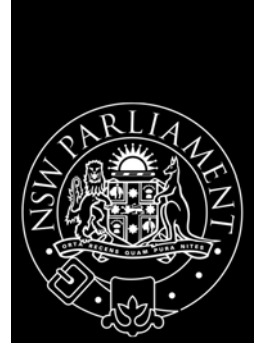


LEGISLATIVE ASSEMBLY



Public Accounts Committee

Report on Examination of the Auditor-General's Performance Audits Tabled March to August 2007

Responding to Homelessness
Connecting with Public Transport
Dealing with Household Burglaries
Government Advertising

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Table of Contents

Table of Contents	iii
Membership & Staff	iv
Terms of Reference	v
Chair's Foreword	vii
List of Recommendations	ix
CHAPTER ONE – INTRODUCTION	1
Overview	1
Inquiry process	1
Signal Failures on the Metropolitan Network.....	2
CHAPTER TWO – RESPONDING TO HOMELESSNESS	3
Introduction	3
The Performance Audit.....	3
The Committee's Examination.....	6
CHAPTER THREE – CONNECTING WITH PUBLIC TRANSPORT	11
Introduction	11
The Performance Audit.....	12
The Committee's Examination.....	14
CHAPTER FOUR – DEALING WITH HOUSEHOLD BURGLARIES	26
Introduction	26
The Performance Audit.....	27
The Committee's Examination.....	29
CHAPTER FIVE – GOVERNMENT ADVERTISING	33
Introduction	33
The Performance Audit.....	34
The Committee's Examination.....	36
APPENDIX A. SUBMISSIONS & WITNESSES	39
Responding to Homelessness.....	39
Connecting with Public Transport.....	39
Dealing with Household Burglaries.....	40
Government Advertising	40
APPENDIX B. SUBMISSION TEMPLATE.....	41

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Terms of Reference

Public Finance and Audit Act 1983

57 Functions of Committee

(1) The functions of the Committee are:

...

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

(d) to report to the Legislative Assembly from time to time upon any item in, 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...

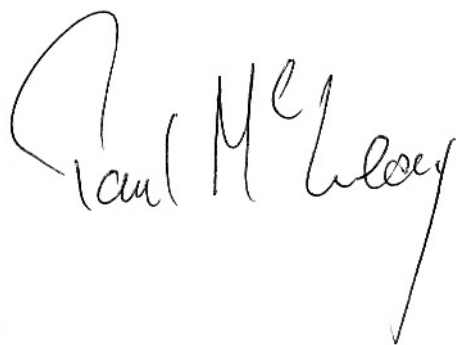
Chair's Foreword

This is the second report arising from the Public Accounts Committee's systematic examination of the Auditor-General's performance audits. It sets out the Committee's findings on agencies' responses to audits of homelessness, transport interchanges, household burglaries and government advertising.

The Committee appreciates the positive responses agencies have taken to both the Committee's examination and the Auditor-General's recommendations. It was apparent from some agencies' submissions that the recommendations of the Auditor-General were being substantially implemented so the Committee determined that a hearing was not necessary. In other cases, the Committee had further questions following the consideration of submissions so held a hearing to clarify outstanding issues. The Committee has recommended additional action where it is needed.

On behalf of the Committee, I would like to thank the Department of Premier and Cabinet, Legal Aid NSW, the Department of Education and Training, the Department of Aboriginal Affairs, the Department of Community Services, the Ministry of Transport, the NSW Police Force, and the Department of Commerce for responding to our requests for information and for their ongoing work for the people of NSW.

The Committee appreciates the professionalism and assistance of the Auditor-General and his staff. I extend my thanks to the Committee Members, whose bipartisan approach to securing the best outcome for NSW is greatly appreciated, and the Committee's secretariat for its assistance.



Paul McLeay MP
Chair

List of Recommendations

CHAPTER ONE – INTRODUCTION

CHAPTER TWO – RESPONDING TO HOMELESSNESS

Recommendation 1

The Committee recommends that the Area Health Services and Local Courts review the extent to which homeless people access their services, develop new ways of delivering services to the homeless, and consider homeless people when planning new services.

CHAPTER THREE – CONNECTING WITH PUBLIC TRANSPORT

Recommendation 2

The Committee recommends that the Ministry use its new responsibilities and powers under the *Transport Administration Amendment (Rail and Ferry Transport Authorities) Act 2008* to ensure greater coordination and oversight of interchanges.

Recommendation 3

The Committee recommends that the Ministry provide indicators of its achievements in improving the integration and efficiency of interchanges as part of its Annual Report.

Recommendation 4

The Committee recommends that the Ministry collect and provide data to the Centre for Transport Planning and Product Development on the contribution interchanges make to the transport network, including passenger throughput, transit times, commuter safety and cost effectiveness.

Recommendation 5

The Committee recommends that the Government ensure that the Ministry of Transport has sufficient authority within the planning and budget processes to coordinate interchange development rather than merely provide advice.

Recommendation 6

The Committee recommends that the Government publish a review in two years of whether the current interchange governance arrangements enable commuters to interchange in a fast, reliable, safe and convenient manner, and whether they support the development of an integrated and efficient transport network.

Recommendation 7

The Committee recommends that the Ministry of Transport establish a clear system of accountability for the performance of interchanges that provides ongoing incentives for interchanges to be managed and developed to best serve the needs of commuters.

Recommendation 8

The Committee recommends that the Ministry of Transport establish performance objectives for interchanges such as demand levels, connectivity offered and cost-effectiveness achieved.

Recommendation 9

The Committee recommends that the Ministry ensure that responsibility for emergency readiness is clearly assigned at each interchange.

Recommendation 10

The Committee recommends that the Ministry ensure that all of Sydney's interchanges have an adequate emergency response strategy in place.

Recommendation 11

The Committee recommends that the Ministry establish a systematic evaluation process for existing and new interchanges that enables it to analyse the critical aspects of the performance of the services provided, the security attributes of the site and design, and the maintenance costs.

Recommendation 12

The Committee recommends that the Ministry clearly identify interchange funding objectives and options, including public private partnerships where appropriate.

Recommendation 13

The Committee recommends that the Ministry, in identifying funding options, assess the adequacy of current and future funding sources and, if necessary, consider a range of alternative funding sources.

CHAPTER FOUR – DEALING WITH HOUSEHOLD BURGLARIES

Recommendation 14

The Committee recommends that the Police Force establish guidelines for commanders on when to establish a specialist break and enter team.

CHAPTER FIVE – GOVERNMENT ADVERTISING

Recommendation 15

The Committee recommends that the Minister for Commerce ensure that the delegation to approve advertising campaigns is only used when the requirements of the Guidelines are met and not for the reason of timeliness alone.

Chapter One – Introduction

OVERVIEW

- 1.1 The NSW Auditor-General conducts approximately 10 performance audits each year with the aim of examining the effectiveness, efficiency and economy of government agencies. In so doing, the Auditor-General seeks to advise government agencies on how they may improve their performance, and provides valuable insight into agency practice with respect to the issues under examination.
- 1.2 In September 2007, the Public Accounts Committee decided to inquire into agency responses to all of the Auditor-General's performance audits one year after the audits had been tabled. This report on the examination of the Auditor-General's performance audits is the Committee's second under this new, more comprehensive follow-up arrangement, and it outlines the Committee's findings on its inquiries into agency action on homelessness, transport interchanges, household burglaries and government advertising.
- 1.3 On the whole, the Committee was impressed with the action the relevant agencies had taken, and the action they indicated they intended to take, as a consequence of the Auditor-General's audit.
- 1.4 The Committee was also pleased with the level of cooperation and dialogue between the various stakeholders involved in the audits and the issues they addressed. For example, when the Federal Government decided to develop a national strategy on homelessness in 2008, NSW was able to participate in the national conversation on homelessness with the added benefit of the advice given by the Auditor-General the year before, and of the draft strategy that NSW agencies had built upon that advice. Similarly, the Department of Commerce delayed finalising its new guidelines on government advertising until it received the findings of the Auditor-General's audit so that it could first turn its mind to the issues the audit raised.
- 1.5 As with the Committee's first report under its new system of review, a clear theme to emerge from the audits examined in this report was the need to better manage performance. Developing clear objectives and targets, improving data collection, planning strategically, and conducting reviews were common recommendations made by the Auditor-General. The Committee was pleased that, in most instances, the agencies concerned appeared willing to embrace these practices.
- 1.6 As the Auditor-General has impressed upon the Committee, "If you don't measure it, you can't manage it." The Committee supports the move towards performance management and reporting in NSW.

INQUIRY PROCESS

- 1.7 In line with the Committee's new performance audit review process, the Committee has undertaken to:
 - ask agencies for a submission on their response to the Auditor-General's performance audit 12 months after the audit is tabled;
 - refer agency submissions to the Auditor-General for comment; and

Introduction

- if necessary, invite agency CEOs and the Auditor-General to a hearing to respond to Committee questions.
- 1.8 The Committee chose to implement this new system gradually so that it could make informed choices on how to move forward based on its experiences. For example, the Committee initially decided not to provide a template or instructions that dictated what agency responses should look like as it wanted to see how the different agencies responded before deciding which structure best suited the Committee's inquiry process. The Committee has now developed a template for agencies' submissions to ensure that it receives the information it requires (see Appendix B).
- 1.9 Similarly, the Committee is currently in the process of developing a system for reviewing agency responses to its reports, which are due six months after its reports are tabled. As the Committee's first report examining performance audits was tabled on 11 November 2008, the Committee is expecting agency responses to its findings in May. The Committee will review the initial responses before settling on a system that meets the needs of the Committee.
- 1.10 The Committee continues to seek to improve its review process to ensure that New South Wales obtains the maximum benefit from performance audits while causing the least inconvenience to agencies and welcomes feedback on how this may be better achieved.
- 1.11 For the audits examined in this report, the Committee proceeded to a hearing on transport interchanges and household burglaries, and garnered valuable information from doing so. The Committee did not hold a hearing on homelessness as the development of a national strategy on homelessness had somewhat overtaken the Auditor-General's findings and it was apparent that his recommendations had been taken up in the Government's response to the national initiative. The Committee chose not to proceed to a hearing on government advertising as the Committee was satisfied with the Department of Commerce's response, not only because of its broad acceptance of the Auditor-General's recommendations but also because of the clear and concise information it gave to the Committee about its follow up action.

SIGNAL FAILURES ON THE METROPOLITAN NETWORK

- 1.12 During the reporting period under consideration, the Committee also requested a submission on the Auditor-General's report on Signal Failures on the Metropolitan Network. Upon receipt of the submission, the Committee wrote to RailCorp seeking further information in relation to actions due for completion at the end of 2008. The Chief Executive Officer, Rob Mason, informed the Committee that RailCorp was not able to provide a complete response because of a significant restructure of its management and activities, but that "RailCorp is committed to implementing the recommendations contained in the Auditor-General's report and is keen to demonstrate that commitment."¹ Mr Mason undertook to provide a full response from RailCorp by 20 March, and the Committee will outline its findings on this audit in its next report.

¹ R Mason, Written response to additional questions for Inquiry into Signal Failures on the Metropolitan Network, 4 February 2009, p. 1.

Chapter Two – Responding to Homelessness

INTRODUCTION

- 2.1 Homelessness is a complex and fluid condition affecting a broad range of people, including those experiencing financial distress, family breakdown, mental illness and substance abuse. In 2001, census data indicated that 26,676 people were homeless in NSW, with at least another 7,000 living in temporary crisis accommodation. As the Auditor-General noted in his report, “[g]overnments have a social obligation to help the most vulnerable in our community,” including, of course, the homeless.²
- 2.2 In examining the Government's response to homelessness, the Auditor-General made 12 recommendations that focused on the need for the Government to adopt a more strategic, collaborative and comprehensive approach to the issue. This includes setting performance targets, conducting comparative analysis and increasing its efforts to enable homeless people to access health and legal services, particularly through outreach programs and data collection.
- 2.3 As the lead agency of the Government's Partnership Against Homelessness, the Department of Housing outlined to the Auditor-General how the Government would respond to the report. The Department stated that it found the audit to be “a constructive and valuable process” and undertook to submit an options paper to enable the Government to consider the Auditor-General's recommendations.³
- 2.4 More recently, the Department of Premier and Cabinet and Legal Aid NSW responded to the Committee's request for information on government action in the 12 months following the performance audit's release. Both agencies outlined a range of new measures that go a long way to addressing the Auditor-General's concerns, although many have yet to be implemented.
- 2.5 Since the Auditor-General's audit, there has been significant State and Federal cooperation on homelessness. Many of the Auditor-General's recommendations have been adopted in the State's response and the Committee encourages the NSW Government to implement its new initiatives in a timely and responsive manner. However, while there has been progress in a range of areas to assist homeless people, the Committee remains concerned about the ability of homeless people to access health and legal services.

THE PERFORMANCE AUDIT

Audit Objectives

- 2.6 The aim of the audit was to find out whether:
- the Government was achieving its desired results for the homeless; and

² NSW Auditor-General, *Auditor-General's Report: Performance Audit: Responding to Homelessness*, Audit Office of NSW, NSW, 2007, pp. 10 – 11.

³ As above, pp. 6 – 8.

- the homeless were receiving assistance to access health care and legal assistance.
- 2.7 In answering the first question, the Auditor-General considered the actions of the member agencies of the Government's Partnership Against Homelessness (PAH), which included the Department of Housing (lead agency); the Department of Ageing, Disability and Home Care; NSW Health; the Department of Community Services; the Office of Fair Trading; the Department of Corrective Services; the Office for Women; the Department of Juvenile Justice; the Cabinet Office; NSW Police; and the Aboriginal Housing Office.
- 2.8 'Health care' in the second question referred to community mental health services, community health centres and drug and alcohol services, and 'legal assistance' referred to legal aid offices and chamber registrar services within local courts.
- 2.9 'The homeless' referred to people living on the streets and in crisis accommodation.

Audit Conclusions

- 2.10 The Audit Office found that it could not easily determine whether the Government's outcomes for homeless people were being achieved as the Government had little information on homeless people, their service needs, or the State's capacity to address those needs. There were no statewide performance indicators on homelessness, which made benchmarking and the exchange of best practice information difficult. Only the Departments of Housing and Community Services had a clear and specific focus on homelessness, resulting in agency and community-sector staff asserting that there was a lack of vision from the top when it came to homelessness.⁴
- 2.11 Despite the lack of clarity and coordination on homelessness, the Auditor-General's report referred to a number of government programs that had achieved performance objectives. For example, the Housing and Accommodation and Support Initiative (HASI) was developed by the Department of Housing and NSW Health to help people with mental illnesses sustain their tenancies. Three years after its inception, a review found that 85 per cent of clients had maintained their tenancies, there had been a 90 per cent reduction in hospitalisation or rehabilitation rates for clients, and more than half of the clients said they had improved their cooking, shopping and budgeting skills.⁵
- 2.12 The Auditor-General's findings on the assistance given to homeless people to access health and legal services were similarly mixed. While there were a number of good local initiatives in which government and community agencies worked together to deliver services to homeless people, these were not supported by central policies. Furthermore, although some agencies had outreach programs, others said that they simply did not have the resources to reach out to homeless people and instead relied on referrals.⁶

⁴ As above, pp. 14 and 23.

⁵ As above, p. 19.

⁶ As above, p. 28.

- 2.13 The Auditor-General found that access to mental health services for less acute issues was particularly difficult, and that homeless people often had to wait to access detoxification and rehabilitation services.⁷
- 2.14 Legal Aid and Local Court services were perceived by staff to be available to everyone, with both having recently developed programs that would enable them to help more homeless people and, in the case of Legal Aid, to collect more detailed information while doing so. However, the Auditor-General noted that there were a number of barriers that stood in the way of homeless people accessing legal services, including intimidating bureaucratic offices, a high police presence in courts, an inability to receive and keep important legal documents, and difficulty in making and maintaining contact without a telephone.⁸
- 2.15 The Auditor-General put forward 12 recommendations that supported a more strategic, collaborative and comprehensive approach to homelessness, and an increased effort to assist homeless people to access health and legal services.
- 2.16 The Auditor-General made the following recommendations for the Department of Housing (in cooperation with other agencies):

Defining and reporting performance	
1	Develop a statewide framework that outlines the Government's response to homelessness and the results it wants to achieve (page 17)
2	Link the framework to relevant sections of the NSW State Plan and factor in community views of homelessness (page 17)
3	Report annually against the state framework including a snapshot of key activities and results, and make this report publicly available (page 20)
4	Examine ways to network with agencies that are not members of PAH (page 23)
5	Set up a means to benchmark the State's performance on homelessness (page 25)
6	Spread best practice on local initiatives (page 25)
Planning services	
7	Encourage government agencies to use census data on homelessness to help them plan and deliver services (page 22)
8	Encourage government agencies to adopt similar client identifiers to better track the homeless through their systems (page 22)

- 2.17 The Auditor-General made the following recommendations for the Area Health Services, Legal Aid NSW and the Local Courts:

Improving access to services	
9	Review the extent to which homeless people access their services (page 38)
10	Develop new ways of delivering services to the homeless (page 38)
11	Take homelessness into account when planning new services (page 39)

- 2.18 The Auditor-General made the following recommendations for the Department of Health and the Area Health Services:

⁷ As above.

⁸ As above, pp. 36 – 37.

	Improving access to services
12	Investigate ways to increase hostel caseworkers' knowledge of mental health services, including appropriate responses to mental health issues (page 36)

THE COMMITTEE'S EXAMINATION

- 2.19 Homelessness is a complex problem that requires a comprehensive response involving cross-government, cross-agency and community sector cooperation. As the Auditor-General's report notes, homeless people often go "through a gradual process of decline," throughout which they may not know about, or be able to access, services that could help them. Delivering services to people with no fixed address poses unique challenges, as does adequately addressing the myriad of compounding problems that afflict many homeless people, including mental illness and substance abuse.⁹
- 2.20 The Auditor-General's report highlighted the need for a strategic, collaborative and comprehensive approach to homelessness that includes performance targets and comparative analysis. In South Australia, for example, reducing homelessness is identified as a priority in the State's Strategic Plan. The Minister for Families and Communities holds bi-monthly meetings to assess government action and progress is measured against a number of performance indicators, including reducing the number of rough sleepers by 50 per cent by 2010 and halving the number of people experiencing housing stress by 2014.¹⁰
- 2.21 The Auditor-General's report also highlighted the need for an increased effort to assist homeless people to access health and legal services, including improved data collection and outreach programs. Another example from South Australia involved a hospital that appointed transfer liaison officers to assist homeless people to access other health care providers after it discovered that 44 of its most frequent 100 emergency department patients were homeless.¹¹
- 2.22 The Department of Housing, as the lead agency of PAH, responded positively to the audit. The Department described the audit as "a constructive and valuable process" and said it would submit an options paper to the Government so that the Government could consider the Auditor-General's recommendations.¹² Soon after, the Government decided to forgo the options paper and instead develop a homelessness framework in line with the Auditor-General's recommendations.¹³
- 2.23 In the twelve months following the release of the Auditor-General's report in May 2007, several developments significantly impacted upon the Government's response to homelessness. The Federal Government identified homelessness as a priority, pledged \$150 million to assist homeless people over the next five years, and began working with the States to set a national direction on homelessness. Although the NSW Government had established the Homelessness Strategic Framework Working Group before these initiatives, it decided to develop its new framework in line with the other jurisdictions of Australia and adjusted its timetable accordingly. When the

⁹ As above, pp. 10 and 11

¹⁰ As above, pp. 15 and 23.

¹¹ As above, p. 31.

¹² As above, pp. 6 – 8.

¹³ Department of Premier and Cabinet, Submission on Inquiry into Responding to Homelessness, 21 July 2008, p. 1.

Committee sought information on government action on homelessness in June 2008, the Department of Premier and Cabinet informed the Committee that the Government was awaiting the release of a Federal Government White Paper on homelessness before finalising its framework. Nonetheless, the Department, as the Chair of the Working Group, and Legal Aid NSW provided the Committee with information on government action over the preceding year, including a draft strategic framework on homelessness and the PAH Work Plan 2007 – 2010.¹⁴

- 2.24 As the Government was in the process of developing its new homelessness strategy in collaboration with the other State and Federal Governments, the Committee considered that there was limited utility in holding a hearing to assess the Government's response to the specific recommendations of the Auditor-General.
- 2.25 Nonetheless, the Committee has carefully considered the information before it and wishes to bring the Legislative Assembly's attention to:
- the Government's response to homelessness; and
 - the ability of homeless people to access health and legal services.

The Government's response to homelessness

- 2.26 The Committee is pleased with the newfound emphasis and collaboration on homelessness in Australia. The timing of the performance audit was fortuitous as it allowed the NSW Government to benefit from its insights when contributing to the national debate. As a result, the Draft Homelessness Strategic Framework (Draft Framework) draws heavily on the Auditor-General's recommendations.
- 2.27 The Auditor-General's report highlighted the need for inter-agency cooperation and community consultation when responding to homelessness, and the Committee congratulates the Government on the inclusive manner in which the Draft Framework was developed. The Committee also supports the Government's commitment to a whole-of-government response and to ongoing collaboration with non-government organisations that work with the homeless.
- 2.28 In line with the Auditor-General's recommendations, the two principles that underpin the Draft Framework are coordination and evidence building. It is envisaged that these will be incorporated into the three strategic directions, which are:
- Prevention and Early Intervention;
 - Assessment and Crisis Response; and
 - Longer Term Accommodation and Support.
- 2.29 Action items under Prevention and Early Intervention that are consistent with the Auditor-General's recommendations include:
- developing tools and methodologies to assist agencies that provide services to people at risk of homelessness to better consider homelessness in service planning;
 - developing a data collection strategy to ensure that issues related to homelessness are used to inform service delivery and planning;
 - developing a research and information sharing process;

¹⁴ As above, attachments.

Responding to Homelessness

- developing coordinated support for people in contact with the criminal justice system; and
 - developing appropriate referral mechanisms for people exiting a health facility.
- 2.30 Action items under Assessment and Crisis Response that are consistent with the Auditor-General's recommendations include:
- reviewing all homeless outreach pilot programs and developing best practice approaches;
 - improving referral pathways for homeless people to mental health and drug and alcohol services; and
 - developing a data collection strategy so that services are capturing information on homeless people.
- 2.31 Action items under Longer Term Accommodation and Support that are consistent with the Auditor-General's report include:
- trialling a common data linkage key to monitor the pathways of homeless people through the service system;
 - developing mechanisms to ensure continuity of support from mental health, drug and alcohol services to mainstream community support services; and
 - reviewing emerging evidence regarding service provision to homeless people with complex needs.
- 2.32 The PAH Work Plan is similarly focused on using evidence to guide planning and practice, integrating service planning and policy development, and establishing a cross-agency commitment to providing a "flexible, holistic and integrated system of support for people who are homeless."¹⁵
- 2.33 Among the State Plan objectives to which homelessness has been linked in the Draft Framework and the PAH Work Plan are housing affordability; improved outcomes in mental health; improved health, education and social outcomes for Aboriginal people; an improved response to domestic violence; embedding the principle of prevention and early intervention into service delivery; increased participation in communities; and reduced re-offending.¹⁶
- 2.34 Legal Aid NSW's submission to the Committee also highlighted a number of measures that are consistent with the Auditor-General's recommendations, including identifying homeless people as a priority group, improving data collection on homeless people, establishing outreach clinics for homeless people, funding a specialist within the Homeless Persons Legal Service, and participating in interagency meetings on homelessness to improve service planning and delivery.

The ability of homeless people to access health and legal services

*The challenge for support services is to reduce the gap between the chaotic world of homeless people and the structured world of government.*¹⁷

¹⁵ *Partnership Against Homelessness Work Plan 2007 – 2010*, p. 21.

¹⁶ *Homelessness Strategic Framework: Draft Consultation Paper*, May 2008, pp. 5 and 14; and *Partnership Against Homelessness Work Plan 2007 – 2010*, p. 9.

¹⁷ NSW Auditor-General, *Responding to Homelessness*, p. 37.

- 2.35 During the course of its audit, the Auditor-General found an imbalance between the need of homeless people for health and legal services on the one hand, and the provision of services by health care and legal assistance agencies on the other.¹⁸ This was largely due to the fact that service delivery agencies had not incorporated the specific needs of the homeless into their service delivery plans. This meant that they had thereby overlooked the fact that homeless people find it difficult to access mainstream services because, among other reasons, they often have no fixed address, live in poverty, and have mental and other health issues. According to the Auditor-General, “[a]gencies relying on the homeless to find them, are in danger of missing those in our community that are in greatest need.”¹⁹ Among the new measures for reaching homeless people identified by the Auditor-General were setting up clinics where homeless people live or visit, educating and training staff on the needs and characteristics of homeless people, and developing protocols for working with community welfare agencies.²⁰
- 2.36 As a result of his findings, the Auditor-General recommended that the Area Health Services, Legal Aid NSW and Local Courts review the extent to which homeless people access their services, develop new ways to deliver their services to the homeless, and take homelessness into account when planning new services. The Committee is satisfied that Legal Aid NSW is addressing these recommendations and notes in particular the agency’s efforts to collect more information about homeless people who use its services and the development of outreach legal clinics for the homeless. However, the Committee is concerned that the Government does not appear to have adequately addressed the findings of the Auditor-General with respect to the Area Health Services and Local Courts.
- 2.37 In its submission to the Committee, the Department of Premier and Cabinet identified a number of programs that were assisting homeless people to access the Area Health Services and Local Courts. These programs included the Housing and Human Services Accord, the South Eastern Sydney/Illawarra Area Health Service Homelessness Health Strategic Plan and HASI, all of which were already in place when the audit was initially conducted. The Department of Premier and Cabinet also noted that “individual agencies within [the Attorney General’s Department] have increased their interaction with agencies working with the homeless” and that the Attorney General’s Department is “introducing a Homeless network within the Department to assist in meeting the goal of reducing homelessness and to increase understanding, participation and collaboration within the agency in relation to service capabilities in this area.”²¹ While the Committee applauds such commitments, it is not satisfied that they directly and substantially address the need to revisit the way the Government delivers essential health and court services to homeless people.
- 2.38 Furthermore, the Draft Framework actions that correspond with the health and legal service provision recommendations do not always identify NSW Health, the Attorney General’s Department and Legal Aid NSW as lead or partner agencies. Neither the Attorney General’s Department nor Legal Aid NSW are identified as agencies that ought to be involved in the development of coordinated support for homeless people who are in contact with the criminal justice system, and none of the three agencies

¹⁸ As above, p. 28.

¹⁹ As above.

²⁰ As above, p. 38.

²¹ Department of Premier and Cabinet, Submission, p. 8.

are identified as agencies that ought to be involved in the development of best practice approaches for outreach programs.

Recommendation 1

The Committee recommends that the Area Health Services and Local Courts review the extent to which homeless people access their services, develop new ways of delivering services to the homeless, and consider homeless people when planning new services.

Chapter Three – Connecting with Public Transport

INTRODUCTION

- 3.1 The quality of a city's interchanges has a significant impact on public transport usage. Good waiting environments encourage public transport usage, while poor access, poor travel information and poor protection from the weather all discourage public transport usage. With this in mind, the Auditor-General sought to examine how effective Sydney's interchanges were in promoting public transport usage and thereby supporting the State Plan aim of increasing the number of people who travel via train, bus and ferry.²²
- 3.2 The Auditor-General found that there was a lot of confusion around who was responsible for the development and maintenance of interchanges, and that the absence of a single coordinating body with "ownership" over interchanges had contributed to poor planning and poorly maintained facilities. The Auditor-General also found that there was an inadequate level of information available to both the public and management about Sydney's interchanges, and that the planning of, and securing of funds for, interchanges could be better managed.²³
- 3.3 The Auditor-General made 22 recommendations that focussed on the need to assign clear responsibility for Sydney's interchanges; develop a more strategic approach to the evaluation, development and maintenance of interchanges; improve information collection and availability; and better address the need for long term funding.²⁴
- 3.4 The Auditor-General's report painted a disturbing picture of the haphazard management of interchanges. The report indicated that development decisions were being made without proper analysis of how to get the maximum benefit from public funds or how to best develop an effective integrated transport system. The Auditor-General found that no agency had clear responsibility for each interchange, and that crucial questions about developing effective interchanges were not even asked.
- 3.5 Although the Ministry of Transport informed the Committee that it accepted "the policy intent of the 22 recommendations",²⁵ it was not always obvious to the Committee that the actions listed as evidence of a particular recommendation's implementation did in fact demonstrate that the recommendation had been implemented.
- 3.6 When conducting follow up inquiries into the Auditor-General's performance audits, the Committee seeks to review agency compliance with the Auditor-General's recommendations, highlight examples of good practice and, if necessary, make further recommendations on how agencies may respond to the issues identified by the Auditor-General. If agencies do not implement a recommendation, the Committee expects that they will explain why they chose an alternative course of

²² NSW Auditor-General, *Auditor General's Report: Performance Audit: Connecting with Public Transport*, Audit Office of NSW, NSW, 2007, pp. 2 and 10.

²³ As above, pp. 14, 32 and 42.

²⁴ As above, p. 4.

²⁵ Ministry of Transport, Written response to additional questions for Inquiry into Connecting with Public Transport, 28 November 2008, p. 2.

action, and thereby afford the Committee the opportunity to consider and comment on the agency's response.

- 3.7 Having considered the Ministry's response to the audit as outlined by the Ministry, the Committee is of the opinion that some of those actions have brought significant improvement, such as changes to the Infoline website. Others require further time to demonstrate their efficacy, such as the establishment of the Centre for Transport Planning and Product Development. Some recommendations have also been overtaken by more recent events, such as the passing of the *Transport Administration Amendment (Rail and Ferry Transport Authorities) Act 2008*, which restructures RailCorp and Sydney Ferries as transport authorities and enables the Ministry to enter performance based contracts with those authorities.
- 3.8 The Ministry did not demonstrate to the Committee, however, that there was the level of control and coordination of interchanges that the Auditor-General recommended. Also, the Committee is disappointed that the Ministry fell short of adopting some aspects of the Auditor-General's recommendations relating to monitoring and setting benchmarks for interchange performance.
- 3.9 Consequently, the Committee is pleased to see significant improvement in the management and coordination of interchanges and their integration into transport planning, but looks forward to substantial ongoing development in these areas.

THE PERFORMANCE AUDIT

Audit Objectives

- 3.10 In analysing the extent to which Sydney's interchanges encourage people to use public transport, the Auditor-General asked three questions:
- Has the Government adopted a coordinated and strategic approach to developing interchanges?
 - Are there adequate information systems to inform the public and management?
 - Has funding of interchanges been adequately addressed?²⁶

Audit Conclusions

- 3.11 The Auditor-General praised recent high-level government documents that identified the need to promote development in accessible locations and improve transport between Sydney's major centres. Prior to the enunciation of these objectives, "there [wa]s little to indicate how or why specific [interchange] projects were chosen." The Auditor-General noted there was "an opportunity for a coordinating body to provide a strategic focus on interchanges."²⁷
- 3.12 The Auditor-General identified a number of issues that require attention, including the need for:
- better local signage;

²⁶ NSW Auditor-General, *Connecting with Public Transport*, p. 2.

²⁷ As above, p. 3.

- better online information about interchange layouts;
- an up to date inventory of interchange attributes such as seating, shelter and accessibility;
- regular reports on car park adequacy;
- an evaluation of the impact of interchanges on public transport usage;
- an assessment of the impact of interchange upgrades and developments on the commuter experience;
- an understanding of future interchange requirements; and
- funding objectives and options.²⁸

Audit Recommendations

3.13 To improve the development and maintenance of interchanges across Sydney, the Auditor-General put forward several recommendations concerning the need to establish a coordinating body with clearly assigned responsibilities, develop a more strategic approach to interchange planning and evaluation, provide better information, and better plan and source funding.

3.14 More specifically, the Auditor-General put forward the following recommendations to the Ministry of Transport:

Assign clear responsibilities	
1	Establish a coordinating and oversight entity to assess interchange standards, monitor interchange performance, plan access to the public transport system, and plan whole of network development (page 20)
2	Establish clear responsibilities for interchange "ownership", operation and maintenance (page 20)
Develop a more strategic approach	
3	Set performance objectives for interchanges such as demand levels, connectivity offered and cost-effectiveness achieved (page 26)
4	Develop multi-modal transport plans to improve interchange planning and overall effectiveness (page 26)
5	Further develop the 'quality gap' assessment using facility inspections against a set of specific standards and risk assessments (page 26)
6	Develop and publish a ten year rolling plan for interchanges (page 26)
Develop and promote Best Practice	
7	Develop and issue Best Practice Guidelines for different categories of interchanges, including arrangements for integrated emergency and security response (page 29)
8	Carry out a review against Best Practice Guidelines to assess the quality of the present interchange arrangements (page 29)
9	Work in partnership with local stakeholders to identify ways of ensuring good quality multi-modal interchanges, particularly those where quality falls short of the Guidelines (page 29)
Provide better information	
10	Provide better information to the public, such as by including on the Transport Infoline 131500 website details of interchange layouts, transport services, kiss and ride facilities, park and ride facilities, taxi ranks and amenities (page 35)
11	Enhance the Transport Infoline 131500 website journey planner such as by adding an ability to plan part of the journey by taxi or car, as a means of encouraging a change in

²⁸ As above, pp. 3 – 4.

	travel behaviour (page 35)
12	Develop a strategy to assess and, if necessary, improve brand awareness of the service (page 35)
13	Establish and maintain an accurate inventory of existing facilities, site ownership by facility, transport services provided, capital amenities provided, identification of access attributes, capacity, utilisation and costs (page 35)
14	Link the facilities inventory to a map including existing and planned bus, rail and ferry routes and services to develop a context for placing new facilities or expanding those already in existence (page 35)
	Systematically evaluate performance
15	Establish an evaluation process framework with performance objectives, performance monitoring and post evaluation to establish the impact of the interchange facilities on public transport (page 39)
16	Establish a means of systematically reviewing the frequency and character of transport service provided at individual facilities to ensure that it is adequate for the purpose (page 39)
	Address the need for long term funding
17	Forecast long term funding requirements for development, operations, maintenance and security (page 44)
18	Clearly state funding objectives and options for interchanges such as minimising the cost to commuters, minimising the cost to public agencies or promoting joint development (page 49)
19	Promote joint development of interchanges using a more market oriented approach (page 49)
20	Continue to improve transparency in how Parking Space Levy funds are allocated to infrastructure projects by the use of criteria (including extent of achievement of the object of the PSL legislation) and evaluation of the relative merits of alternatives (page 49)
21	Identify and assess the adequacy of funding sources for interchanges, including for operations, maintenance and security (page 50)
22	Identify, secure and leverage further funding sources as necessary to address any shortfalls (page 50)

THE COMMITTEE'S EXAMINATION

3.15 The Committee examined the Ministry's response to the six overarching issues the Auditor-General recommended the Ministry address. These were:

- Assign clear responsibilities;
- Develop a more strategic approach;
- Develop and promote best practice;
- Provide better information;
- Systematically evaluate performance; and
- Address the need for long term funding.

Assign clear responsibilities

3.16 In his report, the Auditor-General stated that:

One of the major problems associated with the operation of interchanges is no one has responsibility for the interchange as a whole. This lack of "ownership" of interchange

facilities by operators and users contributes to poor features and poorly maintained facilities.²⁹

- 3.17 The Auditor-General highlighted examples of the Ministry's leadership across the transport portfolio, including the provision of policy advice, the funding of new interchange works, and the oversight of particular interchange developments and upgrades.³⁰ However, the Auditor-General also noted that the Ministry does not own, operate or maintain interchanges; monitor interchange performance; assess interchange standards; plan and manage access to public transport; or plan and manage whole of network development.³¹ While theoretically these roles could be filled by other agencies in cooperation with the Ministry of Transport, the Auditor-General ultimately found an absence of responsibility, rather than a sharing of responsibility:

Responsibility for interchanges falls between agencies. There is coordination on a project basis and in relation to changes to rail timetable that are focused on serving the CBD. But coordination of transport services needs to be more than just coordinating bus schedules for CBD workers.³²

- 3.18 For the Auditor-General, the solution to this problem lay in the development of a coordinating and oversight entity that plans and monitors interchange performance, maintenance and developments, and in clearly assigned responsibilities for interchange "ownership".³³

Coordination and oversight entity

- 3.19 When asked by the Committee which body should act as the coordinating and oversight entity identified by the Auditor-General, the Director General of the Ministry of Transport, Jim Glasson, said that the Ministry itself "was best placed to carry out that function."³⁴ According to the Director General, the Centre for Transport Planning and Product Development within the Ministry of Transport assists in this regard as it was set up to develop "a more coordinated and integrated approach to multimodal transport, rather than focus on single modes, whether that be road, rail, bus or ferry."³⁵ In its written submission, the Ministry also highlighted the role of the Service and Capital Funding Group and the Infrastructure Steering Committee, both of which exist within the Ministry of Transport, and the Transport CEOs Cluster Group, in coordinating interchange and network developments.³⁶
- 3.20 At the Committee's hearing on interchanges, the Director General described the role of the Ministry in the following way:

[W]e provide a focal point for integrated transport planning and service delivery. The Ministry coordinates the high-level transport priorities in New South Wales and implements them in collaboration with other New South Wales government agencies.³⁷

²⁹ As above, p. 13.

³⁰ As above, p. 15

³¹ As above.

³² As above, p. 18.

³³ As above, p. 20.

³⁴ J Glasson, Committee Proceedings, 27 October 2008, p. 2.

³⁵ As above.

³⁶ Ministry of Transport, Submission to Inquiry into Connecting with Public Transport, p. 2.

³⁷ As above.

3.21 The Director General went on to provide examples of inter-agency cooperation:

It is important to note that improvements to public transport currently occur through many activities undertaken by the Ministry in cooperation with various agencies. These include a number of major initiatives such as bus reform, the rationalisation of bus contracts with the Sydney area, and the rollout of strategic bus corridors which have significantly altered the role and importance of interchanges in the strategic transport of Sydney going forward.³⁸

3.22 However, the findings of the Audit Report and the evidence gathered from the Committee's hearing indicated that, up until that time, the Ministry provided a somewhat passive form of coordination that, in the Committee's view, is unlikely to be successful in developing a truly integrated transport system.

3.23 The evidence given to the Committee suggested that the Ministry perceived its coordination role to be severely curtailed by its lack of responsibility for transport modes outside the bus network, which meant that its role was to provide an advisory service. This was demonstrated in relation to the development of kiss and ride facilities (or drop off zones). The Auditor-General's audit report stated that there did not appear to be any "systematic analysis of the adequacy of [kiss and ride] facilities, even though a significant proportion of passengers rely on kiss and ride to access the public transport system."³⁹ The report went on to state that, "as a result of limited drop off zones (such as for only two cars at Mt Druitt), much drop off activity is illegal and is attracting the attention of council rangers."⁴⁰ At the Committee's hearing on interchanges, the following discussion then took place:

CHAIR: The Auditor-General's report highlights a lack of planning with respect to Park and Ride and Kiss and Ride facilities at interchanges. Have these facilities now been given a higher priority in the interchange assessment and planning process? ... [D]rop-off zones generally have to be planned... Is [this] your responsibility or RailCorp's responsibility?

Mr GLASSON: In that instance it is the local council's responsibility. They generally control the kerb space immediately outside suburban railway stations and the local parking schemes that surround those stations. Generally those things are developed and/or altered by their local traffic committees.

CHAIR: But some are planned...

Mr GLASSON: Yes, and generally that will be done in the local traffic committee with the input of the local bus operator, the local police and the local council's transport and traffic planning officer.

CHAIR: So not your responsibility?

Mr GLASSON: No, they are not our responsibility. We often attend or make submissions in support of bus operators or others—taxi operators—in relation to public transport accessibility close to station entry points.

CHAIR: If someone wanted a station upgrade, who would they go to?

Mr GLASSON: They would go to the council and the council, if they thought it was a major redevelopment, would often write to us and ask for our comments or our assistance.⁴¹

³⁸ As above, pp. 1 – 2.

³⁹ NSW Auditor-General, *Connecting with Public Transport*, p. 24.

⁴⁰ As above.

⁴¹ P McLeay and J Glasson, Committee Proceedings, 27 October 2008, pp. 9 – 10.

- 3.24 Since that hearing, the *Transport Administration Amendment (Rail and Ferry Transport Authorities) Act 2008* has restructured RailCorp and Sydney Ferries as transport authorities subject to Ministerial direction, and provided that the terms and conditions for the provision of their services and performance standards are to be set out in contracts with the Director-General of the Ministry of Transport.
- 3.25 Also, the Ministry has “engaged a senior manager to identify and implement enhanced program management arrangements for the delivery of key infrastructure projects including car parks and interchanges. This is to include clear identification of roles and responsibilities, appropriate project management processes, improved reporting requirements and the resolution of ongoing issues such as maintenance.”⁴²
- 3.26 These responses will strengthen the Ministry’s capacity to coordinate and oversight interchanges. It remains to be seen, however, whether it will provide the Ministry with sufficient authority to ensure the whole-of-network planning and coordination necessary for an effective interchange system.
- 3.27 The Ministry has tasked the Centre for Transport Planning and Product Development with coordinating a product-focussed approach to the development of Sydney’s transport network.⁴³ However, the Ministry has not demonstrated to the Committee that the Centre has the data or the authority to take on such a significant role.
- 3.28 Planning for effective interchanges requires adequate data on interchange performance. While the Ministry has done significant work in interchange standards in response to the audit, the Committee has not found any sign of improvement in the data collection on how interchanges are contributing to the effectiveness of the transport network.
- 3.29 As the Committee is concerned about the Ministry’s lack of authority in coordinating interchange development, it is not assured that a Centre within a Group of the Ministry will have the capacity to coordinate action between RailCorp, Sydney Ferries, State Transit, the Roads and Traffic Authority, the Transport Infrastructure Development Corporation, Councils, private land-owners and local communities.
- 3.30 If the Ministry is to remain the entity with the role of coordinating interchanges, and the Centre for Transport Planning and Product Development is to drive that coordination, it needs to be provided with the necessary resources in terms of both internal capacity and external authority to perform that role. If that is not possible, then an alternate entity with sufficient capacity and authority should be established.

Recommendation 2

The Committee recommends that the Ministry use its new responsibilities and powers under the *Transport Administration Amendment (Rail and Ferry Transport Authorities) Act 2008* to ensure greater coordination and oversight of interchanges.

Recommendation 3

The Committee recommends that the Ministry provide indicators of its achievements in improving the integration and efficiency of interchanges as part of its Annual Report.

⁴² Ministry of Transport, Written response, p. 2.

⁴³ Ministry of Transport, Submission, p. 2.

Recommendation 4

The Committee recommends that the Ministry collect and provide data to the Centre for Transport Planning and Product Development on the contribution interchanges make to the transport network, including passenger throughput, transit times, commuter safety and cost effectiveness.

Recommendation 5

The Committee recommends that the Government ensure that the Ministry of Transport has sufficient authority within the planning and budget processes to coordinate interchange development rather than merely provide advice.

Recommendation 6

The Committee recommends that the Government publish a review in two years of whether the current interchange governance arrangements enable commuters to interchange in a fast, reliable, safe and convenient manner, and whether they support the development of an integrated and efficient transport network.

Clearly assign responsibilities for interchange ownership

3.31 The audit found that:

One of the major problems associated with the operation of interchanges is no one has responsibility or “ownership” for the interchange as a whole, as seen from the commuter’s perspective...

This lack of “ownership” of interchange facilities by operators and users contributes to features such as long walking distances, lack of weather protection, poorly maintained timetables and information displays and at times dirty and poorly maintained facilities.⁴⁴

3.32 As a first step to clarifying ownership, the Ministry compiled an inventory of interchanges with a view to assigning “ownership” of interchanges according to land ownership.⁴⁵ At the time of the hearing, the Ministry had just commenced a process of clarifying maintenance responsibilities in line with land ownership and assessing the standard of interchanges against the Guidelines for the Development of Public Transport Interchange Facilities.

3.33 At the hearing, the Auditor-General emphasised that his concern with “ownership” was directed at ensuring that someone was responsible and had incentives to ensure the effective operation of each interchange.

The Audit Office is after clarity and accountability. Mention was made of a situation if somebody trips at an interchange who do they sue? My concern would be: whose incentive is it to make sure nobody does trip? Who is in charge of this interchange? Who is in charge of determining where they should be and what the criteria should be for where they should be placed? I think the example of ownership of the land is a good step forward but while there are a number of advisory committees and steering committees I guess I would be keen to understand more fully the accountability for

⁴⁴ NSW Auditor-General, *Connecting with Public Transport*, p 16.

⁴⁵ Ministry of Transport, Submission, pp. 2 –3.

actually delivery. I am still not certain, as our report pointed out, who has the incentive to be proactive to ensure nobody trips?⁴⁶

- 3.34 The Committee notes that, as the Government has not established an overarching entity with powers over all public transport infrastructure, responsibility for interchanges remains complex as it is shared between the Ministry, RailCorp, Sydney Ferries, Local Councils and private land owners. Further, clarification of land ownership in many cases will provide little incentive to ensure the effective operation of the interchange as a whole as land owners are not likely to take responsibility for parts of the interchange beyond their boundary.
- 3.35 The Auditor-General's concern was directed at creating responsibility and incentives for:
- maintenance – rubbish collection, cleaning and repairs;
 - effective operation for commuters – signage, facilities, design (including adequate shelter, efficient transfer times and access), and emergency planning; and
 - improving performance of the transport system – location, capacity and timeliness.
- 3.36 The Ministry's response of reviewing the maintenance obligations of owners does not provide significant incentives for any entity to take responsibility for the performance of the interchange as a whole.
- 3.37 The Ministry's Guidelines for the Development of Public Transport Interchange Facilities provides basic standards for different categories of interchanges, such as whether commuter car parking or video surveillance is required. However, it provides no incentives for, or guidance on, how the different facilities at an interchange should work together to achieve a desired level of performance.
- 3.38 The Committee is concerned that the lack of clear responsibility for interchanges and incentives to maximise performance results in missed opportunities for improved performance and the operation of facilities at little more than the minimum acceptable enforced standards. Consequently, insufficient regard may be had to commuters' experiences of the interchange and how it can better serve their needs.

Recommendation 7

The Committee recommends that the Ministry of Transport establish a clear system of accountability for the performance of interchanges that provides ongoing incentives for interchanges to be managed and developed to best serve the needs of commuters.

Develop a more strategic approach

- 3.39 The Auditor-General was concerned with the lack of strategic planning regarding interchanges and made a range of recommendations regarding developing performance objectives for interchanges, multi-modal transport plans, quality gap assessments and ten year plans.

⁴⁶ P Achterstraat, Committee Proceedings, 27 October 2008, pp. 6 – 7.

- 3.40 The Ministry's response to these recommendations was the establishment of the Centre for Transport Planning and Product Development and the development of the Interchange Ranking Framework and Interchange Design Guidelines.
- 3.41 The Committee welcomes these initiatives as providing significant improvement in the Ministry's capacity to plan an effective integrated transport network and prioritise interchange development in areas of greater need and where it is likely to make a greater contribution to the transport network.
- 3.42 However, while this will assist improved strategic planning, the Committee is concerned that the Ministry did not give any indication it was moving towards establishing performance objectives for interchanges rather than simply establishing minimum standards. Thus, while the Ministry's capacity to focus on places of greatest apparent need has been enhanced, its capacity to determine where it can obtain the greatest benefit, whether its actions are resulting in greater benefit, and what approaches work better than others has not been greatly enhanced. Nor is there ongoing feedback on, or incentives for, improving performance.

Recommendation 8

The Committee recommends that the Ministry of Transport establish performance objectives for interchanges such as demand levels, connectivity offered and cost-effectiveness achieved.

Develop and promote best practice

- 3.43 The Auditor-General found that there was a need for specific guidance and minimum standards for interchanges and recommended that the Ministry issue Best Practice Guidelines for different categories of interchanges, including arrangements for integrated emergency and security responses, review the current interchanges against those guidelines, and work in partnership with local stakeholders to identify ways of ensuring good quality multi-modal interchanges.
- 3.44 In response, the Ministry has issued the Guidelines for the Development of Public Transport Interchange Facilities and is reviewing the 40 most significant interchanges against those guidelines, which will lead to a works program for each interchange.⁴⁷
- 3.45 The Committee welcomes the Guidelines and encourages their application.
- 3.46 The Auditor-General's recommendation noted the need for best practice guidelines for integrated emergency and security responses. While the Guidelines for the Development of Interchanges addresses the security aspects of the physical design of interchanges, it does not cover operational issues.
- 3.47 The Auditor-General's report stated that the Ministry, the Premier's Department and the NSW Police developed Transport Security Precinct Committees for Sydney's 10 highest priority interchanges, and that a further 13 interchanges were earmarked for review.⁴⁸ However, the following discussion took place when the Committee Chair asked the Director General about the Ministry's general role with respect to the emergency response strategies of interchanges:

⁴⁷ Ministry of Transport, Submission, p. 3.

⁴⁸ NSW Auditor-General, *Connecting with Public Transport*, p. 27.

Mr GLASSON: We have a role under the State Emergency Management Act of being the coordinator within the transport portfolio, but the actual responses are done by the line agencies such as RailCorp and Ferries.

Mr ANTHONY ROBERTS: Let us say if there was a bomb threat at a multimodal interchange with several owners, has responsibility for the response been clearly assigned in all such interchanges?

Mr GLASSON: Yes, it is clearly with NSW Police.

Mr ANTHONY ROBERTS: And they are aware of that?

Mr GLASSON: That is my understanding, yes. The protocol is that the facility owner, or whoever becomes aware of a threat or a suspicious item, goes directly to the police.⁴⁹

- 3.48 The Committee notes, however, that responding to an emergency involves several elements. In addition to knowing who to call when a crisis arises, it also includes having in place adequate evacuation plans and staff who are aware of basic first responses required for the range of emergencies that may arise in the particular location. In the context of interchanges with multiple owners and managers, there is a need to ensure that there is coordinated planning and training for emergencies.
- 3.49 The Committee understands that one of the driving forces behind the Precinct Management Deed in place at Bondi Junction, Parramatta, Mt Druitt and Blacktown was the need for a coordinated security response in the event of an emergency, and that one of the Precinct Manager's duties is to coordinate emergency readiness.⁵⁰ The Committee seeks assurance that there is adequate emergency planning for all interchanges.

Recommendation 9

The Committee recommends that the Ministry ensure that responsibility for emergency readiness is clearly assigned at each interchange.

Recommendation 10

The Committee recommends that the Ministry ensure that all of Sydney's interchanges have an adequate emergency response strategy in place.

Provide better information

- 3.50 The Auditor-General made a range of recommendations regarding improving the information the Ministry provides to the public regarding the services provided by interchanges. These recommendations focused on the Transport Infoline and its website.
- 3.51 The Ministry reported that these recommendations had been included in the specifications for the re-tender of the Transport Infoline service, for implementation in 2010.⁵¹

⁴⁹ J Glasson and A Roberts MP, Committee Proceedings, p. 7.

⁵⁰ NSW Auditor-General, *Connecting with Public Transport*, p. 17.

⁵¹ Ministry of Transport, Submission, p. 6.

3.52 In addition, the Transport Infoline website has been enhanced, with the inclusion of maps of 48 interchanges.⁵²

Systematically evaluate performance

3.53 The Auditor-General found that nobody regularly reported on interchange and car park adequacy and performance, and there was no evaluation process framework to establish the impact of an interchange on public transport. He noted that:

Interchange operation needs to be accompanied by a systematic evaluation process, analysing the critical aspects of the service provided, the security attributes of the site and design, the maintenance costs and savings provided by the design, and the success of the site as reflected by parking demand, patronage, and other measures of effectiveness.⁵³

3.54 The Auditor-General recommended that the Ministry establish an evaluation framework for the impact of the interchange facilities on public transport and establish a means of systematically reviewing the frequency and character of the transport service provided at individual facilities to ensure that it is adequate for the purpose.

3.55 In response to these recommendations, the Ministry undertook to develop a post evaluation framework upon completion of the Interchange Design Guidelines and stated that it has commenced a process of evaluating interchanges in accordance with the priority ranking under the Interchange Ranking Framework.⁵⁴

3.56 It appears that the Ministry has made significant improvements in evaluation systems from a very low base. For example, in answer to a question regarding when the Ministry conducted cost benefit analyses, the Director-General replied:

To date, cost benefit analyses have been undertaken for major transport initiatives, including new interchanges at Chatswood, Parramatta and Liverpool.

The Ministry acknowledges that an economic appraisal should be undertaken at the outset. In past years a number of smaller projects did not comply with this requirement.

Currently, interchanges are evaluated by the Ministry based on the following process:

- a) Interchange ranking analysis – enables the Ministry to categories interchanges and rank against various indicators.
- b) Scoping studies are then undertaken on those that received a priority ranking to provide a concept design (including preliminary costings) in accordance with the minimum standards outlined in the Guidelines for the Development of Public Transport Interchange Facilities.
- c) Each proposal is then assessed using cost-benefit analysis to examine their return on investment and suitability for delivery.⁵⁵

3.57 The Committee welcomes the Guidelines for the Development of Public Transport Interchange Facilities and the planning practices and minimum standards they promote. It also considers that the identification of priority interchanges for scoping studies for possible future development should lead to improved outcomes and is a good step towards developing a more effective transport system.

⁵² As above; and 131500 Transport Infoline, *Transport Access Guides*, accessed 13 February 2009, at <<http://www.131500.com.au/maps/transportaccessguides/>>.

⁵³ NSW Auditor-General, *Connecting with Public Transport*, p. 39.

⁵⁴ Ministry of Transport, Submission, pp. 7 – 8.

⁵⁵ Ministry of Transport, Written response, p. 4.

- 3.58 Nevertheless, the Committee remains concerned that, apart from the establishment of the Centre for Transport Planning and Product Development, it has seen little evidence that the Ministry is systematically evaluating and managing for performance rather than identifying individual projects for development. The evaluation approach outlined by the Ministry will identify sub-standard interchanges in priority locations, leading to improvements to the system. It will not, however, identify which aspects of particular interchanges have the greatest impact in either helping or hindering the effectiveness of the network, indicate the relative merit of particular designs or innovations, or provide incentives or drivers for continual improvement. This information would enable the Ministry to obtain even greater benefit from the money spent on transport and allow systems that continually promote improvement.

Recommendation 11

The Committee recommends that the Ministry establish a systematic evaluation process for existing and new interchanges that enables it to analyse the critical aspects of the performance of the services provided, the security attributes of the site and design, and the maintenance costs.

Address the need for long term funding

- 3.59 The Auditor-General's report stated that "funding objectives and options for interchanges need to be developed," and that "the only suggestion of an objective is that the Ministry's new prioritisation process for interchange projects assigns some preference to projects funded by others..."⁵⁶ Suggested objectives and options included:
- minimising the cost to commuters;
 - minimising the cost to public agencies;
 - promoting privatisation opportunities; and
 - ensuring that revenues and non-user benefits exceed full scheme costs.⁵⁷
- 3.60 According to the Auditor-General, greater attention to funding was needed because the main source of interchange funds, the Parking Space Levy, had proved insufficient in recent years.⁵⁸ Although this was partly because Levy revenue had been used to fund a small number of large projects, it nevertheless demonstrated the desirability of additional funding sources.⁵⁹ Private investment was one such source recommended by the Auditor-General.⁶⁰
- 3.61 In the 2008-09 Mini-Budget, the Government announced that the Parking Space Levy would be increased and that the additional \$56 million that would flow from that

⁵⁶ NSW Auditor-General, *Connecting with Public Transport*, p. 45.

⁵⁷ As above.

⁵⁸ As above, p. 12.

⁵⁹ As above.

⁶⁰ As above, p. 45.

increase would be used to fund car parks and other rail interchange facilities.⁶¹ This significant increase will relieve some of the funding pressures for interchanges. Nevertheless, the Ministry must ensure that it has an adequate funding strategy and consider whether it needs to identify opportunities for additional funding. The Committee is of the opinion that the Auditor-General's recommendations remain valid as it is important to ensure that funding reflects need rather than the size of a particular levy.

3.62 At the time of the Committee's hearing in October 2008, the Ministry was exploring opportunities for private investment in car parks. The Director General informed the Committee that:

the Ministry has engaged consultants to provide some preliminary advice, not in relation to pricing but in relation to the sorts of things the private sector would need as a precursor to be interested in investing in that sort of infrastructure.⁶²

3.63 In addition, the Ministry, with the support of other transport agencies, was seeking to attract private investment for large-scale projects on a case-by-case basis.⁶³ Examples of that included the recent upgrades of Parramatta and Chatswood Interchanges.⁶⁴

3.64 However, the Committee is concerned that, in its response to the Audit, the Ministry appears to have conflated somewhat the development of a capital works program with the development of funding objectives and options. In its submission to the Committee, for example, the Ministry noted little more than the development of minimum standards for interchanges, and the fact that funding is considered as part of the State's infrastructure and asset management process, as responses to the Auditor-General's recommendation that the Ministry clearly state interchange funding objectives and options, assess the adequacy of funding sources, and identify and secure further funding sources.⁶⁵ While identifying *what* projects ought to be funded and *when* are important tasks, identifying *how* they ought to be funded is a similarly important, but different, task. Aside from the investigation into attracting private funds for car parks, and the ongoing commitment to explore private funding for individual developments, the Committee is not aware of any attempts to assess, consider and identify a range of alternative funding sources for Sydney's interchanges.

Recommendation 12

The Committee recommends that the Ministry clearly identify interchange funding objectives and options, including public private partnerships where appropriate.

⁶¹ E Roozendaal, *2008-09 Mini-Budget Speech*, 11 November 2008, p. 12, accessed 13 February 2009, at <http://www.treasury.nsw.gov.au/bp08-09/2008-09_mini-budget>; and *2008-09 Mini-Budget*, chapter 4, p. 8, accessed 13 February, at <http://www.treasury.nsw.gov.au/bp08-09/2008-09_mini-budget>.

⁶² J Glasson, Committee Proceedings, p. 3.

⁶³ As above, p. 8.

⁶⁴ As above; and Ministry of Transport, Submission, p. 8.

⁶⁵ Ministry of Transport, Submission, pp. 8 and 9.

Recommendation 13

The Committee recommends that the Ministry, in identifying funding options, assess the adequacy of current and future funding sources and, if necessary, consider a range of alternative funding sources.

Chapter Four – Dealing with Household Burglaries

INTRODUCTION

- 4.1 In 1998, the NSW Police Force adopted a new approach to fighting crime in a bid to tackle the significant increase in crime that had occurred over the preceding three years. That approach, under which commanders were encouraged to analyse data and target resources at crime hotspots, saw a 10 per cent decrease in household burglaries over the following two years. Additional changes to the police response strategy to household burglaries in 2003 contributed to a further 30 per cent decrease in break and enters over the next five years. Nonetheless, household burglary is the fourth most common offence affecting people in NSW and the Government indicated in the State Plan that it would like to see a further 15 per cent reduction in property crime by 2016.⁶⁶
- 4.2 To assist the NSW Police Force to continue to combat break and enters and thereby meet the State Plan target, the Auditor-General examined how well the NSW Police Force was using its resources to respond to, investigate and reduce household burglaries. The Auditor-General made 17 recommendations that focussed on improving data collection, mandating police attendance requirements, identifying factors that impinge on the capacity of police to solve cases, better equipping first time victims to prevent subsequent break ins, and setting performance targets specifically for household burglaries.⁶⁷
- 4.3 The NSW Police Force responded positively to the audit, stating that “there are opportunities to improve planning, coordination, and evaluation of crime prevention activities, and improve the targeting of crime hotspots and management of repeat offenders,” and that it had recently developed initiatives to address these opportunities.⁶⁸ The NSW Police Force also noted that the Government had allocated additional funds to process the backlog of DNA samples, and that this was helping police to improve their response to household burglaries.⁶⁹
- 4.4 However, the NSW Police Force’s submission to the Committee indicated that the Police did not accept the Auditor-General’s recommendation that it should offer security assessments to all victims of household burglaries in high risk areas, or his recommendation that it should develop guidelines to assist commanders to determine whether or not a specialist break and enter team is needed.
- 4.5 The Committee questioned NSW Police Force representatives on these and other issues in a public hearing. The Committee concluded that while the Police Force was justified in not implementing the recommendation on security assessments in high risk areas, it should implement the recommendation on guidelines for establishing a specialist break and enter team.

⁶⁶ Auditor-General, *Auditor-General’s Report: Performance Audit: Dealing with Household Burglaries*, Audit Office of NSW, NSW, 2007, pp. 2 and 4.

⁶⁷ As above, pp. 5, 6 and 7.

⁶⁸ K E Moroney (Commissioner of Police) in Auditor-General, *Dealing with Household Burglaries*, p. 8.

⁶⁹ As above.

THE PERFORMANCE AUDIT

Audit Objectives

- 4.6 The Auditor-General sought to find out how well the NSW Police Force was using its resources to deal with household burglaries. More specifically, the audit focused on how well the NSW Police Force was:
- responding to reports of household burglary;
 - investigating household burglaries; and
 - reducing household burglaries.⁷⁰
- 4.7 The Auditor-General examined these issues in the context of the State Plan target to reduce property crime by 15 per cent between 2006 and 2016, and sought to provide advice on how this target could be met.⁷¹

Audit Conclusions

- 4.8 The Auditor-General found that there had been a dramatic decrease in household burglaries since 1998, with recorded rates of burglary now lower than they were 10 years ago.⁷² The NSW Police Force had employed a range of strategies to achieve this result, including:
- improved data collection and analysis, accompanied by the strategic targeting of hotspots;
 - the Fundamental Response to Crime which outlines strategies to be used when responding to reports of household burglary; and
 - having forensic officers assess all victim reports to determine if there is collectable evidence.⁷³
- 4.9 There were, however, indicators that more could be done as:
- the Auditor-General could not determine how many household burglaries were attended by police;
 - the Auditor-General could not determine if forensic officers attended all scenes with collectable evidence;
 - there were no response time standards for forensic officers even though delays could lead to contaminated evidence;
 - police did not collect data on household burglaries separately from commercial burglaries;
 - the database on which police store information requires some records to be entered in narrative form, including those concerning break and enters, which makes it hard to collate victim information;

⁷⁰ Auditor-General, *Dealing with Household Burglaries*, p. 2.

⁷¹ As above, p. 4.

⁷² As above, p. 12.

⁷³ As above, pp. 12, 13 and 21.

Dealing with Household Burglaries

- none of the commands visited by the Auditor-General met their target for solving household burglary investigations, with over 90 per cent of cases going unsolved in 2005-06;
- between 2003 and 2005, NSW consistently came fifth out of Australia's six states in finalising household burglaries within 30 days;⁷⁴
- the quality of data collection and analysis varied across the commands visited, although there was limited analysis of the effectiveness of strategies in all of them; and
- the quality of the information packs handed out to first-time victims to help secure their homes varied across the commands visited.⁷⁵

Audit Recommendations

4.10 The Auditor-General's recommendations focused on the need to improve data collection, mandate police attendance requirements, identify factors that impinge on the capacity of police to solve cases, better equip first time victims to prevent subsequent break ins, and set performance targets for household burglaries.⁷⁶

4.11 More specifically, the Auditor-General recommended that the NSW Police Force:

1	Review what information on household burglary should be collected, and records whether or not the property has been burgled before (page 18)
2	Review intelligence on household burglaries separately from commercial break and enters (page 18)
3	Introduces quality assurance standards for checking victims' reports in terms of the sample size used in reviews (page 18)
4	As part of future system upgrades, record victims' reports in a way that can be collated (page 18)
5	Clarify when canvassing should occur, who should canvass and how it should be recorded (page 20)
6	With the victim's consent, attend all crime scenes where collectable forensic evidence is reported to exist (page 22)
7	Review response times for the collection of forensic evidence and sets time standards for collection in 2008-09 (page 22)
8	Examine the time taken for forensic analysis and determines the impact on investigations (page 25)
9	Develop guidelines to help commands judge whether a specialist break and enter team is needed based on risk (page 27)
10	Review the legal action rate and identifies factors affecting results (page 29)
11	Establish minimum standards for developing intelligence on household burglaries (page 33)
12	Provide a standard information pack on household security to victims (page 35)
13	Offer security assessments to all victims of a household burglary living in high risk neighbourhoods, and establishes a timeframe for completing these assessments (page

⁷⁴ Caution must be taken when comparing statistics across States because of differences in data collection methods and environments in which police work. In NSW, for example, the fact that the average forensic processing time for fingerprints and DNA is three and eight months respectively (Auditor-General, *Dealing with Household Burglaries*, p. 25) must impact negatively on the capacity of police to finalise household burglary investigations within 30 days.

⁷⁵ Auditor-General, *Dealing with Household Burglaries*, pp. 16, 18, 27, 29, 33 and 34.

⁷⁶ As above, pp. 5, 6 and 7.

	35)
14	Monitor and report on repeat victims as a measure of success of crime prevention strategies (page 35)
15	Examine the appropriateness of victim-based crime prevention strategies for high risk neighbourhoods (page 35)
16	Review the impact of prevention programs on household burglaries in high risk neighbourhoods (page 33)
17	Establish targets for household burglaries that will contribute to the outcomes expected in the State Plan (page 37)

THE COMMITTEE'S EXAMINATION

- 4.12 As the Auditor-General pointed out, household burglaries not only impact upon those whose houses are robbed because of the financial and emotional pain the victims experience, they also impact upon the community as a whole because of the correlation between the fear of having one's house broken into and one's overall sense of safety and wellbeing.⁷⁷ The Committee is thus pleased to hear about the significant progress made by the Police in reducing household burglaries over the past 10 years.
- 4.13 The Committee is also pleased with the response of the NSW Police Force to the Auditor-General's audit, and notes in particular a number of recent developments including:
- updating its information database on an ongoing basis so as to improve its capacity to collect statistics on household break and enters;
 - identifying when canvassing should occur and when forensic police should attend a household burglary;
 - mapping the time taken for forensic analysis of evidence;
 - developing best practice methodologies for analysing residential break and enters;
 - creating a standard HomeSafe Information Package to be sent to all first-time victims of break and enter;
 - developing mechanisms to review the appropriateness of victim based crime prevention strategies; and
 - setting command-specific targets for household burglaries.⁷⁸
- 4.14 While the NSW Police Force qualified its acceptance of several recommendations on the basis of resource constraints, it generally expressed its willingness to implement the recommendations insofar as possible. The two exceptions to this were providing security assessments to first-time victims of household burglary in high-risk areas and developing guidelines on establishing specialised break and enter teams. Although the Committee accepts that the Police are presently unable to implement the first of these recommendations, it encourages the Police to implement the second.

⁷⁷ As above, foreword.

⁷⁸ NSW Police Force, Submission on Inquiry into Dealing with Household Burglaries, 30 July 2008.

Security assessments for first-time victims of household burglary in high-risk areas

- 4.15 Those who have already been victims of household burglary are more likely to be burgled than those who have not, and the NSW Police Force has taken this into account when formulating strategies to combat break and enter over the past 10 years.⁷⁹ For example, all first-time victims of household burglary receive a pack with information on upgrading security.⁸⁰ Although the Auditor-General found that the packs varied in quality across commands,⁸¹ the Police informed the Committee in its submission that it has now designed a uniform HomeSafe Information Package that all commands provide to victims of break and enter.⁸²
- 4.16 To further combat multiple burglaries on the one property, the Auditor-General recommended that the Police offer security assessments to all first-time victims of household burglary in high-risk neighbourhoods.⁸³ While the Police Force already offers security assessments to people who have been robbed two or more times, it rejected this recommendation on the grounds that it was “not possible [or] practical.”⁸⁴
- 4.17 At the Committee hearing, Anthony Roberts MP asked the Police to expand on its explanation:
- You obviously have officers attending the scene. Would it not just take a couple of minutes for those officers to say, “You need deadlocks here,” or “I would cut that hedge back,”... Would that sort of assessment not be easily provided at minimal cost and resourcing?⁸⁵
- 4.18 Deputy Commissioner David Owens informed the Committee that police officers do provide off-the-cuff assessments of the kind described by Mr Roberts. He further explained what was meant by ‘assessment’ and why the Police could not implement this recommendation:
- An assessment is really from the front door to back door, side-to-side and then walk out of the premises to the front and then walk out the back, and there is a whole sheet and analysis that has to go on. To do that to everybody who gets broken into, no, we do not have the resources to do that. Personal responsibility has to come into it, like you and I would do. You would look at your property and you can make a decision, are you comfortable with the security you have in your premises, yes or no? If you are not comfortable with it, you can seek further guidance. If you are a repeat victim—as in you have been broken into more than once—we offer packs we can go through and then, on the assessment of the individual and the location, we can do an assessment. But we just cannot say that everybody should be offered that service. We do not have the resources for that.⁸⁶
- 4.19 In light of the fact that uniform information packs are now sent out to all first-time victims of household burglaries, and that police officers who attend the scene often

⁷⁹ Auditor-General, *Dealing with Household Burglaries*, p. 4.

⁸⁰ As above, p. 6.

⁸¹ As above.

⁸² NSW Police Force, Submission, p. 4.

⁸³ Auditor-General, *Dealing with Household Burglaries*, p. 6.

⁸⁴ NSW Police Force, Submission, p. 4.

⁸⁵ A Roberts, Committee Proceedings, 27 October 2008, p. 3.

⁸⁶ D Owens, Committee Proceedings, 27 October 2008, p. 3.

provide impromptu advice, the Committee accepts that, given resource constraints, the Police is providing sufficient assistance to residents to safeguard their homes.

Guidelines on whether a specialist break and enter team is needed

- 4.20 Commanders have a specialist team at their disposal that they can dedicate to particular crimes within the area.⁸⁷ While one commander might use the specialist team to combat drugs, another might use it to combat break and enters.⁸⁸
- 4.21 According to the Auditor-General, the commands he audited used different approaches to determine whether or not a specialist team for household burglaries was required, with the result that a local area command with a break and enter specialist team had a significantly lower burglary rate than another command that did not have such a team.⁸⁹ The Auditor-General thus recommended that the Police develop guidelines to help commanders decide whether a break and enter specialist team was needed.⁹⁰
- 4.22 In its submission to the Committee, the NSW Police Force explained that it did not accept this recommendation as police procedure dictated that commanders only had to *consider* establishing a break and enter team, and it was up to each commander to determine how resources ought to be allocated within his or her command.⁹¹
- 4.23 At the hearing, Deputy Commissioner Owens further explained that there was a need for commanders to be flexible and innovative in order to solve the problems in their areas, and that checks were in place to ensure that commanders responded appropriately to spikes in specific crimes.⁹² The Deputy Commissioner also told the Committee that regional enforcement squads, made up of officers from several commands, were available to commanders if they needed to combat a certain type of crime and their specialist teams were already busy.⁹³ Thus, there were alternative means of addressing a high level of burglaries if the specialist team was better employed elsewhere.⁹⁴
- 4.24 The Auditor-General responded by saying that he thought guidelines would nonetheless be helpful:
- I accept that the local area commander is in the best position to determine whether a specialist break and enter team should be established. I accept also that in many cases it will not be warranted for various reasons and that the proactive team will be doing other things. My recommendation simply was that police head office set more guidelines or criteria for the local area commander to take into account when making that decision as to whether there should be a specialist team.⁹⁵
- 4.25 The Committee agrees with the Auditor-General that guidelines would assist commanders to decide whether to set up a specialist break and enter team, and

⁸⁷ As above, p. 5.

⁸⁸ As above.

⁸⁹ Auditor-General, *Dealing with Household Burglaries*, pp. 24 and 26.

⁹⁰ As above, p. 27.

⁹¹ NSW Police Force, Submission, p. 4.

⁹² D Owens, Committee Proceedings, p. 5.

⁹³ As above, p. 6.

⁹⁴ As above.

⁹⁵ P Achterstraat, Committee Proceedings, 27 October 2008, p. 6.

establish a more transparent decision making framework. As the Auditor-General observed:

what we would like to see is some objective criteria that the commanders can consider when making that decision because in some areas where the break and enter crime rate was higher, they were the ones without a break and enter specialist team. There may be good reasons for that. What we are suggesting is that when the local area commander makes the call, he or she should have the benefit of some more objective guidelines.⁹⁶

4.26 Such guidelines would need to be of an advisory rather than binding nature to provide assistance to commanders when making such decisions without reducing their capacity to exercise their judgement on how best to manage their command.

Recommendation 14

The Committee recommends that the Police Force establish guidelines for commanders on when to establish a specialist break and enter team.

⁹⁶ As above.

Chapter Five – Government Advertising

INTRODUCTION

- 5.1 In the 2006-07 financial year, the NSW Government spent close to \$112 million on government advertising. This advertising is divided into 'campaign advertising', representing the various information campaigns the Government provides, such as public health campaigns or advising of changes to the law, and 'non-campaign advertising', which includes advertising of job adverts and tender notifications. Advertising on information campaigns comprised nearly three quarters of advertising expenditure. Among the campaigns approved by the Government in 2006 were a 1.8 million dollar campaign to recruit nurses and a 0.98 million dollar campaign to attract tourists to Sydney.⁹⁷
- 5.2 Although campaign advertising is treated with suspicion because of its potential to encourage people to vote for the incumbent government, the Auditor-General has noted that government advertising fulfils the very important function of providing the public with comprehensive information about government policies, programs and services.⁹⁸ Government advertising may, among other outcomes, encourage compliance with the law, ensure public safety, and help to maintain order in an emergency.⁹⁹
- 5.3 To determine whether expenditure on government advertising was sufficiently transparent and whether campaign advertising guidelines adequately discouraged the use of public funds for party political purposes, in 2007 the Auditor-General conducted an inquiry into government advertising.¹⁰⁰ Having found that it was difficult to discern exactly what was spent on government advertising, the draft guidelines on government campaign advertising did not adequately discourage the inappropriate use of public funds, and the review and approval process could be more robust, the Auditor-General put forward 13 recommendations.¹⁰¹
- 5.4 The recommendations directed at the Department of Commerce focused on improving the transparency of government expenditure on advertising; updating the guidelines on government advertising, including criteria for judging whether material inappropriately serves party political interests; and improving the review and appeals process for proposed campaigns.¹⁰² The recommendations directed at the Department of Premier and Cabinet requested that it work with the Department of Commerce to clarify the circumstances in which campaigns may be approved under delegation by the Minister for Commerce, and that it ensure that Cabinet receives all relevant information when considering whether or not to approve a campaign.¹⁰³

⁹⁷ Auditor-General, *Auditor-General's Report: Performance Audit: Government Advertising*, Audit Office of NSW, NSW, August 2007, pp. 2, 12 and 25.

⁹⁸ As above, p. 13.

⁹⁹ As above.

¹⁰⁰ As above, p. 14.

¹⁰¹ As above, pp. 3 – 5.

¹⁰² As above, pp. 4 – 5.

¹⁰³ As above.

Government Advertising

- 5.5 The Department of Commerce informed the Committee that it had accepted all of the Auditor-General's recommendations.¹⁰⁴ The Auditor-General observed that the Department had only partially implemented three of the recommendations and had fully implemented the others.¹⁰⁵ The Committee is of the opinion that the Department has substantially implemented the intent of the recommendations.
- 5.6 The Department of Premier and Cabinet indicated that it had accepted both of the recommendations directed at it. However, the recommendation for which it shared responsibility with the Department of Commerce in relation to the delegated authority of the Minister for Commerce was one of the three recommendations that had only been partially implemented. As with the Department of Commerce, the Committee considers that the Department of Premier and Cabinet has addressed the substance of the Auditor-General's recommendations.
- 5.7 However, while the Committee was satisfied with the terms of the guidelines, it was concerned that the Department of Commerce's response to the Auditor-General suggested that the earlier guidelines had been interpreted as allowing the use of the Minister's delegation to approve advertising campaigns on the basis of timeliness alone.

THE PERFORMANCE AUDIT

Audit Objectives

- 5.8 The Auditor-General looked at:
- what had been spent on government advertising; and
 - whether the guidelines for government campaign advertising were sufficient to prevent the use of public funds for party political purposes.¹⁰⁶

Audit Conclusions

- 5.9 The audit found that better agency guidance and a stronger framework for approving advertising campaigns had been put in place since the last performance audit on government advertising was undertaken in 2005. The focus of those reforms was to increase effectiveness and cost efficiency and, after changes were introduced in 2002, there was a 19 per cent decrease in government expenditure on advertising. Since then, however, spending had increased by 32 per cent, although the Department of Commerce attributed at least a part of that increase to a rise in media placement rates.¹⁰⁷
- 5.10 The Auditor-General identified the Government's policy of having the Department of Commerce coordinate and book government advertising as an example of good practice. By centralising advertising procurement, the Department was able to obtain discounts and special deals because of its buying power. In 2005-06, for example,

¹⁰⁴ Department of Commerce, Submission on Inquiry into Government Advertising, 25 September 2008, pp. 2 – 3.

¹⁰⁵ Auditor-General, Submission on Inquiry into Government Advertising, 23 October 2008, pp. 3 – 4.

¹⁰⁶ Auditor-General, *Government Advertising*, p. 2.

¹⁰⁷ As above, p. 2 and 15.

the Government saved \$30 million dollars on account of preferential rates and was given \$1.7 million in free advertising space.¹⁰⁸

- 5.11 The review and approval process examined by the Auditor-General mandated that all campaigns over \$50,000 be peer reviewed and approved by the Cabinet Standing Committee on the Budget.¹⁰⁹ The Auditor-General also identified the peer review process, under which marketing and communications practitioners from across the public sector advise on the need, strategy and management of a given campaign, as an example of good practice.¹¹⁰
- 5.12 To find out if agencies were adhering to government guidelines and processes, the Auditor-General reviewed eight Government advertising campaigns.¹¹¹ The development process for all eight of the campaigns reviewed by the Auditor-General complied with government advertising guidelines, and all had been subject to peer review. However, the Auditor-General was of the view that Cabinet had not always been supplied with sufficient information to make sound approval decisions with respect to proposed campaigns.¹¹²
- 5.13 Throughout his report, the Auditor-General identified several concerns, including that:
- There was no central record of the total amount spent on advertising as, although the Department of Commerce annually reported media placement costs, there was no requirement for agencies to detail the cost of advertising research, development and production in their annual reports and very few did provide such information.¹¹³
 - The guidelines were not sufficient to prevent the use of public funds for party political purposes because there were no general principles prohibiting such practices and there were no criteria to help agencies determine whether a campaign could be seen to be party political.¹¹⁴
 - The review and approval process was not as robust as it ought to be as Cabinet was not always given required documents, and agencies did not have to inform Cabinet how they had responded to poor peer review assessments.¹¹⁵
 - Since the Minister of Commerce had been empowered to approve campaigns out of session on behalf of Cabinet, 69 per cent of campaigns had been approved by the Minister.¹¹⁶

¹⁰⁸ As above, p. 16.

¹⁰⁹ As above, p. 23.

¹¹⁰ As above, p. 24.

¹¹¹ As above, p. 25.

¹¹² As above, p. 26.

¹¹³ As above, p. 18.

¹¹⁴ As above, pp. 27 – 29.

¹¹⁵ As above, pp. 25 – 26.

¹¹⁶ As above.

Audit Recommendations

THE COMMITTEE'S EXAMINATION

- 5.14 To maintain public trust, the Government must display a high level of transparency regarding advertising expenditure. Although spending on advertising makes up a small proportion of the budget of government agencies, the discretionary nature of such spending, coupled with the potential of the advertisements to influence voter behaviour, impose a greater burden on those agencies to disclose how much they spent on advertising and how appropriate that expenditure was.¹¹⁷
- 5.15 The Committee is pleased with the Department of Commerce's response to the audit and notes that, among other gestures of cooperation, the Department delayed publishing its revised government advertising guidelines until after the audit so that it could incorporate the Auditor-General's recommendations.¹¹⁸ The Committee also notes that, as a result of the Auditor-General's findings, the Department has:
- agreed to publish a detailed, whole-of government report on government advertising each year;
 - agreed to place a list of campaigns approved by Cabinet or the Minister on its website;
 - published new guidelines that specifically warn against the use of public funds for party political purposes and that encourage greater disclosure by other agencies;
 - updated the format of its peer review report so that reviewers are asked to consider compliance with the new guidelines when assessing campaigns;
 - made a commitment to provide Cabinet with all relevant information; and
 - more clearly defined the circumstances under which the Minister can approve campaigns on behalf of Cabinet.¹¹⁹
- 5.16 The most recent Annual Report of the Department of Commerce states that the Department was still considering its response to the audit at the time the Annual Report was being prepared.¹²⁰ The Committee is of the opinion that the Department's commitment to publish a whole of government report on advertising, a list of Cabinet and Minister-approved campaigns, and its new peer review report template is important, and looks forward to seeing these soon.
- 5.17 The Committee is also pleased that the Department of Premier and Cabinet accepted both recommendations directed at it and that it has thereby worked with the Department of Commerce to make the advertising review and approval process more robust.
- 5.18 There were three recommendations to which the agencies only partly adhered.

¹¹⁷ As above, pp. 9, 14 and 15.

¹¹⁸ As above, p. 9.

¹¹⁹ Department of Commerce, Submission, pp. 2 – 3.

¹²⁰ Department of Commerce, *Commerce Annual Report 2007/08*, Department of Commerce, NSW, 2008, p. 48, accessed 19 February 2008, at <<http://www.commerce.nsw.gov.au/2007-2008+Annual+Report/2007-2008+Annual+Report.htm?Page={B9E50225-7065-41DB-AB60-814D4B2E2632}>>.

- 5.19 As noted above, the Auditor-General asked the Department of Commerce to publish a list of campaigns that had been approved by the Cabinet or the Minister each month. In response, the Department of Commerce said it would publish a list of such campaigns only after they had finished because of commercial sensitivities,¹²¹ and the Committee is satisfied with this arrangement.
- 5.20 The principles and criteria in the revised guidelines on government advertising also deviate from those put forward by the Auditor-General. However, the Committee is of the view that the guidelines are consistent with the intent of the Auditor-General's recommendations and that the omissions do not raise any significant issues. For example, although the guidelines do not contain the Auditor-General's proposed criterion that "material should be presented in a manner free from partisan promotion of government policy and political argument...", the guidelines specifically state that campaigns should not serve party political interests and list circumstances in which government funding is inappropriate, including when advertisements "could be understood as being on behalf of a political party" or when they contain "party-political slogans or images," etc.¹²²
- 5.21 The Auditor-General recommended that both the Department of Commerce and the Department of Premier and Cabinet more clearly define the circumstances under which the Minister can approve campaigns under delegated authority from Cabinet. At the time of the audit, the Minister had the authority to approve campaigns out of session if they were less controversial, low cost, or repeat campaigns. The Auditor-General considered that the Minister would benefit from guidance as to what the first two of those three conditions meant. According to the Auditor-General, the fact that 69 per cent of campaigns had been approved by the Minister since the authority was delegated "undermines the government policy that campaign advertising is important enough to warrant Cabinet oversight."¹²³
- 5.22 The revised guidelines on government advertising state that a public awareness campaign may only be approved out of session if it is low cost, required on an ongoing basis, or a repeat advertisement that has proven to be effective.¹²⁴ The Guidelines also note that Cabinet retains ultimate oversight responsibility and that all campaigns approved out of session are to be brought to the attention of Cabinet.¹²⁵
- 5.23 The Committee considers that the current Guidelines strike an appropriate balance between the convenience of being able to approve certain campaigns when Cabinet is not available and maintaining the Government's policy that campaign advertising is important enough to warrant Cabinet oversight. Although 'low cost' has not been defined, the Committee believes that it has sufficient meaning to give an indication of when the delegation should not be used.
- 5.24 However, the Department of Commerce's response to the initial audit suggested that the criterion of time pressure alone could justify the use of the Minister's delegation. The Department of Commerce informed the Auditor-General that:

¹²¹ Department of Commerce, Submission, p. 2.

¹²² *NSW Government Advertising Guidelines*, p. 5, accessed 13 February 2009, at <<http://www.advertising.nswp.commerce.nsw.gov.au/Advertising/Government+Advertising+Guidelines/Government+Advertising+Guidelines.htm>>.

¹²³ Auditor-General, *Government Advertising*, p. 27.

¹²⁴ *NSW Government Advertising Guidelines*, p. 9.

¹²⁵ As above.

34 of the 58 campaigns approved by the Minister were repeats of successful campaigns, previously approved by the Standing Committee. Of the other campaigns, 14 were simply routine announcements, like legislative changes, or very low cost. *The other 10 required time critical approval to meet the advertising strategy timelines (e.g. Melanoma Prevention in early summer) or were submitted during the Christmas/New Year periods when the Standing Committee did not meet.*¹²⁶

5.25 The Committee notes that, under the Guidelines, the fact that Cabinet is out of session is a necessary, but not sufficient, precondition to give rise to the use of the Minister's delegation. While 'timeliness' or 'urgency' provide an incentive to approve a campaign without Cabinet approval, the Guidelines require that such campaigns also be low cost, or repeat, or have been demonstrated to be effective, before the Minister's delegation can be applied.

Recommendation 15

The Committee recommends that the Minister for Commerce ensure that the delegation to approve advertising campaigns is only used when the requirements of the Guidelines are met and not for the reason of timeliness alone.

¹²⁶ Auditor-General, *Government Advertising*, p. 9 (emphasis added).

Appendix A. Submissions & Witnesses

RESPONDING TO HOMELESSNESS

Submissions:

1. NSW Department of Education and Training – 3 July 2008
2. Legal Aid NSW – 11 July 2008
3. NSW Department of Aboriginal Affairs – 11 July 2008
4. NSW Police Force – 16 July 2008
5. Department of Premier and Cabinet – 21 July 2008
6. NSW Department of Community Services – 23 July 2008
7. Audit Office of NSW – 11 August 2008

CONNECTING WITH PUBLIC TRANSPORT

Submissions:

1. Ministry of Transport – 21 July 2008
2. Audit Office of NSW – 4 August 2008
3. Ministry of Transport – 28 November 2008

Witnesses:

1. Mr Jim Glasson
Director-General
Ministry of Transport
2. Mr Peter Scarlett
Director, Finance & Corporate Services
Ministry of Transport
3. Mr Peter Achterstraat
Auditor-General
Audit Office of NSW

DEALING WITH HOUSEHOLD BURGLARIES

Submissions:

1. NSW Police Force – 30 July 2008
2. Audit Office of NSW – 19 August 2008

Witnesses:

1. Deputy Commissioner Dave Owens
Field Operations
NSW Police Force
2. Inspector Sean Hannen
Performance Improvement and Planning Unit
NSW Police Force
3. Detective Supt. Nick Bingham
Spokesperson for Property Crime
NSW Police Force
4. Superintendent Adam Whyte
Commander of the Policy and Programs Command
NSW Police Force
5. Mr Peter Achterstraat
Auditor-General
Audit Office of NSW

GOVERNMENT ADVERTISING

Submissions:

1. NSW Department of Commerce – 25 September 2008
2. Audit Office of NSW – 23 October 2008
3. Department of Premier and Cabinet – 10 November 2008

Appendix B. Submission Template

PERFORMANCE AUDIT – TITLE						
IMPLEMENTATION OF RECOMMENDATIONS						
RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed)	COMMENT	RESPONSIBILITY
1		a)				
		b)				
		c)				
2						
3						
4						
5						
6						
7						
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