

Appendix A:

Submissions and comments

We have consulted with all audited entities and 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 relevant entity head.

Responses received

Agency	Page
Department of Transport and Planning	A-2
Department of Treasury and Finance	A-6
Conduent Victoria Ticketing System	A-8
HCLTech	A-9
V/Line	A-10
Yarra Journey Makers	A-11



Department of Transport and Planning

GPO Box 2392
Melbourne, Victoria 3001 Australia

Ref: BSEC-1-26-518

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 - Modernising myki - Proposed report

Thank you for your letter of 9 February 2026 inviting the Department of Transport and Planning (the Department) to respond to the *Modernising myki* proposed report (the Report).

Victorians are a step closer to tapping on and travelling with their credit card, smartphone or smartwatch, with the State having moved into the next stage of contactless payment testing on the myki network. After successfully installing nearly 3,000 new ticket readers at more than 280 myki-enabled train stations, a small number of controlled, closed-group trials have now begun.

On behalf of the Department, I welcome the Report's recognition that the myki modernisation project is on track and delivered an effective strategy and tender process. As highlighted in the Report, the State has commenced the planning for phase 3 and phase 4 of the Public Transport Ticketing program. As part of the planning activities for phase 3, and in response to policy changes and initiatives (e.g. Youth myki) impacting the program, the State is reevaluating its options and deliverables. As a result, the State has requested that HCLTech submit options to the Department for pausing delivery of the original Concessions Entitlement Validation Platform program (CEVP program), to enable the State to consider its position in relation to the CEVP program and its scope during the course of finalising the phase 3 and phase 4 planning activities.

The Department has prepared a management action plan to address the recommendations in the Report which is enclosed with this letter.

Thank you for the opportunity to comment on the Report.

Yours sincerely

Jeroen Weimar
Secretary

Date: 24 February 2026

Enc DTP management action plan - Modernising myki



DTP action plan

Modernising myki



The Department of Transport and Planning (DTP) action plan to address the recommendations from *Modernising myki*:

No	VAGO recommendation	DTP response	Due date
1	Use the Department of Treasury and Finance's infrastructure procurement guidance and the Department of Transport and Planning's experience from infrastructure delivery to develop specific guidance on how to achieve more collaborative and dynamic risk-sharing approaches when procuring high-complexity technical projects (see Section 3).	<p>Accepted in principle</p> <p>DTP will work with the Department of Treasury and Finance (DTF) to examine its infrastructure procurement guidelines and determine where lessons learnt can improve procurement best practice and existing guidance.</p> <p>Procurement guidelines support a range of procurement strategies and forms of contracting models. Procurement strategies should continue to be considered on a case-by-case basis, depending on the specific characteristics of the project.</p>	31/12/2026
2	Formally record progress against key phase milestones and report to government on a minimum quarterly basis: <ul style="list-style-type: none"> – what time contingency the project has used – any delays that may mean the project will not meet approved timeframes (see Section 4). 	<p>Accepted</p> <p>DTP will provide the Victorian Government with regular project status reports via established processes.</p>	30/09/2026
3	Work with Conduent Victoria Ticketing System, Metro Trains Melbourne, Yarra Journey Makers, V/Line and any other relevant public transport operators to: <ul style="list-style-type: none"> – reacquaint them with learnings from previous user research – reengage with external user groups and their advocates on aspects of particular passenger journey needs, especially for people who travel on concession fares – develop passenger education initiatives for future delivery phases (see Section 4). 	<p>Accepted</p> <p>DTP will continue to work closely with Conduent Victoria Ticketing System, Metro Trains Melbourne, Yarra Journey Makers, V/Line and bus operators to reacquaint them with findings from previous user research and optimisation testing. These insights have already been shared through Operator Accessibility Reference Groups, the Accessible Public Transport Operators Committee, and DTP's Accessible Transport Advisory Committee. DTP will maintain this practice as the knowledge base evolves and will continue leveraging these forums to test assumptions, and validate</p>	30/09/2026



No	VAGO recommendation	DTP response	Due date
		<p>design decisions and passenger experience outcomes.</p> <p>DTP continues to engage with external user groups and advocates, particularly in relation to concession users and people with disability.</p> <p>DTP is progressing discussions with Travellers Aid and Vision Australia to support structured travel training and familiarisation programs aligned to future delivery phases. DTP will continue to report to and seek advice from external user groups to ensure best-practice engagement and education approaches are embedded. Regular engagement with operator accessibility teams will also remain in place.</p>	
4	<p>Improve the benefit management framework for the myki modernisation project, making sure that:</p> <ul style="list-style-type: none"> - measures are evidence-based, baselined, relevant, specific and attributable to project outputs - the updated benefit management plan conforms to the Department of Treasury and Finance’s Gateway Review Process’ general and technical guidance - project benefits can be assessed at useful lifecycle points, such as at early operations, mature operations and after 10 years (see Section 5). 	<p>Accepted</p> <p>DTP, with Project Steering Committee oversight, will update the Project Benefits management framework in line with VAGO’s recommendations.</p> <p>DTP will research other jurisdictions to understand the fundamental benefits they have realised or expect to realise with the rollout of account based ticketing to support the development and update of it Benefits Management Framework.</p> <p>DTP will ensure the updated benefits management framework conforms with relevant DTF guidance.</p> <p>DTP will review timelines for the assessment of project benefits and agree with the Project Steering Committee.</p>	30/12/2026
5	<p>Use recent and relevant Victorian data to:</p> <ul style="list-style-type: none"> - better understand the new system’s total cost of ownership by identifying the project’s attributable costs and revenues through its lifecycle, in line with Buying for Victoria’s best practice guidance on assessing value for money and, in the interests of transparency, consider if this should be made public. 	<p>Accepted</p> <p>DTP, with oversight from the Project Steering Committee, will identify attributable costs throughout the lifecycle of the project and develop a total cost of ownership model to evaluate Value for Money.</p> <p>DTP will develop a model of the cost of trips enabled by the ticketing system to help evaluate Value for Money of the new ticketing system. This would differ from the ratio as at VAGO’s Modernising myki report by using</p>	31/12/2026



No	VAGO recommendation	DTP response	Due date
	<ul style="list-style-type: none"> - calculate the cost-of-fare-collection ratio on an ongoing annual basis to assess the efficiency and value for money of the new ticketing system over time and, in the interests of transparency, consider if this should be included in the department's annual report. - update the project's economic appraisal and assess the new system's longer-term value-for-money proposition and, in the interests of transparency, consider if this should be made public (see Section 6). 	<p>cumulative costs and trips enabled, with costs reflecting average annualised costs over the life cycle. Trips enabled would reflect the expansion of the ticketing system to cover trips currently covered by paper tickets and trips on concession tickets, as the new system expands to include these. Use of trips enabled avoids the confounding impacts of factors outside the control of the ticketing system that impact farebox, such as the impact on farebox of Youth myki and other initiatives and considerations.</p> <p>DTP will engage the project's external commercial advisors to update the project's economic appraisal and assess the new system's longer-term value for money proposition using recent Victorian data and policy updates and explore the potential for customer surveys to inform estimates of the impact of the ticketing system on fare compliance and increase in use of public transport due to ease of use of the ticketing system.</p>	
6	<p>Consistent with Buying for Victoria's Goods and Services guidance, engage a probity advisor and a probity auditor for complex, specialised and high-value goods and services procurements (see Section 6).</p>	<p>Accepted in part</p> <p>DTP will continue to engage Probity Advisors as per Buying for Victoria's Goods and Services guidance.</p> <p>DTP does not consider it necessary to engage a Probity Auditor for all strategic or focussed contracts. DTP will consider engaging Probity Auditors by exception and will engage with the Department of Government Services with a view to updating the Buying for Victoria's Goods and Services guidance.</p>	30/09/2026



Department of Treasury and Finance

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CSEC-260200079

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

C/ [REDACTED]

Dear Auditor-General

PROPOSED REPORT: MODERNISING MYKI

Thank you for your letter of 9 February 2026 inviting comment on the Proposed Report *Modernising Myki*.

We thank you for the opportunity to be engaged throughout this process and the collaborative approach you and your team have taken to this performance audit. Please find attached **Attachment A: Action Plan** outlining the Department of Treasury and Finance's response to recommendations involving the department.

Yours sincerely

Chris Barrett
Secretary

24 / 02 / 2026

Attachments encl: Attachment A: Department of Treasury and Finance action plan to address recommendations from *Modernising Myki*

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Attachment A: Department of Treasury and Finance action plan to address recommendations from Modernising Myki

No.	VAGO recommendation	Acceptance	Agreed management actions	Target completion date
1	<p>Use the Department of Treasury and Finance's infrastructure procurement guidance and the Department of Transport and Planning's experience from infrastructure delivery to develop specific guidance on how to achieve more collaborative and dynamic risk-sharing approaches when procuring high-complexity technical projects (see Section 3).</p>	<p> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle </p>	<p>The Department of Treasury and Finance (DTF) notes that its procurement guidelines support a range of procurement models, ranging from traditional fixed price / hard risk transfer models to various forms of collaborative contracting models.</p> <p>DTF considers that procurement strategies for new projects should continue to be considered on a case-by-case basis, depending on the specific characteristics of the project. DTF also notes that regardless of the procurement model adopted, the behaviours of the contracting parties can be important in establishing positive and collaborative relationships.</p> <p>DTF agrees that there are valuable learnings from the myki modernisation project, and DTF will work with the Department of Transport and Planning (DTP) to ensure these are appropriately captured and shared with other departments and delivery agencies. DTF will also consider how these might be incorporated into its procurement guidance, as relevant.</p>	<p>Quarter 4 2026</p>
6	<p>Consistent with Buying for Victoria's Goods and Services guidance, engage a probity advisor and a probity auditor for complex, specialised and high-value goods and services procurements (see Section 6).</p>	<p> <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> In part <input checked="" type="checkbox"/> In principle </p>	<p>DTF agrees with the audit finding that DTP delivered an effective and comprehensive tender process.</p> <p>DTF will review its policy guidelines to ensure they are consistent with best practice, fit for purpose and that interfaces with the Buying for Victoria guidelines are clear.</p>	<p>Quarter 4 2026</p>

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Level 25, 530 Collins Street, Melbourne

Monday, 23 February 2026

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

RE: Modernising Myki – Proposed Report for Review

Dear Mr Greaves,

Thank you for the opportunity to review and comment on the proposed report *Modernising Myki*.

CVTS acknowledges the comprehensive nature of the audit and the report's recognition of the complexity of delivering a large-scale ticketing transformation.

In providing our comments, CVTS does not seek to challenge the audit's conclusions or expect further substantive text changes. Our comments are intended to improve precision and balance and to ensure the report accurately reflects the evidence outlined in it.

Reference to the CVTS delivery schedule being "overly optimistic" and "proven to be unrealistic".

CVTS position is that "an initial delivery schedule that was ambitious and contingent on the timely resolution of known project dependencies, including the State Supplied Items (SSIs)".

In CVTS' opinion, the references should be read in context of known and unresolved project dependencies at contract execution including the timely provision of SSIs and issues regarding the legacy system source code. We suggest that making this linkage explicit would better reflect the shared risk environment described elsewhere in the report.

CVTS remains committed to collaborative delivery and appreciates the opportunity to provide its comments. We trust they will assist in ensuring that the final report accurately reflects the audit evidence and contractual context.

A handwritten signature in black ink, appearing to be 'R. Lane', is positioned above the typed name.

Yours sincerely,

Richard Lane
Interim Chief Executive Officer
Conduent Victoria Ticketing Systems
Authorised Representative

23 February 2026

Victorian Auditor General Office
Level 31, 35 Collins Street
Melbourne Vic. 3000
Australia

By email: [REDACTED]

Attention: Mr. Paul O'Connor

Re: Modernising MyKi Proposed Report

Dear Mr. Paul O'Connor,

We write in response to your letter dated 09 February 2026, titled "Proposed report for your review and commentary – Modernising Myki." We sincerely thank you for sharing the report and appreciate the open dialogue, as well as the opportunity to provide our feedback on the matter.

As discussed during our meeting held on 17 February 2026 and subsequently communicated through our marked-up report sent on 18 February 2026, we would like to present our consolidated observations on the Proposed Report below.

1. Page 10 – Point 2 – What we found – The project is on track based on its new timeline, but upcoming challenges may cause further delays.

HCLTech comment - Based on recent communication from DTP, this risk of further delay has now materialised, with DTP requesting a program pause without providing a resumption date, directly impacting Phase 3 timelines

2. Page 12 of the report – Key Finding 3 – refer phrase - DTP's benefit management plan is underdeveloped

HCLTech comment - The core value proposition of the CEVP platform is to deliver a seamless concessions issuance experience for Victorian citizens; DTP's proposed pause will delay these benefits, with the interim workaround offering only limited validation for concession users

3. Page 14 of the report – Finding – The project is on track based on its new timeline, but ongoing challenges may cause more delays

HCLTech comment - While this has been mentioned previously too, DTP's formal correspondence now explicitly requests a commercial response to the proposed pause

4. Page 20 of report – Phase 3: Tap-and-go payments (concession passengers and non-myki areas)

HCLTech comment - We have been informed that CEVP has been paused, which will have direct implications on Phase 3 timelines

5. Page 23 of the report – Statement in Privacy challenges paragraph - Because HCLTech will develop, test and manage the concession platform, it is able to access personal data held within the system.

HCLTech comment - Once CEVP is operational, authorised DTP staff will exclusively control data access; HCLTech will not access data and will provide platform support only to ensure system uptime.

We thank you for providing the opportunity to comment of the report and look forward to further collaboration with you as required.

Yours sincerely,

Ashwin Sharma

Associate Vice President
HCL Australia Services Pty Ltd

HCLTech

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19 February 2026

Mr Andrew Greaves
Auditor-General

E: [REDACTED]

Victorian Auditor-General's Office
Level 31/35 Collins Street
MELBOURNE 3000

Dear Mr Greaves,

VAGO performance audit proposed final report - Modernising myki

I am writing in relation to the Auditor-General letter dated 9 February 2026.

Thank you for the opportunity to review and provide comment for the proposed report *Modernising Myki*. I acknowledge the report and findings and reaffirm V/Line's commitment to collaborating with DTP to implement the new ticketing system across the regional network.

Should you have any queries in relation to the above, please do not hesitate to contact Fiona McHugh on E: [REDACTED]

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Will Tieppo'.

Will Tieppo
Chief Executive Officer

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23 February 2026

Andrew Greaves
Auditor-General
VAGO
Level 31, 35 Collins Street
Melbourne 3000

Dear Mr Greaves,

Subject: Proposed Report to Parliament: Modernising Myki

I hope this letter finds you well.

Thank you for providing the Proposed Report to Parliament for the Modernising Myki engagement. We acknowledge receipt and, as always, appreciate the transparent and collaborative approach taken throughout this process. At this time, Yarra Trams has no further feedback to provide, and we recognise the significant effort that has gone into the process and the development of the report.

We would like to take this opportunity to reaffirm our commitment to working closely with all stakeholders. Yarra Trams remains dedicated to supporting the successful delivery of a system that enhances customer experience and strengthens operational efficiency.

Yarra Trams values the opportunity to contribute to this engagement and look forward to continued collaboration toward a successful outcome.

Yours sincerely,

A handwritten signature in black ink, appearing to read "V. Destot".

Vincent Destot
Chief Executive Officer

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