

Public Accounts Committee



LEGISLATIVE
ASSEMBLY

Examination of selected Auditor-General's Performance Audit Reports August 2019 - June 2020



Report 9/57 – May 2022

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The motto of the coat of arms for the state of New South Wales is "Orta recens quam pura nites". It is written in Latin and means "newly risen, how brightly you shine".

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Chair's foreword

This is the fifth report of the Public Accounts Committee's performance audit review program to be tabled in the 57th Parliament.

In accordance with its established performance review process, the Committee examines performance audits conducted by the Auditor-General, in order to further investigate action taken by agencies in response to the Auditor-General's recommendations. As part of the follow up, the Committee questions agencies on measures they have taken and, if required, conducts public hearings to gather additional information from agency representatives.

The process has proven to be an effective means of testing action taken on performance audits and maintaining a high level of scrutiny of the agencies under review.

This report reviews ten performance audits covering the period from August 2019 to June 2020, conducted into: mental health services planning for Aboriginal people in NSW; ensuring teaching quality in NSW Public Schools; ensuring contract management capability in government; supporting the District Criminal Court; integrity of data on the Births, Deaths and Marriages Registry; local decisions, needs-based equity funding; Destination NSW's support for major events; train station crowding; funding enhancements for Police technology; and CBD and South East Light Rail.

With some exceptions, the Committee is generally satisfied that the responsible agencies are implementing the Auditor-General's recommendations, while identifying areas where more action is required. All agencies are to be commended, given the disruption and additional challenges during the bushfire emergency and the COVID pandemic.

The Committee has made two recommendations to NSW Government agencies for additional information. The first is an update from the NSW Police Force on the status and expected benefits of the Body-Worn Video camera project. Secondly, the Committee requests an updated report from Transport for New South Wales on CBD and South East Light Rail improvements to journey times, and project costs and benefits.

I am pleased to present this Report and thank the Auditor-General and Audit Office staff for their assistance in this inquiry. I also wish to thank my Committee colleagues and Committee Secretariat for their contributions and support throughout the inquiry process.

Greg Piper MP
Chair

Findings and recommendations

Recommendation 1 _____ 16

The Committee recommends that the NSW Police Force provides a further update concerning the status and expected benefits of the Body-Worn Video camera project.

Recommendation 2 _____ 26

The Committee recommends that Transport for New South Wales provides an updated report to the Committee in July 2022, detailing improvements to journey times, final costs and benefits realised for the CBD and South East Light Rail project.

Chapter One – Introduction

Overview

- 1.1 The performance audits examined by the Committee for this inquiry were tabled by the Auditor-General in the period August 2019 to June 2020. The aim of the examination is to assess the required action taken by relevant agencies in response to the Auditor-General's recommendations. The Committee considered evidence provided by each agency and also sought advice from the Auditor-General.
- 1.2 The Committee found significant work has been undertaken to address issues raised in the audits. It is clear that the agencies have taken the audit review process seriously and instigated action to implement accepted recommendations. Some recommendations will take time to fully action or are being addressed through the implementation of larger projects.

Inquiry Process

- 1.3 In accordance with its legislative responsibility outlined in section 57 of the *Government Sector Audit Act 1983*, the Committee resolved at its meeting on 16 September 2021 to commence an examination of the Auditor-General's performance audits from August 2019 to June 2020. The full terms of reference are included at Appendix One.
- 1.4 The process for these examinations included:
- inviting a submission from responsible agencies twelve months after the tabling of the audit;
 - referring agencies' submissions to the Auditor-General for comment; and
 - where the Committee determined that further information was required, further written responses to questions were sought, or agency representatives and the Auditor-General were invited to a hearing to provide additional information.
- 1.5 The Committee examined ten performance audit reports and received eleven submissions in relation to its examination. A full list of submission authors can be found at Appendix Two and copies of the submissions are available on the [Committee's website](#).
- 1.6 On the basis of submissions received, the Committee sought further written clarification of aspects of agency responses to five performance audits, namely:
- Ensuring teaching quality in NSW public schools – Department of Education and NSW Education Standard Authority;
 - Integrity of data on the Births, Deaths and Marriages Registry – Department of Customer Service;

- Local schools, local decisions: needs-based equity funding – Department of Education;
 - Destination NSW's support for major events – Destination NSW; and
 - Funding enhancements for police technology – NSW Police Force.
- 1.7 Detailed agency responses to the Committee's further questions can be found on the [Committee's website](#).
- 1.8 The Committee was not satisfied that recommendations contained in four of the remaining performance audit reports had been adequately addressed. To conduct a more detailed examination of these reports, the Committee held a public hearing on 22 November 2021, seeking further information. The performance audits examined at the public hearing were:
- Train station crowding;
 - CBD and South East light rail: follow-up performance audit;
 - Supporting the District Criminal Court; and
 - Ensuring contract management capability in government.
- 1.9 The Audit Office provided written feedback on the submissions made by agencies. The Auditor-General, Ms Margaret Crawford, Deputy Auditor-General, Mr Ian Goodwin and Assistant Auditor-General, Ms Claudia Migotto also attended the public hearing and supplemented the evidence given.
- 1.10 A transcript of the hearing is located on the [Committee's website](#). Witnesses who appeared at the hearing are listed at Appendix Three.
- 1.11 Discussion of the audits examined is detailed in subsequent chapters of the report.

Chapter Two – Committee's consideration of performance audits not subject to public hearings

Background

- 2.1 As outlined in Chapter One, and in accordance with the Committee's established procedure of considering performance audit reports in consolidated groupings, this report deals with ten Audit Office reports for the period August 2019 to June 2020.
- 2.2 The Committee's practice in reviewing the reports is to make a determination, based on agency responses and Audit Office advice, about how to exercise its scrutiny functions in relation to each audit report's recommendations. The options available are to: accept the initial agency response, with no further action required; seek further written elaboration of steps taken to carry out the report's recommendations; or invite agency representatives to provide more detailed information by appearing at a public hearing.
- 2.3 As previously indicated, in the case of the performance audits under current review, the Committee resolved to seek additional written responses to five audits and to take formal evidence at a public hearing on the four remaining audits.
- 2.4 For the purposes of this Chapter, set out below is the Committee's consideration of the audit reports which were not deemed to require formal evidence to be taken at a public hearing. The performance audits subject to formal evidence are detailed in subsequent chapters. More comprehensive information about all audits can be found on the NSW Audit Office and Public Accounts Committee's websites.

No Further Action Required

Audit Report 326 – Mental health service planning for Aboriginal people in New South Wales

- 2.5 Mental illness (including substance use disorder) is the leading cause of chronic illness and increased mortality in the Aboriginal population of New South Wales. This involves a much higher rate of hospitalisation and premature death due to mental illness.
- 2.6 The Audit assessed the effectiveness of NSW Health's planning and coordination of mental health services and service pathways for Aboriginal people. The Audit assessed NSW Health against the following objectives:
 - use of evidence to plan and inform the availability of mental health services for Aboriginal people;

- collaboration with partners to create accessible mental health service pathways for Aboriginal people; and
 - collaboration with partners to ensure the appropriateness and quality of mental health services for Aboriginal people.
- 2.7 The Audit concluded that NSW Health has not fully met the requirements of the NSW Aboriginal Health Plan. These are to form effective partnerships with Aboriginal Community Controlled Health Services and Aboriginal communities to plan, design and deliver mental health services.
- 2.8 The report found that while NSW Health is planning and coordinating its resources to support Aboriginal people in the acute phase of mental illness in hospital environments, this is ineffective in community settings.
- 2.9 The Audit also reported that NSW Health is not consistently forming partnerships to coordinate care for patients as they move between mental health services, and does not have a policy to guide this process. Furthermore, its practices are not systematic or comprehensive.
- 2.10 The Audit Office recommended that NSW Health, in partnership with Aboriginal mental health clinicians and policy experts should, by December 2020:
- research, develop and publish evidence-based models of culturally appropriate Aboriginal mental health care for use in Local Health Districts; and
 - finalise and publish an Aboriginal mental health policy and framework.
- 2.11 NSW Health accepted both recommendations in principle. In response to the recommendations, NSW Health reported that a key activity is underway, namely the development of the NSW Aboriginal Mental Health and Wellbeing 2020-2025 policy. The policy establishes the framework for the delivery of holistic, culturally safe and coordinated health and mental health services for Aboriginal people and communities in NSW. The policy is in the final stage of consultation and planned for publication in November 2020.
- 2.12 The Audit Office noted that NSW Health's response fulfilled the intent of its recommendations. The Aboriginal Mental Health and Wellbeing Strategy 2020-2025 was published by the NSW Health on 23 December 2020. This included the following elements in response to the recommendations:
- models of culturally appropriate mental health care;
 - partnering approaches with Aboriginal communities, consumers and carers to map services;
 - identification of service gaps and duplication and planning for the equitable distribution of services;
 - actions to increase the Aboriginal workforce; and

- enhanced data collection of Aboriginal mental health and wellbeing.

2.13 On the basis that the Audit recommendations had been fully complied with, the Committee is satisfied that NSW Health has met its obligations and makes no further comment.

Additional Written Information Provided

Audit Report 327 – Ensuring teaching quality in NSW public schools

- 2.14 Quality teaching is the greatest in-school influence on student engagement and outcomes. In New South Wales, teachers must be accredited against the Australian Professional Standards for Teachers to be employed in the State's public schools. The NSW Education Standards Authority (NESA) is responsible for ensuring all NSW school teachers are accordingly accredited and, as part of that process, the NSW Department of Education assesses and advises NESA as to whether public school teachers meet proficient accreditation standards.
- 2.15 The Department has two frameworks through which it monitors teaching quality:
- the School Excellence Framework - intended to provide a method for monitoring teaching quality across four elements of effective teaching practice; and
 - the Performance and Development Framework - intended to provide a method for teachers and their supervisors to monitor and improve teaching quality through the setting of professional goals to guide their performance and development.
- 2.16 The Department also has a range of strategies targeted at improving teaching quality at different career stages. This assists its strategic annual goal of enhancing student learning, teacher quality and leadership and overall school performance.
- 2.17 The Audit assessed the effectiveness of the Department's and NESA's arrangements to ensure teaching quality in NSW public schools. Specifically, the Audit examined whether the agencies effectively monitor teaching quality in public schools and whether strategies to improve teaching quality were well planned, communicated, implemented and monitored.
- 2.18 The Audit concluded that NESA does not have a process in place to ensure that principals' decisions to accredit teachers' proficiency are in line with the Standards and guarantee minimum teaching quality. It found that NESA does have more oversight of accreditation for beginning teachers and highly effective teachers seeking higher-level accreditation.
- 2.19 The Audit also concluded that the Department does not effectively monitor teaching quality at a systemic level, making it difficult to ensure appropriate targeting of teaching improvement strategies. Finally, it found that the Department's Performance and Development Framework does not support principals and supervisors to improve teacher performance and teaching quality.

2.20 The Audit made seven recommendations, three of which were directed at NESAs and the remaining four directed at the Department. It recommended that, by July 2020, NESAs should:

- work with relevant stakeholders to ensure Teacher Accreditation Authorities receive adequate training before making accreditation decisions;
- review and improve the application and assessment processes for attaining higher-level accreditation, in consultation with stakeholders, by clarifying the quantity and quality of evidence needed and reducing duplication throughout the assessment process; and
- implement a program of risk-based reviews to provide confidence that proficient level accreditation determinations align with the national Standards.

2.21 The Audit also recommended that, by July 2020, the Department should:

- improve the Performance and Development Framework by providing guidance to support better alignment with the national Standards and supervisors and principals to effectively use the framework; strengthening the quality of observations and requiring at least one be conducted by a supervisor; and monitoring implementation through collecting de-identified Performance and Development Plans, observations and reviews;
- improve the School Excellence policy by clarifying the quantity and quality of evidence required, requiring tailored written feedback from external validation panels for future planning by schools and aligning the external validation process to the school planning and reporting cycle to enable schools to benefit from insights gained during the process;
- develop and implement a strategy for more effective use of Highly Accomplished and Lead Teachers to improve teaching quality state-wide; and
- evaluate the Quality Teaching, Successful Students program, to determine whether it has been implemented in accordance with guidelines and is achieving its intended outcomes.

2.22 Both agencies accepted the recommendations in full. NESAs reported that it had completed the implementation of all recommendations directed towards the agency in 2020. The Department noted that implementation of the first recommendation had been delayed by the COVID-19 pandemic, while the remaining recommendations had been completed or were on track for completion.

2.23 After considering both agencies' responses to the Audit, the Committee determined that more information was needed to fully account for action taken to meet the recommendations. This included:

- the expected timeframe for the implementation of the Highly Accomplished and Lead Teacher Accreditation Policy revised and endorsed in 2020 and the revised Performance and Development Framework;

- proposed strategies for strengthening the quality of observations of teaching practice;
- the expected timeframe for finalising the career pathway options for teachers accredited at the Highly Accomplished and Lead Teacher levels; and
- further information on the findings of the evaluation of the Quality Teaching, Successful Students program.

- 2.24 On 12 October 2021, the Committee wrote to NESA and the Department seeking further elaboration on the additional issues identified. The responses, received on 28 October and 18 November 2021, provided additional information for each respective agency.
- 2.25 In a response, dated 28 October 2021, Paul Martin, Chief Executive Officer stated that NESA had not implemented any new policies or initiatives during 2020 and 2021 due to the ongoing disruption to teaching and learning from the COVID-19 pandemic. He explained that the policy rationale behind this decision was to allow the education community to focus on student wellbeing and supporting continuity of education, while remote learning was undertaken as a result of the pandemic. However, NESA anticipated approval of the new Highly Accomplished and Lead Teacher Accreditation Policy by the Minister in early 2022.
- 2.26 In a letter dated 18 November 2021, Georgina Harrison, Secretary responded in detail to the Committee's additional questions on behalf of the Department. The Secretary noted that the School Success Model was instigated by the Department as a whole-of-system evidence led reform program, aiming to strengthen system-wide shared accountability.
- 2.27 The Department also provided an updated School Excellence Policy in early Term 3, 2020 to support a long lead-time for all schools to prepare for its implementation from 2021. This was to underpin continuous improvement practices expected of the State's public schools.
- 2.28 In addressing the additional questions received from the Committee, the Secretary stated that, pending clarification of the clause surrounding the Performance and Development Framework during award negotiations with the NSW Teachers Federation, the anticipated revisions to the framework would be finalised through consultation and user testing during 2022. The Department has also launched key initiatives to strengthen the quality of observations of teaching practice, including:
- developing website materials providing guidance for best practice when teachers and colleagues undertake and complete observations;
 - upcoming additional professional learning workshops focused on quality observations of practice and improving engagement in the Performance and Development Plan;
 - conducting a joint survey on the observations of professional practice with the NSW Teachers Federation in December 2020, which indicated that a

significant proportion of respondents had no formal or documented observations; and

- implementing enhanced support to build efficacy in observations as part of the Performance and Development Cycle, and commencing a supervisor-led observations pilot study in 2022.

- 2.29 The Secretary also stated that the Department was awaiting release of the updated Highly Accomplished and Lead Teacher Accreditation policy from NESAs to confirm timelines for the review and revision of departmental policy and procedure, and had plans for expanding knowledge of the new policy processes and documenting what constitutes teacher quality at this higher level. The Department anticipated increased numbers of applications for higher levels of accreditation under the new policy framework in 2022.
- 2.30 Finally, the Secretary provided a summary of the key findings of the Department's internal evaluation of Quality Teaching, Successful Students (QTSS) conducted in 2020, and outlined proposed action in response to the internal evaluation. This included improving guidance to school principals and directors, educational leadership on the intended purpose and most effective use of QTSS and the methodology for QTSS allocations to assist small schools, especially in rural and regional areas.
- 2.31 On the basis of the further information provided, the Committee is satisfied that both agencies have fulfilled the intent of the Audit recommendations. The full NESAs and Departmental responses can be accessed on the Committee's website.

Audit Report 330 – Integrity of data on the Births, Deaths and Marriages Registry

- 2.32 The *Births, Deaths and Marriages Registration Act 1995* (the Act) governs the operation of the NSW Registry for Births, Deaths and Marriages (BD&M). Under the Act, BD&M is responsible for maintaining the register of births, deaths and marriages, as well as adoptions, changes of name, changes of sex and relationships in New South Wales. The Registrar of the BD&M is also responsible for maintaining the integrity of the Register under the Act.
- 2.33 The Audit assessed the extent to which BD&M had effective controls to ensure the integrity of data in the Register and to prevent unauthorised access and misuse. Specifically, it addressed: whether relevant processes and IT controls are in place and effective to ensure data integrity and the authenticity of records and documents; and whether security controls are in place and effective to prevent unauthorised access or modification to the data.
- 2.34 The Audit report concluded that BD&M has processes and controls to ensure the accuracy of information entered into the Register and validate amendments. However, it found significant gaps in internal controls to prevent and detect unauthorised access to and activity in the Register.
- 2.35 The Audit also found a reliance on a third party vendor to provide database security assurance through an application called LifeLink, managed by the Department of Communities and Justice, which enables additions and amendments to the Register.

2.36 The Auditor-General recommended, as a matter of urgency, that the Department of Customer Service (DCS) ascertain that BD&M works with the Department of Communities and Justice (DCJ) to ensure that passwords for authorised users comply with the latter's policy on password settings. The Audit also made further recommendations to DCS to address the data security shortcomings identified in the report, as follows:

- by July 2020, the Department should ensure that BD&M:
 - routinely monitor user activity in the Register and software user activity;
 - restrict the ability of LifeLink users to manage information from the Register to legitimate actions required for their role;
 - update the Service Partnership Agreement with Service NSW to include monitoring of Service NSW staff activity;
 - perform regular fraud detection audits for eRegistry users;
 - work with the DCJ to ensure that there are regular access reviews and monitoring of users of databases and servers, and regular audits to provide independent assurance regarding database security controls; and
 - clarify and formalise responsibilities with the DCJ regarding the management of database security.
- by December 2020, the Department should ensure that BD&M:
 - undertake a risk-based analysis of the impact of gaps in controls to prevent unauthorised user activity on historical integrity of data in the Register; and
 - implement remediating action stemming from that risk-based analysis.

2.37 The Department accepted all recommendations in full, and commented favourably on the conduct of the Audit and the assistance of the Audit Office in identifying weaknesses not found through its own internal auditing.

2.38 Ms Emma Hogan, Secretary for the Department stated that: the DCJ Security Officer had facilitated the implementation of DCS's password policy within DCJ; DCS had defined a RACI matrix in collaboration with DCJ and BD&M for implementing access reviews and include regular privileged access audits within its internal audit program; the Service Partnership Agreement had been updated; audits, access reviews and assurance reviews were regularly performed; risks had been identified, analysed and included on risk register; and remediating action had been implemented to prevent departed staff from accessing the Register. It also noted that DCS, DCJ and BD&M were to agree on the audit assurance process.

- 2.39 While the Audit Office noted that the Department had met the requirements of four recommendations, the Committee considered that further information was required about whether processes had been implemented by DCS to:
- routinely monitor general user activity in the Register, with appropriate assurance reviews of agency staff access;
 - mitigate risks of unauthorised access and the effectiveness of database controls; and
 - verify that the level of potential fraud or past unauthorised activity had been identified, and any required remediation action implemented.
- 2.40 On 12 October 2021, the Committee wrote to the Department seeking further elaboration on the additional matters identified. By letter dated 5 November 2021, the Secretary of the Department reported on the processes implemented to address the additional issues.
- 2.41 In response to the Committee's additional questions, Ms Hogan provided further details received from the Registrar of BD&M in respect to the controls implemented in the Register. This included:
- routine monitoring of general user activity in the Register spanning regular and spontaneous reviews;
 - access limitations, report logging and sensitivity labelling for the dissemination of information in addition to guidelines and training for staff on information sharing; regular access reviews of on-boarded and off-boarded staff of Service NSW by both Service NSW and BD&M;
 - monthly user access reviews and high risk assurance reviews; tracking of out of bandwidth access; and
 - automatic deactivation of departing staff as well as monthly new starter and departing staff assurance reviews.
- 2.42 On the basis of the further information provided, the Committee is satisfied that the Department has fulfilled the intent of the Audit recommendations. The full Departmental response can be accessed on the Committee's website.

Audit Report 331 – Local schools, local decisions: needs-based equity funding

- 2.43 The Local Schools, Local Decisions reform was launched by the Department of Education in 2012, allowing public schools to make local decisions on how best to meet the needs of their students. The equity funding is designed to support students with additional needs.
- 2.44 The objective of this Audit was to assess the Department's support and oversight of school planning and use of needs-based funding under the Local Schools, Local Decisions reform. The Audit addressed the objective by examining whether:
- effective accountability arrangements had been established; and

- effective support had been provided to schools.
- 2.45 The Audit concluded that the Department has not had adequate oversight of how schools are using needs-based equity funding to improve student outcomes since it was introduced in 2014. While the Department provides guidance and resources, it had not set measures or targets to describe the expected outcomes of this funding, resulting in the lack of an effective mechanism to capture the impact of funding at a school or State-wide level.
- 2.46 The Audit Office recommended that the Department of Education should by April 2021:
- clarify the objective of equity funding and update guidance material and reporting requirements to consistently reflect this objective;
 - better integrate equity funding into school planning;
 - measure and report on school and student outcomes achieved as a result of equity funding on an ongoing basis;
 - identify schools that have made significant and sustained improvements for specific equity groups and share better practice approaches for using equity funding;
 - identify schools that have not met expected growth for equity groups and provide tailored advice and support on effective approaches to lift performance;
 - strengthen guidance on implementing cost-effective and educationally sound interventions that target the learning needs of equity students;
 - better coordinate support provided to schools on community consultation, strategic planning, resource allocation and strategic financial management; and
 - improve training and support to lift the financial management capabilities of school principals, business managers, Directors, and Educational Leadership.
- 2.47 The Department of Education agreed to the eight recommendations, with two accepted in principle. In its response, the Department of Education had updated the School Excellence policy and procedures, including a clearer and more consistent definition of needs-based funding. In addition, the Department had also implemented the School Success Model, which requires the schools to include common equity targets into their school plans. The Model also requires the schools to report against these targets in the 2021 annual report.
- 2.48 The Audit Office noted that, while the Department of Education's responses fulfilled the intent of five of its recommendations, there remained questions in relation to action taken on the following:
- the current status of the Ambassador School pilot program;

- the number of schools supported since the School Success Model was implemented; and
 - how many of the 200 schools supported in 2020 had been able to reduce their accumulated unspent funding.
- 2.49 The Committee resolved to pursue these issues by requesting additional details in writing. In response to the Committee's request for further information, provided on 12 October 2021, the Department of Education elaborated on further steps taken.
- 2.50 In February 2021, the Department of Education launched the Ambassador School pilot program as part of the School Success Model. Six ambassador schools have implemented the pilot program in 2021 and these schools had demonstrated sustained performance across a number of key measures, indicating the success of the evidence based practice. A total of 14 Ambassador schools will be participating in the 2021/2022 pilot program.
- 2.51 In response to the level of support provided to schools since the implementation of the School Success Model, 56 schools have received strategic support in reading and numeracy and 75 schools have received strategic support for financial management. In addition, 397 schools have received guided support in reading and numeracy and 122 schools have received guided support for improving attendance.
- 2.52 In terms of targeted support to reduce accumulated unspent funding, the Department of Education provided financial management coaching to school principals, business managers and directors to all 200 schools in 2020/2021. Each school has implemented a plan for spending down their accumulated balances by December 2024. Since January 2021, 179 schools have reduced their accumulated balance in line with their plan. The Department will continue to monitor and support these schools in the execution of their plans.
- 2.53 On the basis of the further information provided, the Committee is satisfied that the agency has fulfilled the intent of the audit recommendations. A more detailed description of the Department's activities to address the Committee's questions can be found on the Committee's website.

Audit Report 332 – Destination NSW's support for major events

- 2.54 Destination NSW (DNSW) is the lead government agency for the New South Wales tourism and major events sector, established under the *Destination NSW Act 2011*. DNSW provides funding to a range of events including high-profile professional sporting events and festivals, musicals, and art and museum exhibitions. The rationale for providing public funding to attract a range of such events is to encourage event organisers to hold events in New South Wales, and to maximise the potential of such events to attract tourists.
- 2.55 The Audit assessed whether DNSW demonstrated that its support for major events achieved value for money by effectively assessing proposals and effectively evaluating the impact of DNSW's support. It did not assess the

agency's tourism promotion or development work, rather focussing on DNSW's work to attract major events to New South Wales.

- 2.56 The Audit concluded that DNSW's processes were mostly effective for assessing applications for funding from organisers of major events and evaluating their support. It also found that DNSW's internal systems enabled it to determine whether its decisions were achieving value for money and the agency had a comprehensive methodology for conducting detailed event assessments.
- 2.57 However, the Audit also found that the agency's public reporting did not provide enough information about its activities and their outcomes. Specifically, reasons for progressing applications through assessment stages were not sufficiently detailed and there were gaps in its management of internal independence risks.
- 2.58 Additionally, DNSW only included high-level summaries of its detailed internal reporting on outcomes of funded events, which did not provide sufficient transparency to demonstrate to the public that its activities achieved value for money. The Audit report noted that this was consistent with equivalent organisations in other Australian jurisdictions.
- 2.59 The Auditor-General made four recommendations directed to DNSW to address gaps and transparency deficits identified in the report. It recommended that, by 1 July 2020, the agency should:
- improve the documentation of initial event assessment decisions to include more detailed guidance and reasons against funding criteria, and relevant Ministerial directions;
 - consider streamlining its approach to assess and evaluate major events receiving minor funding;
 - improve the application of policies for managing staff independence risks by clarifying staff conflict of interest declaration forms, and clarifying and revising the agency's Gifts and Benefits policy and register; and
 - increase transparency by providing more details in its public reporting about major events funding and outcomes.
- 2.60 Destination NSW accepted all recommendations in full and reported that it had agreed to enhance all decision making documentation, including verbal Ministerial directions, and provide more public information and reporting to increase transparency, while safeguarding commercially confidential material.
- 2.61 In addition, DNSW stated that it would adopt a streamlined approach to evaluating events receiving minor funding which was consistent with existing methodology, and had revised or updated procedures and guidelines for managing staff independence risks to be more robust.
- 2.62 While satisfied that the agency had satisfactorily addressed the majority of the Audit's recommendations, the Committee considered that further elaboration was required to clarify whether, and how, Ministerial directions were being

documented. The Committee resolved to clarify this matter by requesting additional details in writing.

- 2.63 In correspondence dated 18 October 2021, Steve Cox, Chief Executive Officer responded on behalf of DNSW, detailing the agency's processes for documenting Ministerial directions. This included preparing briefs for Ministerial sign off, requesting approvals from the Minister by email or text messages, and preparing minutes of meetings with the Minister.
- 2.64 The Committee also noted additional commentary received from the Audit Office which remarked that, since the conduct of the Audit, most major events in New South Wales had been cancelled or modified due to the COVID-19 pandemic, resulting in funding being redirected or carried forward for future events. It also noted that, in March 2021, DNSW was relocated from the Treasury cluster to the Investment NSW cluster in the Department of Premier and Cabinet.
- 2.65 On the basis of the further information provided, the Committee is satisfied that the agency has fulfilled the intent of the Audit recommendations. The full response from DNSW to the Committee's questions can be accessed on the Committee's website.

Audit Report 334 – Funding enhancements for police technology

- 2.66 The NSW Government has provided the NSW Police Force with a \$100 million Policing for Tomorrow fund to acquire technology intended to make police work safer and quicker. The Audit assessed whether the Policing for Tomorrow fund was effectively managed to improve policing in New South Wales. The Audit addressed the objectives by reviewing whether:
- the NSW Police Force efficiently and effectively identifies, acquires, implements and maintains technology resourced by the fund;
 - the NSW Police Force has established effective governance arrangements for administering the fund, and for monitoring expected benefits and unintended consequences; and
 - the technology implemented under the fund has improved the efficiency and effectiveness of policing in New South Wales.
- 2.67 The Audit concluded that the NSW Police Force's management of the Policing for Tomorrow fund was mostly effective. It found that NSW Police Force had measures in place to assess the impact of the technologies on the efficiency and effectiveness of policing in NSW, but these measures were not in place for all technologies funded by Policing for Tomorrow. A strategic whole-of-organisation approach would enable the Police Force to identify and fill technology capability gaps and assist in better targeting funds and managing expected benefits.
- 2.68 The Audit Office recommended that the NSW Police Force should by June 2021:
- finalise and routinely use a whole-of-organisation capability model, that identifies and plans to address technology gaps, to make ICT capital investment and resource allocation decisions;

- continue to develop an enterprise benefits management approach to drive achievement of targeted benefits, and greater utilisation of technology capability; and
- ensure that, for technology projects that change how police interact with the public, external stakeholders are engaged, and their feedback considered, where appropriate, in the project life cycle.

2.69 The NSW Police Force accepted the first two recommendations without qualification and the third accepted with the caveat that engagement with external stakeholders may not always be possible for sensitive procurements. In response to the recommendations, the NSW Police Force has:

- updated the ICT strategy and developed new or enhanced technology enabled capabilities across the Force;
- continued to develop an enterprise benefits management approach to drive the target benefits and greater utilisation of technology capability; and
- collaborated with communities across NSW and established partnerships to impact the underlying causes of crime and disorder.

2.70 Based on the NSW Police Force responses, the Committee sought further information on the following:

- the relationship between the ICT strategy and the business capability model;
- the status of the expected benefits of the Body-Worn Video (BWV) camera project;
- further benefits accruing to the other projects including MobiPOL (shared smart phone and tablets to access police systems away from the office), Field ID (hand-held fingerprint scanners), I2IMS (intelligence software) and Digital Evidence First Responder (digital forensic tool); and
- how the NSW Police Force has embedded stakeholder engagement into other technology projects since the conclusion of the Audit.

2.71 The Committee resolved to pursue these issues by requesting additional details in writing. In response to the Committee's additional questions, dated 2 December 2021, the NSW Police Force explained that its ICT Strategy is anchored off the business capability model by focusing on the four dimensions of process, people, technology and data/ information,

2.72 According to the NSW Police Force, this ensures that the ICT strategy adopts an enterprise-wide approach. The result of the ICT strategy enables business dexterity and agility of the Force's ability to respond to the changing nature of crime and emergencies.

2.73 In addition, the NSW Police Force provided further information about the benefits accruing to other projects, including:

- **MobiPOL:** all frontline officers are issued with mobile devices which increase their mobility and allow them to work anywhere. In addition, the commencement of the Integrated Connected Officer (ICO) program in July 2022, would significantly enhance the computing features in patrol vehicles;
- **FieldID:** a future program work called "Integrated Biometrics Platform" was underway to ensure the consolidated devices used in the field can be used to capture biometrics;
- **I2IMS:** an intelligence software system to consolidate data from various systems to a single source of truth for all data; and
- **Digital Evidence First Responder:** a digital forensic tool to provide a single source of truth for police incident response. It links the data gathered in the field with a police event number, which enables faster downstream investigations and forensics processes.

2.74 Finally, with reference to stakeholder engagement in other technology projects since the conclusion of the Audit, the Commissioner's Executive Team (CET) had endorsed a unified operating model for the NSW Police Force. This has involved multiple levels of stakeholder engagement to enhance the partnerships to impact on the underlying causes of crime and disorder.

2.75 While generally satisfied that the intent of the Audit recommendations have been met, the Committee would like to further consider the status and expected benefits for the Body-Worn Video (BWV) camera project.

Recommendation 1

The Committee recommends that the NSW Police Force provides a further update concerning the status and expected benefits of the Body-Worn Video camera project.

Chapter Three – Train Station Crowding

Introduction

- 3.1 There are three main sources of train station crowding:
- patronage growth exceeding the current capacity limits of the rail network;
 - service disruptions; and
 - special events.
- 3.2 COVID-19 restrictions have also contributed to limitations on the number of passengers able to access stations and travel by train.
- 3.3 Transport for NSW (TfNSW) is responsible for setting the standard working timetable for the train network. Sydney Trains is responsible for operating and maintaining safe metropolitan heavy rail and passenger services, including adhering to timetables and staffing and maintaining most metropolitan stations.
- 3.4 In 2017, the Audit Office undertook a performance audit into Passenger Rail Punctuality, which found that rail agencies would find it hard to maintain train punctuality after 2019, unless there was a significant increase in the capacity of the network to carry trains and people. Since then, 1,500 additional weekly services have been introduced, and additional network capacity improvements are in progress for delivery from 2022 onwards.¹

The Performance Audit

- 3.5 The Audit Office undertook a further performance audit in 2020, which examined how effectively TfNSW and Sydney Trains are managing crowding at selected metropolitan train stations in the short and medium term. In particular, the Audit examined how TfNSW and Sydney Trains determine when there is a crowding problem at stations, and how such crowding is managed.

Major Audit Findings

- 3.6 The Audit concluded that while Sydney Trains has identified platform crowding as a key strategic risk, it does not have an overarching strategy to manage crowding in the short to medium term, or sufficient oversight to know if crowding is being effectively managed. Furthermore, Sydney Trains' operational response to crowding involves restricting customer access to platforms or station entries before crowding reaches unsafe levels, or when it impacts on-time running.

¹ NSW Auditor-General, Performance Audit Report, [Train station crowding](#), Performance Audit 30 April 2020, Executive Summary, p.1.

- 3.7 The Audit found, however, that restricting customer access to platforms or station entries is not a sustainable approach for managing station crowding. The Audit made 7 recommendations.²

Table 1 – Recommendations made by the Auditor General³

By December 2020, Sydney Trains should:	
1	systematically collect information on the use of crowd management interventions at stations and assess the impact of these interventions
2	enhance existing procedures to require staff to make an assessment on whether crowding was a contributing factor in safety incidents and near-misses and code these incidents for crowding
3	develop a policy for customer management plans. The policy should include: • a process for identifying stations requiring a customer management plan • essential elements of a customer management plan • requirements for the review and approval of customer management plans • the requirement to centrally store all customer management plans.
By December 2020, Transport for NSW should:	
4	evaluate Travel Choices to determine the overall impact the program has on distributing public transport use out of peak AM and PM periods and its impact on station crowding
5	evaluate the Wayfinding strategy to determine the impact of the program and to identify any lessons learnt for future wayfinding strategies
By December 2020, Transport for NSW and Sydney Trains should:	
6	develop a direct performance measure for station crowding and collect data to measure performance
7	work with the Airport Link Company to develop a more comprehensive crowd management strategy for Airport Link Stations that includes: • a crowd management plan for each station, with clearly described roles and responsibilities • a service level indicator or KPI relating to station crowding at Airport Link Stations.

Agency Response

- 3.8 TfNSW accepted all 7 recommendations and advised the Committee that Recommendations 1 to 5 had been implemented and work on Recommendations 6 and 7 was nearing completion.⁴
- 3.9 At a public hearing conducted on 22 November 2021, TfNSW told the Committee that COVID-19 and its associated public health orders had severely impacted the transport network and that patronage had declined dramatically. This is reflected in passenger usage data, showing patronage in September 2021 being 84.4% lower than passenger numbers for September 2019.
- 3.10 With the easing of public health orders, 99.9% of services were now stated to be operating across the network at or within physical distancing capacities.

² NSW Auditor-General's Performance Audit Report, [Train station crowding](#), 30 April 2020, Conclusion, p.2.

³ NSW Auditor-General's Performance Audit Report, [Train station crowding](#), 30 April 2020, Recommendations, p.5.

⁴ Submission 9, Transport for NSW, pp 1-3 & Mr Matthew Longland, Chief Executive, Sydney Trains, Transcript of evidence 22 November 2021, p 7.

Passenger numbers had also bounced back to around 40% pre-COVID levels, up from around 15% during the worst period during the pandemic. The emergence of hybrid working arrangements had also resulted in different peak times, and TfNSW expected that some of these hybrid travel patterns would continue.

3.11 The significant reduction in passengers using the network meant that the risks and concerns regarding train station crowding identified in the Auditor-General's Report would not be actualised for some time. However, many of the Audit recommendations had been incorporated and adapted for the COVID-19 operating environment, as follows:

- an app based solution for station staff was implemented to collect information on the use of crowd management interventions, such as the flow of passengers to and from platforms and around construction work (Recommendation 1). Station staff have also become more confident in using technology to communicate with trains, and passengers were now able to use trip planning apps to assist them in deciding which services to use;
- the Travel Choices program was also evaluated in accordance with Recommendation 4 and deployed during the initial 2020 recovery period to provide passengers with information on the best times to travel. TfNSW intend using it again in the coming recovery period. However, the program was designed to change passenger travel behaviour, and only provides indirect flow-on benefits to managing station crowding;

The patronage measure that currently feeds into the trip planning apps from OPAL is about on board services, as opposed to station crowd levels and does not track passenger movements between platforms at interchange stations. The Department is therefore looking at international methodologies to measure and predict crowding during peak periods (Recommendation 6).

- plans to manage overcrowding were now being used at Mascot, Green Square and the Domestic and International Airport stations. TfNSW noted that Green Square is a busy station that now has comprehensive plans in place. The customer station framework is shared with Airport Link, to ensure that the same principles are applied to the Airport Link stations. The key performance indicator [KPI] metric methodology used by TfNSW in the Sydney Trains network, will also be made available to Airport Link, to enable use of the same reporting for their own stations. (Recommendation 7)⁵; and
- the need for improved access to hub stations such as Sutherland was also raised during the public hearing. TfNSW responded that the Department was looking at taking an end-to-end approach, not only focussing on trains but also on improving access at multi-modal stations for passengers travelling on feeder buses or driving, cycling or walking to the station precinct. Additional capacity is also provided through timetable improvements.⁶

⁵ Mr Matthew Longland, Chief Executive, Sydney Trains, Transport for NSW, Transcript of evidence 22 November 2021, p.5

⁶ Mr Matthew Longland, Chief Executive, Sydney Trains and Mr Adam Berry, Executive Director, Customer Journey Planning, Greater Sydney, Sydney Trains, Transport for NSW, Transcript of evidence 22 November 2021, p 6.

- 3.12 At the public hearing on 22 November 2021, the Committee asked whether Transport NSW was planning to promote a second mode of transportation between people's homes and major train hubs in Sutherland area. TfNSW informed the Committee that it had not yet commissioned a Travel Choices campaign in Sutherland, and an opportunity might exist to shift people's behaviour through the campaign.⁷
- 3.13 In its subsequent written response, TfNSW stated that patronage had declined on the M92 bus service due to the reduction in public demand and Public Health Order associated with the COVID-19 pandemic. The service continued to provide commuters' connection between Menai, Bangor and Sutherland Station and this bus service will be promoted in 2022 when the overall public transport demand is expected to increase.⁸
- 3.14 At the public hearing, TfNSW was asked if the government was looking at any strategies to shift road use onto public transport at the weekend. The Executive Director, Customer Journey Planning Greater Sydney, Transport for NSW, replied that TfNSW was encouraging people back to public transport seven days a week during the pandemic. It was particularly focussing on people feeling safe on public transport and providing on-station and on-mode information by signposting announcements.⁹
- 3.15 Additionally, Transport for NSW had implemented fare changes to help spread customer demand, reducing crowding and introduced the \$8.15 weekend and public holiday day cap, to encourage public transport use on the weekend.
- The COVID-19 pandemic and associated Public Health Orders created a need for customers to physically distance on public transport. In July 2020, Transport for NSW implemented fare changes to help spread customer demand and reduce crowding, including the expansion of peak windows, off peak pricing for buses and light rail and the July 2020 introduction of the \$8.15 weekend and public holiday day cap.
- The need for physical distancing is likely to remain in the near future, and Transport for NSW will continue to monitor travel trends and review the effectiveness of the pricing measures as NSW emerges from lockdown.¹⁰
- 3.16 In response to the recommendation 3, Sydney Trains developed a Customer Management Plan (CMP) Framework to define process and governance. The Plan outlined the actions to be undertaken by station management and staff in the event of customer crowding and other scenarios.¹¹

⁷ Mr Adam Berry, Executive Director, Customer Journey Planning, Greater Sydney, Sydney Trains, Transport for NSW, Transcript of evidence 22 November 2021, p 7.

⁸ Answer to supplementary question, Transport for NSW, 10 December 2021, p 2.

⁹ Mr Adam Berry, Executive Director, Customer Journey Planning, Greater Sydney, Sydney Trains, Transport for NSW, Transcript of evidence 22 November 2021, p 6.

¹⁰ Answer to supplementary question, Transport for NSW, 10 December 2021, p 2.

¹¹ Submission 9, Transport for NSW, p 1-2.

- 3.17 In supplementary evidence provided to the Committee, Transport for NSW provided a copy of the Sydney Trains Customer Management Plan Framework and stated that the Plan addressed the Audit Office recommendation.¹²
- 3.18 In response to the recommendation 5, Sydney Trains completed the evaluation of the Wayfinding strategy and the final report was issued in November 2020.¹³
- 3.19 In addition, Sydney Trains conducted a Wayfinding signage evaluation at Central Station as part of the project. Operational and key subject matter experts were used to identify local area connection information within the station to assist customers with better navigation.¹⁴

Auditor-General's Comment

- 3.20 The Auditor-General, Ms Margaret Crawford, Acting Deputy Auditor-General, Mr Ian Goodwin, and Assistant Auditor-General, Performance Audit, Ms Claudia Migotto attended the public hearing and supplemented evidence given by TfNSW.
- 3.21 At the public hearing, the Auditor-General was satisfied with the Department's response to the Audit and pleased with progress in implementing the recommendations. The Assistant Auditor-General added that the Department should evaluate the data collected on management plans to ensure that the desired impact is being achieved at the station level, including privately operated stations. (Recommendation 1).¹⁵

Committee Comment

- 3.22 The Committee commends Transport for NSW and its staff for their efforts in a difficult period and appreciates the additional pressures placed on the Department's operational environment. The Committee welcomes the Department's comprehensive response to the Audit report recommendations and is satisfied that the intent of the recommendations has been addressed.

¹² Answer to supplementary question, Transport for NSW, 10 December 2021, p 3.

¹³ Submission 9, Transport for NSW, p 2.

¹⁴ Answer to supplementary question, Transport for NSW, 10 December 2021, p 4.

¹⁵ Ms Margaret Crawford, Auditor-General, and Ms Claudia Migotto, Assistant Auditor-General, Performance Audit, Transcript of evidence 22 November 2021, p.7.

Chapter Four – CBD and South East Light Rail

Introduction

- 4.1 The CBD and South East Sydney Light Rail (CSLER) is a 12 km light rail network extending from Circular Quay to Kingsford and Randwick. Passenger services started on the line between Circular Quay and Randwick (L2) on 14 December 2019, and between Circular Quay and Kingsford (L3) on 3 April 2020. Transport for NSW (TfNSW) was responsible for planning, procuring and delivering the project and operates the line as a public/private partnership with ALTRAC Light Rail (OpCo).
- 4.2 In November 2016, the Auditor-General published a performance audit report on the project which found that TfNSW would deliver the CSLER at a higher cost with lower benefits than the approved business case. In the report, the Auditor-General recommended that TfNSW update and consolidate information about project costs and benefits and ensure the information is readily accessible to the public.
- 4.3 In November 2018, the Committee examined TfNSW's actions taken in response to the 2016 performance audit report and recommended that the Auditor-General undertake a follow-up audit.¹⁶

The Performance Audit

- 4.4 A follow-up audit was undertaken in 2020 which found that:
- the total cost of the CSLER project would exceed \$3.1 billion;
 - TfNSW had not consistently and accurately updated CSLER project costs, limiting the transparency of reporting to the public; and
 - TfNSW intended to measure benefits after the project was completed and had not updated the expected project benefits since April 2015.¹⁷
- 4.5 Four recommendations were made in the Auditor-General's report, as follows:

¹⁶ NSW Auditor-General's Performance Audit Report, [CBD South East Sydney Light Rail: follow-up performance audit](#), 11 June 2020, Executive Summary, p.1.

¹⁷ NSW Auditor-General's Performance Audit Report, [CBD South East Sydney Light Rail: follow-up performance audit](#), 11 June 2020, Conclusion and Key findings, pp.1 - 2.

Table 2 – Recommendations made by the Auditor General¹⁸

By June 2020, Transport for NSW should:	
1	publicly report average weekly journey times
2	publicly report the final project cost
By December 2020, Transport for NSW should:	
3	publicly report the updated expected project benefits
By April 2021, Transport for NSW should:	
4	publicly report on benefits achieved during the first year of operations

Agency Response

4.6 In its written response, TfNSW accepted all four recommendations but indicated that only Recommendation 1 had been completed within the required time frame. Action to implement Recommendations 2 and 3 had been delayed, but benefits achieved during the first year of operations would be publicly reported on the CSELR webpage in December 2021 (Recommendation 4).¹⁹

4.7 At the public hearing conducted on 22 November 2021, TfNSW told the Committee that:

- Sydney is predicted to grow to a city of 8 million people by 2056, and it was important for those who live, work and visit the city to be able to access an integrated transport network;
- the CSELR project had delivered improved public transport access to health and education hubs, as well as to sporting precincts, all the while reducing congestion. Each light rail service can carry around 450 passengers, as many as up to 9 standard buses;
- regular services were running approximately every 4 minutes between Circular Quay and Moore Park, and around every 8 minutes between Moore Park and Randwick and Kingsford in the 7am-7pm peak on weekday;
- the project had also improved and created new and exciting public spaces along the route, including the transformation of George Street from a congested unpleasant stretch of heavy traffic to a sleek pedestrian boulevard. It has been the catalyst for over \$6 billion of activation and redevelopment along the corridor;
- there had also been a reduction of 13% in traffic, (between 8 to 9 thousand vehicles) in the CBD core between 6 am to 10 am each day, which had removed traffic gridlock along George Street and resulted in increased pedestrian amenity;

¹⁸ NSW Auditor-General's Performance Audit Report, [CBD South East Sydney Light Rail: follow-up performance audit](#), 11 June 2020, Recommendations, p3.

¹⁹ Submission 11, Transport for NSW, p 2.

- there had been more than 18 million passenger trips on the service since the service commenced and end-to-end journey times had improved from 45 to 50 minutes to an average of 32.75 minutes in October 2021;²⁰ and
- the November 2020 TfNSW customer satisfaction survey showed that 96 per cent of customers were satisfied with network services, their security, safety, comfort and timeliness.²¹

- 4.8 When asked what steps have been taken to bring down the journey time since the Audit, TfNSW replied that it has been working collaboratively with ALTRAC on a focused performance improvement program. TfNSW has also established a dedicated committee with OpCo to bring the average journey time down to meet the contracted journey time included in the project deed. A new timetable was also expected to be introduced in December 2021, which would further reduce the end-to-end journey time.²²
- 4.9 The Committee noted TfNSW's response that it would not be possible to finalise the final project cost and expected benefits until the final completion certificate had been issued. When asked for an update, TfNSW replied that this was an exceptionally complex project involving a number of third party agreements with key stakeholders. It did not expect that the budget of \$2.9 billion would be exceeded and that completion would be finalised in the first half of 2022.²³
- 4.10 The Committee also asked whether the expected return to on-campus study by university students in the new year would impact on journey times. TfNSW replied that it is confident that, as greater Sydney comes back to life, it has a solid platform that will provide the level of services needed. It would also be working with the universities to help customers learn how to use the network at the start of 2022.²⁴
- 4.11 The Committee was interested to learn how increased passenger numbers travelling to big events at Randwick and Moore Park was managed. TfNSW replied that a significant events plan has been developed with event organisers and the police, which complies with health restrictions and copes with large crowds by increasing services and running a shuttle service between Central and Moore Park.²⁵
- 4.12 At the public hearing, TfNSW was asked whether the special big event days were audited under the same KPIs as regular journeys on that route. TfNSW replied that

²⁰ Mr Steve Issa, Executive Director, Community and Place, Greater Sydney, Transport for NSW, Transcript of evidence 22 November 2021, p 11.

²¹ Mr Steven Issa, Executive Director, Community and Place, Greater Sydney Transport for NSW, Transcript of evidence 22 November 2021, p.8.

²² Mr Steve Issa, Executive Director, Community and Place, Greater Sydney; Transport for NSW, Transcript of evidence 22 November 2021, p.9.

²³ Mr Steve Bennett, Business Partner, IP; Transport for NSW, Transcript of evidence 22 November 2021, p.9.

²⁴ Mr Steve Issa, Executive Director, Community and Place, Greater Sydney; Transport for NSW, Transcript of evidence 22 November 2021, p.9.

²⁵ Mr Steve Issa, Executive Director, Community and Place, Greater Sydney, Transcript of evidence 22 November 2021, p.10.

the special event services on the CBD and South East Light Rail were measured as required services in the same way as regular services.²⁶

- 4.13 When TfNSW was questioned about how safety issues were dealt with as part of its KPIs, the Committee was told that safety is its top priority. In order to ensure this, an annual public safety forum is held, several integrated public safety campaigns have been run and there were checks and balances and mandatory reporting requirements in place. The Department stressed that it takes safety very seriously and would not optimise journey time over safety.²⁷
- 4.14 The Committee was also interested to know whether TfNSW would recommend the CBD Light Rail project again, given the substantial cost blow out. TfNSW responded that the CBD and Sydney East Light Rail had reduced congestion and contributed to the overall liveability of the city of Sydney. The light rail lines connected the major education, sport and health facilities as well as transport hubs and created easier interchange points with other modes of transport including buses, ferries and trains. The project continued to deliver significant benefits to its customers with a high satisfaction rating of 96 per cent.²⁸
- 4.15 In addition, TfNSW stated that a Benefit Realisation report was scheduled to be presented to Infrastructure NSW in the first quarter of 2022.²⁹

Auditor-General's Comment

- 4.16 The Auditor-General, Ms Margaret Crawford, Acting Deputy Auditor-General, Mr Ian Goodwin, and Assistant Auditor-General, Performance Audit, Ms Claudia Migotto attended the public hearing and supplemented evidence given by TfNSW.
- 4.17 At the public hearing, Ms Migotto noted that Recommendation 1 asked for an actual average journey time, not the proportion of services meeting journey times within a four-minute tolerance. While Transport for NSW was asked to publicly report average weekly journey times, its website only reports monthly performance times.³⁰
- 4.18 TfNSW replied that performance is published across all TfNSW services consistently, which is monthly and across the KPI. Average journey time is 32.75 minutes for the service and TfNSW expects that this will be improved further with a new timetable being introduced in December 2021.³¹

²⁶ Answer to supplementary question, Transport for NSW, 10 December 2021, p 1.

²⁷ Mr Steve Issa, Executive Director, Community and Place, Greater Sydney Transport for NSW, Transcript of evidence 22 November 2021, p.10.

²⁸ Answer to supplementary question, Transport for NSW, 10 December 2021, p 1.

²⁹ Answer to supplementary question, Transport for NSW, 10 December 2021, p 2.

³⁰ Ms Claudia Migotto, Assistant Auditor-General, Performance Audit, Transcript of evidence 22 November 2021, p.12.

³¹ Mr Steven Issa, Executive Director, Community and Place, Greater Sydney; Transport for NSW, Transcript of evidence 22 November 2021, p.12. See also Transport for NSW, [Sydney Light Rail Performance Reports](#).

- 4.19 Ms Migotto also commented that both audit reports had identified a lack of transparency about the project by TfNSW and that satisfactory progress had not been made to address the issue.³²

Committee Comment

- 4.20 Although the Committee appreciates that the Department is working towards implementing the recommendations made by the Auditor-General, there is a need for further information about the final costs and benefits realisation of the project.

Recommendation 2

The Committee recommends that Transport for New South Wales provides an updated report to the Committee in July 2022, detailing improvements to journey times, final costs and benefits realised for the CBD and South East Light Rail project.

³² Ms Claudia Migotto, Assistant Auditor-General, Performance Audit, Transcript of evidence 22 November 2021, p 12.

Chapter Five – Supporting the District Criminal Court

Introduction

- 5.1 The District Court is the intermediate court in the New South Wales court system, handing down judgements on most serious criminal matters with the exception of murder, treason and piracy. The Department of Communities and Justice (DCJ) provides various support services, including security, library and front-desk services.
- 5.2 The Productivity Commission's Report on Government Services (RoGS) found that there had been a worsening of efficiency in the District Court in recent years. Efficiency in the court system is typically measured in terms of timeliness. The median time from arrest to finalisation of a case in a District Court increased from 420 days in 2012-13 to 541 days in 2017-18.

The Performance Audit

- 5.3 The Auditor-General's 2019 Audit examined three forms of support provided by the Department to the District Court. Support services to the court system are currently managed by the Courts, Tribunals and Service Delivery (CTSD) branch of the Department of Communities and Justice.
- 5.4 The Audit assessed how efficiently and effectively the Department was operating and supporting the District Criminal Court system. The lines of inquiry for this Audit included:
- the effectiveness of collecting, analysing and reporting performance information relevant to court efficiency;
 - the effectiveness of providing technology to support the efficient working of the courts; and
 - the effectiveness of the plan, governance and monitoring of the Early and Appropriate Guilty Pleas reform³³.

Major Audit Findings

- 5.5 The Audit concluded that:
- the Department was not effectively supporting the efficient operation of the District Criminal Court system in terms of provision of data and technology services, in particular, insufficient controls over data accuracy and using outdated technology in the District Criminal Court system; and

³³ NSW Auditor-General's Performance Audit Report, [Supporting the District Criminal Court](#), 18 December 2019, Executive Summary, p 5.

- the Department was effectively governing the implementation of the Early Appropriate Guilty Pleas reform. However, the benefits stated in the business case were not being achieved, placing the objectives at risk.

Auditor-General's Recommendations

5.6 The Auditor-General made seven recommendations addressed to the Department of Communities and Justice. These recommendations are set out in the table below:

Table 3: Recommendation made by the Auditor-General in the Supporting the District Criminal Court performance audit report³⁴

No.	Recommendations
The Department of Communities and Justice, by June 2020	
1	develop a strategic framework for improving and managing court data, including: <ul style="list-style-type: none"> • a strategy for court data; • a policy governing court data quality; • assigning formal responsibility for data quality; • proposed actions to improve the quality of court data, including the development of a data dictionary for JusticeLink; and • proposed actions to improve the use of court data.
2	formalise the responsibilities of the court data team and ensure that it is appropriately resourced to carry out its responsibilities
3	align its internal benefits realisation guidance with the NSW Government's Benefits Realisation Management Framework
4	measure all benefits stated in the Early Appropriate Guilty Pleas business case.
The Department of Communities and Justice, by December 2020	
5	investigate additional key performance indicators to measure its support activities, such as the accuracy of its data entry and its own contribution to the efficiency of the court
6	report performance in the court system annually against its key performance indicators in its annual report
7	evaluate options for improving the delivery of technical support to regional and rural courts and commence implementation of the preferred option.

Agency Response

5.7 As the responsible agency for the provision of supporting services to the District Criminal Court system, the Department of Communities and Justice provided the response to the Audit Recommendations. The Department accepted six of the seven recommendations, accepting three in full and partially accepting the remaining three.

³⁴ NSW Auditor-General's Performance Audit Report, [Supporting the District Criminal Court](#), 18 December 2019, Recommendations, p 9.

- 5.8 The Department elaborated its reasons for partially accepting the three recommendations as follows:
- In aligning its internal benefits realisation guidance with the NSW Government's Benefits Realisation Management Framework, recommendation 3 had been completed with the development of the Early Appropriate Guilty Pleas reform Evaluation and Monitoring Framework. However, the Department had not assigned responsibility for key performance indicators (KPIs) and the economic benefits will be evaluated in the second half of 2021;
 - In investigating additional key performance indicators to measure its support activities relating to recommendation 5, the Department was considering the development of additional program indicators for the outcome budgeting plan for the State outcome; and
 - In reporting performance in the court system annually against its key performance indicators in its annual report in accordance with recommendation 6, the Department indicated that it would consider publishing performance data in its annual report after research was completed on recommendation 5.
- 5.9 The Department also expanded on its reasons for the rejection of recommendation 4, stating that all but one of the benefits identified in the EAGP business case was being measured. This was the 'Reduction in bed pressure on the correction system due to reduced average time in custody'.
- 5.10 The Department had decided not to measure this benefit because it was only 6% of the anticipated net present value of the reform. Therefore, it was unlikely that the analysis of increased prison time served due to extended delay through the court system could be replicated, owing to a number of compounding factors. Additionally, measuring the reduction in bed pressure would be a relatively small benefit as a result of the EAGP Reform.
- 5.11 At the time of the response to the Audit, the Secretary of the Department, Michael Coutts-Trotter reported that recommendations 5 and 6 were in progress, and recommendations 1, 2, 3 and 7 had been completed.
- 5.12 At the public hearing conducted on 22 November 2021, the Committee questioned the strategies implemented to improve and manage the court data. The Deputy Secretary, replied that the Department had created an entire data team to support the court data processing and reporting. The newly implemented data-based technology allowed the user to extract information from the case management system, JusticeLink.³⁵
- 5.13 Recommendation 3 called on the Department to align its internal benefits realisation guidance with the NSW Government's Benefit Realisation

³⁵ Ms Catherine D'Elia, Deputy Secretary, Department of Communities and Justice, Transcript of evidence 22 November 2021, p 14.

Management Framework, in particular the EAGP reform. In the opening statement, the Deputy Secretary stated that:

Most action plans and response to the report's recommendations have been completed. These include actions in response to recommendations related to improving how we deal with data and technology in the District Court and improvements we have made to our already robust monitoring and evaluation of the Early Appropriate Guilty Pleas [EAGP] reform.

... The department had also gone beyond the recommendations of the report—for example, in August of 2021 the NSW Bureau of Crime Statistics and Research [BOCSAR] published two evaluations of the EAGP reform. The first BOCSAR report compared cases initiated before and after EAGP reform, finding that the reform succeeded in increasing early guilty pleas and weekly finalisations in the District Court. The second BOCSAR evaluation examined whether stakeholders considered that the EAGP reform was being implemented as planned. It found that stakeholders considered that many of the aspects of the reform were being delivered as intended.³⁶

5.14 The Deputy Secretary further explained that the success of the Early Appropriate Guilty Pleas reform was subject to two BOCSAR reports. The reform program itself was governed by a committee, which included members of the Office of the Director of Public Prosecutions, Legal Aid and the NSW Police Force³⁷.

5.15 Furthermore, the Department stated that the internal benefits realisation guidance is consistent with the NSW Government's Benefit Realisation Management Framework, through the implementation of the comprehensive benefits realisation plan, including:

- identified appropriate KPIs including input and output KPIs to measure the anticipated reform outcomes and the range of 'Tracking Metrics';
- identified IT system requirements for data collection;
- establishment of a clear plan over time for monitoring and evaluation of the reform;
- including both an outcome evaluation and early process evaluation; and
- establishment of a strong post-implementation governance framework to manage benefits realisation³⁸.

5.16 In response to the economic benefits of the EAGP reform, the Department provided the written response to the Committee, stating that the NSW Bureau of Crime Statistics and Research (BOCSAR) has completed both a process and an

³⁶ Ms Catherine D'Elia, Deputy Secretary, Department of Communities and Justice, Transcript of evidence 22 November 2021, p 13.

³⁷ Ms Catherine D'Elia, Deputy Secretary, Department of Communities and Justice, Transcript of evidence 22 November 2021, p 14.

³⁸ Submission 5, Department of Communities and Justice, p 3.

outcome evaluation of the EAGP reform, which discusses how the reforms are working. The evaluations have both been published on BOCSAR's website.

The Early Appropriate Guilty Plea (EAGP) reform was intended to generate economic benefits for the criminal justice system, including by accelerating the timing of guilty pleas and avoiding wasted costs incurred by justice agencies preparing for trials that never occur. The economic benefits expected to be derived from the EAGP reform are outlined in more detail in the Audit report. The Department of Communities and Justice has also contracted external evaluations to undertake an economic evaluation of the EAGP reform to identify the realisation of quantifiable benefits to date. This will be completed shortly.³⁹

- 5.17 In response to Recommendation 5, the Department stated that the new data unit in the Courts, Tribunals and Service Delivery (CTSD) branch investigated the reporting of court support activities by other comparable States and determined that no further performance indicators regarding data quality were considered for the District Court⁴⁰.
- 5.18 The Committee was also interested to learn about the key performance indicators used to measure the performance of the court system and whether the result was published in the Department's annual report.
- 5.19 The Department responded that the annual report contained performance information, included as part of reporting on the 'State Outcome of Efficient and Effective Legal system'⁴¹.
- 5.20 In response to the options for improving the delivery of technical support to regional and rural courts, the Deputy Secretary stated that IT support staff were located in regional parts of the State, providing support to the rural and regional courts.⁴²

Auditor General's Comment

- 5.21 The Audit Office noted that the Department had made good progress and used a systematic approach in addressing the recommendations of the report. Of particular interest were the Department's management of data quality, the enabling of the system-wide view and the accuracy of data uploaded to JusticeLink. The Auditor-General was pleased to see improvements in data quality and acknowledged that the Department had adopted processes to improve data quality going forward.
- 5.22 The Auditor-General was also interested to see the economic benefits on the Early Appropriate Guilty Pleas [EAGP] reform given that they were defined quite clearly in the business case.

³⁹ Answer to supplementary question, Department of Communities and Justice, 10 December 2021, p 1.

⁴⁰ Answer to supplementary question, Department of Communities and Justice, 10 December 2021, p 1.

⁴¹ Answer to supplementary question, Department of Communities and Justice, 10 December 2021, p 1.

⁴² Submission 5, Department of Communities and Justice, p 8-9.

Committee Comment

- 5.23 The Committee commends the Department of Communities and Justice for its notable efforts in a difficult year. With the unprecedented and devastating impact of the global pandemic, the Committee appreciates the additional pressures on the Department's operational environment.
- 5.24 The Committee acknowledges and welcomes the Department's comprehensive response to the Audit report recommendations. In particular, the Committee looks forward to keeping a watching brief on the future economic benefits of the Early Appropriate Guilty Pleas [EAGP] Reform and the new key performance indicators to be reported on in the annual report.

Chapter Six – Ensuring contract management capability in government – HealthShare NSW

Introduction

- 6.1 HealthShare NSW (HealthShare) is a State-wide organisation established to provide shared services which support the delivery of patient care within the NSW Health system. In particular, it provides a range of services to assist Local Health Districts (LHDs) and other health agencies. This includes: human resources; financial services; food and patient support; linen services; procurement; patient transport; and make ready services.⁴³
- 6.2 The NSW Procurement Board is responsible for overseeing the government's procurement system, setting policy and monitoring compliance. The Board assesses the capability of the Ministry of Health and HealthShare and accredited the Health Administrative Corporation (HAC) to procure goods and services, with no maximum contract value.
- 6.3 Under the terms of the accreditation, the Secretary of NSW Health delegated the procurement of high-value (over \$250,000) goods and services contracts within NSW Health, to Ministry of Health and HealthShare.

The Performance Audit

- 6.4 The Auditor-General's 2019 Audit examined the effectiveness and capability of managing high-value goods and services contracts in the NSW Health system, including critical items for the day-to-day operations of hospitals. This encompassed value for money in the provision of food services, patient transport, intravenous equipment and kidney dialysis, paramount for patient safety and well-being.
- 6.5 The Audit assessed HealthShare against whether:
- HealthShare's systems, policies and procedures support effective contract management and are consistent with relevant frameworks, policies and guidelines; and
 - HealthShare has capable personnel to effectively conduct the monitoring activities throughout the life of the contract.

Major Audit Findings

- 6.6 The overall conclusions reached by the Audit Office were that there was a lack of capability in managing high-value goods and services contracts and inadequate implementation of key contract management elements in its own framework.

⁴³ HealthShare NSW, *About Us* [Website], <https://www.healthshare.nsw.gov.au/about>, (accessed on 16 December, 2021).

6.7 On the basis of the evidence obtained, the Audit Office found that:

- contract management plans for high-value goods and services procurement were a mandatory requirement in HealthShare's procurement framework, but over 80 per cent of its contracts did not have a contract management plan;
- the contract management tool, PROcure was not effectively used by HealthShare to record contract information and provide ongoing documentation of contract management;
- contract management practices were inadequate, as individual contract performance was not closely monitored;
- there was incomplete information in the HealthShare contract user guide;
- contract management responsibilities for some high-value contracts were delegated to the Local Health Districts (LHDs), in contravention of Ministry of Health procurement policy;
- there was limited guidance for contract managers to validate contract performance; and
- the Health Administration Corporation (HAC) failed to report non-compliance with the contract management requirements to the NSW Procurement Board.

Auditor-General's Recommendations

6.8 The Auditor-General made three recommendations addressed to the Ministry of Health and the Health Administration Corporation. These recommendations are set out in the table below:

Table 4: Recommendation made by the Auditor-General in the Ensuring management capability in government – HealthShare NSW performance audit report⁴⁴

No.	Recommendations
The Health Administration Corporation, by November 2019	
1	notify the NSW Procurement Board of the results of this audit in relation to the non-use of contract management plans as a trigger event under the Accreditation Program for Goods and Services Procurement.
The Health Administration Corporation, by May 2020	
2	work with NSW Procurement to develop a Trigger Event Action Plan to enable it to fully meet, by November 2020, its obligations under the Accreditation Program for Goods and Services Procurement.
NSW Health, by May 2020	

⁴⁴ NSW Auditor-General, Performance Audit Report, *Ensuring management capability in government – HealthShare NSW*, 31 October 2019, p 9.

3	<p>develop a performance improvement plan for HealthShare NSW to fully meet, by November 2020, its compliance with Ministry of Health procurement policies. The performance improvement plan should include:</p> <ul style="list-style-type: none"> • improving supplier performance management; • effectively using contract management tools, including contract management plans and PROcure; • ensuring LHD specific contracts are managed in line with Ministry of Health procurement policy; • developing a risk-based framework to validate performance information to assist contract managers to select and justify appropriate validation methods for performance information; and • improving customer user guides for whole of health head agreements by explaining the provisions of the contract relevant to customers as well as information on how customers can report performance issues to HealthShare NSW.
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Agency Response

6.9 In its response, the Ministry accepted all three recommendations, noting that the continuous impact of the COVID-19 pandemic on the State's health operations. The pandemic significantly affected the supply chain and contract management functions, in particular the volume of demand, safeguarding the criticality of supplies and maintaining the availability of specialist staff and resources⁴⁵.

6.10 The Department reported recommendation 1 as having been completed, with the NSW Procurement Board notified of the audit result on 20 November 2019.

6.11 Further to this, a Procurement Leadership Group meeting on 25 March 2021 agreed that the audit findings did not constitute a trigger event under the accreditation program for goods and services.

6.12 This was reinforced at the Committee's public hearing conducted on 22 November 2021 by the Chief Procurement Officer, NSW Health, who provided the following evidence:

Every year, as part of the accreditation program and the requirements for the accreditation program being completed, there is an attestation that must be completed and there is a checklist with a number of requirements that we have to go through including publishing our future procurement plans, including publishing any upcoming tenders, compliance with our contract management policy, as well as the delegation framework and financial delegations within Health. All of that is done on an annual basis, and it has been recognised that in the interim we have done a number of actions which are detailed in the submission—which we can go through step-by-step—that will probably provide some of those answers to say, "Well, in the interim, here is what we have done, but there is also a number of automation elements that we are going to be undertaking to ensure that we can complete that loop completely"⁴⁶.

⁴⁵ Submission 4, HealthShare NSW, p 1.

⁴⁶ Mr Michael Gendy, Chief Procurement Officer, NSW Health, Transcript of evidence 22 November 2021, p 21.

- 6.13 In supplementary evidence provided to the Committee, NSW Health provided a detailed list of occurrences leading to trigger events, defined as situations potentially affecting an accredited agency's ability to meet accreditation requirements. The monitoring of such events is also described in the supplementary information provided, along with a description of the relationship between NSW Health and the NSW Procurement Board⁴⁷.
- 6.14 In response to recommendation 2, the Procurement Leadership Group agreed that the audit findings did not constitute a trigger event and subsequently a Trigger Event Action Plan was not required. The Ministry of Health engaged Ernst and Young to review and develop a procurement system for whole of NSW Health to maximise value and support the achievement of improved patient outcomes.
- 6.15 The review was underpinned by seven primary objectives for the NSW Health Procurement Reform, in order to:
- improve clinical/ patient outcomes through value-based healthcare;
 - clarify and realign NSW Health procurement roles and responsibilities;
 - revise and improve NSW Health procurement policies;
 - increase the efficiency and effectiveness of the NSW Health procurement and supply chain;
 - improve NSW Health operations and reduce procurement-related risks;
 - align and support Whole of Government Procurement Reform; and
 - optimise NSW Health procurement spend and achieve financial savings.
- 6.16 The Governance Framework for the Procurement Reform Program of work has been established. The NSW Health Procurement Reform Steering Committee is continuing to monitor the NSW Health Future Health Delivery Program⁴⁸.
- 6.17 NSW Health provided additional elaboration concerning trigger event responses, the procurement reform program, and monitoring of the accreditation program by the NSW Procurement Leadership Group, in written responses to Committee question following the public hearing⁴⁹.
- 6.18 In response to recommendation 3, the Department reported on the development and implementation of a range of actions, as set out in the table below:

⁴⁷ Answer to supplementary question, NSW Health, 22 February 2022, pp 1-2.

⁴⁸ Submission 4, HealthShare NSW, pp 4-5.

⁴⁹ Answer to supplementary question, NSW Health, 22 February 2022, pp 2-3.

Table 5 – NSW Health response to Audit report Recommendation 3

Name/ Description	Action	Date
Improving supplier performance	Completed A consistent approach to supplier performance management for all high-risk contracts has been implemented	May 2020
Effectively using contract management tools, including contract management plans and PROcure	Partially complete A detailed contract management plan was developed and approved by the management Most of the high risk, high value contracts had been uploaded into PROcure The PROcure enhancement project was in place to improve the functionality and capabilities of the contract management software. The roll-out of the implementation to Health Entities was from 1 December 2020	May 2020 1 December 2020
Ensuring LHD specific contracts are managed in line with Ministry of Health procurement policy	Partially complete In progress	Ongoing
Developing a risk-based framework to validate performance information to assist contract managers to select and justify appropriate validation methods for performance information	Completed A risk assessment tool has been developed to rate and rank contracts	May 2020
Improving customer user guides for whole of health head agreements by explaining the provisions of the contract relevant to customers as well as information on how customers can report performance issues to HealthShare NSW	Completed The Contract User Guide (CUG) template has been updated to reflect the audit findings.	May 2020

6.19 At the public hearing conducted on 22 November 2021, the Chief Procurement Officer, NSW Health advised the Committee that the Department is on track to effectively deploy contract management tools and LHD specific contracts:

... a detailed plan was developed and approved by the former executive director of Strategic Procurement in HealthShare for uploading relevant contract management artefacts and implementing improved functionality in PROcure. HealthShare NSW currently has panel arrangements in place for head agreements which are established by HealthShare NSW, and contracts within the local health districts. That panel arrangements template has been updated, where relevant, to reflect the findings in the audit report. In 2019 the Strategic Procurement Services group within HealthShare began uploading their panel agreements and contracts to PROcure, with the primary purpose of giving managers across NSW Health access to these contracts. These contracts were uploaded into the cure module, which is basically what we call that model, which is accessible to all registered users of PROcure. This module historically did not have the management capability, but that has been upgraded, and the primary purpose at that stage was to only list contracts that are greater than 150; however, that is now being utilised for more contracts in this.

Since then, 62 medical contracts worth approximately \$5.42 billion, and 23 corporate contracts worth \$1.29 billion have been uploaded into PROcure, and documents that are currently maintained in PROcure under each panel agreement or contract include panel head agreements, contract user guides, supply performance reports, contract deeds and contract variations ...

... the contract management functionality for local health districts was put into the PROcure test environment in November 2020 for testing and a pilot was completed with Murrumbidgee Local Health District, Sydney Local Health District and Mid North Coast Local Health District. The pilot sites tested contract management workspaces, supply performance assessments and the analytics dashboard. Feedback from these agencies was obtained and configuration was revised accordingly. The pilot sites approved the additional functionality in principle and is ready to be rolled out. Phase one will comprise of the pilot sites, followed by phase two comprising six to seven LHDs with the most experience in using PROcure and, following that, phase three will see the training delivered to the remaining NSW Health entities. It is anticipated that the complete rollout will take approximately nine months from the commencement to the completion. So I guess, in summary, there has been quite a lot of work done within the PROcure framework.

- 6.20 The Department acknowledged that the reform program was developed in response to the Auditor-General's report and that it seeks to further strengthen the NSW Health system-wide contract management capability.

Auditor General's Comment

- 6.21 The Audit Office made extensive comments in relation to the implementation of the recommendations and noted the need for more information in several areas.
- 6.22 Specifically, it was considered that more information should be sought in relation to defining a trigger event under the NSW Procurement accreditation scheme and further details on the NSW Health's procurement reform program. A subsequent written response provided additional information to clarify the circumstances determining trigger events, procurement compliance monitoring and details of its accreditation program.

Committee Comment

- 6.23 The Committee commends the efforts by NSW Health to address the issues identified by the performance audit, particularly during the challenging period of the COVID-19 pandemic.
- 6.24 The Committee is satisfied that the NSW Health has addressed the intent of the recommendations made in the Audit report.

Appendix One – Terms of reference

Under section 57 of the *Government Sector Audit Act 1983*, the functions of the Public Accounts Committee includes the examination of any report of the Auditor-General laid before the Legislative Assembly and any circumstances connected with those reports.

Government Sector Audit Act 1983

57 Functions of the Committee

(1) The functions of the Committee are: ...

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

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

At its meeting on 16 September 2021, the Committee adopted the following terms of reference:

That the Committee inquires into and reports on any circumstances connected with the following reports of the Auditor-General which the Committee considers ought to be brought to the notice of the Legislative Assembly:

- Report 326 – Mental Health Services Planning for Aboriginal people in NSW
- Report 327 – Ensuring teaching quality in NSW Public Schools
- Report 328 – Ensuring contract management capability in government – HealthShare NSW
- Report 329 – Supporting the District Criminal Court
- Report 330 – Integrity of data on the Births, Deaths and Marriages Registry
- Report 331 – Local Decisions, needs-based equity funding
- Report 332 – Destination NSW's support for major events
- Report 333 – Train Station Crowding
- Report 334 – Funding Enhancements for Police Technology
- Report 335 – CBD and South East Light Rail

Appendix Two – Submissions

1	NSW Health
2	Department of Education
3	NSW Education Standards Authority NESA
4	HealthShare NSW
5	Department of Communities and Justice
6	Department of Customer Service
7	Department of Education
8	Destination NSW
9	Transport for NSW
10	NSW Police Force
11	Transport for NSW

Appendix Three – Witnesses

22 November 2021, Jubilee Room, Parliament House, Sydney

Witness	Organisation
Mr Matthew Longland Chief Executive, Sydney Trains	Transport for NSW
Mr Adam Berry Executive Director, Customer Journey Planning, Greater Sydney	Transport for NSW
Mr Paul McCormick Executive Director, East Sydney Project Officer, Infrastructure and Place	Transport for NSW
Mr Steven Issa Executive Director, Community and Place, Greater Sydney	Transport for NSW
Mr Steve Bennett Business Partner, IP	Transport for NSW
Ms Catherine D'Elia Acting Secretary	Department of Communities and Justice
Mr Alfa D'Amato Acting Deputy Secretary, Financial Services and Asset Manager and Chief Financial Officer	Ministry of Health, NSW Health
Ms Carmen Rechbauer Chief Executive	HealthShare NSW, NSW Health
Mr Michael Gendy Chief Procurement Officer	Ministry of Health, NSW Health

Appendix Four – Extracts from minutes

MINUTES OF MEETING No. 28

16 September 2021

9.47 am, via Webex

Members Present:

Mr Greg Piper (Chair), Mrs Tanya Davies (Deputy Chair), Mr Justin Clancy, Mr Ryan Park

Officers in attendance:

Bjarne Nordin, Nicolle Gill, Leon Last, Candy Lee, Ze Nan Ma, Cheryl Samuels

1. Apologies

Mr Lee Evans, Mr Gurmesh Singh

2. Minutes of Meeting No. 27

Resolved, on the motion of Mr Clancy, seconded by Mrs Davies, That the draft minutes of deliberative meeting No. 27 of 12 August 2021 be agreed to.

3. ***

4. ***

5. Consideration of Performance Audit Reports

Resolved, on the motion of Mr Park, seconded by Mr Clancy, That the Committee writes to the agencies identified in the recommendations table provided, requesting responses to information about the current status and action taken on the issues identified.

Resolved, on the motion of Mr Park, seconded by Mr Clancy, That the Committee requests representatives of further identified agencies to provide additional information at a public hearing at a time and date to be determined.

6. ***

7. ***

8. ***

9. Next meeting

The Committee adjourned at 10.17 am until 9.30 am on Friday 17 September 2021, via video conference.

MINUTES OF MEETING No. 30

21 October 2021

9.45 am, via Webex video conference

Members Present:

Mr Greg Piper (Chair), Mrs Tanya Davies (Deputy Chair), Mr Lee Evans, Mr Ryan Park

Officers in attendance:

Leon Last, Bjarne Nordin, Candy Lee, Ze Nan Ma, Cheryl Samuels, Anna Tran

1. Apologies

Mr Justin Clancy, Mr Gurmesh Singh

2. Minutes of Meeting No. 29

Resolved, on the motion of Mr Park, seconded by Mr Evans:

That the draft minutes of deliberative meeting No. 29 of 17 September 2021 be agreed to.

3. ***

4. Examination of Performance Audit Reports, August 2019 - June 2020

4.1 Publication of submissions

Resolved, on the motion of Mr Park, seconded by Mr Evans:

That the submissions from agencies responding to recommendations made in connection with the Auditor-General's performance audit reports August 2019 to June 2020 be received and authorised for publication and published on the Committee's webpage.

4.2 Public hearing on 22 November 2021

Resolved, on the motion of Mr Evans, seconded by Mr Park:

- That the Committee authorises the audio-visual recording and broadcasting of the public hearing on 22 November 2021 in accordance with the NSW Legislative Assembly's guidelines for coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That the corrected transcript of evidence given on 22 November 2021 be authorised for publication and uploaded on the Committee's website.
- That witnesses be requested to return answers to questions taken on notice within 14 days of the date on which the questions are forwarded, and that once received, answers be published on the Committee's website.

5. ***

6. ***

7. Next meeting

The Committee adjourned at 10.15 am until 9.30 am on Thursday 18 November 2021 in the Macquarie Room.

MINUTES OF MEETING No. 31

18 November 2021

9.30 am, Macquarie Room and via Webex videoconference

Members Present:

Mr Greg Piper (Chair), Mrs Tanya Davies (Deputy Chair), Mr Lee Evans, Mr Gurmesh Singh, Mr Ryan Park (by videoconference)

Officers in attendance:

Bjarne Nordin, Candy Lee, Cheryl Samuels, Anna Tran, Ze Nan Ma, Nicole Gill

AGENDA

1. Apologies

Mr Justin Clancy

2. Minutes of Meeting No. 30

Resolved, on the motion of Mrs Davies, seconded by Mr Evans: That the draft minutes of deliberative meeting No. 30 on 21 October 2021 be agreed to.

3. Correspondence

3.1. ***

3.2. The Committee noted the following correspondence:

Performance Audit Responses

- Response from the Secretary, Dept of Customer Service - Auditor-General's Performance Audit Report - Integrity of data on the Births, Deaths and Marriages Registry – dated 8 November 2021
- ***
- Response from NESA providing update on the Auditor-General's report Ensuring teaching quality in NSW public schools, dated 28 October 2021.
- Response from Destination NSW providing update on the Auditor-General's report Destination NSW's support for major events, dated 18 October 2021.

4. Examination of Performance Audit Reports, August 2019 - June 2020

4.1. Publication of submissions

Resolved, on the motion of Mr Singh, seconded by Mrs Davies: That the submissions from agencies responding to recommendations made in connection with the Auditor-General's performance audit reports August 2019 to June 2020 be received and authorised for publication and published on the Committee's webpage.

5. ***

6. ***

7. ***

8. ***

9. Next meeting

The Committee adjourned at 10.14 am until the Public Hearing at 9.00 am on Monday 22 November in the Jubilee Room and via Webex videoconference.

MINUTES OF MEETING No. 32

22 November 2021

9.00 am, Jubilee Room and via Webex videoconference

Members Present:

Mr Greg Piper (Chair), Mrs Tanya Davies (Deputy Chair) (by videoconference), Mr Justin Clancy (by videoconference), Mr Lee Evans, Mr Ryan Park (by videoconference), Mr Gurmesh Singh

Officers in attendance:

Leon Last, Bjarne Nordin, Candy Lee, Cheryl Samuels, Anna Tran, Ze Nan Ma, Nicolle Gill

1. Examination of Performance Audit Reports, August 2019 - June 2020 - Public Hearing

The public were admitted.

The public hearing commenced at 9.00 am and the Chair made a short opening statement.

The following witnesses representing the Audit Office of NSW were admitted:

- Ms Margaret Crawford, Auditor-General, Audit Office of NSW, affirmed and examined.
- Mr Ian Goodwin, Deputy Auditor-General, Audit Office of NSW, sworn and examined.
- Ms Claudia Migotto, Assistant Auditor-General, Head of Performance Audit, Audit Office of NSW, affirmed and examined.

Transport for NSW - Train Station Crowding

The following witnesses representing Transport for NSW were admitted:

- Mr Matthew Longland, Chief Executive, Sydney Trains, Transport for NSW, affirmed and examined.
- Mr Adam Berry, Executive Director, Customer Journey Planning, Greater Sydney, Transport for NSW, affirmed and examined.

Mr Longland made an opening statement.

Evidence concluded, the witnesses withdrew.

Transport for NSW - CBD and South East Light Rail

The following witnesses representing Transport for NSW were admitted:

- Mr Paul McCormick Executive Director, East Sydney Project Officer, Infrastructure and Place, Transport for NSW, sworn and examined.
- Mr Steven Issa Executive Director, Community and Place, Greater Sydney, Transport for NSW, sworn and examined.
- Mr Steve Bennett Business Partner, IP, Transport for NSW, affirmed and examined.

Mr Issa made an opening statement.

Evidence concluded, the witnesses withdrew.

Department of Communities and Justice - *Supporting the District Criminal Court*

The following witness representing the Department of Communities and Justice was admitted:

- Ms Catherine D'Elia, Acting Secretary, Department of Communities and Justice, sworn and examined.

Ms D'Elia made an opening statement.

Evidence concluded, the witness withdrew.

NSW Health – HealthShare NSW - *Ensuring contract management capability in government*

The following witnesses representing NSW Health were admitted:

- Mr Alfa D'Amato, Acting Deputy Secretary, Financial Services and Asset Manager and Chief Financial Officer, Ministry of Health, NSW Health, sworn and examined.
- Ms Carmen Rechbauer, Chief Executive, HealthShare NSW, NSW Health, sworn and examined.
- Mr Michael Gendy, Chief Procurement Officer, Ministry of Health, NSW Health, sworn and examined.

Ms Rechbauer made an opening statement.

Evidence concluded, the witnesses withdrew.

2. Minutes of Meeting No. 31

Resolved by the motion of Mr Evans, seconded by Mr Singh: That the draft minutes of deliberative meeting No. 31 on 18 November 2021 be agreed to.

3. Next meeting

The Committee adjourned at 11.15 am until 9.30 am, Thursday 24 February 2022 in Committee Room 1254, Parliament House.

MINUTES OF MEETING No. 33

31st March 2022

9.35 am, Meeting Room 1254 + WebEx

Members Present:

Mr Greg Piper (Chair), Mr Lee Evans, Ms Melanie Gibbons (via teleconference), Mr Dave Layzell, Mr Ryan Park (via Webex), Mr Ray Williams

Officers in attendance:

Clara Hawker, Bjarne Nordin, Anna Tran, Amy Pond, Nicolle Gill

AGENDA

1. Apologies

Nil

2. Committee Membership

The Chair announced the appointment of Melanie Gibbons, Dave Layzell and Ray Williams as members of the Committee, in place of Justin Clancy, Tanya Davies, and Gurmesh Singh.

3. Election of Deputy Chair

The Chair called for nominations for Deputy Chair of the Committee.

Resolved, on the motion of Mr Williams, seconded by Ms Gibbons:
That Mr Layzell be elected Deputy Chair of the Committee.

4. Correspondence

4.1. ***

4.2. The Committee noted the following correspondence:

- Response from NSW Health to Questions on Notice and Supplementary Questions following public hearing in relation to the Performance Audit (328) – '*Ensuring contract management capability in government*', dated 22 February 2022
- Response from NSW Police Force (NSWPF) in relation to Performance Audit (334) – '*Funding Enhancements for Police Technology*', dated 2 December 2021
- Response from NSW Department of Education in relation to Performance Audit (327) – '*Ensuring teaching quality in NSW public schools*', dated 18 November 2021
- Response from NSW Department of Education in relation to Performance Audit (331) – '*Local Schools, Local Decisions: needs-based equity funding*', dated 12 November 2021

5. Minutes of Meeting No. 32

Resolved, on the motion of Mr Evans, seconded by Mr Park: That the draft minutes of deliberative meeting No. 32 on 18 November 2021 be agreed to.

6. ***

7. Examination of Auditor-General's Performance Audit Reports August 2019 to June 2020

The Committee to consider the Chair's draft report on the Examination of Auditor-General's Performance Audit Reports August 2019 to June 2020.

Resolved, on the motion of Mr Williams, seconded by Mr Layzell:

- That the Committee adopts Chapters 1 to 6 of the Chair's Draft Report.
- That the Committee adopts the recommendations of the Chair's Draft Report.
- That the Committee adopts the draft report and signed by the Chair for presentation to the House, and authorises Committee staff to make appropriate final editing and stylistic changes as required.
- That once tabled, the report be published on the Committee's webpage.

8. ***

9. ***

10. ***

11. Next meeting

The Committee adjourned at 10.45 am until the Deliberative Meeting at 9.30 am on Thursday, 19 May 2022.