

**Submission
No 3**

**FOLLOW UP OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDITS APRIL 2011 - SEPTEMBER
2011**

Organisation: Barangaroo Delivery Authority
Name: Mr John Tabart
Position: CEO
Date Received: 16/11/2012

13 November 2012

Barangaroo

Jonathan O'Dea MP Chair
Legislative Assembly
Public Accounts Committee
Parliament of New South Wales
Macquarie Street
Sydney NSW 2000

Dear Mr O'Dea

Auditor General's report on: Government Expenditure and Transport Planning in Relation to Implementing Barangaroo

As per your letter dated 28 September 2012, attached is a table with the Authority's response to the Auditor General's report.

If you have any questions, do not hesitate to give me a call.

Yours sincerely



John Tabart
CEO

Recommendation	Accepted or Rejected	Actions to be Taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
1. Enhance monitoring and reporting of the financial forecast and actively manage costs.	Accepted	As the project enters its construction stage, the Authority should improve its systems to enhance the rigour and monitoring of the project's financial forecast to ensure value for money and a potential surplus for government. This should include a rolling update of the financial forecast and more regular reporting to Treasury.	Already adopted	<p>The Authority regularly and rigorously reviews and monitors actual and forecast project revenues and expenditures. Regularly reports and meetings are held with Treasury to provide updates as necessary.</p> <p>Independent reviews to manage the financial forecast process and costs are in place and include the engagement of independent Valuers, Quantity Surveyors and other experts.</p>	Finance
2. Disclosure of financial forecast figures.	Accepted	The Authority should continue to ensure ongoing disclosure of financial information currently withheld for commercial reasons. This will enable the Authority to continue to comply with the provisions of the Government Information (Public Access) Act 2009	Already adopted	<p>The Authority is committed to and continues to provide the community with maximum disclosure whilst maintaining its obligations to protect commercially sensitive and confidential information.</p> <p>The Authority adheres to the Government Information (Public Access) Act 2009. The Information Commissioner recently reviewed the Authority's compliance with the GIPA Act, in response to a Access application an Commissioner commended the Authority for proactively disclosing information on its website , and commended it on the amount of information it has disclosed.</p>	Finance/Legal/Community and Public Relations

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3. Greater consistency of project costing for major and high risk projects.	Already Adopted	NSW Treasury should consider the wider application across the public sector of the P90 approach to calculating the cost of major and high risk construction projects. The P90 allowance is included in the project base cost and provides a 90 per cent change that the forecast project cost will not be exceeded. In the case of these projects, a contingency can be added for uncertainties in the design, planning and delivery stages, which is revised during the procurement process.	On going	The Authority has and continues to adopt the NSW Treasury methodology using a P90 contingency for major project business cases for NSW Treasury as carried out for Headland Park and the Cruise Passenger Terminal.	Finance/ Development
4. Focus on implementing planned transport initiatives.	Accepted	Co-ordinated action is required to ensure that transport plans are put in place in time to meet the needs of Barangaroo commuters. The Department of Transport needs to provide full and frank advice to government on the implications of any delay or change of plan.	Already adopted	<p>The integration of transport services and infrastructure to, from and within Barangaroo continued to be the subject of discussions and planning amongst City of Sydney, NSW Government agencies , including TfNSW, and the Barangaroo South developer.</p> <p>The Authority is working closely with Transport for NSW in progressing the actions outlined in the Barangaroo Integrated Transport Plan, released in August 2012.</p> <p>The Authority is a key participant in the project governance of the Wynyard Walk project and facilitates regular interface between the TfNSW and Lend Lease to ensure co-ordinated delivery with Barangaroo.</p>	Development

Recommendation	Accepted or Rejected	Actions to be Taken	Due Date	Status (completed, on track, delayed) and Comment	Responsibility (section of agency responsible for implementation)
5. Full advice on the impact of changing transport priorities.	Accepted	The Department of Transport's advice on how changing transport priorities may affect Barangaroo should include an assessment of options in terms of risks and consequences, including potential financial and economic impacts of decisions.	Already adopted	<p>The Barangaroo Integrated Transport Plan is to be coordinated with the development of the broader strategies and action plans in the NSW Long Term Masterplan which was released in October 2013.</p> <p>The Authority continues to work closely with the Department of Transport with regular high level planning and implementation meetings.</p>	Development