



Legislative Assembly of New South Wales

Public Accounts Committee

Report 3/57 – November 2019

Examination of the Auditor-General's Performance Audit Reports May 2017 – December 2017



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The motto of the coat of arms for the state of New South Wales is "Orta recens quam pura nites". It is written in Latin and means "newly risen, how brightly you shine".

Contents

Membership _____	ii
Chair’s foreword _____	iii
Findings and recommendations _____	iv
Chapter One – Introduction _____	1
Chapter Two – Committee’s Consideration of Performance Audits not subject to Public Hearings _____	3
Chapter Three – Medical Equipment Management in NSW Public Hospitals _____	11
Chapter Four – Sydney Region Road Maintenance Contracts _____	18
Chapter Five – Office of Strategic Lands _____	23
Chapter Six – Planning and Evaluating Palliative Care Services in NSW _____	28
Chapter Seven – Sharing School and Community Facilities _____	33
Appendix One – Terms of Reference _____	39
Appendix Two – Submissions _____	40
Appendix Three – Witnesses _____	41
Appendix Four – Extracts from Minutes _____	42
Appendix Five – Glossary _____	48

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Chair's foreword

This is the first report of the Public Accounts Committee's performance audit review program to be tabled in the 57th Parliament.

In accordance with its established performance review process, the Committee examines performance audits conducted by the Auditor-General, in order to further investigate action taken by agencies in response to the Auditor-General's recommendations. As part of the follow up, the Committee questions agencies on measures they have taken and, if required, conducts public hearings to gather additional information from agency representatives.

The process has proven to be an effective means of testing action taken on performance audits and maintaining a high level of scrutiny of the agencies under review.

This report reviews eleven performance audits covering the period from May to December 2017, conducted into: Mining rehabilitation security deposits; Medical equipment management in NSW public hospitals; NorthConnex; Sydney Region Road Maintenance Contracts; ICT in schools for teaching and learning; Office of Strategic Lands; Planning and evaluating palliative care services in NSW; Energy rebates for low income households; Sharing school and community facilities; Government Advertising: Campaigns for 2015-16 and 2016-17; and Managing demand for ambulance services.

With some exceptions, the Committee is generally satisfied that the responsible agencies are implementing the Auditor-General's recommendations, while identifying areas where more action is required.

The Committee has made a total of six recommendations to NSW Government agencies to: develop key performance indicators to better manage the sharing of school and community facilities; improve the collection of patient data to manage medical equipment in NSW public hospitals; secure the long term future financial and operational sustainability of the Office of Strategic Lands; and better manage Sydney region road maintenance contracts.

I am pleased to present this Report and thank the Auditor-General and Audit Office staff for their assistance in this inquiry. I also wish to thank my Committee colleagues and Committee Secretariat for their contributions and support throughout the inquiry process.

Mr Greg Piper MP
Chair

Findings and recommendations

Recommendation 1 _____ 17

The Committee recommends that the NSW Health develops a methodology to collect patient wait time data for identifying gaps in service delivery.

Recommendation 2 _____ 22

The Committee recommends that Transport for NSW clarifies the type of road maintenance contract currently operating in the north region, and explains how it differs from other contracts in place prior to the Department's review.

Recommendation 3 _____ 22

The Committee recommends that Transport for NSW implements a program to regularly audit the self-reported data provided by contractors to ensure its quality and validity.

Recommendation 4 _____ 22

The Committee recommends that Transport for NSW regularly monitors the cost-saving benefit of the road maintenance contracts throughout the life of the contracts.

Recommendation 5 _____ 27

The Committee recommends that the Office of Strategic Lands develops and publishes a long term plan to guarantee its future financial and operational sustainability.

Recommendation 6 _____ 38

The Committee recommends that the Department of Education develops key performance indicators (KPIs) that capture both quantitative and qualitative data in relation to its School Website Service program to inform and guide improvements to the program.

Chapter One – Introduction

Overview

- 1.1 The performance audits examined by the Committee for this inquiry were tabled by the Auditor-General in the period May 2017 to December 2017. The aim of the examination is to assess the required action taken by relevant agencies in response to the Auditor-General's recommendations. The Committee considered evidence provided by each agency and also sought advice from the Auditor-General.
- 1.2 The Committee found significant work has been undertaken to address issues raised in the audits. It is clear that the agencies have taken the audit review process seriously and instigated action to implement accepted recommendations. Some recommendations will take time to fully action or are being addressed through the implementation of larger projects.

Inquiry Process

- 1.3 In accordance with its legislative responsibility outlined in section 57 of the *Public Finance and Audit Act 1983*, the Committee resolved at its meeting on 1 August 2019 to commence an examination of the Auditor-General's performance audits from May 2017 to December 2017. The full terms of reference are included on page 3.
- 1.4 The process for these examinations included:
- Inviting a submission from responsible agencies twelve months after the tabling of the audit.
 - Referring agencies' submissions to the Auditor-General for comment.
 - Where the Committee determined that further information was required, agency representatives and the Auditor-General were invited to a hearing to provide additional information.
- 1.5 The Committee examined eleven performance audit reports and received 13 submissions in relation to its examination. A full list of submission authors can be found at Appendix One and copies of the submissions are available on the Committee's website at: [Submissions](#).
- 1.6 On the basis of submissions received, the Committee determined that two performance audits had been satisfactorily completed, with the agencies concerned fully implementing the Auditor-General's recommendations. These performance audits were:
- *NorthConnex*
 - *Government Advertising: Campaigns for 2015-16 and 2016-17*
- 1.7 Details concerning these performance audits can be found on the website of the NSW Auditor-General at: www.audit.nsw.gov.au.

- 1.8 The Committee was not satisfied that recommendations contained in five of the remaining performance audit reports had been fully addressed. To conduct a more detailed examination of these reports, the Committee held a public hearing on 23 September 2019, seeking further information. The performance audits examined at the public hearing were:
- *Medical Equipment Management in NSW Public Hospitals*
 - *Sydney Region Road Maintenance Contracts*
 - *Office of Strategic Lands*
 - *Planning and Evaluating Palliative Care Services in NSW*
 - *Sharing School and Community Facilities*
- 1.9 The Audit Office provided written feedback on the submissions made by agencies between September 2018 to July 2019. The Auditor-General, Ms Margaret Crawford, Deputy Auditor-General, Mr Ian Goodwin, and Assistant Auditor-General, Claudia Migotto also attended the public hearing and supplemented the evidence given.
- 1.10 A transcript of the hearing is located on the Committee's website at: [Transcripts](#). Details of witnesses who appeared at the hearing are included at Appendix Four.
- 1.11 Additionally, the Committee sought further written clarification of aspects of agency responses to four performance audits, namely:
- *Mining rehabilitation security deposits*
 - *ICT in schools for teaching and learning*
 - *Energy rebates for low income households*
 - *Managing demand for ambulance services*
- 1.12 Detailed agency responses to the Committee's further questions can be found on the Committee's website at: [Agency Responses](#).
- 1.13 Discussion of the audits examined is detailed in subsequent chapters of the report.

Chapter Two – Committee's Consideration of Performance Audits not subject to Public Hearings

Background

- 2.1 As outlined in Chapter One, and in accordance with the Committee's established procedure of considering performance audit reports in consolidated groupings, this report deals with eleven Audit Office reports for the period May 2017 to December 2017.
- 2.2 The Committee's practice in reviewing the reports is to make a determination, based on agency responses and Audit Office advice, about how to exercise its scrutiny functions in relation to each audit report's recommendations. The options available are to: accept the initial agency response, with no further action required; seek further written elaboration of steps taken to carry out the report's recommendations; or invite agency representatives to provide more detailed information by appearing at a public hearing.
- 2.3 In the case of the performance audits under current review, the Committee determined that the agency responses and Auditor-General's comments on two of these audits required no further action. The Committee resolved to seek additional written responses to four further audits and to take formal evidence at a public hearing on the remaining five.
- 2.4 For the purposes of this Chapter, set out below is the Committee's consideration of the audit reports which were not deemed to require formal evidence to be taken at a public hearing. The performance audits subject to formal evidence are detailed in subsequent chapters. More comprehensive information about all audits can be found on the NSW Audit Office and Public Accounts Committee's websites.

No Action Required

Audit Report 287 – NorthConnex

- 2.5 NorthConnex is a nine-kilometre tolled motorway tunnel between the M1 Pacific motorway at Wahroonga and the M2 Hills motorway at West Pennant Hills. In March 2012, M7 shareholders submitted an unsolicited proposal for NorthConnex to the NSW Government. A steering committee, with representatives from the Department of Premier and Cabinet (DPC), NSW Treasury, Infrastructure NSW, Transport for NSW and Roads and Maritime Services, as well as an independent member, assessed the proposal in accordance with the 'Unsolicited Proposals - Guide for Submission and Assessment'.
- 2.6 Major construction work commenced in February 2015 and although it was expected to open to traffic in late 2019, the opening has been delayed until the second quarter of 2020.

- 2.7 This audit assessed whether the process used to determine the NorthConnex funding model adequately considered value for money for taxpayers and road users. It concluded that the steering committee used sufficiently robust and independently verified processes to determine the initial scope for the assessment, and that the use of independent traffic modelling represented the best available assessment given the network and data complexities. However, two key assurance steps were not completed in a timely manner, namely: record keeping did not fully comply with legislation or the governance plan; and the management of a potential conflict of interest was not fully documented.
- 2.8 The Audit Office recommended that by December 2017:
- DPC should publish an updated 'Unsolicited Proposals – Guide for Submission and Assessment' which clarifies obligations with requirements in other NSW Government policies such as the NSW Public Private Partnership (PPP) guideline and Infrastructure Investor Assurance Framework.
 - DPC and the NSW Treasury should immediately improve record keeping to ensure compliance with the State Records Act 1998 and the NSW Government Standard on Records Management.
- 2.9 DPC published an updated Unsolicited Proposals guide in December 2017, adequately addressing all the areas of improvement made in the recommendation. DPC's response indicated that the updated Unsolicited Proposals governance plan template fully addresses the requirements of the recommendation.
- 2.10 The audit report concluded that the processes used to assess NorthConnex adequately considered taxpayer value within the NSW Government's stated policy objectives. These included: a cost benefit analysis; a competitive tendering process for design and construction; and using independent traffic modelling and cost estimation. This represented value for money for the NSW Government. In addition, the tolling concessions on road users and the motorway network were consistent with the policy objectives set out in the 2012 NSW Long Term Master Plan.
- 2.11 On the basis that the recommendations have been complied with, the Committee is satisfied that the agency has met its obligations and has no further comment to make.

Audit Report 294 – Government Advertising: Campaigns for 2015-16 and 2016-17

- 2.12 The Government Advertising Act 2011 requires the Auditor-General to conduct a performance audit in relation to at least one government advertising campaign in each financial year. The performance audit assessed whether advertising campaigns were carried out effectively, economically and efficiently and in compliance with the Act, the regulations, other laws and the Government Advertising Guidelines. The Audit examined two such campaigns:
- the 'Stronger Councils, Stronger Communities' campaign run by the Office of Local Government and the Department of Premier and Cabinet; and
 - the 'Dogs deserve better' campaign run by the Department of Justice.

- 2.13 Section 6 of the Advertising Act details the specific prohibitions on political advertising. Under this section, material that is part of a government advertising campaign must not contain the name, voice or image of a minister, member of Parliament or a candidate nominated for election to Parliament or the name, logo or any slogan of a political party. Further, a campaign must not be designed so as to influence (directly or indirectly) support for a political party.
- 2.14 While the Audit concluded that neither campaign directly breached legislative provisions, it did identify shortcomings potentially compromising value for money, resulting from the perceived urgency to advertise. The Audit also identified areas where Guideline requirements were not met.
- 2.15 The Audit recommended that by July 2018, the Department of Premier and Cabinet should: clarify the definition of 'objective presentation in a fair and accessible manner': publicly report on urgent circumstances to advertise; streamline the peer review process for urgent advertising; and improve cost-benefit analysis reporting.
- 2.16 The agency accepted all recommendations made by the Audit Office and the Audit Office was satisfied that all recommendations had been effectively implemented. On that basis, the Committee considers that the agency has met its obligations and has no further comment to make.

Additional Information Requested

Audit Report 285 – Mining rehabilitation security deposits

- 2.17 Mining rehabilitation security deposits must be provided by authorised mining companies to cover liabilities associated with mine closures, including the cost of rehabilitation if the company defaults. Rehabilitation involves the treatment of disturbed land or water to establish a non-polluting and sustainable environment.
- 2.18 The Audit assessed whether the Department of Environment and Planning (the Department) maintains adequate security deposits.¹ Security deposit management has improved recently and there are plans for further upgrades, including a revised cost calculator. However, it was assessed that:
- security deposits are unlikely to cover the cost of each mine's rehabilitation;
 - the cost calculation rates and allowances have not been updated since 2013; and
 - some activities required for effective rehabilitation are not covered adequately.
- 2.19 Furthermore, security deposits do not sufficiently account for the substantial and uncertain risks of mine closure and rehabilitation. There is an absence of detailed closure plans and limited independent verification of mining company claims about the rehabilitation size and cost. There is also no financial assurance for the long-

¹ This Audit was undertaken when the Department of Industry, Skills and Regional Development was responsible for these security deposits. As of 1 April 2017, the Department of Planning and Environment holds this responsibility.

term risk of significant unexpected environmental degradation after a mine is deemed to be rehabilitated and the security deposit is returned.

- 2.20 The Audit recommended that the Department: improve the quality of rehabilitation and closure plans; improve assurance that security deposits are sufficient; enhance oversight of mine rehabilitation; and collaborate with relevant agencies to establish a financial assurance mechanism to cover the risk of long-term environmental degradation after mines are closed and security deposits returned.
- 2.21 The Department accepted all audit recommendations and implemented a new Resources Regulator to lead compliance and reporting reforms. However, the Department was also undertaking reform to its broader policy framework outside the scope of the recommendations, requiring substantial stakeholder engagement and inter-agency agreement. This pushed out the deadline for some reforms.
- 2.22 On this basis, the Committee considered it would be beneficial to obtain more detailed information about the implementation and impacts of its recommendations concerning the sufficiency of assurances of security deposits and enhanced oversight of mine rehabilitation.
- 2.23 In its response to the Committee's written request for further information, the Department of Planning, Industry and Environment provided further elaboration on a range of policy and program initiatives to address requirements for the development of rehabilitation management and closure plans. A Code of Practice for managing rehabilitation is stated to contain strategies ensuring that mine disturbed land is returned to a condition that supports the approved final land use.
- 2.24 According to the Department, the use of a new rehabilitation cost estimation tool provides greater clarity surrounding cost schedules, use of alternative rates, increased guidance for the application of rehabilitation activity and advice regarding contingencies. A Resources Regulator applies greater contingencies to account for site specific uncertainties and security deposit reviews are included in published monthly business activity reports.
- 2.25 Additionally, the development of a series of site inspection protocols by the Resources Regulator is stated to assist in the oversight of mine rehabilitation. The Resources Regulator has more recently adopted a more proactive approach to compliance under the *Mining Act 1992* and is working with other agencies on a Rehabilitation and Policy and Framework Action Plan.
- 2.26 On the basis of the further information provided, the Committee is satisfied that the agency has fulfilled the intent of the audit recommendations. A more detailed description of the Department's activities to address the Committee's questions can be found on the Committee's website.

Audit Report 289 – ICT in schools for teaching and learning

- 2.27 The NSW Department of Education's overall strategic direction for teaching and learning Information and Communication Technology (ICT) is set in the 'Strategic Information and Technology Plan 2016-19'. The Department provides a base level

of resources to schools for ICT and schools supplement funding from the existing school budget and Parent and Teacher Associations.

- 2.28 The Audit assessed how well NSW public schools are using ICT to improve teaching and learning. The Audit Office examined whether the Department identified key strategic opportunities to enhance the use of ICT platforms and technologies in schools, whether teachers are integrating ICT into classroom practice and whether the Department monitors the impact of ICT on student learning.
- 2.29 The Audit Office found that many schools were struggling to keep up with growing ICT needs within the available funding, particularly with ageing ICT equipment and inadequate wireless networks. There was also variable student access to devices at school and by teachers to centrally provided devices to use outside the classroom. The audit also discovered that the Department was not monitoring the digital literacy of NSW students sufficiently or providing appropriate support to teachers.
- 2.30 The Audit Office recommended that: the Department review the adequacy of the Technology for Learning program and school ICT support resourcing for modern school requirements; implement an assessment of school ICT maturity and use the assessment to target schools that require support with forward planning for ICT; improve the use of information in areas including monitoring the use of ICT by students and teachers; evaluate the impact of teacher professional learning on student outcomes; and improve teacher professional learning with more online learning opportunities and courses focused on pedagogy.
- 2.31 In response, the Department accepted all recommendations, noting that they would implement a range of initiatives in response to the audit report. This included: monitoring, reviewing and aligning resources with expected student enrolment increases; upgrading a projected 484 schools in 2019 with Wi-Fi networks; and supporting courses in ICT pedagogy and technology-related courses for teachers in metropolitan and rural areas.
- 2.32 While the Audit Office was generally satisfied with the response to their recommendations, it noted that two of the recommendations were dependent on funding availability and commented that it would be beneficial to have a progress report on their implementation. The Audit Office also noted in relation to the first recommendation, that although the Department had recommended an uplift of the technology for learning program to increase device access, there was a lack of clarity about whether this had been implemented.
- 2.33 In its written response to the Committee's request for additional information, the Department indicated that the technology for learning program was now aligned with expected student enrolment increases, that more country schools are operating on the enhanced Wi-Fi network and that work is proceeding to improve internet bandwidth at all State schools. In addition, a range of improved governance and research strategies are being developed to manage digital innovation, augment professional learning and enhance teacher practice in schools.

- 2.34 On the basis of the additional material provided, the Committee is satisfied that the requirements of the audit have been addressed. The agency response can be found on the Committee's website.

Audit Report 292 – Energy rebates

- 2.35 The Department of Planning, Industry and Environment (DPIE) provides more than \$245 million in energy rebates to around 800,000 (27 %) of NSW households through complex and sometimes inequitable energy rebate schemes. Some households are eligible for four different rebates, each with its own eligibility criteria. Also, some households in very similar circumstances receive different levels of support depending on the type of energy used in their home or which adult in the house is the energy account holder.

- 2.36 The objective of the audit was to assess whether the current design and distribution of energy rebates schemes is effective. The audit conclusions were that:

- Ongoing support schemes provide assistance to low-income households as intended, but have no measurable objectives or outcome measures and therefore can't be assessed for their effectiveness - crisis support through the Energy Accounts Payment Assistance scheme (EAPA) is not performance managed.
- The structure of rebates providing ongoing support is complex and can be inequitable for some households. Reducing the number of separate schemes and simplifying eligibility requirements offers the most scope for improving effectiveness of ongoing support schemes.
- The growth of embedded networks² represents a future administrative risk to the Department.
- Partnering with energy retailers, charities and NGOs delivers advantages, but stronger oversight is required over partner organisations.

- 2.37 The Audit recommended that by September 2018, the Department of Planning and Environment should: implement effective information strategies; evaluate alternative models for reducing complexity and improving equity; establish performance measurements against defined objectives; manage administrative risk; strengthen EAPA compliance; and reduce potential disadvantage.

- 2.38 The Department accepted all audit recommendations and stated that it had implemented measures to improve administration and access to the rebate schemes, including providing information in multiple languages, increasing eligibility, improving monitoring, and strengthening EAPA assurances.

- 2.39 While considering that the Department's actions were consistent with the recommendations, the Audit Office had further questions concerning the effectiveness of some initiatives, including compliance regimes, timeframes and

² Embedded networks are energy supply arrangements where the manager of a residential facility such as a caravan park, retirement village or apartment block, buys energy in bulk and then on-sells it to residents.

targets for improved eligibility, performance measurement objectives and remaining inflexibility in payment methodologies, combined with the lack of providers in some localities.

- 2.40 The Committee wrote to the Department seeking further information in relation to these issues and was provided with a written response. The agency stressed that greater effort is being made to communicate more clearly with culturally and linguistically diverse communities and tracking increases in the uptake of rebates for these customers. This data is being assessed to improve targeted messaging and promote equity.
- 2.41 The Department has also developed a program to support the objectives of rebate schemes, including measures to ensure customer eligibility for rebates, with tracking data provided through energy retailer reporting requirements. Consumer protections for embedded networks customers are subject to a set of further safeguards to be ratified by COAG Energy Ministers at the next Energy Council meeting, expected to be concluded in 2020.
- 2.42 In order to assist customers who may be experiencing financial stress, the Energy Accounts Payment Assistance (EAPA) program issues emergency vouchers and, on the basis of a further review of EAPA providers, will help identify where there is a need for additional providers in some localities.
- 2.43 The additional information provided by the Department has satisfied the requirements of the Audit and the Committee has no further concerns at this time. The agency response can be found on the Committee's website.

Audit Report 295 – Managing demand for ambulance services

- 2.44 The role of NSW Ambulance has changed, aiming to become a 'mobile health service' that identifies the needs of patients and provides or refers them to the most appropriate type of care. NSW Ambulance has introduced a range of initiatives to change the way it manages less urgent requests for assistance. These initiatives include using telephone advice, referring some patients to services other than emergency departments and using specialised paramedics.
- 2.45 The Audit assessed NSW Ambulance's major demand management initiatives aimed to reduce unnecessary demand on ambulance responses and unnecessary transport to hospital emergency departments and the extent to which these initiatives have improved the efficiency of its services.
- 2.46 The Audit Office found that the increasing demand for ambulance services was a key issues for NSW Ambulance. While there were several initiatives aimed to manage demand for its service, there was no overall strategy and NSW Ambulance's data systems did not measure their outputs or outcomes. As a result, the Audit was unable to assess the impact of the demand management initiatives on the efficiency of ambulance services.
- 2.47 The Audit Office recommended that NSW Ambulance develops a demand management strategy with clear objectives and KPIs, input from stakeholders and a planned approach to communicate with the public. The Audit Office also recommended that NSW Ambulance: develops a strategy for the continued use of

Extended Care Paramedics (ECP); determines data system improvements required to provide an accurate oversight of demand management initiatives; and ensures paramedics are prepared for the new initiative by strengthening their decision-making and communication skills.

- 2.48 NSW Ambulance accepted all recommendations. As a result, the agency developed a demand management strategy, established a governance framework and implemented a structured evaluation program and KPIs to evaluate the effectiveness, efficiency and appropriateness of the new initiatives. In addition, NSW Ambulance has further developed the clinical Qlikview reporting tool to report on a range of initiatives and convened an ECP workgroup to clarify the role of the ECP and its incorporation. A training package for paramedics has also been developed, commencing in January 2018 and focusing on non-transport and patient referral decision-making.
- 2.49 While generally satisfied that NSW Health had addressed the recommendations in the report, the Audit Office made further comments in relation to the recommendation addressing improved data systems, including the rollout of new IT ambulances and new software to analyse and report performance. The Audit Office noted that these systems have not been fully rolled out and that some further improvements to data systems were ongoing.
- 2.50 The Committee wrote to NSW Ambulance, seeking further clarification about the status of the IT rollout and performance monitoring. In its written response, the agency noted that the new technology was now fully operational, with greater individualised reporting capability. A series of updates to the electronic medical record (eMR) had been released or were in train.
- 2.51 While challenging to implement in a timely fashion due to its multi-jurisdictional nature, the new and upgraded eMR has increased record keeping compliance from 79% to 95% and is leading to significant improvements in overall reporting quality. This has significant benefits for the paramedic workforce.
- 2.52 On the basis of the additional information provided, the Committee is satisfied that the objectives of the Audit have been met. The agency response can be found on the Committee's website.

Chapter Three – Medical Equipment Management in NSW Public Hospitals

Introduction

- 3.1 The management of public hospitals is administered jointly by the NSW Ministry of Health through 15 Local Health Districts (LHDs) and two Speciality Health Networks. Each year, the Ministry of Health and the LHDs sign a service agreement setting out the expected service performance of the LHDs and the funding they will receive to perform these services. Under this arrangement, the LHD is responsible for managing medical equipment.
- 3.2 Medical equipment is used to diagnose, treat and manage patients. It includes items such as patient beds, dialysis machines, operating tables and heart monitors. Medical equipment requires proper management over its lifecycle (from planning acquisition to operation and disposal) to ensure patient safety and care. This Audit assessed how well NSW hospitals managed medical equipment to meet the needs of patients.
- 3.3 The approach to managing medical equipment varies between hospitals depending on the cost of the equipment and the service model used (i.e. whether it is purchased or leased).

The Performance Audit

- 3.4 The Auditor-General's Performance Audit assessed how well NSW public hospitals managed high-value medical equipment (such as PET-CT scanners) to meet the needs of patients, and examined the lifecycle of biomedical equipment (typically lower value but still critical).
- 3.5 Five hospitals were examined: Lismore Base Hospital (in the Northern NSW LHD); Liverpool Hospital (South Western Sydney LHD); Nepean Hospital (Nepean Blue Mountains LHD); Royal Prince Alfred Hospital (Sydney LHD); and Westmead Hospital (Western Sydney LHD).

Major Audit Findings

- 3.6 The Auditor-General found that although PET-CT scanners were well managed, several aspects could be improved including performance reporting, replacement planning, and testing and maintenance of equipment. Outdated information systems used for day-to-day management of biomedical equipment also needed to be improved or replaced.
- 3.7 The Audit found that in 2015–16, 10 per cent of PET-CT scans were inpatient services funded by NSW Health, 60 per cent were Medicare-funded outpatient services, and 30 per cent were privately referred outpatient services not funded by Medicare – covered by various sources including hospitals' general purpose funds and patient out-of-pocket charges. Out-of-pocket charges varied from \$250 to \$950 per scan across the five hospitals examined.

- 3.8 Although LHDs are responsible for providing PET-CT services, the Audit concluded that NSW Health could have a bigger role in collating performance reporting to better inform service planning and benchmarking. Replacement planning for PET-CT scanners was not clear about how equipment is replaced and what funding model applies.
- 3.9 In the case of biomedical equipment, the Audit found that improvement was needed in both timeliness and maintenance. Day-to-day management of biomedical equipment was outdated or inefficient and needed improvement or replacement.

Auditor-General's Recommendations

- 3.10 The Audit Office made 6 recommendations: recommendations 1-3 to be completed by June 2018; and Recommendations 4-6 to be completed by June 2019.

Table 1 – Recommendations made by the Auditor-General in the Medical Equipment Management in NSW Public Hospitals performance audit report ³

No.	Recommendation
1	NSW Health should review all services provided by Local Health Districts which use high-value medical equipment (with establishment cost that exceeds \$3 million), to determine whether state-level coordination, service benchmarking and equipment usage reporting is warranted.
2	NSW public hospitals offering PET-CT services should collect and use patient waiting time data (the difference between the date of referral and the actual date of the scan) as part of improving service efficiency and meeting patient needs.
3	Local Health Districts should ensure that there is a formal equipment replacement plan at the time of procuring high-value equipment, for both new and existing services. The plan should include an estimated time of replacement. The Ministry of Health should regularly review capital funding implications from these planned equipment replacements.
4	NSW public hospitals should review internal business rules and processes for biomedical equipment management to ensure that: <ul style="list-style-type: none"> a) equipment is accessible by service technicians for testing and maintenance work, including establishing internal processes to assist service technicians in gaining access to equipment that has missed previous testing and maintenance attempts in accordance with the Australian/New Zealand Standard 3551

³ NSW Auditor-General's Performance Audit Report, medical equipment management in NSW public hospitals, May 2017.

	<p>b) adequate maintenance records are kept, including descriptions of testing and maintenance work carried out in accordance with the Australian/New Zealand Standard 3551</p> <p>c) there is regular reporting to Local Health District Chief Executives on the compliance of equipment testing and maintenance, including equipment that is tested or maintained later than scheduled intervals</p> <p>d) there is specified statement of risk tolerance for late equipment testing and maintenance and mechanisms to appropriately prioritise equipment testing and maintenance.</p>
5	The Ministry of Health should encourage that all NSW public hospitals have their biomedical equipment management practices reviewed under the new peer review process, and that the review sample from each hospital be increased to more than two pieces of equipment per hospital.
6	The Ministry of Health should complete the implementation of AFM Online for biomedical equipment management.

Agency Response

3.11 NSW Health supported all recommendations. In response to Recommendation 1, it was noted that there are clear criteria for services and technologies requiring state-wide consideration and no evidence that patient waiting times is an issue for PET-CT services. At the time of the Agency's response in August 2018, all recommendations due by June 2018 were reported as completed and all recommendations due by June 2019 were reported as partially completed.⁴

3.12 At the public hearing, NSW Health advised that timely access to PET-CT services is always based on clinical need and prioritised by the treating physician at the time.⁵

3.13 In response to questions about a non-binding directive for collecting patient waiting list data, NSW stated that the Commonwealth Government is responsible for allocating Medicare Benefits Schedule (MBS) licenses for MRI machines to NSW Health public hospitals which directly impacts the availability and cost of imaging for patients.⁶ Consequently, recording patient wait time data across all LHDs was a challenging task:

To understand the wait list times for each piece of medical imaging equipment across each of the patient triage categories, for each of the Local Health Districts (LHDs)

⁴ Submission 2, NSW Health, pp.2-6.

⁵ Mr Daniel Hunter, Deputy Secretary Financial Services and Asset management and Chief Financial Officer, NSW Health, Transcript of evidence, 23 September 2019, p.3.

⁶ Answers to Supplementary Questions, provided by NSW Health 9 October 2019, p.2.

would require a significant amount of effort and direct information from the LHDs. This would take significant time to collect and collate the responses.⁷

- 3.14 NSW Health advised that the review process for high-value medical equipment is ongoing across the LHD networks due to the high volume of equipment required across the LHDs and the pace of technological advancements.⁸
- 3.15 In its written response to questions taken on notice, NSW Health advised that the NSW Framework for New Health Technologies and Specialised Services outlines the process for reviewing and assessing new health technologies to the NSW public health system. NSW Health stated that 'decisions made about the introduction of new health technologies in NSW are balanced by the available evidence, cost implications and the requirement of the health system to provide contemporary high quality clinical services.'⁹
- 3.16 At the public hearing, NSW Health noted that the Audit had highlighted the importance of proper implementation of their asset management system and Asset Facilities Management (AFM) and its supporting policies and assurances. It was also reported that all LHDs across the NSW network have now implemented the AFM online system, as part of an \$11 million capital investment by NSW Health.¹⁰
- 3.17 In its additional written response to Audit Recommendation 3, NSW Health confirmed that there is a formal equipment replacement plan as part of the NSW Health Process of Facility Planning (POFP). NSW Health noted that this budget is utilised to fund local minor capital works and replacement of medical and non-medical equipment between \$10,000 and \$250,000. NSW Health also stated that Health Organisations (HOs) are responsible for managing their own internal annual capital allocation and may achieve this in different ways depending on the individual local governance structures.¹¹
- 3.18 The Ministry of Health has also implemented an innovative procurement initiative to pilot long term capital replacement planning through the appointment of a Managed Equipment Service (MES) provider for the medical imaging equipment for Nepean Blue Mountains and Illawarra Shoalhaven LHDs. At the hearing, NSW Health noted that this aims to ensure the best price for equipment and financing rates, ensure accuracy of planning replacement programs, and streamline management of equipment services.¹²
- 3.19 NSW Health also gave evidence that the development of a new Medical Asset Management Framework (MAMF) would support the management of medical

⁷ Answers to Supplementary Questions, provided by NSW Health 9 October 2019, pp.2-3.

⁸ Mr Daniel Hunter, Deputy Secretary Financial Services and Asset management and Chief Financial Officer, NSW Health, Transcript of evidence, 23 September 2019, p.4.

⁹ Answers to Supplementary Questions, NSW Health 9 October 2019, p.1.

¹⁰ Mr Daniel Hunter, Deputy Secretary Financial Services and Asset management and Chief Financial Officer, NSW Health, Transcript of evidence, 23 September 2019, p.4.

¹¹ Answers to Supplementary Questions, provided by NSW Health 9 October 2019.

¹² Mr Daniel Hunter, Deputy Secretary Financial Services and Asset management and Chief Financial Officer, NSW Health, Transcript of evidence, 23 September 2019, p.2.

assets and the replacement planning process in response to Recommendation 3.¹³

- 3.20 In answers to supplementary question relating to Recommendation 4, the LHDs and Specialty Health Networks reported that adequate maintenance records are kept and maintenance work is carried out in accordance with the Australian/New Zealand Standard 3551. Local processes and governance mechanisms have also been established to support monitoring and tracking of work conducted by external contractors.¹⁴
- 3.21 Furthermore, NSW Health noted that the Ministry of Health and Health Infrastructure are working with Local Health Districts and Specialty Health Networks to develop action plans to support the Auditor-General's recommendations. These plans include: standardised testing and maintenance processes; defining roles and responsibilities to assist service technicians in gaining access to equipment that has missed previous testing; and maintenance in accordance with Australia/New Zealand Standard 3551 to affirm a NSW Health statement of risk tolerance.¹⁵
- 3.22 Work is proceeding on Recommendation 5, to design and adopt a peer review process for biomedical asset management. This review process will assess the biomedical asset management maturity and capability of each Health Organisation, including the evaluation of testing effectiveness, maintenance programs for medical equipment and incorporate leading global practices. It will also offer opportunities for HOs to share practices, benchmark performance and identify areas for improvement.¹⁶
- 3.23 NSW Health reported that Health infrastructure has developed a three-year roadmap to support Local Health Districts and Specialty Health Networks improve their asset management capacity. This roadmap is aligned to NSW Health's strategy and the Auditor-General's recommendations.¹⁷
- 3.24 Finally, in response to Recommendation 6, NSW Health reported that all NSW Health organisation have access to the Asset and Facilities Management Online (AFMO) system for biomedical equipment management, which is being progressively implemented across the state. An overarching Asset Management System model is also being developed to better support the use and implementation of AFMO.

Auditor-General's Comments

- 3.25 On 20 September 2018, the Auditor-General provided follow-up comments for the Agency's response to the Audit and its six recommendations.

¹³ Mr Daniel Hunter, Deputy Secretary Financial Services and Asset management and Chief Financial Officer, NSW Health, Transcript of evidence, 23 September 2019, p.4.

¹⁴ Answers to Supplementary Questions, provided by NSW Health 9 October 2019.

¹⁵ Answers to Supplementary Questions, provided by NSW Health 9 October 2019.

¹⁶ Answers to Supplementary Questions, provided by NSW Health 9 October 2019.

¹⁷ Answers to Supplementary Questions, provided by NSW Health 9 October 2019.

- 3.26 The Audit Office noted that NSW Health had undertaken a review into CT and MRI equipment to investigate service capacity and capability in the NSW public health system. However, it was not clear whether there were plans to conduct similar reviews into other high-value medical equipment which could be beneficial for future service planning.
- 3.27 When this was pursued by the Committee at the public hearing, NSW Health stated that the review process was ongoing, as more equipment is constantly being commissioned and a pilot managed equipment service had been launched in Nepean Blue Mountains and Illawarra Shoalhaven.¹⁸
- 3.28 The Audit Office also questioned how service efficiency would be ensured if a non-binding directive had been issued to LHD Executives to monitor patient wait time data for high-cost medical imaging services. Supplementary information supplied by NSW Health indicated that this information is hard to obtain due to the differences in availability of Commonwealth funded equipment and the complexities of the triage process.
- 3.29 The Audit Office noted that more information was needed on LHD budgeting, planned equipment replacement and delays. NSW Health told the Committee that it has an asset management policy in place which is being implemented in line with the Audit recommendations.¹⁹
- 3.30 The Audit Office commented that although NSW Health had indicated that a peer review of biomedical equipment management practices was voluntary, the size of the review sample was not specified. NSW Health answers to supplementary questions indicated that all hospitals are being encouraged to increase the sample size to more than two pieces of equipment per hospital.²⁰
- 3.31 At the hearing, the Auditor-General noted that one key area of focus arising from the Audit was the relationship between system-wide stewardship and the devolved model of health. The Auditor-General agreed with NSW Health that standardised processes and good data collection are essential elements to achieve a balanced system in a very complex area.²¹

Committee Comments

- 3.32 The Committee acknowledges that a considerable amount of time has passed since the audit of medical equipment management was undertaken in May 2017. Since then, NSW has implemented a number of reforms in line with the recommendations of the Audit Office.
- 3.33 The Committee notes that NSW Health advised that collecting patient waiting time data would involve a significant effort due to the nature of patient triage categories

¹⁸ Mr Daniel Hunter, Deputy Secretary Financial Services and Asset management and Chief Financial Officer, NSW Health, Transcript of evidence, 23 September 2019, p.2.

¹⁹ Mr Daniel Hunter, Deputy Secretary Financial Services and Asset management and Chief Financial Officer, NSW Health, Transcript of evidence, 23 September 2019, p.4.

²⁰ Answers to Supplementary Questions, provided by NSW Health 9 October 2019.

²¹ Mr Daniel Hunter, Deputy Secretary Financial Services and Asset management and Chief Financial Officer, NSW Health, Transcript of evidence, 23 September 2019, p.5.

within each of the LHDs, further complicated by the allocation of MRI machine licenses by the Commonwealth Government.

- 3.34 The Committee considers that while there appear to be considerable challenges in collecting this patient waiting time data, this information would be beneficial to identify gaps in service delivery. Alternatively, a trial of patient wait time data could be conducted on a smaller range of medical equipment for a limited patient triage category.

Recommendation 1

The Committee recommends that the NSW Health develops a methodology to collect patient wait time data for identifying gaps in service delivery.

Chapter Four – Sydney Region Road Maintenance Contracts

Introduction

- 4.1 The Sydney region State roads network accounts for more than 2,800 kilometres of roads and road corridor infrastructure, and is a key component of the overall transport system across New South Wales. At the time of the Auditor-General's report, Roads and Maritimes Services (RMS) was responsible for the management and maintenance of this infrastructure, which is set out across three geographic zones: south, west and north.²²
- 4.2 Historically, RMS has been responsible for the maintenance of the roads corridor infrastructure in the Sydney region. In November 2013, the agency outsourced these services in the south and west zones to contractors through Stewardship Maintenance Contracts (SMCs).
- 4.3 The purpose of the SMC model, as set out by RMS, is to improve value for money by: requiring contractors to exemplify certain values, attitudes and values; linking risk to reward; and, implementing a performance framework where outcome drives performance.

The Performance Audit

- 4.4 The Audit assessed whether RMS had effectively managed the outsourcing of road maintenance in the Sydney region south and west zones. Specifically, the Audit examined RMS' contract management approach and benefits realisation.
- 4.5 In addition, the Audit looked at the determinants for adopting the SMC model, key performance indicators (KPIs), incentives and sanctions to promote efficiency and effectiveness and the quality of data capture.

Major Audit Findings

- 4.6 The Audit found that RMS had developed an innovative contracting approach with the SMC, such as: adopting stewardship principles; the transference of price risk to the contractor over time; and familiarity with the maintenance of assets. The SMC model had achieved benefits, including savings to the Department.
- 4.7 However, the Audit found that management of the SMC was missing important elements which reduced its effectiveness. For instance, the inclusion of specific procedures, with explanations of, and allocation of responsibility for, the various interventions that may be required to be exercised by RMS.
- 4.8 Additionally, the Audit found that the reporting requirements are not strong enough to ensure contractors provide accurate performance and financial data,

²² As of 1 July 2019, RMS ceased to be a separate agency as Transport for NSW became the lead agency incorporating the functions of RMS.

which is ultimately used to measure performance and calculate contractor payments.

- 4.9 Finally, the Audit found that RMS has not tracked its achievement of benefits since the first year. While RMS had established a contract management framework, the SMC did not include procedures to guide contract managers in managing specific provisions of the SMC.

Auditor-General's Recommendations

- 4.10 The Auditor-General made three recommendations to improve the effectiveness of the SMC model, including: incorporation of stronger sanctions if the contractor provides incorrect performance or financial data; review of the contract managements framework to ensure manager responsibilities; identification of benefits, including the development of strategies for savings not yet attained; and creation of a tool to track ongoing realisation of benefits.

- 4.11 The recommendations are set out below:

Table 2 Recommendations made by the Auditor-General in the Sydney region road maintenance contracts performance audit report

No.	Recommendation
1	<p>RMS should consider whether to incorporate stronger sanctions in the SMC if the contractor provides incorrect performance of financial data to RMS, when:</p> <ul style="list-style-type: none"> a) Negotiating the commercial reset for the next works period with the Sydney region south and west zone contractors due in July 2018 b) Finalising a new SMC contract for the Sydney region north zone, due to commence in October 2018.
2	<p>RMA should, by September 2017: review its contract management framework for SMCs to ensure that all authorities and accountabilities of contract managers are clearly defined, including:</p> <ul style="list-style-type: none"> a) Accountability and procedures for exercising all operational clauses in the SMC where RMS may opt to, or be required to intervene, or make a decision b) Authority to approve or initiate the interventions RMS is required to, or may, exercise under the SMC c) The audits that RMS will conduct to systematically validate the performance and financial data that the SMC contractors provide d) The accountabilities of RMS contract managers to systematically review audits and quality reviews that

	<p>the SMC contractors must conduct to demonstrate compliance with their service plans</p> <p>e) The accountabilities of RMS contract managers to check that the monthly and annual reports provided by SMC contractors do not contain errors, omissions or inaccuracies.</p>
3	<p>Improve its management of benefits realisation by:</p> <p>a) Initiating a further benefits realisation review and record the benefits delivered against those estimated following the tender process, including the one-off transition costs</p> <p>b) Identify any benefits, including savings, not yet attained and develop strategies to address any short-falls</p> <p>c) Establish a tool to track the ongoing realisation of benefits.</p>

Agency Response

- 4.12 The Committee received a response from RMS accepting all Audit recommendations with the exception of recommendation 1(a), pertaining to the negotiation of a commercial reset for the next works period with a view to incorporating stronger sanctions in the SMC model for providers reporting incorrect data.
- 4.13 In responding to recommendation 1(b) RMS advised that a contract extension was successfully negotiated with the current provider until 2021, and now 'guarantees' efficiency savings provisions. In supplementary evidence provided to the Committee, TfNSW advised that since outsourcing the maintenance contracts there had been a 5.5 per cent saving, or \$156 million.²³
- 4.14 Responding to recommendation 2, RMS indicated that the SMC contract management framework was reviewed, and an Accountability Framework developed with input and agreement from all parties. It was also noted that as part of this framework, any off track items identified require remedial actions to be recorded and actioned.²⁴ This recommendation was completed in full as at December 2017.
- 4.15 In response to recommendation 3, RMS stated that the agency had developed a Benefits Realisation Framework through client surveys and meetings with key stakeholders to ensure that it has 'validity'. The Framework which identifies both financial and non-financial benefits, and tracks ongoing realisation of benefits, was completed in full by March 2018.²⁵

²³ Answers to Supplementary Questions, Transport for NSW, 9 October 2019, p.1.

²⁴ Submission 4, Roads and Maritime Services, pp.2-3.

²⁵ Submission 4, Roads and Maritime Services, pp.3-4.

Auditor-General's Comments

- 4.16 The Auditor-General, Ms Margaret Crawford, Deputy Auditor-General, Mr Ian Goodwin, and Assistant Auditor-General, Ms Claudia Migotto attended the public hearing and supplemented the evidence given by TfNSW (previously RMS). On 20 September 2018, the Audit Office provided a further response to the submission made by RMS.
- 4.17 In its response, the Audit Office commented that there is significant inherent risk in relying on self-reporting by service providers, especially in instances where they are not adequately managed.²⁶
- 4.18 In relation to recommendation 1(a), RMS did not specify how the current contractual terms had adequately covered the risks of self-reporting in light of the Audit. The Audit Office noted that TfNSW did not create a new SMC style of contract, but rather it had modified the existing and 'outdated' Performance Specific Maintenance Contract (PSMC) to include some SMC features.
- 4.19 Further advice from the Audit Office indicated that it was unclear whether there were stronger sanctions in the modified PSMCs than in the SMCs for incorrect contractor provided information, although TfNSW advised that the PSMC's were not modified, and the existing sanctions were still in place.²⁷
- 4.20 The Audit Office also raised concerns about the data quality captured by TfNSW. While TfNSW implied that they had strengthened their sanctions for incorrect financial and performance information, it is unclear whether the modified contracts mimic the current SMC and whether the Benefits Realisation Framework is adequate in mitigating risks:

I think that this audit did acknowledge right up-front that the nature of these contracts was quite innovative. That was acknowledged. The problem really that we were focused on was ongoing management of those contracts to ensure that the benefits are delivered. Mr Hardwick has responded reasonably well and clearly there is a lot of thinking about the partnership and how to get the benefits. Perhaps if we have any concerns it would just be on data quality and how Transport for NSW is assuring itself that the data that the whole thing is structured around is being assured.²⁸

Committee Comments

- 4.21 The Committee commends the innovative approach TfNSW has taken to managing road maintenance contracts. The inclusion of safety requirements and community expectations in contracts emphasises the importance of a more comprehensive approach to works that impact on residents.
- 4.22 The Committee reiterates concerns raised by the Audit Office regarding the quality of data supplied by contractors, particularly in regard to data that may trigger sanctions. The Committee agrees that there is a risk in relying on data from a self-reporting system.

²⁶ NSW Auditor-General's Performance Audit Report; Sydney region road maintenance contracts, p.13.

²⁷ Answers to Supplementary Questions, Transport for NSW 10 October 2019, p.3.

²⁸ Ms Margaret Crawford, Auditor-General, Audit Office of NSW, Transcript of evidence, 23 September 2019, p.11.

- 4.23 The Committee found some discrepancy in the nature of the contract currently in place for Sydney's north region. The Audit Office advised that RMS had modified the existing and outdated PSMC to incorporate some SMC features. In contrast, TfNSW states that the PSMC contract was not amended and the existing sanctions in the PSMC contract are still in place.
- 4.24 The Committee considers that there may be an opportunity for a further clarification regarding the road maintenance contract currently employed in the north region. In addition, the Committee reiterates the Audit concerns that TfNSW has not explained why its review concluded that the current contractual terms adequately covered any risk regarding data quality in the face of the Audit findings.
- 4.25 It is clear that TfNSW has developed an innovative contract model that has resulted in savings for New South Wales. The Committee would like to see further updates about the cost-benefit of these contracts beyond their first year of operation.

Recommendation 2

The Committee recommends that Transport for NSW clarifies the type of road maintenance contract currently operating in the north region, and explains how it differs from other contracts in place prior to the Department's review.

Recommendation 3

The Committee recommends that Transport for NSW implements a program to regularly audit the self-reported data provided by contractors to ensure its quality and validity.

Recommendation 4

The Committee recommends that Transport for NSW regularly monitors the cost-saving benefit of the road maintenance contracts throughout the life of the contracts.

Chapter Five – Office of Strategic Lands

Introduction

- 5.1 The Office of Strategic Lands (OSL) was established in 1951 to identify, acquire, manage and divest land required for the NSW Government's long term planning purposes. It is now located within the Department of Planning, Industry and the Environment.
- 5.2 OSL is responsible for administering the Planning Ministerial Corporation, an entity established under the *Environmental Planning & Assessment Act 1979*. It currently manages a portfolio of more than 6,000 parcels of land (4,900 hectares), 75 per cent of which is open space. Local councils across the Greater Sydney Region manage around 1300 hectares of open space within the portfolio.²⁹
- 5.3 The Office is a small self-funding entity which does not receive budget allocations and whose income is derived from asset sales, council contributions, royalties and rental returns. These funds are used to cover its ongoing operational expenses, acquire new land, and repay Treasury loans.³⁰

The Performance Audit

- 5.4 The Audit assessed whether OSL effectively fulfils its role to identify, acquire, manage and dispose of land, and whether OSL ensures it is sustainable over the long-term to meet its objectives.

Major Audit Findings

- 5.5 The Audit found that while OSL effectively fulfilled most aspects of its defined role, it could do more to support strategic land planning. This involves proactively identifying and acquiring land for future public use, rather than waiting for approaches from agencies or landholders.
- 5.6 The Audit noted that OSL only operated within the Greater Sydney area and held in excess of a billion dollars in land assets in this region. The Audit found that OSL may have greater impact if it expanded its activities beyond Greater Sydney.

Auditor-General's Recommendation

- 5.7 The Auditor-General made three recommendations: the first to be implemented by December 2017; the second by July 2018; and the third to be implemented on an ongoing basis. These are set out in the table below:

²⁹ NSW Government, NSW Department of Planning, Industry and Environment, Functions of the Office of Strategic Lands, <https://www.planning.nsw.gov.au/About-Us/Office-of-Strategic-Lands/Functions-of-the-Office-of-Strategic-Lands>, accessed 25 September 2019

³⁰ NSW Auditor-General's Performance Audit Report, Office of Strategic Lands, 10 August 2017, p.12.

Table 3 – Recommendations made by the Auditor-General in Report No. 290 in the Office of Strategic Land performance audit report³¹

The Department of Planning and Environment (Office of Strategic Lands) should:	
No.	Recommendation
1	<p>clarify and document its long-term purpose, role and goals in line with its mandate. This includes:</p> <ul style="list-style-type: none"> • finalising and implementing a business plan with outcome-based performance measures that support the achievement of its goals • establishing and implementing a business and financial model, including resourcing, that supports its long-term strategy • exploring options for expanding the operation of OSL to other areas of NSW.
2	develop and implement an approach for working with NSW Government agencies to improve its efficacy in strategic land identification, acquisition and management.
3	improve the transparency of its operations, and its communication and engagement with all stakeholders. This includes developing engagement strategies appropriate for different stakeholder groups.

Agency Response

- 5.8 At the time of the Audit, OSL was located within the Department of Planning and Environment, and the Committee received a response from that Department accepting all three recommendations. On 1 July 2019, OSL was relocated in the new public service clusters within the new Department of Planning, Industry and Environment (DPIE).
- 5.9 Following the restructure, a new Housing and Property group was established to maximise the efficient use of government land and property through the delivery of diverse housing, economic activities and public spaces. The new group encourages collaboration between the following government agencies: Property NSW, Crown Lands, the Aboriginal Housing Office, Land and Housing Corporation, Sydney Olympic Park Authority, NSW Valuer General, Office of Strategic Lands, Cemeteries and Crematoria NSW, the Hunter and Central Coast Development Corporation and Landcom.³²

³¹ NSW Auditor-General's Performance Report, Office of Strategic Lands, 10 August 2017.

³² Ms. Elizabeth Kinkade, Executive Director, Land Use Strategy, Department of Planning Industry and Environment, Transcript of evidence, 23 September 2019, p.13.

- 5.10 In response to Recommendation 1, DPIE published its Strategic Business Plan for the Planning Minister's Corporation in November 2017. The Plan outlined the direction, goals and action for the next 10 years, with special focus on the first five years, and expanded its role beyond the Sydney Metropolitan area to regions of NSW. Financial models have been developed, in collaboration with KPMG, to forecast cash flows under different scenarios for a period of 10 years.³³
- 5.11 Currently, OSL funds are managed through the Sydney Region Development Fund (SRDF), a statutory mechanism holding income from sales of surplus land, Treasury loans, leasing arrangements, and contributions from Sydney local councils. The SRDF currently has about \$30 million cash at hand, along with surplus land yet to be realised.
- 5.12 While acquisitions have increased to approximately \$45 million a year since the Audit, OSL is also looking at ways to bring in other forms of money to assist with the purchase of land, such as banking opportunities and using State Infrastructure Contribution funds.³⁴ This includes investigating options for expanding and financially supporting its operation to other areas outside NSW by establishing a Regional Development Fund.
- 5.13 To inform this investigation, a review of the SRDF was to be undertaken, including council contributions to the fund. This review was to follow the Office of Open Space and Parklands' review into options for open space funding to help identify open space opportunities within its current and future lands holdings.³⁵ Pending completion of that review, OSL have commenced the acquisition of coastal land under the Coastal Lands Protection Scheme.³⁶
- 5.14 In response to Recommendation 2, OSL has developed a commercial model and framework to guide engagement with other government agencies. Options for strategic land acquisition and management are also being discussed with government agencies, including Transport for NSW, the NSW Department of Education, Infrastructure NSW, NSW Health, and Corrective Services NSW.³⁷
- 5.15 In response to Recommendation 3, OSL noted it has developed a communication strategy to support engagement with stakeholders. DPIE advised that within the last two years, OSL had met with 21 local councils within Greater Sydney and spoken to a number of regional councils about the agency's role and activities.³⁸
- 5.16 OSL was also looking at managing how information is made available to councils about land required for future acquisition purposes, as there can be a delay

³³ Submission 6, NSW Department of Planning and Environment, p.3.

³⁴ Mr. Stephen Derwick, Acting Director, Office of Strategic Lands, Department of Planning Industry and Environment, Transcript of evidence, 23 September 2019, p.18.

³⁵ Submission 6, NSW Department of Planning and Environment, p.3.

³⁶ Ms. Elizabeth Kinkade, Executive Director, Land Use Strategy, Department of Planning Industry and Environment, Transcript of evidence, 23 September 2019, p.14.

³⁷ Submission 6, NSW Department of Planning and Environment, p4

³⁸ Mr. Stephen Derwick, Acting Director, Office of Strategic Lands, Department of Planning Industry and Environment, Transcript of evidence, 23 September 2019, p.15.

between land identified for open space and its acquisition.³⁹ Its website has been updated to improve access to information about projects and case studies of work undertaken by OSL.⁴⁰ Feedback monitoring is also taking place, including surveys of stakeholder views.⁴¹

Auditor-General's Comments

- 5.17 The Auditor-General, Ms Margaret Crawford, Deputy Auditor-General, Mr Ian Goodwin, and Assistant Auditor-General, Ms Claudia Migotto, attended the public hearing and supplemented the evidence given by OSL.
- 5.18 In the original response to the Committee, the Auditor-General noted that although the publication of the ten-year strategic business plan was a start, further work was required to address Recommendation 1. Specifically, while the business plan does not contain outcome-based performance measures, it did commit to their development.
- 5.19 At the public hearing, the Auditor-General acknowledged that while the OSL is a very small unit and managed the audited land dealings effectively, the key issue was one of visibility and clarity surrounding its future strategy. The Auditor-General remains optimistic about the new arrangements within the cluster, bringing together the key land management parties as a means to improve the effectiveness of overarching planning for the use of surplus land.⁴²
- 5.20 The Assistant Auditor-General added that at the core of the Audit Report were questions about the long term financial sustainability of OSL. The report identified that the land required to be purchased on behalf of the Government was valued at \$1.2 billion, while the budget for OSL was only between \$40-50 million, with \$30 million spent on land purchases each year in the last four years.⁴³

Committee Comments

- 5.21 The Committee notes that it has been over two years since the Audit was conducted and welcomes the progress made by the Office of Strategic Lands in addressing the issues highlighted in the Audit Report.
- 5.22 The Committee acknowledges the action taken by OSL in response to the recommendations of the Audit, including the development of its Strategic Business Plan, implementation roadmaps and funding options to improve its operations, and engagement with other Departments and stakeholders. OSL has also taken action to update its website to provide a clearer description of the functions and projects of OSL, including case studies of work undertaken.

³⁹ Mr. Stephen Derwick, Acting Director, Office of Strategic Lands, Department of Planning Industry and Environment, Transcript of evidence, 23 September 2019, p.17.

⁴⁰ Submission 6, NSW Department of Planning and Environment, p.4.

⁴¹ Mr. Stephen Derwick, Acting Director, Office of Strategic Lands, Department of Planning Industry and Environment, Transcript of evidence, 23 September 2019, p.15.

⁴² Ms Margaret Crawford, Auditor-General of NSW, Transcript of evidence, 23 September 2019, p.18.

⁴³ NSW Auditor-General's Performance Report, Office of Strategic Lands, 10 August 2017, p.3.

- 5.23 Although a long term Strategic Business Plan has been released, the evidence taken as part of the Committee's inquiry indicates that further detail is needed about how OSL's financial management approach will address its long term financial sustainability.
- 5.24 Consequently, the Committee considers it would be beneficial for OSL to develop and publish a long term plan to ensure its financial and operational long term viability.

Recommendation 5

The Committee recommends that the Office of Strategic Lands develops and publishes a long term plan to guarantee its future financial and operational sustainability.

Chapter Six – Planning and Evaluating Palliative Care Services in NSW

Introduction

- 6.1 Palliative care is an essential component of modern health care services and an increasingly important part of the wider health and social care systems. Palliative care is healthcare and support for people with a life-limiting illness, their families and carers. It is provided by, or informed by, professionals who specialise in palliative care. 'End-of-life' care is provided to people approaching the end of life by health professionals who may work in the health, community or aged care systems. Not everyone receiving end of life care needs palliative care.
- 6.2 NSW Health has a policy and planning role in palliative and end-of-life care, and coordinates a wide range of service providers. Local Health Districts (LHDs) provide care services in settings such as homes, hospitals and clinics to a range of patients with varying needs.

The Performance Audit

- 6.3 This Audit assessed whether NSW Health is effectively planning and evaluating palliative care services, in the context of rising demand, increasingly complex needs, and the diversity of service providers.

Major Audit Findings

- 6.4 The Audit found that NSW Health's approach to planning and evaluating palliative care was not effectively coordinated. There was no overall policy framework for palliative and end-of-life care, or comprehensive monitoring and reporting on services and outcomes.
- 6.5 It was also reported that NSW Health had a limited understanding of the quantity and quality of palliative care services across the state, which reduces its ability to plan for future demand and workforce needs. At the district level, planning was found to be ad hoc, with unclear accountability for performance.
- 6.6 The capacity of LHDs to use accurate and complete data to plan and deliver services was hindered by multiple disjointed information systems and manual data collections. Furthermore, data collection on patient outcomes, for benchmarking and quality improvement, was not being used universally. This limits the ability of LHDs to plan and improve services.
- 6.7 The Audit found that NSW Health's approach to engagement with stakeholders was not systematic. It was reported that the lack of an overall stakeholder engagement strategy risked the sustainability and value of stakeholder input in planning and limited transparency.
- 6.8 Over the last two years, NSW Health has taken steps to improve its planning and support for districts. The Agency for Clinical Innovation has produced an online

resource to assist LHDs in constructing their own, localised models of care. The eHealth resource, which coordinates information communication technology for the state's healthcare, aims to invest in integrating and improving information systems. These initiatives are designed to address many of the issues now inhibiting integrated service delivery, reporting on activity and outcomes, and planning for the future.

Auditor-General's Recommendations

6.9 The Auditor-General made four recommendations for NSW Health, the first to be implemented by July 2018, the second, third and fourth by December 2018.

Table 4 – Recommendations made by the Auditor-General in the Planning and Evaluating Palliative Care Services in NSW performance audit report ⁴⁴

No.	Recommendation
1	<p>NSW Health should develop an integrated palliative and end-of-life care policy framework that:</p> <ul style="list-style-type: none"> • clearly articulates the interface between palliative and end of life care and outlines the priorities for the respective areas • defines policy goals and objectives, and a performance and evaluation framework for palliative care service planning and delivery • informs a related workforce plan which supports the policy framework and is linked to the Health Professional Workforce Plan 2012-2022 • reviews the funding allocation model to ensure future enhancement funds are distributed equitably and transparently based on the need and population of districts.
2	<p>NSW Health should assess how the functionality provided in data collection programs such as the Palliative Care Outcomes Collaboration program can be provided across all palliative care services in NSW</p>
3	<p>NSW Health should complete its state-wide review of systems and reporting for end of life management including specialist palliative care, and develop a business case to implement a more integrated set of solutions to:</p> <ul style="list-style-type: none"> • support providers delivering end of life and palliative care • help monitor service quality and quantity

⁴⁴ NSW Auditor-General's Performance Report, Planning and Evaluating Palliative Care Services in NSW, 17 August 2017.

	<ul style="list-style-type: none"> • provide comprehensive data for service planning
4	<p>improve stakeholder engagement by:</p> <ul style="list-style-type: none"> • developing a state-wide stakeholder engagement strategy that brings together current activity and good practice, and is transparent and publicly available • defining accountability for overseeing and implementing the strategy at state and district levels.

Agency Response

- 6.10 At the public hearing, NSW Health stated that the Ministry of Health supported all the recommendations in the Audit Office report. NSW Health has worked over the last two years to develop and implement a systematic policy approach to end-of-life and palliative care in New South Wales.⁴⁵
- 6.11 In response to the Audit's first recommendation, the Ministry of Health released the NSW Health End of Life and Palliative Care Framework in February 2019. The Framework brings together end-of-life and palliative care and articulates the role of generalists, specialist clinicians and the health system more broadly in the delivery of that care.⁴⁶
- 6.12 Since 2017, an additional \$145 million of funding has been budgeted for this purpose. A significant amount is available for workforce enhancements, including nurses, medical specialists, social workers and psychologists and Aboriginal health workers. These new positions are designated to ensure patients can access the care they need in their preferred setting of in- or out-of-home care.
- 6.13 The funding also provides: scholarships and on-the-job training for nurses and allied health staff; refurbishment of palliative care facilities; telehealth and digital health technology projects to link people in rural areas to specialist palliative care; and a community pharmacy project to improve access to medications in the community.⁴⁷
- 6.14 In response to Recommendation 1(d), a new governance structure has been established with a high level committee to oversee major funding allocation,⁴⁸ as well as to provide strategic advice on end of life and palliative care across the State.⁴⁹ This committee has senior executive representation from across NSW Health and representation of key stakeholder groups including consumers, Aboriginal health and primary health networks. It supports state-wide approaches

⁴⁵ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.19.

⁴⁶ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.19.

⁴⁷ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.19.

⁴⁸ Submission 7, NSW Health, p.4.

⁴⁹ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.20.

to workforce, stakeholder and consumer engagement and data monitoring and reporting, evaluation and clinical principles and models of care.⁵⁰

- 6.15 Additionally, NSW Health is designing a new electronic record to address Audit recommendations two and three:

A key initiative underway to address recommendations two and three of the review is a project to build palliative care functionality within the electronic medical record. The design of the electronic record incorporates the palliative care outcomes collaboration measures, which will support easier quality monitoring and benchmarking of services. This new functionality will support continuity of care between hospital-based care providers, specialist and community health services through increased visibility of patient records and information. We anticipate improved access will lead to more informed and better patient care decisions.⁵¹

- 6.16 In response to Recommendation 4, dealing with stakeholder engagement, NSW Health has been working closely with community stakeholders, such as Palliative Care NSW, across a range of initiatives to ensure the views and needs of patients, families and carers are heard.⁵² This includes a series of roundtables held across the State to facilitate conversations directly with stakeholders and reveal the level of support and care needed.⁵³ This increased engagement initiative aims to strengthen the information and support available in the community.

- 6.17 Evidence taken at the public hearing also highlighted that NSW Health is committed to hearing from the relevant rural, regional and metropolitan groups when conducting community consultations about their services. NSW Health noted that engagement with these consumer working groups has been ongoing and that it would continue to support LHDs performing these consultations by providing access to information from the Ministry of Health about improvements to policies, frameworks and planning decisions.⁵⁴

- 6.18 NSW Health stressed that balancing and supporting appropriate end-of-life care decisions for individuals is an issue that challenges health systems and governments around the world. In NSW, particular emphasis is paid to providing comprehensive information to patients to enable informed decision making, while accommodating changes in circumstances as their disease or condition progresses.

Auditor-General's Comments

- 6.19 The Auditor-General, Ms Margaret Crawford, Deputy Auditor-General, Mr Ian Goodwin, and Assistant Auditor-General, Ms Claudia Migotto, attended the public hearing and supplemented the evidence given by NSW Health.

⁵⁰ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.20.

⁵¹ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.20.

⁵² Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.19.

⁵³ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.20.

⁵⁴ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.23.

- 6.20 The Auditor-General commented that there were no further matters outstanding and noted that it was good to see a focus on this important issue.⁵⁵

Committee Comments

- 6.21 The Committee notes that it has been over two years since the Audit was conducted and welcomes the progress made by NSW Health in addressing the coordination, data collection and stakeholder engagement issues highlighted in the Audit Report.
- 6.22 Given the initiatives NSW Health has taken to address the recommendations of the Audit Report, and as the Auditor-General was satisfied with NSW Health's progress since the Audit, the Committee makes no further recommendations.

⁵⁵ Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health, 23 September 2019, p.23.

Chapter Seven – Sharing School and Community Facilities

Introduction

- 7.1 The New South Wales population is growing at a rapid pace and projected to increase by 1.6 million by 2031⁵⁶. New communities created by this rapid population growth create increased demand for services and amenities, which is costly for State and local governments already limited by fiscal constraints.
- 7.2 In April 2017 the Audit Office published its report on 'Planning for school infrastructure'. The report found that joint or shared use of school and community facilities will assist with the growing demand for services. This is necessary in areas where a lack of available land and rising land costs makes it otherwise difficult to provide such facilities.⁵⁷
- 7.3 Shared use refers to arrangements where existing school facilities are hired out for non-school purposes, usually for a set amount of time. An example of this is a school hiring out an existing hall to a local yoga group for a five-year period.
- 7.4 Joint use refers to arrangements where a significant investment is made jointly between the Department of Education (DoE) and another party to develop, upgrade or maintain a facility. An example is the Department and a local council jointly funding and building a performing arts centre which is used by the school during some periods of time of the school term, and by other community groups at other times.

The Performance Audit

- 7.5 The Audit assessed how effectively schools share facilities with each other, local councils and community groups. The scope of the Audit included sharing arrangements over the past five years and plans for the short to medium term.
- 7.6 In particular, the Audit examined whether the DoE: has a clear policy to encourage and support facilities sharing; implements evidence-based strategies; and, is able to demonstrate an increasing trend towards sharing opportunities.
- 7.7 The Audit did not examine shared use arrangements of schools using external facilities, such as council pools and did not review agreements, leases, licenses and deeds for individual schools.

Major Audit Findings

- 7.8 The Audit found broad support for shared and joint use of school and community facilities with many potential benefits to schools, their students and local

⁵⁶ NSW Auditor-General's Performance Audit Report, Sharing school and community facilities, November 2017, p.4.

⁵⁷ NSW Auditor-General's Performance Audit Report, Planning for school infrastructure, April 2017.

communities. It also determined that the current practice of sharing arrangements is not fully effective.

- 7.9 According to the Audit, government policies encourage but do not mandate sharing school and community facilities.⁵⁸ Several strategies and plans were referenced, including: the 'State Infrastructure Strategy'; a metropolitan 'Plan for Growing Sydney' strategy; and, Greater Sydney Commission support among others. According to the Audit:

While these documents indicate support and policy intent, none are backed up with budgets, specific plans or timelines. Also, there is no whole-of-government coordination and support for the agencies involved.⁵⁹

- 7.10 The Audit further noted that either a collaborative, multi-agency approach is essential to overcome any barriers to effective sharing policy, or the DoE may need significantly more funds to deliver sufficient fit-for-purpose school facilities.⁶⁰
- 7.11 While there are successful examples of shared use, there is room for improvement. For example, at the time of the Audit, the DoE was not monitoring the extent of shared use, which was therefore unknown.
- 7.12 Additionally, at the time of the Audit, information about available facilities was not readily available to potential community users, and the DoE did not evaluate different approaches as evidence to influence policies and procedures.⁶¹
- 7.13 Finally, the Audit found that a higher level of support for Principals was necessary. The development and management of shared use agreements is time consuming, potentially risky and creates a burden on Principals.

Auditor-General's Recommendations

- 7.14 The Auditor-General made four recommendations to be implemented by December 2018. The recommendations are set out in the following table:

Table 5 - Recommendations made by the Auditor-General in the Sydney region road maintenance contracts performance audit report

No.	Recommendation
By December 2018, the Department of Education Should:	
1	Increase incentives and reduce impediments for school Principals to share school facilities, including: <ul style="list-style-type: none"> c) Review the methodology for calculating fees charges for facilities to ensure that shared use of

⁵⁸ NSW Auditor-General's Performance Audit Report; Sharing school and community facilities, November 2017, pp.6-7.

⁵⁹ NSW Auditor-General's Performance Audit Report; Sharing school and community facilities, November 2017, p.7.

⁶⁰ NSW Auditor-General's Performance Audit Report; Sharing school and community facilities, November 2017, p.1.

⁶¹ NSW Auditor-General's Performance Audit Report; Sharing school and community facilities, November 2017, p.8.

	<p>school facilities does not result in a financial burden to schools or the Department</p> <p>d) Improve support provided to Principals by School Infrastructure NSW, including reducing the backlog of school-initiated infrastructure proposals awaiting approval</p> <p>e) Develop service standards, including timeframes for assessing and approving school-initiated infrastructure proposals</p>
2.	Provide readily accessible information about available school facilities to community groups and local councils
3	Ensure that the implementation of the new 'Joint Use of School facilities and Land Policy' is adequately resourced, and has the support of Principals
4.	Implement processes to monitor and regularly evaluate the implementation of shared use and joint use policies and promote better practice to drive improvements

Agency Response

7.15 The Committee received a response from the DoE in December 2018 accepting all Audit recommendations, the majority of which had been implemented, with two on track to be completed at the time the response was received.

7.16 In responding to recommendation 1, urging the DoE to increase incentives and reduce impediments for Principals to share school facilities, the Department reported that it had launched a Community Joint Use Framework. The Framework supports the Shared Use Policy, and targets significant major infrastructure upgrades and community access to school facilities.

7.17 According to the Department, the Joint Use Framework benefits Principals by ‘resourcing the negotiation and planning of facilities with partners and facilitating the delivery of improved asset and operational outcomes.’⁶²

7.18 Recommendation 1 also suggested a review of the fee structure with the aim of reducing the burden of sharing facilities on schools and the Department. At a public hearing on 23 September 2019, the DoE stated that:

In December 2018, our School Infrastructure NSW area of the department provided input into the review of the community use of school facilities policy in order to make sure that we were capturing the right fees and schedules for schools.⁶³

⁶² Submission No. 9, Department of Education, p.1.

⁶³ Ms Georgina Harrison, Deputy Secretary Educational Services, Department of Education, Transcript of evidence, 23 September 2019, p.25.

- 7.19 The DoE has also established a joint use unit to ensure the implementation of the Joint Use Framework is adequately resourced.⁶⁴ Moreover, the Department has developed an initiative that 'enables school communities to self-deliver a range of commonly requested and low-risk works.'⁶⁵
- 7.20 In its response to recommendation 2, the DoE stated that it has implemented a range of direct communication methods to improve information sharing and relay the availability of school facilities available to community groups and local councils. Additionally, the DoE's School Website Service now includes a new section for school facilities available for hire.⁶⁶
- 7.21 An Asset Management Unit was established as an additional projects team in response to recommendation 3. The team concentrates specifically on school and community funded projects in order to reduce the backlog of school-initiated proposals awaiting approval.⁶⁷
- 7.22 In a supplementary response to the Committee, the DoE advised that:
- In 2017-18 and 2018-19 School Infrastructure NSW (SINSW) delivered approximately 1,175 school funded projects, and on 1 July 2019 approximately 540 school funded projects were underway. As at 30 September 2019, approximately 700 school funded projects are underway, as more projects are approved and commenced.
- Of the total number, approximately 100 have been in progress for over 12 months due to the complex nature of the projects. The remaining works have been in progress for less than 12 months.⁶⁸
- 7.23 Audit recommendation 4 required the DoE to implement processes to monitor and regularly review the implementation of sharing policies. The DoE advised that a register had been established to regularly evaluate the Joint Use Framework, and that Joint Use of School Facilities and Land Policy, along with all of the DoE's policies, are reviewed regularly.⁶⁹

Auditor-General's Comments

- 7.24 The Auditor-General, Ms Margaret Crawford, Deputy Auditor-General, Mr Ian Goodwin, and Assistant Auditor-General Claudia Migotto attended the public hearing and supplemented the evidence given by the DoE.
- 7.25 Following additional Audit Office comments on the agency submission, the Committee pursued several matters with the DoE at the public hearing. This included whether:
- the community use of school facilities fee structure had been reviewed;

⁶⁴ Submission No. 9, Department of Education, p.1.

⁶⁵ Ms Georgina Harrison, Deputy Secretary Educational Services, Department of Education, Transcript of evidence, 23 September 2019, p. 25.

⁶⁶ Submission No. 9, Department of Education, p.1.

⁶⁷ Submission No. 9, Department of Education, p.1.

⁶⁸ Answers to Supplementary Questions, provided by Department of Education 4 October 2019, p.2.

⁶⁹ Submission No. 9, Department of Education, p.2.

- the backlog of school-initiated infrastructure proposals had been reduced and policy put in place to prevent future reoccurrence of backlog;
- the DoE was monitoring school participation in listing facilities on the Department's website; and
- services standards had been established for the team responsible for implementing the Joint Use Framework⁷⁰.

7.26 At the public hearing, the Audit Office reinforced the matter of the backlog of school-initiated proposals as being of concern.⁷¹

Committee Comments

7.27 The Committee notes that the Audit Office's *Report on sharing school and community facilities* was published in November 2017, and the Committee's inquiry did not commence until August 2019.⁷² Thus, during this time many of the Audit's recommendations were either in progress or fully implemented.

7.28 The Committee welcomes the work carried out by the Department of Education (DoE) in encouraging schools and communities to share facilities. It is an efficient use of assets given the lack of available land, rising land costs and population growth.

7.29 The Committee notes particularly the Department's development of the Community Joint Use Framework. It is clear that the Department is committed to developing a system for facilities sharing that is more transparent to the public, without creating a burden on Principals.

7.30 The Committee also notes and commends the Department for ensuring that implementation of the new Framework is adequately resourced and has the support of Principals. In particular, the Committee welcomes the establishment of the central delivery team within School Infrastructure NSW (SINSW), whose principal focus is to address the backlog of school-funded works, a key concern of the Committee.

7.31 The Committee reiterates the concerns set out in the Audit regarding readily accessible information about available school facilities. In particular, issues about the Department's School Website Service program, which dedicates a section of each school's website to available facilities.

7.32 The agency's response indicates that School Infrastructure NSW regularly reviews the program to ensure that best practices are employed. However, the Committee is of the view that service standards, such as key performance indicators (KPIs),

⁷⁰ Additional written feedback provided by the Audit Office of NSW to the Committee, dated 16 July 2019.

⁷¹ Ms Claudia Migotto, Assistant Auditor-General, Performance Audits, Audit Office of NSW, Transcript of evidence, 23 September 2019, p.28.

⁷²The NSW Parliament, including its Committees, was prorogued on 25 February 2019 ahead of the NSW State Election held in March 2019. Following the election, the 57th Parliament opened and the Public Accounts Committee was established on 18 June 2019.

would provide both quantitative and qualitative measures of the website's effectiveness.

- 7.33 The Committee believes that it is essential to not only collect quantitative measures such as efficiency and financial performance, but also to capture qualitative data, such as user satisfaction levels and social outcomes. This would enable a more comprehensive assessment in order to determine where and how improvements can be made to the facilities sharing program.

Recommendation 6

The Committee recommends that the Department of Education develops key performance indicators (KPIs) that capture both quantitative and qualitative data in relation to its School Website Service program to inform and guide improvements to the program.

Appendix One – Terms of Reference

Under section 57 of the *Public Finance and Audit Act 1983*, the functions of the Committee include the examination of any report of the Auditor-General laid before the Legislative Assembly and any circumstances connected with those reports.

Public Finance and Audit Act 1983

57 Functions of the Committee

(1) The functions of the Committee are:

...

(c1) to examine any reports of the Auditor-General laid before the Legislative Assembly,

(d) to report to the Legislative Assembly from time to time upon any item, or any circumstances connected with, those financial reports, reports or documents which the Committee considers ought to be brought to the notice of the Legislative Assembly.

At its meeting on 1 August 2019, the Committee adopted the following terms of reference:

That the Committee inquire into and report on any circumstances connected with the following reports of the Auditor-General which the Committee considers ought to be brought to the notice of the Legislative Assembly:

- Report No. 285 – Mining rehabilitation security deposits
- Report No. 286 – Medical equipment management in NSW public hospitals
- Report No. 287 - NorthConnex
- Report No. 288 – Sydney Region road maintenance contracts
- Report No. 289 – ICT in schools for teaching and learning
- Report No. 290 – Office of Strategic Lands
- Report No. 291 – Planning and evaluating palliative care services in NSW
- Report No. 292 – Energy rebates for low income households
- Report No. 293 – Sharing school and community facilities
- Report No. 294 – Government advertising: Campaigns for 2015-16 and 2016-17
- Report No, 295 – Managing demand for ambulance services

Appendix Two – Submissions

No. 1	NSW Department of Planning and Environment
No. 2	NSW Health
No. 3	Department of Premier and Cabinet
No. 4	Roads and Maritime Services
No. 5	NSW Department of Education
No. 6	NSW Department of Planning & Environment
No. 7	NSW Health
No. 8	NSW Department of Planning & Environment
No. 9	NSW Department of Education
No. 10	Department of Justice and Attorney General
No. 11	Office of Local Government NSW
No. 12	Department of Premier and Cabinet
No. 13	NSW Health

Appendix Three – Witnesses

- Mr Daniel Hunter, Deputy Secretary, Financial Services and Asset Management and Chief Financial Officer, NSW Health
- Mr John Hardwick, Executive Director Sydney, Transport for NSW
- Ms Elizabeth Kinkade, Executive Director, Land Use Strategy, Department of Planning, Industry and Environment
- Mr Stephen Dewick, A/Director, Office of Strategic Lands, Department of Planning, Industry and Environment
- Ms Liz Parker, Senior Manager, Strategy & Major Programs, Department of Planning, Industry and Environment
- Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, NSW Health
- Ms Georgina Harrison, Deputy Secretary Educational Services, Department of Education
- Ms Chloe Read, Executive Director, Learning and Business Systems, Department of Education
- Ms Margaret Crawford, Auditor-General, Audit Office of New South Wales
- Mr Ian Goodwin, Deputy Auditor-General, Audit Office of New South Wales
- Ms Claudia Migotto, Assistant Auditor-General, Performance Audit, Audit Office of New South Wales

Appendix Four – Extracts from Minutes

MINUTES OF MEETING No 2

9:04am, Thursday 1 August 2019

Room 1254, Parliament House

Members present

Mr Greg Piper (Chair), Mrs Tanya Davies (Deputy Chair), Mr Adam Crouch, Mr Lee Evans, Ms Felicity Wilson

Apologies

Mr Ryan Park

Officers in attendance

Catherine Watson, Bjarne Nordin, Caroline Hopley, Cheryl Samuels, Derya Sekmen, Ze Nan Ma

1. Minutes of Meeting No. 1

Resolved, on the motion of Mr Crouch, seconded by Mr Evans:

That the draft minutes of deliberative meeting No. 1 of 20 June 2019, be confirmed.

2. ***

3. ***

4. ***

5. Examination of the Auditor-General's Performance Audit Reports - May 2017-December 2017

a) Recommendation for follow-up of agencies

Resolved, on the motion of Mr Crouch, seconded by Ms Wilson:

That the Committee adopts the action proposed for performance audits 285-295

b) Public hearing

Resolved, on the motion of Ms Wilson, seconded by Mrs Davies:

- That the Committee adopts the draft Terms of Reference for an Examination of the Auditor-General's Performance Audit Reports May 2017 - December 2016.
- That the Committee confirms that the public hearing will be conducted at Parliament House on 23 September 2019.
- That the Committee invites representatives of organisations on the proposed list to appear as witnesses at the public hearing on 23 September 2019.
- That the Committee receives and authorises the publication of submissions received, with personal details redacted as appropriate, and orders that they be placed on the Parliament's website.

6. ***

7. ***

8. Next meeting

The next meeting is scheduled for 9:00am, 22 August 2019 in Room 1254

The Committee adjourned at 9:55am.

MINUTES OF MEETING No 4

9:15am, Monday 23 September 2019

Jubilee Room, Parliament House

Members present

Mr Greg Piper (Chair), Mr Adam Crouch, Mr Lee Evans, Mr Ryan Park, Ms Felicity Wilson

Officers in attendance

Helen Minnican (Clerk), Bjarne Nordin, Jacqueline Linnane, Caroline Hopley, Cheryl Samuels, Derya Sekmen

1. Apologies

Mrs Tanya Davies

2. ***

3. Conduct of hearing

The Chair discussed arrangements for the conduct of the public hearing.

Resolved, on the motion of Mr Crouch:

- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 23 September 2019 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That the corrected transcript of evidence given on 23 September 2019 be authorised for publication and uploaded on the Committee's website.
- That witnesses be requested to return answers to questions taken on notice within one week of the date on which the questions are forwarded to the witness, and that once received, answers be published on the Committee's website.

4. ***

The Chair closed the meeting at 9.28am.

Public Hearing: Examination of the Auditor-General's Performance Audit Reports May 2017-December 2017

The public and press were admitted.

The public hearing commenced at 9:32am. The Chair welcomed the witnesses and the gallery.

The following witnesses representing the Audit Office of NSW were admitted:

- Ms Margaret Crawford, Auditor-General, affirmed and examined.
- Mr Ian Philip Goodwin, Deputy Auditor-General, sworn and examined.

- Ms Claudia Migotto, Assistant Auditor-General, Performance Audit, affirmed and examined.

The following witness representing NSW Health was admitted:

- Mr Daniel James Hunter, Deputy Secretary, Financial Services and Asset Management and Chief Financial Officer, sworn and examined.

Evidence concluded, the witness withdrew.

The following witness representing Transport for NSW was admitted:

- Mr John Thomas Hardwick, Executive Director Sydney, sworn and examined.

Evidence concluded, the witness withdrew.

The following witnesses representing Department of Planning, Industry and Environment were admitted:

- Ms Elizabeth Kinkade, Executive Director, Land Use Strategy, affirmed and examined.
- Mr Stephen Dewick, Acting Director, Office of Strategic Lands, affirmed and examined.
- Ms Elizabeth Parker, Senior Manager, Strategy & Major Programs, affirmed and examined.

Evidence concluded, the witnesses withdrew.

The following witness representing NSW Health was admitted:

- Dr Nigel Lyons, Deputy Secretary, Health System Strategy and Planning, sworn and examined.

Evidence concluded, the witness withdrew.

The following witnesses representing the Department of Education were admitted:

- Ms Georgina Harrison, Deputy Secretary Educational Services, affirmed and examined.
- Ms Chloe Read, Executive Director, Learning and Business Systems, affirmed and examined.

Evidence concluded, the witnesses withdrew .

The public hearing adjourned at 12:34pm, to conduct an informal briefing session with Mr Stephen Bartos, former Parliamentary Budget Officer.

The briefing concluded at 1:15pm.

5. Next meeting

The next meeting is scheduled for 9:00am, 26 September 2019 in Room 1254.

MINUTES OF MEETING No 5

9:00am, Thursday 26 September 2019

Room 1254, Parliament House

Members present

Mr Greg Piper (Chair), Mrs Tanya Davies (Deputy Chair), Mr Adam Crouch, Mr Lee Evans, Ms Felicity Wilson

Officers in attendance

Bjarne Nordin, Jacqueline Linnane, Cheryl Samuels, Derya Sekmen

3. Apologies

Mr Ryan Park

4. Minutes of Meetings No. 3 and No.4

Resolved, on the motion of Mr Crouch, seconded by Mr Evans:

That the draft minutes of deliberative meetings No. 3 of 22 August 2019 and No. 4 of 23 September 2019, be confirmed.

5. ***

6. Examination of the Auditor-General's Performance Audit Reports May 2017 – December 2017

The Committee noted the following items of correspondence received:

- Follow-up response from Department of Planning, Industry and Environment regarding Mining Rehabilitation Security Deposits dated 3 September 2019
- Follow-up response from Department of Planning, Industry and Environment regarding Energy Rebates for low income households dated 3 September 2019
- Follow-Up response from Department of Education regarding ICT in schools for teaching and learning dated 5 September 2019
- Follow-Up response from NSW Health regarding Managing demand for ambulance services dated 16 September 2019.

7. ***

8. ***

9. ***

10. Next meeting

The next meeting is scheduled for 9:00am, 24 October 2019 in the Room 1254.

The Committee adjourned at 9:40 am.

MINUTES OF MEETING No 6

9:00am, Thursday, 24 October 2019
Room 1254, Parliament House

Members present

Mr Greg Piper (Chair), Mrs Tanya Davies (Deputy Chair), Mr Adam Crouch, Mr Lee Evans, Ms Felicity Wilson, Mr Ryan Park

Officers in attendance

Elaine Schofield, Bjarne Nordin, Jacqueline Linnane, Caroline Hopley, Cheryl Samuels, Ze Nan Ma

1. Minutes of Meeting No 5

Resolved, on the motion of Ms Wilson, seconded by Mrs Davies:
That the minutes of Meeting No 5 of 26 September 2019, be confirmed.

2. Examination of the Auditor-General's Performance Audit Reports May 2017 – December 2017

The Committee noted the following items of correspondence received:

- Response to Questions on Notice from Department of Planning, Industry and Environment regarding the Office of Strategic Lands dated 27 September 2019
- Response to Questions on Notice from Transport for NSW regarding Sydney Region Road Maintenance Contracts, dated 9 October 2019
- Response to Questions on Notice and supplementary questions from the Department of Health regarding Medical Equipment Management in NSW Public Hospitals, dated 9 October 2019
- Response to Questions on Notice from the Department of Education regarding Sharing School and Community Facilities, dated 9 October 2019

3. ***

4. ***

5. Next meeting

The next meeting is scheduled at 10:00am, 21 November 2019 in Room 1254.

The Committee adjourned at 9:30am.

UNCONFIRMED MINUTES OF MEETING NO. 7

21 November 2019
10:00am, Room 1254

Members Present:

Mr Greg Piper (Chair), Mr Ryan Park, Mr Lee Evans, Mr Adam Crouch, Ms Felicity Wilson

Officers in attendance:

Bjarne Nordin, Jacqueline Linnane, Cheryl Samuels, Ze Nan Ma

1. Apologies

Mrs Tanya Davies (Deputy Chair)

2. Minutes of Meetings No. 6

The Committee resolved, on the motion of Mr Evans, seconded by Mr Crouch:
That the draft minutes of deliberative meeting No. 6 of 24 October 2019, be confirmed.

3. ***

**4. Examination of Auditor-General's Performance Audit Reports May 2017 - December 2017
– Consideration of Chair's Draft Report**

The Committee considered the Chair's draft report on the Examination of Auditor-General's Performance Audit Reports May 2017 - December 2017.

The Committee resolved, on the motion of Mr Park, seconded by Mr Evans:

- That the Committee considers the Chair's draft report as circulated.
- That the Committee adopts the draft report and signed by the Chair for presentation to the House, and authorises Committee staff to make appropriate final editing and stylistic changes as required.
- That once tabled, the report be published on the Committee's webpage.

5. ***

6. ***

7. ***

8. ***

9. Next meeting

The next meeting is scheduled at 10:00am, 27 February 2020 in Room 1254.

The Committee adjourned at 10:35 am.

Appendix Five – Glossary

AFM	Asset Management and Facilities Management Online
ARC	Audit and Risk Committee
DPC	Department of Premier and Cabinet
DPE	Department of Planning and Environment
DWG	End of Life Management Design Working Group
eMR	Electronic Medical Records
EOLC	End of Life Care Design Working Design
EOLC DWG	End of Life Care Design Working Group
EP&A Act	Environmental Planning and Assessment Act 1979
GIS	Rehabilitation Geographic Information System
HI	Health Infrastructure
ICT	Information and Communication Technology
KPI	Key Performance Indicators
LHD	Local Health District
MoH	Ministry of Health
MP	Member of Parliament
NGO	Non-Government Organisation
ORCRR	Operational Rehabilitation – Compliance and Reporting Reforms
OSL	Office of Strategic Lands
PHN	Primary Health Networks
POFP	NSW Health Process of Facility Planning policy
PPC	Pay Period Confirmation
PPP	Public Private Partnership
PSMC	Performance Specific Maintenance Contract
RACI	Responsible, Accountable, Consulted and Informed
REX	Risk Education eXpress
RMS	Roads and Maritime Services
SHN	Specialty Health Networks
SIDC	Service Delivery Improvement Committee
SMC	Stewardship Maintenance Contract
TfNSW	Transport for New South Wales

Glossary

SMCs	Sydney Maintenance Contracts
ITSMC	Intelligent Transport Systems Maintenance Contractor
