

INSW QUESTIONS ON NOTICE**QoN 1.**

Dr DAVID SALIBA: On that, then, from 2016 to 2020, there were a couple of businesses cases done. I'd imagine there would have been a couple of reviews conducted too. I'm correct in saying that these were outsourced to the private sector. There will be a cost associated with that, no doubt. I have two questions. Do you know who drafted the business case? Was that outsourced or not?

TOM GELLIBRAND: I'll have to take that on notice.

RESPONSE:

This is a matter for the NSW Telco Authority.

QoN 2.

Dr DAVID SALIBA: The question I'm trying to go down to is, if it was outsourced, were the same people who conducted the initial business case or the follow-up business cases reviewing the projects.

TOM GELLIBRAND: I'd be 100 per cent sure that that wouldn't be the case, but because I don't have the facts before me, I'll say I'm 99 per cent sure and take it on notice. That is absolutely critical. The outsourcing that you refer to in terms of business does happen from time to time, but we never outsource assurance. INSW definitely owns the assurance process. It's just that we use non-public servants to assist us with our review.

RESPONSE:

None of the investor assurance reviewers engaged across the multiple reviews had previously worked for the project or business case development, or went on to work on the project or business case. Conflicts are carefully checked with potential reviewers before they are engaged for a review and participation in a review precludes future project involvement.

QoN 3.

Ms JENNY LEONG: If there are 17 assurances that have occurred on the CCEP so far, does that mean that, if you have two panel members independently looking at each of these stages, we're talking about the same two people for this specific project? Or are we talking in the order of 20 to 30 individuals who have been looking at this and reviewing it since the initial business case? And at what point did someone flag that we were to this level of cost and time blowout? At what number of individual panelists did someone flag or alert some concern around the delivery of this program?

TOM GELLIBRAND: In terms of the actual number of reviewers who would have been involved in the assurance of the 17, I'd have to take that on notice. It's a question I would like to be able to answer for the panel. But it would definitely be more than the two or three, and it could be, as you say, 10 or more. We'll take that on notice. The second element of your question is, as I understand it, as we have gone through our review process, at what time did we become concerned with the performance of the project. I think we might be able to answer that generally, but I'll take it on notice because I'm not familiar with the outcomes of those 17 reviews.

Ms JENNY LEONG: Maybe add this in, then, if you're taking it on notice. I will not put pressure on you to answer it now. If there were initial reviews done of the business case such that later it was found that the businesses case was not quite up to scratch, the concern is that if the same people are involved in providing those assurances, then the risk is that they are, in effect, assessing their own work initially of how well they assessed the business case to start with. What I'm concerned about is if it's a similar group of people throughout, then issues not picked up at the beginning may be things that you're less likely

to want to highlight later, because you were involved in the initial stages. I'm just keen to know how that process works in terms of the individual panelists and the role of infrastructure NSW. If it wasn't identified early on that the scope of the business case wasn't accurate and that the details weren't there, but they've been allowed to move to the next stages of the project with support, how do we ensure that people aren't providing protection to their potentially bad calls at the beginning.

TOM GELLIBRAND: Okay.

RESPONSE:

Across the 17 reviews, 15 individual reviewers have been engaged to review teams. Each review team had 3 or 4 individual reviewers.

QoN 4.

Mr ANTHONY ROBERTS: To the point that you made, I think this is critical that we need to go back to the original source document or the business case where you had \$400 million. Why did they get it so wrong? Having been in that Cabinet meeting at the time and not speaking outside of Cabinet, can I say that the questions would have been raised if we were talking about the figures now. Quite often agencies, in my experience, to get government on the hook, will cook the books. Once you're on the hook, it's easy sailing. You just go back for more money. The government doesn't want to see something fail. Did this come with a P50 or a P90 or a P5? It sounds more like the \$400 million—probability would have been at like 0.1 per cent of actually delivering it on \$400 million. Where was the failure in the system not to pick up what is obviously a major underestimate of the cost of the project?

TOM GELLIBRAND: I think I have to take that question on notice.

RESPONSE:

This is a matter for the NSW Telco Authority.

QoN 5.

The CHAIR: I'm just conscious of time. This session was originally scheduled for 30 minutes. Why don't we move on from this particular line of questioning? I had another, very specific question. In 2019 Infrastructure NSW recommended that the NSW Telco Authority conduct a stocktake of costs, such as Stay Safe Keep Operational Program costs, so that the whole-of-government cost impact was available. Are you aware at all of the status of that recommendation, whether it was acted on?

TOM GELLIBRAND: I'd have to take it on notice.

RESPONSE:

The CCEP was subject to a Gate 2 review in October 2020. The recommendation referenced was adequately addressed in the 2020 business case.