

DEPARTMENT OF INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND
COMMUNICATIONS
LEPPINGTON TRIANGLE LAND ACQUISITION ASSURANCE REVIEW
TERMS OF REFERENCE – OCTOBER 2020

Context

The Australian National Audit Office has recently published its performance audit entitled “Purchase of the ‘Leppington Triangle’ Land for the Future Development of Western Sydney Airport”. This report has been critical of aspects of the Department’s management of acquisition of the Leppington Triangle piece of land, including raising questions around the integrity of the Department and its officers in connection with the acquisition.

The Department has commissioned a review to provide insight into the circumstances of the acquisition of the Leppington Triangle parcel of land with a view to identifying lessons learned for future similar engagements.

Objective

The objective of this review is to provide clear documentation of how the acquisition of the “Leppington Triangle” parcel of land and the subsequent holding and management of the asset were handled, with specific (but not exclusive) focus on the valuation of the acquisition and the compliance with policy and good practice as well as the Australian Government’s standards of accountability.

The review has also provided recommendations to the Department on how to better manage similar transactions in the future.

Scope

The scope of the review included consideration of the following aspects of the acquisition:

- The management and implementation of an approved Acquisition Strategy
- The selection of a valuer for the Leppington Triangle
- The valuation of the Leppington Triangle
- The acquisition transaction
- Briefing and engagement with decision makers
- Management of probity
- Engagement with the Australian National Audit Office (ANAO)

Scope Extension

Following consideration of an initial draft report, the scope of the review was extended as follows:

- (a) Identify specific details of the interactions between the Department and the ANAO as part of the ANAO’s financial statement audit and performance audit activities related to the Leppington Triangle parcel of land. Considering both provision of information to the ANAO as well as response to advice or recommendations, this component of the review will identify opportunities to improve the management of the relationship with the ANAO in the conduct of audit activities.
- (b) Identify specific details (if any) of deviations of the final acquisition transaction process from the approved acquisition strategy and from the process defined by the *Lands Acquisition Act 1989*, and the root cause of any such deviations.

- (c) Identify specific details of the development of the October 2016 Acquisition Strategy, including advice provided by the Department of Finance and any other relevant agencies that led to the strategy to acquire the Leppington Triangle land well ahead of when it would be required to construct a second runway.
- (d) Identify specific details of the interactions between the Department and the Department of Finance (and any other relevant agencies) throughout the acquisition process, particularly in relation to the steps involved in complying with the Lands Acquisition Act 1989.

Approach

In order to deliver against the review scope and the scope extension, the review considered:

- documentation from the Department made available to the review (a full catalogue of all documentation made available is maintained by the audit team)
- interviews with relevant personnel within the Department
- interviews with relevant personnel from the ANAO
- interviews with relevant personnel from the Department of Finance