

Public Accounts Committee



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ASSEMBLY

Accountability measures for decision-making: Critical Communications Enhancement Program



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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

Major public infrastructure projects are usually highly complex and require significant public funds, resources and long timeframes to deliver. As such, it is crucial they are subject to rigorous standards of accountability and transparency.

I am pleased to table this report on the Critical Communications Enhancement Program (CCEP), the first infrastructure project examined by the Public Accounts Committee as part of its ongoing inquiry into accountability measures for major public infrastructure projects.

The CCEP is an important initiative by the NSW Telecommunications Authority to deliver a single radio network for Emergency Service Organisations (ESOs), both for internal communications and to communicate with each other. This includes during day-to-day operations and in emergencies like natural disasters. The CCEP will enhance the existing Public Safety Network (PSN) by expanding its geographic and population radio coverage. By doing so, it strives to better equip ESOs to respond to critical incidents and disasters, promoting the safety and resilience of communities across New South Wales.

However, as our inquiry has revealed, the delivery of the CCEP has faced significant challenges.

The Auditor-General for NSW tabled a performance audit report in 2023 entitled *Management of the Critical Communications Enhancement Program*. This performance audit highlighted a lack of transparency around the increasing capital cost of the CCEP. The CCEP's estimated capital cost ballooned from \$400 million in 2016 to \$1.325 billion in the 2021-22 Budget. The project completion date has also been significantly delayed from 2020 to 2027.

These cost escalations and delays, coupled with concerns about transparency in decision-making and benefits realisation, underscore the need for improved accountability measures in the planning and delivery of major infrastructure projects.

The Committee's examination of the CCEP, as well as the Auditor-General's report, highlighted issues with business case processes, including insufficient market testing, incomplete information and a lack of engagement with key stakeholders. These shortcomings contributed to significant cost and schedule overruns and raise important questions about the governance and oversight of the program.

They also raise fundamental questions about the purpose, nature and objective of major government business cases which can cost millions of dollars of public funds and resources.

We note that the Government has recently announced a new framework governing business cases for major infrastructure projects that aims to improve effectiveness and efficiency, while clarifying that the primary purpose of business cases is to set out the evidence needed to inform government investment decisions. In our report, we have asked the Government to provide this Committee with a comprehensive description of the most current policies and procedures in respect of businesses cases for major projects.

Our inquiry also revealed a troubling lack of transparency in respect of changes to the program's scope and budget. Despite significant capital cost increases being known to the former NSW Government, they were not fully communicated to Parliament or the public until

years later. This lack of visibility can undermine trust in government decision-making and limits the ability of oversight bodies to monitor the progress and effectiveness of critical projects.

The delayed rollout of the CCEP is impacting Emergency Service Organisations who rely on the PSN during emergency operations. We heard that these organisations have incurred significant costs to upkeep their individual existing radio systems, some of which were described as 'aging' or 'end-of-life'. In some cases, Emergency Service Organisations have separately invested in new technologies to meet shortfalls in radio communications areas not yet covered by the enhanced PSN.

It is also unclear what tracking and reporting of the CCEP's intended benefits and cost-savings, as set out in the business case, is taking place. While the program promises significant improvements - such as enhanced geographic and population coverage, increased interoperability and reduced operational costs - the Committee could not determine whether the realisation of benefits, other than land and population coverage, are being tracked while the CCEP is being delivered. It was also unclear whether there will be any public reporting of benefits realised once the CCEP is complete. We also received conflicting evidence on which agency is responsible for tracking and monitoring cost saving benefits.

We recommend the NSW Government report on the annual and lifetime benefits and cost savings achieved from the CCEP.

We also recommend that a thorough post implementation review is conducted when the CCEP is complete. This should include an assessment of the business case benefits realised. This information should also be made available to the Parliament of NSW and the public.

We note that while leadership changes and staff turnover are normal for long term infrastructure projects, the departure of staff with direct knowledge of key decisions and their context, can make accountability challenging. The Committee will consider regular reporting over the course of a project to address this issue as part of the next inquiry phase.

Despite these issues, the Committee recognises the commitment and professionalism of the many individuals and organisations involved in the delivery of the CCEP. Emergency Service Organisations have been instrumental in supporting the program's progress, demonstrating their dedication to improving public safety for the people of New South Wales.

The findings and recommendations presented in this interim report are not limited to the CCEP but have broader implications for how major public infrastructure projects are planned, funded and managed. With NSW facing increasing challenges, including risks associated with technological disruption, the lessons from the CCEP as a complex, multi-stakeholder, long-term and highly technical project are crucial. It is imperative that we build a framework of governance and accountability that ensures public investments deliver meaningful and lasting benefits to our communities.

We support the implementation of all the Auditor-General's recommendations. We recommend that the NSW Telecommunications Authority establish an appropriate forum to support adequate ongoing governance arrangements following the conclusion of the CCEP. We also recommend that the NSW Telecommunications Authority ensures technical and governance arrangements are in place to support encryption and interoperability as part of the CCEP.

Noting the risks to radio coverage inside buildings and large infrastructure, the NSW Government should consult on whether there should be a legislative requirement of adequate in-building radio coverage in non-government infrastructure projects for public safety reasons.

I extend my sincere gratitude to the individuals and organisations who contributed to this inquiry, including those who provided submissions and gave evidence before the Committee. Your insights and expertise have been crucial in shaping the findings and recommendations of this report. I also thank my fellow Committee members for their diligence and commitment throughout this process, as well as the Secretariat staff for their invaluable support.

Jason Yat-Sen Li MP

Chair

Findings and recommendations

Finding 1	1
The Committee noted a number of issues with business case and business case assurance processes and will continue to look into these issues as part of its ongoing inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW.	
Recommendation 1	1
The NSW Government should provide the Public Accounts Committee with detailed information on current business case and business case assurance and accountability processes including any recent and ongoing improvements.	
Finding 2	1
The 2016 business case for the Critical Communications Enhancement Program was not developed with sufficiently accurate or complete information, including market testing or engagement with experts.	
Finding 3	1
The lack of clarity on the Critical Communications Enhancement Program's various business cases makes it difficult to establish their purpose, which in turn limits the overall accountability for the decision-making process.	
Finding 4	7
Material changes in the scope or assumptions underpinning a business case, such as significant capital increases, are not transparent to the Parliament of NSW nor the public.	
Finding 5	7
There is a lack of documentation to support decisions regarding changes to the scope of the Critical Communications Enhancement Program.	
Finding 6	11
Business case costs are reported differently in the 'Management of the Critical Communications Enhancement Program' performance audit and by NSW Telco Authority and NSW Treasury.	
Finding 7	11
The current infrastructure assurance processes do not provide sufficient transparency to the Parliament of NSW or the public.	
Finding 8	14
It is unclear whether the realisation of benefits, other than land coverage and population coverage, are being tracked and monitored as the Critical Communications Enhancement Program is being rolled out.	

Finding 9 _____ 14

It is unclear whether the realisation of benefits will be reported to the Parliament of NSW or the public once the Critical Communications Enhancement Program is completed.

Recommendation 2 _____ 14

The NSW Telecommunications Authority should track and monitor the realisation of benefits, including land and population coverage, during the roll out of the Critical Communications Enhancement Program. This information should be annually reported to the Parliament of NSW and be made publicly available while the program is being delivered.

Recommendation 3 _____ 14

Once the Critical Communications Enhancement Program is completed, a post implementation review, including an assessment of the business case benefits realised should be performed and reported to the Parliament of NSW and be made publicly available.

Finding 10 _____ 17

It is unclear which agency is monitoring and reporting on the cost savings achieved by the Critical Communications Enhancement Program to date. It is also unclear which agency will report on the cost savings achieved across the whole of government from the completion of the Critical Communications Enhancement Program.

Recommendation 4 _____ 18

Each year until completion, the NSW Government should report the annual and lifetime cost savings achieved from the Critical Communications Enhancement Program.

Finding 11 _____ 19

Long term infrastructure projects, such as the Critical Communications Enhancement Program, are likely to involve key agency staff turnover and change, which can make it challenging to ensure accountability.

Finding 12 _____ 21

The Committee finds it unusual that the NSW Telco Authority was tasked with delivering the CCEP in 2016, given the relatively small size of its existing non-current asset portfolio.

Finding 13 _____ 23

The delay to the implementation of the Critical Communications Enhancement Program is impacting the operations of Emergency Service Organisations.

Finding 14 _____ 26

With the rapid pace of progress in technology there should be greater certainty around the expected Critical Communications Enhancement Program's completion date to support informed investment decisions around whether new technologies may become more suitable (for use in regional NSW).

Recommendation 5 _____ 34

That the NSW Telecommunications Authority ensures technical and governance arrangements are in place to support encryption and interoperability as part of the Critical Communications Enhancement Program delivery.

Recommendation 6 _____ 37

That the NSW Government undertake consultation to consider legislative change to require in-building radio coverage in non-government infrastructure projects for public safety.

Recommendation 7 _____ 39

That the NSW Telecommunications Authority re-instate a NSW Telecommunications Authority led working group or identify an existing governance forum, with Emergency Service Organisation representation, to support appropriate governance arrangements following the completion of the Critical Communications Enhancement Program.

Chapter One – Business case processes

Accuracy and purpose of business cases

Finding 1

The Committee noted a number of issues with business case and business case assurance processes and will continue to look into these issues as part of its ongoing inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW.

Recommendation 1

The NSW Government should provide the Public Accounts Committee with detailed information on current business case and business case assurance and accountability processes including any recent and ongoing improvements.

Finding 2

The 2016 business case for the Critical Communications Enhancement Program was not developed with sufficiently accurate or complete information, including market testing or engagement with experts.

Finding 3

The lack of clarity on the Critical Communications Enhancement Program's various business cases makes it difficult to establish their purpose, which in turn limits the overall accountability for the decision-making process.

- 1.1 In September 2023, the Public Accounts Committee (the Committee) resolved to inquire into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW. In October 2023, the Committee resolved to consider the Critical Communications Enhancement Program as the initial focus of this inquiry. The following report outlines findings and recommendations from the inquiry thus far and highlights issues which the Committee will continue to examine in the second half of its inquiry, when it focuses on other projects.
- 1.2 This inquiry has examined the accountability measures in place for decision-making in respect to the delivery of a major infrastructure program, the Critical Communications Enhancement Program (CCEP). The inquiry follows the tabling of the Auditor-General for NSW's report *Management of the Critical Communications Enhancement Program* (the Audit Report) in June 2023. The Audit Report assessed whether the CCEP is being effectively managed by the NSW Telco Authority (the Authority) to deliver its objectives.
- 1.3 The Committee has looked into the business case processes for the CCEP, and also the business case processes that apply more broadly to major government infrastructure investment decisions. Several key issues surrounding the accuracy, scope and purpose of business cases have been highlighted.

- 1.4 The CCEP is a program being delivered by the Authority to expand and enhance the Public Safety Network (PSN). The CCEP's objective is to provide a single network for Emergency Services Organisations (ESOs) to communicate with each other and coordinate responses to critical incidents and disasters.¹
- 1.5 This interim report for the inquiry focuses on the CCEP. The Committee found several issues on the business case and business case assurance processes which it will consider further as part of the future focus of this inquiry.
- 1.6 The Committee recommends that the NSW Government provides detailed information to the Committee on business case and business case assurance processes including any recent and ongoing improvements.
- 1.7 The Committee will consider recommendations to strengthen the business case process as part of the future focus of this inquiry.

Accuracy of the original business case

- 1.8 The original business case for the CCEP was approved in 2016, had an estimated capital cost of \$400 million and was scheduled for completion in 2020. In the 2022-23 NSW Budget the estimated capital cost had increased by 223 per cent to \$1.293 billion,² and is now scheduled for delivery in 2028, eight years later than anticipated.³
- 1.9 The increase is even greater when considering the Audit Report's estimate that the full cost to government of implementing the enhanced PSN consistent with the original proposal is over \$2 billion.⁴ Based on the Audit Reports' estimate, the estimated cost has increased by at least 400 per cent.
- 1.10 The Audit Report identified four business cases and program reviews prepared by the Authority since the CCEP was established, along with their estimated capital costs to fully implement the CCEP.⁵

¹ NSW Telco Authority, [Critical Communications Enhancement Program](#), viewed 6 November 2024. The five primary Emergency Services Organisations using the Public Safety Network are NSW Ambulance, Fire and Rescue NSW, NSW Police Force, NSW Rural Fire Service and NSW State Emergency Service.

² Audit Office of NSW, [Management of the Critical Communications Enhancement Program](#), June 2023, p 11.

³ NSW Treasury, [Budget Paper No.3 Infrastructure Statement](#), 2024-25 NSW Budget, 2024, p 4 – 24.

⁴ [Management of the Critical Communications Enhancement Program](#), pp 8, 35.

⁵ [Management of the Critical Communications Enhancement Program](#), p 32.

- 1.11 These estimates are compared to estimated total costs disclosed in the subsequent NSW Budget, see *Table 1*.⁶

Business case or program review	Estimated capital cost to fully implement the CCEP	NSW Budget Paper	Estimated Total Cost
March 2016 Business case	\$400 million	2016-17	\$63.3 million
November 2017 Internal review	\$476.7 million	2018-19	\$426.8 million
March 2020 Business case	\$950 - \$1,050 million	2020-21	\$664.8 million
October 2020 Business case	\$1.263 billion	2021-22	\$1.325 billion

Table 1: Business case estimates and estimated totals costs for the CCEP

- 1.12 At the time of the inquiry, the NSW Telco Authority stated there has been five business cases for the CCEP since the original 2016 business case.⁷
- 1.13 The Committee was concerned to see the large disparity between the original business case and the current estimated costs, and questioned the completeness and the quality of the information that was used to develop the original business case.
- 1.14 The Authority and the NSW State Emergency Service reported that there was not sufficient market testing or a deep market analysis to inform the original business case.⁸
- 1.15 The Authority reported that the 2016 business case was submitted 'before the program had been to market and completed detailed delivery design'. The original business case estimate was informed by costs from a small number of sites that had been completed by the Authority as well as input from 'subject matter experts with industry experience'.⁹
- 1.16 The NSW State Emergency Service told the Committee that deeper market analysis at the time could have improved understanding of what the project would cost,¹⁰ and Fire and Rescue NSW noted that a better understanding the true requirements was needed at the start of the program.¹¹ Both agencies proposed the model of using 'seed funding', a small investment amount for early

⁶ [Answers to questions on notice](#), NSW Treasury, 24 April 2024, p 1.

⁷ [Answers to questions on notice](#), NSW Telco Authority, 18 April 2024, p 2.

⁸ [Answers to further supplementary questions](#), NSW Telco Authority, 24 July 2024, p 4; Mr Stephen McRobert, Director ICT & Chief Information Officer, NSW State Emergency Service, [Transcript of evidence](#), 11 June 2024, p 25.

⁹ [Answers to further supplementary questions](#), NSW Telco Authority, 24 July 2024, p 4.

¹⁰ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 25.

¹¹ Mr Rob Hilditch, Executive Director Information Technology, CIO, Information Technology, Fire and Rescue NSW, [Transcript of evidence](#), 11 June 2024, p 22.

discovery work, to understand the program's requirements and scope, before the business case sign off.¹²

- 1.17 Mr Stephen McRobert, Director ICT and Chief Information Officer, NSW State Emergency Service, explained what a seed-funded process could have looked like:
- To do a seed-funded project to actually fully understand—to go out there and build these sites and understand all the costs and the hurdles it takes in—firstly, in finding a site, getting an agreement in place, designing and then building it—would allow to you have a better understanding, on scale, of what that cost would be.¹³
- 1.18 Mr Rob Hilditch, Executive Director Information Technology, CIO, Information Technology, Fire and Rescue NSW observed that for future programs, agreement and understanding of the project scope and getting users requirements first before committing to a cost would be important.¹⁴
- 1.19 In 2016, the NSW Police Force provided the NSW Telco Authority with a complete set of requirements to migrate the NSW Police Force to the PSN. The NSW Police Force made it clear in these requirements and in subsequent engagements with the NSW Telco Authority that these requirements needed to be satisfied before they would migrate to the PSN.¹⁵
- 1.20 Assistant Commissioner Stacey Maloney, APM, Commander, Technology and Communication Services Command, NSW Police Force, advised that 'it was the NSW Police Force position that unless [the CCEP] was same if not better there wouldn't be a migration'.¹⁶
- 1.21 The Assistant Commissioner further stated that in 2016 the NSW Police Force's 'network was going to be significantly better than what was going to be delivered in the PSN'.¹⁷
- 1.22 In addition, Mr Paul Barnes, Director, IT Operations and Communications, Information Technology, Fire and Rescue NSW observed that a clear set of ESO requirements was not obtained until the beginning of 2018.¹⁸ This was almost two years after the 2016 business case had been approved.
- 1.23 The Committee notes that if these ESOs did not migrate to the CCEP, it would likely have a significant impact on the business case.

¹² Mr Hilditch, [Transcript of evidence](#), 11 June 2024, p 22; Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 28.

¹³ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 28.

¹⁴ Mr Hilditch, [Transcript of evidence](#), 11 June 2024, p 22.

¹⁵ [Answers to questions on notice](#), NSW Police Force, 27 June 2024, p 2.

¹⁶ Assistant Commissioner Stacey Maloney APM, Commander, Technology and Communication Services Command, NSW Police Force, [Transcript of evidence](#), 11 June 2024, p 11.

¹⁷ Assistant Commissioner Maloney APM, [Transcript of evidence](#), 11 June 2024, p 13.

¹⁸ Mr Paul Barnes, Director, IT Operations and Communications, Information Technology, Fire and Rescue NSW, [Transcript of evidence](#), 11 June 2024, p 21.

- 1.24 The Authority clarified that the original business case had an estimated 65 per cent probability that its scope could be delivered within the allocated budget.¹⁹
- 1.25 The Committee was concerned to hear of the low probability of delivering the 2016 business case scope within its budget. The Committee is interested to know if the practise of accepting low accuracy for estimated costs may be a recurring issue in business cases processes. It intends to consider this further in future aspects of this inquiry.
- 1.26 The Audit Report noted that Infrastructure NSW, who perform an assurance function on major NSW Government infrastructure projects and programs, identified that poor quality of site information, poor quality engagement and delivery by vendors, extended time taken to recruit the required project leadership and adequacy of project costings were reasons for the program's delay.²⁰
- 1.27 The Committee acknowledges the impact that significant events such as the COVID-19 pandemic or various natural disasters had on the delivery of the CCEP, the impact of which will discussed in more detail further at Chapter 3.
- 1.28 However, the Committee is of the position that an increase of over \$1 billion, or an increase of at least 200 per cent of the estimated cost is an indication that the original business case was not accurate, leading the Committee to question the purpose of the original business case.
- 1.29 The Committee is also concerned about the lack of transparency of the changing costs and timeline for this project. There has been limited visibility to the Parliament of NSW and public of the CCEP business cases including their assurance, and the benefit realisations.

Purpose of a business case

- 1.30 If the original business case was not developed with sufficiently accurate or complete information, and given the lack of transparency in business case processes, it is difficult to establish the purpose of the original business case. This further limits the overall accountability of the decision making process. As part of the comprehensive review recommended by the Committee, the NSW Government should consider clarifying the purpose of business cases more broadly, and providing updated guidelines if required.
- 1.31 The Committee also questions what the implications may be if the Expenditure Review Committee is provided with inaccurate costings. We note under current practices NSW Treasury verifies costing and provides guidance to the government of the day on budget priorities. This is separate from Infrastructure NSW's Gateway assurance processes which are discussed in Chapter Two.²¹ The Committee notes that NSW Treasury's verification and guidance processes are

¹⁹ [Answers to questions on notice](#), NSW Telco Authority, 18 April 2024, p 6.

²⁰ [Management of the Critical Communications Enhancement Program](#), p 12.

²¹ NSW Treasury, [Submission of Business Cases](#), TPG22-04, 2023, p 3.

outlined in a 2023 policy and that these processes may not have been in place in 2016 when the original business case was considered.

- 1.32 In considering the overall purpose of the original business case more broadly there appears to be a lack of clarity. The *NSW Government Business Case Guidelines* published in 2018, outline the practical purposes of a business case. The Guidelines note that:
- In practice, a business case is a management tool and a living document which is developed over time and reflects the priorities of investment stages – from making a case for change at the concept stage all the way through to implementation and review. It is a multi-purpose document that can generate the participation necessary to turn an idea into reality. The business case summarises in one place, research and analysis of how proposals will contribute to key investment objectives and reflect the strategic context.²²
- 1.33 Given the confidential nature of business cases and noting that they are 'living documents' it can be difficult for the Parliament of NSW and the public to have a sufficient line of sight on the purposes of a specific business case at a point in time, and how they are used to support decisions. The Committee has found this to be the situation in its examination of the CCEP's original business case.
- 1.34 NSW Treasury outlined several ways it is looking to make improvements on how assurance and business case related processes can be improved. This includes through:
- A review of its Business Case Guidelines to strengthen the role of business cases in decision making and to simplify and clarify requirements.
 - A review of '... the Benefits Realisation Framework to improve guidance on the identification, planning, management, and measurement of benefits.'
 - An ongoing program to improve capabilities across government through training, roadshows, tools, guidance and e-modules.²³
- 1.35 The Committee notes that business cases could be used to support investment decisions for projects that have already been announced, or may be used for project planning, budgeting and assurance but due to their confidentiality, this is difficult to ascertain.

²² NSW Treasury, [NSW Government Business Case Guidelines](#), TPP18-06, 2018, p 5.

²³ [Answers to supplementary questions](#), NSW Treasury, 29 July 2024, pp 1-2.

Chapter Two – Transparency of business cases

Transparency of the business case before and during the Critical Communications Enhancement Program

Finding 4

Material changes in the scope or assumptions underpinning a business case, such as significant capital increases, are not transparent to the Parliament of NSW nor the public.

Finding 5

There is a lack of documentation to support decisions regarding changes to the scope of the Critical Communications Enhancement Program.

Increasing capital costs and schedule changes

- 2.1 The Committee is concerned at the lack of visibility of the Critical Communications Enhancement Program's (CCEP) original business case as well as of the significant schedule and cost changes. The lack of transparency makes it difficult for the Committee to assess and measure the outcomes of the CCEP, and in particular see if the business case benefits have been delivered.
- 2.2 The Audit Report found that the increasing capital cost of the CCEP was not communicated to Parliament or the community until the 2021-22 NSW Budget despite being known to the former NSW Government.²⁴ In following up on this finding, the Committee notes that it appears this issue is perceived differently by NSW Telco Authority and NSW Treasury.
- 2.3 The Audit Office reported that in 'response to the 2016 CCEP business case, the then NSW Government approved the NSW Telco Authority implementing the CCEP in full, with funding provided in stages.'²⁵
- 2.4 The Audit Report found that annual Budget papers before the 2021-22 NSW Budget papers 'provided no visibility of the estimated full capital cost to complete all stages of the CCEP'. It was noted that information that is in the budget papers is 'fragmented and complex'.²⁶

²⁴ [Management of the Critical Communications Enhancement Program](#), p 7.

²⁵ [Management of the Critical Communications Enhancement Program](#), p 32.

²⁶ [Management of the Critical Communications Enhancement Program](#), p 32.

- 2.5 The Audit Report also found that the information provided in Budget papers and media releases was not sufficient to understand the full cost of the CCEP.

Media releases about the progress of the CCEP did not provide the estimated total cost to the NSW Telco Authority of \$1.325 billion to complete all stages of the CCEP until June 2021. Prior to this date, media releases only provided funding for the initial stages of the program or for the stages subject to a funding announcement.²⁷

- 2.6 It also noted that the estimated full cost of the CCEP was not revealed when the costings and delays were discussed during Budget Estimate hearings in September 2019 and March 2020.²⁸

- 2.7 The NSW Telco Authority argued that this audit finding was 'not entirely correct'. They stated that:

The total investment in the Critical Communications Enhancement Program was disclosed to Parliament and the community as phased funding was approved.

....

NSW Telco Authority was unable to disclose investment to the community until the NSW Government at the time had approved the investment.²⁹

- 2.8 Similarly, NSW Treasury explained that the estimated total capital cost of the CCEP was published in each year's budget paper from 2015-16, reflecting the 'scope that has been funded at that time'.³⁰

- 2.9 Business cases and program reviews are often confidential, and the only information on capital costs available to the public was in the budget papers and media releases.³¹

- 2.10 The Committee is concerned about whether there is sufficient transparency on the unfunded portions of a program's approved business case. It is also unclear whether readers of the budget papers are aware that cost estimates are restricted to 'funded' amounts.

- 2.11 Overall, the Committee is of the position that there has not been sufficient information made available to Parliament of NSW and the public throughout the CCEP to provide transparency on the program.

- 2.12 Information on the program's increasing capital costs and the reasons for the large increases have been limited to the NSW Budget announcements, Infrastructure NSW's *Final Business Case Evaluation Summary* and the Audit Report. This has made it difficult to accurately monitor the progress and success of the program and the associated cost increases.

²⁷ [Management of the Critical Communications Enhancement Program](#), p 32.

²⁸ [Management of the Critical Communications Enhancement Program](#), p 32.

²⁹ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 11.

³⁰ [Answers to supplementary questions](#), NSW Treasury, 18 April 2024, p 1.

³¹ [Management of the Critical Communications Enhancement Program](#), p 32.

- 2.13 The Committee acknowledges the additional transparency provided by the Audit Report but also recognises that a performance audit cannot be completed on every major infrastructure program.

Transparency of business case scope changes: paging of the refresh of the paging network

- 2.14 The Audit Report identified that the ESO requirement of a refreshed paging network may not be realised.
- 2.15 The Audit Report also found that the NSW Telco Authority had not maintained adequate record keeping for the CCEP, including two instances where key evidence was sought, and was not produced. One of these instances related to documents showing how and why paging was excluded from the CCEP scope.³²
- 2.16 The Committee did not consider that the response provided by the NSW Telco Authority on the missing documentation directly addressed the concerns raised by the Audit Office, and is unable to discern what led to the lack of documentation in this case.³³
- 2.17 Fire and Rescue NSW, the NSW Rural Fire Service and the NSW State Emergency Service all consider a paging network an important user requirement by Fire and Rescue. A refresh of the paging network was included in the 2016 business case scope and was included in scope in a November 2017 program review. However, by the March 2020 business case it had been excluded from the CCEP scope. The Audit Report was unable to identify when, why or by whom this decision was made, and indicated that it was not well communicated to the affected ESOs.³⁴
- 2.18 After representations on this matter from the affected ESOs, the NSW Telco Authority submitted a separate business case for a refresh of the paging network for an estimated capital cost of \$60.31 million. This was approved by the NSW Government and included in the 2022-23 Budget.³⁵
- 2.19 The Committee understands that the NSW Rural Fire Service are now delivering the paging network refresh. This will reduce the total number of sites that will be decommissioned through the delivery of the CCEP. The NSW Rural Fire Service also reported that it will continue to maintain its radio infrastructure to deliver the paging network refresh.³⁶
- 2.20 The 2024-25 Budget allocated funding to the NSW Rural Fire Service for a Paging Network Refresh, with an estimated total cost of \$19.92 million.³⁷ This is significantly lower than the estimated capital cost provided in the separate

³² [Management of the Critical Communications Enhancement Program](#), p 31.

³³ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 12.

³⁴ [Management of the Critical Communications Enhancement Program](#), p 34.

³⁵ [Management of the Critical Communications Enhancement Program](#), p 34.

³⁶ [Answer to supplementary questions](#), NSW Rural Fire Service, 14 August 2024, p 1. The separate paging network refresh is known as the 'Mission Critical Messaging Program'.

³⁷ NSW Treasury, [Budget paper No.3 Infrastructure Statement](#), 2024-25 NSW Budget, 2024, p 4 – 18.

business case prepared by the NSW Telco Authority which was stated in the Audit Report to be \$60.31 million.³⁸

- 2.21 The Committee understands that a benefit of the CCEP was the rationalisation of radio infrastructure across ESOs, i.e. reducing the number of organisations that are required to maintain separate networks. The separation of the paging network refresh from the CCEP and subsequent allocation to the NSW Rural Fire Service may impact the realisation of this benefit.
- 2.22 The NSW Telco Authority reported that 'all five' ESOs, NSW Treasury and Cabinet were involved in the decision-making process for the removal of the refresh of the paging network from scope, which occurred throughout 2019-2020. The NSW Telco Authority told the Committee that each ESO signed off on an updated Statement of Requirements for what the final funding phase of the CCEP included.³⁹
- 2.23 The NSW Telco Authority's steering committee made the decision to progress paging as a distinct program, under its own business case to allow the final CCEP business case to specifically focus on requirements for completing the PSN. It also allowed them to incorporate lessons learnt from operational experience and recommendations from the NSW bushfire inquiry.⁴⁰
- 2.24 More broadly, the NSW Telco Authority explained that the scope of the program is approved by the steering committee, including 'release and usage of contingency'. Any changes to scope are approved by the steering committee, NSW Treasury and the Economic Review Committee of NSW Cabinet, 'including the separation of paging as a distinct program and business case'.⁴¹
- 2.25 In order to improve its business case processes to avoid rework in the future, the NSW Telco Authority reported that it established a new business case function in 2021-22. A dedicated team now manages the entire business case process, which includes engagement with NSW Treasury and all relevant customers and stakeholders.⁴²
- 2.26 The Committee notes that the business case processes of including the paging network refresh, then removing it, to then re-include it following involvement by the ESOs, then reallocating this project to the NSW Rural Fire Service, appears to be inefficient.
- 2.27 As part of the future focus of this inquiry, the Committee will consider how current investor assurance processes and budget processes can be improved to ensure information is readily available to the Parliament of NSW and the public on significant business cases which have been approved.

³⁸ [Management of the Critical Communications Enhancement Program](#), p 34.

³⁹ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, pp 12-13.

⁴⁰ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, pp 12-13.

⁴¹ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 13.

⁴² [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 13.

Infrastructure NSW's investor assurance function**Finding 6**

Business case costs are reported differently in the 'Management of the Critical Communications Enhancement Program' performance audit and by NSW Telco Authority and NSW Treasury.

Finding 7

The current infrastructure assurance processes do not provide sufficient transparency to the Parliament of NSW or the public.

- 2.28 The Committee examined the role of Infrastructure NSW in relation to the CCEP and noted the constraints in terms of the accessibility of their independent reports, including any findings or recommendations.
- 2.29 A number of the key investor assurance processes reporting outcomes and business cases are not publicly available. The Committee is of the position that the lack of transparency in the investor assurance process makes it difficult to understand what mechanisms are in place to prevent considerable time and cost blow outs in other projects, as has occurred with the CCEP.
- 2.30 The Committee considers that there should be more information made available to the Parliament of NSW and the public about major infrastructure programs and projects.
- 2.31 Infrastructure NSW was established in July 2011, under the *Infrastructure NSW Act 2011*, to provide 'independent advice to the NSW Government on the identification and prioritisation of critical public infrastructure'.⁴³
- 2.32 As part of its assurance function Infrastructure NSW works with NSW Government delivery agencies to apply a risk-based external assurance framework to the delivery of agencies' projects. This is known as the Infrastructure Investor Assurance Framework (the Framework).⁴⁴
- 2.33 The Framework applies to all capital projects valued at \$10 million and above being developed and/or delivered by government agencies, government businesses, and State-owned corporations. Secretaries and Chief Executives are accountable for ensuring their capital projects meet the Framework's requirements. Application of the Framework provides a level of confidence to Cabinet that projects are being effectively developed and delivered in accordance with NSW Government objectives.⁴⁵
- 2.34 The Framework makes it explicit that 'infrastructure investor assurance is not an audit, approval or endorsement process'.⁴⁶

⁴³ Infrastructure NSW, [About us](#), viewed 31 July 2024.

⁴⁴ Infrastructure NSW, [Infrastructure Investor Assurance Framework](#), December 2023, p 8.

⁴⁵ [Infrastructure Investor Assurance Framework](#), pp 1, 12-13.

⁴⁶ [Infrastructure Investor Assurance Framework](#), p 11.

- 2.35 The four main components to the independent investor assurance process are:
- Assurance Reviews.
 - Project reporting based on inputs provided by delivery agencies.
 - Monitoring conducted by Infrastructure NSW.
 - Improving infrastructure outcomes through sharing insights and developing capability.⁴⁷
- 2.36 The investor assurance process is confidential, and the Assurance Review reports are confidential between the delivery agency and Infrastructure NSW. Project reporting and Assurance Review reports are provided to Cabinet, and therefore classified as 'Sensitive: NSW Cabinet'.⁴⁸ Reports may include information on situations where 'critical' and 'essential' recommendations are not being addressed.⁴⁹
- 2.37 The Committee notes the current process limits the transparency of any Assurance Review findings or recommendations as they are not easily accessible by Parliament of NSW or the public.
- 2.38 The Framework includes 'Gateway Reviews' which are reviews held at key decisions points in project lifecycles. A Gateway Review is a short, focused, appraisal that identifies risk and issues, provides a current view of the project or programs progress, and provides assurance that it can proceed to the next stage.⁵⁰
- 2.39 Mr Tom Gellibrand, Chief Executive, Infrastructure NSW, explained that throughout the assurance process, Infrastructure NSW is not the decision-maker. The decision to accept a business case is a decision of the NSW Government. While Infrastructure NSW makes recommendations throughout the investor assurance process, Mr Gellibrand told the Committee that its 'up to the government, it's up to Ministers, and in some cases, it may be up to the agency' if they 'take them on board'.⁵¹

Assurance of the Critical Communications Enhancement Program's business case costs

- 2.40 The Committee found that the assurance of the CCEP's business case costs was unclear.
- 2.41 The Audit Office told the Committee that the initial business case estimate of \$400 million would have gone through independent assurance. They also clarified

⁴⁷ [Infrastructure Investor Assurance Framework](#), p 24.

⁴⁸ [Infrastructure Investor Assurance Framework](#), p 14.

⁴⁹ Mr Tom Gellibrand, Chief Executive, Infrastructure NSW, [Transcript of evidence](#), 25 March 2024, p 29.

⁵⁰ [Infrastructure Investor Assurance Framework](#), p 25.

⁵¹ Mr Gellibrand, [Transcript of evidence](#), 25 March 2024, p 29.

that they did not see and could not report on any 'challenges to the business case prior to it being approved by the New South Wales Government'.⁵²

2.42 The publication of business case evaluation summaries provides some visibility of the investor assurance process and this was the case for the CCEP.⁵³ However the results of many parts of the assurance process are not publicly available, including to the Parliament.

2.43 The Committee notes that Infrastructure NSW's business case evaluation summary of the CCEP was published, however it does not provide sufficient information for the Committee to determine if the assurance of cost estimates was appropriately robust.

2.44 The Auditor-General for NSW provided some information on the common gaps or weakness in government agencies' businesses cases, business case processes or business case assurance in the last three to five years. They advised that the most common and impactful of findings across recent audits included:

- Programs announced prior to developing a business case had less or no opportunity to consider options to meet the service needs, and the processes used for eliminating other options were not transparent.
- Major programs commenced without a business case or other analysis of the chosen model compared to other options.
- Several business cases underestimated costs and risks, which led to scope, timeline, and budget increases. Where agencies have properly identified risks, these risks have often not been assessed for their potential impact on the business case.
- In some cases, costs attributed to a program were not included, or not consistently and accurately updated. There were also cases of inadequate tracking of costs through the life of a program or project.
- Major scope changes or variations in assumptions in later revised business cases, without adequate documentation of the reason for doing so or the decision-making process.
- Limited public transparency. Business cases are often classified as cabinet in confidence and are not published - either in part or in full. Therefore, members of the public have limited access to information other than the Infrastructure NSW final business case summary for projects over \$100 million, and program and project updates provided in NSW Budget papers and media releases.⁵⁴

⁵² Ms Claudia Migotto, Assistant Auditor-General, Audit Office of New South Wales, [Transcript of evidence](#), 25 March 2024, p 22.

⁵³ See: Infrastructure NSW, [Final Business Case Evaluation Summary - Critical Communications Enhancement Program](#), July 2022.

⁵⁴ [Answers to supplementary questions](#), NSW Audit Office, 17 July 2024, pp 1-2.

- 2.45 A number of the key investor assurance processes, reporting outcomes and business cases are not publicly available. The Committee is concerned that due to this, there is no way to assess what mechanisms exist or will be effective in preventing further blow outs in current and future major infrastructure projects. Business case assurance and the transparent reporting of outcomes is critical to public confidence in government.
- 2.46 As part of the future focus of this inquiry, the Committee will consider recommendations relating to how investor assurance processes can be improved to ensure there is appropriate transparency to the Parliament of NSW and the public regarding significant approved businesses cases.

Critical Communications Enhancement Program benefits realisation

Finding 8

It is unclear whether the realisation of benefits, other than land coverage and population coverage, are being tracked and monitored as the Critical Communications Enhancement Program is being rolled out.

Finding 9

It is unclear whether the realisation of benefits will be reported to the Parliament of NSW or the public once the Critical Communications Enhancement Program is completed.

Recommendation 2

The NSW Telecommunications Authority should track and monitor the realisation of benefits, including land and population coverage, during the roll out of the Critical Communications Enhancement Program. This information should be annually reported to the Parliament of NSW and be made publicly available while the program is being delivered.

Recommendation 3

Once the Critical Communications Enhancement Program is completed, a post implementation review, including an assessment of the business case benefits realised should be performed and reported to the Parliament of NSW and be made publicly available.

- 2.47 The Committee is of the position that Infrastructure NSW should conduct a comprehensive post-implementation review including an assessment of the business case benefits of the CCEP. A summary of any findings and recommendations be made publicly available to ensure continuous improvement in major infrastructure delivery.
- 2.48 Outside of the reporting on the percentages of geographic and population coverage, the Committee could not clearly identify what work is being done to monitor whether proposed benefits are being realised. The Committee was also unable to clarify how any measuring or evaluation of the realisation of benefits would be reported, and if it would be made available to the Parliament of NSW and the public.

- 2.49 The NSW Telco Authority should also report on the progress of the realisation of benefits throughout the CCEP and make this information publicly available via annual reporting. This will improve the accountability for the delivery of the project and help to demonstrate that funding was allocated and spent appropriately.
- 2.50 The Committee recommends that the realisation of benefits should be tracked and monitored by the NSW Telco Authority, and once complete, a full assessment of the business case benefits realisation should be conducted and made public.
- 2.51 This was supported by Mr Rob Hilditch, Executive Director Information Technology, CIO, Information Technology, Fire and Rescue NSW who explained the importance of a post-implementation review of the CCEP
- ... we really need to have a well-constructed post-implementation review of the whole program, from its inception in 2016 and through its morphing into what was a much bigger program a few years later. That implementation review will be really important. That will factor in everything like technology changes, how we acquire sites and how we do it.⁵⁵
- 2.52 The Committee believes that such a review should consider whether the business case development and cost-estimation were sufficiently rigorous and whether the private sector and contractors were engaged in a timely and transparent manner.

Proposed benefits of the Critical Communications Enhancement Program

- 2.53 The 2016 benefits realisation plan identified that the improved coverage which the CCEP planned to deliver, would be the '... biggest driver of benefits for the [PSN], accounting for 75% of the total benefits.'⁵⁶
- 2.54 Infrastructure NSW's business case evaluation summary also gave an overview of the other proposed benefits of the statewide PSN, including:
- Improved outcomes, including cost savings, through reduced radio infrastructure and greater device innovation.
 - Freeing spectrum for emerging technology adoption.
 - Productivity improvements enabled by increased radio coverage, radio network interoperability and improved network reliability.
 - Cost savings through centralisation of business case functions and flow-on agency projects enabled by the rationalisation of infrastructure.⁵⁷

⁵⁵ Mr Hilditch, [Transcript of evidence](#), 11 June 2024, p 22.

⁵⁶ [Management of the Critical Communications Enhancement Program](#), p 18.

⁵⁷ [Final business case evaluation summary – Critical Communications Enhancement Program](#), pp 8-9.

- 2.55 The Audit Report noted that, among other benefits, improved coverage would:
- Reduce cardiac mortality by allowing NSW Ambulance to respond to calls when they are in areas not previously covered by existing radio.
 - Reduce regional road accident deaths by allowing first responders, particularly Fire and Rescue NSW and NSW Ambulance, to respond to calls when they are in areas not previously covered by existing radio.
 - Reduce the cost of building fires by enabling firefighters to better prepare and fight building fires due to increased access to portable indoor radio coverage.
 - Reduce the economic cost of serious crime by increasing the productivity of NSW Police Force through increased operational utilisation.⁵⁸

Monitoring of realised benefits

- 2.56 Given the increasing costs and schedule delays, the Committee was interested to understand how the realisation of proposed benefits was being monitored throughout the CCEP's delivery.
- 2.57 Infrastructure NSW reviews Benefits Realisation Reports (BRR) for most programs that have a total estimated cost of over \$1 billion at their conclusion.⁵⁹ Given the cost and profile of the CCEP, it is reasonable to assume a BRR will be conducted. However, BRRs are confidential,⁶⁰ and therefore not easily accessible to the public or Parliament.
- 2.58 One of the proposed benefits of the CCEP was the rationalisation of radio sites. This means that as the CCEP rolls out redundant sites are expected to be decommissioned. The Committee has followed up on decommissioning progress with ESOs, which is discussed later in this chapter.
- 2.59 The NSW Rural Fire Service Association (RFS) highlighted the opportunity the CCEP presents to improve the safety of the community and of emergency workers, including volunteers. The RFS recommend that any assessment of the CCEP should take into account broader benefits outside of the economic benefits, and the corresponding risks associated with any delays or reductions in scope.⁶¹

Benefits Realisation Report – 'Gate 6' review

- 2.60 The 'Gate 6' review or BRR is intended to close-out the delivery stage into operations and assess the delivery of the purpose and benefits of the government's investment in a project. The BRR is a self-assessment by the delivery agency, and it is provided to Infrastructure NSW for consideration. At which point Infrastructure NSW can appoint an independent review panel to

⁵⁸ [Management of the Critical Communications Enhancement Program](#), p 18.

⁵⁹ [Infrastructure Investor Assurance Framework](#), p 27.

⁶⁰ Mr Gellibrand, [Transcript of evidence](#), 25 March 2024, p 30.

⁶¹ [Submission 2](#), NSW Rural Fire Service Association Incorporated, p 2.

'review the Report, interview project delivery and operational staff and review/add to the recommendations'.⁶²

- 2.61 A BRR can identify 'important lessons learnt that can then feed into the works of agencies the next time they're doing a similar project'.⁶³
- 2.62 Mr Tom Gellibrand, Chief Executive of Infrastructure NSW noted that the tracking of benefits is part of the information provided to Cabinet, making it confidential and therefore not easily accessible to the public or Parliament of NSW.⁶⁴
- 2.63 The Committee notes this limits the degree to which lessons learnt can be assessed and applied to future projects and programs. It also limits the transparency and accountability of program deliverables and proposed benefits.
- 2.64 The NSW Police Force and the NSW State Emergency Service both supported public reporting on the benefits realisation for the CCEP.⁶⁵
- 2.65 NSW Treasury noted the importance of the Infrastructure Investor Assurance Framework:
- To remain effective at shaping how the State's public sector delivers major public infrastructure, the Infrastructure Investor Assurance Framework must keep evolving. Continuous improvement is critical, and lessons learned play an important role.⁶⁶
- 2.66 The Committee is recommending that the NSW Telco Authority track and monitor the realisation of benefits during the roll out of the CCEP and make this information publicly available via annual reporting.
- 2.67 Once the CCEP is complete, the Committee also recommends that an assessment of the business case benefits realised should be performed and reported to Parliament of NSW and be made publicly available.

Decommissioning: Cost savings achieved throughout the program's delivery

Finding 10

It is unclear which agency is monitoring and reporting on the cost savings achieved by the Critical Communications Enhancement Program to date. It is also unclear which agency will report on the cost savings achieved across the whole of government from the completion of the Critical Communications Enhancement Program.

⁶² [Infrastructure Investor Assurance Framework](#), pp 27-28.

⁶³ Mr Gellibrand, [Transcript of evidence](#), 25 March 2024, p 30.

⁶⁴ Mr Gellibrand, [Transcript of evidence](#), 25 March 2024, p 30.

⁶⁵ [Answers to supplementary questions](#), NSW Police Force, 27 June 2024, p 2; [Answers to supplementary questions](#), NSW State Emergency Service, 19 July 2024, p 2.

⁶⁶ [Answers to supplementary questions](#), NSW Treasury, 29 July 2024, p 2.

Recommendation 4

Each year until completion, the NSW Government should report the annual and lifetime cost savings achieved from the Critical Communications Enhancement Program.

- 2.68 One of the proposed benefits of the CCEP is the cost savings intended to be achieved through the rationalisation of radio infrastructure currently owned and operated by multiple NSW Government agencies.
- 2.69 It is unclear which agency is responsible for monitoring and reporting on the cost savings delivered by the CCEP, or which agency will report on the whole of government cost savings achieved on the completion of the CCEP.
- 2.70 Neither the NSW Telco Authority nor NSW Treasury, could provide the Committee with an update on the cost savings that have been achieved through the decommissioning of redundant sites to date. Both agencies provided different information about who was responsible for tracking and reporting on the cost savings associated with decommissioning sites, and the whole of government costs of the CCEP.⁶⁷
- 2.71 The NSW Telco Authority also advised that the decommissioning of redundant sites is still being worked through in consultation with the Minister for Customer Service and Digital Government, NSW Treasury, ESOs and other stakeholders. Consultation on the status of decommissioning of redundant site is expected to occur in 2024 and 2025.⁶⁸
- 2.72 Stakeholders noted that there have been some cost savings associated with the CCEP to date. The NSW State Emergency Service reported a small reduction in operating costs of Land Mobile Radio (LMR) networks as their agency moves to the PSN in some areas.⁶⁹
- 2.73 NSW Ambulance reported they had saved approximately \$115 000 from their business-as-usual funding from the decommissioning of 16 NSW Ambulance Private Mobile Radio (PMR) sites, due to expansion of the PSN. These savings relate to radio site licences, site power, spectrum licence cancellations and ad-hoc maintenance activities.⁷⁰
- 2.74 Fire and Rescue NSW reported they have decommissioned approximately 40 sites along the North Coast of NSW, with another 25 planned for decommissioning over the subsequent six months. It has also realised savings from modifications to network management and planning and reallocation of internal resources.⁷¹

⁶⁷ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 12; [Answers to supplementary questions](#), NSW Treasury, 18 April 2024, p 2.

⁶⁸ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 13.

⁶⁹ [Answers to supplementary questions](#), NSW State Emergency Services, 19 July 2024, p 1.

⁷⁰ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 1.

⁷¹ [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 1.

- 2.75 When Fire and Rescue NSW migrate to the PSN, it expects to decommission all of its PMR networks. This will also result in cost savings, as it will be 'less infrastructure' for Fire and Rescue NSW to maintain.⁷²
- 2.76 The NSW Rural Fire Service reported they have not yet realised the savings from the reduction of site costs due to the incomplete decommissioning process. They noted that there has been a minor reduction in costs to date associated with transmission equipment repairs or equipment replacement where the NSW Rural Fire Service has completely transitioned to the PSN.⁷³
- 2.77 NSW Rural Fire Service also reported that further changes, to the scoping of paging, mean that the NSW Rural Fire Service will deliver the paging network upgrade and associated maintenance. This means that the number of total sites to be decommissioned by the CCEP will be reduced.⁷⁴
- 2.78 The NSW Police Force reported that have not realised any savings from the CCEP to date as they continue to use the own network in its full capacity.⁷⁵
- 2.79 While ESOs have benefited from some cost savings, some ESOs are also incurring costs associated with the delayed rollout of the CCEP.⁷⁶
- 2.80 The Committee recommends that the cost savings achieved by the CCEP should be reported on annually throughout delivery of the program. In addition, once the program concludes the lifetime cost savings achieved from the CCEP should be captured and reported.

Staff turnover in and significant expansion of the NSW Telco Authority

Finding 11

Long term infrastructure projects, such as the Critical Communications Enhancement Program, are likely to involve key agency staff turnover and change, which can make it challenging to ensure accountability.

Staff turnover in the NSW Telco Authority

- 2.81 The Committee notes that staff turnover, frequent changes in leadership, and the significant growth in the NSW Telco Authority over a relatively short period have presented challenges to the CCEP's delivery.
- 2.82 There has been several leadership changes over the lifetime of the CCEP,⁷⁷ which the Committee is concerned has led to a lack of accountability for CCEP deliverables including benefits.

⁷² Mr Matthew Wormald, Chief Superintendent, Operational Communications, Fire and Rescue NSW, [Transcript of evidence](#), 11 June 2024, p 23.

⁷³ [Answers to supplementary questions](#), NSW Rural Fire Service, 14 August 2024, p 1.

⁷⁴ [Answers to supplementary questions](#), NSW Rural Fire Service, 14 August 2024, p 1.

⁷⁵ [Answers to supplementary questions](#), NSW Police Force, 16 July 2024, p 2.

⁷⁶ These additional costs are discussed in Chapter 3.

⁷⁷ [Answers to questions on notice](#), NSW Telco Authority, 18 April 2024, p 7.

- 2.83 The Committee notes that on long complex programs it is common for there to be leadership changes over the lifetime of the program. As part of the future focus of this inquiry, the Committee will consider recommendations relating to regular ongoing reporting to ensure accountability on long term and/or complex programs.
- 2.84 The NSW Telco Authority stated that the CCEP has been led by four people since it began in 2016.⁷⁸
- 2.85 The Audit Report also noted that 'extended time taken to recruit the required project leadership' had been cited by INSW as one reason that the CCEP experienced delays.⁷⁹
- 2.86 Mr Paul Barnes, Director, IT Operations and Communications, Information Technology, Fire and Rescue NSW highlighted that the NSW Telco Authority had experienced 'a lot of staff turnover'. Mr Barnes also noted that finding staff with the specific land mobile radio experience possibly contributed to delays to the delivery of the CCEP.⁸⁰
- 2.87 In contrast, the Committee notes that there appears to be more consistency in key staff working on the project at the ESO level, for example:
- Mr Barnes, from Fire and Rescue NSW said that he was 'there from the beginning [of the project]'⁸¹
 - Mr McRobert, from NSW State Emergency Service, told the Committee 'I was there close to the beginning. I came in mid-2016, so that first body of work had already commenced'⁸²
- 2.88 Mr McRobert also highlighted the strong commitment from the ESOs from the start of the CCEP:
- From Fire and Rescue, NSW Rural Fire Service and NSW State Emergency Service, I think there was a strong commitment from the start that we needed this to happen. We shouldn't be in the business of managing networks. We need to be consumers of that service, not building our own networks. I think there was a strong commitment across those three agencies in particular.⁸³

⁷⁸ [Answers to questions on notice](#), NSW Telco Authority, 18 April 2024, p 7.

⁷⁹ [Management of the Critical Communications Enhancement Program](#), p 12.

⁸⁰ Mr Barnes, [Transcript of evidence](#), 11 June 2024, p 22.

⁸¹ Mr Barnes, [Transcript of evidence](#), 11 June 2024, p 21.

⁸² Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 25.

⁸³ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 25.

Finding 12

The Committee finds it unusual that the NSW Telco Authority was tasked with delivering the CCEP in 2016, given the relatively small size of its existing non-current asset portfolio.

Expansion of the NSW Telco Authority

- 2.89 The NSW Telco Authority also appears to have significantly expanded over the course of the CCEP. For example, the total estimated capital cost of the March 2016 business case was \$400 million.⁸⁴ This was more than ten times greater than the \$36.8 million portfolio of non-current assets managed by the NSW Telco Authority, at 30 June 2016.⁸⁵
- 2.90 The Committee finds it unusual that the NSW Telco Authority was tasked with delivering the CCEP in 2016, given the relatively small size of its existing non-current asset portfolio.
- 2.91 In addition, the Committee notes that the NSW Telco Authority's non-current assets have increased 2 148 per cent in the last seven years - from \$36.8 million, as at 30 June 2016, to \$827.1 million, as at 30 June 2023.
- 2.92 Over the same period, the NSW Telco Authority's personnel expenses have also increased significantly, from \$3.6 million for 2015-16 to \$38.0 million for 2022-23.⁸⁶ This represents a 956 per cent increase.

⁸⁴ [Management of the Critical Communications Enhancement Program](#), p 32.

⁸⁵ NSW Telco Authority, [Annual Report 2015-2016](#), p 26.

⁸⁶ NSW Telco Authority, [Annual Report 2015-2016](#), pp 25-26; NSW Telco Authority, [Annual Report 2022-23](#), pp 45, 65-66.

Chapter Three – Impacts of the delayed Critical Communications Enhancement Program rollout

Background to the Critical Communications Enhancement Program

- 3.1 The Public Safety Network (PSN) was established in 1993 to provide a common mobile radio communications platform for Emergency Services Organisations (ESOs), and other government agencies and essential services.⁸⁷
- 3.2 Under the *Government Telecommunications Act 2018*, the New South Wales Government Telecommunications Authority (NSW Telco Authority) is responsible for the establishment, control, management, maintenance and operation of the PSN.⁸⁸
- 3.3 In 2016, the NSW Telco Authority received dedicated funding to establish the Critical Communications Enhancement Program (CCEP)⁸⁹ to enhance the PSN. The CCEP seeks to increase the State's available radio network land coverage and population coverage and to consolidate the separate radio networks owned and operated by multiple NSW government entities.⁹⁰
- 3.4 The five primary ESO users of the PSN are:
- NSW Ambulance
 - Fire and Rescue NSW
 - NSW Police Force
 - NSW Rural Fire Service, and
 - NSW State Emergency Service.⁹¹
- 3.5 Historically, ESOs have maintained their own radio networks and capabilities, and used the PSN to supplement their radio communications as needed. Some ESO's

⁸⁷ [Management of the Critical Communications Enhancement Program](#), p 1; NSW Government, [Public Safety Network](#), viewed 30 July 2024.

⁸⁸ Section 15(1) of the [Government Telecommunications Act 2018 \(NSW\)](#).

⁸⁹ Note in FY2015-16 the CCEP was called the Infrastructure Rationalisation Program, the program was renamed the Critical Communications Enhancement program in 2016-17.

⁹⁰ [Final Business Case Evaluation Summary - Critical Communications Enhancement Program](#), p 6; [Management of the Critical Communications Enhancement Program](#), p 1.

⁹¹ [Management of the Critical Communications Enhancement Program](#), p 1.

networks are nearing their end-of-life. There is also little interoperability⁹² between networks and gaps in geographical radio network coverage.⁹³

Operational impacts of the delayed program rollout on Emergency Service Organisations

Finding 13

The delay to the implementation of the Critical Communications Enhancement Program is impacting the operations of Emergency Service Organisations.

Continued reliance on end-of-life legacy systems

3.6 The CCEP was originally expected to be delivered by 2020. It is now expected to be delivered by 2028.⁹⁴ This means that ESO's are required to maintain their *legacy* systems, some of which the Committee heard are failing or at end-of-life. Maintaining these legacy systems has an associated cost while the ESOs are also being charged the core user charges of the Public Safety Network (PSN).

3.7 At the same time, the ESO systems are operating without the full benefits of the enhanced PSN for eight years longer than expected. These benefits include automatic vehicle location and improved safety for both emergency workers and their communities.⁹⁵ ESOs continue to develop and implement workarounds and solutions for areas where the PSN is not available.⁹⁶

Overview of operational impacts

3.8 The Committee heard of the significant impact that the delay could have on the safety of ESO staff and volunteers, as well as the communities that they're serving.⁹⁷

3.9 NSW Ambulance relies upon radio networks for communications between its paramedics and control centres. Radio networks are also used for paramedics' duress alarms.⁹⁸

3.10 Where the CCEP is not available NSW Ambulance is using 'aged infrastructure that is end of life and failing'. The CCEP's delay is also having an operational impact, particularly with maintaining radio coverage. NSW Ambulance is seeking

⁹² In this report, interoperability is defined as the capability for first responders to make and receive calls between different ESOs during operations that require a multi-agency response.

⁹³ [Management of the Critical Communications Enhancement Program](#), p 1.

⁹⁴ NSW Treasury, [Budget paper No.3 Infrastructure Statement](#), 2024-25 NSW Budget, 2024, p 2 - 13.

⁹⁵ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 4; [Submission 2](#), NSW Rural Fire Service Association Incorporated, p 2.

⁹⁶ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24; Mr Shane Newcombe Director ICT & Chief Information Officer, NSW State Emergency Service, [Transcript of evidence](#), 11 June 2024, p 26.

⁹⁷ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 4; Mr Scott Campbell, President, NSW Rural Fire Service Association, [Transcript of evidence](#), 25 March 2024, p 5; Mr Peter Elliot, Acting Executive Director, Finance and Corporate Services, NSW Ambulance, [Transcript of evidence](#), 25 March 2024, p 8.

⁹⁸ Mr Elliot, [Transcript of evidence](#), 25 March 2024, p 8.

to address these problems either with NSW Telco Authority or via 'other means'.⁹⁹

3.11 The NSW Rural Fire Service told the Committee that the need to sustain its ageing legacy network for a longer time than anticipated has meant they don't necessarily have the same interoperability with other agencies that emergency services need.¹⁰⁰

3.12 Mr Peter Elliot, Acting Executive Director, Finance and Corporate Services, NSW Ambulance emphasised that a 'radio network that's reliable, encrypted and safe across New South Wales is of paramount importance to [NSW Ambulance's] operations'.¹⁰¹

3.13 Mr Elliot told the Committee they support 'migration onto the PSN at the earliest opportunity'.¹⁰² NSW Ambulance want to reduce the potential stress on paramedics by making sure they have a reliable radio network, and duress alarm functionality and connection.¹⁰³

3.14 Mr Stephen McRobert, Director ICT and Chief Information Officer, NSW State Emergency Service explained that the longer the CCEP has gone on, the harder it has been to maintain the NSW State Emergency Service's legacy networks and to plug the 'black spots'.¹⁰⁴

3.15 Mr Scott Campbell, President, NSW Rural Fire Service Association, explained the effect that the delayed implementation was having on the work and safety of rural fire service volunteers:

If they're still on the old PMR [Private Mobile Radio] and they're in a black spot, for instance, they have no communications. There's no ability to pass that information on, and assistance and help—which could be life threatening—may not be able to get to you.¹⁰⁵

3.16 NSW Ambulance are concerned not only for patient outcomes, but also for paramedics' mental and physical safety while on the job:

The impact of these communication difficulties reported by staff were primarily that they caused delays that impacted patient care and risked staff safety. For example, a paramedic needing to leave another paramedic alone to go outside and radio for clinical back up, reducing the number of clinicians providing care for a period of time, delaying the request for back up and leaving both paramedics alone. Other examples included times in which paramedics feared for their safety, but were unable to immediately call for assistance or activate duress until they got outside or back in their ambulance.¹⁰⁶

⁹⁹ Mr Elliot, [Transcript of evidence](#), 25 March 2024, p 8.

¹⁰⁰ Mr Rob Rogers AFSM, Commissioner, NSW Rural Fire Service, [Transcript of evidence](#), 11 June 2024, p 9.

¹⁰¹ Mr Elliot, [Transcript of evidence](#), 25 March 2024, p 8.

¹⁰² Mr Elliot, [Transcript of evidence](#), 25 March 2024, p 12.

¹⁰³ Mr Elliot, [Transcript of evidence](#), 25 March 2024, p 11.

¹⁰⁴ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24.

¹⁰⁵ Mr Campbell, [Transcript of evidence](#), 25 March 2024, p 5.

¹⁰⁶ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 4.

- 3.17 The NSW Rural Fire Service Association highlighted the opportunity the CCEP presents to improve the safety of the community and of emergency workers, including volunteers. They recommended that any assessment of the CCEP should take into account broader benefits than just economic benefits, and the corresponding risks associated with any delays or reductions in scope.¹⁰⁷
- 3.18 Mr Scott Campbell, President, NSW Rural Fire Service Association said that of their members who have been able to use the PSN, they speak 'very highly of it', particularly the ability to track 'appliances' through firegrounds and have critical communication with their incident management teams.¹⁰⁸ However, there is frustration for those who are still waiting:

Those that are still waiting—we've seen a time blowout from 2020 to now 2027. That's a huge amount of time that we've had to wait for something that is so critical, not only for our firefighters' safety but also for the community's safety.¹⁰⁹

Availability of automatic vehicle location capability

- 3.19 The delay has also impacted delivery of benefits aside from land and population coverage, including enhancements that support automatic vehicle location (AVL) for NSW Rural Fire Service.¹¹⁰ The enhanced PSN facilitates automatic vehicle location (AVL) capability to allow ESOs to monitor the location of an emergency response vehicle in real time.
- 3.20 During public hearings, the NSW Rural Fire Service Association told the Committee that the NSW Rural Fire Service have 'applied' AVL to 'every fire appliance in New South Wales', however without the PSN they do not have the capability to locate those vehicles.¹¹¹ The NSW Rural Fire Service Association emphasised the importance of AVL capabilities to safely and accurately respond to bushfires, increase firefighter safety and coordinate with Fire and Rescue NSW during major events.¹¹²
- 3.21 The 2018 Bega Valley Fires Independent Review recommended using the PSN for the priority roll out of AVL tracking for the NSW Rural Fire Service fleet, and noted that the rollout of AVL is reliant on the CCEP.¹¹³
- 3.22 Mr Scott Campbell noted that AVL devices were not functional where the existing PSN had 'black spots' of little to no coverage, particularly in remote areas without reliable mobile phone service.¹¹⁴

¹⁰⁷ [Submission 2](#), NSW Rural Fire Service Association Incorporated, p 2.

¹⁰⁸ Mr Campbell, [Transcript of evidence](#), 25 March 2024, p 5.

¹⁰⁹ Mr Campbell, [Transcript of evidence](#), 25 March 2024, p 5.

¹¹⁰ Mr Rogers AFSM, [Transcript of evidence](#), 11 June 2024, p 3.

¹¹¹ Mr Campbell, [Transcript of evidence](#), 25 March 2024, p 4.

¹¹² Mr Campbell, [Transcript of evidence](#), 25 March 2024, p 4; [Submission 2](#), NSW Rural Fire Service Association Incorporated, p 2.

¹¹³ [Submission 2](#), NSW Rural Fire Service Association Incorporated, p 2.

¹¹⁴ Mr Campbell, [Transcript of evidence](#), 25 March 2024, pp 3, 5.

- 3.23 NSW Rural Fire Service Commissioner Rob Rogers told the Committee that the CCEP will enable the NSW Rural Fire Service to 'optimise investment that is made in new technology, including AVL'.¹¹⁵
- 3.24 The NSW Rural Fire Service reported that this has required additional investment in other solutions to supplement the AVL capability not yet delivered due to the delay in the roll out of the CCEP. The NSW Rural Fire Service advised they have invested in mobile data terminals for their vehicles to supplement coverage.¹¹⁶ The Committee also heard that Fire and Rescue NSW's 'always connected' solution provides a data capability for the AVL devices and mobile data terminals.¹¹⁷

Need for certainty for Emergency Service Organisations and other stakeholders

Finding 14

With the rapid pace of progress in technology there should be greater certainty around the expected Critical Communications Enhancement Program's completion date to support informed investment decisions around whether new technologies may become more suitable (for use in regional NSW).

- 3.25 With the rapid pace of progress in technology, the Committee is of the view that there should be greater certainty around the expected completion date. This would allow the NSW Government to make informed investment decisions around whether new technologies are more suitable for use in regional NSW.
- 3.26 The NSW Police Force and the NSW State Emergency Service have both investigated different technological solutions for communication in regional NSW while awaiting the rollout of the CCEP.¹¹⁸
- 3.27 The NSW Police Force are assessing low Earth orbit (LEO) satellites, particularly in regional areas, to ensure reliable communications. They said that while LEO satellites are not yet fully assessed and funded, both the NSW and Federal governments are actively looking at the public safety mobile broadband as a communications platform for ESOs.¹¹⁹
- 3.28 As discussed earlier, some ESOs are using SSKO funding to deploy solutions to address the gaps in coverage not currently provided by the PSN. The NSW State Emergency Service and Fire and Rescue NSW have deployed the vehicle as a node (VAAN), and the cell on wheels (COWs) solutions.¹²⁰

¹¹⁵ Mr Rogers AFSM, [Transcript of evidence](#), 11 June 2024, p 2; [Submission 2](#), NSW Rural Fire Service Association Incorporated, p 2.

¹¹⁶ Mr Rogers AFSM, [Transcript of evidence](#), 11 June 2024, p 3.

¹¹⁷ Mr Hilditch, [Transcript of evidence](#), 11 June 2024, p 17.

¹¹⁸ Assistant Commissioner Maloney APM, [Transcript of evidence](#), 11 June 2024, p 10; Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24; Mr Newcombe, [Transcript of evidence](#), 11 June 2024, p 26.

¹¹⁹ Assistant Commissioner Maloney APM, [Transcript of evidence](#), 11 June 2024, p 10.

¹²⁰ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24; Mr Newcombe, [Transcript of evidence](#), 11 June 2024, p 26.

3.29 The NSW State Emergency Service's COWs are essentially a PSN transmission site on wheels. COWs are transported as required to provide coverage in more remote areas, for example during missing person searches in national parks where it's not cost-effective to build a continuous PSN network. The COWs are tactical assets that NSW State Emergency Service developed 'from scratch' that are now also used by the NSW Telco Authority and the NSW Police Force.¹²¹

3.30 The NSW State Emergency Service has also worked with Fire and Rescue NSW to rebuild some the ageing networks in the Murray, Murrumbidgee and Snow Mountains regions using VAAN technology, also known as SmartConnect. Mr Shane Newcombe, Senior Manager Communications and Field Support, NSW State Emergency Service explained:

The balance of our networks, we basically kept them alive until the point where we could transition off them and onto the PSN. With the added benefit that SmartConnect—or the vehicle as a node—has given our units, it has allowed our units to transition onto the PSN even when the PSN doesn't exist. We have our Far West units where the PSN has not been built yet, but they are operating on the PSN. We have users on Lord Howe Island utilising the PSN because of the SmartConnect capability. That has insulated us from the delays of getting that across the line.¹²²

Need for certainty also important to non-ESOs

3.31 Ausgrid also highlighted the need for certainty around delivery of the CCEP as a non-ESO user.

3.32 Ausgrid is the largest distributor of electricity on Australia's east coast. Ausgrid's network of substations, powerlines, underground cables and power poles span 22 275 kilometres and cover around 2 million customers throughout Sydney, the Central Coast and the Hunter Valley.¹²³

3.33 Ausgrid noted that the timing of the CCEP is important, as they will have significant investment decisions to make in relation to PSN handheld devices and vehicle units. Ausgrid currently uses the PSN for 'day-to-day' operations in the Central Coast and Hunter areas where cellular signal is unreliable or non-existent. The PSN allows staff in these areas to remain in contact with each other and the Ausgrid control room to support them carrying out their work safely.¹²⁴

3.34 During emergencies, Ausgrid's incident management protocols include using the PSN when mobile signals are less reliable, and during multi-agency response scenarios and emergencies. Ausgrid also relies on the PSN to contact other agencies, and explained how they train with the system.

We regularly participate in emergency training exercises to practice this capability and to use the PSN as a channel of communication. Exercises include 'system black'

¹²¹ Mr Newcombe, [Transcript of evidence](#), 11 June 2024, p 26.

¹²² Mr Newcombe, [Transcript of evidence](#), 11 June 2024, p 24.

¹²³ Ausgrid, [Who we are](#), viewed 21 August 2024.

¹²⁴ [Submission 4](#), Ausgrid, p 1.

scenarios when the whole network needs to be restarted in a controlled and systematic fashion requiring communication between various parties.¹²⁵

- 3.35 PSN infrastructure is also connected to the Ausgrid's electricity network. Power outages on its network have the potential to impact the availability of the PSN. In these scenarios Ausgrid advise the NSW Telco Authority of the supply interruption. However, that level of support is dependent upon Ausgrid knowing about the PSN assets on their network.¹²⁶

Financial impacts of the delayed program rollout on Emergency Service Organisations

More than \$2 billion estimated whole-of-government cost

- 3.36 The Audit Report found that, 'the full cost of the enhanced PSN has not been tracked or reported during the program'.¹²⁷ It also found that 'there has been no transparency about the whole-of-government cost of implementing the enhanced PSN through the CCEP.'¹²⁸
- 3.37 It is estimated that the minimum whole-of-government cost of building an enhanced PSN consistent with the original proposal is more than \$2 billion.¹²⁹

Monitoring and reporting at the whole-of-government level

- 3.38 The Committee was concerned that it was difficult during the inquiry to receive evidence on specific information about the tracking of costs.
- 3.39 The Audit Report found that 'there has been no transparency about the whole-of-government cost of implementing the enhanced PSN through the CCEP'. The Committee notes that Infrastructure NSW made a recommendation to the NSW Telco Authority, in 2019, for it to 'conduct a stocktake of such costs so that a whole-of-government cost impact is available to the NSW Government.'¹³⁰
- 3.40 In relation to its 2019 recommendation, Infrastructure NSW advised that the CCEP was subject to a 'Gate 2' Business Case Review. Infrastructure NSW concluded that the recommendation was 'adequately referenced in the 2020 business case.'¹³¹
- 3.41 The Committee examined how the whole of government costs for the CCEP have been tracked and reported on, especially with reference to the 2019 recommendation.

¹²⁵ [Submission 4](#), Ausgrid, p 1.

¹²⁶ [Submission 4](#), Ausgrid, p 2.

¹²⁷ [Management of the Critical Communications Enhancement Program](#), p 7.

¹²⁸ [Management of the Critical Communications Enhancement Program](#), p 4.

¹²⁹ [Management of the Critical Communications Enhancement Program](#), p 35.

¹³⁰ [Management of the Critical Communications Enhancement Program](#), p 4.

¹³¹ [Answers to questions on notice](#), Infrastructure NSW, 19 April 2024, p 2.

- 3.42 The NSW Telco Authority told the Committee that they do not have visibility of whole of government costs and questions on these costs should be 'referred to NSW Treasury'.¹³²
- 3.43 The NSW Telco Authority further advised that it 'does not have visibility of other agencies costs or cost savings which are reported to NSW Treasury'.¹³³
- 3.44 NSW Treasury reported that it ensures there is an 'accurate reflection of estimated total cost and annual budget in every budget paper for every agency impacted by the program'.¹³⁴ However they also noted that 'the delivery agency [NSW Telco Authority] should report cost savings as part of the program benefits plan'.¹³⁵
- 3.45 It was not clear which agency is monitoring and tracking the cost savings delivered by the CCEP, or which agency will have a holistic view of the cost savings achieved across the whole of government when the CCEP concludes. It was particularly concerning that the delivery agency, the NSW Telco Authority, nor NSW Treasury were unable to provide a clear view on how this is being tracked, and by whom.

Costs to operate and maintain ESOs legacy radio networks

- 3.46 The original 2016 business case included estimates for ESO costs to operate and maintain their legacy radio networks over the four years from 2016–2020. The Audit Report stated that these costs, and costs incurred due to the CCEP's delay, were not tracked by the NSW Telco Authority.¹³⁶
- 3.47 Due to the CCEP's delay, ESOs have been required to sustain their aging legacy networks beyond the initial four-year schedule. Separately, Stay Safe and Keep Operational (SSKO) funding was established to provide funding to ESOs to maintain their legacy networks while the CCEP was refreshing and enhancing the PSN.¹³⁷ This funding was in recognition that some systems being used by ESOs would require maintenance or replacement before the PSN was available for ESOs to migrate to.
- 3.48 The CCEP's delay has impacted each ESO to varying degrees. Some ESOs are funding costs to operate and maintain legacy systems from their Business as Usual (BAU) funding,¹³⁸ while others are using SSKO funding, or a combination of both.¹³⁹

¹³² [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 12.

¹³³ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 12.

¹³⁴ [Answers to supplementary questions](#), NSW Treasury, 18 April 2024, p 1.

¹³⁵ [Answers to supplementary questions](#), NSW Treasury, 18 April 2024, p 2.

¹³⁶ [Management of the Critical Communications Enhancement Program](#), p 33.

¹³⁷ [Management of the Critical Communications Enhancement Program](#), p 34.

¹³⁸ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 1.

¹³⁹ [Answers to questions on notice](#), NSW Ambulance, 22 April 2024, p 1; Mr Wormald, [Transcript of evidence](#), 11 June 2024, p 17.

- 3.49 Some ESOs are also using SSKO funding for other purposes, such as innovation projects to develop communication solutions during the delayed rollout.¹⁴⁰
- 3.50 NSW Ambulance, the NSW Police Force, and the NSW State Emergency Service confirmed they are incurring costs to maintain their legacy networks due to the delay of the enhanced PSN.¹⁴¹ For example, NSW State Emergency Service noted 'there has been money put into our existing networks in the hundreds of thousands'.¹⁴²
- 3.51 Chief Superintendent Matthew Wormald, Fire and Rescue NSW told the Committee that the delays haven't been a 'show stopper' in terms of their ability to maintain their capability, in part due to Fire and Rescue NSW's current networks being maintained with SSKO funding until the PSN is fully available. Fire and Rescue NSW will migrate onto the PSN as soon as possible so that it can 'maximise utilisation of the better infrastructure' that will be provided by the PSN.¹⁴³
- 3.52 Fire and Rescue NSW also advised that the majority of its equipment is within 'serviceable life', and that there has been no significant increase in costs to maintain its radio network.¹⁴⁴
- 3.53 NSW Ambulance has used SSKO funding to upgrade legacy sites, refresh radio terminals (new portable and mobile technology), address radio coverage issues at locations that would not be covered by the PSN and prepare systems for PSN migration.¹⁴⁵
- 3.54 NSW Ambulance have, however, had to use their business-as-usual funding to maintain and run legacy radio towers, which would have likely been decommissioned with the rollout of the CCEP. NSW Ambulance reported the cost for these maintenance activities was approximately \$4.3 million from January 2021 to March 2024.¹⁴⁶
- 3.55 The NSW Police Force are currently paying to maintain its network, the Police Radio Network (PRN). They confirmed they are using their legacy network in its full capacity. The operating costs of the PRN in the 2023-24 financial year were \$15.287 million.¹⁴⁷
- 3.56 The NSW Police Force reported that due to the delay they also have continued to bid for and use capital funding, recurrent funding and resources for various initiatives such as the Sydney Metro Refresh at \$19.12 million (2019-2021),

¹⁴⁰ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24.

¹⁴¹ [Answers to questions on notice](#), NSW Ambulance, 22 April 2024, p 1; [Answers to supplementary questions](#), NSW Police Force, 16 July 2024, p 2; Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24.

¹⁴² Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24.

¹⁴³ Mr Wormald, [Transcript of evidence](#), 11 June 2024, p 17.

¹⁴⁴ [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 2.

¹⁴⁵ [Answers to questions on notice](#), NSW Ambulance, 22 April 2024, p 1.

¹⁴⁶ [Answers to questions on notice](#), NSW Ambulance, 22 April 2024, p 1.

¹⁴⁷ [Answers to supplementary questions](#), NSW Police Force, 16 July 2024, p 2.

Australian Communications and Media Authority Compliance at \$6.875 million (2019-2022) and the Southern Region Refresh at \$26.587 million (2023-2027).¹⁴⁸

- 3.57 Fire and Rescue NSW and the NSW State Emergency Service both report using SSKO funding for 'vehicle as a node' (VAAN) technology. This is a solution for areas outside the PSN coverage which enables firefighters to remain connected to communications.¹⁴⁹
- 3.58 The NSW State Emergency Service have led both the VAAN and COWs technology solutions.¹⁵⁰ Mr Stephen McRobert, Director and Chief Information Office, NSW State Emergency Service explained the benefits of this solution:
- I'm proud to say we've led what we called the "vehicle as a node" technology solution at NSW State Emergency Service, which has put SmartConnect into our vehicles. That allows us to first access the PSN and, if it's not available, go to G networks and, if they're not available, go to satellites so that our volunteers have coverage across the State. That's where we've used the existing funding to complement the network and fill some of those risk areas that we have with black spot coverage.¹⁵¹
- 3.59 The NSW State Emergency Service is also leading a project to deliver 'cells on wheels', or COWs, which are essentially a mobile PSN transmission site that can be transported to provide coverage during operations as required.¹⁵²
- 3.60 Fire and Rescue NSW have deployed a solution they call 'always connected' in their vehicles as a workaround for when the two-way radio network is not available. This solution uses 4G carrier and satellite networks and provides data capability for their automatic vehicle location devices and mobile data terminals.¹⁵³

PSN core user charges

- 3.61 The PSN operates on a cost recovery basis, and ESO's are charged a fee based on the total projected costs incurred by the NSW Telco Authority. Key drivers in increases to these fees are increases in the number of sites, digital and technology transformation and capability uplift.¹⁵⁴
- 3.62 As the CCEP expands, NSW Ambulance's core user fees are expected to increase. NSW Ambulance reported their core user fees have increased by \$1.0 million for 2022-23 and by \$1.9 million for 2023-24. The Committee notes these increases in

¹⁴⁸ [Answers to supplementary questions](#), NSW Police Force, 16 July 2024, p 2.

¹⁴⁹ [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 2; Mr Newcombe, [Transcript of evidence](#), 11 June 2024, p 24.

¹⁵⁰ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24; Mr Newcombe, [Transcript of evidence](#), 11 June 2024, p 26.

¹⁵¹ Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 24.

¹⁵² Mr Newcombe, [Transcript of evidence](#), 11 June 2024, p 26.

¹⁵³ Mr Hilditch, [Transcript of evidence](#), 11 June 2024, p 16.

¹⁵⁴ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, pp 1-2.

costs against the comparative savings of \$115,000 from decommissioning costs.¹⁵⁵

- 3.63 The NSW Rural Fire Service told the Committee that the way core user charges are calculated has changed from a per-radio charge to an average cost based on the consumption of the frequency. They advised the Committee that they have been historically supported for these charges by NSW Treasury.¹⁵⁶
- 3.64 The NSW Police Force is currently not a core user of the PSN, and pays a small subscription fee for its current use. The NSW Police Force told the Committee that they paid \$1.6 million for the last 12 months for specialist command use of the network where available.¹⁵⁷
- 3.65 The NSW Police Force also advised it has reviewed current funding arrangements and sought clarification regarding future core user charges and subscription fees. Based on this information, the NSW Police Force have submitted a business case to NSW Treasury to inform a new policy proposal.¹⁵⁸
- 3.66 Once the NSW Police Force migrates to the PSN, they expect pay around \$40 million per year, as a core user, for PSN access for all NSW Police Force radios and dispatch channels and areas. This is for the Greater Sydney Area.¹⁵⁹
- 3.67 Fire and Rescue NSW reported its core user charges have increased, however the increase reflects the 'increased quantity and capacity of the PSN sites'.¹⁶⁰

Reasons for the delays and increases in cost

- 3.68 The Committee sought to understand why the original estimated costs and project's schedule in the 2016 business case were so different from the final 2021 business case.
- 3.69 The Committee heard that natural disasters, site access issues, and the Covid-19 pandemic likely impacted the costs and delivery schedule of the CCEP in addition to the reasons examined by Infrastructure NSW.
- 3.70 The 2016 business case included delivery of approximately 378 sites by 2020, and delivery of 45 per cent land coverage and 96 per cent population coverage.¹⁶¹
- 3.71 In 2020, a business case for supplementary funding was developed to address program delays resulting from site damage and the 2019-20 bushfire crisis. This business case included delivery of approximately 318 additional sites to deliver

¹⁵⁵ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, pp 1-2.

¹⁵⁶ Mr Rogers AFSM, [Transcript of evidence](#), 11 June 2024, p 4.

¹⁵⁷ Assistant Commissioner Maloney APM, [Transcript of evidence](#), 11 June 2024, p 10.

¹⁵⁸ Assistant Commissioner Maloney APM, [Transcript of evidence](#), 11 June 2024, p 10.

¹⁵⁹ [Answers to questions on notice](#), NSW Police Force, 11 June 2024, p 5.

¹⁶⁰ [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 3.

¹⁶¹ [Answers to questions on notice](#), NSW Telco Authority, 18 April 2024, p 6.

85 per cent land coverage and 99.7 per cent population coverage and provide a 'completed' PSN.¹⁶²

3.72 The NSW Telco Authority reported that it noted there were risks to the estimated costs in the 2016 business case process. These included underestimating time required to complete site acquisition, ease of access to sites, and inclement weather. NSW Telco Authority stated that these risks 'plus others' were realised, impacting the CCEP schedule and budget, and as a result, the initial project cost estimates did not align with actual costs.¹⁶³

3.73 The Audit Office noted that Infrastructure NSW's review on the CCEP's delays occurred before the 2019-20 east coast bushfire season, the Covid-19 pandemic, and the 2021 and 2022 flood events. They noted these were all 'likely' to have contributed to delays and cost increases.¹⁶⁴

3.74 Fire and Rescue NSW, NSW Ambulance, and NSW State Emergency Service agreed that Covid-19 and natural disasters including floods may have impacted CCEP delivery. They also highlighted challenges relating to site access and private land ownership which arose from the pandemic and other natural disasters.¹⁶⁵

3.75 Mr Rob Hilditch, Executive Director Information Technology, CIO, Information Technology, Fire and Rescue NSW explained:

COVID had all sorts of challenges around supply chain issues and so on and so forth. To be fair to the timeliness of the increases in costs, it would've been a protraction at the time to deliver this, and a lot of that was a result of natural disasters and the implications of COVID. Even the natural disasters affected sites that were to be acquired or to be used and the time to fix them, because sometimes a landowner doesn't want to fix it as quickly as the Telco Authority need it to replace a site.¹⁶⁶

3.76 The NSW Telco Authority noted that weather events had impacted their ability to deliver the CCEP. Ms Kirsty McKinnon, Executive Director, Program Delivery, NSW Telco Authority stated that weather poses the 'biggest risk' to CCEP to program.

What is different about this program is that it is not that it floods for a few weeks or it rains for a few weeks and then we can start to build again. That is not the case. It can take over a year for access to these sites to dry out. Where most programs might be impacted by a few months, our program can be impacted by 12 to 18 [months] by the sheer amount of wet weather we've been having. I would say that's our biggest risk.¹⁶⁷

¹⁶² [Answers to questions on notice](#), NSW Telco Authority, 18 April 2024, p 6.

¹⁶³ [Answers to supplementary questions](#), NSW Telco Authority, 24 July 2024, p 4.

¹⁶⁴ [Management of the Critical Communications Enhancement Program](#), p 12; Ms Migotto, [Transcript of evidence](#), 25 March 2024, p 23.

¹⁶⁵ Mr Elliot, [Transcript of evidence](#), 25 March 2024, p 10; Mr Barnes, [Transcript of evidence](#), 11 June 2024, p 22; Mr Hilditch, [Transcript of evidence](#), 11 June 2024, p 22; Mr McRobert, [Transcript of evidence](#), 11 June 2024, p 22, 29.

¹⁶⁶ Mr Hilditch, [Transcript of evidence](#), 11 June 2024, p 22.

¹⁶⁷ Ms Kirsty McKinnon, Executive Director, Program Delivery, NSW Telco Authority, [Transcript of evidence](#), 25 March 2024, p 35.

Chapter Four – Update on performance audit recommendations

- 4.1 In June 2023, the Auditor-General for NSW tabled a performance audit report titled *Management of the Critical Communications Enhancement Program* (the Audit Report) which made a series of recommendations.
- 4.2 The Audit Report examined if the Critical Communications Enhancement Program (CCEP) being effectively delivered by the Authority to deliver its object, an enhanced Public Safety Network (PSN) for Emergency Service Organisations (ESO). The Audit Report used two key questions to examine this:
- Have agreed ESO user requirements for the enhanced PSN been met under day-to-day and emergency operational conditions?
 - Has there been adequate transparency to the NSW Government and other stakeholders regarding whole-of-government costs related to the CCEP?¹⁶⁸
- 4.3 As part of this inquiry the Committee sought updates on the implementation of the Auditor-General's recommendations. The following chapter outlines this follow up.

Encryption and Interoperability

Recommendation 5

That the NSW Telecommunications Authority ensures technical and governance arrangements are in place to support encryption and interoperability as part of the Critical Communications Enhancement Program delivery.

- 4.4 Enhanced interoperability between agencies is a key function of the CCEP. The Audit Report stated that one intended benefit of the CCEP is to provide an '...opportunity for improved interoperability, allowing agencies to communicate within and between agencies and across state borders.'¹⁶⁹
- 4.5 The ability to encrypt both internal and inter-agency communications is also important to the security of Emergency Service Organisation (ESO) staff and operations.¹⁷⁰ The NSW Telco Authority has reported that all PSN users have the option to encrypt their communications on the network using an encryption key.¹⁷¹

¹⁶⁸ [Management of the Critical Communications Enhancement Program](#), pp 1-2.

¹⁶⁹ [Management of the Critical Communications Enhancement Program](#), p 28.

¹⁷⁰ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 3; [Answers to supplementary questions](#), NSW Police Force, 16 July 2024, p 3; [Answers to supplementary questions](#), NSW State Emergency Services, 19 July 2024, p 2; [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 4.

¹⁷¹ [Answers to supplementary questions](#), NSW Telco Authority, pp 6-7

- 4.6 The Audit Report raised the inherent incompatibility between interoperability and encryption, as encryption is intended to restrict who can participate in a call, and interoperability is intended to facilitate greater sharing of information.
- ... unless carefully managed, encryption can inhibit interoperability in those operational circumstances where secure communications are required during multi-agency incidents or campaigns.¹⁷²
- 4.7 The Committee shared these concerns and requested further information from the NSW Telco Authority about the governance and technology arrangements they had put in place to address this risk.
- 4.8 The NSW Telco Authority advised that encryption was not mandatory for PSN users, and that use of the encryption function was the responsibility of individual agencies. The NSW Telco Authority also advised it is leading a 'Radio Authentication and Encryption project' which will measure the adoption of encryption, but that 'no other governance has been put in place for agency compliance.'¹⁷³
- 4.9 The NSW Police Force (NSW Police) told the Committee they are currently, and will continue to be able, to communicate with other ESOs operationally on non-encrypted channels. However, the NSW Police Force are required to restrict communication of personal and sensitive information.¹⁷⁴
- 4.10 The NSW Telco Authority noted three current interoperability projects: the Talkgroup Sharing Project; the South Australia/NSW Interstate Interoperability Solution; and the Victoria/NSW Interstate Interoperability Solution.¹⁷⁵ The Committee acknowledges these projects, but notes that each appear to relate to interstate interoperability rather than inter-agency encrypted communication interoperability.

ESO feedback

- 4.11 NSW Ambulance said that best practice would be to transmit sensitive information exclusively over encrypted networks, however communication is not encrypted 'at the moment'.¹⁷⁶ NSW Ambulance advised that it did not often transmit sensitive information to other agencies, and therefore issues with encryption and interoperability were 'unlikely' to impact their operations.¹⁷⁷
- 4.12 NSW Police advised that their own network had encryption capabilities that were appropriately managed to ensure internal and inter-agency interoperability. Their position is that 'the PSN, once fully delivered, would meet the requirements' of the agency.¹⁷⁸

¹⁷² [Management of the Critical Communications Enhancement Program](#), p 7.

¹⁷³ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 6.

¹⁷⁴ [Answers to supplementary questions](#), NSW Police Force, p 4.

¹⁷⁵ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 8.

¹⁷⁶ Mr Elliot, [Transcript of evidence](#), 25 March 2024, p 13.

¹⁷⁷ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 2.

¹⁷⁸ [Answers to questions on notice](#), NSW Police Force, 11 June 2024, p 2.

- 4.13 The Committee considers the issues of encryption and interoperability to be relevant to the future success of the CCEP and its user agencies. It therefore recommends that the NSW Telco Authority ensures technical and governance arrangements are in place to support encryption and interoperability as part of the CCEP delivery.

Cloning of unauthenticated terminals

- 4.14 The enhanced PSN uses radio terminals for internal and inter-agency communication. The Audit Report raised that potential cloning of unauthenticated radio terminals poses a risk to the security of communications over the enhanced PSN.¹⁷⁹
- 4.15 During the process of determining user requirements, all ESOs required that the enhanced PSN should have the capability to authenticate terminals (which includes radio handsets, desk-based consoles, and radios in vehicles).¹⁸⁰ This capability prevents the 'cloning' of terminals by validating their authenticity, thereby preventing individuals or organisations accessing the enhanced PSN without authorisation
- 4.16 The NSW Telco Authority estimates that authentication takes around 30 minutes per terminal. The Audit Report also found that although 98 per cent of existing PSN radio terminals were capable of being authenticated, only 48 per cent had been authenticated at the time of the performance audit.¹⁸¹

ESO feedback

- 4.17 NSW Ambulance reported that without the necessary encryption provided by authenticated terminals, patient information, information of significant media interest, and staff safety information are all at risk of being intercepted.¹⁸² NSW Ambulance provided an example that a paramedic could not safely use a radio to organise meeting locations at a gaol for fear that 'associates of inmates' would intercept the ambulance and patient upon leaving the gaol.¹⁸³
- 4.18 NSW Ambulance also reported that it is working with the NSW Telco Authority to authenticate 'about 7,500' radio terminals by January 2025.¹⁸⁴
- 4.19 Fire and Rescue NSW acknowledged cloning risks and added that if a cloned radio appears on the network, there is a risk that the 'original' Fire and Rescue NSW radio will be prevented from connecting.¹⁸⁵
- 4.20 NSW Police advised that a cloned radio could not receive or hear police transmissions. However, it could be used to broadcast and disrupt police networks in a way that 'at best prevents officers from communicating and at

¹⁷⁹ [Management of the Critical Communications Enhancement Program](#), p 7.

¹⁸⁰ [Management of the Critical Communications Enhancement Program](#), pp 7, 27.

¹⁸¹ [Management of the Critical Communications Enhancement Program](#), p 27.

¹⁸² [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 3.

¹⁸³ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 3.

¹⁸⁴ [Answers to questions on notice](#), NSW Ambulance, 22 April 2024, p 6.

¹⁸⁵ [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 4.

worst deliberately prevents them from coordinating a response to a serious or life-threatening incident.¹⁸⁶

- 4.21 The Committee is concerned by the risk posed by cloning of unauthenticated terminals to operator and public safety.
- 4.22 The NSW Audit Office recommended that the NSW Telco Authority expedite the authentication of terminals and implement interim strategies to identify and address the risk of cloned terminals in the meantime.¹⁸⁷ The Committee supports these recommendations and encourages the NSW Telco Authority to complete this work as a priority.

In-building coverage

Recommendation 6

That the NSW Government undertake consultation to consider legislative change to require in-building radio coverage in non-government infrastructure projects for public safety.

Importance of in-building coverage

- 4.23 In-building coverage refers to coverage within built structures that cannot be penetrated by external radio transmissions.¹⁸⁸ The Audit Report found that there is no regulation setting out circumstances where in-building coverage is required for new and refurbished building infrastructure. However, the NSW Telco Authority is working with the ESOs to identify and prioritise possible in-building sites.¹⁸⁹
- 4.24 The Audit Office made a recommendation that by January 2024 the NSW Telco Authority should:
- ... work with other relevant NSW government agencies to provide advice to the NSW Government on the options, benefits and costs of addressing the regulatory gap for in-building public safety communications coverage in new and existing buildings.¹⁹⁰
- 4.25 In their response to the Audit Report, the NSW Telco Authority told the Auditor-General that they are working with relevant NSW government agencies to develop and implement 'Minimum Digital Connectivity Principles'. This will promote the requirements for in building coverage in new and refurbished major infrastructure being funded by NSW government. The 'first phase' of this was due to be delivered by January 2024.¹⁹¹
- 4.26 The NSW Telco Authority reported that the Digital Connectivity Principles became effective on 1 March 2024, and highlighted that the implementation of this was the first step in addressing in-building coverage via a regulatory response. They

¹⁸⁶ [Answers to supplementary questions](#), NSW Police, 16 July 2024, p 3.

¹⁸⁷ [Management of the Critical Communications Enhancement Program](#), p 8.

¹⁸⁸ [Management of the Critical Communications Enhancement Program](#), p 5.

¹⁸⁹ [Management of the Critical Communications Enhancement Program](#), pp 19-20.

¹⁹⁰ [Management of the Critical Communications Enhancement Program](#), p 8.

¹⁹¹ [Management of the Critical Communications Enhancement Program](#), pp 39-40.

noted that further work was underway including if the principles should apply to other sectors including private sectors, and investigating if a regulatory intervention is required.¹⁹²

ESO feedback

- 4.27 NSW Ambulance gave an example of an underground train station which was a black spot with no radio coverage due its location and its construction with lots of concrete. NSW Ambulance told the Committee that they are not aware of a risk management plan as part of the CCEP to address other similar problem places.¹⁹³
- 4.28 The extent to which the PSN works within infrastructure such as buildings is of crucial importance to ESOs, especially the NSW Police Force, NSW Ambulance and Fire and Rescue NSW as their operations frequently occur within buildings.¹⁹⁴
- 4.29 Fire and Rescue NSW noted the criticality of in-building coverage to their operations and that they identified in-building coverage for all buildings and fire districts as a requirement in the scope of the CCEP. Until this is achieved Fire and Rescue NSW will continue to use alternative 'ad-hoc communications options'.¹⁹⁵

Solutions to gaps in in-building coverage

- 4.30 NSW Ambulance has worked with other agencies to install radio base repeaters to respond to limitations of their legacy system while awaiting the delivery of the CCEP.¹⁹⁶ A repeater is a 'base' or station that acts as a link between two radios that cannot connect due to distance or a physical barrier like a hill (or in the case of the CCEP, infrastructure like buildings or concrete). One radio communicates to the repeater, and then that repeater 'repeats' that transmission to the other radio.¹⁹⁷
- 4.31 To install the repeaters, NSW Ambulance have used a variety of funding including their business-as-usual funding, SSKO funding, CCEP funding or other funding. They have started installing the repeaters and will continue to install them in infrastructure like railway stations, hospitals, airports, tunnels and shopping centres.¹⁹⁸
- 4.32 NSW Ambulance also proposed that other new and emerging technologies could be used to address the risks presented by a lack of in-building coverage, such as combined hybrid vehicle and portable devices that use radio frequencies, cellular and satellite technologies. NSW Ambulance told the Committee that a combination of these technologies could be used to enable seamless

¹⁹² [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 5.

¹⁹³ Mr Elliot, [Transcript of evidence](#), 25 March 2024, p 16.

¹⁹⁴ [Management of the Critical Communications Enhancement Program](#), p 19; [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 3.

¹⁹⁵ [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 3.

¹⁹⁶ [Answers to questions on notice](#), NSW Ambulance, 22 April 2024, p 3.

¹⁹⁷ Tait Radio Academy, [How do repeater systems work?](#), viewed 15 August 2024.

¹⁹⁸ [Answers to questions on notice](#), NSW Ambulance, 22 April 2024, p 3.

communication by using whichever transmission method has the strongest signals for communication.¹⁹⁹

- 4.33 The NSW Police Force told the Committee that the NSW Telco Authority are working with Infrastructure NSW to look what should be a requirement for 'new builds', particularly in-building coverage.²⁰⁰
- 4.34 NSW Telco Authority reported that the Digital Connectivity principles became effective on 1 March 2024, and apply to all new NSW Government funded infrastructure worth over \$10 million.²⁰¹
- 4.35 Noting the importance of in-building coverage, the Committee recommends the NSW Government undertake consultation to consider whether legislative change is required to ensure in-building radio coverage in non-government infrastructure projects to enhance public safety.

Governance arrangements

Recommendation 7

That the NSW Telecommunications Authority re-instate a NSW Telecommunications Authority led working group or identify an existing governance forum, with Emergency Service Organisation representation, to support appropriate governance arrangements following the completion of the Critical Communications Enhancement Program.

- 4.36 The Committee is of the opinion that comprehensive and well-communicated governance arrangements will be central to the ongoing success of the PSN following the completion of the CCEP.
- 4.37 The Audit Report identified a lack of clarity around the governance arrangements for the updated PSN following the completion of the CCEP.²⁰²
- 4.38 The highest decision-making body for the CCEP is the Program Steering Committee, made up by representatives from all ESOs, the Department of Customer Service and the NSW Telco Authority.²⁰³
- 4.39 The Audit Report described the Program Steering Committee as facilitating 'comprehensive governance arrangements' for the implementation of the CCEP. It recommended that governance arrangements were reviewed to ensure they are adequate and appropriate for the evolving relationship between agencies, including to support ongoing collaboration and communication.²⁰⁴
- 4.40 The Audit Report acknowledged the potential for the Operations Service Delivery Governance forum to continue the function of the Program Steering Committee, as the intent of the forum appears to be to foster formal engagement with the

¹⁹⁹ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 5.

²⁰⁰ Assistant Commissioner Maloney APM, [Transcript of evidence](#), 11 June 2024, p 11.

²⁰¹ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 5.

²⁰² [Management of the Critical Communications Enhancement Program](#), p 6.

²⁰³ [Management of the Critical Communications Enhancement Program](#), p 6.

²⁰⁴ [Management of the Critical Communications Enhancement Program](#), p 8.

ESOs on the operation of the enhanced PSN. However, the Audit Report also noted that the terms of reference for the Operations Service Delivery Governance forum they were provided with were incomplete and did not clarify:

- those matters on which ESOs could make decisions
- how decisions would be made, including decision rules
- what escalation processes were available in the event of dispute
- the standing of any decisions, including whether decisions of the forum could be overruled.²⁰⁵

ESO feedback

- 4.41 NSW Ambulance, NSW Police and the NSW State Emergency Service each reported that they were currently satisfied with the proposed governance arrangements following the completion of the CCEP.²⁰⁶
- 4.42 In contrast, Fire and Rescue NSW commented that it was 'unclear of the planned ongoing governance framework' and that it 'supports the re-instatement of a NSW Telco Authority (NSWTA) led Working Group to engage collectively with ESOs.'²⁰⁷
- 4.43 The NSW Telco Authority advised that a Service Delivery Forum had been established in December 2022 'to facilitate direct engagement and consultation with [ESOs] at an operational level through a governed platform.'²⁰⁸
- 4.44 The Committee notes that there is a degree of concern about ongoing governance arrangements following the completion of the CCEP. The Committee supports the Audit Office's recommendation that the NSW Telco Authority review whether the current or planned governance arrangements for the enhanced PSN are adequate for the evolving relationship between agencies, including to support ongoing collaboration and communication.
- 4.45 The Committee considers that this could be done through reinstating a NSW Telco Authority led working group or identifying an existing governance forum, with ESO representation, to support appropriate governance arrangements following the completion of the CCEP.

²⁰⁵ [Management of the Critical Communications Enhancement Program](#), p 30.

²⁰⁶ [Answers to supplementary questions](#), NSW Ambulance, 2 May 2024, p 5; [Answers to supplementary questions](#), NSW Police, 16 July 2024, p 4; [Answers to supplementary questions](#), NSW State Emergency Service, 19 July 2024, p 3.

²⁰⁷ [Answers to supplementary questions](#), Fire and Rescue NSW, 16 July 2024, p 5.

²⁰⁸ [Answers to supplementary questions](#), NSW Telco Authority, 3 May 2024, p 2.

Appendix One – Terms of reference

That the Public Accounts Committee inquire into and report on the accountability measures in place for decision-making in respect of the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets by the NSW Government, including:

- a) processes and governance to support the justification of decisions;
- b) business and investment cases, analysis, risk appraisals and other information considered by decision makers;
- c) the effectiveness of systems, processes and metrics for measuring, evaluating and reporting:
 - i. the effectiveness of privatisation or contracting arrangements including financial management, risk management, procurement, contract management and stakeholder engagement;
 - ii. time and cost variations and their evaluation, management and reporting;
 - iii. whether the proposed costs, benefits and/or performance improvements of a decision were realised; and
- d) any other related matters.

Appendix Two – Conduct of inquiry

On 28 September 2023, the Committee resolved to conduct an inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW. On 24 October 2023 the Committee resolved to consider the Critical Communications Enhancement Program as the first project to focus on as part of this inquiry. The full terms of reference are at Appendix One.

The Committee wrote to key stakeholders inviting them to make a submission to the inquiry.

Submissions closed on 30 November 2023. A total of 8 submissions were received from NSW government agencies, emergency service organisations, the Audit Office, local government, and end users and private sector partners involved in the program.

A list of submissions is at Appendix Three. Submissions are available on the inquiry [webpage](#).

The Committee held two public hearings at Parliament House on 25 March 2024 and 11 June 2024. The Committee heard from a range of witnesses including emergency service organisations, unions, the Audit Office of NSW, and NSW government agencies in person and via videoconference.

A list of witnesses is at Appendix Four. Transcripts of evidence taken at the hearings are available on the inquiry [webpage](#).

Appendix Three – Submissions

No.	Author
1	Audit Office of New South Wales
2	NSW Rural Fire Service Association Incorporated
3	Office of Transport Safety Investigation
4	Ausgrid
5	Infrastructure NSW
6	Amalgamation Pty Ltd
7	NSW Telco Authority
8	Lismore City Council

Appendix Four – Witnesses

25 March 2024

Parliament House, Macquarie Room, Sydney, NSW

Witness	Position and Organisation
Mr Scott Campbell	President, NSW Rural Fire Service Association
Ms Siobhan Callinan	Acting Assistant General Secretary, Public Service Association of New South Wales
Dr Andy Asquith	Research Officer, Public Service Association of New South Wales
Mr Peter Elliott	Acting Executive Director, Finance and Corporate Services, NSW Ambulance
Ms Margaret Crawford PSM	Auditor-General for New South Wales, Audit Office of New South Wales
Ms Claudia Migotto	Acting Deputy Auditor-General, Audit Office of New South Wales
Mr Aaron Green	Assistant Auditor-General, Audit Office of New South Wales
Mr Tom Gellibrand	Chief Executive, Infrastructure NSW
Mr Said Hirsh	Head of Strategy, Planning and Innovation, Infrastructure NSW
Ms Kirsty McKinnon	Executive Director, Program Delivery, NSW Telco Authority
Ms Liz Livingstone	Deputy Secretary, Policy and Budget Group, NSW Treasury
Ms Cassandra Wilkinson	Executive Director, Transport Infrastructure and Investment, NSW Treasury

11 June 2024**Parliament House, Macquarie Room, Sydney, NSW**

Witness	Position and Organisation
Commissioner Rob Rogers AFSM	Commissioner, NSW Rural Fire Service
Assistant Commissioner Stacey Maloney APM	Commander, Technology and Communication Services Command, NSW Police Force
Mr Rob Hilditch	Executive Director Information Technology, CIO, Information Technology, Fire and Rescue NSW
Mr Paul Barnes	Director, IT Operations and Communications, Information Technology, Fire and Rescue NSW
Mr Matthew Wormald	Chief Superintendent, Operational Communications, Fire and Rescue NSW
Mr Stephen McRobert	Director ICT and Chief Information Officer, NSW State Emergency Service
Mr Shane Newcombe	Senior Manager Communications and Field Support, NSW State Emergency Service

Appendix Five – Extracts from minutes

MINUTES OF MEETING NO. 4

2:31 pm, 28 September 2023

Videoconference

Members Present

Mr Jason Yat-Sen Li MP (Chair), Mr Clayton Barr MP (Deputy Chair), Mr Anthony Roberts MP, Ms Jenny Leong MP and Mr David Saliba MP.

Apologies

Mr Michael Regan MP.

Officers Present

Leon Last, Kate McCorquodale, Jennifer Gallagher and Nicolle Gill.

1. Inquiry into the accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW

1.1 Terms of reference

The Committee considered draft terms of reference for an inquiry into the accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW.

Resolved, on the motion of Mr Barr, seconded by Mr Roberts: That the Committee conduct an inquiry into the accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW, in accordance with the draft terms of reference circulated.

1.2 Conduct of inquiry

The Committee discussed the conduct of the inquiry and potential stakeholders for the call for submissions.

The Committee agreed that the Chair work with the secretariat to identify the first project for the Committee to focus on. This proposal will be circulated to all members for their agreement, or discussion at a further meeting.

Resolved, on the motion of Mr Barr, seconded by Mr Saliba: That, once a project has been agreed upon, the Chair work with the secretariat to prepare a stakeholder list, write to identified stakeholders to request a submission, and prepare a media release and engagement strategy.

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the Committee publish the terms of reference on the Committee webpage.

2. Next meeting

The meeting adjourned at 3.16 pm until a time and date to be determined.

MINUTES OF MEETING NO. 5

1:36 pm, 24 October 2024

Room 850B and Videoconference

Members Present

Mr Jason Yat-Sen Li (Chair), Mr Clayton Barr (Deputy Chair), Dr David Saliba (by Webex), Mr Anthony Roberts (by Webex), Ms Jenny Leong and Mr Michael Regan (by Webex).

Apologies

None

Officers Present

Leon Last, Alison Buskens, Ashley Kim and Nicolle Gill.

1. Confirmation of minutes

Resolved, on the motion of Mr Roberts, seconded by Mr Barr: That the minutes of the meetings of 18 September 2023 and 28 September 2023 be confirmed.

2. ***

3. ***

4. ***

5. Briefing from the Audit Office

Ms Margaret Crawford, Auditor-General, Mr Ian Goodwin, Deputy Auditor-General and Claudia Migotto, Assistant Auditor-General, were admitted to the meeting at 2:22pm.

Representatives of the Audit Office of NSW briefed the Committee on the *Management of the Critical Communications Enhancement Program* performance audit report.

Representatives of the Audit Office left the meeting at 3:37pm.

6. Accountability measures for decision-making for the delivery of major infrastructure contracting of public services, and/or the privatisation of public assets in NSW – CCEP

Resolved, on the motion of Mr Barr, seconded by Ms Leong:

- That the Committee consider the Critical Communications Enhancement Program as part of its inquiry into 'Accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW'.
- That the Committee call for submissions to be received by 30 November 2023 and write to the agreed list of stakeholders, asking them to make a submission.

7. Next Meeting

The meeting adjourned at 3:51pm until 24 November 2023 at 10:00am.

MINUTES OF MEETING NO. 6

10:03 am, 24 November 2023

Room 1254 and Videoconference

Members Present

Mr Jason Yat-Sen Li MP (Chair), Ms Jenny Leong MP, Dr David Saliba MP (by Webex), Mr Anthony Roberts MP (by Webex) and Michael Regan MP (by Webex).

Apologies

Mr Clayton Barr MP.

Officers Present

Leon Last, Alison Buskens, Ashley Kim, Madelaine Winkler, Isabella Ciampa and Yann Pearson.

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Roberts, seconded by Ms Leong: That the minutes of the meeting of 24 October 2023 be confirmed.

3. ***

4. Inquiry – Critical Communications Enhancement Program (CCEP)

4.1 Correspondence

The Committee noted the email dated 13 November 2023, from Acting Chief Customer Officer, NSW Telco Authority requesting a list of stakeholders who have been contacted to make a submission to the CCEP inquiry.

Resolved, on the motion of Mr Regan, seconded by Ms Leong: That the Chair on behalf of the Committee, write to the NSW Telco Authority to:

- inform the Authority that the Committee's preference is for submissions to be provided by individual agencies,
- inquire whether there are any specific stakeholders which the Authority believes should be contacted in relation to this inquiry.

5. ***

6. ***

7. ***

8. ***

9. ***

10. Next Meeting

The meeting adjourned at 12.50pm until a time and date to be determined.

MINUTES OF MEETING NO. 8

1:04 pm, 5 February 2024

Room 1136 and Videoconference

Members Present

In person: Mr Jason Yat-Sen Li MP (Chair), Mr Clayton Barr MP (Deputy Chair), Ms Jenny Leong MP, and Mr Michael Regan MP

By videoconference: Dr David Saliba MP and Mr Anthony Roberts MP.

Apologies

Nil

Officers Present

Helen Minnican (Clerk), Sam Griffith, Leon Last, Alison Buskens, Madelaine Winkler, Jennifer Gallagher and Yann Pearson.

1. ***

2. Confirmation of minutes

Resolved, on the motion of Mr Barr, seconded by Mr Roberts: That the minutes of the meeting of 4 December 2023 be confirmed.

3. ***

4. ***

5. Accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Critical Communications Enhancement Program

5.1 Submissions

The Committee considered submissions 1 to 8 received to the inquiry.

Resolved, on the motion of Ms Leong, seconded by Mr Barr: That the Committee receive and accept submissions 1 to 8 to the Inquiry and publish them on its website.

5.2 Next steps

The Committee discussed the inquiry next steps.

Resolved, on the motion of Mr Barr, seconded by Ms Leong: That the Committee hold a public hearing in March and invite witnesses to attend, as detailed in the amended witness list.

6. ***

7. ***

8. Next Meeting

The meeting adjourned at 3.00pm until 1 pm, 11 March 2024.

MINUTES OF MEETING NO. 10

1:02 pm, 11 March 2024

Room 1136 and Videoconference

Members Present

In person: Mr Li (Chair), Mr Barr (Deputy Chair)

By videoconference: Mr Roberts, Dr Saliba, Mr Regan

Apologies

Ms Leong

Officers Present

Leon Last, Alison Buskens, Madelaine Winkler, and Yann Pearson.

1. ***

2. Confirmation of Minutes – Meeting no. 9

Resolved, on the motion of Mr Regan, seconded by Mr Roberts: That the minutes of the meeting of 6 March 2024 be confirmed.

3. ***

4. ***

5. Inquiry: accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW – Critical Communications Enhancement Program

5.1 Updated hearing schedule

The Committee noted the updated hearing schedule for public hearing on 25 March 2024.

6. ***

7. ***

8. Next Meeting

The meeting adjourned at 2:29pm until Monday, 25 March 2024.

MINUTES FOR MEETING NO. 11

9:30 am, 25 March 2024

Macquarie Room and Videoconference

Members Present

Mr Li (Chair), Mr Barr (Deputy Chair), Mr Roberts, Dr Saliba, Ms Leong

Apologies

Mr Regan

Officers Present

Leon Last, Alison Buskens, Madelaine Winkler, Yann Pearson, Jennifer Gallagher

1. ***

2. Confirmation of minutes

Resolved on the motion of Mr Barr, seconded by Dr Saliba: That the minutes of the meeting of 11 March 2024 be confirmed.

3. ***

4. Pre-hearing procedural resolutions

The Committee noted the updated notice of public hearing for Monday 25 March 2024.

The Committee considered the standard resolutions on the conduct of a public hearing on Monday 25 March 2024.

Resolved, on the motion of Mr Barr, seconded by Dr Saliba:

- That the Committee invites the witnesses listed in the updated notice of the public hearing for Monday, 25 March 2024 to give evidence in relation to the inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW.
- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 25 March 2024, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administered by the Legislative Assembly.
- That the Committee adopt the following process in relation to supplementary questions:
 - Members to email any proposed supplementary questions for witnesses to the secretariat by 5pm, Tuesday 2 April 2024;
 - Secretariat to then circulate all proposed supplementary questions to Committee, with members to lodge any objections to the questions by 5pm, Wednesday 3 April 2024.
- That witnesses be requested to return answers to questions taken on notice and supplementary questions within 14 days of the date on which the questions are forwarded to witnesses.

Mr Roberts joined the meeting at 9:52am.

5. Public hearing – Accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW (Critical Communications Enhancement Program).

Witnesses and the public were admitted. The Chair opened the public hearing at 9:55am and made a short opening statement.

Mr Scott Campbell, President, NSW Rural Fire Service Association, via videoconference, was affirmed and examined.

Ms Siobhan Callinan, Acting Assistant General Secretary, Public Service Association of New South Wales, was affirmed and examined.

Dr Andy Asquith, Research Officer, Public Service Association of New South Wales, was affirmed and examined.

Ms Siobhan Callinan and Mr Scott Campbell made opening statements. The Committee questioned the witnesses.

The public hearing concluded at 10:28am.

6. ***

7. Public hearing (continued)

Witnesses and the public were admitted. The Chair re-opened the public hearing.

Mr Peter Elliot, Acting Executive Director, Finance and Corporate Services, NSW Ambulance, was sworn and examined.

Mr Peter Elliot made an opening statement. The Committee questioned the witness.

The public hearing concluded at 11:57pm.

8. ***

9. Public hearing (continued)

Witnesses and the public were admitted. The Chair re-opened the public hearing.

Ms Margaret Crawford PSM, Auditor-General for New South Wales, Audit Office of New South Wales, was affirmed and examined.

Mr Aaron Green, Acting Deputy Auditor-General, Audit Office of New South Wales, was affirmed and examined.

Ms Claudia Migotto, Assistant Auditor-General, Audit Office of New South Wales, was affirmed and examined.

Ms Margaret Crawford PSM made an opening statement. The Committee questioned the witnesses.

The public hearing concluded at 1:45pm.

10. ***

11. Public hearing (continued)

Witnesses and the public were admitted. The Chair re-opened the public hearing at 1:53pm.

Mr Tom Gellibrand, Chief Executive, Infrastructure NSW, was affirmed and examined.

Mr Said Hirsh, Head of Strategy, Planning and Innovation, Infrastructure NSW, was affirmed and examined.

Mr Tom Gellibrand made an opening statement. The Committee questioned the witnesses.

Evidence concluded and the witnesses withdrew.

Ms Kirsty McKinnon, Executive Director, Program Delivery, NSW Telco Authority, via videoconference, was affirmed and examined.

Ms Liz Livingstone, Deputy Secretary, Policy and Budget Group, NSW Treasury, was sworn and examined.

Ms Cassandra Wilkinson, Executive Director, Transport Infrastructure and Investment, NSW Treasury, was sworn and examined.

The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

The public hearing concluded at 3:08pm.

12. Post-hearing deliberative meeting

The Committee commenced a deliberative meeting at 3:09pm.

12.1 Publication orders

Resolved, on the motion of Mr Barr, seconded by Ms Leong: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

13. Next meeting

The meeting adjourned at 3:11pm until 6 May 2024.

MINUTES OF MEETING NO. 12

1:04 pm, 6 May 2024

Room 1136 and Videoconference

Members Present

In person: Mr Li (Chair), Mr Barr (Deputy Chair), Mr Regan

By videoconference: Dr Saliba

Apologies

Ms Leong, Mr Roberts

Officers Present

Leon Last, Charlie King, Madelaine Winkler, Divya Bhandari, Jenny Gallagher, Yann Pearson and Dhriti Bhattacharjee.

1. ***

2. Confirmation of Minutes – Meeting no. 10

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 25 March 2024 be confirmed.

3. ***

4. Inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Critical Communications Enhancement Program

4.1 Responses to questions on notice and supplementary questions

The Committee has received the following answers to questions on notice and supplementary questions:

- Answers to questions on notice from Audit Office of New South Wales.
- Answers to questions on notice and supplementary questions from NSW Treasury.
- Answers to questions on notice from NSW Telco Authority.
- Answers to questions on notice and supplementary questions from Infrastructure NSW.
- Answers to questions on notice from NSW Health on behalf of NSW Ambulance.
- Answers to questions on notice and supplementary questions from the Public Service Association of NSW.
- Answers to supplementary questions from the Rural Fire Service Association

Resolved on the motion of Mr Barr, seconded by Mr Regan:

- That the Committee accept the responses to questions on notice and supplementary questions from the Audit Office of New South Wales, NSW Treasury, NSW Telco Authority, Infrastructure NSW, the Public Service Association of NSW and the Rural Fire Service Association and publish them on its website, with contact details redacted.
- That the Committee accept the response to questions on notice from NSW Health and publish them on its website with the attachment kept confidential to the Committee.
- That the Committee accept the responses to supplementary questions from NSW Health and publish them on its website, with contact details redacted.

Resolved on the motion of Dr, Saliba, seconded by Mr Barr: That the Chair, on behalf of the Committee, write to Infrastructure NSW and Treasury NSW to ask for additional information related to the responses to questions on notice.

Resolved, on the motion of Mr Barr, seconded by Mr Regan: That the Committee invite Infrastructure NSW to brief the Committee at a future meeting.

4.2 ***

4.3 Additional public hearing

The Committee discussed holding an additional public hearing to receive evidence from emergency service organisations. The Committee noted that an invitation had been sent for Tuesday, 11 June 2024.

5. ***

6. ***

7. ***

8. ***

9. ***

10. Next Meeting

The meeting adjourned at 3:31pm until Monday, 3 June 2024.

MINUTES OF MEETING NO. 13

1:00 PM, 3 June 2024

Room 1136 and Videoconference

Members Present

In person: Mr Li (Chair) and Mr Regan

Via videoconference: Mr Barr (Deputy Chair), Mr Roberts and Dr Saliba.

Apologies

Ms Leong

Officers Present

Leon Last, Alison Buskens, Charlie King, Divya Bhandari, Jennifer Gallagher and Yann Pearson.

1. ***

2. Confirmation of Minutes – Meeting No. 12

Resolved on the motion of Mr Regan, seconded by Mr Barr: That the minutes of the meeting of 6 May 2024 be confirmed.

3. Inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Critical Communications Enhancement Program

3.1 Briefing from Infrastructure NSW

Tom Gellibrand, Chief Executive, Rene Burkhart, Head of Assurance and Kelly Goodwin, Corporate Communications from Infrastructure NSW were admitted to the meeting at 1:05pm.

Representatives from Infrastructure NSW briefed the Committee on Infrastructure NSW's assurance functions.

Representatives from Infrastructure NSW left the meeting at 1:56pm.

4. ***

5. Inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Critical Communications Enhancement Program

5.1 Responses to supplementary questions

The Committee received answers to supplementary questions from NSW Telco Authority, on 3 May 2024.

Resolved on the motion of Mr Roberts, seconded by Mr Barr: That the Committee accept the responses to supplementary questions from NSW Telco Authority and publish them on its website, with contact details redacted.

5.2 Public hearing 11 June 2024

The Committee noted the schedule for the public hearing on 11 June 2024.

6. ***

7. ***

8. ***

9. Next Meeting

The meeting adjourned at 2:59pm until Tuesday 11 June 2024.

MINUTES OF MEETING NO. 14

1:01 PM, 11 June 2024

Macquarie Room and Videoconference

Members Present

In person: Mr Li (Chair), Mr Barr (Deputy Chair), Ms Leong, Mr Regan and Dr Saliba

Via videoconference: Mr Roberts

Officers Present

Leon Last, Alison Buskens, Charlie King, Divya Bhandari, Jennifer Gallagher and Yann Pearson.

1. ***

2. Confirmation of Minutes – Meeting No. 13

Resolved on the motion of Mr Regan, seconded by Mr Roberts: That the minutes of the meeting of 3 June 2024 be confirmed.

3. ***

4. Inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in

4.1 Response to questions on notice and supplementary questions

The Committee considered the response to additional supplementary questions from Infrastructure NSW received on 5 June 2024.

Resolved on the motion of Mr Barr, seconded by Dr Saliba: That the Committee accept the response to the additional supplementary questions from Infrastructure NSW and publish them on its website, with contact details redacted.

4.2 ***

4.3 Pre-hearing procedural resolutions

The Committee considered the standard resolutions on the conduct of a public hearing on Tuesday 11 June 2024.

Resolved, on the motion of Mr Regan, seconded by Ms Leong:

- That the Committee invites the witnesses listed in the notice of public hearing for Tuesday, 11 June 2024 to give evidence in relation to the inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW.
- That the Committee authorises the audio-visual recording, photography and broadcasting of the public hearing on 11 June 2024, in accordance with the Legislative Assembly's guidelines for the coverage of proceedings for parliamentary committees administers by the Legislative Assembly.
- That the Committee adopt the following process in relation to supplementary questions:
 - Members to email any proposed supplementary questions for witnesses to the secretariat by 4pm, Tuesday 18 June 2024;
 - Secretariat to then circulate all proposed supplementary questions to Committee, with members to lodge any objections to the questions by 5pm, Wednesday 19 June 2024.

- That witnesses be requested to return answers to questions taken on notice and supplementary questions within 14 days of the date on which the questions are forwarded to witnesses.

5. ***

The deliberative meeting adjourned at 1.13pm.

6. Public hearing: inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Critical Communications Enhancement Program

Witness and the public were admitted. The Chair opened the public hearing at 1 :14pm and made a short opening statement.

Mr Rob Rogers AFSM, Commissioner, NSW Rural Fire Service, was sworn and examined.

Mr Rogers AFSM made an opening statement. The Committee questioned the witness.

Evidence concluded and the witness withdrew.

Assistant Commissioner Stacey Maloney APM, Commander, Technology and Communication Services Command, NSW Police Force, via videoconference, was affirmed and examined.

Assistant Commissioner Maloney APM made an opening statement. The Committee questioned the witness. Evidence concluded and the witness withdrew.

The hearing at 2:43pm and recommenced at 3:04pm.

Mr Rob Hilditch, Executive Director Information Technology, CIO, Information Technology, Fire and Rescue NSW, was sworn and examined.

Mr Paul Barnes, Director, IT Operations & Communications, Information Technology, Fire and Rescue NSW, was affirmed and examined.

Mr Matthew Wormald, Chief Superintendent, Operational Communications, Fire and Rescue NSW, was sworn and examined.

Mr Hilditch made an opening statement. The Committee questioned the witnesses. Evidence concluded and the witnesses withdrew.

Mr Stephen McRobert, Director ICT & Chief Information Officer, NSW State Emergency Service, was sworn and examined.

Mr Shane Newcombe, Senior Manager Communications & Field Support, NSW State Emergency Service, was sworn and examined.

Mr McRobert made an opening statement. The Committee questioned the witnesses.

The Chair exited the public hearing at 4:00pm. In the absence of the Chair, Mr Barr, as Deputy Chair, presided over the hearing.

Evidence concluded and the witnesses withdrew.

The public hearing concluded at 4:24pm.

7. Post-hearing deliberative meeting

7.1 Publication orders

Resolved, on the motion of Ms Leong, seconded by Dr Saliba: That the corrected transcript of public evidence given today be authorised for publication and uploaded on the Committee's webpage.

8. Next Meeting

The meeting adjourned at 4:26pm until 5 August 2024.

MINUTES OF MEETING NO. 15

1:03 PM, 5 August 2024

Room 1136 and Webex

Members Present

In person: Mr Li (Chair), Mr Barr (Deputy Chair), Ms Leong

Via Webex: Mr Regan, Dr Saliba, Mr Roberts

Officers Present

Leon Last, Charlie King, Divya Bhandari, Madelaine Winkler, Jennifer Gallagher and Yann Pearson.

1. ***

2. Confirmation of Minutes – Meeting No. 14

Resolved on the motion of Mr Barr, seconded by Mr Roberts: That the minutes of the meeting of 11 June 2024 be confirmed.

3. ***

4. Inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Critical Communications Enhancement Program

4.1 Additional supplementary questions

The Committee noted that no objections were received for the proposed additional supplementary questions to agencies who appeared before the Committee at the 25 March 2024 public hearing. These questions were subsequently sent to witnesses.

4.2 Answers to questions on notice and supplementary questions

The Committee noted the following responses have been received from agencies:

- Questions on notice:
 - NSW Police Force on 27 June 2024
 - NSW State Emergency Service on 19 July 2024
- Supplementary questions:
 - NSW Police Force on 16 July 2024
 - Fire and Rescue NSW on 16 July 2024

- NSW State Emergency Service on 19 July 2024
- Additional supplementary questions:
 - NSW Treasury on 13 June and 29 July 2024
 - Audit Office of NSW on 17 July 2024
 - Infrastructure NSW on 24 July 2024
 - NSW Telco Authority on 24 July 2024

Resolved on the motion of Ms Leong, seconded by Mr Barr: That the Committee accept the responses to question on notice, supplementary questions and additional supplementary questions from NSW Treasury, NSW Police Force, Fire and Rescue NSW, NSW State Emergency Service, Audit Office of NSW, Infrastructure NSW and the NSW Telco Authority and publish them on its website, with contact details redacted.

4.3 Transcript correction request

The Committee considered a request for a transcript correction from NSW State Emergency Service.

Resolved on the motion of Ms Leong, seconded by Mr Barr: That the Committee accept and publish the transcript correction request received from NSW State Emergency Service and add a footnote to the transcript linking to the correction.

5. ***

6. ***

7. Inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Critical Communications Enhancement Program

The Committee considered the progress of the inquiry.

Discussion ensued.

The Committee adjourned for a short break at 1:42pm.

The Committee reconvened at 2:16pm.

8. ***

9. Next meeting

The meeting adjourned at 3:40pm until 9:00am on Tuesday 20 August 2024.

MINUTES OF MEETING NO. 16

8:50am, 20 August 2024

Macquarie room and videoconference

Members present

In person: Mr Li (Chair), Mr Barr (Deputy Chair), and Dr Saliba.

Via videoconference: Mr Roberts, Ms Leong, and Mr Regan.

Officers present

Leon Last, Alison Buskens, Charlie King, Divya Bhandari, Jennifer Gallagher and Yann Pearson.

1. ***

2. Confirmation of Minutes – Meeting no. 15

Resolved on the motion of Mr Barr, seconded by Mr Regan: That the minutes of the meeting of 5 August 2024 be confirmed.

3. ***

4. Inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Critical Communications Enhancement Program

4.1 Answers to question on notice and supplementary questions

The Committee considered the responses to supplementary questions from NSW Rural Fire Service received on 14 August 2024.

Resolved on the motion of Mr Roberts, seconded by Mr Regan: That the Committee accept the responses to supplementary questions from the NSW Rural Fire Service and publish them on its website, with contact details redacted.

5. ***

6. ***

7. ***

8. ***

9. Next meeting

The meeting adjourned at 3:49pm, until 21 August 2024

MINUTES OF MEETING NO. 21

9:07am, 22 November 2024

Room 1043 and videoconference

Members Present

In person: Mr Li (Chair), Ms Leong, Mr Regan and Mr Roberts.

Via videoconference: Dr Saliba.

Apologies

Mr Barr (Deputy Chair)

Officers Present

Leon Last, Alison Buskens, Charlie King, Madelaine Winkler, Yann Pearson and Rhea Maggs

1. ***

2. Confirmation of minutes – Meeting no. 20

Resolved on the motion of Mr Roberts, seconded by Mr Regan: That the minutes of the meeting of 11 November 2024 be confirmed.

3. Accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Consideration of Chair's draft report

The Committee agreed to consider the report in globo.

Discussion ensued.

Resolved on the motion of Mr Roberts, seconded by Ms Leong:

- That the following words are removed from the report:
 - (Chapter One, page 1) 'Recommendation 1 The NSW Government should conduct a comprehensive review of the business case process to ensure that major infrastructure investment decisions are made using accurate and sufficient information.'
 - (Chapter One, page1) 'Recommendation 2 The NSW Government should develop a standard for the quality and completeness of information that goes into business cases to ensure they are accurate and robust.'
 - (Chapter One, page 1) 'Recommendation 3 The NSW Government should clarify the purpose of business cases for major infrastructure programs to ensure that business case processes and outcomes are fit for that purpose.'
 - (Chapter Two, page 7) 'Recommendation 4 The NSW Government should consider how to improve the transparency of business cases including their scope and underlying assumptions, to ensure accountability of any material changes during the lifetime of the project'
 - (Chapter Two, page 11) 'Recommendation 5 That the NSW Government review current assurance processes for major infrastructure programs and projects with a view to improve transparency to the Parliament of NSW and the public.'
 - (Chapter Two, page 19) 'Recommendation 9 There should be regular ongoing reporting especially on decision making on long-term complex projects to ensure accountability for delivery of benefits.'

Resolved on the motion of Mr Roberts, seconded by Ms Leong, that a new Finding 1, Recommendation 1 and supporting paragraphs outlining that the Committee will continue to look into the issues identified through this inquiry be drafted by Committee staff and circulated to committee members for their concurrence.

4. Next meeting

The Committee agreed to meet next week to consider the Chair's draft report for the inquiry into a framework for performance reporting and driving wellbeing outcomes in NSW.

The meeting adjourned at 9:48am, with the next meeting to be determined.

UNCONFIRMED MINUTES OF MEETING NO. 22

11:06am, 28 November 2024

Room 1254 and videoconference

Members Present

Via videoconference: Mr Li (Chair), Ms Leong, Mr Roberts and Dr Saliba.

Apologies

Mr Barr (Deputy Chair) and Mr Regan.

Officers Present

Rohan Tyler, Alison Buskens, Charlie King, Madelaine Winkler, Yann Pearson and Rhea Maggs

1. ***

2. Confirmation of minutes – Meeting No. 21

Resolved on the motion of Mr Roberts, seconded by Ms Leong: That the minutes of the meeting of 22 November 2024 be confirmed.

3. Accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW - Consideration of Chair's draft report

The Committee agreed to consider the draft report in globo.

Discussion ensued.

Resolved on the motion of Mr Roberts, seconded by Ms Leong: That the following amendments to the draft report circulated on 25 November 2024 be adopted:

- On page 1 insert: ' Finding 1: The Committee noted a number of issues with business case and business case assurance processes and will continue to look into these issues as part of its ongoing inquiry into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW.'
- On page 2 insert: 'Recommendation 1: The NSW Government should provide the Public Accounts Committee with detailed information on current business case and business case assurance and accountability processes including any recent and ongoing improvements.'
- On page 1 insert a new paragraph: 'In September 2023, the Public Accounts Committee (the Committee) resolved to inquire into accountability measures for decision-making for the delivery of major infrastructure, contracting of public services and/or the privatisation of public assets in NSW. In October 2023, the Committee resolved to consider the Critical Communications Enhancement Program as the initial focus of this inquiry. The following report outlines findings and recommendations from the inquiry thus far and highlights issues which the Committee will continue to examine in the second half of its inquiry, when it focuses on other projects.'
- On page 2 insert new paragraphs: 'This interim report for the inquiry focuses on the CCEP. The Committee found several issues on the business case and business case assurance processes which it will consider further as part of the future focus of this inquiry.' and 'The Committee recommends that the NSW Government provides detailed information to the Committee on business case and business case assurance processes including any recent and ongoing improvements.'

Resolved on the motion of Ms Leong, seconded by Mr Roberts:

- That the draft report as amended, be the report of the Committee and that it be signed by the Chair and presented to the House in the first sitting week of 2025.
- That the Chair and Committee staff be permitted to correct stylistic, typographical and grammatical errors.
- That, once tabled, the report be published on the Committee's webpage.

4. ***

5. Next meeting

The meeting adjourned at 11:44 AM, until a time and date to be determined.

Appendix Six – Glossary

Appliances	A vehicle, usually a truck, designed and equipped to deal with emergencies.
Cost recovery	The recovery by a service provider, agency or government of some or all of the costs of particular services.
Estimated total cost	Represents the current cost estimate of planning, procuring and delivering the infrastructure/project/asset within the NSW Budget Papers.
Government Radio Network	The former name of the NSW Government Public Safety Network.
Interoperability	The capability for first responders to make and receive calls between different Emergency Service Organisations during operations that require a multi-agency response.
Low Earth Orbit satellites	LEO satellites operate between 500 and 2,000 kilometres above sea level and orbit the Earth several times a day. These satellites are small, fast moving and are used to serve communications markets and other applications.
Non-current assets	Long-term assets that are not expected to become cash within a year and will generate economic benefit in future periods. This can include assets like infrastructure, land and buildings.
NSW Government Public Safety Network	A radio network used by Emergency Service Organisations, other government agencies and essential services to communicate via radio handsets and other devices during emergencies.
Private Mobile Radio networks	A network developed for users who need to keep in contact over relatively short distances with a central base station or dispatcher. These networks may also be called Professional Mobile Radio.
SmartConnect	A subscription service that provides extended coverage and reliable connectivity by automatically switching channels between land mobile radio and broadband networks.
Spectrum licence	A spectrum licence lets you operate a range of radiocommunications devices in a specific geographic area and/or radio wave frequency band. The service can also roam onto satellites for extended coverage in remote areas.
Stay Safe and Keep Operational	A fund established to assist Emergency Service Organisations to safely maintain their legacy communication networks while the Enhanced Public Safety Network is being delivered through the Critical Communications Enhancement Program.
Turnout system	An integrated alerting system to fire stations to let firefighters know there's a call to respond to.