

### Opening Statement

Rob Sharp, Secretary, Transport for NSW

Inquiry into the acquisition of land in relation to major transport projects

Tuesday 15 June 2021

- I acknowledge the Committee's invitation to appear as a witness today and appreciate the opportunity to outline Transport's position on the acquisition of the land at 4-6 Grand Avenue Camellia.
- Transport welcomes and accepts the findings of the Auditor-General in respect of the acquisition.
- I have charged Transport with implementing the recommendations directed to it by the end of this year. The majority of the Auditor-General's recommendations relate to TfNSW's acquisition policy and procedures.
- I have instructed work in response to these recommendations to commence immediately.
- One of Transport's actions in response is to bring in independent expertise to help address the deficiencies identified by the Auditor-General in the land acquisition policies and processes, and also to expedite the formulation of a single set of policies and procedures which govern acquisitions for all Transport projects.
- To ensure our processes reflect best practice, we will also obtain independent assurance and validate the efficacy of our improvement initiatives.
- I reiterate that the Auditor-General's findings are in respect of the efficient use of public resources and process.
- With respect to the recommendation of the Auditor-General for the conduct of an investigation, I am aware that this matter has been separately referred to the Independent Commission Against Corruption.

- I am advised that Transport did not identify information in 2019 which necessitated this matter being referred to ICAC. Following media reports the Minister is on the record as having referred this matter to ICAC. I support any investigation by ICAC to ensure that the matters may be finally resolved.
- Noting the Auditor-General's recommendation, ICAC's advice has been sought on what, if any, action Transport may take in respect of that recommendation.  
ICAC has requested that Transport not take any action at this stage until ICAC has had an opportunity to consider the matter and revert to Transport.
- To that end, I am not in a position today to provide a substantive response to the Committee's questions that go to the individuals involved in this matter nor to any investigation of conduct by ICAC.
- With the opportunities afforded by the integration of Transport and the former RMS, Transport's property functions have just undergone significant organisational transformation.
- In late 2020, the property teams from the legacy RMS and TfNSW organisations were brought together into the newly formed Infrastructure & Place division of TfNSW.
- This instigated a review of the Property team's roles, delegations, approaches, and practices with the aim of informing the organisational design for the new Property Services function within Infrastructure and Place.
- Its objectives included ensuring compliance with the legislation governing land acquisition compensation and government policy, meeting community expectations across NSW, providing an efficient property service for the expanding TfNSW capital program and providing role clarity for the newly integrated workforce.
- The review of the legacy teams demonstrated that there were different approaches which would need to be aligned to ensure consistency and also support compliance.
- A finalised organisational structure for the property function was determined in late 2020. A key element of the new structure worth highlighting is that the Property function was organised to reflect the lifecycle of property consisting of teams



responsible for scoping property required by TfNSW, including for projects, undertaking property acquisitions to access the required land for construction and operational purposes, and divestments.

- In addition Transport moved the management of property litigation and other complex legal matters out of the Property Services function and under the newly created Commercial Services team.
- This provides separation between the property function and those managing these complex matters, plus leveraging the commercial skill sets needed for these matters.
- A key component of the new structure is to ensure that there are branch-based roles coordinating with projects to define their property needs and then bring back to centralised 'centres of excellence' to undertake activities such as property acquisitions by the Land Access team.
- This means the scoping of required property remains close to the projects, but acquisition transactions are centralised to ensure consistency of approach and compliance with policies and procedures.
- A portfolio view can also be taken for activities such as the appointment of independent valuers, comparison of valuation approaches and valuations provided, and peer review of valuations.
- This is a shift away from the legacy TfNSW approach where project-based property teams deliver property services end-to-end. Property decisions are now less siloed within projects.
- As Secretary it is important I am assured that Transport has adequate and effective controls in place to manage risk in relation to land acquisitions.
- I've already described for you the work we are doing with respect to policies and procedures.
- In respect to assurance, the policies and procedures will articulate a robust standard of monitoring and compliance assurance, designed to give confidence that we are meeting our key obligations and risk is being managed effectively.

- The execution of a risk based compliance assurance program will complement the policies and procedures, and form part of the overall control environment.
- Together the actions I've described provide an important foundation for moving forward on this issue.