

17 September 2015

## **AUDITOR-GENERAL'S REPORT**

### **Albert 'Tibby' Cotter Walkway**

Today the Acting Auditor-General of New South Wales, Tony Whitfield, released a report on the Albert 'Tibby' Cotter Walkway which crosses over Anzac Parade in Moore Park. The Walkway's primary function is to cater for event patrons in the precinct. Moore Park is listed on the State Heritage Register and is an open space specifically established to cater for public recreation.

Roads and Maritime Services (RMS) delivered the Walkway to an extremely tight timeframe. It was operational for the 2015 Cricket World Cup at the Sydney Cricket Ground as promised by the government. However, the World Cup deadline added substantially to the total cost of the Walkway, which is projected to be \$38 million.

Transport for NSW and RMS could not provide evidence of a compelling economic or financial argument to support the construction of the Walkway or for the tight deadline. Also, the processes they adopted to provide assurance of the project's value for money were not adequate.

#### **Justification for the Walkway and the deadline was weak**

The preliminary business case for the project confirmed a service need and that a pedestrian bridge was the preferred solution. The cost estimate was deficient and the risks, scope and time needed for approvals were understated. A project of this nature would normally take 20 months, and this project had to be completed in 14 months. The original schedule for design and obtaining planning approvals was particularly ambitious.

RMS was working to the February 2015 World Cup deadline from December 2013. Yet the Sydney's Walking Future strategy of December 2013 indicated the Walkway would be built by 2017 and the NSW Long Term Transport Master Plan identified it as a medium to long-term priority. In February 2014 before the preliminary business case, the then Premier announced the February 2015 deadline. The reasons for the change in priority are not clear.

#### **Processes to assure value for money were deficient**

There was no final business case and no Gateway review as required by the government's project assurance system. RMS never clearly demonstrated that the Walkway should be built. It also did not clarify the extra cost required to meet the World Cup deadline or demonstrate it was worth paying.

#### **Key stakeholders were consulted**

RMS sought public comment on the Walkway design and took into account feedback in finalising the design. TfNSW/RMS consulted closely with key stakeholders throughout the design and construction phase, and responded to issues raised.

#### **The deadline was achieved but added substantially to the cost**

By extending an existing alliance with a highly experienced and qualified contractor, RMS accepted a cost premium to mitigate the risks associated with the tight timeframe.

The deadline meant that there could be no specific competitive tendering for the Walkway. It also led to development of a fall-back design, additional overtime, inefficient use of equipment and temporary works. The deadline also prevented concurrent delivery with the CBD and South East Light Rail project, which RMS thought would save millions of dollars.

RMS says the Heritage Council added \$10.6 million of the \$13 million increase from the preliminary business case estimate of \$25 million, but it is more appropriate to attribute the additional costs to the deadline and the compressed timetable.

## Several good governance practices, but some implementation shortcomings

RMS adopted several good governance practices for management of the alliance, including keeping the alliance at arms-length and using an independent cost estimator. However, there were some shortcomings in implementation.

## Further Information

For further information, please refer the report's Executive Summary or full report on the Audit Office website.

Alternatively, contact Barry Underwood, Executive Officer, on 9275 7220 or 0403 073 664;  
email: [barry.underwood@audit.nsw.gov.au](mailto:barry.underwood@audit.nsw.gov.au).