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Page 1 of 1

# Drilling down on infrastructure cost

**Benjamin Preiss**  
State political reporter

Is it possible to measure the value for money we get for the billions that governments spend on infrastructure projects?

While Victoria has embarked on a massive infrastructure binge, soaring costs appear to be the norm for new rail and road endeavours at home and around the world.

How can we know if multibillion-dollar projects, particularly those that dramatically overshoot their budgets, are worth the cost to taxpayers?

One Australian academic believes he can help answer these questions after developing a score card to guide big-spending governments and major corporations that build public services.

Queensland University of Technology infrastructure procurement expert Adrian Bridge has created a “value rating tool” that drills into the granular details of new schools to measure whether they are performing to expectations and delivering real value.

“That’s important because up until now we’ve had nothing as comprehensive as that anywhere in the world,” he said.

Associate Professor Bridge be-

lieves the same model could be applied to other new projects, including roads or rail lines.

His work has caught the attention of the International Transport Forum, a division of the Organisation for Economic Co-operation and Development, which sees its potential to deliver better transport projects.

Building new infrastructure is notoriously vulnerable to cost overruns. Early construction works have already blown out by \$150 million on the \$11 billion Melbourne Metro Rail project. However, *The Age* has reported that sources close to the project

believe it may already have exceeded its budget by \$2 billion.

That figure is dwarfed by overseas examples such as New York’s East Side Access rail line that was originally proposed to cost \$2.2 billion in the 1990s but is now expected to surpass \$12 billion.

It is hoped Associate Professor Bridge’s tool, which is a collaboration with the Melbourne and NSW universities, will help avoid galloping costs in the planning stage of major projects. His model delves into the finance, design, construction, operation and maintenance to date of new schools. It provides a score out of seven and allows com-

parisons to see how projects stack up against each other.

The association of national road authorities, Austroads, confirmed it is also collaborating with QUT to apply the value-rating tool to roads across the nation.

The International Transport Forum (ITF) project manager, Dejan Makovsek, told *The Age* at the ITF’s annual forum in Leipzig that more competition from international bidders to build infrastructure in Australia could also help bring down costs for major projects.

Benjamin Preiss travelled to Leipzig as a guest of the OECD.