

10 March 2016

AUDITOR-GENERAL'S REPORT

Managing unsolicited proposals in New South Wales

Overall, the governance arrangements for unsolicited proposals are adequate. However, there needs to be greater transparency and public reporting on unsolicited proposals received by government, according to a report released today by the NSW Acting Auditor-General, Tony Whitfield.

"Unsolicited proposals warrant more disclosure as they pose a greater risk to value for money than procurements done through open, competitive and transparent processes," said Mr Whitfield. "This could include aggregate information about why proposals are declined, as well as more extensive information about proposals that have progressed beyond the preliminary and strategic assessment stages," he added.

"Additionally, the application of other government policies and processes (such as Gateway reviews) was unclear and I have recommended that this area of the NSW Government's Unsolicited Proposals: Guide be clarified," said Mr Whitfield.

The Department of Premier and Cabinet effectively coordinates unsolicited proposals through the support and advice it provides to agencies and proponents. Agencies generally have a good understanding of the process, but this could be improved across the NSW Government as a whole.

There is separation between the assessment and approval functions

There are mechanisms that separate the people who assess proposals and those who make recommendations to Cabinet. This separation is a key mechanism to protect impartiality in decision-making. There are also effective processes in place to ensure that potential conflicts of interest are managed appropriately and transparently.

Unsolicited proposals are relatively rare

Since the launch of the Guide in 2012, government has received 117 proposals, three have successfully completed the unsolicited proposal assessment process (worth a total value of over \$5 billion). Of the three successful proposals, two are in the process of being delivered (the NorthConnex motorway and the Crown Sydney Resort at Barangaroo).

NSW Government's Unsolicited Proposals: Guide

The NSW Government's 'Unsolicited Proposals: Guide for Submission and Assessment' was released in January 2012 to promote engagement with the private sector in developing and delivering new infrastructure and services. The Guide sets out the governance arrangements to support the assessment of unsolicited proposals from the private sector.

Further Information

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

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