

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

Organisation: The Treasury
Name: Mr Philip Gaetjens
Position: Secretary
Date Received: 31/10/2014

Contact: [REDACTED]
Telephone: [REDACTED]

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

Dear Mr O'Dea

Auditor-General's Report no. 231 – *Building Energy Use in NSW Public Hospitals 2013*

I refer to your letter of 7 July 2014 seeking a progress update on the Auditor-General's performance audit report on *Building Energy Use in NSW Public Hospitals*.

I note there were four recommendations listed for action by Treasury. Updates on these recommendations are listed in the attached document.

The Treasury would be happy to provide any further information should the Committee require. The contact officer for this purpose is [REDACTED] who may be reached on [REDACTED].

I trust the attached information assists the work of the Committee.

Yours sincerely

Philip Gaetjens
Secretary

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IMPLEMENTATION OF RECOMMENDATIONS

The Treasury Response 2013 Performance Audit - Building Energy Use in NSW Public Hospitals

RECOMMENDATION		ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, delayed) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
17	Review, jointly with the Office of Environment and Heritage, the administrative arrangements for the Treasury Loan Fund to secure its continuation.	Accept	Treasury to review the criteria of the Sustainable Government Improvement Program (SGIP) in relation to loans approved under it. Any changes to the administrative aspects of the program need to be considered by the Minister for the Environment and Heritage and continuation is a matter for government.	Dec-13	<p>STATUS: on track</p> <p>The "Treasury Loan Fund" (TLF) arrangement finances projects under energy efficiency programs through repayable advances to general government agencies for those projects. Those advances are repaid, with interest, by the agency. The finance is provided to projects approved under the SGIP and EPC programs.</p> <p>OEH and Treasury have reviewed and streamlined administrative arrangements for SGIP repayable advances.</p>	Natural Resources and Government Services Division



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18	Assist NSW Health to identify appropriate financing options for energy efficiency initiatives, including the existing Treasury Loan Fund, and ways to secure such funds.	Accept	Treasury to collaborate with NSW Health to identify appropriate financing options for energy efficiency initiatives.	Dec-13	<p>STATUS: On Track</p> <p>The following repayable advances were approved for energy efficiency projects under the SGIP in 2013-14 (both for the Mid-North Coast Local Health District):</p> <ul style="list-style-type: none"> • \$999,999 approved on 12 December 2013 for an air-conditioning upgrade at the Coffs Harbour Health Campus (SG046). • \$999,900 approved on 12 December 2013 for an air-conditioning upgrade at the Coffs Harbour Hospital (SG050). 	Transport and Planning Division, Natural Resources and Government Services Division
19	Assist NSW Health with approval processes to seek authorisation to draw down and spend outstanding loans from the Treasury Loan Fund in new financial years.	Accept	Treasury to manage the approval process that can be used by NSW Health to request adjustments to its Net Cost of Services and its Capital Authorisation Limit where required to support a sound business case.	Dec-13	<p>STATUS: Ongoing</p> <p>Treasury is able to assist all agencies with respect to understanding and managing their responsibilities for financing energy efficiency initiatives through the TLF.</p>	Health and Justice Division
20	Introduce flexible loan repayment options for the Treasury Loan Fund, such as delayed loan repayments where justified.	Partially accept	Treasury to consider flexible repayment options, including where supported by sound business cases. Any administrative changes need to be considered by the Minister for the Environment and Heritage within the SGIP and EPC program.	Dec-13	<p>STATUS:</p> <p>No request has yet been made for any delay in repayments.</p>	Natural Resources and Government Services Division, Transport and Planning Division