

OPENING STATEMENT:

**INQUIRY INTO COMMONWEALTH PROCUREMENT - ANAO AUDIT
REPORT NO.9 (2017-18) MANAGEMENT OF THE PRE-
CONSTRUCTION PHASE OF THE INLAND RAIL PROGRAMME**

MR JOHN FULLERTON, CHIEF EXECUTIVE OFFICER AND
MANAGING DIRECTOR
AUSTRALIAN RAIL TRACK CORPORATION

Thank you for the invitation to attend today's hearing and for the
opportunity to provide a submission to the committee.

I am accompanied by Mr Andrew Bishop, Chief Financial Officer and
Mr Peter Winder, Inland Rail Chief Executive Officer.

ARTC is a fundamental part of Australia's transport supply chain,
managing and maintaining an 8,500km rail network to support the
efficient and safe transit of people and freight.

Our company has a long and proud commitment to continuous
improvement and best practice. This is central to what we do and
underpins future success.

With this approach in mind, I welcome the ANAO's audit report on the
pre-construction phase of the Inland Rail Programme.

ARTC also accepts the three recommendations which relate to risk
management, records management and procurement practices.

As acknowledged by ARTC in the report, the key period of time covered
by the audit was impacted by an uncertainty around the delivery of the

programme – as ARTC was only formally acknowledged as the delivery agent for the entire project in May 2017. As such, this uncertainty resulted in early contracting and procurement challenges for the company.

Since the report, ARTC has worked hard and taken measurable steps to address all of the recommendations with progress monitored by ARTC's Executive and our Board. This progress is also reported to shareholders departments on a regular basis.

Some of the improvements include works to implement new systems for risk and records management and implementing improvements in our management principles as well as senior executive oversight of project governance. We have also focussed on addressing the broader cultural factors highlighted in the ANAO report. We see this essential to implementing sustained and lasting change as we introduce further system enhancements to support best practice. Education and appropriate training will support this across the organisation.

I would like to thank the Auditor-General and his team for their work. The recommendations have provided our organisation with valuable lessons and opportunities to improve.

We are happy to take any questions the Committee may have.