

Questions on Notice

The Hon. DANIEL MOOKHEY: In your report you make references to some people you did interview as part of the audit. One of them is the Deputy Secretary, Infrastructure and Place. Who else did you interview in this audit?

Ms CRAWFORD: We do have a list. Will I defer to Ms Migotto?

Ms MIGOTTO: We interviewed multiple members of staff who were involved at the time who remain within Transport for NSW. We could, for the reasons that have been explained, not necessarily interview people who have left Transport for NSW who were involved in the transaction—project directors; the Deputy Secretary, Infrastructure and Place as you have noted; other staff involved. We can provide a specific full list.

The Hon. DANIEL MOOKHEY: On notice, could you provide the full list?

Ms MIGOTTO: Sure.

List of people interviewed during the audit

- Beverly Magpayo - Acting Director Property, Commercial, Performance and Strategic, Infrastructure and Place
- Mark Paige - Internal legal counsel for acquisition
- John Fisher - Director of Asset Maintenance
- Ethan Nguyen - A/Director Audit and Corruption
- May Ly - Acquisitions Manager
- Clare Gardiner-Barnes - former Deputy Secretary, Freight Strategy and Planning and FIC member
- Liam Hannan - Acquisition Manager
- Dierdre Stewart - Property Acquisition Manager
- Matthew McKibbin - Director, Transit Network (2016)
- Carol Baker - External Legal Counsel for TfNSW (at Schwaab in 2016)
- Michael Ellacott - Associate Director, Risk and Assurance
- Tim Poole - former Project Director, Parramatta Light Rail
- Hadi Khairuddin - former Environment and Planning Manager
- Louisa Sureda - former Director, Planning and Environmental Service
- Peter Regan -Deputy Secretary, Infrastructure and Place (and former Deputy Secretary, Finance and Investment in 2016)
- John Karaboulis - former Acting Deputy Secretary, Infrastructure and Services
- Billbergia

The Hon. DANIEL MOOKHEY: Have you ever seen any agency approve the acquisition of a site worth \$50 million or have you seen any agency approve expenditure of more than \$50 million via a reply-all email chain?

Ms CRAWFORD: I could not comment on that. I would have to take that on notice and look at the records

We cannot recall any email approvals for expenditure of that amount for the acquisition of a site.

The normal process would be for a proposal to be supported by an approved business case and ultimately the purchase would be in accordance with a procurement policy and approved by a delegated officer.

The Hon. DANIEL MOOKHEY: Had they been present, he or she would have had authority? Is that fair?

Ms CRAWFORD: At that level, that position would normally have that delegation, yes.

The Hon. DANIEL MOOKHEY: To be able to execute a \$50 million?

Ms CRAWFORD: Yes.

The Hon. DANIEL MOOKHEY: They would have had a notification requirement, though, of the leadership or the executive of Transport for NSW?

Ms CRAWFORD: I do not know.

Ms MIGOTTO: On the latter point, we will take that on notice, but we do comment in the report that that would have been within their delegation had a funding stream—

The Hon. DANIEL MOOKHEY: Had the conditions precedent been met.

Ms MIGOTTO: —already been approved.

Ms CRAWFORD: Yes.

There are several standard reporting and notification mechanisms that track project spending in TfNSW that are seen by the TfNSW executive. These reporting mechanisms are designed to report actual expenditure against budget, but the amount of executive visibility of individual transactions (such as land acquisitions) can vary.

The Hon. DANIEL MOOKHEY: You say that in late March 2019, following media inquiries, a meeting is called to discuss the next steps. Do you know who called that meeting?

Ms MIGOTTO: We named the people involved in that meeting.

The Hon. DANIEL MOOKHEY: But do you know who called it—who initiated the meeting?

Ms MIGOTTO: I am not sure that we do. We will take that one on notice.

The email discussion was initiated by Claire Hodge, then General Counsel for TfNSW on behalf of Peter Regan, then Deputy Secretary, Infrastructure and Place.

The Hon. DANIEL MOOKHEY: Do you know who was leading that discussion or who initiated that discussion?

Mr GOODWIN: I will take that on notice but I believe it was the Director of Audit and Risk.

The Hon. DANIEL MOOKHEY: Is it possible on notice we can get that email? Are you able to produce that for us or not?

Mr GOODWIN: Correction. Sorry, it was the general counsel.

The Hon. DANIEL MOOKHEY: Judging by your reaction, Auditor-General, I might not press that.

Ms CRAWFORD: Normally we would not provide anything beyond this report. The rest is in our audit files and we keep them tight.

The Hon. DANIEL MOOKHEY: You can't blame me for asking

As above, the discussion was initiated by Claire Hodge, former General Counsel for TfNSW on behalf of Peter Regan, then Deputy Secretary, Infrastructure and Place.

The Hon. DANIEL MOOKHEY: If you just go down to the last paragraph—or the penultimate paragraph of that page, it says:

On 24 October 2016, the independent valuer provided a draft of its formal valuation report to TfNSW. On 23 November 2016, TfNSW received the final formal valuation report.

Were there changes between the draft and the final version?

Ms MIGOTTO: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: It says:

TfNSW had instructed the valuer to

Conduct a market valuation on an 'as is' basis – with market value based on the methodology described in the Act. This approach valued the site at \$25.0 million.

But then it says:

Conduct a second market valuation, made on a speculative development basis ... This approach valued the site at \$52.0 million.

This, to be fair, according to the report that I just tabled, is clear. Was that instruction given by Transport between the draft report and the final report or was that always in the draft report?

Ms MIGOTTO: I believe it was the instruction given at the commencement of the engagement. I can confirm that on notice.

The Hon. DANIEL MOOKHEY: You can confirm that on notice?

Ms MIGOTTO: Yes.

The Hon. DANIEL MOOKHEY: You say:

- Disregard any known or unknown site contamination for both valuations.

That was also an instruction given.

Ms MIGOTTO: Confirming it was at the commencement of the engagement. Those instructions were provided.

The valuation outcomes provided by Colliers are the same in the draft (October 2016) and final (November 2016) valuation reports.

The draft report states the “date of valuation” as 19 May 2016 and notes that the date of inspection was 8 June 2016. The final report uses 8 July 2016 as both the date of valuation and the date of inspection.

With regards to any change in instructions: both the draft and final valuation reports note that the valuer was provided instructions to disregard the effect of existing site contamination.