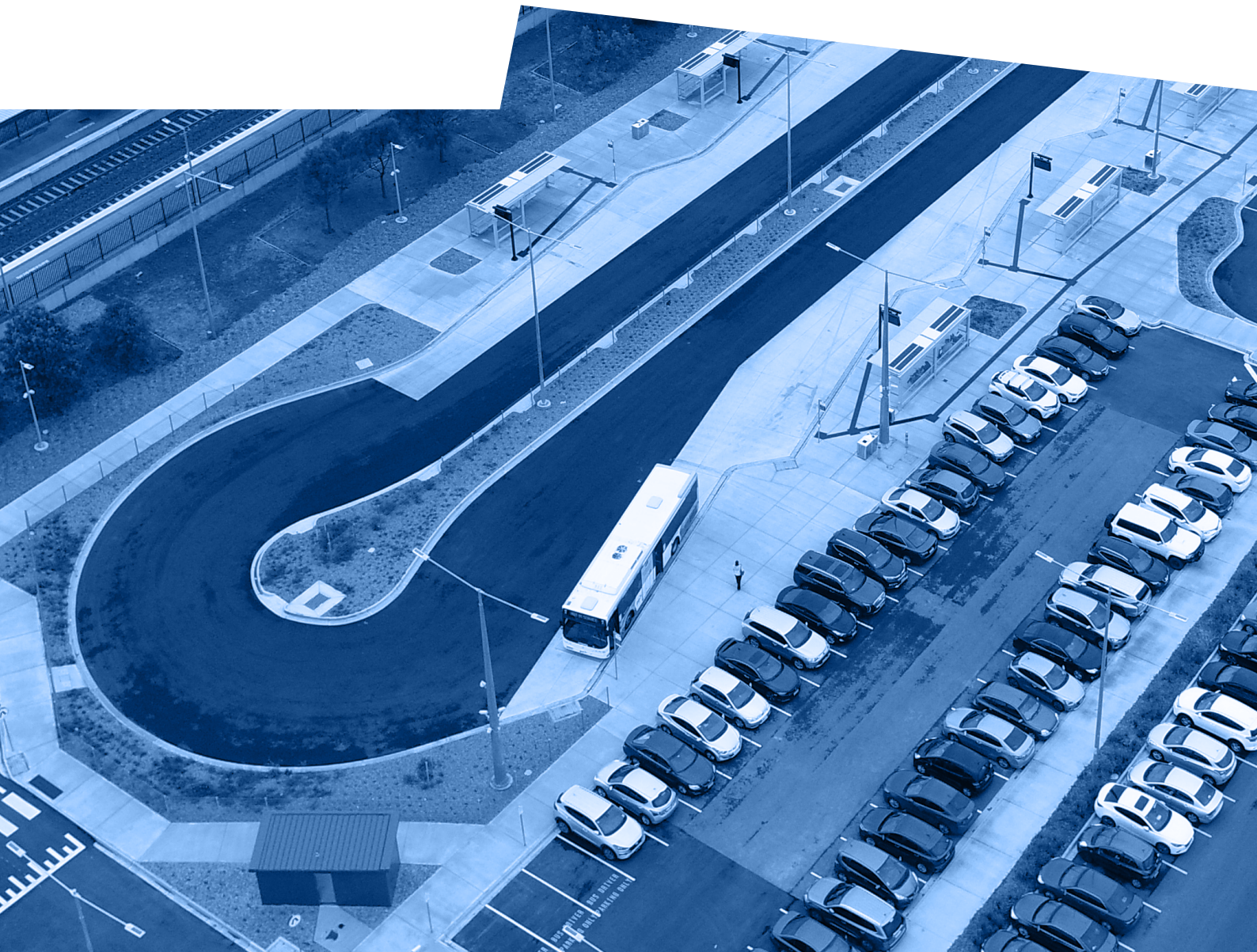


Case study:

Car Parks for Commuters

February 2025



Car Parks for Commuters

The Car Parks for Commuters program of capital projects is helping to deliver the government's commitment of 21,000 new and upgraded car parks at train stations across metropolitan and regional Victoria.

The program also delivers improved accessibility, security cameras and lighting, and more bicycle parking facilities at selected stations.

Figure 1: Tarneit Station car park and bus interchange



Source: Car Parks for Commuters program, Department of Transport and Planning.

Key project data

2024–25 BP4 project name:	Car Parks for Commuters (CPC)
Previous reporting name:	N/A
Project lifecycle phase:	In delivery/under construction
Financial year when first disclosed:	2019–20
Current approved cost (TEI):	\$610.21 million*
Original approved cost (TEI):	\$150 million
Cost variance analysis:	Increased by 306.81% (\$460.21 million)
Expected completion date:	Quarter 2 2025–26
Original completion date:	Quarter 4 2022–23
Time variance analysis:	Delayed by 10 quarters (approximately 2.5 years)
Responsible (BP4) entity:	Victorian Rail Track (VicTrack)
Delivery entity:	Victorian Infrastructure Delivery Authority (VIDA), VicTrack and local councils on behalf of the Department of Transport and Planning (DTP)
Approval authority:	DTP

*The TEI in the 2024–25 BP4 was \$590.51 million. The Australian Government committed another \$19.7 million in its 2024 Budget. Note: BP4 is Budget Paper 4: State Capital Program. TEI stands for total estimated investment.

Figure 2: Greensborough Station multi-deck car park and bus interchange



Source: Car Parks for Commuters program, DTP.

Project summary

Project description and purpose

The CPC program is helping to deliver the Victorian Government’s commitment of 21,000 new and upgraded car parks at train stations across metropolitan and regional Victoria. The government promised to deliver 10,000 new and upgraded spaces in 2014. Another 11,000 new and upgraded spaces were committed in the 2018 state election.

In 2021–22, all Victorian-led car parking projects and programs were consolidated under one program to maximise efficiencies and streamline reporting.

The CPC program has 45 projects across 43 train stations. As at August 2024, 39 projects were completed and 6 either in procurement, detailed development, or construction. VicTrack, VIDA and local councils are managing project delivery on DTP’s behalf.

Apart from car parks, the CPC program also delivers better accessibility, security camera and lighting improvements, as well as new bus facilities and more bicycle parking at various train stations.

The CPC program, which is specifically dedicated to station car parking, is also supported by other major transport investments. These other investments also contribute to the overall commitment of 21,000 new and upgraded car parks.

Project status

Red, Amber and Green (RAG) status

The criteria we used for this RAG assessment can be found at the end of this case study.

Figure 3: Entity self-assessment compared to VAGO assessment

	Scope	Cost	Time	Benefits
Entity self-assessment	Green	Green	Green	Green
VAGO assessment	Green	Green	Green	Amber

Note: Entity self-assessments were made in the specific project survey. Based on the information DTP provided and survey responses, VAGO assessed benefits as amber because benefits measurements processes are not fully developed and baseline data to measure benefits achievement is insufficient. Car parks are not a project benefit, they are an asset, so are better described as a project output. Source: VAGO.

Cost, time and scope performance

The CPC multi-site work program is almost complete and is within the 2024–25 BP4’s approved TEI. Watergardens will be the last site to be delivered.

The CPC program’s TEI has increased by \$460.21 million from its original TEI in the 2019–20 BP4. DTP, on VicTrack’s behalf, has partly documented reasons for TEI variances in BP4 footnotes.

For example, DTP told us that other reasons that were not listed in BP4 footnotes include the impact on scheduling of time needed to align with other interfacing transport projects.

Risks and emerging pressures

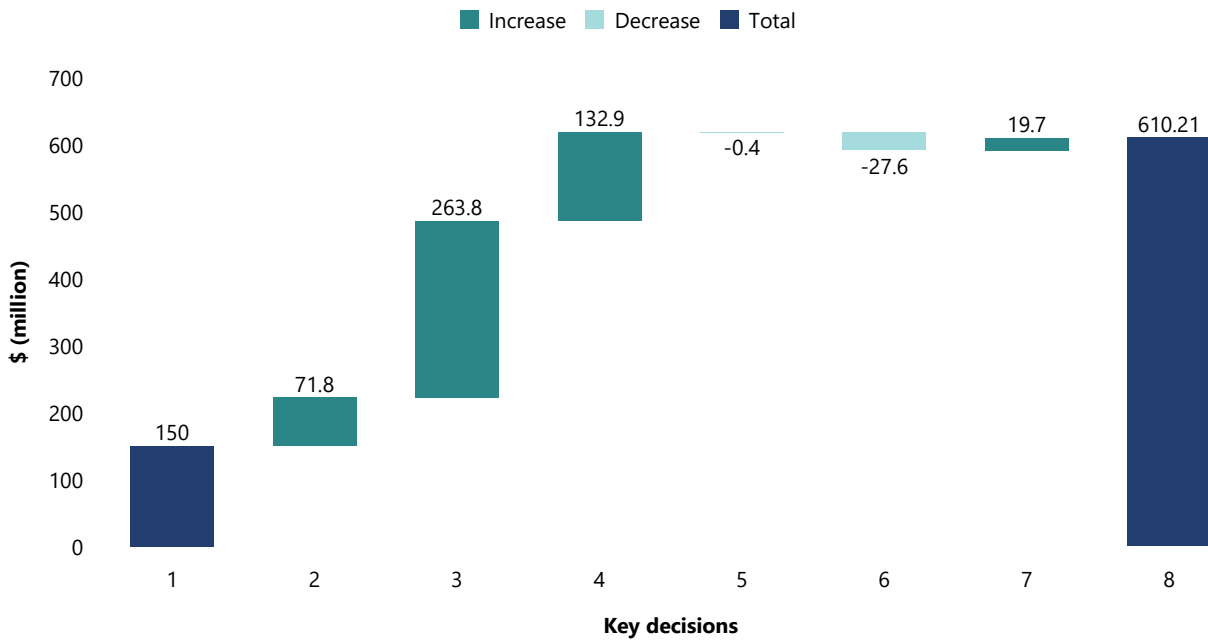


Project risks and emerging issues are reported by project delivery agencies on a fortnightly basis to DTP.

Project risks are individually managed by delivery agencies in accordance with the DTP-endorsed project management plans and project brief. Where issues are not resolved, they are escalated to DTP.

The CPC program is nearing completion. Although the final site at Watergardens is currently finalising approvals, DTP says it expects to deliver the expected outcome by December 2025.

Figure 4: Budget changes to the CPC program



Legend

Key decision	Date and detail
1	2019–20 BP4: original TEI
2	2021–22 BP4: TEI increased to include previous programs underway
3	2021–22 BP4: TEI increased because additional funds for 33 projects were approved by government for new projects
4	2022–23 BP4: TEI increased because committed Australian Government funds were released, 2 new projects added at East Pakenham and Greensborough bus interchange
5	2022–23 BP4: TEI decreased due to operational reclassification
6	2024–25 BP4: TEI decreased due to accounting treatment for grant to council for Sunbury
7	May 2024 Federal Budget: TEI increased to include additional Australian Government funding for its share of additional costs on joint projects
8	Post-2024–25 BP4: Updated TEI

Source: VAGO.

Variance analysis

There has been ongoing development since the program was first announced in the 2019–20 Budget. For example, the CPC program initially committed to deliver 33 new and upgraded car park projects across 32 stations, but this increased to 45 projects across 43 stations.

If measured against its original approved TEI and compared to the current approved scope, the overall CPC program’s cost has increased by close to 306.8 per cent. DTP told us that this is because:

- the government expanded the program scope
- further development work was needed for some car park delivery options
- project schedules and delivery approaches were amended to align with other projects.

Cost escalation pressures and program consolidation over time also increased program cost.

DTP's reasons for cost increases have not all occurred at each car park site where there has been a cost increase.

Additional project sites and increased scope and program consolidation have increased the current approved time by approximately 2.5 years.

The 2024–25 Federal Budget confirmed \$19.7 million in Australian Government funding for the CPC. DTP told us that this would fund the Australian Government's remaining 50 per cent share of some joint project costs.

Impacts of scope and other changes

There is a well-documented governance structure to oversee the CPC program and mitigate risks and issues. DTP has various governance and assurance mechanisms at both the CPC individual project and the overall program level to assess project risks, variances and impacts on TEI.

At the project level, delivery partners, such as VicTrack and VIDA, give DTP fortnightly delivery updates that detail any project change impacts. DTP uses these to approve budget and scope changes.

At the program level, variances against government's committed budget and scope are assessed and recorded in DTP's program report. DTP then briefs the Minister for Public and Active Transport on impacts and seeks endorsement and approval for any variances.

DTP assesses impacts against CPC program objectives and whether they represent overall value for money based on the project scope. For example, a variance can be approved when delivery partners ask to use unallocated funding for additional but useful work items above the base project scope.

DTP told us that delivering the program over time with rolling cost variations allowed government to deliver car parks best suited to the site's complexity and deal with specific site constraints. For example, projects at complex sites, which may warrant multi-deck car parks, may require more time for planning and development work.

This decision-making process shows that DTP may not have thoroughly planned or estimated complex car parking sites costs before seeking funding.

DTP told us it was difficult to thoroughly plan all the current CPC car park sites and ascertain site complexity. This is because the program has grown and developed over time, with new projects added since it was first funded.

Key funding stakeholders

Stakeholders

The CPC program has received funding from the Victorian and Australian governments.

The CPC program recently received further Australian Government funding. An additional \$19.7 million from the Australian Government was confirmed in the 2024–25 Federal Budget.

This contribution was not disclosed in the 2024–25 Victorian state Budget due to Federal Budget timing. This new contribution adjusts the program's TEI to \$610.21 million.

Project benefits

Benefits DTP considers that the main benefits from the CPC program are to deliver the committed car park numbers and associated scope at each site, as promised at the 2014 and 2018 elections.

The benefits of providing these new and upgraded spaces include making it easier for travellers to access their station and improved safety, accessibility and customer experience. We note that DTP did not identify specific car park delivery as a benefit in its benefits management plan.

There are other benefits noted in DTP's benefits management plan. These include patronage growth at improved stations, improved customer satisfaction, increase in bicycle parking and reduced complaints. There is no evidence that these benefits are reviewed as each site project's scope evolves or tracked once projects are complete.

There may be other benefits from the new car parks that could have been assessed during program delivery. These include:

- better access to public transport
- improvements in safety through better lighting and security cameras
- cycling promotion.

These benefits are noted in the overall business case and in project delivery briefs but are not specifically tracked or measured.

Governance and assurance

Governance and assurance The program has a well-described governance system.

Project delivery partners, such as VicTrack, VIDA and local councils, are part of project control groups that have their own terms of reference. Delivery partners need to ensure that their projects' scope aligns to DTP's project requirements.

DTP assures the Minister for Public and Active Transport by providing fortnightly program and project updates to the minister's office. The Minister for Public and Active Transport updates Cabinet as required.

Gateway reviews were not required for the CPC program because all sub-projects are valued below \$100 million and were not assessed by the Department of Treasury and Finance as high value high risk.

DTP and Australian Government officials participated in regular weekly meetings during the jointly funded sites' early planning and development phases related to the Australian Government's involvement in the CPC program. These meetings now take place every second month while the program is being delivered.

Procurement approach

Multiple models The CPC program involves multiple delivery agencies and different procurement approaches for each project and committed site.

DTP told us that its procurement approach is based on a 'delivery optimisation approach', which categorises each project's site and commitment. Doing this allows DTP to consider interfacing projects, site constraints and conditions, as well as location and market capacity, which may offer delivery and management efficiencies.

DTP has used various delivery partners, such as councils, VicTrack and VIDA. VIDA's works have been done concurrently with interdependent level crossing removal projects, using existing alliances. Other delivery partners have used different contracting models and contractors.

We saw examples of some innovative models, such as joint ventures or long-term leasing, to achieve the desired net parking outcomes.

Better practice

Better practice and lessons learnt

The CPC program uses different procurement approaches and pragmatically designs solutions to achieve site-specific outcomes.

The CPC program also coordinates its works with other concurrent transport projects, such as level crossing removals. This approach optimises construction resources already on site, minimises local disruption and enables an integrated site solution.

For example, the East Pakenham train station initially began with a car parking commitment at Pakenham. It evolved into a commitment for a new station at East Pakenham because this growth area had limited car parking facilities. East Pakenham was delivered as part of the broader Pakenham level crossing removal project.

DTP told us that delivery partners at the project level capture and analyse project lessons learnt. The process is ongoing after each sub-project is delivered. For example, for the Belgrave carpark, VicTrack noted that having a clearer scope with operational requirements at the start allowed for a better project scope instead of workshopping requirements mid-design.

DTP also told us it will review lessons learnt at the end of the full works program. To date, key lessons learnt include:

- each station car park site varies considerably in complexity and constraints
- using a benchmark cost for a car parking space is not reliable and should be avoided
- specific site constraints drive the cost per car park with complexities including utilities, land availability (including size and shape) and environmental approvals.

DTP also collects and analyses lessons learnt regarding community and stakeholders through its delivery partners at the project level.

RAG rating definitions

Rating	Scope	Cost	Time	Benefits
Red	Current approved project scope is at risk and requires action and a decision by the government	Project is likely to be more than 20% over its current approved budget	Project is likely to be more than 6 months behind its current approved schedule	Project benefits measurement systems are not in place and baseline and progress data for project benefits described in the business case, investment logic map (ILM) or benefits management plan (BMP) is not available
Amber	Scope risks are emerging but are being managed and no action or decision is required by the government at this point in time	Project is likely to be 11–20% over its current approved budget	Project is likely to be 4–6 months behind its approved schedule	Project benefits measurement systems are immature and baseline and progress data for project benefits described in the Business Case, ILM or BMP is unreliable
Green	Current approved project scope is clear and can be delivered within budget and schedule	Project is likely to be 0–10% over its current approved budget	Project is likely to be 0–3 months behind its current approved schedule	Project benefits measurement systems are well developed and baseline and progress data for project benefits described in the Business Case, ILM or BMP is reliable and up to date
N/A				There are no tangible or measurable benefits specified in the project's business case or objective(s)

Source: VAGO.