
Appendix one – Responses from agencies

Response from Infrastructure NSW



Ms Margaret Crawford
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Dear Margaret,

Performance Audit – WestConnex: Changes since 2014

Thank you for the opportunity to provide a formal response on this audit for inclusion in the final report to be tabled in Parliament.

I believe the recommendations outlined within the report can strengthen oversight and reporting on programs that consist of large complex projects. Infrastructure NSW has commenced work to enable program level assurance for programs that consist of large complex projects. Infrastructure NSW will consult with agencies to determine if and how total costs and benefits can be reported at the program level.

I would like to thank you for the professionalism of your audit team throughout this process and for the opportunity to contribute during the course of the audit.

Yours sincerely,

Simon Draper
Chief Executive Officer

8 June 2021

Response from Transport for NSW



Transport
for NSW

Your ref: D2108397/PA6648
Our Ref: A9542225

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

8 June 2021

Dear Ms Crawford

Performance Audit – WestConnex: Changes since 2014

Thank you for the opportunity to respond to the Performance Audit Report (**the Report**) on the WestConnex: changes since 2014.

Transport for NSW has considered the Report and its findings and is committed to ensuring it continues to assess the impact of scope changes on project objectives, costs and benefits for complex infrastructure projects.

Transport for NSW accepts the Auditor-General's recommendations and responds as follows:

- 1 a) Transport for NSW will continue to assess the impact of scope changes on project objectives, costs and benefits for complex infrastructure projects throughout the project lifecycle. Transport for NSW has a number of established governance processes and forums to assess and approve scope changes in line with Transport for NSW Delegation of Authority. Major infrastructure projects are subject to a range of Infrastructure NSW Gateway review processes which determine whether a project can progress to the next stage in the delivery, development or commissioning. Infrastructure for NSW (INSW) are also introducing a Capital Portfolio Health Check to ensure appropriate processes are being followed. Transport for NSW will continue to work with responsible NSW government assurance and funding authorities to ensure that projects comply with infrastructure assurance requirements.
- 1 b) Transport for NSW through existing governance arrangements will consult with NSW Treasury and the Department of Planning, Industry and Environment to ensure that Treasury requirements in relation to costs and benefits to meet consent conditions are clearly understood so that they can be captured in final costs and benefits for complex large infrastructure projects.
- 1 c) Fit for purpose structures were established for the development and delivery of WestConnex so the best mix of expertise, knowledge and market circumstances were culminated to address the complex challenges. This encompassed a mix of entities from public structures to private companies formed under the Corporations Act 2001 (Cth). Those entities were tailored to meet the project requirements during that stage of the project lifecycle and complied with all statutory reporting standards as well as record management practices. Transport for NSW acknowledges there is room for improving its record keeping, and since its amalgamation with Roads and Maritime Services, has taken measures to improve access to records and will continue to pursue best practice measures for records management. Transport for NSW is centralising its records functions, to ensure consistency across the department. An initiative to manage records where they are created ("Records Management in Place") will soon be launched, using standard terms for classification, and hence, easier identification. It will commence with protecting documents in Microsoft SharePoint and Teams. A parallel initiative to embed enterprise search capability will assist with finding

Transport for NSW

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records and documents across multiple repositories. In addition, Transport will develop and communicate standard file structures and naming conventions for managing of records for major projects. Transport will continue to comply with the obligations under the *State Records Act 1988*, including by storing records in Transport's records management systems which are State Records Act compliant.

For recommendations 2 and 3, Transport for NSW will be guided by any directions from the NSW Government and INSW.

Transport for NSW also notes that while the assurance requirements have changed during the life of the program, at each stage the WestConnex project has fully complied with all the assurance requirements of the external INSW process and its own internal assurance mechanisms. Transport for NSW will continue to comply with all assurance obligations on WestConnex and other infrastructure projects.

The WestConnex motorway project is critical city shaping infrastructure designed to keep Sydney moving by easing congestion, creating jobs and connecting communities. With links to the Sydney Gateway project, WestConnex improves the connectivity and competitiveness of Sydney's commerce from industrial and commercial locations around Greater Sydney, to our airports and sea ports precincts, improving the efficiency of freight and supporting long-term economic growth for NSW.

WestConnex has progressed in three stages, with the New M4 and M8 delivered under the program. Motorists, freight and communities are already benefiting from significant travel time savings since the opening of the first two stages of WestConnex. These include (average):

- o 35 minutes westbound from the CBD to Parramatta in afternoon peak (M4)
- o 15 minutes eastbound from Parramatta to the CBD in morning peak (M4)
- o 30 minutes Liverpool-CBD in morning and evening peaks (M8/M5 East)

Traffic along Parramatta Road has already been reduced by almost a third, along with a significant reduction in the number of heavy vehicles and trucks along Parramatta Road. By removing traffic from surface roads and local streets, WestConnex creates place making opportunities including the revitalisation of key shopping and recreation destinations such as along Parramatta Road, and around Sydney Park through the Parramatta Urban Renewal and Network Integration Programs, and the provision of more than 18 hectares of open space in the inner west, including the future Rozelle Parklands.

WestConnex also provides an integral platform to achieve the NSW Government's plan for growing Sydney in a way that is affordable for taxpayers. The Government's seed funding of WestConnex has de-risked the project and is in the public interest with a BCR of 1.88 as well as being on budget for delivery. Through the sale of 51 per cent of Sydney Motorway Corporation in August 2018, the NSW Government received \$9.26 billion, to fund the final stage of WestConnex. The sale of Government's remaining 49% of WestConnex forms part of the asset recycling program which allows Government to reinvest the proceeds to upgrade schools, hospitals, public transport and roads right across NSW.

If you have any further questions, Camilla Drover, Deputy Secretary Infrastructure and Place, would be pleased to take your call on [REDACTED]. I hope this has been of assistance.

Yours sincerely



Rob Sharp
Secretary

Transport for NSW

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