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Ms Noreen Hay MP Chair, Public Accounts Committee Parliament House Macquarie Street SYDNEY NSW 2000 RECEIVED 12 A JUL 2006

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Dear Ms Hay

PAC Report - Sustainability Reporting in the NSW Public Sector

The Premier has asked that I reply to your letter concerning the Committee's report "Sustainability Reporting in the NSW Public Sector".

The report makes a valuable contribution to understanding how sustainability reporting could apply across the NSW public sector.

I note the Report recommends the Government establish a whole-of-government framework so individual agencies and the public sector as-a-whole can report to Parliament on the sustainability of agency operations and programs, and also makes recommendations concerning related matters including the development of performance indicators, integration of social, economic and environmental outcomes into Treasury's Results and Services Plan methodology, the use of targets and benchmarks, and the auditing of sustainability reports.

I am pleased to inform the Committee of the work underway on this issue.

First, the Premier's Department, in consultation with the *Chief Executive Committee*, has developed a whole-of-government framework that provides a common approach to sustainability for the public sector. This framework, the *NSW Whole-of-Government Sustainability Principles*, provides agencies with a common definition of sustainability and a comprehensive set of principles to guide agency planning, policy, operations and programs.

Second, the *Sustainability in Government CEO Committee* was established in 2005 by key CEOs to develop strategies to improve the sustainability of the operations of the NSW public sector, a major concern of the Public Accounts Committee.

This combination of a whole-of-government sustainability framework and leadership by CEOs concerned with implementing the framework across the public sector complements the many sustainability initiatives that have been – and will continue to be – developed by individual agencies and Ministers.

As outlined in the Government's submission the Results and Services Plans will continue to be a primary means of reporting.

Thank you for your interest in this matter.

Yours sincerely

Col Gellatly

Director-General