

**Submission  
No 7**

**EXAMINATION OF AUDITOR-GENERAL'S  
PERFORMANCE AUDIT REPORTS MAY 2013 –  
JULY 2013**

**Organisation:** NSW Office of Environment and Heritage  
**Name:** Mr Terry Bailey  
**Position:** Chief Executive  
**Date Received:** 28/08/2014



Office of  
Environment  
& Heritage

Your reference: LAC14/243  
Our reference: ED14/414

Mr Jonathan O'Dea MP  
Chair  
Legislative Assembly Public Accounts Committee  
Parliament of NSW  
Macquarie Street  
SYDNEY NSW 2000

28 AUG 2014

Dear Mr O'Dea

Thank you for your letter inviting the Office of Environment and Heritage (OEH) to outline its response to the Auditor-General's Report on the Management of Historic Heritage in National Parks and Reserves (the Report).

I am pleased to report that OEH is generally on schedule in meeting the recommendations in the Report. In relation to recommendation 1, OEH has now prepared a draft NSW Heritage Strategy which will guide public sector agencies on the long-term management of historic heritage. The draft strategy has been provided to the Auditor General.

In relation to recommendations 2 to 7, the National Parks and Wildlife Service (NPWS) is progressing a staged approach to improving its management of historic heritage, consistent with the recommendations of the Report. This involves improving data on historic heritage assets, creating a prioritisation framework, improving funding decisions, and introducing a performance measurement framework. Further details on progress against each of these recommendations are enclosed.

The audit process has provided a sound analysis of the challenges facing the management of historic heritage in NSW, particularly in national parks, and it has been an effective process in focusing OEH efforts in this area. I am confident that, as we move to implement the Auditor-General's recommendations, we will see a measurable improvement in the management of historic heritage in NSW.

If you would like to discuss this further, please contact [REDACTED]

Yours sincerely

[REDACTED]  
**TERRY BAILEY**  
**Chief Executive**

Enclosure

## IMPLEMENTATION OF RECOMMENDATIONS

*For the Legislative Assembly Public Accounts Committee*

### Office of Environment and Heritage

#### Management of historic heritage in national parks and reserves

Recommendation	Accepted or rejected	Actions to be taken	Due date	Status (completed, on track, delayed) and comment	Responsibility (section of agency responsible for implementation)
<b>OEH should:</b> 1. Develop a NSW heritage strategy to provide guidance to public sector agencies on the long-term management of historic heritage in a constrained resource environment	Accepted.	OEH, in collaboration with a Ministerially appointed Inter-agency working group, has prepared a state-wide heritage asset strategy that will guide public sector agencies on the long-term management of historic heritage	June 2014	Completed. The report is being provided to the Auditor-General for comment.	OEH Heritage Division
<b>OEH (National Parks and Wildlife Service (NPWS)) should:</b> 2. Establish desired outcomes and state-wide priorities for the management of historic heritage in the park estate, which are informed by the NSW strategy.	Accepted.	NPWS has a project management plan and an associated working group that is developing a framework to define internal priorities and outcomes for the management of historic heritage in national parks. The outcomes of this project will encompass all recommendations that relate to national parks.	December 2014	On track	NPWS

<p>3. Improve its data and systems so it has comprehensive and valid historic heritage asset information to underpin prioritisation and funding decisions.</p>	<p>Accepted.</p>	<p>NPWS is developing an Asset Strategy to set priorities across all asset classes, including heritage. By December 2014, NPWS will have comprehensive data sets for its hard rooved accommodation, its state heritage listed assets, and its historic visitor precincts. Beyond this, NPWS is committed to an ongoing process which centres on ensuring that the NPWS Asset Maintenance System (AMS) is used consistently across NSW. Work to expand the capability of the AMS is ongoing.</p>	<p>December 2014</p>	<p>On track</p>	<p>NPWS</p>
<p>4. Fund historic heritage on the basis of state-wide priorities via a rolling program to allow improved planning and more efficient resource utilisation</p>	<p>Accepted.</p>	<p>NPWS will develop a system in which HARP principles will set state-wide priorities for funding. HARP's multi-year funding was identified positively by the audit as providing funding certainty and realistic timeframes for the completion of projects. OEH will have a rolling funding program for priority historic heritage assets in the 2015-16 budget cycle.</p>	<p>June 2015</p>	<p>On track</p>	<p>NPWS</p>
<p>5. Have in place a more systematic and consistent approach to pursuing</p> <ul style="list-style-type: none"> <li>a. sympathetic reuse of heritage assets, where feasible</li> <li>b. partnerships with the private sector and the</li> </ul>	<p>Accepted.</p>	<p>The new NPWS structure uses a 'line of business' model to streamline the accountabilities for historic heritage and improve efficiencies in management and resource allocation. The responsibility for precinct development and commercial</p>	<p>December 2015</p>	<p>On track</p>	<p>NPWS</p>

<p>community for the management of historic heritage, including low-impact sponsorship, where these are consistent with heritage values</p>	<p>relationships now lies with a single Branch.</p> <p>NPWS efforts up to June 2015 in meeting the audit's other recommendations will underpin NPWS achievement of this recommendation by December 2015.</p> <p>This will include a review of permissible uses, including the constraints and opportunities afforded by the NPW Act.</p>			
<p>6. Adopt a consistent, pragmatic and financially realistic approach to the retention of heritage value when undertaking works on historic heritage</p>	<p>The annual NPWS operation planning process was linked to budget allocations for 2013-14 and identified priorities. This link is currently at the regional level. However, our work under recommendations 3 and 4, will enable a state-wide priority approach. Importantly, this will be a critical step in building cyclical maintenance into rolling budgets.</p>	<p>Accepted.</p>	<p>August 2013</p>	<p>Ongoing</p> <p>NPWS</p>
<p>7. Measure its performance in managing historic heritage, including the extent to which it is achieving its desired outcomes.</p>	<p>A key part of the NPWS project management plan is implementing clear performance measures, including around historic heritage.</p>	<p>Accepted.</p>	<p>December 2014</p>	<p>On track</p> <p>NPWS</p>