

PUBLIC ACCOUNTS COMMITTEE

**Supplementary Questions
Newcastle Urban Transformation and Transport Program**

Responses to Supplementary Questions

Hearing – 27 July 2020

Recommendations 5 and 6

- **By March 2019, the Hunter and Central Coast Development Corporation should update and implement the Program Benefits Realisation Plan. This should include: a) setting measurable targets for the desired benefits; b) clearly allocating ownership for achieving the desired benefits; and c) monitoring progress toward achieving the desired benefits and reporting publicly on the results; and**
- **Work with relevant stakeholders to explore options for increasing the focus on the heritage objective of the Program in projects on the former railway land. This could include projects that recognise the cultural and industrial heritage of Newcastle.**

Question 1:

Can you provide the Committee with information about your current benefits realisation management policies? Have these changed since the Audit was conducted?

Response:

- The Transport Cluster's Benefits Realisation Management Framework and Guidelines were developed in 2016 and updated in June 2018, to align with the 2018 NSW Government Framework.
- Transport established a specialist Benefits Realisation Management team in mid-2017 with the sole aim of improving the application of BRM across the Cluster. Consistent application of BRM, particularly at business case stage for Transport projects has improved since the update of these guidelines.
- Following the Audit in December 2018, Transport has developed a maturity strategy (March 2020) to help inform a review of the current Transport BRM Framework, and provide guidance on the inclusion on the BRM lifecycle, integration of BRM processes into the Cluster, and ensure alignment with related Government requirements such as NSW Treasury's Gateway Policy and Evaluation Guidelines.

Question 2:

Your response indicated that the next round of benefit capture will occur in 2020. Has this happened and if so, what were the findings. If the next round of capture has not yet occurred, what is the anticipated date for this to be undertaken?

Response:

[This question has been referred to Hunter and Central Coast Development Corporation]

Question 3:

What was the final cost of the Program and the light rail project? How did the final costs compare with the original budget and what were the reason for any variations?

Response:

- The Program is on budget.
- The NSW Government has invested more than \$650 million¹ in Newcastle's city centre through the Revitalising Newcastle program.
- Newcastle Light Rail services commenced ahead of schedule on 18 February 2019.
- Ongoing urban transformation initiatives will continue to deliver revitalisation benefits for Newcastle.
- The forecast final cost remains at \$693 million, as last reported².

¹ www.hccdc.nsw.gov.au/revitalising-newcastle

² NSW Auditor-General's Report Newcastle Urban Transformation and Transport Program (Dec 2018)