



Strategic Plan

2021-25

Revised April 2024

Aboriginal acknowledgement

Cladding Safety Victoria respectfully acknowledges the Traditional Owners and custodians of the land and water upon which we rely. We pay our respects to their Elders past, present and emerging. We recognise and value the ongoing contribution of Aboriginal people and communities to Victorian life. We embrace the spirit of reconciliation, working towards equality of outcomes and an equal voice.

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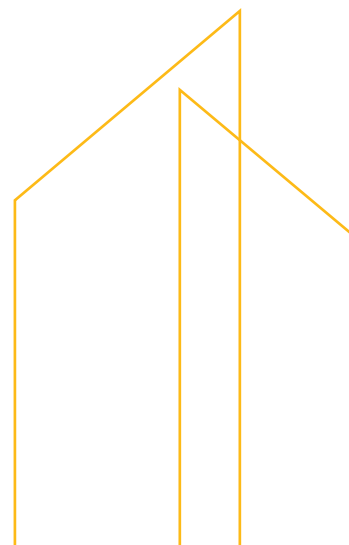
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Message from the Board Chair

Victoria's cladding rectification program is ambitious. Its purpose is to improve the safety of the built environment by directly addressing fire risks associated with non-compliant cladding on public and defined types of private residential buildings.



Cladding Safety Victoria (CSV) was established as a statutory authority, effective from 1 December 2020, to deliver the Cladding Rectification Program (CRP). In so doing, the government appointed a Board to oversee the CRP and the performance of CSV in executing the program.

The role and responsibilities of the Board are defined as part of the *Cladding Safety Victoria Act 2020* (Vic).

Board members were selected to form a team that has broad experience and knowledge across the building and development industry and its regulation, public engagement and communications, risk management, public administration and governance, financial management, strategic planning and legal practice.

The central role of the Board is to ensure rigorous governance processes are employed, including stringent performance reporting, compliance with legislative obligations and government requirements, such as the Victorian Government Risk Management Framework, and conflict of interest disclosures.

To assist the Board with its governance responsibilities, a Risk and Audit Committee

has been established, to provide focussed attention to the complex and intertwined commercial, regulatory and stakeholder management issues entailed in the conduct of the rectification program.

On behalf of the Board, I am pleased to endorse this Strategic Plan, which has been designed to cover the expected lifespan of CSV.

This endorsement is subject to annual work programs and budgeting to be completed and reviewed by the Board as required throughout the life of the program.

All elements of the plan and the related annual work program will be delivered within agreed funding parameters.

If issues emerge that have the potential to go beyond the purview and tenure of CSV, collaborative arrangements with the Department of Transport and Planning (DTP), the Victorian Building Authority (VBA) and other stakeholders will provide a framework for such matters to be assessed in the longer term and as determined by the government.

The Board acknowledges the excellent work undertaken by CSV in successfully delivering rectification works for more than 75% of the highest-risk buildings with combustible cladding and in designing and refining the processes necessary to provide expert advice about cost-effective risk-reduction approaches for lower-risk buildings that are ineligible for funding, in line with Minister's Guideline 15.

It is the Board's view that the quality of the leadership provided by the CSV team and the engagement and goodwill being demonstrated by DTP, VBA and other stakeholders augers well for the achievement of the government's objective of reducing the risks associated with flammable cladding in Victoria.



Rod Fehring

Chair, Cladding Safety Victoria Board

Message from the Chief Executive Officer

CSV's program is designed to keep people safe by reducing combustible cladding risks.

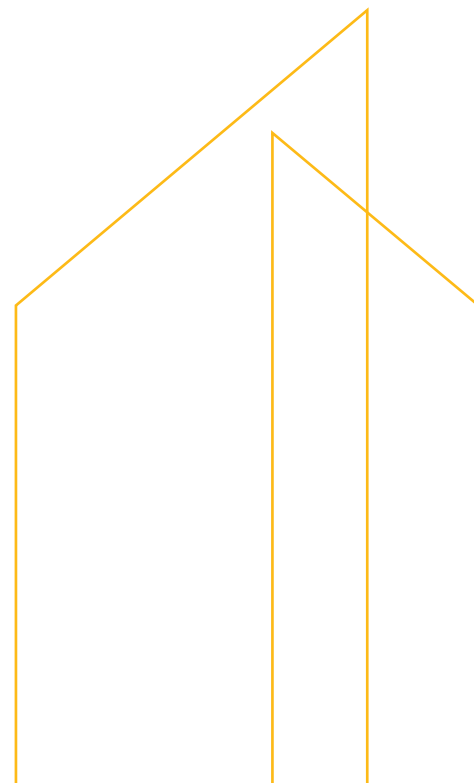


This strategic plan, implemented from the beginning of our first year as a fully formed statutory authority, underpins our commitment to working at pace to make people safer, sooner.

The initiatives and benchmarks outlined in this plan are both ambitious and achievable. More detail about our projects and performance targets can be found in our annual work program, which provides an in-depth view of our deliverables.

An important part of our progress to date and going forward lies in our ability to refine and adopt our processes as we learn more about the best way to address combustible cladding risk for the buildings in our program.

Recognising the many complexities associated with reducing cladding risks on privately-owned buildings, we are committed to continuously improving our methods and processes based on experience and lessons learned throughout the life of the program.



Extensive research, testing and partnerships with technical specialists has resulted in the development and publication of the Protocols for Mitigating Cladding Risk, which provide Municipal Building Surveyors, industry practitioners and owners corporations with a clear pathway for the assessment and mitigation of combustible cladding risk.

In addition to finalising the rectification of the highest-risk buildings in the program, supporting councils and owners corporations to address cladding risk on lower-risk buildings is now a significant focus of CSV's program.

We continue to inform our government and industry stakeholders regarding the program's progress, recognising the need to keep those with a vested interest in our program abreast of how it is evolving.

We deliver our governance and compliance obligations through robust reporting mechanisms, prudent financial management practices and a comprehensive customer management relationship database as part of discharging our obligations to the public on behalf of government.

In building our team, we have fostered a positive and enthusiastic culture and strong sense of purpose in our people. As shown in regular staff surveys, our team are proud to work for CSV and feel encouraged and well supported in their work.

Maintaining this enthusiasm and valuing the contribution our team makes to the rectification program means we will continue to retain staff and move from strength to strength.

CSV exists to make people safer and to give people certainty.

The organisation prides itself on direct and clear engagement with owners corporations, stakeholders and our Board, working together to deliver our landmark program.



Dan O'Brien
Chief Executive Officer

About Us

CSV was announced as the first organisation solely charged with rectifying combustible cladding anywhere in the world.

In July 2019, the Victorian Government announced its intention to set up an agency dedicated to cladding rectification in response to key recommendations of the final report from the Victorian Cladding Taskforce. As a business unit of the VBA, CSV recruited staff and built the policies and procedures needed to deliver cladding rectification.

In late 2020, CSV was established as its own statutory entity with its own Act of Parliament. The organisation reports to the Minister for Planning and its six-member board is appointed by the Minister for a three-year term.

The organisation continues to work closely with the VBA and councils, who refer buildings with combustible cladding risk to CSV to determine funding eligibility.

CSV's primary objective is to make the Victorian community safer by reducing combustible cladding risk. CSV is committed to delivering this goal by prioritising government and residential buildings that have combustible cladding on a risk basis and undertaking rectification works on the buildings deemed to be within the scope of the program.

As part of CSV's focus on safety, the rectification program is governed by delivery models that prioritise the safety and wellbeing of the community, building occupants, contractors and our staff.

Under CSV's legislation, the organisation has a clear remit to administer the residential rectification program through prioritising buildings, determining eligibility for assistance, supporting owners corporations throughout the process and monitoring works.

Some owners corporations do not have the resources to oversee complex rectification projects. CSV provides the support, expertise and connection between owners corporations and the right practitioners to carry out works.

The organisation works closely with owners corporations and their management to deliver clear advice and guidance throughout the process. In addition, CSV provides detailed support to owners corporations whose buildings have been assessed as having an elevated level of combustible cladding risk, but who are not eligible for funding under the rectification program.

CSV also facilitates rectification of government-owned buildings, working with the DTP to administer the government program.

CSV expects to complete its program of works and support activities by the end of 2025. During 2025, CSV will undertake planning activities to ensure all financial, human-resource, governance, reporting and handover obligations are fully met as part of the entity wind-up process.

Strategic Context

The Challenge

CSV has a responsibility to assess those buildings where the VBA or local councils notify CSV that combustible cladding may pose a significant risk and to rectify the highest-risk buildings. Our challenge is to both prioritise buildings according to risk and to utilise the funding that has been made available to maximise the amount of flammable cladding risk removed over time. In addition, CSV has an obligation to provide support and advice to those buildings assessed as having a lower level of risk, in order to facilitate the remediation of this risk in the most cost-effective manner.

Funding

The Victorian Government announced in July 2019 its commitment to fund the removal of non-compliant flammable cladding up to \$600 million. Further funding has since been allocated to remediate additional unacceptable-risk buildings referred to CSV and to support the provision of expert advice to address lower-risk buildings.

CSV was established in 2019 and became a statutory authority on 1 December 2020.

CSV is co-funded through government appropriation and money raised through the cladding rectification levy, which has been established under the *Building Act 1993* (Vic.). Comprehensive forecasting is undertaken to support efficient delivery of the rectification program, including strategic procurement, for example, and this forecasting is based on robust assumptions. However, yield from the levy is uncertain, particularly in the current environment.

In addition, each building and the issues associated with them are different and the cost of construction labour remains in a state of flux. Through delivery of the first stages of the rectification program, CSV has built a sound evidence base that is used to further refine forecasting models, enabling the prioritisation of highest risk buildings within the existing funding envelope.

Risk

CSV examines its risk profile as part of the planning process and has integrated a consideration of risks relating to the external and internal environment in its strategic plan. CSV is delivering a high-profile world-first program and there are risks inherent in the development and implementation of the new systems and processes required to support the program, navigating the complex stakeholder context and ensuring that value-for-money outcomes are delivered for the community.

As part of its ongoing commitment to effective risk management, CSV regularly reviews its strategic, operational and program risks to support the delivery of agreed objectives. CSV also works in collaboration with DTP and other relevant departments and agencies to identify and mitigate shared and state significant risks across the broader cladding rectification portfolio.

Values

CSV's values and organisational culture underpin the successful delivery of the strategic plan. Our values are embedded into the way we operate and the way in which we assess our overall performance.

CSV has adopted the Victorian Public Sector values, which are:

- responsiveness
- integrity
- impartiality
- accountability
- respect
- leadership
- human rights.

As a delivery agency, CSV's culture evolves as the scale and scope of the rectification program progresses.

Ensuring the performance of CSV's purpose with an overarching commitment to safe

work practices forms the foundation upon which CSV will discharge its duty of care to the Victorian public on behalf of the Victorian Government.

A responsive and respectful culture underpins successful working relationships with stakeholders exposed to cladding fire risk and cladding removal works, and the broader community.

In order to achieve CSV's purpose, a high degree of integrity and accountability is necessary to manage complex processes, involving the deployment of public funds in a safe, timely and efficient manner and in accordance with government procurement rules and policies.

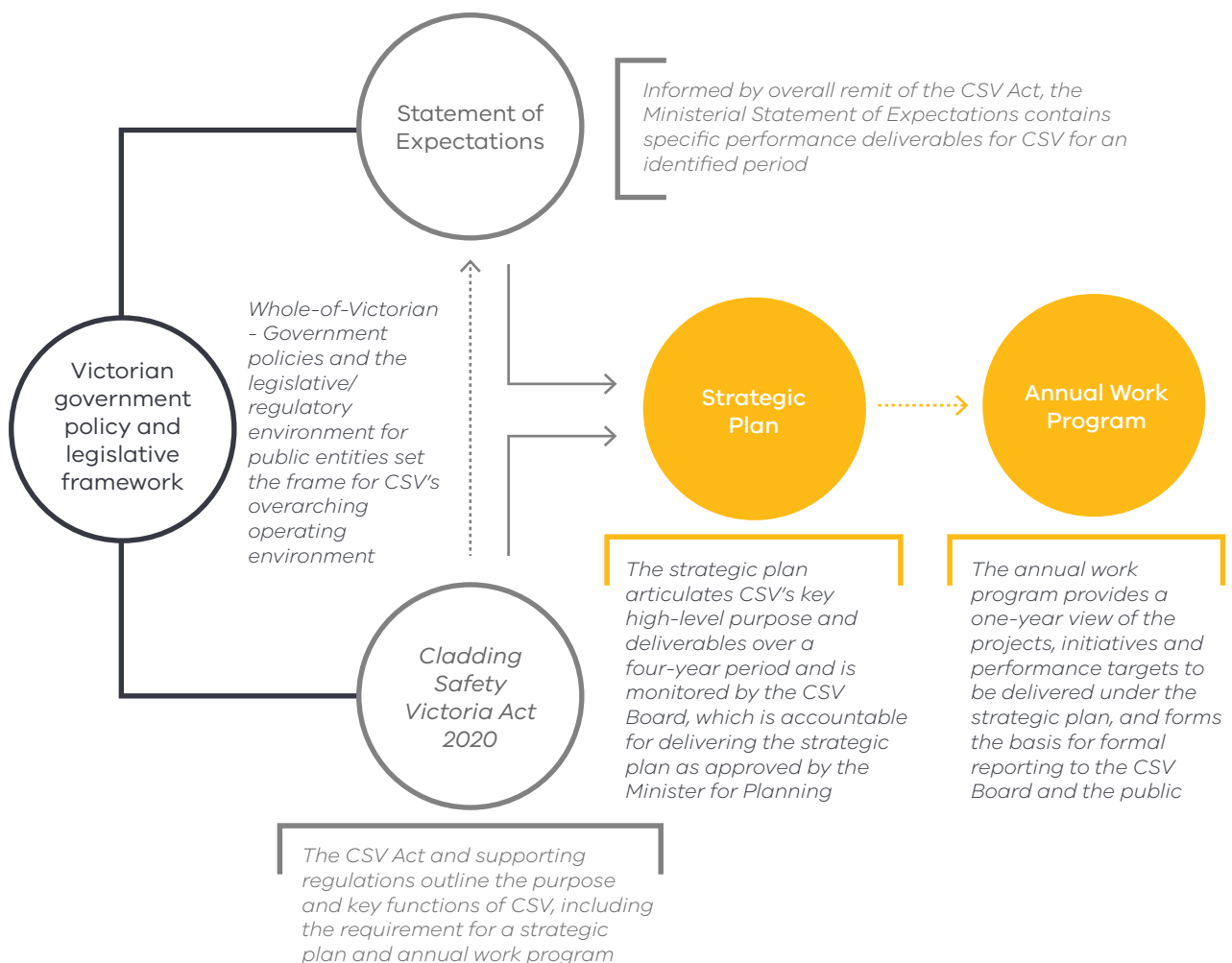
CSV is undertaking a world-first program that requires leadership to define pathways to ensure fire risks of the type posed by misapplication of flammable cladding are not repeated and ensure a body of knowledge is developed that can be readily deployed elsewhere.



Planning Framework

CSV planning occurs within the broader framework of Victorian Government policy and relevant requirements that arise from Commonwealth and Victorian legislation and regulations. Specific obligations, functions and delivery outcomes for CSV are outlined in its establishing Act, the *Cladding Safety Victoria Act 2020* (Vic), and Statements of Expectations issued by the Minister for Planning from time-to-time. These key documents establish the planning environment that informs the development of CSV's strategic plan and its companion plan, the annual work program.

The diagram below illustrates the relationship between CSV's plans and the context in which they operate.



Strategic Plan Structure

The structure of the strategic plan reflects the Victorian Government Outcomes Framework. Details of the projects and performance targets to be delivered under the strategic plan are outlined in CSV's annual work program, which is a companion document to the strategic plan.

The diagram below outlines the elements of the strategic plan and their purpose.



Strategic Plan Overview

A high-level overview of the strategic plan is provided below. Details of the indicators, measures, outputs and strategic initiatives that sit beneath each outcome are presented in the following sections.

Vision

Making the community safer by reducing combustible cladding risk

Mission

We will improve the safety of buildings impacted by cladding issues by working in partnership with industry, government partners and the community

Outcomes

Owners corporations and government bodies are supported by CSV to mitigate combustible cladding risk

Program delivery and CSV close-out preparations are facilitated by robust resource management and planning

Enablers

CSV's key supporting functions and processes, including risk management, systems and record keeping, communications management, assurance, compliance and contract management, underpin successful delivery of the vision, mission and outcomes

Outcome 1: Owners corporations and government bodies are supported by CSV to mitigate combustible cladding risk

CSV is committed to providing clear pathways for all buildings referred to it, whether they are deemed eligible for funding or not. These pathways are determined by a comprehensive assessment of the degree of risk presented by the amount and type of cladding on each building. For all buildings that are assessed as having a level of risk that requires mitigation, CSV works intensively with a range of stakeholders including Municipal Building Surveyors (MBSs) and owners corporations to develop high-quality and cost-effective solutions that effectively reduce cladding risk to an acceptable level.

How will we measure our success?

Outcome Indicator	Timely reduction of cladding risk for referred buildings prioritised on a risk basis
Outcome Measures	• Number of Class 2 buildings with cladding risk addressed by CSV • Number of rectification works proposals for elevated-risk buildings presented to owners corporations • Number of low-risk buildings with the risk rating confirmed by the relevant MBS

What will we deliver?

Residential rectification program

CSV works closely with owners and owners corporations to deliver cladding rectification works for unacceptable-risk residential buildings, which are prioritised through a risk framework for inclusion in the funded rectification program. CSV's oversight of the program ensures that projects are delivered to high-level quality and safety standards and that value-for-money outcomes maximise the impact of the state's investment. Stakeholder engagement is based on active case management in accordance with established practices to ensure each owners corporation is allocated a dedicated CSV officer to provide all currently available information, advice and support.

Elevated-risk building works proposals

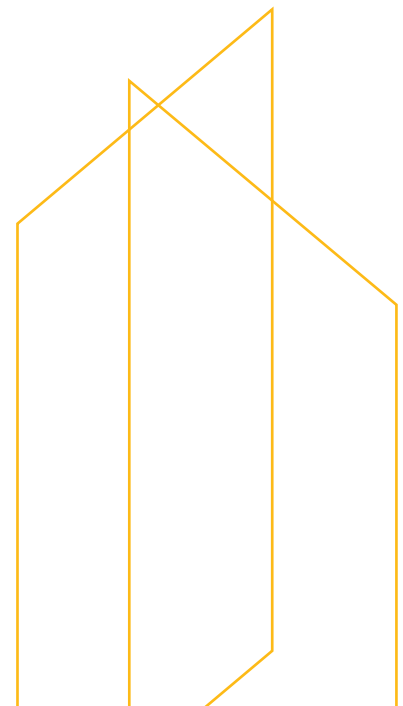
Extensive cladding removal is not required in all circumstances to reduce risk to an acceptable level. CSV's world-leading risk-reduction framework and supporting evidence base was publicly released in 2023–24 and communication of the extensive research and testing that underpins CSV's approach is ongoing. For elevated-risk buildings, technical experts – including engineers, building surveyors, architects and fire safety advisers – assess buildings against identified parameters within the framework to identify interventions that will effectively mitigate cladding risk. CSV then works with MBSs and owners corporations to reach agreement on a package of works that achieve the desired risk-reduction goal.

Low-risk and out-of-scope building risk confirmation

Some buildings referred to CSV do not meet the program's eligibility requirements – for example, they may be an ineligible class of building or less than three storeys high. For other buildings, the risk posed by combustible cladding is assessed at a level so low that mitigating actions are not considered to be required. CSV assesses all buildings and liaises with MBSs as required to ensure that owners corporations are provided with clarity about the cladding risk associated with their building – which can also be provided to insurance companies – and the status of their building in relation to CSV's program.

Other in-scope buildings

In addition to privately owned residential buildings of three or more storeys, a select number of other residential and public-use properties that may have combustible cladding fall within the scope of CSV's program. These include short-term accommodation buildings, such as boarding houses, and other buildings of a public nature in which people may gather for social or civil purposes, such as child- and aged-care centres, hospitals and universities.



Measuring our progress

The effectiveness of our delivery will be monitored through the following measures.

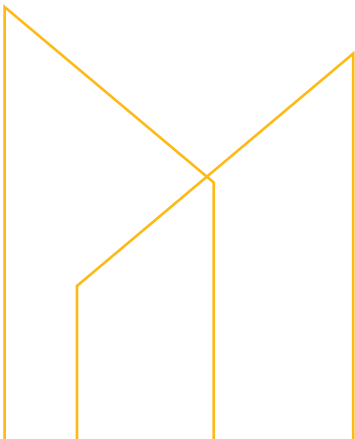
Output Measures	• Number of unacceptable-risk buildings that reach works completed • Number of unacceptable-risk buildings acquitted • Lost-time injury frequency rate for at-site works on unacceptable-risk buildings • Number of rectification works proposals for elevated-risk buildings agreed with MBSs • Satisfaction rating for participating owners corporations • Number of buildings discharged from the program
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How will we enhance performance and create additional value?

Contribution to government policy development and initiatives that aim to improve the safety of Victoria’s built environment

In working collaboratively with the bodies who are responsible for reviewing Victoria’s building regulatory framework and setting government policy, CSV is in a strong position to make valuable contributions to policy

development and long-term reform strategy for the construction industry. In addition, CSV’s significant expertise in developing innovative approaches to complex issues and establishing practical solutions to risk reduction may further be used by government in the broader consideration of built environment risk and the design of future programs.



Outcome 2: Program delivery and CSV close-out preparations are facilitated by robust resource management and planning

CSV's success is underpinned by the processes and controls that work to build and sustain a high level of organisational performance through effective resource management, comprehensive risk systems and strong financial governance. CSV is continually striving to enhance the operational practices that provide a strong foundation for the achievement of its objectives. Particular focus is being directed towards activities that will ensure an efficient and streamlined close-out of the program and transfer of trailing activities.

How will we measure our success?

Outcome Indicator	Maintain the effectiveness of CSV's financial, risk and resource planning and systems
Outcome Measures	• Variance between actual and budgeted cost for CSV's overall budget • Percentage of extreme and high risks managed within tolerance levels

What will we deliver?

Strategic workforce management

CSV is committed to continual enhancement of the systems and frameworks that foster a dynamic, supportive and high-performance workplace culture that facilitates the delivery of strategic objectives. CSV is entering a distinct phase of its lifespan where impending close-out introduces new challenges, particularly with regard to retention of capabilities that are critical for successful program completion and the maintenance of strong staff engagement levels.

Financial control systems

A robust financial control system ensures that public resources are being used efficiently and that financial risks, including fraud, are being appropriately managed. It also ensures

that CSV is meeting its compliance obligations relating to financial management. CSV is committed to the maintenance of a strong control environment that is underpinned by effective financial information and reporting systems.

Transition and close-out planning

From the outset, CSV was established as a time-bound program with a clear mandate. Four years into delivery of the program, planning has commenced for the completion of the program, the close-out of CSV as an entity and the transition of any trailing activities. Efficient management of these activities is critical for the conclusion of the program and leveraging learnings with government stakeholders, program partners and the community.

Measuring our progress

The effectiveness of our delivery will be monitored through the following measures.

Output Measures	• Organisational culture and staff engagement rating • Internal CSV operating costs as a percentage of overall costs • Variance between actual and forecast cost for the program
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How will we enhance performance and create additional value?

Implementation of a strategic approach to the management of intellectual property that safeguards CSV’s long-term legacy

In collaboration with its well-regarded research partners, CSV has developed and continues to refine new models and approaches that are based on extensive testing and analysis,

and are subject to peer review processes. Capturing the outputs of this unique knowledge set and applying an appropriate intellectual property overlay that is aligned with Victorian Government policy settings is critical for maximising the long-term value of this important work.

Reporting and Review

Progress Reporting

CSV regularly reviews its progress towards the delivery of agreed objectives to ensure that projects and initiatives are on track, key risks to outcomes are assessed and any critical issues are addressed in a timely manner.

Formal reporting against the strategic plan is undertaken in relation to the projects, initiatives and targets outlined in the annual work program, which are aligned with the strategic plan outcomes. Quarterly progress reports are provided to the CSV Board and public reporting of achievements and challenges occurs annually through CSV's annual report.

CSV also provides regular program and operational reports to DTP, as well as progress reports against the Ministerial Letter of Expectations to the Minister for Planning.

Review

CSV operates within a dynamic environment and needs to ensure that its planning reflects any key changes in its broader policy, stakeholder or industry context. To this end, CSV will review the plan on an annual basis and undertake a formal mid-cycle evaluation that includes an assessment of the effectiveness and efficiency of its delivery against the outcomes and measures in the plan.



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