



Premier of New South Wales
Minister for Western Sydney
Minister for Infrastructure

DIS/01485
LAC12/107

Reference: 2014-154584



Mr Les Gönye
Clerk-Assistant, Table and Serjeant-at-arms
Legislative Assembly
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Gönye

Thank you for your letter of 21 May 2014 concerning Report No. 15/55 of the Public Accounts Committee - *Examination of the Auditor-General's Performance Audits April 2012 – August 2012*.

Standing Order 303A of the Legislative Assembly requires that within six months of a report being tabled, relevant Ministers report to the House on what action, if any, the Government proposes to take in response to the recommendations of the Committee.

I am pleased to provide the House with the attached NSW Government response to this report.

Yours sincerely

MIKE BAIRD MP
Premier

MB
21 Jan 2015

**NSW Government response to the
Legislative Assembly Public Accounts Committee
Report: *Examination of the Auditor-General's
Performance Audits April 2012 – August 2012***

November 2014

The Government's response to the Public Accounts Committee's ten recommendations is outlined below.

RECOMMENDATION 1: *The Committee recommends that the Department of Education and Communities, as a matter of priority, implement its business intelligence tool to improve monitoring of students' progress.*

The NSW Government supports this recommendation.

The implementation of a business intelligence program is a priority for the Department of Education and Communities. The first release of the program will bring together data and information to enable principals and other users to benchmark and monitor student progress. Principals will have access to data (refreshed daily) that shows the number of students enrolled in the school, and can be filtered by:

- Aboriginality
- scholastic year
- calendar year
- NAPLAN results (years 3,5,7 and 9)
- gender
- previous school
- language spoken at home.

The first release of the program to principals is expected in December 2014. Principals and other users will be able to access data easily and quickly, to prepare reports and compare trends over time for individual students, groups of students or schools. For example, principals will be able to access a report showing the correlation between literacy achievement and attendance patterns.

The business intelligence program will be available to all principals, with over 700 principals scheduled to complete training by the end of November 2014.

RECOMMENDATION 2: *The Committee recommends that the Department of Education and Communities implement the Auditor-General's recommendation that it develop a means of routinely evaluating the effectiveness of schools' efforts to promote the involvement and support of Aboriginal parents and the local Aboriginal community.*

The NSW Government supports this recommendation.

The Department of Education and Communities' new approach to school planning has been progressively released to schools from semester 2, 2014 for the 2015-2017 school planning cycle.

The new approach will require principals to:

- develop a school plan in consultation with the school community
- report on how the school community was involved in developing the plan (including consultation with parents/carers/families of Aboriginal students; the NSW Aboriginal Education Consultative Group Inc. (AECG) at local and regional levels, if existing; and the local Aboriginal community)
- report on how effectively the school plan is being implemented, and how it is contributing to improved student outcomes, including for Aboriginal students
- document how the school manages additional equity funding to improve student outcomes, including funding for students who identify as Aboriginal
- develop measures in the school plan that will be used to demonstrate the performance of students attracting additional funding, including Aboriginal students, and
- report on progress, achievements and outcomes for these students in the annual school report.

RECOMMENDATION 3: *The Committee recommends that the Department of Education and Communities include development of Personalised Learning Plans for Aboriginal students and other students with additional needs in the Principals' Assessment Review Schedule and the associated self-regulation dashboard for principals.*

The NSW Government supports this recommendation.

The Department of Education and Communities is developing an online self-regulation tool to help principals implement departmental policies in their school. The tool will allow principals to verify the implementation of policy requirements, contributing to a systems validation approach. The tool will support new accountability processes in public schools and will be rolled out progressively in 2015.

A small group of schools are currently engaged in a short-term technical trial to test the functionality of the tool. This will inform system improvements and the development of resources to support the next phase of the tool's rollout. Once in place, the tool will enable schools to confirm they have developed personalised learning plans for Aboriginal students. This will be included as part of the new principals' performance development plans that will replace the principals' assessment review schedule from 2015.

The Department does not require a personalised learning plan for every student with additional learning needs. Schools use a wide range of practices according to their local context to personalise learning, including for students with additional needs, as outlined in recommendation 6. The national data collection on students with disability, to be implemented in all Australian schools from 2015 onwards, is a key vehicle for progressing this work.

RECOMMENDATION 4: *The Committee recommends that, following the assent of the Ombudsman Amendment (Aboriginal Programs) Bill 2014, the Minister for Aboriginal Affairs prescribe by regulation all education initiatives designed to improve educational outcomes for Aboriginal students.*

The NSW Government does not support this recommendation.

The administration of the *Ombudsman Act 1974*, including the preparation of regulations under that Act, is the responsibility of the Premier.

A Deputy Ombudsman for Aboriginal Programs has been established under the *Ombudsman Act 1974* to monitor and assess Aboriginal programs.

The first Aboriginal program to be listed in the regulations of that Act is OCHRE, the NSW Government's Plan for Aboriginal affairs. Mr Danny Lester has been appointed to the position of Deputy Ombudsman (Aboriginal Programs).

Given that OCHRE is prescribed in the regulations, this position has the power to monitor and assess all of its initiatives. This includes Connected Communities, Opportunity Hubs, Aboriginal Language and Culture Nests, Local Decision Making, Industry Based Agreements, and the Aboriginal Economic Development Framework.

The *Education Act 1990* establishes a legislative framework for the provision of educational programs for all students, including Aboriginal students. Teaching and learning programs within NSW schools are based on the syllabus requirements set by the NSW Board of Studies, Teaching and Educational Standards. They apply to educational programs developed and implemented for all students regardless of their background or the schooling sector within which they are enrolled.

The Department monitors the achievement and progress of Aboriginal students through processes such as performance in NAPLAN testing, school completions and reporting to parents. School plans will identify strategies for all students and will be endorsed by the Director, Public Schools NSW at the local level and published on individual school websites.

RECOMMENDATION 5: *The Committee recommends that the Department of Education and Communities work with the Catholic Education Office to improve liaison and coordination between St Therese's Community School and the Wilcannia Central School.*

The NSW Government supports this recommendation.

The Secretary of the Department of Education and Communities has met with senior Diocese representatives. The Department welcomes the opportunity to work with the Catholic Education Office to enhance the working relationship between the two schools.

At the local level, the Executive Principal of Wilcannia Central School invites the staff of St Therese's Community School to staff development days in order to share opportunities for professional development. The principals maintain regular contact to ensure that they are aware of relevant events and activities.

RECOMMENDATION 6: *The Committee recommends that the Department of Education and Communities introduce minimum standards for Personal Learning Programs.*

The NSW Government supports this recommendation.

The Department of Education and Communities recognises that every student is an individual with their own goals, aspirations and learning needs. Personalised learning focuses on engaging students, parents, carers and teachers to identify the learning goals of each student and map out the ways they can achieve them. At a minimum, personalised learning requires the following key elements:

- consultation and collaboration between the student, their parents, carers and teachers
- professional collaboration between teachers and other professionals where required
- assessing the identified needs of the student
- responding to the student's identified needs, and
- monitoring the success of the response.

Personalised learning pathways and plans support each Aboriginal student in NSW public schools. This involves identifying each student's cultural, social and academic aspirations, their strengths and interests, and how they can control their own educational journey.

The Department will examine whether it should specify further requirements about the process and content of plans.

RECOMMENDATION 7: *The Committee recommends that the NSW Government ensure that the Community Relations Commission has explicit responsibility and authority for leading engagement with the Commonwealth and other stakeholders on humanitarian settlement matters.*

The NSW Government supports this recommendation.

The CEO of Community Relations Commission for a Multicultural NSW (Multicultural NSW) represents NSW on the Senior Officials Settlement Outcomes Group (SOSOG), an inter-jurisdictional committee chaired by the Secretary of the Commonwealth's Department of Social Services (DSS). The SOSOG aims to improve services and outcomes for recently arrived permanent migrants and longer

term temporary migrants, and support services for asylum seekers. It seeks to improve coordination of service delivery within and across jurisdictions and enhance collaboration and the effective use of resources across three tiers of government.

The SOSOG is monitoring the implementation and progress of the *National Settlement Framework* (NSF), the high level structural blueprint for the three tiers of government to work together to plan and deliver services that support migrant settlement.

The SOSOG has met twice in Canberra. The CEO of Multicultural NSW has attended both meetings.

Multicultural NSW led consultation in NSW on the NSF with government and the non-government sector. The NSF was approved in principal at the last SOSOG meeting.

The CEO of Multicultural NSW has met with the Office of Multicultural Affairs & Citizenship (Victoria) and Cultural Diversity Queensland on a number of occasions to progress the work of the SOSOG, including on humanitarian settlement matters.

As part of this process, Multicultural NSW is working with the Victorian and Queensland multicultural agencies, with input from the Commonwealth's DSS, to develop national performance indicators to measure social cohesion and settlement outcomes across Australia, including for humanitarian entrants.

Multicultural NSW also co-chairs the NSW Government's Immigration and Settlement Planning Committee (GISPC) with the Department of Premier and Cabinet.

RECOMMENDATION 8: *The Committee recommends that the Department of Premier and Cabinet and the Community Relations Commission provide Parliament with a report on actions taken to improve access to services for humanitarian entrants, particularly through the NSW Government Immigration and Settlement Planning Committee, by November 2014.*

The NSW Government welcomes the opportunity to provide Parliament with an update on actions taken to improve access to services for humanitarian entrants, including an update on the work of the GISPC.

NSW is one of the most culturally diverse states in Australia, and is a leader in implementing effective multicultural policies both nationally and internationally. This multicultural practice has developed as a result of a vibrant migrant community, which includes humanitarian entrants.

The GISPC has been re-invigorated to ensure it has the authority and responsibility to be the central point for coordinating the development of positions on settlement issues and providing advice to the Government on settlement policy and planning in NSW.

The GISPC is now governed by new terms of reference, previously provided to the Public Accounts Committee. The terms of reference position the GISPC to

strategically respond to settlement issues and to act as a conduit for inter-departmental and inter-governmental collaboration.

The membership of the GISPC has expanded, and includes Commonwealth representatives. The membership is also now at a more senior level.

The GISPC has met three times since its commencement in April 2014. It is scheduled to meet again in November 2014.

The GISPC has developed a robust reform agenda to improve outcomes for humanitarian entrants. The work plan includes:

- developing a process to coordinate and monitor the NSW policy response to humanitarian settlement issues in NSW
- increasing access to Commonwealth data
- giving effect to the key principles of the NSF, including establishing stronger collaboration with the Commonwealth
- setting a structure for consultation with stakeholders on service delivery and expectations relating to migrant settlement, and
- providing an update on the GISPC's work to improve settlement outcomes as part of Multicultural NSW's annual report.

Since February 2014, Multicultural NSW has held numerous meetings with representatives of the settlement sector, NSW Government agencies with responsibility for delivering settlement services and the Commonwealth's DSS and Department of Immigration and Border Protection. This consultation has informed Multicultural NSW's approach to humanitarian settlement issues.

In collaboration with the GISPC, Multicultural NSW is working to implement a range of initiatives, including:

- creating a settlement portal on the Multicultural NSW website that provides publicly available Commonwealth migration data and a range of settlement information for government agencies, the settlement sector and other relevant stakeholders
- establishing a network to inform the GISPC, comprised of government and non-government settlement and support service providers.

All agencies reporting through the Multicultural Policies and Services Program (MPSP) are asked to detail the services and programs provided for refugees and humanitarian entrants.

Multicultural NSW included substantial information on services for humanitarian entrants in the Community Relations Report 2013, released in May 2014.

RECOMMENDATION 9: *The Committee recommends that Roads and Maritime Services, as a matter of priority, implement the Auditor-General's recommendations relating to the determination of acceptable levels of overtime for operational purposes, revision of overall overtime targets, and ensuring that individual overtime targets are set for all major branches.*

The NSW Government supports this recommendation.

Overtime targets and acceptable levels of overtime

Roads and Maritime Services (RMS) will determine what an appropriate and acceptable level of overtime should be across the different major business branches operating independently within the organisation. This will be done using similar industry-based benchmark targets. These targets will take into account annual changes in the size of the organisational workload and budgetary limits.

This review commenced in September 2014. RMS will publicly report performance against these targets on an annual basis, once determined.

Overtime will continue to be an operational requirement for RMS, particularly in relation to regional road maintenance. Despite this, actual overtime levels have reduced by \$8.8 million (18.8 per cent) since 2010/11.

During 2013/14, there was a \$4.1 million (9.8 per cent) reduction in overtime compared to the previous financial year (from \$42 million to \$38 million).

This downward pressure on overtime has been as a result of an increased focus on reducing overtime, as well as key organisational changes. From 31 March 2014, the contestable maintenance contracts in Sydney commenced, with the relevant staff and functions transitioning to the two service providers. In addition, during 2013/14, there were 18 motor registries that transitioned to a Service NSW centre. From 1 July 2014, the remaining motor registry staff (relating to 111 motor registries) were assigned to Service NSW. The use and levels of overtime is now under the management of Service NSW.

RMS is continuing work to reduce the number of high earners of overtime, relative to their base pay. This is done in a number of ways. Managers are required to review instances of high value overtime. Work rotation and the use of subcontracts are also used, where appropriate. Some key roles in remote areas provide less scope to reduce overtime, with these cases managed on an individual basis.

Update on sick leave management processes

RMS has introduced separate improved sick leave management processes and initiatives across the business. This has resulted in reduced levels of sick leave.

RMS has undertaken work to test the link between overtime and sick leave. The business units tested (based on levels of overtime) did not demonstrate higher than average sick leave.

RMS will continue to analyse overtime trends to determine if existing sick leave management processes need to be further refined.

Update on work practices and industrial award reforms

The Auditor-General's 2012 report *Performance Audit: Managing Overtime, RailCorp and Roads and Maritime Services* made a number of recommendations to improve RMS' work practices and industry awards. Although these recommendations were not specifically referenced in the Public Accounts Committee's report, an update is provided.

RMS has completed a detailed analysis and contestability review of its road maintenance delivery arrangements. This included a procurement process to contest the delivery of road maintenance in the Sydney area. In November 2013, two new road maintenance contracts were awarded to private sector joint ventures for seven years with a possible three year extension. The contracts started in March 2014. In addition, the Intelligent Transport Stewardship Maintenance Contract for Sydney East and West commenced on 1 October 2014. The Government is now moving to this model and there are no plans to extend the program outside of the Sydney region.

RMS also conducted a review of all work practices and reforms whilst conducting negotiations on the RMS consolidated award. This review included allowances paid for work outside normal hours. The review is now complete. The award was made on 13 June 2014 and came into effective on 1 July 2014.

RECOMMENDATION 10: *The Committee recommends that the Department of Education and Communities enhance its arrangements to effectively monitor physical activity in government primary schools and report on each child's engagement in physical activity to his or her parents or guardians.*

The NSW Government supports this recommendation.

The Department of Education and Communities is responding to this recommendation as part of the review of its policy for curriculum planning, assessment and reporting to parents. This will be informed by current research on best practice in health promotion and physical activity in schools, and is scheduled to be finished by June 2015.

The Department will also consider the recommendation as part of its development of a physical activity continuum. The continuum will map how physical skills are expected to develop between Years K-10, and can be used by teachers to prepare and deliver physical development programs for their students. The continuum should be completed by February 2015.