

**PUBLIC ACCOUNTS COMMITTEE (PAC)**

**5<sup>th</sup> EXAMINATION OF THE AUDITOR -GENERAL'S PERFORMANCE AUDIT  
REPORTS OCTOBER 2016 - MAY 2017**

**Responses to Questions on Notice  
Hearing – 17 September 2018**

**Mr RYAN PARK:** Given that this is, I assume, going to be a protracted dispute, how much money to date have we spent on legal fees?

**Ms PRENDERGAST:** We would have to take that on notice.

**Mr TROUGHTON:** We will take that on notice.

**Response:**

Financial statements are available in agency annual reports.

**Mr RYAN PARK:** Who gave the Premier the advice that the extra \$500 million was due to customer service improvements?

**Mr TROUGHTON:** I would have to take that on notice. I was not with transport at the time.

**Response:**

The revised project costs arose from further refinement of the business case, and amendments to scope and anticipated planning modification through the tender process.

The anticipated planning modification at this time included improvements such as increased capacity, removal of overhead wires north of Town Hall, better road network integration from longer vehicles running at reduced frequency, and a change to the Alison Road alignment and stop location west of Darley Road.

**The CHAIR:** How frequently is the quantitative risk analysis updated?

**Mr TROUGHTON:** I will have to take on notice when the exact updates were done.

**The CHAIR:** When was the last time those statements and analyses were made available to the advisory board.

**Mr TROUGHTON:** I will have to take on notice to get that date.

**Response:**

The Quantitative Risk Analysis is updated as necessary each month..

The last Advisory Board meeting (before the hearing) was on 13 June 2018.

**The CHAIR:** Were any actions taken regarding risk mitigation following the most recent meetings?

**Mr TROUGHTON:** I will have to take that on notice because I did not attend the most recent one.

**Response:**

No actions arose from the Audit and Risk Committee meeting in June 2018...

**Mr RYAN PARK:** Mr Troughton, you were saying earlier that 2.1 covers all of the modifications. How many modifications are there?

**Mr TROUGHTON:** I will tell you the exact number on notice, but I think it is around 45.

**Mr RYAN PARK:** Are they considered major, minor?

**Mr TROUGHTON:** Some are minor, some are major, depending on your view. Certainly a lot of these were taken in the early days of the project, so there have been very few modifications, if any, over the last year.

**Mr RYAN PARK:** How many would have occurred over the last year, roughly?

**Mr TROUGHTON:** I will take that on notice.

**Response:**

Modifications and claims on large infrastructure projects are anticipated and are business as usual. These matters are managed in accordance with the Sydney Light Rail Deed (SLR Project Deed).

Any commercial arrangements with ALTRAC Light Rail are managed with strictest confidentiality under the SLR Project Deed.

**Mr TROUGHTON:** All our projects over a certain value—we still do a lot of internal assurance on our small projects ourselves. That is part of our process, not Government's process internally.

**The CHAIR:** That is up to how much in value?

**Mr TROUGHTON:** I think it is only over \$100 million in value or of significant risk. That is the tendency. We will take it on notice to confirm.

**Response:**

In December 2014, Infrastructure NSW (INSW) took over project assurance for all major projects, including for transport projects.

INSW's Infrastructure Investor Assurance framework applies to capital projects with a value of \$10 million and above, being developed or delivered by Government. Transport for NSW complies with INSW's Infrastructure Investor Assurance framework for all major projects, and has an assurance framework in place for all other projects.