



**Premier
& Cabinet**



Ref: A2773553

Ms Helen Minnican
Clerk of the Legislative Assembly
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Ms Minnican

I refer to your correspondence of 14 November 2018, regarding the Report No. 9/56 of the Public Accounts Committee – *Examination of the Auditor-General's Performance Audit Reports October 2016 – May 2017*.

In accordance with Legislative Assembly Standing Order No. 303A, on behalf of the Premier of New South Wales, please find enclosed the NSW Government response to the recommendations made in the Committee's Report.

Yours sincerely

Tim Reardon
Secretary

7 June 2019

**NSW GOVERNMENT RESPONSE
TO REPORT NO. 9/56 OF THE PUBLIC ACCOUNTS COMMITTEE
EXAMINATION OF THE AUDITOR-GENERAL'S PERFORMANCE AUDIT REPORTS
OCTOBER 2016 – MAY 2017**

Implementation of the NSW Government's program evaluation initiative

The *NSW Government Guide to Cost-Benefit Analysis* and the *NSW Government Program Evaluation Guidelines* have been developed to raise the quality of evidence utilised to support public sector decision making. The Centre for Evidence and Evaluation was established by NSW Treasury to integrate the application of these guidelines and to build agency capacity to generate quality evidence.

To support further improvement, the Evidence Bank initiative will drive greater consistency and improvements in the quality of evidence provided to decision makers. The ongoing development and refinement of the Evidence Bank initiative is bringing together different analytical approaches to measuring program performance, including cost-benefit evaluations. The Centre for Evidence and Evaluation has engaged with universities and other research organisations in Australia and other jurisdictions to inform, to improve and enhance cost benefit analysis and evaluation policy and methodologies.

In addition, Treasury is undertaking a review of the NSW Government Program Evaluation Guidelines to further integrate evaluation with outcomes budgeting and related assurance frameworks.

The combination of these initiatives will over time improve the application of cost-benefit analysis and evaluation of NSW Government initiatives.

CBD and South East Light Rail Project

Transport for NSW is currently in commercial negotiations with the ALTRAC consortia. While these negotiations are underway, delivery of the project continues. The Government's focus is on completion of the line, and commencement of testing along the full length of the project later this year.

As of May 2019, all track for the line has now been laid, overhead wiring has been erected between Randwick and Town Hall, and all 19 stops have either been constructed or nearing completion. Systems installation and finishing work such as paving, landscaping, and stop furniture and canopies are now being completed. Daytime testing is currently underway in Randwick. Energisation of further sections of the line for testing will be occurring in the coming months, starting with the Surry Hills to Central segment.

The Government continues to keep the community updated on the status of the project through the project's website, social media, email, and mail outs to residents. More extensive communication to alert the community to testing of services will be rolled out as appropriate, to ensure community safety.

In respect to release of additional project information, the *Government Information and Protection Act 2009* guides agencies on the release of information.

Passenger Rail Punctuality

The NSW Government has already delivered around 1,500 extra weekly services across the rail network since 2017, including more express trains for Western and South West Sydney.

Over the next ten years the More Trains, More Services program will roll out world-class technology to transform the rail network and provide customers with more reliable, high capacity turn up and go services. Key elements of the program include:

- Upgrading rail infrastructure to simplify the network and improve its resilience.
- Deploying digital train signalling technology to create greater capacity and more reliable operations.
- Utilising the City Circle Line capacity that will be freed up by the delivery of the Sydney Metro City & Southwest project to provide more services on other lines.

Currently 41 new Waratah-style trains are in delivery, the first of which entered service in September 2018. These new trains are air-conditioned and provide greater capacity on the network.

The Government is also investing to increase the number of trains that can run during the morning and afternoon peak hours on the T4 Eastern Suburbs and Illawarra Line, and the T8 Airport and South Line.

Rail infrastructure has also been upgraded to allow our complex network to operate at an even greater capacity, including better signalling systems, power supply upgrades and train station improvements.

Customers and the community can find information regarding the More Trains, More Services program on the Transport for NSW website:

<https://www.transport.nsw.gov.au/projects/more-trains-more-services>

A Customer Delay Measure known as 'Customer on Time' has been published on the Transport for NSW website for Sydney Trains since late 2018. A similar Customer on Time measure will be published for NSW Trains soon.

There has been a significant increase in public transport trips into the Sydney city centre before the busy 8-9am peak hour. From 2015 to 2018, there has been a 17 per cent increase in patronage on Sydney's rail, bus and light rail network between the hours of 5am and 8am. In comparison, the patronage increase during the busiest peak hour of 8-9am was 9 per cent.

Transport for NSW data captured in 2018 also shows a reduction in vehicles travelling into the Sydney city centre since 2015. In the peak hour between 8am and 9am vehicles numbers decreased by 12.6% compared to 2015, while vehicle numbers into the Sydney city centre have reduced by 6.5% throughout the day. Further, vehicle demands on the Sydney city centre have increased outside normal business hours and peak periods, indicating a trend in which customers are retiming their trips.

The NSW Government has undertaken a number of initiatives to promote and demonstrate the benefits of retiming freight and servicing for greater efficiency. Improvements are measured through kerbside assessments and loading zone data and include an increase from 12 per cent to 17 per cent of freight and servicing being carried out overnight and the almost doubling of loading zone use between 6am-7am in the last two years.

Planning for school infrastructure

Since the Public Accounts Committee's report was published, the Government has further boosted our commitment to invest in school infrastructure.

The NSW Government now is delivering some 3,000 new classrooms across the State. There are 190 new and upgraded school projects planned or underway as at 30 April 2019, as part of a \$6.5 billion school infrastructure investment program.

Additionally, the Government is investing nearly \$1.3 billion over four years on school maintenance, along with \$500 million to air-condition up to 1,000 public schools.

The Government's Independent Infrastructure Assurance Framework applies to school capital works. This means there is external independent assurance, based on project risk and value.

The Department of Education is committed to engaging closely with the community and local stakeholders in the development of school infrastructure. It is recognised that the process to consult and collaborate with communities involves building awareness, and providing information to stakeholders and the community about how to get involved in the planning and delivery of new and upgraded schools.

Messaging and engagement activities will focus on informing, to gain high-level support for the strategic plans, and feedback to find out what people value, what their priorities are for school infrastructure and what the Department should be considering in developing its plans.