



Gladys Berejiklian MP
Premier of New South Wales

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16 APR 2021

Mr Greg Piper MP
Chair
NSW Legislative Assembly Public Accounts Committee
Parliament House
SYDNEY NSW 2000

Dear Mr Piper, *Greg,*

I refer to correspondence of 13 October 2020 from the Clerk of the Legislative Assembly, regarding the Report No. 5/57 of the Public Accounts Committee – *Examination of the Auditor-General's Performance Audit Reports August 2018 – January 2019*.

Please find enclosed the NSW Government response to the recommendations made in the Committee's Report.

I thank the Committee for your recommendations and note that the NSW Government response supports four of the recommendations and notes two. Investment NSW in the Premier and Cabinet Cluster is currently reviewing the *Unsolicited Proposals: Guide for submission and assessment* to ensure it aligns with the Audit Office recommendations.

Yours faithfully,

Gladys Berejiklian
Premier

NSW GOVERNMENT RESPONSE TO REPORT NO. 5/57 OF THE PUBLIC ACCOUNTS COMMITTEE – EXAMINATION OF THE AUDITOR-GENERAL’S PERFORMANCE
AUDIT REPORTS AUGUST 2018 – JANUARY 2019

Recommendation	Agency responsible	Response
<p>Recommendation 1</p> <p>The Committee recommends that the Department of Premier and Cabinet provides more comprehensive details of the rationale used in making decisions about unsolicited proposals, in order to promote greater transparency in the application of the unsolicited proposal process.</p>	<p>DPC</p>	<p>Noted</p> <p>Investment NSW (formerly DPC) adheres to all disclosure requirements in the <i>Unsolicited Proposals: Guide for submission and assessment</i> as well as other relevant disclosure requirements, including the <i>Government Information (Public Access) Act 2009</i>. Investment NSW (formerly DPC) will consider whether the current information disclosure requirements could be expanded as part of the review of the USP Guidelines being undertaken in 2021.</p>
<p>Recommendation 2</p> <p>The Committee recommends that the Department of Premier and Cabinet requires agencies to engage independent probity advisors or auditors for all unsolicited proposals. This is to ensure the engagement will not create a real or perceived conflict of interest arising from this or other work being performed by the probity adviser or auditor.</p>	<p>DPC</p>	<p>Supported</p> <p>Investment NSW (formerly DPC) and other agencies engage independent probity advisors for all unsolicited proposals that progress beyond Stage 1. If a separate probity audit were also required, this would also be conducted by independent advisors.</p>
<p>Recommendation 3</p> <p>The Committee recommends that the Department of Premier and Cabinet provides a progress report and timeframe to the Committee of when the Unsolicited Proposals Guide will be updated to reflect the recommendations in the performance audit report, along with a list of changes made.</p>	<p>DPC</p>	<p>Noted</p> <p>Investment NSW (formerly DPC) is currently reviewing the <i>Unsolicited Proposals: Guide for submission and assessment</i> to ensure it aligns with the Audit Office recommendations. DPC intends to take the updated Guidelines to government for consideration in 2021.</p>

<p>Recommendation 4</p> <p>The Committee recommends that the Department of Planning, Industry and Environment provides a progress report to the Committee on the following:</p> <p>a) How the new Property Framework, Housing Property Group and Property Strategy Collaboration Committee have leveraged opportunities to optimise land management outcomes;</p>	<p>Department of Planning, Industry and Environment</p>	<p>Supported</p> <p>While being in place for just over a year, the new Property Framework and the Property Strategy Collaboration Committee (PSCC) have proved effective in leveraging opportunities to optimise land management outcomes.</p> <p>A key element of this is the requirement for properties that are no longer required by the landowning agency to be submitted to Property NSW via an electronic portal for distribution to other NSW Government agencies to seek expressions of interest before being tabled at the PSCC to endorse the use and associated transaction. Since 1 January 2020, 164 properties have been circulated via this portal.</p> <p>This visibility of properties across NSW Government agencies allows agencies to identify opportunities to make use of those properties to meet NSW Government infrastructure and service delivery objectives. The PSCC provides a Deputy Secretary-level forum for agencies to explore the merits of proposals to use those properties and inform recommendations to the NSW Government on how best to optimise the use of them.</p>
<p>b) How the Property Framework has improved the identification and recycling of underutilised properties;</p>		<p>Supported</p> <p>The Property Framework and the PSCC have improved the recycling of underutilised NSW Government properties through several mechanisms:</p> <p>Landowning agencies are bringing forward advice to the PSCC on specific properties that they wish to dispose of that are no longer required for their needs. This allows other agencies to determine whether those properties could be used to deliver on current NSW Government infrastructure and service delivery objectives. It ensures all agencies have visibility of current properties available and helps identify opportunities to repurpose them where relevant, creating potential efficiencies for the NSW Government.</p> <p>Landowning agencies are bringing forward advice to the PSCC on their asset disposal pipelines and expected future acquisitions of land. This gives all agencies a strategic whole-of-government view of the State’s real property asset portfolio, insight into long-term agency plans and advice on where land will be needed to deliver future NSW Government infrastructure and services, and what NSW Government-owned land might be available for alternative uses.</p> <p>Property NSW is working with water utility providers such as Sydney Water to leverage water consumption data as a proxy for utilisation of NSW Government-owned land to assist in identifying potentially underutilised sites for recycling.</p>

Sensitive: NSW Government

		Since the Audit Office's Performance Report in December 2018, Property NSW has completed portfolio reviews relating to Housing Affordability, Crown Lands, Health and Transport for NSW's asset sales pipeline, as well as precinct reviews related to Liverpool and Gosford.
c) A timeframe for how the Department will improve their record keeping practices and compliance. In particular, the integration of a single record keeping system within the Department and the development of policies, standards and procedures to ensure accurate record management.		<p>Supported</p> <p>The Department of Planning, Industry and Environment (DPIE) continues to improve its record keeping practices and compliance. To ensure a comprehensive and universal record keeping policy across DPIE, the Department has developed a new DPIE records policy which is expected to be endorsed by DPIE's Partnership Committee in December 2020.</p> <p>Initial feasibility studies on the merits of a single record keeping system across DPIE indicate that it would be time and cost prohibitive. Instead, DPIE is exploring the use of a single application that would allow users to search across multiple record sites and identify relevant information. DPIE is planning to have a proof of concept for this option in place by December 2020.</p>
d) The integration of the Government Property Register and the Valnet system; and		<p>Supported</p> <p>The integration of Valnet and the Government Property Register (GPR) involves establishing data services/links between the two system and mapping data between the two so that it matched on a 1-to-1 basis, whereas previously matching involved a manual process. The integration will also provide the ability to search Valnet records from the GPR interface.</p> <p>Database integration of Valnet and GPR has been completed and data can now pass through directly to GPR.</p>
e) Timeframes for updating information on the value and number of underutilised assets and improvements to website functionality.		<p>Supported</p> <p>DPIE continues to work on ways to make information on NSW Government-owned land publicly available. In the interim, aggregated data on sales and acquisitions is publicly reported through the NSW Budget Papers.</p>
<p>Recommendation 5</p> <p>The Committee recommends that the Minister for Police Services reviews the length of time an unlicensed person may be in possession of a firearm as a result of a deceased estate.</p>	Minister for Police Services	<p>Supported</p> <p>The NSW Police Force is undertaking a range of work on the issue of retention of firearms by deceased estates. Where relevant, review of firearms retention times will be included as part of this process.</p>

<p>Recommendation 6</p> <p>The Committee recommends that the NSW Police Force ensures sufficient resources are available for the Digital Transformation Project to ensure its completion as matter of urgency, to address identified shortcomings in the collection and storage of data in the Firearms Registry.</p>	<p>NSW Police Force</p>	<p>Supported</p> <p>The NSW Police Force continues to ensure that appropriate and sufficient resources are available for the Digital Transformation Project and monitors any external factors that may have an impact on its implementation. Following the initiation of the project in July 2019, recent milestones include the August 2020 launch of the Firearms Dealers Portal.</p>
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