



**MEDIA RELEASE**

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**Performance Audit Report**  
**The North Weston Pond Project**

The Acting ACT Auditor-General, Mr Bernie Sheville, has today presented a performance audit report titled '**The North Weston Pond Project**' to the Speaker for tabling in the ACT Legislative Assembly.

The audit examined the effectiveness of processes used by ACT Government agencies in planning, designing and constructing the North Weston Pond (the pond) in the Molonglo Valley.

The pond was planned as a component of the new Molonglo Valley residential development, situated to the north of the Weston Creek area. Construction was originally planned for completion in May 2011. Construction commenced in April 2010, but was halted in November 2010, after the discovery of much more contaminated and geotechnically unsuitable material than was originally expected led to substantial increases to project costs. The project recommenced in March 2011 following further assessment.

ACT Government agencies involved in the planning, design and construction of the pond include the ACT Planning and Land Authority (ACTPLA), Department of Territory and Municipal Services (Roads ACT and ACT Procurement Solutions) and Department of the Environment, Climate Change, Energy and Water (Environment Protection Authority).

**Audit Conclusions and Key Findings**

The Audit Office found that ACT Government agencies did not effectively manage the North Weston Pond project to ensure the project was completed for the budgeted cost within the planned timeframe. The project has required significant redesign to address escalating costs due to risks that were known at the earliest stages of the project.

Instead of one large pond the project now involves two smaller capacity ponds. The smaller ponds are estimated to cost at least \$43.4 million, which is \$22.6 million (or 109 percent) more than the originally budgeted amount of \$20.8 million. The original planned completion date of May 2011 has not been met.

The location of the North Weston Pond presented significant risks to the project. These risks stemmed from the former uses of the site and existence of the critical Molonglo Valley Interceptor Sewer at the site. ACT Government agencies were aware of these risks from the beginning of the project. However, the growing knowledge and understanding of these risks, including their impact on the project, was not adequately recognised by ACT Government agencies and reflected in project design and cost estimates.

Individual processes associated with the planning, design and construction of the pond were generally appropriate and in accordance with industry practice. However, ACT Government agencies did not effectively combine the information and knowledge generated from each process,

to ensure the project was completed for the budgeted cost within the planned timeframe. Specific shortcomings in the management of the project included a failure by ACT Government agencies to:

- apply a robust risk management framework;
- implement appropriate project governance or oversight arrangements to benefit from the combined knowledge and expertise of the different agencies and consultants involved in the project;
- critically assess the feasibility or otherwise of the pond at key points throughout the project, including cost implications of information that was available; and
- critically review the work and advice provided by consultants engaged in the project.

### **Recommendations**

The audit made eight recommendations to address the issues raised. ACTPLA, TAMS and DECCEW have agreed to these recommendations.

### **Further Information**

For further information, please contact Mr Rod Nicholas, Director, Performance Audits and Corporate Services on 6207 0827. Copies of the report are available from the ACT Auditor-General's Office (Level 4, 11 Moore Street, Canberra City) and from its website, [www.audit.act.gov.au](http://www.audit.act.gov.au).