



## Media Release

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*Friday 27 March 2009*

### **RailCorp responds in full to ICAC findings**

RailCorp today gave its full commitment to the implementation of all the measures recommended by the Independent Commission Against Corruption (ICAC) aimed at strengthening its anti-corruption initiatives and procedures.

RailCorp has provided ICAC with its response to the 40 recommendations made in the Commission's investigation of bribery and fraud at RailCorp. This response is on the RailCorp website at [http://www.railcorp.info/publications/icac\\_response](http://www.railcorp.info/publications/icac_response)

The ICAC will assess the response and may provide RailCorp with comment and guidance.

RailCorp is determined to do everything it can to prevent fraud.

RailCorp Chief Executive Rob Mason said he will simply not tolerate unethical or corrupt behaviour.

"I am determined to address each and every one of the issues raised by ICAC," Mr Mason said.

"The corrupt behaviour highlighted by ICAC arose mainly in relation to the way RailCorp procured goods and services and how it managed and reviewed these processes.

"RailCorp is transforming its procurement and supervision processes to make them more efficient and accountable.

"We are also focusing on increasing our systemic protection against fraud when we source, requisition and pay for goods and services."

This new procurement system is based on the best available technology to enable RailCorp to minimise the potential risk of corrupt behaviour. This system increases protection against potential criminal behaviour and increases the likelihood of detection.

The first stage of this new system went live in the organisation late last year and further stages are planned to be progressively rolled out during 2009.

As a result of ICAC's findings, RailCorp's plant hire will be managed in-house with the establishment of a specialised business unit with rigorous standards of reporting and transparency.

RailCorp is also strengthening its corruption prevention educational activities to lift awareness of personal responsibility in relation to corrupt behaviour and the obligation to report it.

Staff education includes management training to systematically increase probity awareness throughout the organisation and to increase the pro-active detection and reporting of fraud and corruption.

RailCorp is reviewing its organisational structures to strengthen management responsibilities, accountabilities and authorities so that all staff are fully aware of, and are accountable for, their responsibilities in relation to corrupt conduct.

RailCorp will also publish clear policies and guidelines for dealing with conflicts of interest, secondary employment and the receipt of gifts and benefits.

“While the overwhelming majority of RailCorp employees provide the people of NSW with honest and dedicated service, it is clear from ICAC proceedings that a number have acted corruptly and seriously damaged RailCorp’s reputation,” Mr Mason said.

“RailCorp accepts the need for reform and its response to ICAC details the action to be taken to address each of the commission’s recommendations.”

Earlier this year the Government introduced renewed governance arrangements for the RailCorp Board and the Government has worked with the RailCorp Chair to develop a skill profile for the Board which is consistent with the ICAC recommendations.

**For media inquiries contact:                      RailCorp Public Affairs                      (02) 8202 2228**