

SOUTH AUSTRALIA

**INTERIM REPORT OF
THE AUDITOR-GENERAL**

ON THE

**PORT ADELAIDE
WATERFRONT REDEVELOPMENT:
MISDIRECTION OF BID DOCUMENTS**

Tabled in the House of Assembly and ordered to be published, 13 August 2002

Second Session, Fiftieth Parliament



Government
of South Australia



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19 July 2002

The Hon R R Roberts, MLC
President
Legislative Council
Parliament House
ADELAIDE SA 5000

The Hon I P Lewis, MP
Speaker
House of Assembly
Parliament House
ADELAIDE SA 5000

Gentlemen,

**Interim Report of the Auditor-General on the Port Adelaide Waterfront
Redevelopment: Misdirection of Bid Documents**

Pursuant to *Public Finance and Audit Act 1987*, I herewith provide to each of you a copy of my 'Interim Report of the Auditor-General on the Port Adelaide Waterfront Redevelopment: Misdirection of Bid Documents'.

Yours sincerely,

K I MacPherson
AUDITOR-GENERAL

**INTERIM REPORT OF THE AUDITOR-GENERAL ON THE
PORT ADELAIDE WATERFRONT REDEVELOPMENT:
MISDIRECTION OF BID DOCUMENTS**

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19 July 2002

The Honourable Kevin Foley MP
Treasurer
Minister for Industry, Investment and Trade
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Dear Treasurer

Port Adelaide Redevelopment Project: Misdirection of Bid Documents

I refer to your letter dated 4 July 2002 in which you advise that the Minister for Government Enterprises has brought to your attention an incident in early July when it appears that a bidder for the abovementioned project was delivered confidential documents that it should not have received. In your letter you requested that I give consideration to undertaking an audit into this matter.

I am advised that the further processing of this matter will be held back pending completion of the audit process. The need for urgency in resolving concern regarding the possibility of compromise of the tender process is clear.

In accordance with my responsibilities under the Public and Finance and Audit Act 1987, I herewith present an Interim Audit Report with respect to the abovementioned matter. I have undertaken a detailed audit of the dealings with the relevant documents during the period 1 July 2002 to 4 July 2002.

A copy of this letter will be made available today to the Speaker of the House of Assembly and the President of the Legislative Council requesting that this Interim Report be tabled in the Parliament. A copy of this letter has also been forwarded to the Minister for Government Enterprises. In my opinion, there is no reason why the results of this Interim Audit Report should be withheld pending the tabling in the Parliament.

Detailed evidence, under oath, from persons who had the control and custody of the documents at all relevant times, ie 1 July 2002 to 4 July 2002 has established that no information that could undermine the integrity of the process has come to the knowledge of a person not authorised to receive it.

There is no evidence that the process has been compromised nor is there any basis on all of the available evidence to support any inference to this effect.

In my opinion, the delivery, in error, of the bid documents to the office of one of the proponents and the immediate return of those documents to a proper authority did not compromise the tender process.

A Final Report that explains the procedure adopted by me and that details evidence obtained by me in the course of this audit that supports the abovementioned opinion will be tabled in the Parliament as soon as practicable.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K I MacPherson', written in a cursive style.

K I MacPherson
AUDITOR-GENERAL



FAXED
4-7-02

**Deputy Premier
Treasurer
Minister for Industry, Investment and Trade**

Hon Kevin Foley MP

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4 July 2002

Mr Ken MacPherson
Auditor-General
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200 Victoria Square
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Ken,
Dear Mr MacPherson

The Minister for Government Enterprises has brought to my attention an incident which may have compromised the selection process for the preferred proponent for the Port Adelaide Waterfront Redevelopment. The responsibility for the selection process rests with the Land Management Corporation.

The Board of the Land Management Corporation made its decision as to the preferred proponent on 24 June 2002. At some time apparently subsequent to that decision, it appears that some documents, including bid documents of both proponents, were delivered to one of the proponents in the last few days.

I believe that this incident needs to be investigated to ensure that the integrity of the selection process has not been compromised.

Accordingly I request you to give consideration to undertaking an inquiry regarding this matter as part of your audit responsibilities in respect of the Land Management Corporation under the Public Finance and Audit Act 1987.

I thank you in anticipation of your consideration of this request.

Yours sincerely

Kevin Foley MP
TREASURER
MINISTER FOR INDUSTRY, INVESTMENT AND TRADE