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The Honourable Michelle Roberts MLA
Speaker of the Legislative Assembly
Parliament House
4 Harvest Terrace
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Dear Speaker

ERRATUM - 2023 TRANSPARENCY REPORT: MAJOR PROJECTS (Report 6: 2023-24)

On 4 October 2023 the Office of the Auditor General presented the *2023 Transparency Report: Major Projects* for tabling in Parliament.

It has come to my attention that it contains a factual inaccuracy. I therefore seek to table a replacement page to be updated in the tabled paper and on the Parliament's website.

ERRATUM

On page 5, we request the removal of the paragraph:

'Since our previous report, Infrastructure WA has also commenced operations. For major infrastructure projects costing \$100 million or more, entities should submit their proposals to Infrastructure WA. I have also recommended all State entities seek Infrastructure WA's advice and assistance when preparing their infrastructure strategies, plans and policies. This will allow Infrastructure WA to provide independent advice to the Premier as required by the *Infrastructure Western Australia Act 2019*. The advice aims to ensure projects align with Government's objectives and costings are well-informed prior to an investment decision being approved and announced.'

To be replaced with:

'Since January 2022, entities have been required to submit their proposals for major infrastructure projects costing \$100 million or more to Infrastructure WA. This allows Infrastructure WA to provide independent advice to the Premier as required by the *Infrastructure Western Australia Act 2019*. Infrastructure WA advice aims to ensure projects align with Government's objectives and costings are well-informed prior to an investment decision being approved and announced. I have also recommended all State entities seek Infrastructure WA's advice and assistance when preparing their infrastructure strategies, plans and policies.'

END OF ERRATUM



Please find attached a replacement of page 5. I have also sent a copy of this letter and the replacement page to the Clerk of the Legislative Assembly.

Thank you for your assistance

Yours faithfully

A handwritten signature in purple ink that reads "Labuschagne".

SANDRA LABUSCHAGNE
ACTING AUDITOR GENERAL
4 October 2023

cc: Clerk of the Legislative Assembly

Auditor General's overview

Investment in major assets not only supports the State's economic development but also its social wellbeing by ensuring delivery of infrastructure and services keeps pace with our growing community. The WA Government's current investment in assets is significant, with \$10.4 billion allocated for 2023-24 and \$39 billion over the four Budget outyears. This includes investment in various rail, road and transport projects; new and upgraded hospitals, schools, prisons and other community facilities; and clean energy projects focused on climate action.



The planning and delivery of these major infrastructure projects are specialised and complex. Changes to a project's scope, cost or time can significantly impact the timing of when services will be available to the community as well as government's strategic plans and budgets. Furthermore, once a project is underway, funding is not easily redirected to other emerging priorities.

This is my Office's third transparency report on major infrastructure projects since 2020. It reviewed 20 projects, many of which have been impacted by labour and supply shortages and constraints in the construction industry. The Government has responded by working with State entities to align the release of project works with industry's capacity to deliver and providing additional funding for unexpected price increases.

However, there has not yet been progress on our previous recommendations for regular and accessible public reporting on the cost and time performance of individual projects. Public information remains static and disparate, making it difficult to understand how projects are progressing and when the benefits they are designed to deliver will be available to the community.

This report includes a recommendation that the Department of Treasury (Treasury), as custodian of the Asset Investment Program data set, report to Parliament in a consolidated form on the cost, time and status of major projects. Such reporting would promote high levels of transparency and build Parliamentary and community confidence in the management and significant investment of public money in our major assets. Treasury has committed to exploring options to improve transparency on major projects from 2024-25, particularly around cost data which it already collects. Consequently, my Office may not as regularly report on the time and cost performance of major projects. Instead we will consider other ways of improving major projects' transparency such as through reviewing entities' reporting requirements under *Treasurer's Instruction 903 Agency Annual Reports*.

Since January 2022, entities have been required to submit their proposals for major infrastructure projects costing \$100 million or more to Infrastructure WA. This allows Infrastructure WA to provide independent advice to the Premier as required by the *Infrastructure Western Australia Act 2019*. Infrastructure WA advice aims to ensure projects align with Government's objectives and costings are well-informed prior to an investment decision being approved and announced. I have also recommended all State entities seek Infrastructure WA's advice and assistance when preparing their infrastructure strategies, plans and policies.

As an example of public reporting that could better inform Parliament and the community, we developed a data dashboard that is available on our website. The dashboard displays key information about the 20 selected projects and their performance against cost and time approvals.

I thank the staff at each of the audited entities for their cooperation and assistance in completing this work, and strongly encourage entities to publicly report on the progress of their projects on a regular basis.