

Appendix A:

Submissions and comments

We have consulted with the Department of Transport and Planning, Victorian Infrastructure Delivery Authority (including RPV), CYP, the independent reviewer, AECOM Australia, Alstom, CPB Contractors, John Holland Group, Metro Trains Melbourne and VicTrack, 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 entities and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the entity's accountable officer.

Responses received

Agency	Page
Department of Transport and Planning and Victorian Infrastructure Delivery Authority	A-2
Metro Trains Melbourne	A-5

Response provided by the Secretary, Department of Transport and Planning on behalf of the department and the Victorian Infrastructure Delivery Authority



Department of Transport and Planning

GPO Box 2392
Melbourne, Victoria 3001 Australia

Ref: BSEC-1-24-2029

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 - Metro Tunnel Project: Phase 3 – systems integration, testing and commissioning - Proposed report

Thank you for your letter dated 8 May 2024 enclosing the proposed report (**Report**) relating to the above performance engagement.

The Metro Tunnel Project (**Project**) will create a new end-to-end rail line from Sunbury to Cranbourne / Pakenham, with bigger and more modern trains and five new underground stations. Next-generation signalling technology will be used to run the trains, allowing for turn-up-and-go services during peak times. It will give people better access to jobs, education and healthcare and direct access to new destinations, including Anzac Station on St Kilda Road, Melbourne's major health and education precinct at Parkville Station and the Arden renewal precinct in North Melbourne.

Work on the Project is well advanced. Excavation of the twin nine-kilometre tunnels was finished in May 2021 after 20 months of tunnelling. This phase of the Project was completed safely and on program, a remarkable engineering feat especially considering the significant impacts of the COVID-19 pandemic on the construction industry during this time.

The twin tunnels have since been fitted out with systems and equipment, including 15.5 kilometres of elevated steel walkway for safety and maintenance access, more than 474 kilometres of electrical and fibre cables and more than 19.5 kilometres of overhead lines to power the trains. Major construction has been completed at two of the five underground stations – Arden and Parkville – with the remaining three stations – Anzac, Town Hall and State Library – due for completion later this year.

The Project is now in its most complex stage, with meticulous testing and commissioning of the complex tunnel and stations systems underway. Test trains have been running through the tunnels since July 2023 with more than 18,000km of testing in the tunnels completed to date, and high capacity signalling is already in use for passenger services on parts of the Cranbourne and Pakenham line.

The Department of Transport and Planning (DTP) and the Victorian Infrastructure Delivery Authority (VIDA) welcome your conclusion that the Project is being delivered in accordance with its design and safety requirements, as a result of the robust assurance framework which is in place for the Project. DTP and VIDA also welcome the finding that the Metro Tunnel Project Office (MTPO) has been applying lessons learned from other major projects



Response provided by the Secretary, Department of Transport and Planning on behalf of the department and the Victorian Infrastructure Delivery Authority – continued

including Crossrail and Sydney Metro, to ensure the Project is being delivered as efficiently as possible.

DTP and VIDA accept the three recommendations outlined in the Report and have provided proposed action plans for implementing the recommendations which are enclosed with this letter. While DTP and VIDA accept the Report's recommendations, it is appropriate to take this opportunity to provide some additional comments on some of the Report's findings:

- DTP and VIDA do not agree with the Report's findings that the Project is delayed. In 2018, the Government approved a completion date for the Project of end 2025, which was a year ahead of the original 2026 completion date envisaged by the Metro Tunnel Project Business Case. On any project of this scale and complexity, with complex commercial and contractual arrangements and associated delivery milestones, along with complex package interfaces to manage, the delivery program will require flexibility throughout the course of the project. While delivery program and milestones have shifted throughout the course of the Project, the Project is on track to being operational by the end of 2025, in line with the Government's commitment.
- Following the COVID-19 pandemic, MTPO implemented a number of program accelerations designed to avoid delays and ensure the Project continued to be delivered in accordance with its budget and program. These accelerations provided significant benefit to the State in avoiding potential lengthy delay claims by contractors and in supporting early identification and resolution of issues. The impact of the measures on keeping the Project on track has been significant.
- The Project is currently in its most complex phase of delivery, with many risks and issues that need to be managed through to project completion. MTPO is working closely with its contractors and with Government to monitor these risks, understand their impact, and ensure they are appropriately managed.
- Lessons Learned from the Project are being documented, shared and applied across the VIDA program, through formal governance processes as well as multiple communities of practice in key project discipline areas. This process will continue, ensuring that projects currently in delivery and those in the future including the Suburban Rail Loop can be delivered as effectively and efficiently as possible.

DTP and VIDA remain focussed on the success of this critical city-shaping project, and to delivering it in line with the Government's commitment by the end of 2025. DTP and VIDA thank you for the opportunity to engage with VAGO throughout all three performance engagements VAGO has conducted on the Metro Tunnel Project.

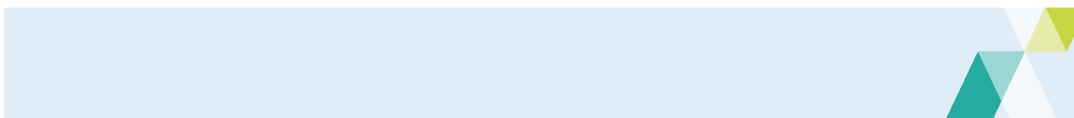
Yours sincerely



Secretary
Department of Transport and Planning

22 May 2024





Metro Tunnel Project: Phase 3 – systems integration, testing and commissioning

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

No.	VAGO Recommendation	DTP/VIDA Action	Due date
1	Update the government on the revised project schedule and review the Metro Tunnel Project’s overall budget and contingency situation to determine what additional funds may be required to complete it.	Accepted MTPO and DTP will continue to forecast and report to Government on a contingency position and collaborate with Government and central agencies regularly to ensure an aligned understanding of the project schedule and the range of any additional risk contingency funds which may be required to complete the project.	31 December 2024
2	Review and apply lessons learnt from the Metro Tunnel Project to other Big Build projects, including but not limited to: <ul style="list-style-type: none"> • Planning workforce resources and contingencies • Governing and assuring projects • Building technical capability and capacity 	Accepted Lessons learned from MTP are documented, shared and applied across VIDA and DTP, through formal governance processes as well as multiple communities of practice in key project discipline areas. Lessons learned from MTP are particularly relevant for major transport and tunnelling projects, including the Suburban Rail Loop. MTPO has and will continue to actively and closely engage with the Suburban Rail Loop Authority to share lessons learned as the project progresses.	31 December 2025
3	Work with affected stakeholders to agree on and implement a solution for the remaining equipment affected by electromagnetic interference.	Accepted MTPO and DTP will continue to work with contractors and stakeholders to agree and implement any remaining EMI mitigations required prior to completion of MTP.	31 December 2025



Ref: MTM-702

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

BY EMAIL: [REDACTED]

14/05/2024

Dear Mr Greaves,

METRO TUNNEL PROJECT (MTP)
Proposed Report MTP: Phase 3– systems integration, testing and commissioning

We refer to the document titled 'Metro Tunnel Project: Phase 3 – systems integration, testing and commissioning – Independent assurance report to Parliament' issued by the Victorian Auditor-General's Office (VAGO) to Metro Trains Melbourne (MTM) on 8 May 2024 (Proposed Report).

We have reviewed the Proposed Report and confirm that we have no additional matters that we wish to raise with VAGO for inclusion in the report.

Thank you for the opportunity to review and comment on the Proposed Report and we look forward to receiving a copy of VAGO's final report.

Yours sincerely,

[REDACTED]

Raymond O'Flaherty
Chief Executive Officer, Metro Trains Melbourne

c.c. Mike Moyes, Director – Metro Tunnel Transition

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Pallavi Khanna, Head of Internal Audit & Enterprise Risk – Finance & Commercial

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