

**Submission
No 17**

**EXAMINATION OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS SEPTEMBER
2013 – JULY 2014**

Organisation: Audit Office of NSW

Date Received: 20 August 2015

Mr Bruce Notley-Smith MP
Chair
Public Accounts Committee
Parliament House
Macquarie Street
SYDNEY NSW 2000

Contact: Kathrina Lo
Phone no: 9275 7310
Our ref: P001915
Your ref:

20 August 2015

Dear Mr Notley-Smith

Follow up of Auditor-General's Reports

I refer to your letter of 6 August 2015 advising that the Committee is reviewing the implementation of recommendations in the following performance audit reports tabled in 2013:

Report No. 235	Cost of Alcohol Abuse to the NSW Government
Report No. 236	Government Advertising 2012-13
Report No. 237	Management of Casual Teachers
Report No. 238	Improving Legal and Safe Driving Among Aboriginal People

As requested, I attach my comments on the responses the Committee has from the agencies that were audited.

Should you wish to discuss this matter, please contact me on 9275 7101 or Kathrina Lo, Assistant Auditor-General Performance Audit on 9275 7310.

Thank you for the opportunity to assist the Committee with its work.

Yours sincerely



A T Whitfield PSM
Acting Auditor-General

Encl

Attachment - Audit Office comments on agency responses to the PAC follow up review

235 Cost of Alcohol Abuse to the NSW Government

Responding agency Department of Premier and Cabinet

Audit Office Comments We note the Government's reported progress to date. We provide the following comments on the Department's response to recommendations 1, 2, 3 and 5. We have no further comment on the Department's response to recommendation 4.

<i>Recommendation</i>	<i>Audit Office comment</i>
<p><i>Recommendations 1 and 5</i> (Government response – agreed in principle)</p> <ul style="list-style-type: none"> • Every three years, estimate the total costs incurred by government agencies as a result of alcohol abuse • Publish its estimates and advise the community on the total cost to its services of alcohol-related abuse 	<p>These recommendations are not due to be implemented until 2016.</p> <p>The PAC may wish to ask the Department who will estimate costs and what method will be used. For example, will it engage a consultant, as the Audit Office did, or will it be undertaken by a specific agency?</p> <p>In addition, will the evaluation of the Plan of Management for the CBD also examine the cost effectiveness of measures to reduce alcohol-related crime?</p>
<p><i>Recommendation 2</i> (Government response – agreed in principle)</p> <ul style="list-style-type: none"> • In estimating costs, develop a standard approach to be used by agencies which specifies: <ul style="list-style-type: none"> ○ standard definitions of what constitutes 'alcohol abuse' in each agency ○ what data on alcohol-related incidents will be gathered ○ how incident data will be used to calculate costs ○ how the costs of preventative and response strategies are to be recorded. 	<p>We did not recommend that the Government collect additional data, as suggested by the Department. Rather, we recommended a standard approach be developed to ensure agencies are clear on:</p> <ul style="list-style-type: none"> • what constitutes 'alcohol abuse' – to help reconcile variances in definitions between agencies such as Health and Police • what and how incident data will be used to calculate costs • how preventative and responsive strategies will be included. <p>The PAC may wish to ask the Department what work has been done to develop a standard approach to estimating cost, which addresses the above issues.</p>
<p><i>Recommendation 3</i> (Government response – not supported)</p> <ul style="list-style-type: none"> • Examine a range of options to recoup costs from individuals whose alcohol abuse requires a response from government services. These must have regard to: <ul style="list-style-type: none"> ○ a person's ability to pay (in which case pay-by-instalment or community service might be an option) ○ whether it may discourage people from seeking treatment ○ whether a person has a genuine health problem. 	<p>In its formal response to the audit report, the Department noted that a cost recovery fee applied to people detained at the mandatory sobering-up centres.</p> <p>The PAC may wish to ask the Department about the status of the above strategy, what costs have been recovered to date, and whether the centres are viewed as a success?</p>

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236 Government Advertising 2012-13

Responding agency Department of Premier and Cabinet

Audit Office Comments We note the Department's reported completion of actions taken to implement the audit report recommendations. We consider that these actions adequately address the report's intent.

237 Management of Casual Teachers

Responding agency Department of Education and Communities

Audit Office Comments We note the Department's reported progress to date and that most recommendations are due for implementation in the current 2015 school year. We provide the following comments on the Department's response to recommendations 2, 3 and 4. We have no further comment on the Department's response to recommendations 1, 5 and 6.

<i>Recommendation</i>	<i>Audit Office comment</i>
<p><i>Recommendation 2</i> (Department's response – accepted) Improve its monitoring of a school's ability to access casual teachers to determine whether additional assistance is required</p>	<p>The Department indicates that it has implemented a monthly report to identify schools that experience low success rates in accessing casual teachers.</p> <p>The PAC may wish to ask the Department how it is using that report to assist schools to more readily access casual teachers.</p>
<p><i>Recommendation 3</i> (Department's response – accepted) Encourage schools to provide feedback on the performance of casual teachers.</p>	<p>The Department's progress on this recommendation appears limited. It indicates that it will work with a sample of schools to refine the existing process for providing feedback on the performance of casual teachers. However, its response implies that it only intends to identify the sample of suitable schools during the 2015 school year.</p> <p>The PAC may wish to ask the Department why it has not placed higher importance on implementing this recommendation more quickly.</p>
<p><i>Recommendation 4</i> (Department's response – accepted) Improve the way it identifies and responds to casual teachers with performance issues.</p>	<p>The Department indicates that it has developed a process to deal with poor performance of casual teachers. However, it has restricted the use of this process to casual teachers who are employed on temporary blocks for a minimum of one term. There was no such scope limitation in the audit report's findings or recommendations.</p> <p>The PAC may wish to ask the Department:</p> <ul style="list-style-type: none"> • what proportion of all placements involve casual teachers who are employed on temporary blocks for a minimum of one term • why it has restricted use of this performance management process • how it intends to deal with poor performance of casual teachers who are not employed on temporary blocks for a minimum of one term • of the 147 casual teachers who we reported were excluded by schools in 2012, how many of these were employed on temporary blocks for a minimum of one term, and therefore would be subject to the Department's new performance management process.

238 Improving Legal and Safe Driving Among Aboriginal People

Responding agencies Minster for Finance and Services on behalf of the Office of State Revenue
 Transport for NSW
 TAFE NSW
 NSW Police Force

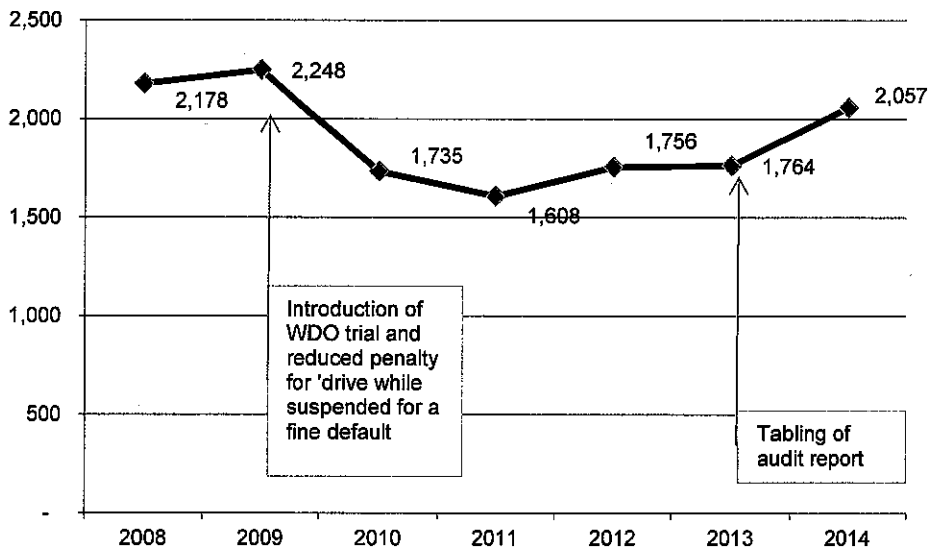
Audit Office Comments Since tabling the audit report, Bureau of Crime Statistics and Research data shows that unlicensed driving among Aboriginal people continues to increase. In 2014 (the year following the report), the number of Aboriginal people found guilty of driver licence offences grew by 293, or 17 per cent (see Figure 1 below).

Unlicensed driving among Aboriginal people is a complex problem. The audit report noted that the underlying socio-economic factors and disadvantage among Aboriginal people is a contributing factor and barriers exist across a range of government portfolios. The data above suggests that this will continue to be the case without sustained and coordinated NSW Government action.

The aim of the audit report's recommendations was to increase the rate of Aboriginal people with unrestricted driver licences which, in turn, should result in decreased unlicensed driving. This increased rate should also reduce the number of accidents, injuries and fatalities suffered. Safety data relating to Aboriginal people was not readily available at the time of this response.

We provide the following comments on each agency's response to the PAC. We have acknowledged where progress has been made and where we feel the actions, and/or the timing of those actions, may be insufficient to address the issue of unlicensed driving among Aboriginal people.

Figure 1: Number of Aboriginal and Torres Strait Islander persons found guilty in the local court of driver licence offences



Source: Bureau of Crime Statistics and Research, New South Wales Criminal Courts Statistics 2008 to 2014

Attachment - Audit Office comments on agency responses to the PAC follow up review

Improving Legal and Safe Driving Among Aboriginal People (continued)

<i>Responding Agency</i>	<i>Audit Office comments</i>
Department of Justice	<p>The Department of Justice was involved in the audit due to the role of the court system and Corrective Services NSW in dealing with Aboriginal driver licence offenders. We did not receive a copy of a response from the Department to the PAC. As such, we have not made comments regarding the Department.</p>
Minster for Finance and Services on behalf of the Office of State Revenue	<p>We support the recent initiative by the Office of State Revenue (OSR) to allow part payments of penalty notices prior to enforcement action taking place, resulting in the avoidance of an enforcement order and further fees.</p> <p>Despite this initiative, OSR has been reluctant to investigate and implement initiatives to reduce the number of licence suspensions and cancellations due to fine default in the first instance, including for Aboriginal people. As noted in the audit report, there is a prevalence of licence suspension and cancellation due to fine default among Aboriginal people. For all drivers, the growth in the number of driver licence suspensions due to fine default has outstripped the growth in the number of driver licences.</p> <p>Given these trends, it is important that OSR improve its understanding of the reasons people default on their fines, with the aim of reducing fine default in the first instance.</p> <p>OSR has a Work and Development Order (WDO) scheme to assist disadvantaged people work off their fine debt.</p> <p>However, this is a reactive scheme that relies on people identifying and proving their disadvantage and vulnerability - which may not occur until after a licence has been suspended or cancelled. We understand that OSR has been trying to establish proactive measures, such as data transfers with CentreLink, to help identify eligible WDO participants. However, this approach has been hampered by data privacy issues.</p> <p>The PAC may wish to ask OSR to provide recent trend data on licence suspensions and cancellations due to fine default, and whether OSR has considered implementing initiatives that may prevent fine default in the first instance.</p> <p>OSR considers existing practices and initiatives to be sufficient to address the issue of driver licence suspensions and cancellations due to fine default among Aboriginal people. These existing practices include:</p> <ul style="list-style-type: none"> • Time to pay (TTP) • WDOs • Outreach programs conducted through two full-time Aboriginal Client Advisory officers. <p>OSR agreed to expand and improve the availability of these programs without introducing new initiatives. Based on OSR's response to the PAC, it is unclear how successful it has been at expanding these programs and restoring driver licences as a result.</p> <p>The PAC may wish to ask OSR to provide recent data on the number of WDO and TTPs completed, the value of fines retired through these programs, and the number of driver licences restored as a result.</p> <p>The PAC may also wish to ask OSR to demonstrate the sufficiency of these programs to address the issues of licence suspensions and cancellations for fine default among Aboriginal people.</p>

Attachment - Audit Office comments on agency responses to the PAC follow up review

<i>Responding Agency</i>	<i>Audit Office comments</i>
Transport for NSW	<p>We acknowledge the steps taken by Transport for NSW to implement the audit report's recommendations. These steps include:</p> <ul style="list-style-type: none"> • the completion of 'Phase 1' of a communications plan which identifies how best to engage with Aboriginal communities in NSW about licensing issues • the formation of an inter-agency group to discuss strategies for increasing the number of Aboriginal people with unrestricted licences • the publication of the NSW Aboriginal Road Safety Action Plan 2014-2017. <p>However, most of the actions to address the audit report's recommendations have been slowly implemented and have not met the timeframes in the report. As mentioned in the comments above, the situation for Aboriginal drivers has deteriorated since the audit report was issued, hence a more expedited approach is warranted.</p> <p>In particular, the response offers little detail about the achievements of the inter-agency working group or future strategies. As noted in the audit report, a coordinated and whole of government approach is key to improving the situation for Aboriginal people as the issue touches on multiple portfolios. Importantly, this group should discuss and agree how to rectify systemic issues, such as legislative or policy issues, which contribute to the difficulty Aboriginal people face in obtaining an unrestricted licence.</p> <p>The PAC may wish to ask for more information regarding the progress of the inter-agency working group, with particular focus on the status of:</p> <ul style="list-style-type: none"> • a Terms of Reference • an accountability and reporting structure • models for engaging with the non-government sector • a process to identify performance gaps in service provision • initiatives, including systemic changes such as legislative and policy changes, to increase the rate of Aboriginal people with an unrestricted driver licence. <p>As noted in the NSW Aboriginal Road Safety Action Plan 2014–2017, Roads and Maritime Services has collected the Aboriginal status of customers volunteered through driver licence applications and renewals. In February 2014, the full five-year licence application cycle was completed.</p> <p>Transport for NSW now has a complete dataset to report on the success of initiatives developed by the inter-agency working group. Some of the key measures of success may include:</p> <ul style="list-style-type: none"> • the number and rate of unrestricted driver licences among Aboriginal people • the number of injuries and fatalities suffered by Aboriginal people in vehicle incidents. <p>This reporting should be provided to the inter-agency working group and to Cabinet to inform the NSW Government of the success of the inter-agency group's initiatives.</p> <p>The PAC may wish to ask Transport for NSW to report the impact that its initiatives have had on the number and rate of unrestricted driver licences among Aboriginal people and those injured or killed in accidents.</p>

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<i>Responding Agency</i>	<i>Audit Office comments</i>
TAFE NSW	<p>We acknowledge the completion of actions to provide course material and supporting documents for the accredited course in Foundation Skills for Learner Drivers to TAFE NSW Institutes.</p> <p>As noted in the audit report, the small scale and short lifespan of programs is an impediment to the sustained improvement in licensing outcomes. Based on TAFE NSW's response to the PAC, it appears that the uptake of program delivery has been poor (two out of ten TAFE NSW Institutes).</p> <p>The PAC may wish to ask TAFE NSW the reasons for the limited uptake of the accredited course in Foundation Skills for Learner Drivers.</p> <p>As noted in the audit report, TAFE NSW Institutes becoming Work and Development Order (WDO) sponsors is important to expand the availability of WDOs. Based on TAFE NSW's response to the PAC, it appears that the uptake of WDO Sponsorship has also been poor (two out of ten TAFE NSW Institutes).</p> <p>The PAC may wish to ask TAFE NSW the reasons for the limited uptake of WDO sponsorship by TAFE NSW Institutes.</p>
NSW Police Force	<p>We acknowledge NSW Police Force's (NSWPF) involvement in the inter-agency working group and upcoming review of its Aboriginal Action Plans.</p> <p>A key objective of NSWPF is to enforce road safety laws, including driver licence laws, with the intention of reducing the road fatality and injury rate. At the same time, NSWPF can play an important role in diverting offenders from the justice system. Where road safety is not compromised, an officer could use his/her discretion and refer offenders to appropriate courses and programs to promote legal and safe driving.</p> <p>NSWPF previously advised that discretion is not available for 'drive whilst disqualified or suspended' offences. However, discretion may be available for other less serious offences which, in time, may lead to a licence disqualification if the offender is not diverted. It is important that officers understand the options available to them and the consequences of their action. It is also important that officer discretion is used consistently for all road users.</p> <p>The PAC may wish to ask NSWPF how it trains its officers to use their discretion and how they ensure this discretion is used consistently for all offenders.</p>