

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

REVIEW OF PERFORMANCE OF PUBLIC WORKS COMMITTEE APPROVED PROJECTS: MAY 2008 – MARCH 2009 (No.11)

TASMANIAN GOVERNMENT'S RESPONSE

AUGUST 2012

TABLED 21 AUGUST 2012
 CRAIG FARRELL MLC
 LEADER OF THE GOVERNMENT

Recommendation	Project	Response
<p>1 The Committee recommends that the House of Assembly and Legislative Council review risk management processes in relation to project management of public works approved projects, thereby strengthening documentation and the monitoring of risk.</p>	<p>Parliament House Works</p>	<p>Not a matter for the Government to respond to.</p>
<p>2 The Committee recommends that within three months of this report being tabled, the Education Department put in place procedures to respond to the PAC in a timely way and to submit a copy of those procedures to the PAC.</p>	<p>General – Department of Education</p>	<p>This has been implemented. The requirement for reporting to the Public Accounts Committee has been incorporated into the Department of Education's capital works project procedures.</p>
<p>3 The Committee recommends that the DoE ensures its processes and practices of project management on Public Works projects are aligned with the guidelines given in the in 'Tasmanian Government Project Management Guidelines'.</p>	<p>General – Department of Education</p>	<p>This is being implemented. The Department of Education's capital works project procedures are being updated to reflect requirements.</p>
<p>4 The Committee recommends that the DoE review its documentation processes so that project costs and sources of funds are matched together in a high level budget document. This will assist with oversight and budgetary control of public works approved projects.</p>	<p>Rocherlea Primary School Upgrade – Department of Education</p>	<p>This has been implemented. All major capital works projects budgets and commitments are carefully managed through a control mechanism known as a 'Form C'. This form details all funding sources and expenditure commitments and must be approved by senior managers before a project can proceed to tender. Stronger controls on the completion and use of the 'Form</p>

			C' have been introduced, including a requirement that the 'Form C' will be provided as part of all Procurement Review Committee reviews.
--	--	--	------------------------------------------------------------------------------------------------------------------------------------------

Recommendation	Project	Response
<p>5 The Committee recommends that DIER instigate a formal Road Safety Audit with respect to the Upgrade to Lake Secondary Road, Deloraine to Meander, in accordance with the Austroroads guidelines, and that this be performed by a qualified independent party. Further, DIER is strongly encouraged to liaise with the Meander Valley Council concerning remedial or other works, if required, as a result of any safety audit undertaken.</p>	<p>Upgrade to Lake Secondary Road – Department of Infrastructure, Energy and Resources</p>	<p>The Department of Infrastructure, Energy and Resource (DIER)'s Senior Traffic Engineering Officer completed a safety audit of Meander Road from Meander to the Lake Highway junction in March 2012 with the Meander Valley Council.</p> <p>During the audit one of the items identified was the bend in Meander Road some 300 metres from the Lake Highway junction. The audit identified that provision of curve warning, advisory speed and alignment marker signage was appropriate at this location. It was also noted that a crash barrier would be desirable on the western side of the curve due to the steepness of the adjacent bank.</p> <p>A review of crash data, at that time, identified that there were no recorded crashes at this location. The greatest potential for crashes comes from cars travelling from Meander to Deloraine as the bank is closest to that travel path.</p> <p>On this basis, the concerns of the Public Accounts Committee, as noted in the Recommendation, have already been addressed and actioned.</p> <p>DIER's Traffic and Infrastructure Branch Officers will continue to meet with Meander Valley Council staff on a regular basis to discuss road and safety issues in the municipality.</p>
<p>6 The Committee recommends that DIER review its stakeholder engagement processes to ensure that effective engagement with stakeholders and other</p>	<p>Upgrade to Lake Secondary Road –</p>	<p>An output of each project is the development of a Stakeholder Management Plan. The size and complexity of the Plan is scaled to suit the project being delivered.</p>

<p>concerned parties is undertaken, both during and after completion of major public works.</p>	<p>Department of Infrastructure, Energy and Resources</p>	<p>This document outlines who the stakeholders are for each project and how the delivery may impact on them. This is a 'live' document that is regularly reviewed and updated. DIER places a strong emphasis on stakeholder management and appropriate communication as a project progresses through the various phases through to construction.</p>
<p>Recommendation</p> <p>7 The Committee recommends that DIER ensure its proposed framework for project assessment on public works projects, in particular the processes around project review and evaluation, are aligned with the 'Tasmanian Government Project Management Guidelines'.</p>	<p>Project</p> <p>Upgrade to Lake Secondary Road – Department of Infrastructure, Energy and Resources</p>	<p>Response</p> <p>DIER has undertaken a number of project reviews to assess whether the project outputs and outcomes have been achieved.</p> <p>As part of this process consideration is given to what worked well and what can be improved to provide for better outcomes in the delivery of future projects. Project evaluations are not undertaken for all projects within the Infrastructure Investment Program, but rather selected projects that can provide learnings for the future.</p> <p>Following the issue of a Certificate of Practical Completion of construction works, a Contract Administration Report is completed that includes a financial summary of the construction works, contract timings (including any extensions and their reason), confirmation of completed works (included as construction drawings), any issues that arose throughout construction, continuing obligations and improvement opportunities.</p> <p>Overall the debrief process which DIER uses is consistent with the Tasmanian Government's Project Management Guidelines.</p>

<p>8 The Committee recommends that DIER continues implementation of its guide for risk management, 'Professional Services Specification, PM3 – Risk Management'.</p>	<p>Lyell Highway to Granton and Tea Tree Road - Department of Infrastructure, Energy and Resources</p>	<p>DIER has adopted AS/NZ ISO 31000:2009 Risk Management – Principles and Guidelines (The Standard) as the basis of its Agency-wide Risk Management Methodology. This was released on 1 July 2012.</p> <p>These guidelines have been designed to support the overarching framework developed by DIER in meeting its risk obligations.</p> <p>Specifically, the risk management process supporting the framework is designed to raise awareness of threats and opportunities and to minimise such risks as:</p> <ul style="list-style-type: none"> • Program/Project overruns (time and/or cost) • Litigation • Reputation (Government, Agency, Group, Individual) • Environment and heritage concerns • Community concerns <p>The relevant Professionals Services Specification PM3 was updated to align with the abovementioned Agency-wide Risk Management Methodology at the same time.</p> <p>These specifications are in keeping with AS/NZ ISO 31000:2009 Risk Management – Principles and Guidelines and set out the minimum requirements for risk management by consultants in their delivery of consultancy services. Methodologies and specifications are regularly reviewed and updated.</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------