
Appendix one – Response from agency



14/05/2021

Your ref: D2107663
Our Ref: LS21/03423

Ms Margaret Crawford
Auditor-General
Audit Office of NSW
GPO Box 12
SYDNEY NSW 2000

Dear Ms Crawford

Thank you for the opportunity to respond to the Performance Audit Report (the Report) on the acquisition of 4-6 Grand Avenue, Camellia.

Transport for NSW (TfNSW) has considered the Report and its findings and acknowledges the deficiencies in the management of this acquisition. Importantly, TfNSW also acknowledges a number of continuing risks that could undermine public confidence in the work of the agency.

TfNSW is committed to making the necessary changes to ensure its property acquisition program meets the community's expectations regarding integrity, rigour and value for money. I accept the Report's recommendations that are directed to the agency, and TfNSW will develop a program of work to address their implementation. This will be developed for TfNSW's June Audit & Risk Committee and provided to you by 30 June 2021.

Property acquisition is an essential but often complex and challenging component of the delivery of city-shaping infrastructure projects. These challenges are why we must strive to continuously assess and improve our policies and procedures.

While there remains work to be done, I am confident that TfNSW is already undertaking structural and governance changes to support this approach.

As part of the Evolving Transport organisational redesign, the former RMS and TfNSW property functions have been integrated into a single team structured to reflect the property lifecycle. A key change is to ensure that while the property team continues to work with project terms to define their land requirements, all other functions – including acquisitions, asset management and divestment – are undertaken centrally. This approach is less siloed, provides more transparency, and supports consistent compliance.

From a policy and procedure perspective, most of TfNSW's property acquisitions are currently undertaken in accordance with the legacy RMS suite of policies (as you have noted in the Report). This suite is underpinned by a more robust governance and due diligence framework and will form the basis of the improved policies that the agency is developing. Additionally, new training materials are being developed to ensure that staff have a clear understanding of relevant delegations, systems, policies and practices.

I look forward to updating you and Minister Constance on our implementation of the recommendations.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Sharp'.

Rob Sharp
Secretary

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