

Summary of findings and recommendations

Finding 1

It costs slightly more to build new railway infrastructure in New South Wales compared with other jurisdictions in Australia.

Recommendation 1

That Transport for NSW undertake further research on the performance of actual versus budgeted outcomes under both probabilistic and deterministic contingency estimation approaches for major road and rail infrastructure, with a view to standardising approaches and producing more accurate cost estimates.

Recommendation 2

That during the lifecycle of a transport infrastructure project, Transport for NSW publish the reasons for any significant changes in the project budget.

Recommendation 3

That Transport for NSW promote the use of a consistent Work Breakdown Structure, both within NSW and in other jurisdictions, for the purposes of comparison, review and benchmarking of transport infrastructure costs.

Recommendation 4

That Transport for NSW promote greater consistency in the capture and allocation of corporate overhead costs to projects, both within New South Wales and in other jurisdictions, for the purposes of comparison, review and benchmarking of transport infrastructure costs.

Recommendation 5

That Transport for NSW investigate the higher corporate costs, rail client administrative costs and 'other costs' incurred for rail projects in New South Wales, as defined in the Ernst & Young report. Further, that Transport for NSW make public any findings and recommendations from this investigation.

Recommendation 6

That Transport for NSW commission and publish another transport infrastructure project benchmark report in four years time.

Recommendation 7

That Transport for NSW examine increasing its in-house expertise to reduce its over reliance on consultants.

Recommendation 8

That Transport for NSW establish guidelines for effective risk allocation and procurement models, that support the allocation of risk where it is most effectively managed.

Recommendation 9

That Transport for NSW review its tendering strategies to ensure that infrastructure projects are broken down into appropriate sized packages to increase competition between tenderers and lower barriers to provide opportunities for local businesses.