



The Hon. Andrew Constance MP
Minister for Transport and Roads



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17 May, 2021

Dear Mr Sharp,

Rob

I write to you regarding the NSW Auditor General's recent audit of Transport for NSW's Acquisition of 4-6 Grand Avenue, Camellia.

As you would be aware, following receipt by my Office of an internal audit previously undertaken by TfNSW regarding this acquisition, I, in November 2020, wrote to and met with the Auditor General of NSW, Ms Margaret Crawford, and requested she conduct an independent audit of the acquisition. At the same time, I separately referred the acquisition to the Independent Commission Against Corruption under section 11 of the *Independent Commission Against Corruption Act 1988*.

Ms Crawford has today briefed me on her findings and advised that TfNSW has also received a copy of her final report. Accordingly, I am writing to ask that you take all necessary steps to implement Ms Crawford's recommendations as soon as possible (no later than December 2021).

It is my view this is necessary to ensure ongoing public confidence in TfNSW's land acquisition processes and use of public resources. I ask that you complete this work as soon as possible and advise me of your determination in relation to this.

Yours sincerely

Andrew Constance

The Hon. Andrew Constance MP
Minister for Transport and Roads

17/5/21



28/05/2021

The Hon. Andrew Constance MP
Minister for Transport and Roads
GPO Box 5341
SYDNEY NSW 2001

Dear Minister,

I refer to your letter of 17 May 2021 regarding the New South Wales Auditor-General's Report – Performance Audit – Acquisition of 4-6 Grand Avenue Camellia tabled in Parliament on 18 May 2021.

This report is very concerning, and I am committed to addressing the findings and recommendations identified for Transport for NSW (TfNSW). I wanted to outline some of the key measures being undertaken below, with some of these actions commencing immediately.

To meet our commitment to have implemented the recommendations by 31 December 2021, I have tasked the Deputy Secretary, Infrastructure & Place, to prepare a management action plan for consideration by the Executive and TfNSW Audit & Risk Committee by mid-June. This plan will include a range of cluster wide initiatives and milestones to address the findings, and will be overseen by an executive-level steering committee. I will provide a copy of the plan to your office by 30 June 2021.

With regards to the Auditor-General's recommendation to conduct an independent investigation into potential maladministration, fraudulent activity or misconduct relating to the transaction, the Workplace Conduct & Investigations Unit is seeking clarification from the Independent Commission Against Corruption (ICAC) on the scope of work that we are authorised to undertake in parallel with its investigation. Following confirmation from the ICAC, an independent workplace investigator will be engaged.

The majority of the Auditor-General's recommendations relate to TfNSW's acquisition policy and procedures. I have instructed this work to commence immediately. TfNSW is currently finalising the engagement of Mr Mark Harrison, a highly experienced independent expert, to assist us in improving and streamlining the governance, management, processes and structures for the acquisition of property across the portfolio. To ensure our processes reflect best practice, Mr Harrison will also provide assurance over and validate the efficacy of the improvement initiatives within the management action plan.

An internal audit into residential and commercial property acquisitions for TfNSW's infrastructure projects was commissioned late last year. A total of 20 acquisitions undertaken between 1 November 2019 and 30 October 2020 were reviewed as part of this process. The draft report is currently being finalised and I will brief you on the key findings.

I am confident this program of work will rectify deficiencies identified in the Audit Office report and restore public confidence in TfNSW's property acquisition processes and I look forward to updating you further.

Yours sincerely,

Rob Sharp
Secretary