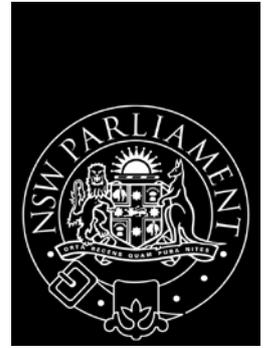


LEGISLATIVE ASSEMBLY



Public Accounts Committee

Seventh Report on the Examination of the Auditor-General's Performance Audits

Sustaining Native Forest Operations
Grants Administration
Tackling Cancer with Radiotherapy
Helping Aboriginal Defendants through MERIT

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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 report is the seventh tabled under the Public Account Committee's improved audit review program, instituted in the 54th Parliament. This new process has proven to be a very effective means of comprehensively testing action taken on all performance audits and maintaining a high level of scrutiny of the agencies under review. The tangible benefits of this process have demonstrated the value of following up the Auditor-General's report recommendations by ensuring that appropriate operational changes are instituted and assuring the public that this is done in an open and transparent way.

The current report provides an examination of the audits conducted into: Sustaining Native Forest Operations; Grants Administration; Tackling Cancer with Radiotherapy; and Helping Aboriginal Defendants through MERIT. In general terms, the Committee is satisfied that the responsible agencies are now meeting their obligations and implementing the Auditor's recommendations. However, this has been, in part, due to the work and diligence of Committee Members in pursuing the agencies concerned to elicit further responses where issues of concern have been identified.

The ability to add value to the Auditor-General's work by further questioning and, if required, conducting public hearings to probe witnesses, adds weight to the audit process itself and gives further impetus to the overall scrutiny of public expenditure. The Committee is very pleased with the level of working collaboration achieved over the last four years with the NSW Auditor-General's Office. It is important to stress that this in no way compromises the integrity or the independence of either party, but that the complementary roles of the Auditor-General and the Parliament have been utilised to the fullest extent under this new process.

For this reason, I would like to stress the benefits of these new arrangements and urge the Committee, when re-established in the 55th Parliament, to continue these arrangements and follow up-audits in the same way.

Finally, I would like to record my appreciation for the assistance provided by the Auditor-General and the Audit Office staff. Additionally, I would like to thank all Committee Members and the secretariat staff for their support and dedication during my time as Committee Chair.

Paul Gibson MP
Chair

List of Recommendations

RECOMMENDATION 1:

The Committee recommends that Forests NSW continue implementation of the Auditor-General's recommendations arising from his performance audit into *Sustaining Native Forest Operations*.

RECOMMENDATION 2:

The Committee strongly encourages the Department of Premier & Cabinet to ensure that grant-making agencies tie payments to clear performance measures in all instances so as to ensure that the stated objectives of the program are achieved and the public receives value for money.

RECOMMENDATION 3:

The Committee recommends that NSW Health ensures the complete implementation of all the recommendations in the Auditor-General's report into Tackling Cancer with Radiotherapy.

RECOMMENDATION 4:

The Committee further recommends that in its response to this report, the Government outlines its progress, and any reasons for delay, in:

- establishing formal cancer networks and developing centralised bookings systems for all radiotherapy treatment centres within a service network;
- the completion and implementation of Radiation Oncology Standards;
- delivering an upgraded system to monitor referrals and developing treatment priority definitions to enable collection of consistent wait time data; and
- developing a workload measure that facilitates comparison of centres with different case-mixes and different techniques.

RECOMMENDATION 5:

The Committee recommends that radiation facilities extend their hours of operation to provide better access for patients and better utilisation of the facilities by July 2011, except where it does not deliver value for money, or value to patients.

RECOMMENDATION 6:

The Committee recommends that the Department of Justice & Attorney General, Department of Health and NSW Police Force ensure the complete implementation of all the recommendations in the Auditor-General's report into *Helping Aboriginal Defendants through MERIT*.

RECOMMENDATION 7:

The Committee further recommends that in its response to this report, the Government outlines its progress, and any reasons for the delay, in:

- finalising the revised MERIT Operational Manual and outlining the process undertaken to introduce the Manual to caseworkers;
- further expanding the network of MERIT courts to include some of the non-MERIT courts with high proportions of Aboriginal and Torres Strait Islander defendants, as identified by the Auditor-General;
- establishing permanent MERIT positions in spite of the four-year funding cycle provided under the National Healthcare Agreement;
- ensuring that all MERIT teams are provided with initial induction training as well as ongoing training;
- improving the level of understanding of MERIT among Aboriginal communities; and
- developing targets for client completion rates in order to monitor the performance of each MERIT team and identify any program issues.

Chapter One - Sustaining Native Forest Operations

Introduction

- 1.1 Forests NSW is a public trading enterprise within the Department of Industry & Investment (formerly the Department of Primary Industries). It manages 2.2 million hectares of native forest and 48,140 hectares of hardwood plantations.
- 1.2 The agency's key role is to sustainably manage State forests and maintain timber supply. In 2007-08, Forests NSW produced 872,000m³ of sawlog and 612,000 tonnes of pulpwood from native forest and hardwood plantations. Legally binding rules help ensure harvesting practices protect wildlife habitat and sensitive flora and limit erosion.
- 1.3 The management of forests is guided by the *1992 National Forest Policy Statement* (NFPS). A key outcome of the NFPS was the provision for establishment of Regional Forest Agreements (RFAs). These 20-year agreements outline the management of the State's native forests, integrating environmental, social and commercial objectives. Between 1999 and 2001, three RFAs were signed between the Commonwealth and NSW Government for Southern New South Wales, North-East New South Wales and Eden. RFAs are required to be reviewed every five years to assess progress against established milestones. This process includes a review of yield estimates.
- 1.4 During the last 10 years a number of changes in the industry have occurred which affect forest management and maintenance of timber supply. These include:
 - conversions of large areas of forest estate to national parks, thereby reducing the area of forest available for harvesting;
 - industry assistance packages to help customers develop their businesses or exit the industry (in response to the expected reduction of forest resources);
 - 20 year wood supply agreements with industry within the RFAs; and
 - an increasing focus on value added products from lower quality timber and smaller logs.
- 1.5 A reduced capacity to supply timber and the long term obligations to supply have led to concerns about whether there is enough timber to meet contractual commitments.

The Performance Audit

Audit Objectives

- 1.6 The audit aimed to assess whether Forests NSW effectively manages the supply of hardwood to meet wood supply commitments and sustain our native forests. In particular, the audit sought to determine whether Forests NSW:
 - knows how much native forest and plantation hardwood is available for harvesting, presently and in the future; and
 - has promised to sell more native forest and plantation hardwood than it can sustainably supply.

Sustaining Native Forest Operations

- 1.7 To determine whether Forests NSW knows how much timber is available for harvesting, both now and into the future, the audit examined whether Forests NSW:
- has reasonable and reliable data on existing native and plantation hardwood stocks;
 - has reasonable and reliable estimates of future native and plantation hardwood stocks which it used to inform wood supply agreements; and
 - compares harvesting results to its original estimates of hardwood stocks (i.e. available harvest).
- 1.8 In considering whether Forests NSW has overcommitted its timber resources, the audit assessed the extent to which Forests NSW:
- has accurate and complete information on current and future obligations for hardwood supply;
 - identifies risks which may affect its ability to supply hardwood;
 - manages these risks to ensure its business is stable; and
 - is able to meet its commitments to supply hardwood timber.
- 1.9 All hardwood species and cypress pine were included in the audit and all hardwood timber products such as sawlog and pulpwood were examined. The audit did not review softwood plantations and associated supply obligations.

Audit Conclusions

- 1.10 Overall, the Auditor-General was satisfied that Forests NSW has adequate estimates of how much timber is available from native forests (and plantations). A number of factors are critical to ensuring the reliability of yield estimates. The audit found that Forests NSW utilise a sufficient number of sample plots in order to calculate the approximate number, size and species of trees available for harvest.
- 1.11 Accurate plot measurement is also important. The audit found that plot measurements were adequate. However, despite utilising an industry accepted process to develop yield estimates, the Auditor-General considered that Forests NSW can improve reliability by the implementation of Recommendations 1-4.
- 1.12 This involves: reviewing the modifiers used to remove exclusions zones from the area available for harvest; remeasuring sample plots in order to identify and monitor changes in the forest; and updating the inventory database to include harvesting results and event management.
- 1.13 The audit also identified issues relating to the timeliness of some yield estimates. As well as yield estimates for the Western region needing to be finalised, additional reviews of yield estimates for Eden (due in 2004) and Tumut (due in 2006) in the Southern region are well overdue for review.
- 1.14 Checking harvest results against the estimated yield can serve to determine the reliability of estimates. Two such studies, conducted between 1999 and 2001 for the North Coast, revealed that the actual yield was 87% of that predicted. The equivalent agency in Western Australia plans to monitor actual yield against strategic estimates over a five-year period. Forests NSW has not been in the practice of doing this on a regular basis. It contended that significant yield variations between individual harvest areas make this exercise problematic.

- 1.15 The Auditor-General's examination found that Forests NSW has comprehensive information detailing its wood supply commitments and regularly monitors performance against allocations. In spite of this, not all regions met the contractual commitments for the supply of sawlogs over the last five years. In response, Forests NSW stated that this was not due to a shortfall in timber resources, but rather lags in production in addition to downturns in the industry. In some instances, high quality small logs have been supplied in place of high quality large sawlogs. However, this is permissible under some contracts.
- 1.16 Forests NSW will face increasing challenges to meet demand in the coming years as harvesting moves into lower yield areas, characterised by steeper terrain and located further away from sawmills (which will result in higher haulage costs). Whereas previous contracts have provided protection against failure to meet commitments, by allowing for yield re-evaluations and reductions in volume without compensation, agreements entered into recently do not provide the same level of protection.
- 1.17 Despite variations among the different products and between regions, the Auditor-General concluded that there is sufficient timber to meet overall wood supply commitments up to 2023, using a combination of native forest and plantation hardwood.

Audit Recommendations

- 1.18 The Auditor-General made a total of nine recommendations aimed at improving the reliability of yield estimates and consequently Forest NSW's knowledge of timber availability and addressing business risks.

To improve its knowledge of timber availability, the Auditor-General recommended that Forests NSW:	
1	by December 2010, upgrade its forestry management system for native forests to capture all harvesting results and other events which impact on yield.
2	by September 2009, finalise its net area and strike rate modifier studies to improve the accuracy of its estimates.
3	by June 2010, undertake and publicly report the results of: <ul style="list-style-type: none"> • a review of yield estimates for native forests in Southern Region including Eden, South Coast and Tumut • a review of yield estimates for hardwood plantations.
4	by June 2010, publicly report the results of yield estimates for high quality large sawlogs, high quality small sawlogs, low quality logs and pulpwood for each region.
5	compare harvest results against its yield estimates over five year periods as a means of testing the accuracy of estimates; and report the results annually starting June 2010.
To address business risks, the Auditor-General recommended that Forests NSW:	
6	investigate the reasons for not meeting its private property targets for hardwood timber and develop better ways of addressing these.
7	investigate the potential for developing commercial markets for forest waste.
8	simplify and improve timber pricing by introducing a new pricing system by December 2009 that: <ul style="list-style-type: none"> • ensures log production costs are recovered; and • is transparent.
9	The Minister responsible for native forest operations include yield review requirements that allow for non-compensable reduction in allocation, in all future wood supply agreements.

The Committee's Examination

- 1.19 The Committee was pleased to note that the initial response of Forests NSW expressed in principle support for the Auditor-General's recommendations, subject to Government consideration. Furthermore, the timelines proposed to give effect to the recommendations were considered attainable.
- 1.20 In its submission to the Committee, Forests NSW noted that:
- The main benefit of the Auditor-General's report is likely to be the added impetus it gave for Forests NSW to initiate significant changes to Native Forest Operations Branch and hardwood pricing.¹
- 1.21 The submission confirmed that all nine recommendations had been accepted, and reported that the implementation of Recommendations 1, 3, 4, and 5 were largely complete. The status of the remaining recommendations was also detailed:
- Recommendation 2, relating to net area and strike rate modifier studies to improve the accuracy of estimates, has been partly implemented. Full implementation has been delayed until harvesting operational changes have been bedded down. This is expected to continue for the next 12 months or so.
 - The introduction of a new pricing system which simplifies the range of product categories and increases the price of products to ensure cost recovery is being progressively implemented (Recommendation 8). The system has been developed and tested, with implementation delayed until 1 July 2010 to enable further industry consultation.
 - In response to Recommendation 6, Forests NSW has identified the reasons why targets for hardwood timber had not been met. Forests NSW determined that the purchase of timbered land was uneconomical as the level of funding provided for private property purchases was less than anticipated and competition had forced up prices. To give effect to this recommendation, a Private Property Timber Supplementation Unit has been established within Forests NSW in order to pursue access to private property timber resources.
 - Forests NSW advised that implementation of Recommendation 7, which urged the Agency to investigate the potential for developing commercial markets for forest waste, was ongoing. Forests NSW has identified the use of "forest waste" in the renewable energy market as a promising emerging opportunity. The Agency reported that it was currently undertaking a trial with Visy, involving the collection of post harvest waste for biofuel and additional pulp quality material.
 - The Auditor-General also recommended that the Minister responsible for native forest operations include yield review requirements that allow for non-compensable reduction in allocation in all future wood supply agreements (Recommendation 9). In its submission, Forests NSW indicated in-principle support for this recommendation. The Agency expressed its intention to submit new and revised Wood Supply Agreements (WSAs), with the appropriate clause, for the Minister's consideration, following industry consultation.
- 1.22 Forests NSW concluded their submission by noting that:
- The public interest in the cash loss incurred on native forest operations, as noted by the Auditor-General, has raised the community's awareness that sustainable management

¹ Forests NSW, Submission No. 1, p. 1.

of the State's natural resources demands achieving an appropriate balance between economic, social and environmental aspects.²

- 1.23 After considering Forests NSW's response to his recommendations, the Auditor-General told the Committee that, with the exception of Recommendation 5, the Agency's response showed appropriate action had commenced. He was pleased that Forests NSW had accepted all recommendations and was making progress in implementing them.
- 1.24 The Auditor-General's fifth recommendation suggested that Forests NSW compare harvest results against its yield estimates over five-year periods as a means of testing the accuracy of estimates. He believed that the Agency's response only partly met the objectives of this recommendation.³
- 1.25 The Committee wrote to Forests NSW seeking further clarification of its response to this recommendation. Forests NSW advised that reconciliation of yield estimates requires consideration of two key forest elements:
- the timber volume that will be extracted as harvest yield; and
 - the timber volume that will be retained for future operations.
- 1.26 The response outlined a proposed yield comparison approach which Forests NSW believes will inform stake-holders about both of these elements. Details of this yield comparison appear in Submission No. 3.⁴
- 1.27 The Committee commends Forests NSW for its progress to date. Under the Legislative Assembly's Standing Orders, the Government is required to respond to a Committee report within six month of tabling. Therefore, the Committee considers that, rather than conducting a public hearing at this time, Forests NSW should address the matters raised in the submission from the Auditor-General as part of the Government's formal response to this report.

RECOMMENDATION 1:

The Committee recommends that Forests NSW continue implementation of the Auditor-General's recommendations arising from his performance audit into *Sustaining Native Forest Operations*.

² Forests NSW, Submission No. 1, p. 1.

³ Auditor-General, Submission No. 2.

⁴ Forests NSW, Submission No. 3, pp. 1-2.

Chapter Two - Grants Administration

Introduction

- 2.1 Government has three mechanisms for providing services to its citizens; it can enter into a contract for the provision of goods and services; it can provide services using its own staff (i.e. public servants); or it can provide grants to external organisations. This audit focused on the provision of grants.
- 2.2 Since 2000-01, the amount of money provided by way of grants has increased by more than 50 per cent. In 2007-08, the New South Wales Government provided in excess of 26,800 grants to councils, non-government organisations and individuals totalling \$5.5 billion (equivalent to 12 per cent of general government expenditure).
- 2.3 These monies are provided to organisations to deliver programs with a specific purpose in line with government policy. Funding is provided for a range of programs including social services, education, health, transport, natural resources and the environment. Smaller grants can be provided for: community, cultural and recreational activities; infrastructure, environmental and heritage projects; research; regional development; and activities supporting road safety, industry restructure and drought relief initiatives.
- 2.4 Programs such as these are open to claims of pork barrelling, whereby funds are appropriated by government for political reasons as opposed to public necessity.
- 2.5 In 2006, the Government introduced changes to the grants framework. Reform measures included:
 - longer term funding and enhanced focus on performance and service delivery to end-users;
 - a reduction in the number of grant making agencies to minimise administrative costs; and
 - the publication of a *Good Practice Guide to Grants Administration* to assist agencies making grants.
- 2.6 Approximately two-fifths of grant recipients surveyed by the Auditor-General indicated that agencies had improved the administration of grants since 2006.

The Performance Audit

Audit Objectives

- 2.7 The performance audit had dual objectives. First, it sought to determine if grants were being appropriately distributed. The second objective aimed to establish the attitude of grant recipients toward the management of grants by NSW agencies. The Auditor-General's opinion was guided by the following criteria.
- 2.8 In determining how grants are defined, the audit assessed the extent to which:
 - grants were appropriate for the purchase of goods and services; and
 - NSW agencies could learn from developments in other jurisdictions.

- 2.9 To identify where grants have been distributed, the audit examined the extent to which political and regional characteristics of electorates affected the distribution of grants.
- 2.10 In evaluating grant recipients' opinion of the system, the audit assessed the extent to which recipients believed that grants:
- produced good outcomes and were targeted at areas of need;
 - were transparent; and
 - avoided unnecessary red tape.

Audit Conclusions

- 2.11 The Auditor-General found that while there had been progress in improving grants administration since the 2006 reforms were introduced, there was still more to be done to assist grant makers. In particular, in line with the practice in some other jurisdictions, additional guidance was required in relation to the preparatory and evaluative stages of the grants process and in managing associated risks.
- 2.12 The audit examined internal agency records in order to determine how the grants are distributed to electoral districts and within geographic boundaries. The Auditor-General concluded from his analysis that there was no significant difference in the provision of funds for government or opposition electorates. He found that "[a]gencies gave similar levels of funding to government and opposition seats".⁵
- 2.13 A discrepancy was identified favouring safe seats held by major parties, which received \$1.29 for each dollar provided to marginal seats and those held by independent members. Differences in funding between regional areas were also identified.
- 2.14 As the Auditor-General stated, while agencies may have valid reasons for distributing funds unevenly, the reasons are not commonly available. Improved transparency measures would enable the public to come to an informed opinion regarding the integrity of grants administration.
- 2.15 In relation to recipients' views about the grants system, the Auditor-General's report found an overwhelming majority of recipients held favourable opinions about the outcomes achieved as a result of the provision of grants. However, respondents to the survey conducted by the Auditor-General expressed concerns in relation to the process of grants administration.
- 2.16 Not all agencies posted information about available grants on the Government's *communitybuilders* website, hampering accessibility to grants. Additionally, concerns were expressed about the timely provision of information regarding the availability of grants.
- 2.17 Less than a quarter of respondents agreed that agencies provided explanations as to how applications would be assessed. Furthermore, the reasons for rejecting a grant application were not always communicated to applicants. Consequently, a majority of recipients did not view the decision-making process as fair and transparent.

⁵ P. 19.

- 2.18 In addition, the failure of some agencies to publish evaluations of grant programs gives rise to a perception among respondents that agencies do not always target the areas of greatest need. This view was particularly strongly expressed by rural and regional respondents.
- 2.19 A final concern related to the amount of work required from applicants seeking grants. While most respondents perceived the reporting requirements of successful applicants to be reasonable, many considered that the process of applying for grants was characterised by excessive red tape. These processes also vary between agencies.

Audit Recommendations

- 2.20 The Auditor-General handed down eight recommendations that sought to inform the community about: the available funding and the grant application process; reducing the amount of red tape experienced by applicants; and ensuring best value for money is achieved. These recommendations are set out below.

Specifically, grant-making agencies should:	
1	manage risk and streamline procedures to the minimum needed to ensure accountability and value for money.
2	improve transparency by publishing in an accessible and timely way: <ul style="list-style-type: none"> • a rolling calendar of grants funding expected to be available in the next 12 months; • their procedures for making grant decisions; • Ministerial Directions to make or refuse grants outside of normal procedures; and • evaluation of what grant programs achieved and how the distribution of funds has supported government objectives.
3	set up timely monitoring systems, tie payment to clear performance measures and require the recipient to establish internal controls.
4	tell unsuccessful applicants why their proposal was rejected.
5	reduce red tape by using: <ul style="list-style-type: none"> • standard terminology when dealing with grant recipients; • three or four year agreements for recurrent services and ongoing projects; • targets to better manage the time taken to process grants; and • integrated funding and management of multiple grants.
The Department of Premier and Cabinet (DPC) should, by June 2010:	
6	review its Guide ⁶ and amend it to provide: <ul style="list-style-type: none"> • more assistance for planning, evaluating and reporting on programs, designing funding agreements and managing risk; and • consistent standard terminology for agencies dealing with grant recipients
7	encourage agencies to regularly evaluate programs and publish the results.
8	encourage agencies to use web-technology to: <ul style="list-style-type: none"> • make it easier to apply for grants; • improve the information available to grant makers and recipients; and • streamline interactions between grant makers and recipients.

⁶ NSW Department of Premier & Cabinet, *Good Practice Guide to Grants Administration*.

The Committee's Examination

- 2.21 The Committee was pleased to note that the Department of Premier and Cabinet had accepted all but one of the Auditor-General's recommendations and has taken steps to incorporate these into the *Good Practice Guide to Grants Administration*.
- 2.22 One of the key recommendations handed down by the Auditor-General urged grant-making agencies to ensure that payments are tied to clear performance measures (Recommendation 3). In his submission to the Committee, the Auditor-General noted that although the Guide supports performance measures, it does not explicitly recommend that agencies tie payment to performance where outcomes are deemed important and significant funds are involved. The Guide does, however, recommend that agencies adopt appropriate performance measures and monitoring regimes commensurate with the risks involved.
- 2.23 On the basis of the action taken by the Department of Premier & Cabinet to implement the Auditor-General's recommendations, the Committee considered it unnecessary to hold a hearing into the matters raised in the performance audit.

RECOMMENDATION 2:

The Committee strongly encourages the Department of Premier & Cabinet to ensure that grant-making agencies tie payments to clear performance measures in all instances so as to ensure that the stated objectives of the program are achieved and the public receives value for money.

Chapter Three - Tackling Cancer with Radiotherapy

Introduction

- 3.1 Radiotherapy is one of the main treatments for cancer. Radiotherapy can be used to cure cancer and also to reduce pain associated with cancer.
- 3.2 The Cancer Institute NSW has estimated that:
- over the next 10 years, 412,000 people in NSW will be diagnosed with cancer and 145,000 may die of the disease;
 - the incidence of cancer in the 10 years from 2007–2016 is expected to be more than 30 per cent higher than that in the previous 10 years (1997–2006); and
 - cancer will cost the NSW economy around \$106 billion and \$320 billion over the next 10 and 30 years respectively.
- 3.3 The provision of radiotherapy services involves a number of complex and difficult challenges, including:
- the purchase, location, maintenance and operation of technically complex and expensive specialist equipment;
 - the provision of complex specialist services and integrated case management; and
 - the management of social support and access to services, often at some distance from the patient's home.
- 3.4 Radiotherapy services are costly to establish, with linear accelerators that deliver radiation treatment costing between \$3.5 million and \$5 million each. While most centres in NSW have two or three machines, there are larger centres with up to five machines.⁷
- 3.5 The Auditor-General found that, overall, radiotherapy services are managed and provided in a reasonably efficient and effective manner and that much was being done to improve efficiency and effectiveness. He also found that more could be done and made sixteen recommendations to that end, to ensure radiotherapy services in the future will be adequate.

The Performance Audit

Audit Objectives

- 3.6 While the focus of the audit was radiotherapy services, the Auditor-General noted that this is provided in combination with other treatments, particularly surgery and chemotherapy. The audit found that NSW Health and the Cancer Institute NSW promote the use of multidisciplinary approaches to cancer care, increasingly through the use of multidisciplinary teams. In 2006, 69 per cent of patients had their care managed by a multidisciplinary team.

⁷ NSW Auditor-General's Report, Performance Audit: *Tackling Cancer with Radiotherapy*, June 2009, Executive Summary.

- 3.7 The objective of this audit was to determine how well NSW Health manages the provision and delivery of radiotherapy services within this context. Specifically, the audit asked:
- whether radiotherapy services are provided efficiently and effectively, and
 - whether radiotherapy services are likely to be adequate in the future.
- 3.8 When considering whether radiotherapy services are provided efficiently and effectively, the audit examined:
- the overall framework for providing radiotherapy services within the context of cancer treatment in the health services;
 - alternatives to the use of radiotherapy;
 - whether patients had reasonable access to radiotherapy services in terms of distance from treatment facilities and waiting times;
 - how NSW Health ensures that facilities are located appropriately for effective service delivery;
 - whether full and effective use was being made of the existing facilities;
 - whether there are appropriate numbers of staff with the requisite skill levels; and
 - whether the effectiveness of radiotherapy services had been assessed to establish the impact of centre facilities on patient outcomes.
- 3.9 To determine whether radiotherapy services are likely to be adequate in the future, the audit examined:
- how well NSW Health was planning to provide services to meet an expected significant increase in demand;
 - how well NSW Health evaluated the economic or 'value for money' aspects of the projected replacement and expansion of radiotherapy services; and
 - whether future planning had clearly identified the resources needed.
- 3.10 The Auditor-General was particularly interested in seeing if the planned increase in radiotherapy services was likely to be affordable for NSW Health, and for patients.

Audit Conclusions

- 3.11 The Auditor-General found that overall radiotherapy services are managed in a reasonably efficient and effective manner. Most patients have access to radiotherapy services and centres are for the most part adequately staffed, well equipped and well utilised.
- 3.12 However the audit was unable to obtain similar assurances in relation to the effectiveness of the provision of radiotherapy treatment. The audit looked for, but did not find, clarity and agreement on patient result parameters from the use of radiotherapy.
- 3.13 Current radiotherapy treatment rates for NSW residents with cancer are around 25 per cent and fall well short of NSW Health's 50 per cent target. The Auditor-General concluded that NSW Health needs to look closely at the changing evidence basis for this target, particularly considering that treatments have changed over time and radiotherapy is provided in combination with other treatments.

- 3.14 The Auditor-General also found that, while the foundation for many improvements in efficiency and effectiveness appears to be in place, there is scope for further improvement.
- 3.15 NSW Health had undertaken significant planning in relation to the development of a draft *Radiotherapy Services Plan 2007-2011*, but had not released it due to the need to resolve significant funding issues. Although there has been no published plan, the Auditor-General found that implementation of State-wide planning has progressed.
- 3.16 The Auditor-General believed that NSW Health should issue a 10 year strategic plan for radiotherapy services and recommended more value-for-money assessment and analysis of the affordability of funding.

Audit Recommendations

- 3.17 The Auditor-General made a total of 16 recommendations: 12 related to providing services more efficiently and effectively; and four aimed at ensuring radiotherapy services are adequate in the future. The Auditor-General recommended that NSW Health:

In order to provide services more efficiently and effectively, the Auditor-General recommended that NSW Health:	
1	establishes by December 2010 formal cancer networks that link radiotherapy centres in a way that clarifies, assures and specifies access to a complete range of cancer services for rural and regional residents.
2	continues to work with accreditation agencies to adopt by June 2010 agreed accreditation standards for radiation oncology services within their hospital accreditation processes.
3	systematically and consistently by June 2010 monitors, benchmarks and analyses the actual times taken between receipt of the referral to radiotherapy treatment centres and initial specialist consultation, and from 'ready for care' to treatment.
4	develops centralised booking systems by December 2009 for all radiotherapy treatment centres within a service network.
5	identifies by June 2010 those people who are not within a reasonable distance or do not have reasonable access to radiotherapy facilities, and analyses where additional service and support efforts may be needed.
6	conducts detailed analysis of options for radiotherapy services (including public or private sector provision) and sites in the geographic areas of need, including the Central Coast, Hunter New England and Illawarra Shoalhaven areas.
7	develops a workload measure by June 2010 that facilitates comparison of centres with different case-mixes and different techniques.
8	monitors and benchmarks by December 2009 operational performance measures for radiotherapy treatment centres including for quality, patient safety, waiting times, throughput, cost of treatment and outcomes.
9	assesses by June 2010 the value for money of working extended hours (including Saturday mornings), including the value to patients.
10	analyses by December 2010 the variations of current staff levels between radiotherapy centres and develops staffing profiles for each centre which reflect volume, case-mix and complexity.
11	establishes by June 2010 more realistic 5 year and 10 year treatment benchmarks for each Area Health Service as a basis for assessing performance and planning the expansion of facilities.
12	continues to monitor international evidence and assess the impact that radiotherapy

	services are having on patient outcomes as part of their overall cancer treatment, in order to clarify and agree what the patient outcomes and performance measures should be.
To ensure radiotherapy services are adequate in the future, the Auditor-General recommended that NSW Health:	
13	develops and publishes by June 2010 a 10 year strategic plan for radiotherapy services, noting that the progress of its implementation will be determined by resource and funding availability.
14	assesses by June 2010 economies of scale to assist in considering the most cost effective machine configuration and the impact on access to services.
15	develops by June 2010 a firm funding strategy to support the replacement of existing machinery based on service need, age, state of repair, productivity, and life cycle costs.
16	analyses by June 2010 the affordability of its strategic plan, particularly in relation to Commonwealth payments and the implications of private sector involvement.

The Committee's Examination

3.18 The Committee received submissions from NSW Health, the Deputy Auditor-General and the NSW Cancer Council.

3.19 In its submission, NSW Health noted that:

While a majority of the recommendations have been completed, the timeframes for a number of recommendations will need to be reviewed as a result of changes in organisational arrangements proposed through the National Health and Hospitals Reform. A number of the recommendations related to matters which required arrangements to be made within, and between, Area Health Services. However, the reform process sets out a number of structural changes which will see the establishment of Local Hospital Networks. There are also a small number of recommendations which, due to the complexity of issues, may require more in depth analysis by experts in the field.⁸

3.20 The Health Department also noted that:

It is also considered appropriate that given this background, the recommendations be considered in line with the newly established Local Hospital Networks and their operational management of health services. This issue is also being raised with the Audit Office of NSW.⁹

3.21 The Deputy Auditor-General informed the Committee that the submission from the Department had been reviewed and that he was pleased that all of the audit recommendations had been accepted, albeit with some qualifications.

3.22 The Department's submission indicated that it is making some progress in implementing the recommendations, but that much is seen to depend on the future efforts of others, particularly the Area Health Services.

3.23 In its submission, the NSW Cancer Council suggested that there is a need for closer consideration of the progress on some recommendations, particularly:

- establishing new timeframes for progress and completion on those recommendations where implementation has been delayed;

⁸ Submission No. 1, NSW Health, p. 1.

⁹ Submission No. 1, NSW Health, p. 1.

Tackling Cancer with Radiotherapy

- establishing an accountability process to monitor those recommendations where delayed timelines extend into 2011;
 - establishing the extent of progress on those recommendations marked as 'complete' when only part of the recommendations appear to have been addressed in the comment;
 - how NSW Health plans to monitor the impact of new measures which have been delegated to Area Health Services; and
 - contingency planning or opportunities to progress recommendations where dependencies are indicated.
- 3.24 The Committee was pleased to see that NSW Health responded positively to all the recommendations and has completed or commenced their implementation.
- 3.25 The implementation of a number of recommendations has been delayed and the Committee considers it vital that these continue to be implemented to maximise the effectiveness of the delivery of radiotherapy services.
- 3.26 Issues that need close attention include:
- ensuring formal cancer networks are established that clarify, assure and specify access to a complete range of cancer services for rural and regional residents and developing centralised booking systems for all radiotherapy treatment centres within a service network (Recommendations 1 & 4 being considered in the context of the National Health and Hospital Reform);
 - the completion and implementation of the Radiation Oncology Standards (Recommendation 2);
 - the delivery of an upgraded system to monitor referrals and develop treatment priority definitions to enable collection of consistent wait time data (Recommendation 3);
 - the development of a workload measure that facilitates comparison of centres with different case-mixes and different techniques (Recommendation 7, delayed due to the complexity of the task); and
 - assessing the value for money, including the value to patients, of radiation facilities working extended hours (Recommendation 9).
- 3.27 Given the significant costs of establishing and maintaining radiotherapy centres, the Committee considers that it is particularly important that recommendations enabling better use of existing and planned centres are fully implemented. This includes recommendations to improve the coordination of service provision between centres and maximising the time the facilities are available for use.
- 3.28 The Committee is concerned that NSW Health indicated that it may lack data or information to determine the value for money of centres working extended hours. Given the standing costs of treatment centres and the obvious benefit to patients of providing more times at which they can access facilities, the Committee considers that treatment hours should be extended unless it can be demonstrated that doing so does not provide value for money.

RECOMMENDATION 3:

The Committee recommends that NSW Health ensures the complete implementation of all the recommendations in the Auditor-General's report into Tackling Cancer with Radiotherapy.

RECOMMENDATION 4:

The Committee further recommends that in its response to this report, the Government outlines its progress, and any reasons for delay, in:

- establishing formal cancer networks and developing centralised bookings systems for all radiotherapy treatment centres within a service network;
- the completion and implementation of Radiation Oncology Standards;
- delivering an upgraded system to monitor referrals and developing treatment priority definitions to enable collection of consistent wait time data; and
- developing a workload measure that facilitates comparison of centres with different case-mixes and different techniques.

RECOMMENDATION 5:

The Committee recommends that radiation facilities extend their hours of operation to provide better access for patients and better utilisation of the facilities by July 2011, except where it does not deliver value for money, or value to patients.

Chapter Four - Helping Aboriginal Defendants through MERIT

Introduction

- 4.1 Aboriginal people are overrepresented in the NSW criminal justice system. Aboriginal people constitute two per cent of the NSW population, yet make up 21 per cent of the State's prison population. Reoffending rates for Aboriginal defendants stand at 53 per cent compared to 24 per cent for all persons found guilty in court and Aboriginal defendants are twelve times more likely to be imprisoned.
- 4.2 The Magistrates' Early Referral Intervention Treatment (MERIT) program commenced in 2000 in recognition of the fact that drug abuse is a predictor of involvement in criminal offences. The program is a Commonwealth Government initiative and is administered in New South Wales through the collaboration of three agencies. These are: NSW Health; the NSW Police Force; and the Attorney-General's Department.
- 4.3 MERIT is a three-month long program to rehabilitate defendants with drug problems prior to sentencing. Participation in the program may also be made a condition of bail. The program aims to reduce the incidence of crime by breaking the cycle of drug abuse through a range of treatment services including: counselling; detoxification; residential rehabilitation; and group meetings.
- 4.4 Since the initial pilot in Lismore, MERIT has been expanded across the State and is offered in 61 of the 144 local courts in New South Wales. Whilst the MERIT program is a mainstream program, Aboriginal defendants are able to enter the program provided they meet the relevant criteria.
- 4.5 As the name of the program suggests, most initial referrals to MERIT were made by magistrates. However, the majority of referrals are now made by solicitors. Since its inception, the rate of referral by police officers has also declined. Potential program participants can also be identified by family members or defendants can volunteer to participate in the program.

The Performance Audit

Audit Objectives

- 4.6 The performance audit sought to determine the effectiveness of the Magistrates' Early Referral Intervention Treatment (MERIT) program in improving outcomes for Aboriginal defendants. Key factors in this assessment are: the ability of Aboriginal defendants to access the program and their capacity to complete its requirements.
- 4.7 In order to ascertain whether all eligible Aboriginal defendants are able to access MERIT, the following criteria were developed:
 - Are referral processes in place?
 - Are referral processes used in a timely manner?
 - Are eligibility criteria applied in a consistent manner?
 - Are barriers to access identified and strategies to resolve these implemented?

- 4.8 In ascertaining whether MERIT was meeting the needs of Aboriginal defendants, the audit criteria were:
- Does MERIT identify the needs of Aboriginal clients and include measures to meet these needs?
 - Are barriers to completion identified and strategies to resolve these implemented?
 - Are results monitored to check performance and identify and resolve problems?

Audit Conclusions

- 4.9 Evaluations of the MERIT program have determined that it is a suitable program for Aboriginal defendants. These studies found that the program is effective in delivering a range of benefits to participants including: improved health and mental health outcomes; significant reductions in drug use; and lower rates of imprisonment and reoffending.
- 4.10 Despite the fact that Aboriginal defendants are overrepresented in the NSW criminal justice system they are underrepresented in MERIT. Of the 1,253 defendants who completed the program in 2007-08, 169 were Aboriginal. In addition to the 22 per cent of Aboriginal defendants referred to the program in the last five years (compared with a 10 per cent increase in total referrals), the rate of acceptance into the program has also increased. Notwithstanding this improvement, only 273 of more than 19,000 Aboriginal defendants who appeared before the courts in 2007-08 were referred to the program.
- 4.11 Several factors affecting the ability of Aboriginal defendants to access the MERIT program were identified. The audit found that more than 40 per cent of referrals to the program originated from solicitors. This presents a risk that not all potential program participants are identified, particularly given that almost half of all local court defendants do not obtain legal representation.
- 4.12 Associated with this issue was a general lack of awareness of the availability of the program demonstrated by persons in specialist roles. Aboriginal Community Liaison Officers (ACLOs), employed by the NSW Police Force, and Aboriginal Client Court Specialists and Aboriginal Community Justice Group Coordinators were found to be unaware of the availability of MERIT and the benefits of the program. A lack of awareness was also found within the Aboriginal community. Because of these factors, the referral rates vary greatly, with ten MERIT courts generating more than half of all Aboriginal defendant referrals in New South Wales.
- 4.13 A second element impacting on Aboriginal participation in MERIT relates to the fact that the program is not available throughout the State. Although the program is now available in 61 of the 144 local courts in the State, only one additional MERIT court has been created since 2006. Several of the local courts that do not offer the program have a high proportion of Aboriginal and Torres Strait Islanders in their caseload.
- 4.14 The audit found that acceptance rates of Aboriginal defendants has increased by 36 per cent (compared with an increase of 21 per cent overall). However, Aboriginal defendants can be placed at a disadvantage as a result of the eligibility criteria. Two of the exclusionary criteria, namely: the primacy of drug dependency, as opposed to alcohol dependency; and prohibition of defendants involved in serious violent

offences, often preclude Aboriginal defendants from participation. However, at least two MERIT courts relaxed the eligibility criteria, enabling participation by defendants presenting with alcohol abuse problems.

- 4.15 The second line of inquiry sought to determine whether MERIT met the needs of Aboriginal defendants. The audit found that one-third of all Aboriginal defendants referred to MERIT elected not to participate in the program. In addition to lower participation rates, the audit also found the completion rates were lower among Aboriginal defendants.
- 4.16 In 2006, an Aboriginal Practice Checklist was developed and trialled by seven MERIT teams. In response to the fact that Aboriginal participants may have special needs, the Checklist recommended that MERIT team members adopt a range of specific practices to meet the particular needs and expectations of Aboriginal clients. This may include services outside the MERIT team's expertise. Despite completion rates among Aboriginal defendants in these trial areas increasing from 55 to 73 per cent, the Checklist has not been implemented by all MERIT teams across the State.
- 4.17 The audit also identified a range of factors that could present as barriers to Aboriginal participants' completion of the program. These can include: location of MERIT services; difficulty of Aboriginal defendants getting transport to MERIT appointments; failure to use appropriate and non-offensive language in communicating with Aboriginal people and communities; attendance requirements; service delivery options and program content. These factors can result in a participant's failure to comply with program conditions, referred to as a breach. The Auditor-General found inconsistent approaches among MERIT teams as to what constituted a breach.

Audit Recommendations

- 4.18 The Auditor-General handed down nineteen recommendations aimed at improving access to MERIT for eligible Aboriginal defendants:

1	That the NSW Police Force by January 2010 appoints a MERIT Liaison Officer at each command where MERIT operates.
2	That the NSW Police Force by January 2010 provides ongoing training to Aboriginal Community Liaison Officers (ACLOs) on MERIT.
3	That the Attorney General's Department and the NSW Department of Health by July 2010 develop and implement a process for MERIT caseworkers to identify potential defendants before appearing before a Magistrate.
4	That the Attorney General's Department in consultation with the NSW Department of Health, by September 2010, expand MERIT to additional courts, particularly those courts with high proportions of Aboriginal defendants.
5	That the Attorney General's Department in consultation with NSW Department of Health and NSW Police develop a new MERIT operational manual by July 2010 that includes a standard assessment form.
The Auditor-General recommended that the NSW Department of Health by June 2010:	
6	refers MERIT clients to other NSW Department of Health drug and alcohol services or non-government organisations (NGOs) when capacity is reached wherever possible, with the MERIT team remaining as case manager reporting to the court;
7	reviews MERIT staffing arrangements with a view to establishing permanent positions; and
8	develops and implements an ongoing training program for MERIT teams, including

	induction training.
9	That the Attorney General's Department, in consultation with NSW Police and the NSW Department of Health by June 2010, simplifies MERIT eligibility criteria to focus on: <ul style="list-style-type: none"> • suitability for release on bail • clients with a demonstrable drug or alcohol problem;
10	That the Attorney General's Department, in consultation with the NSW Department of Health and NSW Police by December 2010, develops and distribute MERIT promotional literature that is culturally appropriate for Aboriginal people.
11	That the Attorney General's Department by July 2010 provides ongoing training for Aboriginal Client Service Specialists and Aboriginal Community Justice Group Coordinators on MERIT so they may identify and support potential MERIT Aboriginal defendants at court.
12	That the NSW Department of Health by September 2010, offer MERIT clinics at alternate locations wherever possible.
13	That the Attorney General's Department, in consultation with the NSW Department of Health, by July 2010 include the MERIT Aboriginal Practice Checklist in the new operational manual.
14	That the NSW Department of Health by July 2010 develop a database of Aboriginal client services for use by MERIT teams.
15	That the NSW Attorney General's Department in consultation with the NSW Department of Health by July 2010, develop guidelines for engaging specialist services for MERIT clients and include these in the new operational manual.
16	That NSW Department of Health by March 2010 examines the reasons for underutilisation of MERIT rehabilitation beds.
17	That the Attorney General's Department, in consultation with the NSW Department of Health, by July 2010 develop guidelines on what constitutes a breach that should be reported to the court.
18	That the NSW Department of Health, in consultation with the Attorney General's Department, by September 2010 set targets for client completion rates for each MERIT team.
19	That the NSW Attorney General's Department, in consultation with the NSW Department of Health and NSW Police by July 2010: <ul style="list-style-type: none"> • regularly publish MERIT annual reports on the website; • provide quarterly reports on MERIT referral, acceptance and completion rates by court to the Chief Magistrate; and • compare the performance of MERIT teams in regard to referrals, acceptances and completions and investigate inconsistencies.

The Committee's Examination

- 4.19 All three agencies involved in MERIT provided a response to the Auditor-General's recommendations at the time the audit was conducted. These responses were included in the published performance audit.
- 4.20 In June 2010, the Committee wrote to the Department of Justice & Attorney General, the Department of Health and the NSW Police Force seeking a progress report on the implementation of the Auditor-General's recommendations.
- 4.21 The Department of Justice & Attorney General indicated that implementation of Recommendations 4, 10, 11 and 19 had been completed. The Department also advised that Recommendations 3, 5, 9, 13, 15 and 17 were due for completion in October 2010.

Helping Aboriginal Defendants through MERIT

- 4.22 With regard to Recommendation 18, the Department agreed to develop targets for monitoring client completion rates for each MERIT team, but NSW Health had not agreed to the setting of targets.
- 4.23 The submission from the Department of Health advised that the implementation of ten recommendations had been finalised or were on track for completion within the established timeframes. The status of the remaining five recommendations were advised as follows:
- NSW Health initially rejected the sixth recommendation that MERIT clients be referred to other public drug and alcohol services or non-government organisations (NGOs) when capacity is reached. The Department's submission to the Committee reaffirmed this position on the basis that it was inconsistent with the principle of not displacing voluntary patients.
 - Recommendation 7 of the Auditor-General's report suggested that staffing arrangements be reviewed with a view to establishing permanent positions. NSW Health advised that implementation of this Recommendation was constrained by the NSW Government's recruitment policy and the fact that funding of the MERIT is provided for by the National Healthcare Agreement.
 - NSW Health is awaiting advice from the Commonwealth Government regarding the simplification of MERIT eligibility criteria to focus on clients with a demonstrable drug and alcohol problem who are deemed suitable for release on bail (Recommendation 9). Recommendation 9 is also being considered in the light of a revision of the operational manual. The Department of Justice & Attorney General advised that MERIT teams at Manly and Wollongong Local Courts have expanded their program to allow defendants presenting with alcohol as a primary concern to participate in the program.
 - As indicated above, NSW Health has not agreed to the establishment of targets for completion rates for each MERIT team (Recommendation 18). The Department advised that it would only support the setting of targets for the purpose of internal management as completion rates are dependent on factors outside the control of MERIT teams.
 - The final recommendation, regarding publication of MERIT annual reports and collation and comparison of quarterly data on referral, acceptance and completions rates, was partially accepted. NSW Health advised that, while annual reports are already published, it rejected the suggestion that comparative performance data of MERIT teams should be publicly reported.
- 4.24 In his submission, the Commissioner of Police informed the Committee that the NSW Police Force had worked collaboratively with the Department of Justice & Attorney General and NSW Health on recommendations where the Force had been identified as a partner agency.
- 4.25 The Commissioner advised that Recommendations 1, 10 and 19 have been completed. The status of the implementation of Recommendations 2, 5 and 9 was detailed as follows:
- In response to the Auditor-General's Recommendation that ongoing training be provided to Aboriginal Community Liaison Officers (ACLOs) on MERIT (Recommendation 2), training has taken place in the Central Metropolitan, Northern and Western Regions. ACLO training will be provided through Regional

Advisory Committees (RAACs) and at the ACLO Conference in October 2010. A training package for ACLOs is currently in development.

- A final draft of the new MERIT operational manual, including a standard assessment form, has been finalised and is currently being circulated for comment (Recommendation 5).
- The NSW Police Force is still engaged in discussions regarding the simplification of eligibility criteria for MERIT (Recommendation 9).

- 4.26 Under the Legislative Assembly's Standing Orders, the Government is required to respond to a Committee report within six month of tabling. Consequently, the Committee determined that, rather than conduct a public hearing at this time, the Government should address the matters raised in the submission from the Auditor-General as part of its formal response to this Report.
- 4.27 However, the Committee would like to draw attention to Recommendation 19 of the Auditor-General's performance audit, which required that MERIT annual reports be published regularly on the internet. The submission from the Department of Justice & Attorney General stated that MERIT annual reports are published on the DJAG website. The Auditor General found, however, that as at 23 September 2010, only MERIT Annual Reports up to 2007 were available online. At the time of printing this Report, the 2008 Annual Report had been published on the website. The Committee encourages the Department of Justice & Attorney General to ensure that future reports are finalised and made public in a more timely manner.
- 4.28 The Committee commends the Department of Justice & Attorney General, NSW Health and the NSW Police Force for their collaborative effort in implementing the Auditor-General's recommendations and for their progress to date.
- 4.29 The Committee encourages the agencies to continue their efforts in giving effect to the Auditor-General's recommendations. It is hoped that their implementation will result in improved service delivery for Aboriginal defendants and ultimately this will help break the cycle of drug abuse and ameliorate the overrepresentation of Aboriginal people in the criminal justice system.

RECOMMENDATION 6:

The Committee recommends that the Department of Justice & Attorney General, Department of Health and NSW Police Force ensure the complete implementation of all the recommendations in the Auditor-General's report into *Helping Aboriginal Defendants through MERIT*.

RECOMMENDATION 7:

The Committee further recommends that in its response to this report, the Government outlines its progress, and any reasons for the delay, in:

- **finalising the revised MERIT Operational Manual and outlining the process undertaken to introduce the Manual to caseworkers;**
- **further expanding the network of MERIT courts to include some of the non-MERIT courts with high proportions of Aboriginal and Torres Strait Islander defendants, as identified by the Auditor-General;**
- **establishing permanent MERIT positions in spite of the four-year funding cycle provided under the National Healthcare Agreement;**
- **ensuring that all MERIT teams are provided with initial induction training as well as ongoing training;**
- **improving the level of understanding of MERIT among Aboriginal communities; and**
- **developing targets for client completion rates in order to monitor the performance of each MERIT team and identify any program issues.**

Appendix One – List of Submissions

Sustaining Native Forest Operations

Submission No. 1
Forests NSW – 4 June 2010

Submission No. 2
The Audit Office of NSW – 25 June 2010

Grants Administration

Submission No. 1
Department of Premier & Cabinet – 4 June 2010

Submission No. 2
The Audit Office of NSW – 24 June 2010

Tackling Cancer with Radiotherapy

Submission No. 1
NSW Health – 26 July 2010

Submission No. 2
The Audit Office of NSW – 4 August 2010

Submission No. 3
Cancer Council of NSW – 21 September 2010

Helping Aboriginal Defendants through MERIT

Submission No. 1
Department of Justice & Attorney General – 3 September 2010

Submission No. 2
NSW Health – 16 September 2010

Submission No. 3
NSW Police Force – 14 September 2010

Submission No. 4
The Audit Office of NSW – 24 September 2010

Appendix Two – Extract of Minutes

Minutes of Proceedings of the Public Accounts Committee (No 43)

Wednesday, 17 March 2010 at 9:30 am

Parliament House – Room 1043

Members Present:

Mr Paul Gibson, MP

Mr Victor Dominello, MP

Mr Peter Draper, MP

Mr Ninos Khoshaba, MP

Mr John Turner, MP

Apology:

The Hon Grant McBride, MP

Minutes

Minutes confirmed on the motion of Mr Khoshaba.

...

Requests for Submissions on Performance Audits

Resolved, in globo, on the motion of Mr Dominello:

Sustaining Native Forests

That the Committee asks the Chair to write to the Chief Executive of Forests NSW in relation to Auditor-General's report number 185 (Sustaining Native Forests), requesting a submission by 31 May 2010 outlining:

- the agency's response, suggesting the Committee's template as a model and including any supporting documentation; and
- any feedback they wish to provide on the effectiveness of the audit process, including the benefit of the audit to the agency and program delivery, the costs of the audit and any suggestions for improvement.

Grants Administration

That the Committee asks the Chair to write to the Director General of the Department of Premier and Cabinet in relation to Auditor-General's report number 186 (Grants Administration), requesting a submission by 7 June 2010 outlining:

- the agency's response, suggesting the Committee's template as a model and including any supporting documentation; and
- any feedback they wish to provide on the effectiveness of the audit process, including the benefit of the audit to the agency and program delivery, the costs of the audit and any suggestions for improvement.

...

Next meeting

The meeting adjourned at 9.47 am until 9.30 am on Wednesday, 21 April 2010 in Room 1043.

Minutes of Proceedings of the Public Accounts Committee (No 48)

Wednesday, 2 June 2010 at 10:00 am

Parliament House – Room 1043

Members Present:

Mr Paul Gibson, MP

Mr Ninos Khoshaba, MP

Mr Victor Dominello, MP

Mr Peter Draper, MP

Mr John Turner, MP

Apology:

The Hon Grant McBride, MP

Minutes

Minutes confirmed on the motion of Mr Khoshaba.

...

Tackling Cancer with Radiotherapy

Resolved on the motion of Mr Turner:

That the Committee asks the Chair to write to the Director-General of the NSW Department of Health in relation to Auditor-General's performance audit report number 188 (Tackling Cancer with Radiotherapy), requesting a submission by 23 July 2010 outlining:

- the agency's response, suggesting the Committee's template as a model and including any supporting documentation; and
- any feedback they wish to provide on the effectiveness of the audit process, including the benefit of the audit to the agency and program delivery, the costs of the audit and any suggestions for improvement.

Helping Aboriginal Defendants through MERIT

Resolved on the motion of Mr Turner:

That the Committee asks the Chair to write to the Director-General of the NSW Attorney General's Department, the Director-General of the NSW Department of Health, and the Commissioner of Police in relation to Auditor-General's performance audit report number 189 (Helping Aboriginal Defendants through MERIT) requesting a submission by 5 September 2010 outlining: the agency's response, suggesting the Committee's template as a model and including any supporting documentation; and

- any feedback they wish to provide on the effectiveness of the audit process, including the benefit of the audit to the agency and program delivery, the costs of the audit and any suggestions for improvement.

...

Next meeting:

The meeting adjourned at 10:25 am until 10:00 am on Wednesday, 9 June 2010 in Room 1043.

Minutes of Proceedings of the Public Accounts Committee (No 49)

Wednesday, 9 June 2010 at 10:00 am

Parliament House – Room 1043

Members Present:

Mr Paul Gibson, MP

Mr Victor Dominello, MP

Mr Peter Draper, MP

The Hon Grant McBride, MP

Mr Ninos Khoshaba, MP

Mr John Turner, MP

Minutes

Minutes of 2 June 2010 confirmed on the motion of Mr Khoshaba.

Correspondence

Submission received from the Department of Premier and Cabinet of NSW received dated 4 June 2010 re the performance audit report *Grants Administration*.

...

Resolved on the motion of Mr Khoshaba:

That the Committee authorise the publication of the submission from the Department of Premier and Cabinet of NSW.

...

Next meeting:

The meeting adjourned at 10:20am until 10:00am on Wednesday, 23 June 2010 in Room 1043.

Minutes of Proceedings of the Public Accounts Committee (No 50)

Wednesday, 23 June 2010 at 10:00 am

Parliament House – Room 1043

Members Present:

Mr Paul Gibson, MP

Mr Victor Dominello, MP

Mr Peter Draper, MP

Mr Ninos Khoshaba, MP

The Hon Grant McBride, MP

Mr John Turner, MP

Minutes

Minutes of 9 June 2010 confirmed on the motion of Mr Turner.

Correspondence

- a) Submission received from the Department of Forests NSW re the performance audit report on *Sustaining Native Forests* on 4 June 2010.

...

Resolved on the motion of Mr McBride:

That the Committee authorise the publication of the submission from the Department of Forests on the Committee's website.

...

Next meeting:

The meeting adjourned at 10:55am until 10:00am on Wednesday, 1 September 2010 in Room 1043.

Minutes of Proceedings of the Public Accounts Committee (No 51)

Wednesday, 1 September 2010 at 9:30 am

Parliament House – Room 1043

Members Present:

Mr Paul Gibson, MP

Mr Victor Dominello, MP

Mr Peter Draper, MP

Mr Ninos Khoshaba, MP

The Hon Grant McBride, MP

Mr John Turner, MP

Minutes

Minutes of 23 June 2010 confirmed on the motion of Mr Khoshaba.

Correspondence

...

- d) Submission from the Audit Office re Grants Administration dated 24 June 2010.
- e) Submission from the Audit Office re Sustaining Native Forests Operations dated 25 June 2010.

...

Submission from NSW Health re the Auditor-General's Report on Tackling Cancer with Radiotherapy dated 27 July 2010.

...

Resolved on the motion of Mr Dominello:

That the Committee authorises the publication of the following correspondence and orders that they be placed on its website:

...

Audit Office submission re Grants Administration dated 24 June 2010.

Audit Office submission re Sustaining Native Forests Operations dated 25 June 2010.

...

NSW Health submission re the Auditor-General's Report on Tackling Cancer with Radiotherapy dated 27 July 2010.

...

That the Committee asks the Chair to write to the Treasurer, indicating that it did not receive sufficient notice to adequately examine the proposed regulations and requesting that in future at least 21 days is allowed for the Committee to examine proposed regulations.

...

Native forests:

Resolved on the motion of Mr Draper

That the Committee asks the Chair write to Forests NSW to seek clarification of its response to recommendation 5.

Grants Administration:

Resolved on the motion of Mr Dominello:

That the Committee asks the Chair to draft a report for the Committee's consideration.

...

Next meeting:

Meeting concluded at 9:55 am until Wednesday 8 September 2010 at 10:00 am.

Minutes of Proceedings of the Public Accounts Committee (No 53)

Wednesday, 22 September 2010 at 10:03 am

Parliament House – Room 1043

Members Present:

Mr Paul Gibson, MP

Mr Victor Dominello, MP

Mr Peter Draper, MP

Mr Ninos Khoshaba, MP

Mr John Turner, MP

Apology:

The Hon Grant McBride, MP

Minutes

Minutes of 8 September 2010 confirmed on the motion of Mr Turner.

Correspondence

...

Submission from Justice and Attorney General re Performance Audit on Helping Aboriginal defendants through MERIT received dated 15 September 2010.

Submission from NSW Police Force re Performance Audit on Helping Aboriginal defendants through MERIT received dated 16 September 2010.

Submission from NSW Health re Performance Audit on Helping Aboriginal defendants through MERIT received dated 16 September 2010.

...

Resolved on the motion of Mr Turner:

That the Committee authorises the publication of the following correspondence and orders that they be placed on its website:

...

Submission from Justice and Attorney General re Performance Audit on Helping Aboriginal defendants through MERIT received dated 15 September 2010;

Submission from NSW Police Force re Performance Audit on Helping Aboriginal defendants through MERIT received dated 16 September 2010;

Submission from NSW Health re Performance Audit on Helping Aboriginal defendants through MERIT received dated 16 September 2010; and

...

Tackling Cancer with Radiotherapy

See briefing.

Resolved on the motion of Mr Draper:

That the Committee asks the Chair to draft a report recommending continued implementation of recommendations and an update of progress in the Government's response to the Committee's report.

...

Next meeting:

Meeting concluded at 10:17am until Wednesday, 20 October 2010 at 10:00 am.

Minutes of Proceedings of the Public Accounts Committee (No 54)

Wednesday, 27 October 2010 at 10:05 am

Parliament House – Room 1043

Members Present:

Mr Paul Gibson, MP

Mr Victor Dominello, MP

Mr Peter Draper, MP

Mr Ninos Khoshaba, MP

Mr John Turner, MP

Apology:

The Hon Grant McBride, MP

Minutes

Minutes of 22 September 2010 confirmed on the motion of Mr Draper.

Correspondence

...

Answers to questions on notice arising from the hearing from Forests NSW dated 27 September 2010.

Submission from the Audit Office re Auditor-General's Performance Audit Report on Helping Aboriginal defendants through MERIT dated 29 September 2010.

...

Resolved on the motion of Mr Turner:

That the Committee authorises the publication of the following correspondence and orders that they be placed on its website:

...

Answers to questions on notice arising from the hearing from Forests NSW dated 27 September 2010.

Submission from the Audit Office re Auditor-General's Performance Audit Report on Helping Aboriginal defendants through MERIT dated 29 September 2010.

...

Next meeting:

Meeting concluded at 10:15am until Friday, 29 October 2010 at 10:00 am.

Minutes of Proceedings of the Public Accounts Committee (No 56)

Wednesday, 1 December 2010 at 10:00 am

Parliament House – Room 1043

Members Present:

Mr Paul Gibson, MP

Mr Victor Dominello, MP

Mr Peter Draper, MP

The Hon Grant McBride, MP

Mr John Turner, MP

Apology:

Mr Ninos Khoshaba, MP

Minutes

Minutes of 27 October and 29 October 2010 were confirmed on the motion of Mr McBride.

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Seventh Report on the Examination of the Auditor-General's Performance Audits - Consideration of Chair's draft report.

Resolved on the motion of Mr Turner:

That the Committee agrees to consider the report by Chapters.

Resolved on the motion of Mr McBride:

That the Committee agrees to Chapter 1 – Sustaining Native Forest Operations.

Resolved on the motion of Mr Draper:

That the Committee agrees to Chapter 2 – Grants Administration.

Resolved on the motion of Mr Dominello:

That the Committee agrees to Chapter 3 – Tackling Cancer with Radiotherapy.

Resolved on the motion of Mr Turner:

That the Committee agrees to Chapter 4 – Helping Aboriginal Defendants through MERIT.

Resolved on the motion of Mr Draper:

That the Committee agrees to the Appendices.

Resolved on the motion of Mr McBride:

That the Committee adopts the report and authorises the Secretariat to make appropriate final editing and stylistic changes, as required.

Next meeting Adjournment:

Meeting concluded at 10:15am until a date to be determined.