 years	172 637	223 793	51 156	30
Total	**358 007**	**448 188**	**90 181**	**25**

Source: VAGO, based on *Victoria in Future 2016*.

Disadvantage

Figure 1F shows the geographic distribution of relative advantage and disadvantage based on the Socio-Economic Indexes for Areas (SEIFA), produced by the Australian Bureau of Statistics (ABS). Darker shades indicate areas with greater levels of disadvantage. Designated growth area LGAs are outlined in blue, and other metropolitan LGAs are outlined in black. Within metropolitan Melbourne, the population in the developing parts of the designated growth areas tends to be of relatively low socio-economic status. As these suburbs develop, the profile begins to reflect a mix of low and middle income households.

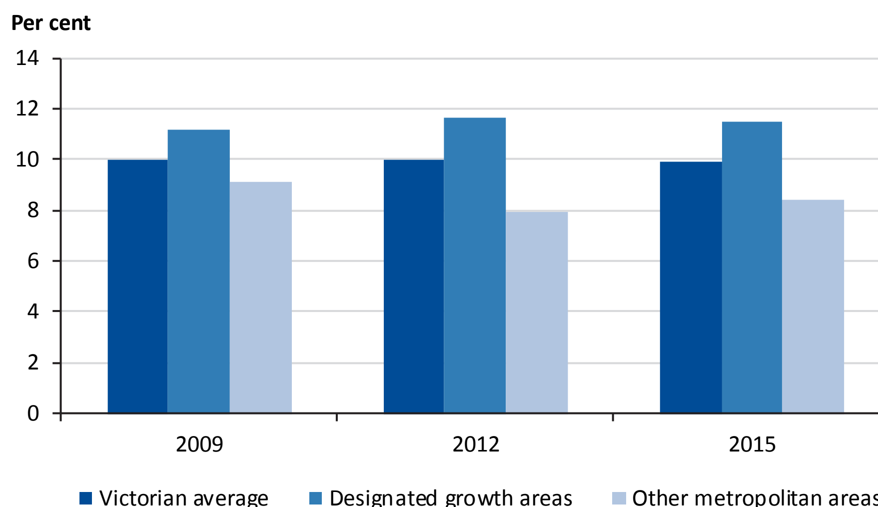
Figure 1F
Socio-economic indexes for areas (SEIFA) for metropolitan Melbourne and growth areas



Source: VAGO, based on ABS 2011 Census. Map data: Google Earth, Satellite Industry Association, National Oceanic and Atmospheric Administration, US Navy, National Geospatial-Intelligence Agency, General Bathymetric Chart of the Oceans. Image: Landsat/Copernicus, TerraMetrics.

The Australian Early Development Census (AEDC) indicators measure children's development in five key domains—physical health and wellbeing, social competence, emotional maturity, language and cognitive skills, and communication skills and general knowledge. Figure 1G shows that the proportion of children who are developmentally vulnerable in two or more domains is higher in growth areas than in the remainder of metropolitan Melbourne, and compared with the state average.

Figure 1G
Percentage of Victorian children who are developmentally vulnerable in two or more domains, 2009–15



Note: The AEDC is conducted every three years.
Source: VAGO, based on data from AEDC.

1.2 Policy and legislative framework

Numerous pieces of legislation and government policies govern the development of land in Victoria and the provision of infrastructure and services to residents.

Population settlement

The PE Act sets out the objectives of planning in Victoria, which include to:

- provide for the fair, orderly, economic and sustainable use and development of land
- secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria.

The agencies with primary responsibilities under the PE Act are:

- DELWP
- VPA
- local councils.

The PE Act provides for integrated land use planning across the state through the State Planning Policy Framework, which applies to all municipalities in Victoria, and the Local Planning Policy Framework, which is specific to each municipality.

The specific planning objectives for population settlement are to:

- locate urban growth close to transport corridors and services
- provide efficient and effective infrastructure to create sustainability while protecting primary production, major sources of raw materials and valued environmental areas
- manage the sequence of development in growth areas so that services are available from early in the life of new communities
- create a city of inclusive, vibrant and healthy neighbourhoods that promote strong communities, healthy lifestyles and good access to local services and jobs.

In 2006, the GAA was established under the PE Act. Its objectives included ensuring that:

- development in growth areas occurred in a coordinated and timely manner
- infrastructure, services and facilities were provided in growth areas in a coordinated and timely manner.

GAA was renamed the Metropolitan Planning Authority in 2013 and the geographic range that it could work within was expanded to include metropolitan Melbourne. In 2016, the Metropolitan Planning Authority became VPA and more significant planning system reforms took place. These led to significant changes in VPA's governance and functions, which were enshrined in the *Victorian Planning Act 2017*. From 1 July 2017, VPA became the lead planning agency for specific areas in Melbourne and Victoria's regions, as designated by the Minister for Planning. The new VPA retains responsibility for planning for the metropolitan growth areas.

The government established the ministerial portfolio of Suburban Development in May 2016, supported by the OSD, which is part of DELWP.

Part of the OSD's remit is to focus on ensuring Melbourne has the services and infrastructure it needs to grow in ways that protect liveability and create opportunity. It is working to revitalise established suburbs and create more liveable new suburbs by:

- taking a regional approach to planning and delivering services and infrastructure for suburbs
- establishing stronger partnerships and improved coordination between all levels of government, the business and community sectors
- facilitating strategic funding and delivery of initiatives to fill gaps and complement existing programs.

The main collaboration and partnership mechanism is through Metropolitan Partnerships—one for each of the six metropolitan regions. Each region's partnership will be consulted in the development of the region's land use framework plan. Figure 1H outlines the aim of Metropolitan Partnerships and land use framework plans—a new initiative under *Plan Melbourne 2017–2050.*

Figure 1H
Aims of Metropolitan Partnerships and land use framework plans

Metropolitan Partnerships—aims to generate regional and local priorities which, subject to government approval, will be reported on in the five-year jobs, services and infrastructure plans. The partnerships include representation from state government departments, local government and community and business stakeholders.

Land use framework plans—*Plan Melbourne 2017–2050*'s five-year implementation plan includes an action for DELWP to support each metropolitan region to prepare a land use framework plan. These plans will include strategies for population growth, jobs, housing, infrastructure, major transport improvements, open space and urban forests.

Source: VAGO.

Metropolitan Partnerships will identify regional priorities. These priorities, if agreed by government, will be considered in the State Budget development process and will inform the development of land use framework plans.

Birthing services

The *Health Services Act 1988* provides the legislative framework for the provision of health services in Victoria.

The key objectives of the *Health Services Act 1988* are to ensure that:

- health care agencies provide high-quality health services
- all Victorians have access to an adequate range of essential health services, wherever they live, regardless of their social or economic status
- public hospitals are governed and managed effectively, efficiently and economically.

In this audit, the birthing services we looked at were maternity and newborn delivery services provided at public hospitals, excluding other maternity services in public hospitals such as prenatal services, and excluding private hospitals, which deliver around one-quarter of all births.

Victoria has a tiered system of maternity and newborn services, ranging from level 1 to level 6. Public hospitals with level 1, 2 and 3 birthing services provide planned maternity care in lower-complexity settings. Maternity services above level 4 have more specialist skills and service capability, as well as providing standard and lower-complexity care to women in the local area. Those maternity services with level 5 and 6 services provide the most specialised care for complex and high-risk cases.

DHHS is responsible for policy and planning for public birthing services and related infrastructure at the statewide level. Health services are responsible for entity-level planning and delivery of birthing services to achieve the government's broad policy objectives.

Providing women with informed choice and greater control is a key principle for DHHS and health services when planning maternity services. This includes choice of maternity care close to home, while recognising that some women who require higher levels of care may need to travel outside their local area.

Maternal and child health services

The *Victorian Early Years Learning and Development Framework* recognises that positive early childhood experiences promote young children's health, learning and development, and enhance their longer term health, educational and social outcomes.

MCH services provide a link between birthing services and community care settings for new parents and their babies. It is a free service available to all families with children from birth to school age. Participation in MCH services is voluntary but strongly encouraged. Proximity to services is considered an important factor in supporting universal access.

The universal MCH service offers 10 health and development consultations, telephone support, and early identification, intervention and referral for health concerns to newborns and their parents. The first seven consultations are in the child's first 12 months, with the first consultation provided in the family home.

Enhanced MCH services are also available for some families and children identified as at risk of poor outcomes. This service provides a more intense level of support, including short-term case management where required.

Under the *Child Wellbeing and Safety Act 2005*, hospitals with birthing services forward birth notifications to the chief executive officer of the LGA where the mother resides. This should occur within 48 hours of the child being born, to trigger the first MCH visit.

DET and local councils arrange provision of MCH services through a partnership agreement. Under this arrangement, DET is responsible for policy development and for monitoring families' attendance at these health visits. It is also involved in developing the MCH nurse workforce.

DET funds 50 per cent of the cost of the universal service and 100 per cent of the cost of the enhanced service. Councils are responsible for planning and delivering MCH services in their municipality and fund 50 per cent of the cost of the universal service.

Funded kindergarten services

Government policies associated with kindergarten services recognise the benefits of high-quality early years learning and education. The *National Partnership Agreement on Universal Access to Early Childhood Education* commits the Commonwealth and all states and territories to providing all children with access to good quality early education for 600 hours in the year before they begin formal schooling. This reflects government's recognition of the importance of early childhood education. Generally, this involves delivering 15 hours per week of kindergarten for each child for 40 weeks in the year before a child starts school. Participation in kindergarten is voluntary but is strongly encouraged.

Early childhood services receive funding to provide a kindergarten program delivered by a qualified early childhood teacher. The Commonwealth and states contribute to the costs of delivering funded kindergarten services, and parents may be charged fees to help meet the cost of running kindergarten programs. Individual services set the fees, which vary depending on the hours of attendance, group size and extra activities, such as excursions. The state also provides subsidies for free or low-cost kindergarten for vulnerable or disadvantaged families.

DET sets the statewide policy direction for kindergartens. At the statewide level, private for-profit and not-for-profit agencies are the major providers of kindergarten services. At the local level, the mix of providers varies greatly and, in some cases, councils can be the main local providers.

1.3 Previous VAGO audits

A number of our past audits have identified issues associated with planning and service provision in response to rapid population growth.

In the 2013 audit *Developing Transport Infrastructure and Services for Population Growth Areas*, we examined transport infrastructure provision in growth areas and highlighted the state's failure to adequately deliver the transport infrastructure and services needed to support rapidly growing communities. The report recommended a number of urgent actions, including relevant agencies developing a statewide framework for prioritising the delivery of transport infrastructure in growth areas, and developing funding strategies and minimum service standards to guide planning for public transport services.

Our 2011 audit *Maternity Services: Capacity* identified that the responsible government department had a limited understanding of service capacity in Victoria and did not base its planning decisions on a system-wide view. Further, we found that women at the audited hospitals in growth areas faced inequitable access, increased costs and delays, or had to travel to other services.

In our 2011 audit *Early Childhood Development Services: Access and Quality*, which included kindergartens and MCH services, we found that the responsible department did not have a clear view of its role in planning, resulting in a lack of accountability for performance. The department could not demonstrate that services were accessible when and where they were needed and did not sufficiently understand or effectively manage demand.

The findings of these audits highlighted the need for:

- clarity of roles and responsibilities for strategic planning and service implementation planning, including for setting minimum service standards in greenfield growth areas
- integration between local area or entity-level planning and statewide planning to support better service delivery responses.

1.4 Why this audit is important

Our previous audits, and data on population and early childhood development, point to the need to strengthen strategic planning and service implementation to achieve government objectives in birthing, MCH and kindergarten services in areas experiencing rapid population growth. This is particularly relevant given the lifelong benefits associated with these services, and the potentially higher risks associated with some groups in the community that tend to be over-represented in high-growth suburbs.

Successive governments have released numerous high-level strategies to guide Melbourne's population growth, such as *Melbourne 2030* (2002) and *Plan Melbourne* (2014). The government released *Plan Melbourne 2017–2050* in March 2017, which provides an overall strategy for Victoria for the next 30 years.

Changes in government often lead to the reshaping of these high-level plans. This means that departments should be undertaking ongoing planning in their portfolio areas to inform changes in the overarching plans.

We recognise the importance of effective, integrated strategic planning between government departments and across different levels of government, and the need for a coordinated approach to sequencing the provision of infrastructure and services to meet government policy objectives and community needs.

1.5 What this audit examined and how

In this audit, our objective was to determine whether state planning, in designated greenfield growth areas and in established areas, effectively meets the needs of the rapidly growing population for birthing, MCH and funded kindergarten services and related infrastructure.

We examined whether:

- institutional arrangements support coordinated planning for timely delivery of services and related infrastructure
- services and related infrastructure are provided in a timely manner and to appropriate standards.

We adapted the criteria underpinning the audit objective from criteria that the Council of Australian Governments Reform Council used in 2011 to assess the effectiveness of capital city strategic planning systems.

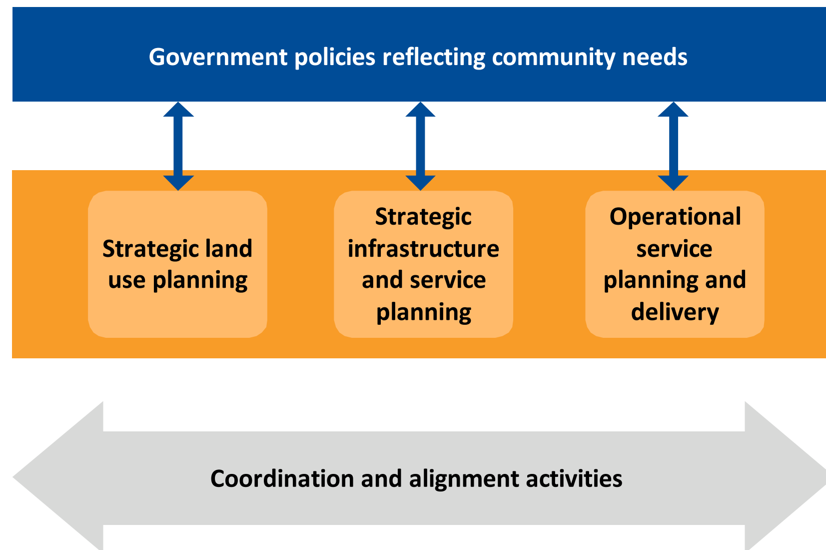
We focused on agencies' roles and responsibilities in strategic land use, arrangements for implementing the land use plans, and service planning for population settlement—particularly integrated land use planning for birthing, MCH and funded kindergarten services. We acknowledge that there are significant and different challenges associated with land use planning in greenfield areas and established areas. In most cases, local councils are responsible for land use planning in established areas, which tends to be of smaller scale and incremental. Only recently has VPA—as a lead agency for designated urban areas—begun significant land use planning for urban renewal sites, therefore we focused most on land use planning in greenfield areas.

We examined whether effective strategic service planning arrangements are in place for birthing, MCH and funded kindergarten services for areas experiencing rapid population growth. We also examined the extent to which lessons from the past are being incorporated into planning efforts.

We considered whether implementation arrangements are effective, including coordination between all relevant agencies, oversight mechanisms to monitor infrastructure, and service delivery in areas of high population growth.

Figure 1I depicts the stages of planning we examined in this audit.

Figure 1I
Stages and categories of planning



Source: VAGO.

We selected three LGAs—Moreland, Hume and Mitchell in the northern metropolitan area—to represent an established, growth and peri-urban area perspective. The Kilmore & District Hospital and Northern Health were selected as case studies of health providers of birthing services in the northern metropolitan area.

In looking at planning for population growth, we focused on arrangements that support timely provision of services and related infrastructure. We did not include examination of all planning activity associated with population growth across each audited agency. The audit did not cover the statutory planning system or school infrastructure planning, as these were the focus of two other audits—*Managing Victoria's Planning System for Land Use and Development*, tabled in March 2017, and *Managing School Infrastructure*, tabled in May 2017.

We conducted the audit in accordance with section 15 of the *Audit Act 1994* and the Australian Auditing and Assurance Standards. The total cost of the audit was $868 000.

1.6 Structure of this report

The remainder of the report is structured as follows:

- Part 2 examines strategic land use planning and implementation arrangements in greenfield growth areas
- Part 3 examines strategic service planning in greenfield growth and established areas.

2 Strategic land use planning and implementation arrangements

The aim of strategic land use planning is to design future communities that achieve the government's high-level social, economic and environmental objectives. Effective implementation arrangements support land use plans to create communities that are attractive, inclusive and liveable.

Effective strategic land use planning systems should encompass:

- clear governance arrangements, including leadership, lines of authority, and roles and responsibilities for participating agencies
- active engagement with key government and non-government stakeholders
- minimum service standards for determining the essential community facilities needed for new communities in line with government objectives
- ongoing review and monitoring of land use plans to ensure that they achieve their intended outcomes.

Effective implementation arrangements should include:

- coordinated effort between relevant agencies to agree on priorities and to sequence investment to meet plan outcomes
- clear accountabilities for implementing and reviewing delivery of strategic infrastructure and service plans.

This part of the report focuses on strategic land use planning and implementation arrangements in Melbourne's greenfield growth areas and assesses whether the existing arrangements effectively support the provision of adequate birthing, MCH and funded kindergarten services.

Land use planning in established areas faces very different challenges, the most significant being scarcity of land and associated high land prices. Government agencies, including VPA, have recently established new processes to better coordinate and integrate land use planning in established areas. Because these processes are still under development, the land use planning component of this audit focuses on greenfield growth areas.

2.1 Conclusion

The intended benefits of integrated land use plans are not being fully realised and are not likely to be in the future under current arrangements. Key factors are stakeholders' limited participation in the land use planning process and the absence of a requirement for them to fully participate.

There is no agency with accountability for overseeing the implementation of land use plans, including precinct structure plans (PSP). This compromises effective planning and service delivery to support Melbourne's growing population, including birthing, MCH and funded kindergarten services.

No agency has taken substantive action to monitor and review the implementation of VPA's key planning output—PSPs. This inaction limits the capacity of state and local government agencies to effectively identify and address any emerging risks and challenges to the implementation of PSPs. It also impedes assessments of the expected benefits. *Plan Melbourne 2017–2050* requires an independent assessment of the existing PSP outcomes, which may help address this issue.

2.2 Roles and responsibilities

Figure 2A shows the key agencies involved in strategic land use planning, their respective roles and their main outputs.

Figure 2A
Roles in strategic land use planning

Agency	Strategic land use planning	Main outputs
DELWP	Lead for overall statewide land use planning.	• *Plan Melbourne 2017–2050* and separate five-year implementation plan • Regional growth plans • Land use framework plans, still to be developed, for each of the metropolitan regions • Five-year plans for jobs, services and infrastructure in metropolitan Melbourne
VPA	Lead for designated areas in urban, greenfield and regional areas.	• Growth corridor plans and PSPs
Local councils	Contribute to precinct planning process through identification of land required for and location of local and regional level services. Lead for land use planning after PSPs are completed. Lead in established areas that are not VPA's responsibility.	• Local infrastructure and service plans • Indication of 'footprint' requirements (benchmarks for community facilities based on population) and locations of local early childhood services in greenfield growth areas
DHHS	Contributes to specifying the future land requirements for hospitals offering birthing services.	• Indication of land requirements and locations of these services in new suburbs in greenfield growth areas
DET	Works with local councils to identify opportunities for collocation of government schools and early childhood facilities.	• Identification of land requirements and location when an early childhood facility is collocated with a government school

Source: VAGO.

DELWP leads planning policy and strategic land use development for Victoria. Through the administration of the PE Act, DELWP oversees the establishment and review of relationships between the state government and local councils. DELWP is also responsible for developing, reviewing and updating Melbourne's metropolitan planning strategy.

The current *Plan Melbourne 2017–2050*, released by the Victorian Government in March 2017, emphasises the importance of strategic land use planning to protect and enhance Melbourne's 'liveability'. *Plan Melbourne 2017–2050* also recognises that the early provision of social infrastructure, such as kindergartens, when land is being developed, is critical to establishing a strong community. While this is consistent with the policy objectives in the PE Act, there is no clear guidance on what constitutes 'early provision'.

Plan Melbourne 2017–2050 includes a specific policy to facilitate a whole-of-government approach to the delivery of social infrastructure. DELWP also provides principles and outcome statements for future communities, and can sometimes influence the timing of delivery of services and infrastructure through its administration of grants to local councils. However, DELWP has no direct responsibility for or mechanism to influence the provision of birthing, MCH and kindergarten services and related infrastructure.

DELWP is developing five-year plans for jobs, services and infrastructure for each of the six metropolitan regions and expects these plans to provide a level of certainty for councils and stakeholders. The plans will include the timing of infrastructure delivery connected to planned expenditure authorised in the State Budget and allocated to specific projects. It is too early to assess whether the level of detail in these plans will provide certainty in the provision of birthing, MCH and kindergarten services and infrastructure.

In greenfield growth areas, where VPA is the designated planning agency, the provision of birthing, MCH and kindergarten services is expressed in 'footprint' requirements, according to population-based benchmarks for community facilities. Where appropriate, a PSP may include a site in a town centre for a future hospital—a large and complex piece of infrastructure—but without specifying the parcel of land required. However, there is no clear requirement for DHHS or DET to integrate precinct structure planning proposals into their planning and delivery processes, and VPA has no power to enforce a commitment from any state government agency or council.

2.3 Land use planning for community infrastructure

From 2009 GAA—now VPA—progressively established precinct structure planning processes as a key mechanism for integrating land use planning. PSPs are a key output from these processes and include land use plans and infrastructure plans.

PSPs are designed to accommodate a forecast population of between 10 000 and 30 000 people per precinct. They typically identify the proposed:

- requirements for housing and location of local town centres
- location and land requirements to be set aside for local community facilities such as schools, kindergartens, recreation facilities and open space
- layout of road networks that connect the new community within and to a broader road network, as well as proposed public transport routes, including transit stations where applicable.

A set of standards based on population-based hierarchies guides the provision of community infrastructure in greenfield growth areas. For example, a government primary school is generally planned for a catchment with a future population of about 10 000 people, and an MCH room is generally planned for a future population of between 10 000 and 30 000 people.

VPA does not intend these standards to be prescriptive, but rather to represent a guide for an initial assessment of the infrastructure needs in a precinct for subsequent community consultation.

VPA consults relevant state government entities, local councils, consultants, developers and landowners as part of the precinct planning process. Private sector providers, such as private hospitals and non-government schools, can also approach VPA to be involved.

Overall, the precinct planning processes represent an important improvement in integrated land use planning for Melbourne's greenfield growth areas. However, the efficacy of these processes depends on how well all relevant stakeholders engage in the process and commit to the timely delivery of infrastructure and services set out in the PSPs. In this audit, we focused specifically on participation by state agencies and councils responsible for birthing and early childhood education services.

Participation of other agencies

Future land use planning requires input from many agencies, but only transport agencies have a legislated requirement, under the *Transport Integration Act 2010,* to participate in the precinct planning process. There are no directives or other mechanisms that require other key agencies to participate fully in the integrated planning process.

DHHS is responsible for planning services that are critical for establishing a strong and healthy community, including community health services, hospitals and other services for vulnerable families and groups. Until recently, DHHS had not engaged with the precinct structure planning process in a consistent or systematic way.

Planning for a future hospital involves a very different process and requires a much longer lead time than planning required for MCH and kindergarten infrastructure and services. Planning for hospital services involves a wider range of considerations, including the catchment area, technological advancements, network capacity and capability. Hospitals tend to be built in greenfield areas following, rather than before, a significant level of population growth.

Kindergarten facilities and MCH centres require less significant infrastructure and therefore less investment than hospitals, and are often provided before or as population growth occurs. However, strategic land use planning of these facilities is important, particularly as these services could be delivered using multipurpose facilities such as a community service hub, which require more agency coordination in the planning stages.

Plan Melbourne 2017–2050 recognises the importance of planning for health services in an integrated way for new communities. It requires VPA and DELWP to update the precinct structure planning guidelines to include planning for health precincts located in or close to town centres in new suburbs. This potentially improves the planning processes and could lead to better planning outcomes for the provision of health services and related infrastructure.

Stakeholder engagement

Effective, integrated land use planning requires key stakeholders to participate in planning processes. Stakeholder engagement is a structured part of developing PSPs. However, accelerating the PSP process affects the extent of engagement with stakeholders, which can cause frustration and potentially create issues with implementing PSPs in the future.

Under section 20(4) of the PE Act, the Minister for Planning is empowered to accelerate the inclusion of PSPs in a planning scheme by exempting the planning authority from the need to following prescribed consultation steps. This may occur where the minister considers that compliance with any of those requirements is not warranted, or that the interests of Victoria or any part of Victoria make such an exemption appropriate. Ministers for Planning have used this power in a few instances, which enabled VPA to develop particular PSPs within one year rather than a typical period of three years. However, accelerating the process curtails stakeholders' ability to make formal submissions during the development of the PSP.

In June 2012, two PSPs within Hume City Council—for the LGAs of Merrifield West and Lockerbie—were completed using an accelerated process. The standard PSP process provided multiple points of consultation with the then GAA, including:

- ongoing discussions with stakeholders
- GAA sharing early draft PSPs with key local and state government agencies in a period of 'informal consultation'
- public exhibition of draft PSPs, during which stakeholders could make submissions to GAA regarding the proposed plan
- if necessary, review of submissions by an independent planning panel, which could make recommendations to the planning authority.

When the process is accelerated—as was the case for Merrifield West and Lockerbie—PSPs are not publicly exhibited and the extent and duration of consultation with stakeholders is curtailed. Hume City Council was involved in ongoing discussions with GAA before and after the informal consultation period from 21 November to 23 December 2011, and the PSPs were amended based on Hume's input.

Hume City Council raised concerns with the then minister about the process excluding the usual PSP submission and independent planning panel process. Hume City Council was unable to test the rationale supporting the proposed MCH provisions in the PSPs with GAA or its consultants. The council remains concerned that the MCH infrastructure provided will be insufficient.

Monitoring and review of precinct structure plans

Reviewing whether PSPs have delivered intended outcomes in line with planning objectives is an essential part of strategic planning for future communities. Monitoring and testing the outcomes of PSPs in a systematic way and widely promoting better practice approaches improves the effectiveness of strategic planning for population growth.

The PSP guidelines state that growth area councils, in consultation with VPA and state agencies, are responsible for monitoring and reviewing the implementation of PSPs after five years. However, our 2013 audit *Developing Transport Infrastructure and Services in Growth Areas* identified that no monitoring or reviewing of PSPs had taken place.

VPA advised that to date there have only been a few specific assessments of completed PSPs, and that it has not done a systematic review of PSP outcomes. Furthermore, VPA does not consider a full review to be beneficial, as it is not responsible for when other state agencies deliver the infrastructure identified in the PSPs. There is also no evidence that growth area councils have initiated any formal reviews.

Plan Melbourne 2017–2050 clearly recognises the importance of monitoring PSP outcomes. Under the plan, VPA and DELWP, in conjunction with councils and other state agencies such as DHHS and DET, are now required to update the PSP guidelines to incorporate lessons from previous growth area PSPs. This includes independently assessing the outcomes of existing PSPs in consultation with growth area councils, communities and the development industry.

Accountability for implementing land use plans

A key objective of Victoria's planning policy is the timely provision of planned services and infrastructure to communities through orderly development. There are, however, no clear arrangements that support coordinated planning and implementation to achieve this objective. This accountability gap means that there is limited assurance of the timely, coordinated and sequenced delivery of local infrastructure and services.

The PE Act has multiple clauses for orderly and sequenced developments so that services are available early in the life of new communities. These planning principles apply to all activities of planning agencies.

Before March 2017, under the PE Act, GAA had objectives to ensure that development in growth areas and the provision of infrastructure, services and facilities occurred in a coordinated and timely way. Policy documents and ministerial statements of expectations reiterated these objectives. Under the *Victorian Planning Authority Act 2017*, VPA is now required to facilitate the timely and coordinated delivery of infrastructure and services in collaboration with government agencies and councils.

The previous legislation did not provide GAA with powers to ensure provision of infrastructure, services and facilities in a coordinated and timely manner. Under the new legislation, VPA can facilitate but not enforce infrastructure delivery.

The new OSD may address in part the accountability gap for coordinating the timely and sequenced delivery of services and infrastructure in established and greenfield growth areas, although our concern about lack of clear accountability remains.

One of OSD's objectives is to improve the coordination of government planning and delivery at a central and regional level, primarily through:

- interdepartmental committees established to support Metropolitan Partnerships
- developing five-year jobs, services and infrastructure plans
- supporting delivery coordination for suburban-level community hub and urban renewal projects.

OSD has no specific legislative power to enforce agency coordination and will rely on arrangements such as project- or regional-level memorandums and partnership agreements to facilitate coordination.

In 2012, we reported recurring public sector management issues in *Key Themes from Audits, 2006–2012*. One theme was that the lack of clarity in arrangements for agencies working together has created uncertainty and gaps in accountability. This often compromises program outcomes and can lead to serious risks in areas of high public interest.

The 2012 report identified a particular risk associated with cross-agency coordination: 'In some cases, the lead designated agency was either ill-equipped or not appropriate for the oversight role. In other cases, there was insufficient oversight, despite obvious risks and available resources. Some coordinating departments argued they had a purely advisory role when a stronger role was clearly warranted or legislated.'

The 2012 report further commented that, to address the risks with cross-agency coordination, clear governance arrangements need to be in place and should include:

- nomination of an agency responsible for leadership, coordination and oversight
- clear delineation and communication of roles and responsibilities among the multiple agencies involved to reduce confusion and gaps
- regular and purposeful meetings to share information and coordinate initiatives
- systematic monitoring and reporting on the adequacy of cross-government coordination initiatives to provide assurance to accountable bodies that the initiatives are achieving the intended outcomes.

It is too early to assess the efficacy of the coordination mechanisms through Metropolitan Partnerships and its delivery coordination functions.

Plan Melbourne 2017–2050 introduces a policy that requires development in growth areas to be sequenced and staged to better link infrastructure delivery to land release. The separate *Plan Melbourne 2017–2050* implementation plan includes an action requiring VPA to prepare a sequencing strategy for PSPs in growth areas for the orderly and coordinated release of land, and for infrastructure plans to deliver basic community facilities in line with the staged land release plans. This could further assist agencies to coordinate their activities to achieve the timely delivery of services and related infrastructure.

3

Strategic service planning

Strategic service planning entails predicting future demand and need for services, and developing a range of proposals that would best meet the changing needs of communities. Supply analysis and modelling predicts the likely service system capacity and needs for related infrastructure by considering a range of variables, such as policy objectives, service delivery and network designs, access patterns and the capacity of existing facilities.

Sound strategic service planning across different agencies needs to encompass:

- clear governance arrangements, including leadership, lines of authority, and roles and responsibilities
- reliable and robust analysis of demand and supply, including sound understanding of the changing demand drivers that contribute to gaps in service supply
- integration of state and local government functions that plan and deliver services
- a hierarchy of locality plans comprising local, regional and statewide service plans that cover service needs in the short, medium and long terms
- mechanisms for information sharing and collaborative efforts on shared outcomes.

This part of the report examines whether the strategic service planning across the audited agencies is integrated, and whether it supports the achievement of high-level government policy objectives for health, liveability and community development, with particular focus on birthing, MCH and funded kindergarten services.

3.1 Conclusion

In areas of rapid population growth, current service planning approaches give only limited assurance to users of birthing, MCH and funded kindergarten services that these services will be delivered where and when they are needed. Unless there are significant changes to these approaches, areas experiencing continuing population growth are unlikely to have full access to MCH and funded kindergarten services when and where needed.

Although there have been issues with strategic service planning for birthing services, DHHS has improved its approach to planning these services, which gives greater assurance that these services will be provided as required.

No agency takes a clear leadership role in the strategic oversight of MCH or funded kindergarten services, including:

- identifying if there is sufficient supply of services
- ensuring the reliability or completeness of service planning data
- gaining a comprehensive understanding of the system-wide demand for services
- encouraging or influencing providers to adjust the location and timing of services to meet demand
- ensuring MCH and funded kindergarten service planning adequately supports government policy objectives for participation.

There is a clear need to improve the collection of system-wide information on MCH and kindergarten participation and reasons for under-participation. The current systems used to record demand and supply for these services do not reflect their vital importance to communities.

The development of the Child Development Information System (CDIS) for MCH services to allow information sharing across councils is a positive step towards supporting child-centred service planning and provision. There is a similar need for a council-based centralised kindergarten enrolment system.

DHHS has made advances over recent years in its support for service planning by health services, including through the provision of area-based information to support individual health services to plan and deliver birthing services. There is further opportunity for DHHS in its role as the health system manager to improve and strengthen system-wide planning, and to enhance the health system's capability to better respond to rapid population growth. It is pleasing to note that DHHS has acknowledged and is working on addressing some of these shortcomings.

3.2 Population forecasts

Understanding potential demand for services requires access to reliable data on population projections and robust analyses of future demand patterns.

Errors in forecasting generally increase as the population size decreases, and forecasting is particularly difficult in areas with rapid population growth or decline. Rapid population growth since 2011, due to the magnitude and the volatility of overseas migration, has also brought considerable challenges to population forecasting as the unprecedented conditions are unlikely to be included in standard methods.

We found some good practices in local councils in greenfield growth areas where they use additional information to improve the reliability of projections. Similarly, DELWP has taken actions to improve the state government's forecasting model by regularly reviewing and updating its methodology.

Ongoing review of the forecasting methodology is a good practice and should be adopted more broadly at both local and state level.

State government entities

Population projections contained in Victoria in Future (VIF), compiled by DELWP using data from ABS, are a key element of planning information. State government entities are required to use VIF projections in their analyses of demand, especially when preparing their annual State Budget submissions.

VIF projections are updated annually and cross-referenced with other sources of data such as building approvals. However, for a number of years, VIF's population projections have significantly understated the actual pace of population growth, particularly in locations experiencing rapid population increases, partly due to the unprecedented growth in overseas migration.

Underestimates of population growth contribute to the considerable pressure on birthing services to meet rising demand in a timely way. While population forecasts are inherently estimates, continued underestimation suggests a need to review the VIF methodology and assumptions, including how frequently they are updated. Figure 3A illustrates how underestimated population growth affected one health service.

Figure 3A
Planning for growth at Northern Health

In April 2014, Northern Health released a maternity capacity review aimed at better meeting the growing demand in the northern growth corridor. The review noted that, based on the accepted VIF methodology, the actual birth numbers at Northern Health in 2012−13 had reached the forecast birth numbers for 2016–17—three years earlier than predicted.

The report stated: 'It is now accepted that existing planning approaches are not accurately forecasting populations in some locations. This creates enormous pressure on the preparedness of the service system to be responsive.'

To improve forecast reliability, Northern Health undertook scenario modelling based on a combination of existing and alternative methodologies, including using a higher population projection scenario from ABS. This approach was approved during discussions between Northern Health and the then Department of Health.

Source: VAGO, based on information from Northern Health and DHHS.

The underestimations of population growth in VIF projections were noted in a review commissioned by Infrastructure Victoria in 2015. The review also noted that DELWP took a range of actions to improve the robustness and timeliness of VIF population projections. However, there is room for improvement, particularly in the reliability of projections for smaller geographic areas and faster growing areas.

The review recommended that future VIF products provide information at a smaller area level than is currently available. DELWP advised it is considering implementing this recommendation, subject to available resources.

Local government

The councils we examined have engaged private firms to produce their population projections and then tested the robustness of those projections. Local councils have used these alternative forecasts in their applications for state government funding for new early childhood facilities or for the expansion of existing facilities. DET has accepted these forecasts, as VIF projections are not currently available at smaller geographic levels.

We note that both local councils' and VIF's projections have underestimated the population growth levels in the past, as a result of unanticipated growth since 2011. Using additional information to conduct regular checks of the population projections can help councils get a better sense of the actual pace of growth.

Hume City Council checks its growth projections by compiling additional information such as service enrolments and attendances, waiting lists, birth notifications, community and service provider surveys, planning permit approvals and new housing lot releases. Better sharing of such local-level information with the state agencies may improve population projections and planning, and delivery of services and infrastructure.

3.3 Strategic planning for birthing services

Health services deliver birthing services. DHHS, in its role as the health system manager, is responsible for policies and plans. It also oversees publicly funded or contracted health services to achieve government's objectives for the health care sector.

DHHS and health services share service planning activities, which are conducted at the local, area-wide, regional and statewide levels. The effectiveness of strategic service planning can be measured by assessing the extent to which providers deliver birthing services when and where needed.

DHHS is in the process of changing the way it plans the provision of birthing services across Victoria in response to inadequacies in its previous devolved planning approach.

Roles and responsibilities

Figure 3B outlines DHHS's and local health services' responsibilities for service planning. As the health system manager, DHHS undertakes strategic planning for statewide services, including taking the lead in planning and funding new and expanded facilities, and in statewide workforce planning.

Figure 3B
Planning for birthing services by health services and DHHS

Agency	Statewide planning	Area-wide planning	New or improved facilities	Workforce planning
DHHS	Statewide system design, and major service streams including maternity services[(a)]	Planning for the northern growth corridor completed. Developing other locality plans.	Considers needs, based on each project.	Develops statewide needs for health professionals, including specialists.
Health service	Contributory role	Focuses on catchment area, but may contribute to wider area planning.	Identifies health service needs.	Develops health service workforce needs to support operations.

(a) DHHS began this work in 2016.

Source: VAGO.

The *Health Services Act 1988* requires metropolitan and major health services to develop strategic plans with a three- to five-year outlook. These plans provide the strategic context for setting the role and objectives of individual health services, including a description of the current and projected health needs of the local population.

Health services undertake local planning activities to develop services plans, such as predicting local demand and assessing service use patterns, understanding community demographics, assessing current and future capacity and gaps, and developing workforce strategies.

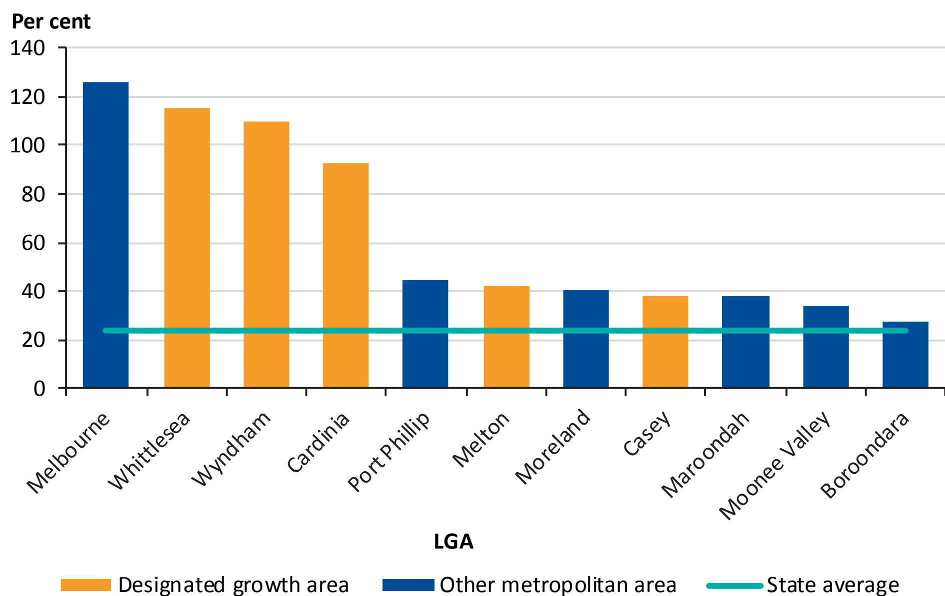
Until recently, DHHS's service planning activity did not take place within a statewide planning framework that encompasses a comprehensive understanding of the system-wide demand for and supply of birthing services. Similarly, DHHS submitted infrastructure requests for State Budget funding on a project-by-project basis, rather than presenting its priorities for growth in maternity service capacity within a wider statewide framework of health system needs and priorities.

Demand for birthing services

Between 2005–06 and 2015–16, the number of births in Victorian public hospitals increased by 24 per cent, from 48 387 to 59 760. During this time, there was a 68 per cent increase in the number of births in public hospitals to women residing in the northern growth corridor, covering Whittlesea, Mitchell and Hume.

Figure 3C shows that strong increases in birth numbers also occurred in parts of the inner areas, such as the cities of Melbourne and Port Phillip, as well as some middle-ring councils, such as Moreland.

Figure 3C
The 10 councils with the largest increases in births above the state average, 2005–06 to 2015–16



Source: VAGO, based on data from DHHS.

There are multiple issues arising from the rapid increase in demand for birthing services, including pressures associated with safely meeting that demand.

Some women with 'normal' or 'lower risk' pregnancies develop complications during labour without warning. Therefore, hospitals with increasing numbers of births are also delivering higher numbers of births with complications.

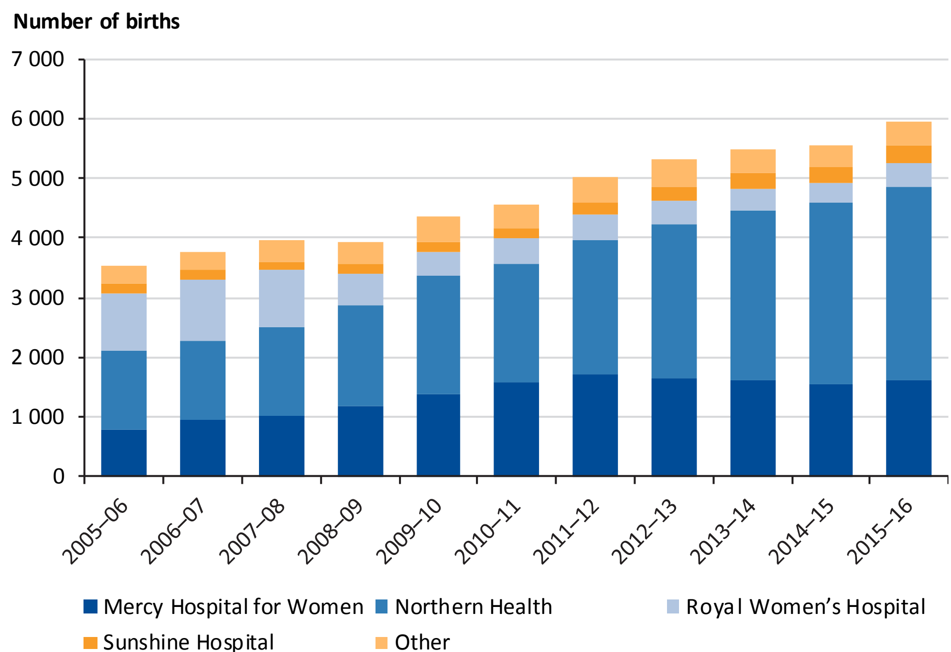
To meet this increased demand for birthing services safely, health services need to be able to provide timely access to higher-level and specialist services to more women. Higher-level and specialist services include 24-hour obstetric and gynaecological surgery, anaesthetic, paediatric services and physical facilities. Services with these capabilities need to be available in growth areas and have enough capacity to meet demand.

Services with capabilities limited to normal or low-risk pregnancies need to have referral protocols in place to tertiary hospitals, which provide neonatal intensive care services.

A critical system planning issue is the need to ensure that appropriate capacity exists at each of these levels of birthing service. Increasing birthing numbers in both growth corridors and established areas drives the need for additional specialist birthing services.

As shown in Figure 3D, a number of hospitals have met the rising demand for birthing services from women living in the northern growth corridor, including Northern Health taking a greater share over the 10-year period as it gradually builds up its maternity and newborn services.

Figure 3D
Births per hospital to women living in the northern growth corridor, 2005–06 to 2015–16



Source: VAGO, based on data from DHHS.

The Royal Women's Hospital (RWH) was experiencing a particularly high demand from across the whole state, including from areas of high population growth in northern Melbourne. To protect RWH's tertiary capability for women with high risks, and make provision for additional maternity services in the northern growth corridor, DHHS began a planning process with RWH and Northern Health, which resulted in an expanded birthing service capacity and antenatal care at Northern Health.

This process also included establishing a clinical referral process that prioritised access to RWH for high-risk pregnancies. As the additional birthing capacity at Northern Health increased, there was a gradual reduction in the overall number of births at RWH to women residing in the northern growth corridor.

In 2015, an independent report—*Travis Review: Increasing the capacity of the Victorian public hospital system for better patient outcomes*—highlighted that hospitals located in the greenfield growth areas had the largest gaps between demand and supply of hospital beds. The northern growth corridor had the largest gap between demand and supply.

Northern Health advised that, in response to the rising demand, it has implemented a number of initiatives, including reducing women's length of stay and strengthening domiciliary care availability for women after birth. However, Northern Health believes that there is limited scope to further improve its efficiency in bed management. Northern Health expects that without expanding its capacity and lifting its capability in the near future, it will reach its physical capacity by 2018.

DHHS advised that the Northern Growth Corridor Service Plan is addressing this key capacity issue.

Capability planning

An important part of DHHS's supply planning for maternity and neonatal care services is to ensure that these services are safe and of high quality through its capability framework. The framework outlines the types of maternity services that a health service can safely provide.

In the past, DHHS's reliance on health services' self-assessment of capability contributed to a reactive response to rapid increases in the demand for birthing services.

Capability framework

In 2011, DHHS issued its *Capability Framework for Victorian Maternity and Newborn Services* (the capability framework), so that health services could conduct a self-assessment of their capability level to help with their service planning.

The capability framework provides a standard set of capability requirements. These include the staffing levels, infrastructure and equipment required to support locally available services for normal or low-risk births through to the resources required for specialised services dealing with complex high-risk births.

Under the capability framework, services at level 3 capability provide care to women experiencing normal or low-risk pregnancy, while women with moderate to high-risk pregnancies are cared for by hospitals of level 4 capability or above.

In 2015, DHHS released a revised capability framework for newborn services that introduced stronger compliance and monitoring procedures for assessing the capability levels of all public and private maternity and newborn services.

After the previous framework's release in 2011, within a devolved governance model, DHHS expected that health service self-assessments against the framework would enable it to map service capability across the state, and to identify hospital-specific and statewide gaps and address them. DHHS did not achieve these objectives.

Our previous audit of the framework in October 2011, *Maternity Services: Capacity*, found that although the framework was important for statewide planning, DHHS had not articulated how it intended to address identified gaps, or how it would monitor and measure service providers against the framework. To this extent, the framework did not reliably inform statewide planning or improve services.

Due to rapid increases in demand for birthing services, and the emergency nature of some birthing events, some local hospitals in the growth areas that self-assessed at level 3 capability in 2011 had subsequently expanded their services to include women in the moderate risk group.

During the period between 2011 and 2015, DHHS did not, however, regularly review and reassess health services' capability levels. This means that DHHS did not have a clear view of statewide capability and was not able to identify when health services were operating beyond their current level of safe maternity care. As a result, DHHS was not able to effectively fulfil its system manager role.

A DHHS review in 2016 into safety and quality assurance systems in Victorian public hospitals identified a number of system-level factors that contributed to avoidable baby deaths at a rural hospital. The review also found that health service self-assessments did not provide DHHS with accurate information about public hospitals' capabilities to enable it to perform effectively as system manager. If a health service overstated its capability level, DHHS would not necessarily be aware that this health service might be putting patient safety at risk.

The review recommended that DHHS adopt a 'compliance-oriented' approach to assessing health services' capability and supplement these assessments with stronger analysis of health services data, such as numbers of births outside of a health service's capability.

From 2016–17, DHHS strengthened capability assessment procedures to ensure that it, rather than health services, determines the capability level of public health services that provide maternity and neonatal care. DHHS now conducts annual assessments and reviews key information from services including:

- confirming that the health service complies with each requirement of the capability framework
- reviewing maternity and newborn service activity data related to service capability
- receiving notification of any changes to a service's capability over the course of the year
- ensuring that improvement actions are agreed to as part of the capability reviews that DHHS monitors.

Transparency and consistency in supply projections

Determining supply projection for birthing requires knowledge of projections of maternity bed capacity, theatre requirements for births involving a caesarean section, and workforce requirements.

DHHS's forecast models for system capacity have been in place for many years, and have undergone several internal and external reviews. A DHHS review in 2016 found that its demand projection model was robust and, in many areas, employed best practice planning approaches at the national level. The review assessed its past projections to have high levels of confidence—for example, the number of bed days projected was within 1 per cent of the actual requirement.

The review also found that, although the overall projection of future capacity was sound, there were opportunities for DHHS to improve capacity projection for individual services. Specifically, there was a need for greater transparency and access by health services to DHHS's documentation on planning benchmarks to improve consistency in system-wide planning across individual health services and different health streams.

Forecast models are based on a number of assumptions about inputs and include capacity benchmarks, models of how services are to be delivered—such as in hospital versus at home—and the influences of technological advances. These input assumptions are important in translating the projected demand to capacity requirements.

In the past, DHHS has not always documented changes to the assumptions it uses to underpin the input variables and has not clearly communicated them to health services.

DHHS is preparing to strengthen its system oversight and planning role by introducing a number of initiatives, including a project to review and document the assumptions in the models. This is a positive step towards improving the robustness of supply projections.

New approaches to statewide planning

DHHS recognised the mismatch between the distribution of supply and demand for health services across Victoria and, in mid-2016, it implemented a statewide planning framework to underpin a more strategic approach to service and infrastructure planning. New departmental structures—including a new planning branch and two agencies for overseeing health information and strengthening the quality of care—have been designed to support the new approach to planning.

The new planning framework includes:

- **an overarching plan**—a 20-year statewide service and infrastructure plan, with supporting five-year action plans that DHHS has committed to monitoring quarterly
- **service stream plans**—a series of individual design, service and infrastructure plans to address issues in specific service streams, such as maternity and newborn, clinical mental health, and surgery and emergency care services
- **locality plans**—plans that identify long-term local health and associated infrastructure needs that are developed through a collaborative process with health services, local councils and community health providers.

The new planning framework describes an initial set of proposed 'high-level' actions over the next two years, and specific commitments planned for later years.

Northern Growth Corridor Service Plan

The approach that DHHS took to developing a locality plan—the Northern Growth Corridor Service Plan—reflected good practice in strategic service planning and provides a planning model that other service providers could use.

The Northern Growth Corridor Service Plan has:

- identified service gaps and impediments to service development
- adopted integrated land use planning for the area, with the establishment of 'health precincts' that align with MCH services, and schools and kindergarten infrastructure
- considered the long-term outlook (20 years), and will develop a 10-year and 20-year response
- been informed by sound stakeholder consultation processes, involving other health providers such as ancillary health services in the area, local councils, and social and wellbeing service providers.

The plan intends to prioritise and inform subsequent planning by identifying the scope of health services needed, and when and where they are best located. It identifies opportunities for integration with broader council and state-provided community services to promote better planning for healthier communities in Melbourne's north. The plan also states that the area needs a new hospital.

3.4 Strategic planning for maternal and child health services

Universal MCH services are integral to the government's policy objectives for achieving high-quality early childhood outcomes. These services provide an early opportunity to identify children with health or developmental risks.

DET and local councils arrange provision of MCH services through a partnership agreement. Councils plan and deliver the services, with DET providing funding for 50 per cent of the universal service and 100 per cent of the enhanced service. However, neither DET nor councils take a clear leadership role to ensure the adequacy of this planning, including whether current arrangements are meeting policy objectives in areas of rapid population growth.

Since 2015, DET has undertaken research to understand and try to influence participation rates of specific demographics, including CALD and ATSI families at both local government and state levels. Apart from these initiatives, there has been limited analysis of the drivers underpinning demand, participation and system capacity. This compromises statewide information systems that councils need to draw on for local MCH service planning. These gaps mean that there is less assurance that current arrangements are achieving government policy objectives for MCH services.

DET and local governments have recently renewed their partnership agreement, which recognises the need for an increased focus on outcomes and accountability for MCH services by both parties. This is a positive step.

Roles and responsibilities for maternal and child health services

In 2016–17, the state government allocated funding of $266 million over a four-year period for MCH services to fund:

- 50 per cent of universal MCH services (local governments fund the other 50 per cent)
- 100 per cent of enhanced MCH services
- various additional service costs, including printing of child health monitoring books, conferences and assessment tool licences.

In 2016–17, the state government's contribution to service provider funding for the universal service was $42.7 million, which is matched by local government.

Planning, funding and provision of MCH services occurs through a partnership between the state and councils. A memorandum of understanding between DET and the Municipal Association of Victoria (MAV), established in 2000 on behalf of all councils, formalised the working relationships in the areas of planning, funding and provision of MCH services. The most recent memorandum of understanding covers the period from May 2017 to December 2020.

Figure 3E shows the delineation of roles and responsibilities for MCH planning.

Figure 3E
Responsibilities for planning of MCH services

Agency	Statewide service planning	Infrastructure planning	Workforce planning
DET	Partnership approach to developing guidelines and standards, contributes to funding services and supports professional development of MCH workforce.	Regional staff play a supporting and advisory role.	Limited role—statewide assessments were done in 2009 and in 2016.
Local council	Implements municipal service improvement plans in line with DET guidelines for a 12-month period.	Provides input at land use stage and provides council buildings for service delivery, including relocatables in areas of rapid population growth.	Varies between individual councils.

Source: VAGO.

Local councils plan for the provision of MCH services based on the number of birth notifications they receive, the number of children in previous years' consultations and state population projections.

DET works collaboratively with councils to support the supply and quality of MCH services. DET's regional staff help local councils to plan and monitor the performance of early childhood services that DET funds, including MCH and kindergarten services.

DET also runs twice-yearly statewide seminars for MCH nurses aimed at developing their capacity to deliver high-quality programs within their local communities.

Demand for maternal and child health services

The numbers of newborn babies and children up to 3.5 years old represent the potential demand for MCH services in a local area. Although MAV introduced initiatives to improve the system for collecting MCH service data in 2014, there are still limitations. This hinders efforts by local government to provide this critical universal service to parents and their babies where and when needed.

Our 2013 audit *Performance Reporting Systems in Education* found multiple weaknesses in the MCH information system. These weaknesses pose serious questions about the reliability of the information used and reported publicly.

Under the *Child Wellbeing and Safety Act 2005*, hospitals are required to send birth notifications to the council where the mother resides within 48 hours of a child being born. In most cases, hospitals fax this information to councils. The audited councils advised that there is no systematic check that the birth notifications they received via fax are correctly recorded in the councils' database in a timely manner, as sometimes faxed notifications are left unattended, or mixed with other communications.

Similarly, there is no systematic check that all families with birth notifications receive their first home consultation. One of the birthing hospitals audited indicated that it does not cross-reference all of its births against evidence that the birth notice has been scanned or faxed to the relevant council. It also does not receive confirmation from corresponding local councils that they have received the notification.

In some cases, families may have incorrectly filled in their home addresses, which results in hospitals sending notifications to the wrong council, causing further delays in providing MCH services for first visits. The extent of this issue is unknown. DET acknowledged that there is an opportunity to improve the process for passing birth notifications between hospitals and councils.

There were also weaknesses in the way MCH services maintained engagement with families with young children when they moved to another council area. To address some of these issues, MAV, with a funding contribution from DET, began developing the CDIS in 2014. This system manages child records within a single, centralised database, making every child enrolled visible to every nurse at the 62 councils on the CDIS. This is a positive step towards supporting child-centred service planning and provision. However, this does not address the issue of MCH services initially engaging with families who move to Victoria from interstate or overseas.

The implementation of the CDIS has had many challenges, as detailed in Figure 3F. In two of the three audited councils, reliable MCH data has not been available for the last 18 months, causing significant frustration for the MCH nurses.

Figure 3F
Implementation of the CDIS for MCH services

In 2014, MAV began developing a new standardised data management system for MCH services. DET contributed $2 million to this project. The new system aimed to:

- facilitate the sharing of information when families move
- enhance engagement opportunities, including sending reminder text messages for upcoming appointments
- improve the link to other early childhood data systems through secure transfer of data and referrals
- improve statewide performance monitoring and data analysis.

The new system was released in late 2015 and, at the time of this audit, 62 of the 79 councils in Victoria were participating.

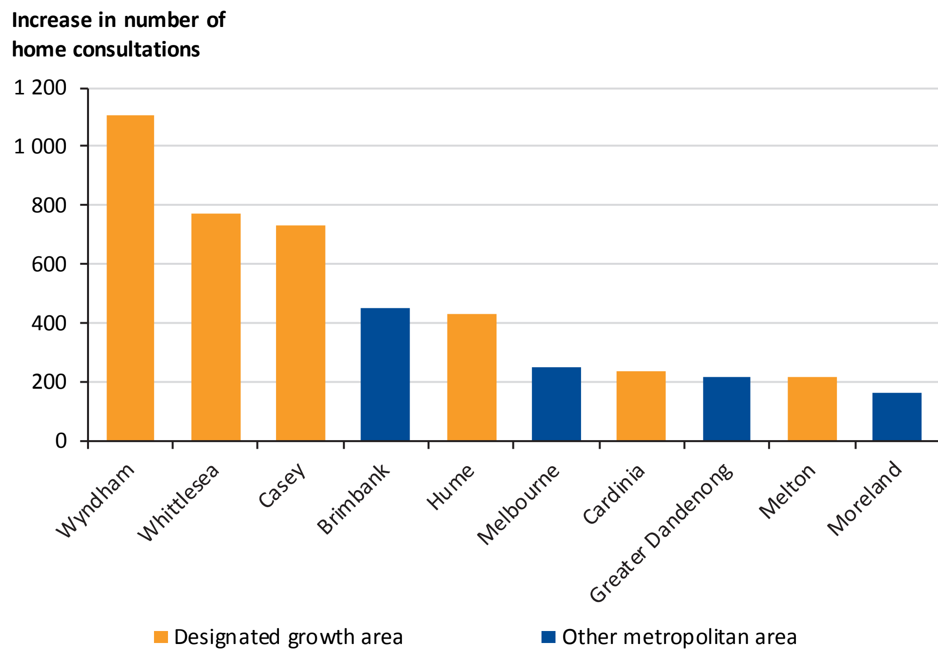
During roll out of the system, various implementation issues have arisen. These included inaccurate reporting due to the loss of data during migration from the old to the new system, the same information being able to be stored in multiple locations, and system navigation difficulties for users wishing to extract information or enter data.

Source: VAGO, based on information from DET.

The implementation issues with the CDIS caused a one-year delay in councils reporting the number of MCH consultations for 2015–16 to DET. The analyses in Figures 3G and 3H use information available up to 2014–15. DET advised that it is working with MAV to resolve the issues in future years.

Figure 3G shows the 10 metropolitan LGAs with the most significant increases in the number of MCH home consultations over the period 2010–11 to 2014–15. Six of the seven greenfield growth areas were represented, as well as a few inner LGAs, such as Melbourne and Moreland. In 2014–15, there were 76 265 home consultation visits across the state, including 56 194 visits in metropolitan Melbourne.

Figure 3G
The 10 metropolitan LGAs with the highest increases in numbers of MCH home consultations between 2010–11 and 2014–2015

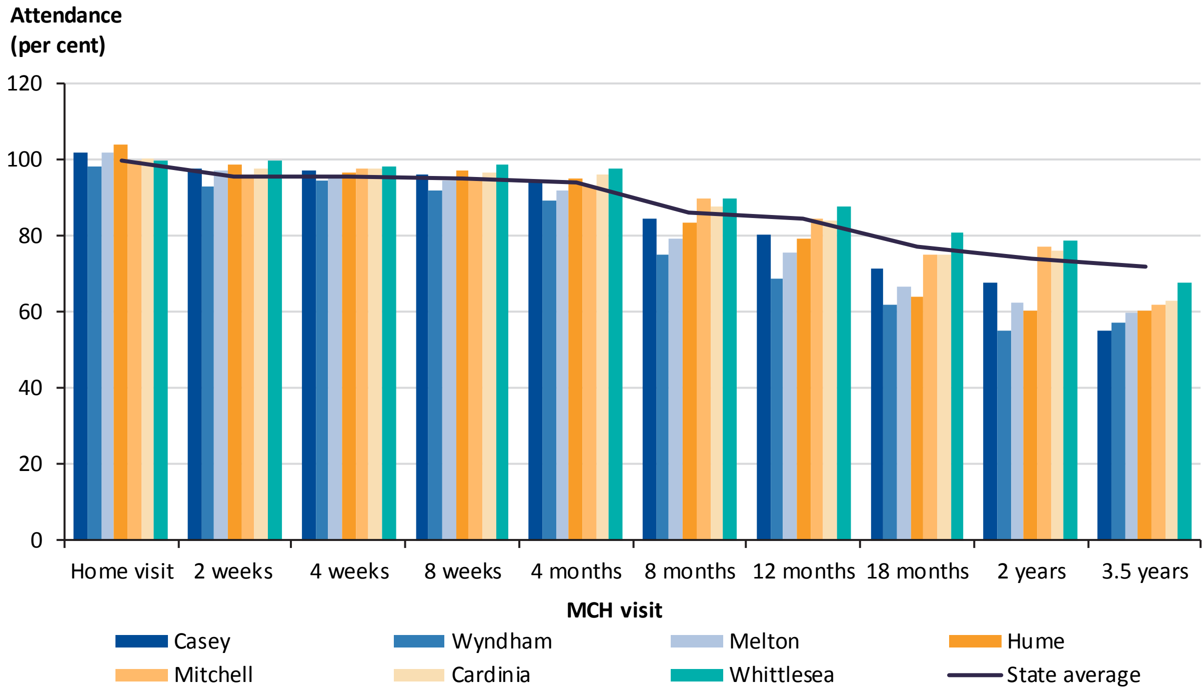


Source: VAGO, based on data from DET.

In contrast, Figure 3H shows that in 2014–15 the participation rates from the eight-month MCH visit onwards in four of the seven growth area LGAs were among the lowest in the state.

While participation in MCH services across Victoria decreases as children get older, the decline in participation in growth areas is more pronounced. This decline is likely to be associated with the particular groups that live in growth areas rather than the fact that they are specifically located in growth areas.

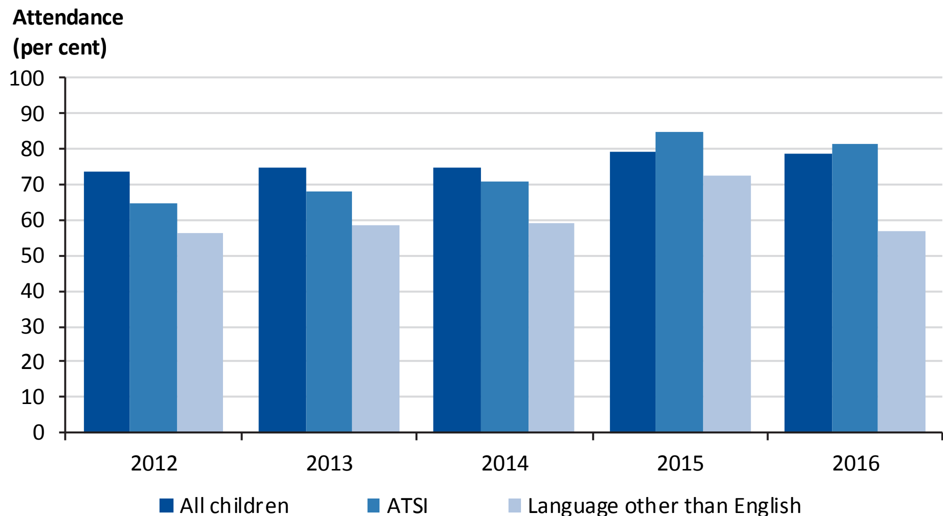
Figure 3H
MCH participation rates in growth area LGAs, 2014–15



Source: VAGO, based on data from DET.

DET's School Entrant Health Questionnaire (SEHQ) collects a wide range of demographic and health-related information on children attending primary schools and contains more socio-demographic data than is collected through the MCH service. Based on SEHQ data, Figure 3I shows the participation rates of population groups for the 3.5 years MCH check between 2012 and 2016 across Victoria.

Figure 3I
Reported attendance at an MCH centre for the 3.5-year-old check, by population group, 2012–2016



Source: VAGO, based on SEHQ data.

Although overall participation is improving, participation by children from families with a language background other than English remained steady from 2012 to 2014, rose in 2015 but then declined in 2016. The data also shows that the participation rates of children from ATSI families have been rising and exceeded the state's average for all children in 2015 and 2016.

A range of factors may have contributed to the lower-than-average participation results shown in Figures 3H and 3I, including:

- lack of awareness of the services
- physical access issues including distance to the services, and operational hours not enabling access by working mothers
- lack of acceptance of the services by some cultural groups
- lack of infrastructure or service provision in greenfield growth areas.

The Murdoch Children's Research Institute conducted research in 2012 into the use of MCH services by refugee women and their children, with women reporting that transport accessibility was a factor. The study found that some women could walk to their closest MCH centre, but others had no access to private transport, or found that public transport was difficult to use due to distance from home. Others faced challenges such as managing several young children, including walking toddlers and infants in prams. This research indicates that, in some areas, socio-demographic and transport access issues could exacerbate lower or non-participation rates.

In 2015 and 2016, DET commissioned research to identify statewide opportunities to improve engagement with MCH services by CALD and ATSI groups. Based on the research on ATSI families, DET advised it will begin trialling a new service model in September 2017 that aims to increase ATSI families' access to and participation in the universal MCH service.

DET advises that it believes the key determinant of lower MCH participation is the socio-economic and demographic characteristics of the communities. DET indicated there is a higher proportion of groups who tend to have lower participation rates in growth areas, and that this contributes to the more pronounced decline in the MCH participation rates shown in Figure 3H. However, DET has not conducted further research to confirm this.

In general, local councils have limited understanding of the major reasons for the lower or non-participation within their areas. This confirms the finding in our 2011 audit *Early Childhood Development Services: Access and Quality*.

A robust understanding of the drivers of demand and reasons for lower and non-participation is necessary to inform assessments of MCH service performance. Without comprehensive data, DET and local governments currently have limited knowledge of whether the government's policy objectives for universal MCH services in areas of rapid population growth are being achieved.

Supply planning for maternal and child health services

The availability of qualified MCH nurses is a key component of supply planning for MCH services. This is potentially more difficult to adjust quickly than is the availability of infrastructure, as MCH services do not require highly specialised facilities. Since councils plan for and employ MCH nurses, DET's involvement is limited to periodic assessments of demand and supply in the MCH nurse workforce.

DET completed an assessment of the MCH workforce in 2015. This assessment found that Victoria was not experiencing a shortage of MCH nurses overall, but that factors such as the ageing MCH nursing labour force and a growing demand for services due to population growth were likely to result in an inadequate supply of MCH nurses in future years.

Consultations with the audited councils and stakeholders in the sector also indicated that there is a pressing need to systematically plan for the MCH nurse workforce as:

- a large proportion are aged over 50 years old—DET estimated in 2014 that over 65 per cent were over 51 years old
- the community has high expectations of the quality, training and accreditation of the MCH nursing workforce, which means it currently takes about four or five years to become a qualified MCH nurse.

DET is currently developing responses to the identified future need for increasing numbers of MCH nurses across the state, which is a positive initiative. Since 2004, DET has run a postgraduate scholarship program that aims to encourage eligible nursing professionals to complete the extra qualifications needed to join the MCH workforce. More recently, under the *Early Childhood Reform Plan* announced in May 2017, DET received $5.2 million from the 2017–18 State Budget, which it will invest in attracting new MCH nurses into the service. These are positive steps. Some councils, including the Moreland City Council, have offered incentives to improve the retention rate of existing MCH nurses.

Overall, there is no sound understanding of the demand for and supply of MCH nurses at the local level. DET regional staff advised that at some locations MCH nurses are experiencing huge workloads due to population growth, while in other councils the nurses' capacity may not be fully utilised.

In some local councils, the shortage of qualified nurses can have a flow-on effect on the quality of the services provided. In the Moreland City Council, it took an extended time to fill a nurse position for its enhanced MCH service. During this time, the universal MCH service worked with families who were eligible for enhanced MCH services, but without the clinical supervision that would typically be required.

MCH nurses are health professionals and must be considered as part of statewide health workforce planning. DET has not involved DHHS in this project, but has acknowledged that collaboration would improve MCH workforce planning.

Supply planning for MCH services also involves designing appropriate delivery models. Some councils have taken a proactive approach to improve local access and participation. Mitchell Shire Council provides MCH consultations in shopping centres to engage better with harder-to-reach families. Mitchell advised that it is easier for it to connect with local groups than in some other LGAs, due to its smaller population size.

MCH services need centralised oversight to determine how these services can be better delivered in line with changing socio-demographic trends.

3.5 Strategic planning for kindergarten services

High-quality early years education is critically important, and this is reflected in the government's policies for and commitment to early years services.

Under the current arrangements for service planning, no agency is responsible for ensuring there is an adequate supply of quality funded kindergarten services when and where needed across the state, particularly in areas of rapid population growth.

The collection of system-wide information on kindergarten attendance is another area of concern. The government lacks a sound understanding at the state and local levels of who is accessing kindergarten services and whether eligible children are missing out. As a result, the government is not fulfilling the objectives set out in its policy document *Education State 2016*, which states that kindergarten provision is at the heart of the government's vision.

Roles and responsibilities

Various organisations provide kindergarten programs in a range of settings that reflect child, family and community needs, including:

- standalone kindergartens
- long day care centres
- childcare centres
- community centres
- some schools.

Individual public and private providers deliver kindergarten services through service agreements with DET. The agreements set out relevant legislation, program objectives, service delivery standards, funding responsibilities, performance measures and reporting requirements. Unlike MCH services, there is no formal arrangement in place between councils and DET for the provision of kindergarten services.

Local governments have the lead role for kindergarten infrastructure planning within their areas, in line with their statutory and social responsibility to plan for their local community. Councils that are the sole provider of kindergarten services for their local area also lead the kindergarten service planning for their area. Of the 79 councils in Victoria, 40 are directly involved in providing kindergarten services.

Figure 3J shows the delineation of roles and responsibilities between DET and local government for service planning and infrastructure development for kindergarten services.

Figure 3J
Agency roles in planning for kindergarten services

Agency	Statewide planning	Statewide infrastructure planning	Local service planning	Local infrastructure planning
DET	No	Yes, when collocating with schools	Through partnership with councils	Yes, when collocating with schools
Local councils	No	Yes	Mostly yes, with some exceptions	Yes, able to fully fund kindergarten infrastructure or partly fund along with funding from DET

Source: VAGO.

DET works collaboratively with local government and the kindergarten sector to support the supply and quality of service provision. DET's performance monitoring has a strong focus on programs that provide vulnerable children with access to kindergarten.

Until recently, there has not been a clear role for DET to plan statewide services or infrastructure, except when a kindergarten is collocated with a school. Some local councils do not provide kindergarten services for a variety of reasons, including financial constraints. When this happens, there is no entity accountable for ensuring the community has universal access to high-quality kindergarten services.

In recent years, the state government made commitments through the Commonwealth Government's *National Partnership Agreement on Universal Access to Early Childhood Education* to provide preschool-aged children with universal access to 15 hours of kindergarten per week for 40 weeks of the year before they start school. As a result, it needed to understand whether the kindergarten system could cope with the demand.

In 2011, DET engaged and funded councils to conduct capacity assessment reports to find out what was needed to fulfil the 15-hours guarantee. This required councils to engage with every service in their municipality to understand staff and infrastructure capacity. However, councils have not completed these assessments regularly.

Starting in 2013, DET, in conjunction with MAV and councils, developed and implemented universal access plans, which were completed in 2015. These plans outlined the agreed actions to meet the 15-hours guarantee, and the goals of the *National Partnership Agreement on Universal Access to Early Childhood Education*, which applied to each council area. Based on the most recent Report on Government Services in 2017, Victoria is one of the best-performing states when assessed on children's kindergarten participation of 15 hours per week.

Demand for and access to kindergarten services

In 2016–17, the state allocated $582.4 million to early childhood development. This includes kindergarten participation and MCH services across the state. Funding for kindergarten is provided on a per capita basis, and the standard per capita grant for January to June 2017 was $3 390 per child. This represents a significant level of public investment in the kindergarten system.

There is limited information on demand for kindergarten services at an LGA level or at the statewide level, which compromises DET's and councils' ability to plan effectively. Many factors lead to weaknesses in the information available on kindergarten service provision:

- Not all councils operate a centralised kindergarten enrolment system. Currently 44 of the 79 councils have a system for centralised recording of kindergarten enrolment applications and placements within an LGA.
- It is not mandatory for kindergarten service providers to participate in centralised enrolment systems that some councils operate. For example, Moreland Council advised that, of its 32 public and private providers, five do not use its central enrolment system.
- There has been no systematic research into under-participation in kindergarten services by particular groups in the community, or in areas experiencing rapid population growth. DET has introduced initiatives to improve kindergarten participation by specific vulnerable groups such as children from ATSI families.
- DET can overstate or understate kindergarten participation data because ABS population estimates of specific age groups in small areas and areas experiencing rapid population growth are less accurate. This could result in participation being over 100 per cent, as shown in Figure 3K. Further, the data only captures attendance at a point in time, rather than ongoing attendance.

There is also untapped demand when families of kindergarten-age children do not actively seek kindergarten services for a variety of reasons, including cultural beliefs or practices, or families not knowing about the services available.

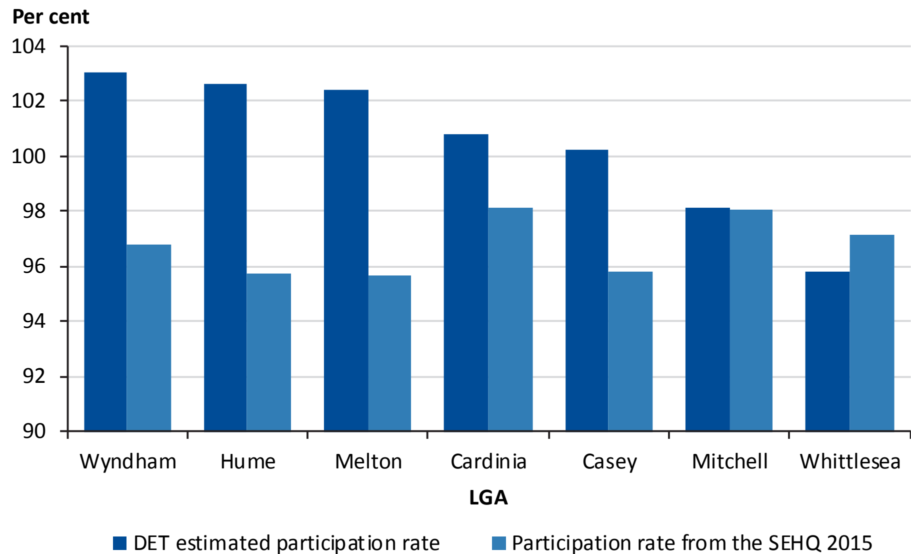
A lack of understanding of the demand patterns has compromised DET's and councils' ability to proactively plan for kindergarten services. DET is investing $5.5 million through the *Early Childhood Reform Plan* to expand and improve councils' central enrolment systems, which may contribute to an improved understanding of service demand.

Measuring participation in kindergarten services

The Kindergarten Information Management (KIM) system is DET's central system for collecting information on service providers, determining funding needs and monitoring participation. KIM collects a snapshot of attendance details for each child enrolled in August each year, but does not capture ongoing participation. DET uses this data to calculate participation rates—the number of children enrolled compared to the estimated number of four-year-olds—expressed as a percentage, for each LGA and statewide.

In 2015, DET reported that the kindergarten participation rate across the state was 98.1 per cent, up from 96.4 per cent in 2014. Figure 3K shows that in 2015 DET estimated that five out of the seven greenfield growth areas had higher participation rates than the metropolitan average.

Figure 3K
Kindergarten participation rates in growth areas, 2015



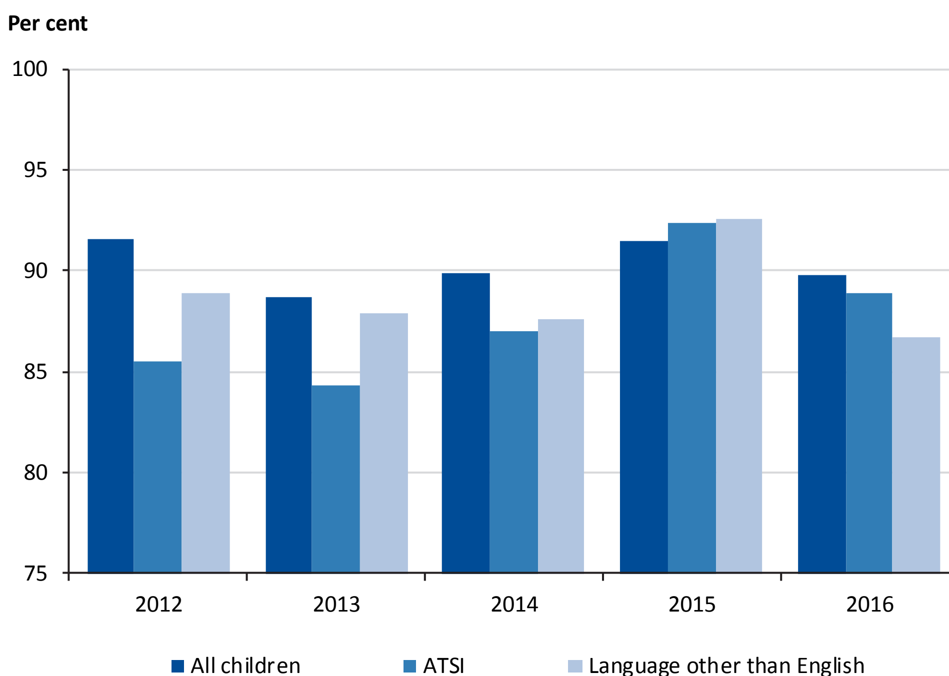
Source: VAGO, based on data from DET.

Figure 3K shows that in some LGAs the estimated participation rates exceeded 100 per cent. A council can have a participation rate that is greater than 100 per cent if the actual number of four-year-olds who reside in the LGA and are enrolled in kindergarten services is greater than the ABS estimate of the number of four-year-olds.

Another source of information on kindergarten participation is the SEHQ, which collects a range of information about children's health and wellbeing, including whether children have attended kindergarten services before starting primary school. Based on this data source, Figure 3K shows that participation in kindergarten services by children in greenfield growth areas was lower than DET's estimate in most cases, except for Whittlesea.

Figure 3L shows preschool and kindergarten attendance rates from 2012 to 2016, based on the SEHQ data. It shows that ATSI children and those from a non-English-speaking background, who are among the most vulnerable groups of children, have the lowest attendance rates in the state. The numbers for 2015 are the exception and appear at odds with the other years. It also shows that the gap in attendance rates between ATSI and all children has gradually reduced since 2012.

Figure 3L
Children reported to have attended a preschool or kindergarten program, by population group, 2012–2016



Note: The 2016 survey asked a slightly different question on kindergarten attendance—comparison of reported attendance rates in 2016 to previous years should be interpreted with caution.

Source: VAGO, based on SEHQ.

Lower participation by children from a non-English-speaking background is also consistent with findings from the *Report on Government Services 2017: Volume B Childcare, Education and Training*, which found that representation of children from a non-English-speaking background in kindergarten was 15.5 per cent, compared with 23.4 per cent in the general population. This indicates that kindergarten services have yet to respond fully to the changing needs of local communities.

Participation results shown in Figures 3K and 3L reflect the weaknesses in KIM and SEHQ datasets and require caution in interpretation. KIM only provides a snapshot of attendances based on enrolment, not ongoing participation. The SEHQ is a questionnaire completed by parents, but not all schools or parents complete the SEHQ—the completion rate was 84.7 per cent in 2014. The reliability of SEHQ data is also dependent on how accurately parents respond to the relevant questions about kindergarten services. For example, some parents may not consider a kindergarten program in a long day care centre to be kindergarten.

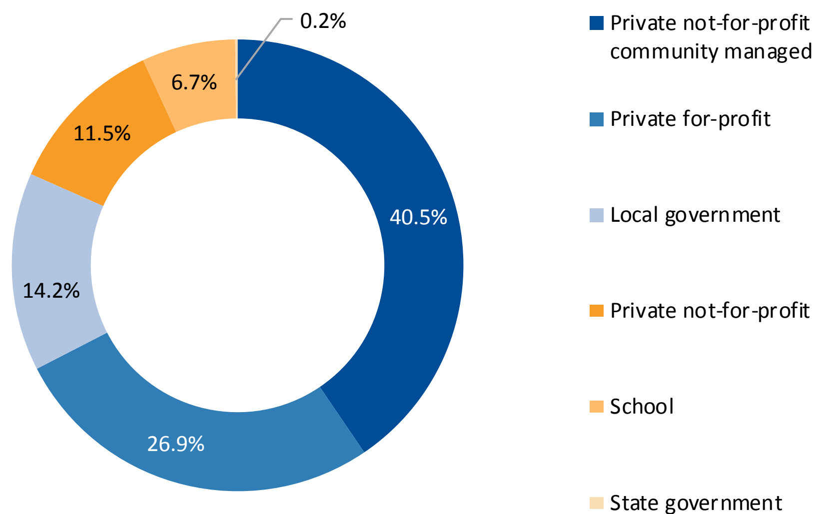
DET advised it makes limited use of SEHQ datasets for calculating participation in kindergarten services.

Supply planning for kindergarten services

Multiple public and private providers deliver kindergarten services. This mixed market creates considerable challenges for both councils and DET in responding adequately to changing demand for services, and further compounds the challenges arising from the lack of a robust understanding of potential demand.

At December 2016, there were 2 312 kindergarten services in Victoria, of which 1 186 (51 per cent) were for sessional kindergarten services, with the remainder delivered in long day care centres. There are six types of service providers, as shown in Figure 3M.

Figure 3M
Share of kindergarten service providers, snapshot at December 2016



Source: VAGO, based on data from DET.

Councils currently do not have ready access to the full range of information that could help their forward planning. For example, councils do not receive SEHQ data that DET collects through schools. SEHQ data could help councils to better understand whether children from the local area attended kindergarten before starting school. This information could reveal untapped demand for kindergarten services in the local areas and could prompt actions to address gaps in service provision.

Figure 3N illustrates how this information helped Moreland City Council with its early years service planning.

Figure 3N
Rising demand for kindergarten services: Moreland City Council

Between 2001 and 2015, births in the City of Moreland increased by 40 per cent. VIF forecasts show that Moreland will be the sixth-highest growth area in Victoria between 2011 and 2031. Coupled with this high growth, Moreland City Council's service planning has also experienced challenges from the increased diversity in its population and, in some locations, the heightened socio-economic disadvantage of residents.

The council became aware in 2009 that only 15 of the 34 Grade Prep children at Fawkner Primary School had attended kindergarten, based on SEHQ results. The other 19 children were either in Australia and did not attend, or were born overseas and did not come to Australia until Prep year. The 2009 Australian Early Development Index data subsequently confirmed the council's finding that children from Fawkner Primary School had the lowest preschool participation rate in Moreland.

Despite the Moreland City Council identifying the problem in 2008–09, it only secured funding of $1.08 million for a new centre in 2013, with a contribution of $0.65 million from DET. The Moreland Council offered enrolments for the new centre from January 2016.

Source: VAGO, based on information from Moreland City Council.

Private providers notify councils of their interest in offering kindergarten services when they apply for a planning permit, but councils do not necessarily know if the proposed service proceeds beyond this stage. This means that councils do not always have complete information to inform planning for kindergarten infrastructure within their local areas. Similarly, DET acknowledged that accurate estimates of required infrastructure investment to respond to population growth are not currently available.

3.6 Future actions

Through consultations with early childhood system stakeholders that began in August 2015, DET has identified opportunities to improve the system, including the planning and provision of MCH and kindergarten services. DET found that the current system is complicated by three levels of government being involved in funding and delivery, with none taking overall responsibility for service provision planning, performance and outcomes for children. From the public's perspective, the system is confusing and uncoordinated.

Positively, the recent Early Years Compact has formalised the respective roles and responsibilities in early years services, and aims to improve the planning and provision of MCH and kindergarten services. It includes a strategic priority to strengthen place-based governance and planning to respond to the needs of local communities and Victoria's changing population.

As part of the implementation of the *Early Childhood Reform Plan* and its role in the Early Years Compact, DET will take a more active role in estimating demand and supply for statewide kindergarten service delivery and for the long-term provision of kindergarten infrastructure. It will do so in partnership with local government, including working together to better identify local needs.

There is a need for a more integrated and strategically planned system that would deliver the services that families and children need, where and when they need them. We acknowledge that the *Early Childhood Reform Plan* and the Early Years Compact are positive steps, although still at an early stage. It is important that both initiatives are implemented with a focus on improving outcomes, accountability and quality. This will enable the state to maximise the return on its investments in MCH and kindergarten services.

Appendix A *Audit Act 1994* section 16—submissions and comments

We have consulted with DELWP, VPA, DET, DHHS, Hume City Council, Mitchell Shire Council, Moreland City Council, the Kilmore & District Hospital, and Northern Health, and we considered their views when reaching our audit conclusions. As required by section 16(3) of 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 were received as follows:

DELWP 50

VPA 51

DET 53

DHHS 57

Hume City Council 60

Moreland City Council 62

The Kilmore & District Hospital 63

Northern Health 64

RESPONSE provided by the Acting Secretary, DELWP

Department of Environment, Land, Water and Planning

PO Box 500, East Melbourne, Victoria 8002 Australia
delwp.vic.gov.au

Ref: SEC013036

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

Dear Auditor-General

PROPOSED PERFORMANCE AUDIT REPORT EFFECTIVELY PLANNING FOR POPULATION GROWTH

Thank you for your letter of 2 August 2017 providing the proposed report for the performance audit *Effectively Planning for Population Growth* and inviting submissions from the Department of Environment, Land, Water and Planning (DELWP) and the Victorian Planning Authority (VPA) for inclusion in the Audit Report.

The report highlights many of the issues that governments face when planning for communities in growth areas, and identifies positive actions to improve the governance, coordination and oversight of the provision of basic services and infrastructure for new communities.

The department welcomes the report's findings and accepts your recommendations.

In collaboration with the VPA, DELWP has developed a Management Action Plan (enclosed for your reference). Working closely with the Department of Health and Human Services and the Department of Education and Training in developing the response, we are pleased to outline our commitments to addressing your recommendations.

I am pleased to confirm that work to implement some of these actions has already commenced, and the Management Action Plan outlines the future steps we will take to ensure the timely delivery of services and infrastructure in growing communities.

I emphasise the important role that *Plan Melbourne 2017-2050* will play in guiding coordinated action across state and local government. Together with our Victorian Government partners, and supported by the new Metropolitan Partnerships, I am confident that our actions will drive valuable improvements in the way we plan for and manage population growth.

The department is happy to discuss in person or if you have any questions, please contact Ms Fiona de Preu, Acting Executive Director, Planning Implementation, DELWP, on telephone 8392 5570 or email fiona.depreu@delwp.vic.gov.au.

Yours sincerely

Christine Wyatt
Acting Secretary
16 / 8 / 17

Cc Stuart Moseley, CEO Victorian Planning Authority
Encl.

Any personal information about you or a third party in your correspondence will be protected under the provisions of the *Privacy and Data Protection Act 2014*. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorized by law. Enquiries about access to information about you held by the Department should be directed to foi.unit@delwp.vic.gov.au or FOI Unit, Department of Environment, Land, Water and Planning, PO Box 500, East Melbourne, Victoria 8002.

RESPONSE provided by the Chair, VPA

14 August 2017

Doc No: COR/17/8025

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

Dear Mr Greaves

Re: *Effectively Planning for Population Growth*

Thank you for the opportunity to provide a response to the proposed performance audit report *Effectively Planning for Population Growth*, which was provided to the Victorian Planning Authority (VPA) on 2 August 2017.

We appreciate the constructive engagement with the VPA that VAGO has pursued in undertaking this audit. We note that the proposed report incorporates a range of changes made in response to our earlier feedback and we appreciate the VAGO's willingness to take these points on board.

The VPA reports to the Minister for Planning and works closely with the Department of Environment, Land Water and Planning (DELWP) to plan for Melbourne's growth. In reflection of this close partnership, a joint response to the proposed report has been prepared between the VPA and DELWP. The attached table outlines the views of the Authority and the Department in relation to the audit recommendations as they affect both bodies.

The audit outcomes and recommendations will help guide the work of both entities and will assist in improving our joint endeavours to improve the delivery of infrastructure and services to cater for Melbourne's population growth. Once again, thank you for the opportunity to comment.

Should you wish to discuss this response further, please contact Mr Ed Small, Director Corporate Services on (03) 9651 9600 or ed.small@vpa.vic.gov.au.

Yours sincerely

JUDE MUNRO
CHAIR

Level 25, 35 Collins Street Melbourne Victoria 3000 | T 03 9651 9600 | F 03 9651 9623 | W www.vpa.vic.gov.au

VICTORIA State Government

RESPONSE provided by the Acting Secretary, DELWP, and the Chair, VPA

Attachment 2

VAGO PERFORMANCE AUDIT – EFFECTIVELY PLANNING FOR GROWTH

VAGO Recommendations	DELWP/VPA	Approve/Changes	DELWP and VPA Management Action Plan	Timeline
1. In collaboration with key state and local government agencies, develop and advise government on mechanisms that will support them to: • participate effectively in the precinct structure planning process • integrate the Precinct Structure Plans (PSP) proposals into their planning and delivery process (see Section 2.3.1)	DELWP	Approve	DELWP in collaboration with key state and local government agencies will: • clarify the roles and responsibilities of agencies during each stage of the PSP process and seek government approval. • Develop proposals for integrated infrastructure and service delivery to support the implementation of PSPs for consideration by government. (see VAGO recommendation 7)	Short 0-2 years
2. Develop guidelines that clarify the concept of 'timely' provision of services and infrastructure for new communities. (see Section 2.2)	DELWP	Approve	DELWP, in conjunction with the VPA and councils, will clarify the concept of 'timely' provision of services and infrastructure for new communities and seek government approval of this. This will inform DELWP's review and update to the Precinct Structure Planning guidelines.	Short 0-2 years
3. In conjunction with the VPA and the Department of Health and Human Services (DHHS), monitor the effectiveness of structure planning process for health precincts. (see Section 2.3.1)	DELWP	Approve	DELWP in conjunction with the VPA and the DHHS will: • review the effectiveness of the structure planning processes for health precincts and update the PSP guidelines to include planning for health precincts. • review planning provisions for health precincts to support their continued effective operation and expansion (as outlined in Action 6 of the Plan Melbourne 2017-2050 Implementation Plan). The outcomes of these reviews will be considered as part of Plan Melbourne's overall monitoring and reporting framework.	Short – medium 0-5 years
4. Assess the implementation outcomes of existing precinct structure plans to continuously improve the process. (see Section 2.3.1)	DELWP	Approve	DELWP will work with the VPA, councils, Department of Economic Development, Jobs, Transport and Resources, DHHS and the Department of Education and Training to: • undertake an independent assessment of the outcomes of the existing precinct structure plans in consultation with growth area councils, communities and the development industry. The learnings from this process will inform updates to the PSP guidelines. • establish an ongoing monitoring, evaluation and reporting framework for PSPs. The outcomes of this work will be considered as part of Plan Melbourne's overall monitoring and reporting framework.	Short 0-2 years
5. Further develop and clarify the governance and oversight arrangements for the Office of Suburban Development (OSD), including assigning leadership and accountability arrangements to support its planning and delivery coordination functions (see Section 2.3.4)	DELWP	Approve	OSD will further develop and clarify its governance and oversight arrangements over the next twelve months as it establishes and beds down operating and support mechanisms for the six Metropolitan Partnerships and delivers the first set of metropolitan regional Five Year Plans for jobs, services and infrastructure. OSD will document these arrangements, including specific leadership roles and accountability requirements, and submit them to the Suburban Development Inter-Departmental Committee (IDC) for noting and/or endorsement in 2018-19. Depending on the outcomes of DELWP's response to Recommendation 1, any proposed future role for OSD in coordinating infrastructure and service delivery will be included in the submission to the IDC.	Short 0-2 years
6. Develop and implement an outcome evaluation framework to periodically review how effectively OSD is contributing to greater certainty in the timely delivery of services and related infrastructure for local communities (see Section 2.3.4).	DELWP	Approve	OSD will develop an outcome evaluation framework and implementation timeframe for periodic review of how effectively OSD is contributing to greater certainty in the timely delivery of services and related infrastructure for local communities.	Short 0-2 years
7. Implement the Plan Melbourne 2017-2050 action to 'prepare a sequencing strategy for PSPs in growth areas for the orderly and coordinated release of land and the alignment of infrastructure plans to deliver basic community facilities with these staged land-release plans' (see Section 2.3.4)	VPA	Approve	The VPA, in collaboration with key state and local government agencies, will develop a sequencing approach as outlined in the Plan Melbourne Implementation Plan. This will also build on the work under Recommendations 1 and 2. The outcomes of this action will be considered as part of Plan Melbourne's overall monitoring and reporting framework.	Short 0-2 years

Note – The timeline is reflective of Plan Melbourne 2017-2050 Implementation Plan and a sequencing process is yet to be determined.

RESPONSE provided by the Secretary, DET

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Office of the Secretary

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BRI013693

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

Dear Mr Greaves

Proposed report: Effectively Planning for Population Growth

Thank you for your letter of 2 August 2017 inviting a response for inclusion in the final report for the Effectively Planning for Population Growth performance audit.

The Department of Education and Training (the Department) has reviewed the proposed report, acknowledges the challenges identified and is committed to supporting all children and families to access high-quality early childhood services. The Department accepts the three recommendations directed to it and work is under way to address these, as set out in the attached action plan.

The Department also welcomes the recommendations to further strengthen precinct structure planning processes. While local area service and infrastructure planning for maternal and child health (MCH) and kindergarten facilities is led by local government, the Department has recently implemented a number of statewide and place-based initiatives that support the participation and engagement of children experiencing vulnerability and disadvantage. This has enabled better collaboration with other agencies involved in the planning process and fostered stronger links between early years services and schools.

As noted in the report, the *Supporting Children and Families in Early Years - a Compact between DET, DHHS and local government* (the Compact) formalises and strengthens the collaborative relationship between the respective agencies in the planning and provision of early years services. In accordance with the Compact, the Department will undertake a more active approach to meeting infrastructure needs in growth areas in partnership with local government, service providers and philanthropic organisations.

Through the *Early Childhood Reform Plan*, the Department will lead the implementation of a number of key initiatives to strengthen MCH and kindergarten services, support participation by all children and families and build a more cohesive service system. The Plan includes measures that will directly

support the planning and provision of services in growth areas, including investment in kindergarten central enrolment and the expansion of the MCH workforce.

I note that the report makes specific reference to under-participation of Aboriginal children and famililes in kindergarten and MCH. Improving this is a key priority, which the Department will address through the Compact, the *Early Childhood Reform Plan* and the *Marrung Aboriginal Education Plan 2016-2026*. While there have been recent improvements, particularly in the participation of Aboriginal children in three and four year old kindergarten, we will continue to focus on this important issue.

Should you wish to discuss the Department's response, please contact Jonathan Kaplan, Executive Director, Integrity and Assurance Division, Department of Education and Training, on 9651 3650 or by email: kaplan.jonathan.e@edumail.vic.gov.au.

Yours sincerely

Gill Callister
Secretary
16/8/2017

2

VICTORIA State Government

RESPONSE provided by the Secretary, DET—continued

DET action plan: Effectively Planning for Population Growth

#	VAGO recommends that the Department:		#	Actions that address the recommendation	By
6	in conjunction with local government, improve the completeness and accuracy of Maternal and Child Health (MCH) and kindergarten participation data (see Sections 3.4.2, 3.5.1 and 3.5.2).	Accept	6.1	The Department will investigate options for collecting regular kindergarten attendance data.	Jan 2018
			6.2	The Department will analyse kindergarten participation data from the annual School Entrant Health Questionnaire (SEHQ), as a complementary data set to the existing participation measure, to help better identify areas of lower participation.	Jan 2018
			6.3	The Department is investigating the potential for an information technology mechanism for sharing information that would provide access, for key prescribed entities, to information about a child in their care.	Jun 2018
			6.4	The Department will continue to work with the Municipal Association of Victoria (MAV) to improve the accuracy of reporting generated by the Child Development Information System (CDIS).	Jun 2018
			6.5	The Department will continue to work with the MAV to encourage MCH service providers not yet using the CDIS to migrate to it as soon as possible.	Jun 2018
7	undertake systematic analyses of reasons for under-participation in MCH and kindergarten services and use this to evaluate service delivery models, including improving MCH participation from the eighth-month visit onwards and the participation of vulnerable children in kindergarten services (see Sections 3.4.2 and 3.5.2).	Accept	7.1	The Department will seek opportunities to link the kindergarten data set with other data sets that include vulnerable three and four year old children that may be missing out on kindergarten, e.g. Commonwealth family day care data and child protection data from the Department of Health and Human Services (DHHS).	Jun 2018
			7.2	The Department will collate all existing information about under-participation from current initiatives, evaluations and projects (e.g. Best Start, Early Start Kindergarten, Access to Early Learning, the Early Childhood for Children in Out of Home Care Agreement, pre-purchased kindergarten places, the CALD participation project and children and youth area partnerships) as the basis for further analysis. The Department will work with DHHS, local governments, service providers, key stakeholders and through the Early Years Compact to support: • the expansion of central enrolment • the continuation of pre-purchased kindergarten places • the implementation of *Marrung Aboriginal Education Plan 2016-2026*, including the next stage of Koorie Kids Shine • work with children and youth area partnerships to document and disseminate locally driven, place-based strategies that have been effective in increasing early start kindergarten (ESK) enrolments • implementation of the outcomes of the review of the Early Childhood Agreement for Children in Out-of-Home Care.	Jun 2018

Page **1** of **2**

RESPONSE provided by the Secretary, DET—continued

DET action plan: Effectively Planning for Population Growth

			7.3	The Department will continue the rollout of existing ICT projects intended to automate the regular transfer of MCH data from CDIS into a departmental database. This will greatly enhance the Department's capability to undertake detailed analyses, including reasons for under-participation.	Jun 2018
			7.4	The Department has completed research to understand reasons for under participation of Aboriginal families in the MCH Service. DET will trial and evaluate a service model that aims to increase access to and participation of Aboriginal families in the universal MCH Service. Model trials will commence in September 2017 and conclude in September 2018. The evaluation of the trials will inform future universal MCH service delivery.	Jan 2019
8	accept responsibility for overseeing the adequacy of statewide kindergarten service delivery by taking a more active role in estimating demand for and supply of services, including the long-term availability of kindergarten infrastructure, to ensure that government objectives are achieved (see Section 3.6).	Accept	8.1	The introduction of the new Early Years Compact formalises the partnership with local government and DHHS for a more integrated and strategic planning approach to the delivery of services for children and families. It includes a strategic priority to strengthen place-based governance and planning to respond to the needs of local communities and Victoria's changing population. As part of the implementation of the *Early Childhood Reform Plan* and the Early Years Compact, DET will take a more active oversight role in estimating demand and supply for statewide kindergarten service delivery and for the long-term provision of kindergarten infrastructure, including working with local government to better identify local needs. DET will undertake a more active, tailored approach to meeting infrastructure needs in growth areas with acute demand pressures in partnership with local government, other service providers and philanthropic organisations.	Jun 2018

Page **2** of **2**

RESPONSE provided by the Secretary, DHHS

Secretary

Department of Health and Human Services

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e4589088

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

Dear Mr Greaves

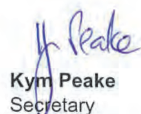
Proposed Performance Audit Report – *Effectively Planning for Population Growth*

Thank you for your letter dated 2 August 2017 enclosing the proposed performance audit report on effectively planning for population growth, and inviting me to provide submissions or comments for inclusion in the report.

The Department of Health and Human Services accepts the audit recommendation addressed specifically to the Department (recommendation 8), and welcomes the performance audit report's support for greater and more transparent statewide oversight of service planning and delivery. The report's support for more integrated cross-agency planning at the locality level is also welcome, as is its recognition that planning for health services with wider statewide, regional or sub-regional roles requires consideration of broader system design requirements than necessarily applies at the precinct planning level. Such service planning must also have regard for the infrastructure investment priorities and parameters determined by government through the annual budget process.

The actions we propose to take in response to the specific recommendation directed to the Department of Health and Human Services, as well as to the general thrust of other recommendations which bear on this department's participation in wider cross-agency planning processes, are outlined in the Attachment. I have also provided some additional general comments for inclusion in your report, which I consider provides valuable insights on how all government agencies can plan for and respond more effectively to the challenges of population growth.

Yours sincerely



Kym Peake
Secretary

15/ 8/ 2017

Enc Department of Health and Human Services response to performance audit report *Effectively Planning for Population Growth*

ATTACHMENT

Department of Health & Human Services response to recommendations of VAGO's Proposed Performance Audit Report *Effectively Planning for Population Growth*

General comment on the report

The Department of Health and Human Services (DHHS) supports the recommendations of the Performance Audit Report *Effectively Planning for Population Growth*. In particular, the report's support for greater and more transparent statewide oversight of service planning and delivery is welcome and consistent with the recommendations of the Travis Review of Victorian public hospital capacity on strategic statewide planning, and the recommendations of the Review of Hospital Safety and Quality Assurance in Victoria (*Targeting Zero)* on the development and monitoring of compliance against service capability frameworks. The report's support for more integrated cross-portfolio planning at the locality level is also welcome, as is its recognition that planning for health services with wider statewide, regional or sub-regional roles requires consideration of broader system design requirements than necessarily applies at the precinct planning level.

The report acknowledges that DHHS has already adopted stronger and more strategic statewide, regional and locality planning processes in relation to birthing services and the health system as a whole. In particular, these processes now reflect the need for the planning of hospital services to involve a wide range of considerations including role and capability differentiation, clinical service configuration, population needs within and beyond localities of residence, and system networking. Invariably these considerations impact on the lead times required for planning these facilities and the stage of development which a community will have reached before a hospital becomes a necessary, viable and system-oriented piece of infrastructure.

For example, birthing services are not a stand-alone service – hospitals (and in particular new hospitals) are planned across multiple clinical services, many with interdependencies, represent major pieces of public or private infrastructure, and must be planned in relation to the wider system network in which they operate. Planning for hospitals and other major health facilities is also subject to the infrastructure investment priorities and parameters determined by government through the annual budget process.

More broadly, health service planning for birthing and other health services must have regard for, and be connected to, wider community service planning and commissioning processes involving non-hospital-based specialist health services, primary health networks, private sector services and community support services which are essential to the health and wellbeing of communities. Planning health services with wider community service integration in mind at the local level will be an important support for implementation of the Government's Safety and Support Hubs and development of local government Health and Wellbeing Plans.

Response to recommendations directed at the Department of Health and Human Services

Recommendation 8: That the Department of Health and Human Services apply successful planning lessons learned in the Northern Growth Corridor Service Plan in developing other locality health plans.

The Department of Health and Human Services accepts this recommendation, noting that the Northern Growth Corridor Service Plan is one of a number of locality, sub-regional and regional planning processes in progress or draft form under a statewide, system wide planning framework for

RESPONSE provided by the Secretary, DHHS—continued

Victoria's health system. Key elements of the good practice identified by this Performance Audit Report include:

- identification of service gaps and impediments to service development;
- adoption of integrated land use planning, with the establishment of 'health precincts' that align with maternal and child health services, and schools and kindergarten infrastructure;
- consideration of a long-term (20 year) outlook, with a 10 year and 20 year response;
- sound stakeholder consultation processes, involving other health providers in the area, local councils, and social service providers;
- identification of the scope of health services needed, and when and where they are best located;
- identification of opportunities for integration with broader council and state-provided community services.

The Department of Health and Human Services will apply these practices to other locality plans in progress or planned, starting immediately with practice embedded by December 2018.

The Department of Health and Human Services will actively collaborate with the Department of Environment, Land, Water and Planning (DELWP) and other agencies in the Precinct Structure Planning and suburban development process, as well as other DELWP mechanisms for participation in, and alignment with, Plan Melbourne strategic actions, and Metropolitan and Regional Partnership processes, starting immediately with practice embedded by December 2018.

RESPONSE provided by the Mayor, Hume City Council

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Monday 14 August 2017

Mr Andrew Greaves
Auditor General
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves

RE: HUME CITY COUNCIL SUBMISSION ON PERFORMANCE AUDIT: EFFFECTIVELY PLANNING FOR POPULATION GROWTH

Hume City Council welcomes the opportunity to participate in this Performance Audit on *Effectively Planning for Population Growth,* which was led by your Office over the past ten months.

Council plays a critical role in the delivery of community infrastructure and services. As an Interface and Growth municipality, there are ongoing challenges in the delivery process. Hume currently has five development fronts across the municipality and there are many stakeholders in the planning and delivery process and despite its challenges, Hume is proud to deliver high quality and significant pieces of community infrastructure in its growth and established areas.

The Audit provided Hume with the opportunity to share its experiences in planning for population growth and provide some insights for strengthening and improving the current planning and delivery systems. It is acknowledged that planning for rapidly growing communities is complex and requires stakeholders to work together. It is essential that the right services are delivered at the right time in order to build strong, vibrant and healthy communities.

It is hoped that the recommendations contained in this Performance Audit will:

- strengthen the joined-up planning approach for the delivery of community infrastructure, including birthing, MCH and preschool services;
- promote relevant State Government departments to participate within the planning processes to ensure the timely delivery of significant regional community infrastructure and services, such as hospitals;
- reinforce the need for well sequenced development so that community facility sites are released for development in a timely manner;
- increase the sharing of information across State and Local Government in order to underpin more robust service planning; and

.../2

- 2 -

- emphasise the need to review and assess current planning systems in the light of the learnings and lessons from this Audit.

I look forward to the implementation of the recommendations contained in this Audit and to the longer-term improved service delivery and community outcomes into the future.

Yours sincerely

CR DREW JESSOP
MAYOR

RESPONSE provided by the Chief Executive Officer, Moreland City Council

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CRS No. N/A
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Mr Andrew Greaves
Auditor-General
Level 31/35 Collins St
Melbourne Vic 3000

Dear Mr Greaves

PROPOSED PERFORMANCE AUDIT REPORT - EFFECTIVELY PLANNING FOR POPULATION GROWTH

Thank you for your letter of 7th August 2017 to the Mayor Cr Helen Davidson and the proposed report on *Effectively planning for population growth*.

I wish to confirm that Council supports the findings and recommendations of the report.

Thank you for the opportunity to contribute to this audit. I look forward to the tabling of the report in Parliament and its public release. Council is committed to working with relevant stakeholders in acting on the report's findings and recommendations where relevant to our early years' service planning and infrastructure provision.

Yours sincerely

Dr Nerina Di Lorenzo
CHIEF EXECUTIVE OFFICER

18 / 8 / 2017

Moreland Language Link

廣東話	9280 1910	हिंदी	9280 1918
Italiano	9280 1911	普通话	9280 0750
Ελληνικα	9280 1912	ਪੰਜਾਬੀ	9280 0751
عربي	9280 1913		
Türkçe	9280 1914	All other languages	
Tiếng Việt	9280 1915	9280 1919	

RESPONSE provided by the Board President, The Kilmore & District Hospital

16 August 2017

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

Dear Mr Greaves

RE: PROPOSED PERFORMANCE AUDIT REPORT *EFFECTIVELY PLANNING FOR POPULATION GROWTH*

The Kilmore & District Hospital welcomed the opportunity to participate in the *Effectively planning for population growth* Audit.

As identified through the Performance Audit there is a need to improve service planning for birthing, maternal and child health and funded kindergartens.

The Kilmore & District Hospital support the report's findings and recommendations and believe the implementation of these findings will enable integrated and more strategic planning of services for children and families.

Yours sincerely

Assoc Prof Peter Nottle
Board President

***RESPONSE* provided by the Chief Executive, Northern Health**

16 August 2017

Andrew Greaves
Auditor-General
Level 24, 35 Collins Street
Melbourne VIC 3000

VAGO AUDIT – *Effectively Planning for Population Growth*

Dear Mr Greaves,

Thank you for the opportunity to provide feedback on the proposed audit report *Effectively Planning for Growth.*

In general, Northern Health agrees with the content of the report and notes there are no recommendations directed at Northern Health.

Yours sincerely,

Siva Sivarajah
Chief Executive
Northern Health

The Northern Hospital
Panch Health Service
Craigieburn Health Service
Broadmeadows Health Service
Bundoora Extended Care Centre

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Auditor-General's reports tabled during 2017–18

Report title	Date tabled
V/Line Passenger Services (2017–18:1)	August 2017
Internal Audit Performance (2017–18:2)	August 2017

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