



Australian Government

**Department of Infrastructure, Transport,
Regional Development and Communications**

**Secretary
Simon Atkinson**

EC20-000564

Mrs Lucy Wicks MP
Chair
Joint Parliamentary Committee of Public Accounts and Audit
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Mrs Wicks

**Re: Governance in the stewardship of public resources: Inquiry into Auditor-General's
Reports 11, 31, 39 (2019-20) and 2 and 9 (2020-21)**

Thank you for the opportunity to make a submission to the above-mentioned Joint Committee on Public Accounts and Audit inquiry, which includes the consideration of the Auditor-General's Report No. 9 (2020-21) on the *Purchase of the 'Leppington Triangle' Land for the Future Development of Western Sydney Airport* (the Report).

The Department of Infrastructure, Transport, Regional Development and Communications (the Department) has accepted the Report's recommendations and is taking action to address shortcomings in processes and decision-making identified by the Australian National Audit Office (ANAO). The Department's response to the Report is outlined in further detail at Attachment A.

In my appearance before the Senate Rural and Regional Affairs and Transport Legislation Committee in October and November 2020, I advised that a number of independent investigation and review processes have been initiated to examine the circumstances and events related to the Leppington Triangle transaction in more detail. At the time of this submission, these processes are ongoing.

The Australian Federal Police is also conducting a separate ongoing investigation process and has advised the Department that any material that may prejudice this investigation should not be released while the investigation is underway.

My leadership team and I are committed to addressing all issues raised by the ANAO, with a comprehensive set of actions that goes beyond the recommendations of the Report, to ensure that the Government and the public have full confidence in the integrity of the Department and its ability to deliver.

I look forward to engaging further with the Committee once the above-mentioned investigations and reviews are completed and further information is available to be provided.

Yours sincerely



Simon Atkinson

29 January 2021

Encl.

Attachment A

**Department of Infrastructure, Transport, Regional Development and Communications:
Submission to the Joint Committee of Public Accounts and Audit Inquiry into
Auditor-General's Reports 11, 31, 39 (2019-20) and 2 and 9 (2020-21)**

The Department of Infrastructure, Transport, Regional Development and Communications (the Department) provides the following comments in relation to Performance Audit No. 9 (2020-21) on the *Purchase of the 'Leppington Triangle' Land for the Future Development of Western Sydney Airport* (the Report).

Response to the Report

The Department has formally accepted all three of the Report's recommendations, as outlined below and published at Appendix 1 of the Report.

Recommendation 1 - The Department prepare comprehensive and balanced written analysis on the benefits, costs and risks of proposals to spend public money.

Department response

Agreed. The Department has existing frameworks and guidance on the requirements associated with developing proposals to spend public money in accordance with the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Department will review and update existing material to ensure there is a clear requirement for comprehensive and balanced written analysis on the benefits, costs and risks to support proposals to spend public money, and particularly in regard to valuations and land acquisitions. All staff will be reminded of their responsibilities and updated guidance material will be made available to all staff and appropriate training provided.

Recommendation 2 - The Department put in place meeting and communication protocols for when staff engage directly with individual landowners, developers or similar parties with heightened probity risks. The protocols should: include guidelines regarding suitable venues; require the presence of at least two departmental representatives; and to require properly recorded minutes of meetings and conversations.

Department response

Agreed. The Department has established protocols on meeting with interested parties developed specifically for the Western Sydney Unit. The guidance is available to all staff. The Department will review the protocols to expand coverage to other areas of the Department.

These will include, at a minimum, guidelines regarding suitable venues; require the presence of at least two departmental representatives; and properly recorded minutes of meetings and conversations. Staff will be reminded of their responsibilities and appropriate training provided.

Recommendation 3 - The Department develop policies and procedures to govern its approach to obtaining purchase valuations.

Department response

Agreed. The Department will develop specific guidance materials on obtaining purchase valuations in consultation with the Department of Finance, to ensure that protocols are in line with operations of the *Lands Acquisition Act 1989* (LAA). All guidance material will be made available to staff and appropriate training provided.

To ensure that all issues raised by the ANAO are addressed, the Department has also initiated a number of independent investigation and review processes that go beyond the recommendations of the Report, including:

- commissioning an independent audit of the conduct of the Leppington Triangle transaction to identify any further areas for improvement, with key findings expected to be made public in due course;
- undertaking a separate culture and capability review to examine any underlying cultural and environmental factors in the former Western Sydney Unit that may have contributed to the findings and issues identified in the Report; and
- instigating independent investigation processes under the *Public Service Act 1999* in relation to allegations of unethical conduct by Departmental officers.

These processes were outlined at the Department's appearance before the Senate Rural and Regional Affairs and Transport Legislation Committee in October and November 2020 and are currently underway.

An Assurance Taskforce, reporting directly to the Secretary, has been established to coordinate and oversee the Department's response to the Report.