

# Assessing Benefits from the Regional Rail Link Project

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VAGO

This presentation provides an overview of the Victorian Auditor-General's report *Assessing Benefits from the Regional Rail Link Project*.

## Overview



The Regional Rail Link (RRL) project untangled regional and metropolitan train lines by providing a dedicated high-speed corridor for V/Line trains to access inner areas of Melbourne

One of the largest and most expensive rail projects ever built in Victoria

\$3.65 billion

Completed in 2014

The Regional Rail Link (RRL) project was, at the time of approval and delivery, one of the largest and most expensive rail projects ever built in Victoria, with an estimated final cost of \$3.65 billion.

Since its completion in 2014, the RRL project has untangled regional and metropolitan train lines by providing a dedicated high-speed corridor for V/Line trains to access the inner-urban areas of Melbourne.

## Why this audit is important



High rate of growth in rail patronage



Increasing demand for transport



Challenges included:

- Scale
- Complexity
- Scope

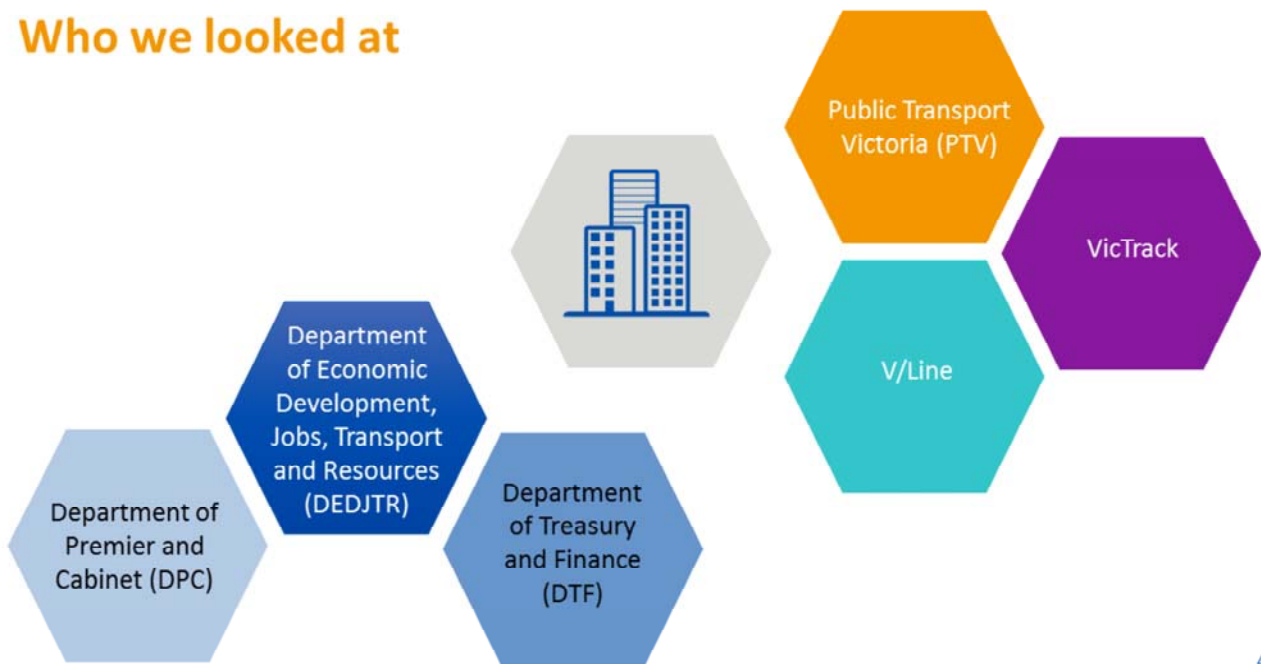


Source: Department of Economic Development, Jobs, Transport and Resources

The scope, scale and complexity of the RRL project made it an exceptional challenge for the public sector.

Given the high rate of growth in rail patronage, and the significant cost of the project, it is important to assess whether the RRL project has achieved its intended outcomes of creating enough capacity for metropolitan and regional services to reliably meet demand.

## Who we looked at



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The audit scope involved:

- the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) as successor of the former Department of Transport (DOT) and the former Regional Rail Link Authority
- the Department of Premier and Cabinet (DPC)
- the Department of Treasury and Finance (DTF)
- Public Transport Victoria (PTV)
- VicTrack, and
- V/Line.

## What we looked at



We assessed whether the RRL project is realising expected benefits:

- Were expected benefits and achievement measures clearly defined?
- Has the project achieved, or is on track to achieve, expected outcomes and benefits?



*A new station was constructed at Wyndham Vale as part of the RRL project. Photograph courtesy of DEDJTR.*

We assessed whether the RRL project is realising its expected benefits. To achieve this, we examined whether expected benefits and measures of achievement were clearly defined for the project, and also whether the RRL has achieved, or is on track to achieve, its expected outcomes and benefits.

## What we found



The RRL project is fully operational and has delivered the expected high-level outputs



Poor benefits management practices



Benefits not articulated early enough



Benefits difficult to measure or hard to attribute



Can't measure whether the project has delivered all its expected benefits

Agencies need to describe benefits much earlier and better link them to project outputs

The RRL project is now fully operational and has delivered the expected high-level outputs articulated by the Victorian and Commonwealth governments when they funded the project in 2009.

However, we observed poor benefit management practices, such as the lack of a formal business case.

Benefits were not articulated early enough and were confused with outputs, and the described benefits are difficult to measure or hard to attribute.

This made it very challenging, if not impossible, to measure whether the project has delivered all its expected benefits, and thus the level of value for money achieved.

Agencies need to describe benefits much earlier as part of the funding process and better link them to project outputs.

## Review of the benefits achieved



*A rail cutting designed to reduce train noise on the approach into Wyndham Vale Station.  
Photograph courtesy of DEDJTR.*



A number of practical and tangible benefits:

- Access to reliable public transport for people on Melbourne's western fringe
- Service improvements for regional and metropolitan passengers
- Better access for mobility-challenged people
- Improved safety and amenity for the wider community
- Reduced impact of rail noise along the corridor

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Despite the benefit management and measurement problems we identified, it is clear that the RRL project has delivered a number of lasting practical and tangible benefits, such as:

- access to reliable public transport for people on Melbourne's western fringe
- service improvements for regional and metropolitan passengers
- better access to the public transport system for mobility-challenged people, enabled by facilities that meet the Disability Standards for Accessible Public Transport at the two new stations and three rebuilt stations
- improved safety and amenity for the wider community as a result of new and revitalised railway stations
- reduced impact of rail noise along the corridor through the development of noise-reduction standards and the installation of noise mitigation infrastructure, such as noise walls and double glazing.

## Recommendations

### 1 recommendation for DPC and DTF

- Ensure proposals have a benefits plan with robust, measurable, attributable and soundly articulated benefits

### 1 recommendation for DEDJTR and V/Line

- Assess growth in patronage and capacity challenges along the RRL route and at Southern Cross Station

### 5 recommendations for DEDJTR

- Improve how it specifies and measures benefits to ensure alignment with better practice
- Identify and rectify any major projects without a robust benefit management framework
- Nominate an enduring point of accountability for project post-completion assessments
- Develop a knowledge management strategy and record-keeping action plan
- Ensure that future asset or network improvements are explicitly linked to a service delivery outcome and that other project dependencies are well aligned to any expected service enhancements or project benefits

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We made:

- one recommendation for DPC and DTF to provide advice to government on the documentation provided for major capital projects
- one further recommendation to DEDJTR in conjunction with V/Line to assess further growth requirements along the RRL route and at Southern Cross Station
- four recommendations for DEDJTR to ensure its projects align with better practice on benefits management and develop a knowledge management strategy
- one recommendation to DEDJTR in conjunction with public transport operators to ensure that future project works are aligned with expected benefits, and



## Recommendations – *continued*

### 5 recommendations for DTF

- Ensure that High Value High Risk projects undergo all required gateway review process steps and have sufficient allocated funding to conduct post-completion assessments
- Track the progress of agency implementation of gateway review recommendations
- Use the Office of Projects Victoria, working with the gateway and High Value High Risk functions, to analyse and publicise lessons learnt from previous major projects
- Analyse reasons for low adoption of Gate 6 'Benefits Evaluation' reviews
- Develop guidance on optimal timing of post-delivery reviews through a project's useful life

### 1 recommendation for DEDJTR and DTF

- Identify and review any outstanding gateway review recommendations for Transport for Victoria projects and allocate if needed to new senior responsible officers for action

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- Five recommendations for DTF to ensure that projects adhere closely to the High Value High Risk process and that further guidance is created
- One recommendation to DEDJTR and DTF to review outstanding gateway review recommendations

DEDJTR and DPC accepted all the recommendations, and DTF accepted five recommendations and partly accepted two recommendations.

For further information, please view the full report on our website:  
[www.audit.vic.gov.au](http://www.audit.vic.gov.au)

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