

INQUIRY INTO IMPACT OF THE WESTCONNEX PROJECT

Organisation: Audit Office of New South Wales

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The Director
Public Accountability Committee
Parliament House
Macquarie Street
SYDNEY NSW 2000

Contact: Barry Underwood
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Ref: D1814078

24 August 2018

Dear Director

I refer to the NSW Legislative Council's Public Accountability Committee - Inquiry into the impact of the WestConnex Project.

On 18 December 2014, the then Auditor-General published a performance audit report on *WestConnex: Assurance to the Government*. This report assessed how effectively project assurance processes were applied to WestConnex to provide independent assurance to Government and thus improve project development and delivery. The report made six recommendations, which were largely accepted by the agencies.

The Public Accounts Committee released a report 4/56 – March 2017, *Examination of Auditor-General's Performance Audit Reports, December 2014 – June 2015*. The WestConnex report was one of those examined and the Committee determined that the agencies concerned were fully implementing the Auditor-General's recommendations.

On 15 December 2017, I published a financial audit volume titled *Report on Transport 2017*. This report discussed the budget for the WestConnex project. The relevant detail from this report is:

Although TfNSW expect this project to be completed on schedule in mid-2023, there were two budget revisions since 2014. The project budget was increased to \$15.4 billion in May 2015 and a further increase of \$1.4 billion in October 2015 due to changes to the scope of work. Transport advises the changes include an extension of stage three to Anzac Bridge, Victoria Road and the future connection of the Western Harbour Tunnel and Beaches Link.

Major Transport projects

Projects	Original completion year	Forecast completion year	Original budget (\$)	Revised budget (\$)
WestConnex	2023	2023	14.9 billion*	16.8 billion
Sydney Metro Northwest	2019	2019	8.3 billion	8.3 billion
Sydney Metro City and Southwest	2024	2024	11.5 billion to 12.5 billion	11.5 billion to 12.5 billion

Recent Audit Office reports on other major infrastructure projects that may be relevant to this inquiry are:

- NorthConnex – released 8 June 2017
- Assessing Major development applications – released 19 January 2017
- CBD and South East Light Rail Project – released 30 November 2016
- Albert 'Tibby' Cotter Walkway – released 17 September 2015
- Large Construction Projects: Independent assurance – released 7 May 2015

The Audit Office publicises its Annual Work Program on the internet <https://www.audit.nsw.gov.au/audit-program>. We currently have WestConnex on our forward program, I expect to table this report in mid 2019.

Should you require further information, please contact Barry Underwood, Director, Auditor-General's Office on _____ or email _____

Yours sincerely

Margaret Crawford
Auditor-General of New South Wales