

**PUBLIC ACCOUNTS COMMITTEE - ACCOUNTABILITY MEASURES FOR DECISION-MAKING FOR THE DELIVERY OF MAJOR INFRASTRUCTURE, CONTRACTING OF PUBLIC SERVICES AND/OR THE PRIVATISATION OF PUBLIC ASSETS IN NSW**

Response to questions on notice taken by the New South Wales Auditor-General.

Question 1

**Ms JENNY LEONG:** With the operational committee, obviously in terms of the public awareness of the cost blowout and the time blowout that happened later, did you get the sense that there was, within that operational committee or some other kind of committee structure, an awareness of that between the agencies and the Telco and others involved?

**CLAUDIA MIGOTTO:** In terms of the cost blowout?

**Ms JENNY LEONG:** And the time line blowout. Because obviously we've heard the direct impacts on people on the ground offering these services because of the time blowout. I wonder how much our emergency service agencies were involved and aware of the fact that there was a significant delay in terms of the delivery of this project.

**CLAUDIA MIGOTTO:** I might need to take on notice the question around how well emergency services agencies were aware. We certainly provide some information in the report about advice that was provided at particular stages to Cabinet around the iterations of the business case and the transparency to government and within the budget papers around the incremental increases to the cost through that process. But I could come back to you—

**Ms JENNY LEONG:** Thank you. I'd appreciate that.

**CLAUDIA MIGOTTO:** —on the emergency services agencies

Response

The audit found that the Government was aware of the increasing capital cost of the program, as well as the delays to its schedule (page 32 of the audit report).

However, the audit did not make findings about when individual emergency services agencies were informed of cost increases or scheduling delays.

As a general observation, the audit found that the NSW Telco Authority has established a comprehensive governance structure for collaborative decision making with emergency services organisations on key strategic and operational issues (pages 6, 29-30). At the apex of this structure is the Program Steering Committee, one function of which is to “advise on action required to resolve escalations impacting the Program and its ability to deliver to the agreed scope, schedule and benefits” (page 30).

However, the NSW Telco Authority's own customer survey results indicate that there is scope for improvement on how this governance structure operates (page 30). The failure to adequately communicate the de-scoping of the refresh of the paging network was an early program failure by the NSW Telco Authority to communicate about the delivery of the CCEP (page 34).

Question 2

**Dr DAVID SALIBA:** In terms of that business case, how long did it take to draft? How long did that take? What were the time pressures to get that out as soon as possible?

**CLAUDIA MIGOTTO:** I'm not sure that we call out that it was drafted rapidly. I could take that on notice. But certainly there were several iterations of that business case over time as well.

Response

The audit made no findings about the time taken to draft any of the business cases.

This is a question best answered by the NSW Telco Authority.

### Question 3

**Dr DAVID SALIBA:** Is it possible to get on notice any information, if you have that—we'll probably ask the Telco for it anyway. That business case, it seems to be crunching on that.

**CLAUDIA MIGOTTO:** Sorry, just to clarify your question there, how long it took to develop the business case?

**Dr DAVID SALIBA:** Yes, how long it took and where did the approvals come from?

**CLAUDIA MIGOTTO:** I can take that on notice. But I flag that I think the information that we have on that is probably as outlined in the report. We report that Telco Authority submitted the business case. We don't really report any significant sort of expediting of that case.

### Response

The audit made no findings about the time taken to draft any of the business cases or the nature of the approval for any business cases.

This is a question best answered by the NSW Telco Authority.

### Question 4

**Dr DAVID SALIBA:** Was that in some form of risk management plan you saw in relation to this? Say the business case would have been drafted, there would have been a risk management plan—

**CLAUDIA MIGOTTO:** I think it was a consideration of the project governance committee. I'll take on notice if we can come back with more specific information about how that was actually articulated, if that's okay?

### Response

The audit made no findings about whether any of the CCEP business cases were accompanied by a risk management plan.

This is a question best answered by the NSW Telco Authority.