Royal Commission into the Integrity of Major Public and Civil Infrastructure Construction Projects in Victoria: BRIEFING NOTE from PTUA, RFI, VTAG and CHARTER 29

Introduction

Ben Carroll became Premier of Victoria on 28th July 2026 and immediately announced a Royal Commission into the construction sector. Integrity is now a key political issue in the lead up to the state elections in November.

On 3rd August a group of transport and planning advocacy groups sent a joint open letter to the Premier and Leader of the Opposition calling for much broader terms of reference for the Royal Commission, and stated:

> *'Corruption is an inevitable outcome of governance failure and lack of transparency. A narrow focus on the construction sector will miss the key issue: the deep and systemic **governance failure** over at least a decade, which has allowed corruption to go unchecked.'*

The letter was signed by the **Public Transport Users Association** (PTUA), **Rail Futures Institute** (RFI), **Victorian Transport Action Group** (VTAG) and **Charter 29**, and is included here as an Appendix.

This Briefing Note is also endorsed by the same four groups and supports the letter. It explains the core issues under these headings:

- **There is no plan; the Big Build is the plan**
  The Transport Integration Act requires a transport plan — but there isn't one.
  The Big Build will not prepare Victoria for 10 million people.
  Melbourne is still a car city.
  Transport mega-projects mean less money for other projects and services.
  The land use planning system is being undermined.

- **Who is in charge of transport planning?**
  The public sector has become increasingly politicised.
  The planning of major transport projects is largely outsourced to the private sector.

- **Governance failure: erosion of integrity and lack of transparency**
  Business cases are inadequate and do not follow guidelines.
  Major transport projects illustrate the governance failure due to flawed processes: EWL, WGT, NEL and SRL.
  Cancelling projects is expensive and damaging to Victoria — we need a Transport Plan.

- **A Royal Commission must have wide powers**
  Governance failure and lack of transparency leave planning processes open to exploitation and corruption.
  The terms of reference for a Royal Commission should go beyond corruption to also investigate governance and integrity.
  New powers for IBAC should not be deferred to 2027.

- **Appendix: Open letter to the Premier and Leader of the Opposition**

NOTE: References given throughout the text are listed as endnotes.

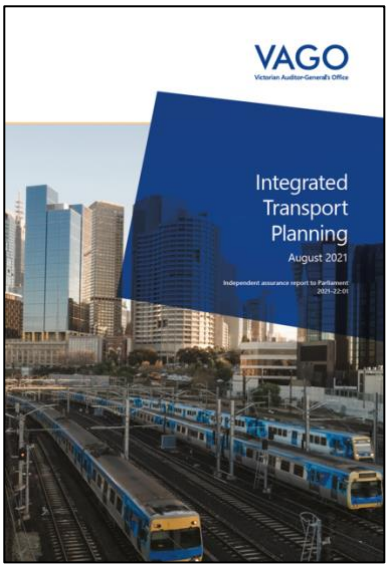
There is no plan; the Big Build is the plan

The Transport Integration Act requires a transport plan — but there isn't one.

The 2010 Transport Integration Act[1] (TIA) requires that Victoria develops a transport plan integrated with land use planning. The Act sets out clear objectives and decision-making principles that should drive integrated and environmentally sustainable outcomes. An approved transport plan, the 2008 Victorian Transport Plan, was identified specifically in the TIA.

In 2021, the Auditor General's (VAGO) report on integrated transport planning in the Department of Transport (DoT) said:

> *'DoT and its predecessors have not, over the past decade, demonstrably integrated transport planning and are yet to meet the Act's requirements for the transport plan… The absence of a transport plan as required by the Act, during a decade of unprecedented investment in transport infrastructure, creates risks of missed opportunities to sequence and optimise the benefits of these investments to best meet Victoria's transport needs.'* [2]



Instead of a single integrated strategic plan, VAGO found over 40 separate documents. DoT claimed that, taken together, this satisfies the requirements of the Act. VAGO refuted that claim.

VAGO made specific recommendations on the delivery of an integrated transport plan, yet there is still no indication of any progress on these recommendations.

In the absence of an integrated transport plan, the Big Build therefore is the *de facto* plan.

The Big Build will not prepare Victoria for 10 million people.

Victoria's population is projected to grow to 10 million by 2051,[3] but there is no published transport plan that shows how Melbourne will be ready for this growth.

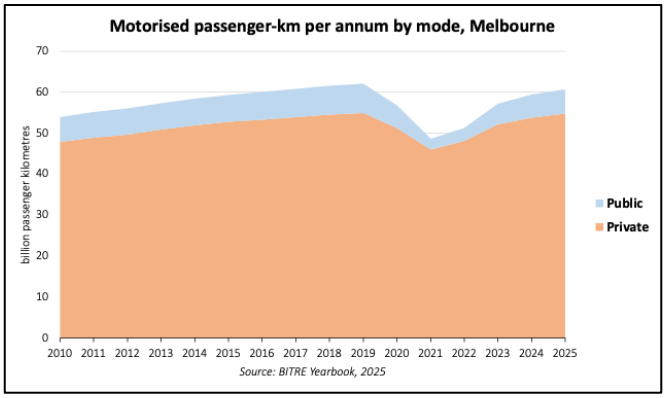
Overall, there is no strategy, or a set of planning principles, that show how Big Build projects will deliver network benefits or create a viable city for the future. Big Build projects cannot truthfully demonstrate benefits to the network if there is no network plan.

This is in contrast to other jurisdictions such as NSW, which does have a clear plan:

> *'Public, long-term plans change things. The lobbying and pressuring and organising can't hide in the shadows. The politicking is out in the public arena; the next project (and the next and the next) is at least out there in outline for all to see and debate.'* [4]

Melbourne is still a car city.

Mode share remains a key issue. The TIA includes a principle of *'reducing the need for private motor vehicle transport and the extent of travel'.* Public transport presently carries 9.7% of motorised passenger-km in Melbourne. It peaked at 11.6% in 2012 but has not recovered fully from the effects of COVID.



There is a well-established principle in transport planning that building roads does not reduce congestion or car travel. It actually makes it worse, whereas improving public transport takes cars off the road and reduces congestion.

The current mixed program of major road and rail projects will not reduce the need for car travel and therefore does not meet the requirements of the TIA.

Transport mega-projects mean less money for other projects and services.

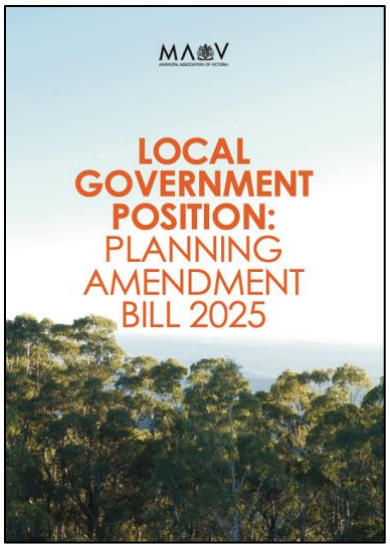
The transport mega-projects in the $150 billion Big Build crowd out other investments. Other key rail projects have been deferred, including City Loop Reconfiguration, Metro Tunnel 2, electrification of rail to Melbourne's Growth Areas, Outer Metropolitan Ring and the interstate freight terminal at Truganina. These projects could give far better returns to the state and were among those prioritised by Infrastructure Victoria through detailed assessment in 2016, 2021 and 2026.[5]

Beyond the capital expenditure, the need to service rapidly increasing debt and balance the books means the government's capacity to keep up with the demand for delivery of services for a growing population is compromised. The 2025 VAGO audit confirmed that the Government's operating losses were worse than forecast in the budget and highlighted the state's reliance on debt to fund major projects, with Victoria's debt climbing faster than its revenue.[6]

The land use planning system is being undermined.

According to Charter 29:

> *'The State Government has replaced the traditional regulatory planning system with the Activity Centre, Suburban Rail Loop Precinct and Development Facilitation programs. They introduce a process that gives direct access to the planning minister as sole approver.*
>
> *These changes allow interest groups to distort public policy in their favour rather than for the public good, in various ways:*
>
> 1. *The system is based on a template offered by the development industry. It was imposed secretly without public participation or knowledge and curtails effective participation by citizens and local government.*
> 2. *The involvement of consulting and legal firms in framing the new system raises potential conflicts of interest in advising clients on ways to use a system they either supported or helped frame.*
> 3. *Application to the minister is opaque and lacks scrutiny or accountability. Decisions to 'fast track' applications are troubling. Of 280 applications made this way up to 30 June 2026, none have been rejected. Developers are starting to use this 'separate track' system as their preferred approvals method.*
> 4. *Claims are emerging of apartment sector corruption linked to the CFMEU and other unions, through plastering, tiling, concrete, piling and precast firms.'* [7]



The Government has implemented these changes and others, through the Planning Amendment (Better Decisions Made Faster) Act 2026.[8] Before it was enacted, the Municipal Association of Victoria said:

> *'Public trust in planning matters. When you overlook environmental risks, abolish the right to know about proposals, remove Parliamentary oversight, and demand impossible approval timelines — communities lose confidence that the right decisions are being made. We're not going to build community support for rapid housing growth this way. Victoria's 79 Councils strongly support reforming the planning system to make it more efficient and to approve more homes. We don't support cutting corners that will eliminate public trust and create expensive problems for the next generation. If this Bill is going to produce the Better Decisions it promises, it must be improved.'* [9]

Whilst some key elements of their submission on the Bill were accepted, many were not. Further, as The Age reported in April 2026:

> *'Municipal Association of Victoria president Jennifer Anderson said the evidence proved councils were constructive partners in housing delivery. "The local government sector in Victoria has pursued housing strategies to deliver more affordable homes for Victorians for decades, including using local schedules and policies to drive better designed homes in well-serviced areas."'* [10]

Who is in charge of transport planning?

Advice from the Department on major transport projects is becoming less impartial. As the Big Build gains momentum, it becomes harder for planning, and planners, to advise, intervene and direct.

The governance outcome of this for the Department is that the executives leading the delivery of the major transport projects are working directly with the Government, and transport planners or the requirements of the TIA are, at best, secondary.

> *'Big Build contracts were drawn in a hurry. The imperative was to get things done. Treasury, and other public servants, tried to introduce process and accountability but over time gave up or were sidelined. Projects were undercooked at the point of commissioning contract management, and financial controls were lacking. Adjustments to contracts were made due to state government changes to specifications, and people involved colluded to obscure the reasons for those changes.'* [11]

In this situation, the accepted 'Westminster system' of an impartial public service and transparent decision-making no longer applies.

In the case of complex planning decisions, it is also difficult to surmise whether the State Government is being reliably advised by the Department but ignored, or that the Department is providing advice that is skewed to Government interest, i.e. is the Department telling Government what they want to know, or what they need to know?

An important issue is the absence of evaluation of projects on completion and at regular intervals into the future to understand the real outcomes and to learn lessons to guide future planning decisions.

The public sector has become increasingly politicised.

In the 1990s, Kennett Government reforms abolished the independent Public Service Board and made all department secretaries responsible to the head of Department of Premier and Cabinet, who in turn answered directly to the Premier. Politicisation has grown since then and accelerated particularly in recent years with power concentrated in the Premier's department, and particularly the Premier's Private Office (PPO).[12]

In 2023, a major investigation by the Ombudsman confirmed the marginalisation of the public service and politicisation through appointments into executive positions:

> *'The weight of the evidence we reviewed suggests there are cracks in the pillars upholding our Westminster tradition of responsible government. While some senior bureaucrats we spoke with were hopeful about the public sector's ability to hold firm under pressure, others believe significant changes are required to reverse concerning trends.'* [13]

Commenting on the delayed release of the Independent Broad-based Anti-corruption Commission (IBAC)'s report on the government's secret dealings with the firefighters' union in 2016, the former Ombudsman said, on 11 August 2026:

> *'Four reports – IBAC's Operation Daintree, the Ombudsman and IBAC's Operation Watts, my investigation into the politicisation of the public service, and the most recent IBAC report – provide a compelling insight into how the Andrews government kept and retained power at the expense of both public integrity and the public purse.'* [14]

In June 2026, the former Ombudsman along with the ex-head of IBAC called for a Royal Commission.[15]

The planning of major transport projects is largely outsourced to the private sector.

North East Link was a $10 billion private sector proposal and is now being delivered at $26.1 billion, the most expensive road project in Australian history. West Gate Tunnel was a Transurban market-led proposal spruiked to Labor before the 2014 election; State Government costs have increased from $6 billion to $10 billion, and drivers will pay tolls until 2045, along with a 10-year extension of CityLink tolls.[16]

When the Suburban Rail Loop was announced in 2018, Richard Bolt, then Secretary of DoT, promptly resigned. The transport Department and its leader had been almost entirely excluded from planning the biggest transport project in Victoria's history.

The role of state planners has become eroded to the point of being ineffectual:

> *'Some of the Big Build's biggest projects have been devised from their earliest stages by the likes of PwC and Transurban. It is companies like this that are setting the priorities, developing ideas, planning routes, proposing programs — policymaking on a vast scale, with an eye-watering budget and long-term consequences for millions of people, devised by private, profit-driven, non-transparent and unaccountable businesses.'* [17]

Victoria has become dependent on monopolistic private entities to design, develop and run major infrastructure projects, a trend that has been termed 'rentier capitalism':

> *'A key feature of Rentier Capitalism is the role of large private companies. Their monopoly power comes… from a variety of not necessarily independent sources, but one of the primary ones is government (and private) contracting and subcontracting. These contracts are themselves scarce and are binding for years, sometimes exceeding a decade. Another core source of rents, is privatised infrastructure, which is a prerequisite for service delivery in that there are no or few alternatives to it.'* [18]

This is part of a long-term pattern, and identifies key integrity issues like conflict-of-interest and transparency:

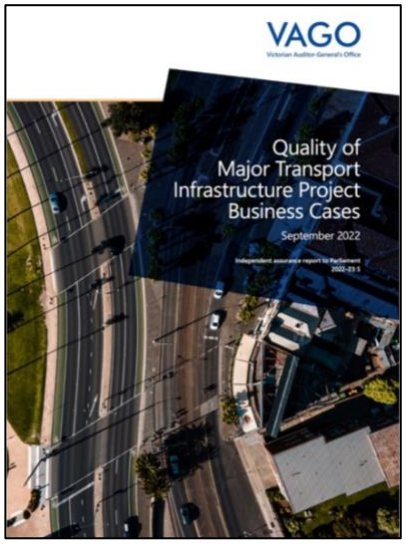
> *'Australia has spent decades outsourcing the capacity of governments to plan, design and build. Public works departments have shrunk while armies of consultants, developers, financiers and contractors have grown. Governments increasingly buy expertise from those who ultimately profit from the projects they recommend. That creates an obvious conflict. The public sector is expected to act as an intelligent client while progressively losing the expertise needed to challenge those selling advice.'* [19]

Governance failure: erosion of integrity and lack of transparency

Business cases are inadequate and do not follow guidelines.

In 2023, VAGO investigated the quality of business cases for major projects and found that they did not meet requirements for the economic appraisal of transport projects, including its own Treasury guidelines:

> *'Business cases for 3 of the 4 projects we reviewed do not support fully informed investment decisions. Without a comprehensive business case, decision-makers do not know whether the investments they make will maximise benefits to Victorian communities.'* [20]



The VAGO study assessed two major transport projects: Melbourne Airport Rail (MAR) and Suburban Rail Loop (SRL). It found significant departures from process requirements in the options assessments and economic analyses, particularly in terms of the discount rate, sensitivity analysis and the inclusion of wider economic benefits. It also identified inadequacies in problem definition, evidence base and proposed benefits:

> *'…the SRL and MAR business cases are not supported with comprehensive evidence for or detailed descriptions of their root causes or underlying drivers, [and] why the government needs to act now.'* **Error! Bookmark not defined.**

VAGO also found that the SRL and MAR business cases came after the government had already made funding commitments to the projects.

This aligns with a 2019 audit of the market-led proposal for West Gate Tunnel (WGT).[21] The assessment and governance process for WGT had already been criticised by experts and academics.[22] The VAGO audit assessed the business case against the Treasury requirements and found significant deficiencies in terms of defining the project need and benefits, options analysis and calculations of value for money. The latter confirmed the issues identified by experts on the discount rate, demand modelling, revenue forecasts and sensitivity analysis.[23]

Based on the examples of MAR, SRL and WGT, the government is committing to Big Build investments which have business cases that are inadequate and do not follow accepted standards.

Major transport projects illustrate the governance failure due to flawed processes: EWL, WGT, NEL and SRL.

Several major projects confirm the pattern of governance failure:

- **East-West Link** had a long political history despite Departmental advice that it was unviable, culminating in its cancellation in 2014 by the Andrews Government after building had started.
- **West Gate Tunnel** was a Transurban proposal to Labor before they took office in 2014, later supported by a flawed Government business case.
- **North East Link** was first assessed as a $10 billion project whose history echoed that of EWL. Its cost later increased to $26 billion, the costliest road project in Australia.
- **Suburban Rail Loop** was initially developed without involving the transport Department at all until it was announced by Premier Andrews just before the 2018 election.

East West Link

The East West Link (EWL) was originally part of a network of freeways proposed in the Bolte Government's 1969 Melbourne Transport Plan, much of which was shelved by the Hamer government in 1973 following widespread community opposition. EWL was resurrected in 1999 by Jeff Kennett, but taken off the agenda under Steve Bracks, and put back on briefly by John Brumby in 2003, until it was ousted by public transport projects in the Eddington Study of 2007. In 2011 it was reintroduced yet again by Coalition Premier Ted Baillieu and fast-tracked by his successor Denis Napthine in 2013.

In much of this history, independent advice from the public service was either ignored, or inadequate:[24]

- The Department's Northern Central City Corridor Study in 2003 put public transport as a higher priority than EWL. Its draft findings were presented to the Transport Minister but were never adopted.[25]
- A second, larger study led by Sir Rod Eddington again put public transport first in 2007, prioritising Regional Rail Link and Melbourne Metro Tunnel ahead of EWL.[26]
- Premier Napthine set up the independent Linking Melbourne Authority to do a business case, and a construction contract was let to East West Connect in 2014, despite the business case finding that it would only return 55 cents in the dollar. VAGO reported in 2015 that: *'…the EWL business case did not provide a sound basis for the government's decision to commit to the investment and that key decisions during the project planning, development and procurement phases were driven by an overriding sense of urgency to sign the contract before the November 2014 state election*' [27]
- The Andrews Government won the 2014 election and cancelled the contract at a cost of $1.1 billion. At the time, Treasurer Tim Pallas described the project as '*public malfeasance and fraud of a massive scale.*' [28]

West Gate Tunnel

The West Gate Tunnel (WGT) was proposed by Transurban, who discussed with Labor before the 2014 election. Daniel Andrews announced it in 2015 with a $5.5 billion cost, two-thirds of which would be provided by Transurban, supplemented by Federal funds originally intended for EWL and State funds of $400 million. [29]

A business case was released in November 2015. During its preparation, peer reviewers were taken off the project after raising concerns over the calculations. These were revealed to a Commonwealth Economic References Committee hearing in 2017. [30] A submission stated that:

> *'After much deliberation, in the face of frustration and concern that the work would not stand up to scrutiny, I raised concerns at a higher level. Shortly after doing this, I was taken off the [WGT] review work without explanation. The modelling peer reviewer's report was never released. Recently-released EES documentation on the traffic modelling implies that the peer reviewer's comments were addressed, but this was not the case (not in full, at any rate).'* [31]

Construction started in early 2018. Multiple problems arose during construction, which delayed opening and pushed the taxpayer cost up to $10 billion.

WGT opened to traffic in late 2025. By February, problems were reported with trucks taking alternative routes in the inner west, to avoid tolls:

> *'Kensington Association president Dr Kate Kennedy agreed that trucks were increasingly rat-running through local streets. "Trucks are using local roads as shortcuts to avoid tolls. The impacts on safety, noise and liveability are immediate and real," Kennedy said.'* [32]

North East Link

North East Link (NEL) has had a similar history to East West Link. It was also originally part of the 1969 Transport Plan's freeway network and amongst those cancelled by Hamer in 1973. The Brumby government included it in the 2008 Victorian Transport Plan. It was pursued further by Baillieu and Napthine, but no decision was made. The Andrews government committed to it in 2016 with a $10 billion price tag, which has since increased to $26 billion, the most expensive road project in Australian history.[33]

Like WGT, the business case had flaws in its traffic forecasting. An expert witness at the EES hearings wrote:

> *'The questionable assumptions behind the transport modelling, especially the illogical future demand projection method and the lack of consideration of emerging trends in transport technology, have led to significant over-estimates of future travel demand and exaggerate the need for, and performance of, NEL.'* [34]

Nonetheless, the project was approved by the Environment Minister, and construction is under way. More recently, it has been claimed that public servants advised the Premier on CFMEU corruption on the project, how FOI requests were being routinely rejected and how the government is delaying increased powers for IBAC that could investigate the claims.

Suburban Rail Loop

In August 2021, The Age ran an exposé: *The chosen few: how Victoria is really governed*.[35] It was followed the next day by an analysis of decision making on the Suburban Rail Loop (SRL) and the key players. The 2023 Ombudsman investigation provides official confirmation of the way in which SRL was conceived and planned and was highly critical.

Since 2018, experts have criticised SRL as needing far more rigour in terms of defining objectives and development options.[36] SRL is now in construction, and core design issues are becoming apparent, for example in terms of purpose and cost,[37] and poor interchange.[38]

Commenting on the development of plans for SRL East, a 2026 academic paper from the RMIT University Centre for Urban Research said:

> *'… transport and land use provisions were developed without public scrutiny, bypassing normal planning processes. Consultant contributions to every stage of approvals processes have led to heightened dependency on their work in public sector decision-making.' [39]*

Infrastructure Australia (IA), which advises the federal government on its investment priorities, does not regard the project as viable, and considers the contribution from value capture is uncertain. The IA evaluation in 2025 states:

> *'Based on the information provided, we have low confidence in the cost estimate for SRL East, presenting a major risk to the SRL East project, and the SRL Program as a whole…'* [40]

The Victorian Parliamentary Budget Office (VPBO) estimated that SRL East will cost at $33 billion to build.[41] SRL North (which the VPBO estimated would cost another $64 billion to build) will connect to Melbourne Airport, but new Government structure plans for some of the places on its length (Heidelberg and Broadmeadows) do not allow for it. VPBO also said that SRL East and North together would only return 60-70 cents economic benefit per dollar spent.

The Government has only committed to building SRL East, while IA has stated that the project viability is dependent on the full SRL being built. But in the 2026 Budget, the Federal Government ignored IA's advice and allocated more funding to SRL.[42]

Cancelling projects is expensive and damaging to Victoria — we need a Transport Plan.

The TIA became law in 2010, with the objective of developing and maintaining an integrated transport plan. Transport projects are large and long-term, so a transport plan needs cross-party commitment, even as governments change.

Without an integrated transport planning process, there is now an embedded pattern for governments to propose new projects for political benefit, and to accelerate initial development and construction so that it becomes locked in.

Metro Tunnel was conceived over two decades ago and became part of the Brumby government transport plan in 2008. This plan was shelved by the incoming Baillieu government in 2011 and the Tunnel put on hold. It was then revived, only to be deferred again by incoming Napthine government, which then in 2014 proposed an alternative route called the Melbourne Rail Link:

> *'Questions surrounding the [Melbourne Rail Link] surfaced after Planning Minister Matthew Guy told ABC Radio there was no business case behind the decision to ditch a proposed rail tunnel through Melbourne's CBD in favour of the new route through South Melbourne that was unveiled in Tuesday's budget.' [43]*

The two competing projects were at the heart of the 2014 election, and the incoming Andrews government reverted to the original Tunnel and planning work commenced in 2015. The cost to Victoria was five years delay and wasted expenditure on planning and early works.

At the same time, the EWL was cancelled by the new Andrews government after contracts had been signed and early works commenced, at a cost of over $1.1bn. The 2015 VAGO report was scathing:

> *'Over the life of this costly and complex project, advice to government did not always meet the expected standard of being frank and fearless. This highlights a risk to the integrity of public administration that needs to be addressed.'[44]*

The VAGO recommendations were rejected by the Premier's department and by Treasury, therefore these issues remain unresolved, with the risk that they could happen again.[45]

The pattern has now repeated in 2026: the cost of pausing or cancelling the SRL now is conservatively put at $7 billion,[46] but the actual cost and extent of contractual obligations is still to be determined or made public.[47]

It also identifies the extent to which the government is trying to lock in construction of SRL, whoever wins the November election,[48] and confirms this as a systemic problem.

A Royal Commission must have wide powers

Governance failure and lack of transparency leave planning processes open to exploitation and corruption.

Risks to projects are exacerbated by lack of government controls. Failure to fully interrogate government failures and the lack of transparency have contributed to failure to address matters of corruption in the Big Build.

An on-going series of investigative articles in The Age have detailed the extent to which the Government knows about Big Build corruption,[49] which is claimed to have added $15 billion to the cost overall but could be as high as 30%.[50]

The former Ombudsman and head of IBAC, plus the current Labour Hire Commission, have called for a Royal Commission, along with the Liberals and Greens, and also some Labour MPs.[51]

Corruption on this scale is an inevitable outcome of a long and consistent history of poor governance and an erosion of integrity. This is a systemic problem, deep-seated, and resulting in a long trail of dysfunction and impunity.

It can perhaps be traced back to 2014 and Labor's election policy called 'Project 10,000', referring to the 10,000 jobs it would provide in construction.[52] Many of the funding decisions made by the Government would appear to be driven by the desire to provide jobs and favour unions, instead of being guided by proper planning and fiscal responsibility.

The terms of reference for a Royal Commission should go beyond corruption to also investigate governance and integrity.

There will now be a Royal Commission, with integrity a core theme for the new Premier, Ben Carroll.[53] But the terms of reference are critical — the investigation should go beyond the corruption and look at governance in the public service and the role, performance and funding of oversight bodies such as VAGO, IBAC and the Ombudsman.[54]

There is now a groundswell between opposition parties, integrity bodies and transport advocacy groups to make the terms of reference much broader than just the construction sector.[55] Richard Bolt, the former Secretary of the transport Department, recently made a rare public statement:

> *'"Project Halo [the initial codename given to the SRL] ought to be part of the terms of reference for a [Big Build] royal commission," said Bolt, now an independent consultant.'* [56]

The Royal Commission should include all major transport, infrastructure and land use planning policies (including metro strategic plans) and projects since gazettal of the *Transport Integration Act 2010* to provide a context for judgments about which aspects of government have been in line with the TIA and which have failed.

New powers for IBAC should not be deferred to 2027.

The State Government agreed to new powers for IBAC but Premier Allan said they will not be introduced until late 2027 – a year after the November 2026 state election and more than three years after *The Australian Financial Review* and *The Age* revealed widespread criminality and corruption on government projects in Victoria.[57]

The scale of corruption in the Big Build, and the failed governance that this implies, should require more urgency to introduce new powers for IBAC, alongside a Royal Commission with broad terms of reference. There is no just rationale to defer until after the state election in November 2026. Premier Carroll has said *'If we can bring it forward, I will'*, [53] but this is yet to be confirmed.

Appendix: Open letter to the Premier and Leader of the Opposition

3 August 2026

The Hon. Ben Carroll
Premier of Victoria

The Hon. Jess Wilson
Leader of the Opposition

OPEN LETTER

Corruption and the Big Build: Royal Commission Terms of Reference must be broad

On Tuesday 28th July, The Hon. Ben Carroll announced a Royal Commission into corruption in the construction sector — his first act as new premier of Victoria. This identified integrity and the Big Build as a major issue facing Labor in the lead up to the November state election.

We welcome the Royal Commission. However, its Terms of Reference are critical to identifying and resolving the root causes of corruption.

Corruption is an inevitable outcome of governance failure and lack of transparency. A narrow focus on the construction sector will miss the key issue: the deep and systemic **governance failure** over at least a decade, which has allowed corruption to go unchecked.

This governance failure is even more acute given that since 2010 Victoria has been required by law to develop an integrated land use and transport plan. Instead, we have major developments without a proper land use planning process. We have transport projects, but no plan — the Big Build **is** the plan.

Our key concern is that the transport and land use planning process has been captured by political and commercial interests at the expense of the public interest. It will remain vulnerable to capture regardless of the party and individuals in government unless governance processes are strengthened.

In addition to the construction industry, we propose that the Royal Commission should investigate:

1. Whether the governance process for major projects meet legislative requirements in terms of integrated planning, transparency and business cases.[1]
2. The role of major consultancies, transport and construction companies and the property industry in the design and management of major projects and whether this has eroded transparency and integrity.
3. Whether a lack of proper governance has led to conflicts of interest and the exercise of undue influence.
4. What are the main cost increases in major projects, and where does the money go?
5. Whether the public service provided robust, reliable and impartial advice to the government on investment priorities, commercial arrangements, the design of major projects, the strategic fit with national and state policy, and the public benefit of proposed expenditure.

We propose that the Royal Commission should examine the multiple reports of governance failings from the Ombudsman[2], Auditor General[3] and others, and the extent to which these were acted on.

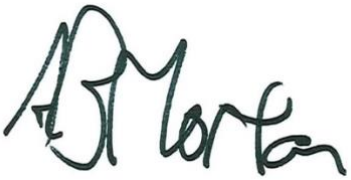
We propose also that the Royal Commission should consider the increasing evidence of poor investment decisions and their lack of transparency.

[1] Transport Integration Act 2010, and 2021 VAGO report Integrated Transport Planning
[2] Ombudsman 2023, Alleged politicisation of the public sector
[3] e.g. VAGO 2023, Quality of major transport infrastructure project business cases

These proposed Terms of Reference assume that the government will increase the powers for IBAC to include 'follow the dollar' and the conduct of politicians and public servants, as an urgent action before the November election, and that any IBAC investigation into corruption and the Big Build will be co-ordinated with the work of the Royal Commission.

We look forward to working closely with you on restoring integrity to Victoria's governance.

Yours sincerely,



Anthony Morton, President
Public Transport Users Association

John Hearsch OAM, President

Rail Futures Institute

Glenys Romanes AM

Chair, Victorian Transport Action Group

Emeritus Professor Michael Buxton

Charter 29

[1] https://www.legislation.vic.gov.au/in-force/acts/transport-integration-act-2010/091
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