

Appendix A: Submissions and comments

We have consulted with the department and the agency, and we considered their views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses received

Agency	Page
Department of Transport and Planning	A-2



Department of Transport and Planning

GPO Box 2392
Melbourne, Victoria 3001 Australia

Ref: BSEC-1-24-2631

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

Dear Mr Greaves

Victorian Auditor-General's Office – Effectiveness of arterial road congestion initiatives – Response to proposed report

Thank you for the opportunity to comment on the *Effectiveness of arterial road congestion initiatives* Proposed report (the Report) provided on 17 May 2024 to the Department of Transport and Planning (the Department) and to the Victorian Infrastructure Delivery Authority (VIDA).

Victoria is investing in a wide range of initiatives to meet the demands of our growing transport network. This includes technology innovations to support faster travel times, better manage incidents and congestion, and improve travel planning for all road users.

The Department works collaboratively across the portfolio alongside VIDA and its delivery teams to make travel by road safer, smarter and fairer for everyone. We do this by delivering an integrated pipeline of projects, upgrades, and strategic initiatives that provide safe, efficient and sustainable outcomes for all network users; whether driving a car or truck, travelling on public transport, riding a bike or crossing the street.

For each initiative, the Department and VIDA confirm the application of the Department of Treasury and Finance's (DTF) investment management standard in consultation with DTF, adopting the requirements of DTF guidance where the standard applies.

The Report focuses on the Signal Network Optimisation program, delivered by the Department, and the Streamlining Hoddle Street Project (SHS Project), delivered by Major Road Projects Victoria, within VIDA. While the Report identifies a number of opportunities for improvement which the Department and VIDA acknowledge, there are a number of matters requiring further clarification for each of these initiatives.

Signal Network Optimisation

The purpose of the Signal Network Optimisation program is to ensure that the underlying signal settings produce the best possible operation to align with network operating objectives. The Movement and Place framework defines the network operating objectives for each signal corridor reviewed through the Signal Network Optimisation program. This framework sets up a prioritisation of safety and multi-modal benefits that extends beyond just economic or general traffic congestion benefits.

The Report is overly focused on the quantitative analysis of general traffic congestion at a whole of network level and does not give sufficient consideration to the Signal Network Optimisation program's multi-modal quantitative and qualitative benefits at the corridor level,



including significant benefits to safety and the overall improvement to the performance of the signal setting process.

Due to the size and complexity of the transport network and constant changes in road configuration as a result of new infrastructure, urban development and user behaviour changes, this strategic approach at the corridor level provides the most efficient way to realise benefits directly to communities. The Department considers the current approach to assessing benefits for each signal review by corridor is appropriate and reflects the objectives of the Movement and Place framework. As more data insights come online the Department will be able to improve its benefits reporting accordingly.

The attached action plan is supportive of the recommendations by VAGO which are aligned with existing roadmaps and programs of work. However, whilst the Department recognises the need for process management rigour and will further evolve Signal Network Optimisation program documents, it is considered that given the relatively modest financial investment and the significant benefits provided to the community, the current process is largely appropriate and fit for purpose.

Streamlining Hoddle Street

Project solutions are developed by VIDA to respond to and achieve the intended benefits of government's funding investment and the project's intended benefits. During project delivery, scope refinement is undertaken within the context of the overall objectives of the project and with consideration to the intended benefits.

VIDA agrees that the development of a benefits management plan is an important requirement. Despite the Report's commentary to the contrary, VIDA is satisfied that a comprehensive benefits assessment of the SHS Project has been undertaken.

The Report focuses solely on traffic congestion, which diminishes the importance of the SHS Project's other intended benefits. The SHS Project aimed to improve the efficiency of the transport network and create a more reliable journey for all road users. This is broader than just improving traffic flow. A comprehensive benefits assessment of the SHS Project has been undertaken to assess the project's performance. This clearly demonstrates that the SHS Project delivered intended benefits including:

- i. increased pedestrian and cycling rates along and across Hoddle Street;
- ii. reduction in casualty crash rate and crash severity; and
- iii. improved public transport travel times, including a dedicated bus lane coming off the Eastern Freeway exit ramp for faster travel times along Hoddle Street.

The SHS Project also made key improvements to the Swan Street and Olympic Boulevard precincts, allowing for greater public transport and pedestrian activation, particularly following major events at the Olympic Boulevard/MCG precinct involving large crowds, including:

- i. the creation of a disability accessible tram stop at Swan Street; and
- ii. improved pedestrian walkways along Swan Street and Hoddle Street for improved pedestrian safety.

Although the Report raises concerns about some of the data used during the benefits assessment process, there is no finding that these concerns undermine or otherwise impugn the assessed benefits and the outcomes delivered by the project.

VIDA does not agree with the Report's assessment of the application of the DTF High Value High Risk guidelines to the SHS Project, including the finding that a Gateway 6 review



Response provided by the Acting Secretary, Department of Transport and Planning – *continued*

should have been undertaken, despite the Report acknowledging that DTF advised in 2016 that the Project was not subject to the guidelines.

The Department and VIDA consider that the Report should have provided a more balanced view of the benefits delivered by the SHS project, and the important role that the Signal Network Optimisation program plays in delivering on the State's vision for a safe, integrated and sustainable transport system through the Movement and Place framework.

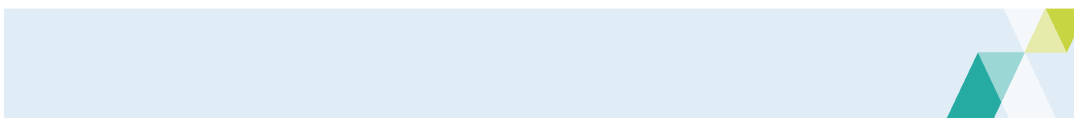
Yours sincerely



William Tieppo (DTP)
Acting Secretary

Date: 12 June 2024

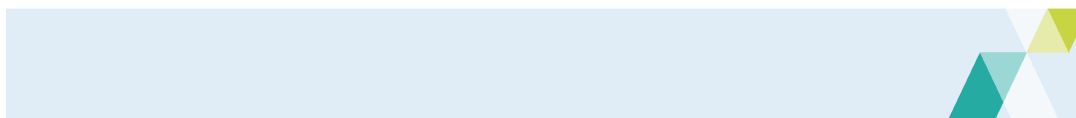




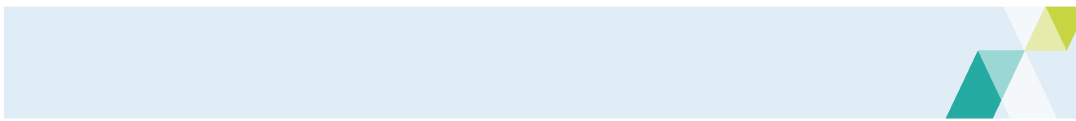
Effectiveness of arterial road congestion initiatives

Department of Transport and Planning & Victorian Infrastructure Delivery Authority – Joint action plan

No.	VAGO recommendation	DTP / VIDA action	Due date
1	<p>DTP & VIDA</p> <p>Ensure that all transport initiatives:</p> <ul style="list-style-type: none"> • follow the Department of Treasury and Finance’s guidance for applying the investment management standard • retain a focus on benefits throughout the delivery and assessment of the investment • have a comprehensive benefit management plan if they are: <ul style="list-style-type: none"> ○ high risk ○ medium risk with an estimated investment above \$100 million ○ low risk with an estimated investment above \$250 million. 	<p>Accepted</p> <p>The Department is committed to following the Department of Treasury and Finance (DTF) Investment Management Standard and Investment Lifecycle and High Value High Risk Framework which includes requirements for benefits management plans.</p> <p>VIDA has in place established and robust systems for ensuring that all initiatives assigned to it for development and delivery follow the DTF Investment Lifecycle and High Value and High Risk Guidelines.</p> <p>For each initiative, the Department and VIDA confirm the application of the DTF Investment Management Standard in consultation with DTF, adopting the requirements of DTF guidance where the standard applies.</p> <p>The Department’s Benefits Management Framework is currently under review, ensuring continued alignment with the relevant DTF requirements. The Department will also update guidance, templates, governance, tracking and reporting against project and program benefits to ensure the framework is simple, effective, and embedded within updated project documents and governance processes.</p>	<p>30 June 2025</p>
2	<p>DTP</p> <p>Collect and track accurate and reliable data showing evidence of progress against the initiative’s performance indicators.</p>	<p>Accepted in principle</p> <p>The Department has clear multi-modal objectives within its Movement & Place framework for the Signal Network Optimisation program.</p> <p>It is accepted to improve the Signal Change Report template to better document the aspirational modal performance, as well as the before and after performance gaps at the corridor-level, and investigate if this can be practically aggregated at the program-level to be of value.</p>	<p>31 December 2025</p>



No.	VAGO recommendation	DTP / VIDA action	Due date
3	DTP Maintain a comprehensive and searchable record of key project procedures and decisions.	Accepted The Department has policies, procedures and supporting guidance to meet its records management obligations; however, it is agreed that improved document hygiene for the Signal Network Optimisation program would be beneficial, namely developing an overarching procedure and documenting processes where there are gaps such as stakeholder engagement.	31 December 2025
4	VIDA Collect and track accurate and reliable data to: <ul style="list-style-type: none"> establish the initiative's performance indicators assess the initiative's performance. 	Accepted VIDA has established a team that is dedicated to the development of business cases and ensures the collection and tracking of accurate reliable data for MRPV projects, including by collating baseline data which is utilised to set benefit targets. Nominated teams ensure post project complete data is collected and completed projects are assessed against the benefits management plan and set targets, which allows for a comprehensive project assessment to be undertaken.	Completed
5	VIDA Maintain a comprehensive and searchable record of key initiative decisions.	Accepted VIDA has established a number of systems and processes to maintain a comprehensive and searchable record of key project decisions. This includes: <ul style="list-style-type: none"> a centralised Information Records Management Team, that provides guidance and support regarding record management and compliance with the Public Records Office of Victoria record standards; nominated resources responsible for appropriate record management of contract related documents, including embedded document controllers; utilisation of tailored record management systems; and an established and comprehensive Project Management Framework, available to project staff, including processes and policies on key project decision points and required approvals, as well as supporting templates and associated documentation to ensure appropriate record keeping of those decisions. 	Completed



No.	VAGO recommendation	DTP / VIDA action	Due date
6	<p>DTP</p> <p>Collate and analyse data for all transport modes to better plan and deliver initiatives that relieve congestion.</p>	<p>Accepted</p> <p>The Department has implemented a new data and analytics platform which will enable the Department to centralise information across all transport modes. The Department plans to complete the transition of data onto this platform by December 2025. This will enable divisions such as Transport Services and Data and Digital to readily access data and provide a more comprehensive multi-modal view to analyse and understand the impact of these modes on the transport network.</p>	<p>31 December 2025</p>
7	<p>DTP</p> <p>Plan signal network optimisation reviews of arterial roads based on:</p> <ul style="list-style-type: none"> • clear program level objectives and indicators • collated feedback from regular stakeholder meetings • data for all transport modes. 	<p>Accepted in principle</p> <p>While the Department has clear multi-modal objectives within its Movement & Place framework for the Signal Network Optimisation program, it will investigate whether there would be significant value in implementing this recommendation when prioritising corridors at the program-level.</p> <p>It is accepted that stakeholder feedback and multi-modal insights are beneficial for planning at the corridor-level, noting the Department is already doing this with available data, however this will be improved upon as more data comes online.</p>	<p>31 December 2025</p>