

**Submission
No 5**

**EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT
REPORTS AUGUST 2018 - JANUARY 2019**

Organisation: Transport for NSW

Date Received: 6 December 2019



Transport
for NSW

Mr Greg Piper MP
Chair
Legislative Assembly Public Accounts Committee
pac@parliament.nsw.gov.au

Dear Chair

Thank you for correspondence of 11 November 2019, requesting that Transport for NSW provide the Public Accounts Committee with its response to the recommendations identified in the Auditor-General's Report on the *Newcastle Urban Transformation and Transport Program*, tabled 12 December 2018.

The Newcastle Urban Transformation and Transport Program is revitalising the Newcastle city centre. The Program is led by the Hunter and Central Coast Development Corporation with Transport for NSW (TfNSW) delivering the transport components.

I note that recommendations five and six are directed to the Hunter and Central Coast Development Corporation, while one to four are for all NSW Government agencies. TfNSW's responses to recommendations one to four are from its perspective only and not on behalf of other NSW Government agencies.

TfNSW agrees in principle with the Auditor-General's recommendations and has taken appropriate action in updating the organisation's business case development guidance so they are in accordance with those recommendations.

The status of each recommendation is outlined in the enclosed table.

If the Committee members require any further information, [REDACTED]

[REDACTED]

Yours sincerely

A handwritten signature in black ink, appearing to read "R. Staples".

Rodd Staples
Secretary

6/12/2019

IMPLEMENTATION OF RECOMMENDATIONS
Transport for NSW (TfNSW)

Newcastle Urban Transformation and Transport Program – TfNSW Response to Audit Recommendations

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)	
1	Support economical decision-making on infrastructure projects by:					
1a	Providing balanced advice to decision makers on the benefits and risks of large infrastructure investments at all stages of the decision-making process.	ACCEPTED	All major infrastructure projects managed by TfNSW are delivered in accordance with the NSW Treasury Gateway policy, and subject to regular, detailed and independent review, by Infrastructure NSW (INSW). This includes regular reporting to the Government on the delivery status of projects from project inception to completion.	March 2020	Completed – in part. On Track – refresh of internal TfNSW Business Case Policy, Business Case Guide and Templates to be completed by March 2020.	TfNSW Evaluation and Assurance (internally) INSW (cross-government)
1b	Providing scope and cost estimates that are as accurate and complete as possible when initial funding decisions are being made.		<p>The policy and assurance processes place a strong emphasis on evaluating the strategic fit, costs, benefits and risks of all major infrastructure projects to support informed decision-making.</p> <p>Additionally, over the past 12 months, TfNSW has embarked on a process of refreshing our internal Business Case Policy, Business Case Guide and Templates.</p> <p>The refreshed policy and templates are being re-designed in consultation with key stakeholders across the cluster. The process is focusing on simplifying the documentation to ensure comprehension and compliance of key requirements.</p>			

RECOMMENDATION		ACCEPTED OR REJECTED	ACTIONS TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1c	Making business cases available to the public.	ACCEPTED in principle	<p>TfNSW discloses information in accordance with the <i>Government Information (Public Access) Act 2009</i> (GIPA Act).</p> <p>This includes the proactive release of information where appropriate, such as Business Case summaries, noting that the full Business Case for infrastructure projects may be subject to Cabinet-in-Confidence restrictions.</p>	N/A	Completed.	TfNSW Legal, Privacy & Information Access
2	Develop and implement a benefits management approach from the beginning of a program to ensure responsibility for defining benefits and measuring their achievement is clear.	ACCEPTED	<p>Benefits Realisation Management documentation and processes are developed at the beginning of projects and programs.</p> <p>This documentation is prepared in line with the <i>Transport Benefits Realisation Management Guidelines</i> and the <i>NSW Government Benefits Realisation Management Framework</i>, and is assured in accordance with the appropriate Gateway Assurance Coordination Framework.</p>	N/A	Completed.	<p>TfNSW Evaluation and Assurance (internally)</p> <p>INSW (cross-government)</p>
3	Consult with a wide range of stakeholders before major decisions are made and announced, and report publicly on the results and outcomes of consultations.	ACCEPTED	<p>It is a key requirement of the Business Case process that a Stakeholder Management Plan is developed.</p> <p>The Plan describes the approach by which Transport will engage with stakeholders, and includes a consultation plan.</p>	N/A	Completed.	<p>TfNSW Evaluation and Assurance (internally)</p> <p>INSW (cross-government)</p>

RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)	
4	Establish whole-of-government oversight early in the program to guide major decisions. This should include:					
4a	Agreeing on objectives and ensuring all agencies understand these.	ACCEPTED	INSW provides independent assurance of all major infrastructure projects, in accordance with the NSW Treasury Gateway Policy, for all government agencies.	N/A	Completed.	TfNSW Evaluation and Assurance (internally)
4b	Clearly defining roles and responsibilities for all agencies.		All TfNSW major infrastructure Business Cases address these assessment and mitigation strategies as part of the gateway assurance process. Business Case documentation includes a risk management strategy and plan, in addition to a Stakeholder Management Plan.			INSW (cross-government)
4c	Establishing whole-of-government coordination for the assessment and mitigation of the impact of major construction projects on businesses and the community.		<p>Additionally, during the delivery of major infrastructure projects that cut across multiple agencies, a Memorandum of Understanding is often used. These MOUs help to clearly define roles, responsibilities, and objectives during the project lifecycle.</p> <p>TfNSW also actively participates in the NSW Government Construction Leadership Group (CLG) with other agencies. The CLG was established to drive reform across government in the development procurement and delivery of infrastructure building projects.</p>			