

REPORT ON PROCEEDINGS BEFORE

PUBLIC ACCOUNTS COMMITTEE

**EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDIT
REPORTS FEBRUARY 2019 - JULY 2019**

At Jubilee Room, Parliament House, Sydney, on Friday 20 November 2020

The Committee met at 9:00.

PRESENT

Mr Greg Piper (Chair)

Mr Justin Clancy
Mrs Tanya Davies (Deputy Chair)
Mr Lee Evans
Mr Ryan Park

PRESENT VIA VIDEOCONFERENCE

Ms Felicity Wilson

The CHAIR: Welcome to the examination of the Auditor-General's performance audit reports from February 2019 to July 2019. Before we commence I acknowledge the Gadigal people, who are the traditional custodians of the land on which we meet at the Parliament House. I also pay my respects to the Elders past and present of the Eora nation and extend that respect to other Aboriginal or Torres Strait Islander people who are either present or are viewing the proceedings on the internet. I ask everyone to switch off their mobile phones as they can interfere with the Hansard recording equipment. I now declare the hearing open.

PHIL MINNS, Deputy Secretary for People, Culture and Governance, Department of Health, sworn and examined

MARGARET CRAWFORD, Auditor-General, affirmed and examined

IAN GOODWIN, Deputy Auditor-General, sworn and affirmed

CLAUDIA MIGOTTO, Assistant Auditor-General, affirmed and examined

The CHAIR: Mr Minns, can you confirm that you have been issued with the Committee's terms of reference and information about standing orders that relate to the examination of witnesses?

Mr MINNS: Yes, Chair, I have. Thank you.

The CHAIR: Do you have any questions about this information?

Mr MINNS: No.

The CHAIR: Would you like to make a brief opening statement?

Mr MINNS: Thank you, Chair. I will. As the Auditor-General observes in her report, NSW Health is a large complex and dynamic system with many organisations and stakeholders working collectively to deliver positive health outcomes. The devolved governance structure is fundamental to the performance of the system and has been purposefully designed to enable its success. There is always an opportunity to enhance the governance arrangements and our performance in particular through focusing on the connections between these organisations, stakeholders and frontline services that are needed to operate effectively.

At the time of the audit, one of the secretary's priorities was to identify and strengthen these points of connection through the ministry's Tuning Governance and Accountability project. The audit report provides an overview of this project and its completion—at least in strategy and planning—has largely addressed the core points raised through the audit program. Additional actions were identified in the audit report with regard to the ministry's role in managing the performance of the health system and we had provided a response to the Committee in June 2020. In the time since the audit report was delivered, the COVID-19 pandemic has delivered an extreme stress test to all aspects of the New South Wales health system.

This experience has highlighted the fundamental strength of our governance model and has supported the findings of the audit report with respect to the capability, capacity and flexibility of our system. Through this time the ministry has maintained its commitment to continuous improvement and several actions listed in our submission to the Committee have evolved further. Notably, the secretary commenced fortnightly meetings with board chairs through teleconference as a mechanism to keep them fully informed on unfolding progress. The secretary convened a New South Wales State pandemic meeting every week from the end of February and it is still running.

The ministry worked to establish 30 clinical committees of practice across the system to engage clinicians directly in our response to the COVID-19 pandemic. In addition, the NSW COVID-19 Clinical Council has been established as the peak governing body to contribute to the planning and delivery of health services. The Council of Board Chairs has established a working group to review the mechanisms governing the member appointment process and issues associated with priorities and the workload of boards. The further evolution of the performance reporting framework continues to be worked on to provide increasingly detailed information to boards and executives on performance of health services.

In summary, of the 10 recommendations from the audit report, we would say that four have been completed, six remain in process and for some of these, it is clear that the impact of COVID-19 has affected and diverted resources. We have had just simply not much option with that situation. Nevertheless they remain a priority and action will continue to ensure that all the recommendations are progressed. Additional information on these initiatives can be provided to the Committee separately if you desire. Thank you for the opportunity to make that opening statement.

The CHAIR: Thank you, Mr Minns. I think all of our lives have been changed by the need to respond to COVID-19 and I think probably the workplace in Health has been one of the most affected. From my point of view, and I am sure that of many others, it appears to have been an overall excellent job. Obviously certain things out of the audit will have been affected by that but others will go on. I will begin by asking you some questions, some of which will touch upon matters that you have covered in your opening statement. The audit report recommended that:

1 By December 2019, the Minister of Health should:

- 1a** Work with LHDs to identify and overcome the barriers that are limiting the appropriate engagement of clinicians in decision making in LHDs
- ...
- 1b** Develop a statement of principles to guide decision making in a devolved system
- ...
- 1c** Provide clarity on the relationship of the Agency for Clinical Innovation and the Clinical Excellence Commission to roles and responsibilities of LHDs

It is a long-winded question, I am sorry. We have a response to recommendation 1a that states:

The Ministry of Health is currently implementing the Tuning Governance and Accountability project, with the objective of engaging Local Health Districts and other NSW Health Organisations in identifying core areas of governance.

How do you plan to evaluate these initiatives to determine whether they are having their intended effect? Have any challenges been identified in the implementation process to date—other than the obvious?

Mr MINNS: Yes, I was perhaps going to start with that one. It is fair to say that the measured normal implementation of the Tuning Accountability and Governance project has been pretty fundamentally disrupted but because we had done the work and the thinking existed on what we were seeking to do with respect to clinician engagement, it assisted in the early process of establishing the clinical councils and the peak clinical council. Through those initiatives we have, to a large degree, been engaging in a format and manner with our clinical staff that perhaps has not been reached before. The key thing for us as a system is to, at the point where we can declare post-COVID, which we are still not in—but our thinking has already commenced on what we keep, what we change and what we sustain as a result of what we have experienced.

The progress with the clinical council's framework has been really very strong. It is chaired and sort of directed as a strategy by Nigel Lyons, one of my colleagues, as the Deputy Secretary for System, Resourcing and Planning—I think that is his title; he is known to me as Nigel. We obviously have a fundamental learning to get that power of clinician engagement and see it operate very quickly to reach some difficult decisions about models of care, how they should shift and how they should change because of what we were experiencing. It demonstrates the power that is implied by trying to get that engagement. Sometimes it takes a crisis for people to get to the point of the most fundamental aspects of what they are working on. Our challenge will be how we sustain that, how we keep that level of commitment and engagement occurring.

When I referenced Dr Lyons I was making the point that he commented within about four weeks of the main peak council meeting that it went from a fairly static first engagement with probably what you would characterise as one-way communication to a very active engaged conference on the telescreens with a lot of comment and a lot of questions and dialogue occurring through the chat boxes. It evolved into a very strong—and still is running as a very strong—engagement mechanism. We would be looking to preserve that and to see if that is operating at a whole-of-system level and what the lessons are for that when we think about district level. A piece of work that my team will need to do in conjunction with the chief executives is to revisit all of the work that was implied by the Tuning Governance and Accountability project and replan its ongoing implementation because it has to be said that it has been quite seriously disrupted by events.

The CHAIR: I imagine that is the case. Dr Nigel Lyons is quite well known to this Committee. He appears and represents the department very well. The response to recommendation 1b states:

... the Tuning Governance and Accountability project will also be seeking to define a core set of governance principles for application across the NSW Health System, completing existing resources currently available to all NSW Health Organisations.

What is the overall progress of the Tuning Governance and Accountability project? Does that experience suggest that a renewed principles-based approach could be a worthwhile project?

Mr MINNS: I guess the complexity of Health as a dynamic system is that you cannot future-proof every aspect that you might have to deal with as a system. What we have done with that project and the principles we enunciated in the project report, which I believe the Committee has a copy of, is the idea that we need to establish what domain we are working in in a particular aspect of health service delivery. We refer to the idea that there are three essential types of governance arrangements that we need to deploy. The first would be that the matter is of such critical importance that we need to have a system-wide, totally consistent approach to the process to achieve the critical outcome that we need.

So that is the area where it is a very centre-led response. It is a very Ministry-led response, but not a Ministry-dictated response. We would still seek to work with the district chief executives, the pillars and the other organisations in Health to ensure that what we are deploying is actually workable across the whole system. Having decided that something lives in that domain, and there is no flexibility for alternative arrangements, and just having that conversation periodically, I think, on certain themes at the senior executive forums, which meets every month,

has given us a different language set to think about those issues. If we go to the third domain quickly, it is the area where we would say "Well, that's where we expect local health districts to act on their own with their own intent, their own objectives and their own process." So in other words, there is a freedom to pursue those issues locally. The area in the middle is where it is not at either extreme but there is a huge opportunity for us to collaborate to find what you might call the value in collaboration.

Using that language set has changed some of the conversations we have had in the senior executive forum across the past two or three years. The conversation was already begun by the secretary when she entered the organisation and said that we had to rethink our notion of the loosen-tighten nature of system governance. To give you some illustrative examples, topically, industrial relations is alive and well in the Health system at the moment. In my conversations with the chief executives, I would point out that the commitment to award requirements related to various aspects of staffing are in the first domain; they are not an area for negotiation. If we sign industrial agreements and industrial awards, we observe them. But if then we talk about the responsibilities that the board has around delivery of services locally, a large amount of that for them will be in that third domain. But we want them to reference the idea of when there is some utility in collaborating with their peer organisations, with the pillars, with the ministry. Increasingly that sort of focus has entered our thinking around some of our ICT projects, where the opportunity to collaborate early in the design of those projects and responses means that we get a better whole-system outcome than pursuing it locally without regard to the centre.

Mr JUSTIN CLANCY: Mr Minns, I note that with the Tuning Governance and Accountability project, anything that strengthens and, as you said, enhances governance principles is to be commended, so I thank you in that regard. People are obviously a critical element to our boards. I am interested in knowing a little bit more about professional development for boards, and also some information around the nomination and selection process. Is there an approach taken looking at skills matrixes for our boards so that we are identifying the gaps and making sure that that we are getting diversity on our boards?

Mr MINNS: We run an expression of interest process to identify people who would like to be considered for board selection, and then a screening selection process occurs and recommendations are taken forward to the Minister. We have just been through a process of going to all the board chairs to ask them about the members they have with expiring terms but who are still able to have an extension under the Act, so chairs have been active in considering that recommendation for reappointment to the Minister. Following the audit report, we revised our induction program and we were able to run I think two programs through 2019. Sixty-eight members attended that program and it was very well evaluated by the attendees, and we are now in the process of trying to work out how to deploy it through a virtual framework.

The matter of skills of boards and the question of the matrix of talent and the fit—I mentioned in my opening statement that the Council of Board Chairs has convened a working group to look at some issues related to board capability operation and succession. They are reflecting on the issue of board size and whether or not committees may provide them with an opportunity to bring talent in without necessarily increasing the size of the board, so looking at expert committees and drawing some members into those committees who are not otherwise board members.

Mr JUSTIN CLANCY: You mentioned the role of the Chair of the board in that regard and their recommendations. Is there a role there for a nominations committee within boards so that they can proactively analyse gaps so that at all times they are strengthening the people they have on their boards?

Mr MINNS: The Council of Board Chairs this year has a new elected leader from within that community, and that is Mr Trevor Danos. I am quite sure that, as they progress that work, they will look at those sorts of options. In many respects they have elected to do this work as the council themselves, so I do not think that I should pre-empt their findings. but I would not be unsurprised to see the idea that you are talking about considered by them.

Mr JUSTIN CLANCY: The other part I wanted to touch on was the dashboard and the role that takes from performance measures. Is that utilised for benchmarking purposes and if not, why not?

Mr MINNS: The nature of the revised report, which is still—I think that you have a dummy report as a sort of example, without disclosing district et cetera, available to you. If you look at through that, all the matters that it considers include a benchmarking component. That was one of the things that the board Chair at the council meetings that I have attended over three years wanted to see: They wanted to see more comparative information. I am sure that they are using it in that manner. The Patient Experience and System Performance Division is still working on the next iteration of that report, and there is an opportunity for the Senior Executive Forum to have a discussion about how it gets used at a system level in the manner of benchmarking that you have asked about.

Mr RYAN PARK: I have two questions coming out of some stuff. I am interested in how best practice between local health districts [LHDs] is shared. I think that all of us, if we were honest, would probably know that within LHDs there is some really good practice going on and then probably there is not, and in some areas it is consistently better than others. How is best practice shared so that the system can learn from that across the LHDs?

Mr MINNS: That is where a couple of the pillar organisations come into play. The Clinical Excellence Commission is our driver for safety and quality across the whole networked system. In circumstances where they have identified either success or the lack of it, they are a key advocate for the best practice—the better practice—and they run and deploy programs and they run and deploy education strategies to that end. The Agency for Clinical Innovation in the area of models of care and clinical practice is playing a similar role—hopefully it is clinician-led—where they are meeting and looking at evidence and data, and determining what is the better clinical practice, and then as clinicians they are advocating to their peer groups.

The last point would be to reference the senior executive forum itself. It meets every month, and when it meets a lot of collateral meetings occur. For example, the rural and regional chief executives always meet as their own community the afternoon before the senior executive forum gets together. When we meet in that group, we are the 16 districts, the pillars, the health entities that support—HealthShare et cetera—and the ministry, so it is the totality of the leadership team. A large part of our agenda is often driven by case studies or presentations from districts that relate to good practice or good results, but not exclusively. If there are lessons to be learnt from aspects of underperformance—we will showcase or not showcase—we will present on those to take the lessons and take them system-wide. The last point I will make relates particularly to adverse events. We now have a process through the patient experience and system performance area where there is a kind of signalling to the entire system about an event that has occurred that has led to a poor health outcome: What happened? Why? What are the lessons? It is that kind of rigorous discipline distribution model that occurs whenever we need to do that.

The CHAIR: I appreciate that.

Mr RYAN PARK: How can the engagement with community be better with LHDs? I have spent a bit of time in western New South Wales. At the moment they are going through a tender around telehealth and things like that. Putting that aside, one of the issues that has come up consistently is the community do not feel as if they have the opportunity to say what they need in a particular area. It is often driven back down to them and they are told what they need. There seems to be—not everywhere—a bit of a gap in terms of the community engagement with the board. When these things were first developed, I understood that was going to be one of the key things: community needs. My community's needs are different to those of the member for Albury, which may be different to someone else's. Everyone understands that, but LHDs need the ability to say, "Hang on, we do not need that type of service because our demographics are showing that we have got a pre-diabetes issue in our community and we actually need more of this." How do you get that better engagement at a critical level with the community?

Mr MINNS: Look, it is hard to talk to generically across the system because, as you note, there will be differences and variability.

Mr RYAN PARK: Yes.

Mr MINNS: But certainly the idea that a district board is there to play that role is certainly well understood. The audit report, I think, if we go back to it, commented on the idea that there was an opportunity for the boards to have a greater engagement in the service agreement process. And really there is no barrier to that happening, and so it is a dynamic between the local chief executive and that person's team and their board. And there is scope and opportunity to get inside those local decisions, and, indeed, service agreements have a component, which are their local strategies driven by their local context. So the enablers for the success that you are describing are certainly there. I think it is a case of us needing to work on it at all levels to support each district to get a better outcome. That, as you say, is what the design was about.

The CHAIR: I note that we are a little bit time-pressed on this one. Perhaps we were a little bit optimistic in how quickly we would move through this, but I do not want to leave any pressing questions out if anyone has them. Members, are we satisfied at this stage? If we are, I will refer to the Auditor-General, Margaret Crawford, to see if she has anything else she would like to comment on.

Ms CRAWFORD: Not really. I think that was really interesting, Mr Minns, thank you. Clearly it is such a big and complex system. I think that whole notion of tuning governance will be a continuous effort. Presumably we have learned an awful lot through this COVID-19 experience.

Mr MINNS: Yes, we have, and when we get spare moments, we try to unpack what that learning is.

The CHAIR: Mr Minns, I thank you for appearing before the Committee today. The Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and will be made public. Would you be happy to provide a written reply within five days to any further questions?

Mr MINNS: Yes.

The CHAIR: Mr Minns, that brings the session to a conclusion. I thank you once again for your evidence here today. I thank you, those around you and in the organisation for the work that they have been doing, particularly through this extraordinary period through 2020.

(The witness withdrew.)

PETER SEVERIN, Commissioner, Corrective Services NSW, Department of Communities and Justice, sworn and examined

LEON TAYLOR, Assistant Commissioner, Corrections Industry and Capacity, Corrective Services NSW, Department of Communities and Justice, sworn and examined

MICHAEL AIRTON, Director, Governance and Strategy, Corrections Industry and Capacity, Corrective Services NSW, Department of Communities and Justice, sworn and examined

The CHAIR: I welcome representatives from the Department of Communities and Justice. I thank you for appearing before the Public Accounts Committee today. I ask you to please confirm that you have been issued with the Committee's terms of reference and information about standing orders that relate to the examination of witnesses.

Commissioner SEVERIN: Yes, we have.

The CHAIR: Do you have any questions about that information?

Commissioner SEVERIN: No, we do not.

The CHAIR: This is an opportunity for one of you to make an opening statement. Commissioner, I imagine that would be you if you care to do so.

Commissioner SEVERIN: Thank you, Chair. I really appreciate the opportunity to talk with the Committee, and I will keep it brief. The audit report is very comprehensive in the context of what the subject of your inquiry is. I thank the Auditor-General and her staff for undertaking this important work. The State of New South Wales from about 2012 experienced unprecedented growth in prisoner numbers, and that particularly culminated in 2014. Just to give you an indication, between June 2015 and March 2020 at the beginning of the pandemic we grew from 11,790 inmates—so let us say 11,800—to 14,165. That is around 19 per cent. And during that period of time we did not really have a response, other than use existing infrastructure and place those prisoners in that existing infrastructure, which was done, I might add, very successfully without any significant incidents. But nevertheless it is not the ideal situation. The Government then approved a quite comprehensive package of work—\$3.8 billion, \$2.4 billion of which was allocated for capital works and \$1.4 billion for the operation of the new infrastructure. That did not include the new prison that was procured as a public-private partnership in Grafton, the Clarence Correctional Centre, which is in addition to this package that I have just outlined.

COVID, in many ways, was obviously a short game changer for us. It was very welcomed because we were able to not only keep the pandemic out of our prison system, but also use some of that new infrastructure very strategically to set it aside for the eventuality of having positive cases coming through our front doors. Yes, we did treat a lot of prisoners who came as new receptions in that context and isolated them until we had a test that confirmed that they did not need that isolation. While the numbers have dropped by about 1,500 to its lowest point, they are now coming back up quite quickly. The forecast is that they will come back up faster than on the original forecast that NSW Bureau of Crime Statistics and Research presides over as a result of compounding effects. Courts are much more busy now than they were. They were not in recess, but they operated in a different way. Coming back to delivering the beds, I have to say that that was done very successfully.

For the benefit of the Committee I will leave behind a report, which is the delivery report on all of the infrastructure that was delivered in accordance with the budget. It is quite an impressive demonstration of how we can come together and actually realise a quite significant program of work in a short period of time, on budget and on time. We increased the operational capacity as a result of this program by about 40 per cent and, most importantly, in our benefits realisation we also increased our program and education spaces by 129 per cent. So 40 per cent more beds, but 129 per cent more spaces and opportunities for prisoners to meaningfully engage and to address their offending behaviour. We increased the network devices for educational purposes by almost 150 per cent. That is using technology and audiovisual links in a much smarter way. The audiovisual capacity—that is, the links to court—was increased by about 300 per cent. I mention that because building a bed is one thing, but doing it in a smart way, in the right spot and in a way that will hold future administrations in very good stead is something that this program has certainly achieved. I will finish my opening lines. I could continue for a lot longer than the half hour. I am happy to take your questions.

Mrs TANYA DAVIES: Commissioner and colleagues, good morning. I have a question. I would like to draw your attention to the audiovisual link [AVL] infrastructure that has been rolled out across your facilities and, in particular, the training of your staff when it comes to the assessment of a prisoner who may need to be transferred to a health facility versus being interviewed by a health professional via the AVL system. On that point

of decision-making, can you explain to the Committee how you train your staff to be able to get either the appropriate information or to go to the right people to make the decision to ensure the health of the prisoner is always maintained?

Commissioner SEVERIN: Thank you. The provision of health services is undertaken by Justice Health and Forensic Mental Health Network in our prison system. However, while the service is available in every prison, there are many interfaces where our staff quite rightly, as you point out, have to make assessments in the context of referring prisoners to specialist services through Justice Health. Every prisoner who comes into the system undergoes a series of assessments. Some of them are based on risk and compatibility with people who we also hold and we put those people together, but some of them are also about their particular needs. On that psychological need, it is the health services team, and obviously it also looks at the risk of suicide, self-harm and those associated issues that we face.

The staff get specialised training in the specific requirements for an assessment. Everybody has a base level of training and our staff are obviously also trained to observe behaviour that differs from normal. But the specialist staff, and they are correctional officers right through to psychologists, who are charged with interviewing prisoners at the reception end of the prison, when they first come into custody, they get specialist training. What is really strong about this is the multidisciplinary nature of it, because we quite clearly want to have all aspects covered. It is not that a single officer makes a single decision unless it is an emergency. It basically involves an officer observing the need for a prisoner to undertake a more thorough assessment. A group of specialists would come together, and that would be a psychologist, a case manager and the officer, they would decide, "Yes, that is the right course of action," and they would be referred. I hope that answers your question.

Mr LEE EVANS: I am quite interested—although the audit probably has not covered it—but how do you work out the algorithm or the method to calculate what you are going to need in prison beds?

Commissioner SEVERIN: The starting point is the forecast. Unfortunately, the forecast is something that is a very delicate undertaking, because we are not controlling policing activities, for example, which have a very strong influence on prisoner numbers. If police put a particular focus, as they do, which is not something we are critical of, on a particular group of people, the chances are we will get a lot more of those type of people into custody than we might have had in the preceding period. We have started with the forecast, but we also looked at other parameters; for example, population growth. So determining where a prison should go is something that we have tried to ensure follows a strategic approach. I was at pains, with my team and also with the builders and the people who actually identified how we can get infrastructure up quickly, to stick to our strategic plan in terms of locations and in terms of size.

Yes, we always need to make sure that we can actually fit whatever we think we need onto the block of land that is available, and that the block of land is suitable for prison expansion or for a new prison to be built, but if we just simply drop prisons everywhere it is expedient, then we would end up with a situation that would actually incur additional costs, which is quite avoidable. I will give you one example, and this is by no means a criticism in any way, but there was clearly a push from the builders, not from the private sector, but from our internal staff—Mr Taylor and his experts—to say that we can do a lot more at Junee. We have so much land there, we can literally build thousands of beds. It is ideal, and the community wants us. We did not do that, because we do not have a need to have thousands of beds in Junee.

We built a sizeable number of additional beds there, but we did not do what would have been expedient. We would have got those beds online much faster, but we did not. We very carefully planned where we need the capacity and then we focused on that. I will give you a couple of examples. We expanded Kempsey and Nowra; we built Clarence, because the north obviously has one of the largest population growth forecasts of New South Wales, only beaten by the western Sydney area; we expanded in the metro, because we need metro capacity at the Metropolitan Remand and Reception Centre at Silverwater; and we expanded the women's prison out at Windsor. We did go into the regions. In Wellington we built a rapid build, as well as the Cessnock complex, which was significantly expanded because it was close enough to Sydney. About 70 per cent of our population comes from the greater Sydney area. I hope that answers your question.

Mr LEE EVANS: Just following on from that, the department advised that prison population trends for the next 12 months have been suspended from being provided publicly. Part three of that is: To what do you attribute the rapid growth of the prison population? You have partly answered that.

Commissioner SEVERIN: I contribute it to a range of factors. What we do know is that the most significant impact over the period that I mentioned, from about 2012-13 to 2020, was much smarter policing. Police availed themselves of technologies that previously were not available. They were very focused on a strategy of incapacitation, meaning that if a person is arrested for an offence, that person is incapacitated to commit further offences. Again, it is not a strategy that anybody is critical about, because it is a strategy that is used in many parts

of the western world, but it is one that then creates that particular pressure at the end of the criminal justice line. What we have started to do—again, it is very open. We have justice impact assessments. Whenever a policy is being developed that might change criminal justice decision-making, be it that a law is changed—there is an impact assessment so that Government has an A to Z view on what the system requires for such a change to be made. That works both ways. Sometimes changes actually reduce costs and other times changes require additional resources in order to manage them.

Mr RYAN PARK: Just a couple of questions, Commissioner. Thank you and your team very much for being here. At the moment what keeps you up at night, for want of a better word, in terms of prison population, the growth in prison population, how we address that as a society and how Government addresses that in terms of funding it going forward?

Commissioner SEVERIN: I can say fortunately that right now in terms of the capacity of the system, I can sleep really well. The Government made this major investment. We have created the infrastructure. There are only 440 beds to go in terms of them being constructed at Silverwater. All the other infrastructure is there and we will have the first prisoners going into the new part of Bathurst very shortly. We are going to officially open the new part of the women's prison, Dillwynia, at Windsor on Monday. I am very comfortable. It has given us the ability to move the prison population and also do it in a way that actually makes it more efficient to manage the prison population. So, we do not move people all around the State, but we can actually place them in a hub and spoke arrangement. They start at a hub and then they go out to other facilities.

The only challenge that is remaining—and this is also picked up in the Auditor-General's report—is the long-term future of the Greater Sydney arrangements. We have a strategic business case, which has been approved, and the work is continuing. The main issue there is to identify land that is suitable to actually build. I am not flippant about this, but I said that once I retire at one stage I might do some work on—where is this imaginary line? On this side we cannot get a single bed and on that side we could build a whole prison system. Regional New South Wales really wants us to do a lot more. Understandably the Greater Sydney area is one that—it is very difficult to convince communities that they need a jail.

Mr RYAN PARK: Commissioner, the area that I represent, Dapto, was signalled as an area. It would have been a great opportunity for a whole heap of reasons. The community did not want it. We are still waiting for a site in terms of that. Another expansion of Nowra could not deal with what you actually need in Greater Sydney. Is that right? People were saying at the time, "We will just expand Nowra. Everyone loves Nowra down there. It is challenging in terms of unemployment. Why don't they just expand Nowra?" I understood that an expansion of Nowra beyond what is already in scope would not have dealt with the Greater Sydney challenge.

Commissioner SEVERIN: That is correct. Just to explain that very briefly, distance is the issue. We need to have access to the courts and to specialist services, particularly medical services. As you would understand, a distance of greater than two hours would make it not feasible from a workplace health and safety perspective and also from an economic perspective. Dapto was just on the fringe of the time and it would have worked. Obviously we know why we pulled out, but that was really good work done at the time by the experts.

Mr RYAN PARK: The whole recidivism area interests me incredibly in terms of reducing or managing the population going forward. In your view, from your international experience, are we doing that well here in New South Wales? I know it has been something that both colours of Government over the past 20 years have put some actual focus on, instead of just clocking up beds. The same people going through the system over and over again—are we doing that well?

Commissioner SEVERIN: I think the answer is that we are doing a lot of really good things and we are increasing that activity as we speak. It is part of the Premier's priorities to reduce recidivism by 5 per cent by 2023, which is very ambitious. Again, I point to the fact that we do not really control all aspects of that. It is a societal issue. It is an issue of how the criminal justice system works. But we have four priority areas under this strategy and we are doing some significant work in each of those. So, we are focusing on the high-risk end of the population and doing a lot more intervention work that we know actually does make a difference. We are looking at the smart use of technology—I alluded briefly with some numbers to that before—so that we can actually maximise the effectiveness of what we are doing across a broader group of people.

We are doing some cultural change work because there is very strong evidence internationally that a positive prison culture—that is, your staff culture and your prisoner culture—actually makes a big difference. You can just imagine if you are in a classroom for two hours and you have now learned some really good things, and now you go back into the exercise yard and you are subject to that subculture that is really negative—the two hours are not wasted, but certainly the effect is not as strong as it could be. So, we are working on that. Staff actually embrace this really well because it gives them purpose as well.

We are looking at linkages with other government departments. For example, we know from a study that if you manage a person that has serious mental health issues—once they get out of prison, continue to manage them really well so that they do not drop off the cliff. There are amazing recidivism reduction rates compared to if they get lost. The Kirby Institute did some good work on that. So, we are working with Health on that. We are working with Housing—and that is the advantage of having this department now with everything together—to ensure that people who get out of prison do have a place to go to.

Mr RYAN PARK: It is a big challenge.

Mr JUSTIN CLANCY: Firstly, to follow on from Mr Park's question around recidivism: In that sense, the AV links and increase in the opportunity for prisoners to connect with their families in particular—we saw that at Manus. Thank you, in that regard. Following on in that sense, I would be interested to know a little bit further around the Drug Court. I believe there is a specific facility at Silverwater in that regard—your assessment of how that is travelling at this stage.

Commissioner SEVERIN: The Drug Court has been a very successful initiative which has been in place for quite a long period of time. It has been evaluated as really producing the outcomes. We are very much involved, as one of the six or seven stakeholders, and we do a number of things there. We monitor offenders in the community that come out of the Drug Court. We have a compulsory drug treatment centre on the Parklea site, which we manage. It is not privately managed. It is for the alternative to prison placement of those that have to be in custody. We are also monitoring those who are in the community on leave through electronic monitoring, et cetera. I understand—but I would have to take the details of it on notice—that with the just-announced budget there might be a further expansion of the Drug Court. I think the Treasurer announced that as part of the budget, but I am happy to provide that information separately. Again, that is very welcomed by the criminal justice system, knowing that it is a very effective way of dealing with those who are seriously drug dependent and, as a result of that, commit a lot of property crime and violent crimes.

The CHAIR: I will just look to my colleagues to see if they have any further questions. If not, I will ask you, Auditor-General, whether you have any comments to make.

Ms CRAWFORD: No, I will just note for the Committee's information that we are about to commence another performance audit specifically in relation to Justice Health to follow up on that.

The CHAIR: I thank you for that, Ms Crawford. Commissioner, gentlemen, I thank you for appearing before the Committee today. The Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and be made public. Would you be happy to provide a written reply within five days to any further questions?

Commissioner SEVERIN: Absolutely.

The CHAIR: Once again, I thank you for coming along. I thank you for your service, particularly through this most difficult recent period. I know it is a huge challenge in such a dense population that you are managing. I wish you all the best. If we get rid of criminality in our society, we could get rid of the service. But I do not think that is going to happen too soon.

Commissioner SEVERIN: Would it be beneficial for the Committee to have a copy of these reports?

The CHAIR: Yes, thank you.

(The witnesses withdrew.)

SCOTT HANSEN, Director General, Department of Regional New South Wales, sworn and examined

JOHN TRACEY, Deputy Director General, Biosecurity and Food Safety, Department of Regional New South Wales, affirmed and examined

PETER DAY, Director, Compliance and Integrity Systems, Department of Regional New South Wales, affirmed and examined

The CHAIR: We will be dealing with the report into biosecurity risk management. I welcome the representatives from the Department of Regional New South Wales.

The CHAIR: Thank you for appearing before the Public Accounts Committee today. Can you please confirm that you have been issued with the Committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

Mr HANSEN: Yes, Chair.

The CHAIR: Mr Hansen, would you care to make a brief opening statement?

Mr HANSEN: Very briefly, Chair. Thank you for the opportunity to talk to you about our progress against the recommendations on improvements that were identified by the Audit Office with regards to our biosecurity risk management system. Hopefully, you will be as pleased as we are in terms of progress against the six recommendations that were made. We are happy to take questions and talk about those. Before we do so I would just flag that there has been a really interesting report recently put out by CSIRO that flags the fact that biosecurity risks for this country continue to increase at an outstanding rate. Obviously that is not only linked to changing trade patterns, and that has been exacerbated this year with a lot of changes in shipping freight movements across the globe that has broken down normal patterns in which containers would normally move and be cleared and cleaned in certain countries. It has actually seen new shipping routes and new patterns open up because of closures of trade due to COVID.

On top of that, the incredible increase in international parcels and packages has really continued to increase the risk for a country that prides itself on its clean, green products for market access and prides itself on using its geographical isolation to help protect our environment and our biodiversity, and at the same time ensure that we have good social amenity for our citizens by keeping on top of pests, disease and weeds. Whilst these recommendations out of the Auditor-General's report provide really important step changes that were required for us at that stage, it is a continual process of improvement that we need to be driving to keep up with the ever-changing risk patterns that we are having to deal with. I will stop there and open to questions.

The CHAIR: The audit recommended that the department implement formal agreements with partner agencies in order to help define agency roles and responsibilities and ensure the appropriate allocation of resources to meet biosecurity responsibilities. The department advised that while it has implemented a formal agreement with one of its key State agency partners, Local Land Services [LLS], it has not implemented formal agreements with other partner agencies and instead holds regular meetings with these agencies. Can you explain why the department decided to implement a formal agreement with LLS and not with other State partner agencies?

Mr HANSEN: I might start and then hand over to either Dr Tracey or Mr Day. I guess we prioritise the memorandum of understanding [MOU] as the formalised agreements. Our first priority was obviously with the organisation that, to be honest, before 2014 was largely part of the department and was moved out into Local Land Services. The necessity for us to make sure that our eyes on the ground, which is what LLS is for us on our biosecurity front, and our legs on the ground when it comes to actually responding to incidents—that is by far our most important relationship in this country in terms of biosecurity. So we recognise the fact that to get that well documented was probably the first and most important piece for us. We then recognised that working with our sister agencies in what was the Office of Environment and Heritage; Environment, Energy and Science [EES]; and the Environmental Protection Agency [EPA] was critical. We have established the formal meeting frameworks for that to occur and have regular governance meetings between the two. We have not moved to a formal MOU in terms of operations with them, but that is a logical next step for us. Dr Tracey, did you want to add anything?

Dr TRACEY: No.

The CHAIR: I think that covers it. I did want to follow up on those other agencies and those relationships. I think you have covered that very adequately. I will turn to the Deputy Chair, Mrs Davies.

Mrs TANYA DAVIES: Following up from your final comment where you indicated that the establishment of an MOU would be the next logical step, are you able to inform the Committee when you expect that to be finalised?

Mr HANSEN: Just to fill in a piece I should have said, currently, when we are dealing with both EES and EPA, we participate in the State Emergency Operations Committee and that provides a bonding framework and formal MOU and formal agreements in terms of operations, which do pick up on our biosecurity, but does not provide us with the tailored specific pieces that we have picked up, for example, with LLS. I would be expecting that over the course of the next 12 months, being 2021, we would be looking to actually get down and document, especially in the areas around environmental biosecurity, roles, responsibilities and actions. Our ambition would be to get this done, hopefully, before the end of this financial year.

Mrs TANYA DAVIES: Following on from that, how do you currently and how do you envisage you may in the future deal with emergency responses in biosecurity risk management when it perhaps covers a different jurisdiction, whether that be a different State or Territory in terms of border issues, or in terms of responsibilities—Federal Government responsibility. Perhaps they are the cause of the damage or the destruction. Or the other way is local government and you are a State body. How do you envisage dealing with those additional complexities when it is not just within a State agency but it is up and down and across?

Mr HANSEN: That is a really good question because our pest weeds and disease do not recognise State borders and they are not as easy or as compliant as requiring them to print out permits to allow passing across those borders. The irony is that we actually have probably the strongest and best documented response and engagement activities between the States than what any of the States do within their own boundaries. Because of the nature of the fact that we all know that if one State does not carry its weight or if the Commonwealth is not carrying its weight in terms of border protection, then everyone suffers and Australia Inc. is at risk. Because of that there are not only well laid out agreements, especially for our high priority biosecurity risks—they go all the way down to what the agreed thresholds for are action and what those actions look like. There are actually agreed cost-sharing agreements between not only State governments and Federal Government but also industry.

We have sat down collectively in advance of any incursion and said, "Should we get this? How do we respond collectively amongst all the jurisdictions with Commonwealth and industry and importantly, depending on the blend between public benefit and industry benefit, what is the funding mix between Federal funding, State funding and industry funding in terms of those responses?" We test that on a regular basis. We test that with simulations and we also get to probably test it more with actually real life events. This year is unique, but if I go back to the period in which this report was being prepared, we had more of our biosecurity staff deployed on active events outside of the borders of New South Wales than we had deployed on events within New South Wales, for the simple fact that we prefer to fight these fights in someone else's backyard and stop them from getting to ours. I will see if my colleagues want to add anything further on that.

Dr TRACEY: It is a really important point. With biosecurity we had to be looking nationally. Mr Hansen has covered it really well in terms of the structures that are in place. We work through the National Biosecurity Committee. I have a meeting straight after this hearing on a national management group response. We are in regular conversations with our State counterparts, we are in regular conversations with the Commonwealth and that is the way in which we integrate with industry as well. It is how we get their buy-in, it is how we get a true government-industry response happening really quickly. The work that has gone into the planning helps us respond in a really rapid way. The cost-sharing agreements mean that we are not there negotiating on the components of who is going to fund what; we are able to launch straight into a response and get a clear line of sight in terms of action. It is a really important question around how we interact nationally and certainly for biosecurity it is a very important aspect of what we do.

Mr HANSEN: The Commonwealth's role in this is critical. We know the best way and the most cost-effective way to deal with a biosecurity risk is to stop it actually entering the country. Every dollar spent on achieving that outcome generates far greater return for us than a dollar we spend having to actually fight it within the State. That relationship with the Commonwealth is critical. The ability for interaction amongst the States is critical and it has been a really successful model that has been operating now for decades, continually being refined.

The CHAIR: I will hand over to the member for Albury, who is very interested in biosecurity and border issues.

Mr JUSTIN CLANCY: Gentlemen, I refer to the recommendation in the audit around the data collection reporting system and data sharing, particularly with the LLS. Could you please update us on the biosecurity case management system, the pilot and how that is travelling?

Mr HANSEN: I will throw that question to Dr Tracey and Mr Day to give you an update on that.

Dr TRACEY: The biosecurity case management system is a really important one for us that we really want to get right. It is a focus in terms of accurate reporting of responses and that flow of information between various parts. Because New South Wales DPI takes a lead role in the response, it is important for us to make sure that we are capturing all that information in a real-time way. We have put a lot of work into developing metadata standards and the system is gearing up to make sure that we respond and get that information in a rapid way.

Mr DAY: There has been a long lead time. Anyone who has experience developing systems, unfortunately they take a long time in terms of getting business processes right—the foundational stuff—way before you see any real live system out there in the field. Where we currently are is that we are on track to deliver that program by the end of this current financial year, 2021, and we have the infrastructure installed now and the spatial geo-mapping requirements also installed for that, which is so important in biosecurity because a lot of what we do has to be spatially enabled to enable area to be identified for the control zones and a whole range of things. Following on from what Dr Tracey just said about the importance of a national approach, we have aligned ourselves with the system that is being used by Victoria, South Australia, Western Australia, Northern Territory and Queensland. It is called the MAX system and it is also being used as the national system.

The benefit of that is that it opens the door to national coordination and national collation and sharing of data. That will enable us not only to share data within New South Wales with Local Land Services, local control authorities, councils for weed control, but also more importantly through the national rangers for biosecurity, with our fellow colleagues in the State and also the Commonwealth. Often what we do in biosecurity is that it is very market access-focused and so the Commonwealth needs to be able to present data overseas around biosecurity incursions. What we have done, our proof of freedom and the like—that is a lot of work underway and we are confident that we will get that program in place this financial year.

Mr JUSTIN CLANCY: Moving away from that, I am interested in scenario planning and in-the-field trialling and where you see that for the State. Are we doing that at an adequate level?

Mr HANSEN: I would say that our surveillance—we are really lucky on two fronts there: First of all, not many other States have the benefit that we have of having a Local Land Services that have boots on the ground in so many locations across the State and such a wide footprint. Their biosecurity offices are out in the field every day. They are going to congregation points like saleyards, they are going to congregation points like grain depot storages and they are checking in places on a daily basis. That gives us that visual surveillance but the conversations they then have with growers in those areas are critical. The growing area of surveillance for us that we have used and tapped into really effectively in a couple of cases recently—and I think one of those was documented in the Auditor-General's report, which was the yellow crazy ant—is actually the community acting as our frontline surveillance. This is an area that we need to continue to work on how we make it simple for all the citizens of New South Wales to act as our frontline surveillance for biosecurity risk. Yellow crazy ant was one of the great examples of that being flagged by a member of the public.

The CHAIR: Sorry, could you repeat that?

Mr HANSEN: Yellow crazy ant. The ants have got the best names: Red fire ant, yellow crazy ant. The naming for the ants is pretty special. That was a citizen in Lismore who identified what they thought was something unique and exotic to the area and called in our expertise to help identify it and then help quarantine and help control it. Not only can we rely on the public more if we give them the right tools and the right information but also the unique opportunity for us at the moment is that we have never had a population so attuned to the subject of biosecurity. Flattening the curve has been built into the daily lexicon of people. Previously we would have tried to work out how do you possibly get this message through about managing disease by hitting incursions early, by taking dramatic steps to stop spread and then work on lowering the baseload of whatever it is you are trying to control.

We have a population that is ready for that now. Our job, and what we are challenging ourselves with, is how do we turn that into a new wave of frontline resources? I previously mentioned the CSIRO report that was produced. It basically says for Australia to be able to successfully continue to control biosecurity outbreaks, it is not a question of scalability. We cannot just keep scaling what we do at the moment to keep ahead of the risk profile that is going to build in front of us. We actually have to do things differently. One of the ways of doing things differently, for example, is not just having more biosecurity officers but actually turning the general public into frontline biosecurity officers for us.

The CHAIR: We did have this conversation earlier before the session started. If that is the case, are you working to develop easy methods such as apps for citizen surveillance, if you like, for participation? We have got a digitally engaged community out there. Is that something that you use? Can people take a photo of an unusual

find and get it to you easily or do they have to search for a website? Would it be something that an app could be made available for people to check online immediately?

Mr HANSEN: At the moment we do have a handful of apps that are focused predominantly in the weed area, in terms of allowing the use of apps for identification of weeds so that people can do that themselves. However we do have in the pipeline specific industry sector apps in terms of helping them with the identification of disease. The challenge for us is that there is no—again this comes back to the Deputy Chair's question about the interstate and Commonwealth play on this because a yellow crazy ant is going to look the same in New South Wales as it does in Queensland as it does in Western Australia. So there is really the opportunity for us to work collectively with the other States to make sure we are not building these in isolation. By doing it collectively as a group we can get better bang for taxpayer dollars in terms of the outcomes. The National Biosecurity Committee has been talking about collective efforts in this space and I might see if Dr Tracey wants to add anything else.

Dr TRACEY: It is a really important point about our vision of the shared responsibility and trying to engage communities. There is always more work to be done. Recently, as an example of the national approach that we take, we launched the Mission Biosecurity program, which is all about trying to engage with the community, trying to encourage them to report early and to provide the right level of information. The key point there is picking up on the value add that we pick up by working nationally and trying to develop those resources there as well. We have also got programs like FeralScan, which the NSW Department of Primary Industries was also a lead-in. It encourages early reporting, reporting of impact, connecting to information and resource on how to best manage our biosecurity threats. It is an area in which there is a lot of opportunity ahead of us but we are certainly seeing it as a positive and have invested a lot in this space.

Mr LEE EVANS: This has nothing to do with the audit but when I was a little boy—

The CHAIR: I love these stories.

Mr LEE EVANS: I think I was in third or fourth class. We had people—I do not know what it was called back in the day because I am nearly 60—who came in and they were talking about Argentine ants. They gave every kid a little tube and an identification brochure. I think in the day it was about \$5 if you found an Argentine ant, so you can talk about getting the troops on the ground. Every kid at every school in my area had little tubes and they were running around with a little microscope trying to find an Argentine ant because they were five bucks. I lived just on the cusp of the Royal National Park and that is what they were concerned about: them getting into the Royal National Park and having the time of their lives in there. I think we found one or two colonies in the local area and the lucky kid got five bucks—

Mrs TANYA DAVIES: And that is how you made your fortune.

Mr LEE EVANS: That is over 50 years ago. I am just saying that type of activity, especially with this crazy ant—if you have little kids doing it the parents will all of a sudden have an interest in it. It is an interesting psychology, that is all.

Mr HANSEN: We can actually draw a direct report of that back to the actual report. One of the case studies in there is around red imported fire ants. It was not the surveillance but it was actually utilising the public in the response component. Using the new technology—instead of giving every kid a tube and a magnifying glass—we gave schools laptops that had pictures of the ant. We had them walk their schoolyards, taking photographs. Those photographs were centrally viewed by our entomologist team. Rather than them having to be out in the field they could be centrally located, flicking through.

If we saw a photo that was of concern, because the laptop gave us the geographic information system [GIS] location and the time of the photo, we knew exactly where and when, and could disperse a team to be able to go and investigate further. So utilising the new tools—I guess that comes back to your question, Chair—to engage the community on the frontline is the step change we think is needed to help us in managing biosecurity. The timing could not be better off the back of the community's awareness about pandemics and disease control.

Mr JUSTIN CLANCY: Very briefly, I just want to clarify with Mr Evans, wouldn't it have been pounds in your day, not dollars? One of the actions that has been delayed was around the review of the structure of the emergency management. I see you are looking to finalise that by the end of December 2020. Could you give us an update on that?

Mr HANSEN: I might hand to Mr Day to comment on that.

Mr DAY: That review is more of an internal alignment. We broke that emergency management [EM] team into four functional areas to better coordinate the roles and responsibilities. There is a very big focus on logistics, learning and education, and response and on planning. It basically realigned the team. It was not a restructure per se but it was basically just putting the team to get better capabilities and competencies in the group.

Mr HANSEN: I know there are always things happening every year but given the fact that we had full deployment of our biosecurity emergency management teams for 186 consecutive days of fire response followed then by working with NSW Health on the COVID-19 response, the management rearrangement pieces were delayed.

The CHAIR: There do not appear to be any outstanding questions from Committee members or the Auditor-General. That brings us to the end of our questioning on this particular audit. Mr Hansen, Dr Tracey and Mr Day, thank you for appearing before the Committee today. We are in agreement that it has been an extraordinary year for you. Thank you for updating us on that and for what you are doing for the future with technological rollout. I am very interested in citizen surveillance and where that would go. The Committee may wish to send you some additional questions in writing. The replies will form part of your evidence and be made public. Would you be happy to provide a written reply within five days to any further questions?

Mr HANSEN: Definitely.

The CHAIR: Thank you very much. That concludes this session.

(The witnesses withdrew.)

SONYA ERRINGTON, Director, Compliance and Licensing, Department of Planning, Industry and Environment, affirmed and examined

DAVID WITHERDIN, Chief Executive Officer, Local Land Services, affirmed and examined

PAUL ELTON, Chief Executive Officer, Biodiversity Conservation Trust of NSW, affirmed and examined

JEREMY BLACK, Director, Remote Sensing and Landscape Science, Department of Planning, Industry and Environment, affirmed and examined

The CHAIR: Have all witnesses been issued with the committee's terms of reference and information about the standing orders that relate to the examination of witnesses?

Ms ERRINGTON: Yes.

Mr WITHERDIN: Yes.

MR ELTON: Yes.

Mr BLACK: Yes.

The CHAIR: Do you have any questions about this information?

Ms ERRINGTON: No.

Mr WITHERDIN: No.

MR ELTON: No.

Mr BLACK: No.

The CHAIR: We will now move onto questions on the audit, *Managing native vegetation*. It is quite an interesting time and there has been a lot of discussion about these issues within the Parliament about the challenges across the State since this audit was conducted. It is quite a complex area and I am not sure that we will satisfy all the questioning before our time expires. Recommendation 1 states:

By December 2019, improve administration of the clearing of native vegetation by:

- ensuring notification forms include all relevant conditions of the Code to ensure these conditions are adequately communicated to landholders ...

The Committee notes the recommendations has been implemented in three forms. However, there was no longer an online form for part 5 Division 1 notification for clearing paddock trees despite landholders still being required to notify Local Land Services about the clearing. Why is there no longer an online notification form for clearing paddock trees? What information are landholders required to provide to notify Local Land Services?

Mr WITHERDIN: I will need to take that one on notice.

The CHAIR: The follow-on question will be added to what you have taken on notice.

Mr JUSTIN CLANCY: I remind you of any opening statements.

The CHAIR: Of course. Do any of you want to make an opening statement?

MR ELTON: No.

Mr WITHERDIN: I am happy to but it may be more productive if you cut straight to the chase with questions, given the limited time.

The CHAIR: If you do not have a prepared opening statement, we will continue.

Mr WITHERDIN: Yes, that is fine.

The CHAIR: The department's response in relation to the same matter indicated that it had partially accepted the recommendation. The Audit Office noted that only one of the 40 samples of certificate assessments reviewed for the audit included photos of areas proposed to be thinned, cleared or set aside areas. Currently what is the proportion of certificate assessments that includes site photos? What is the timeframe or timetable for improving access to update the satellite imagery?

Mr WITHERDIN: Sure, I will take that. That action is complete. Local Land Services captures all areas authorised for treatment—thinning, clearing and set-asides—in its spatial database. Regional service officers validate mapping products for all certificates by conducting a site inspection with the landholder, which involves

collection of site photos. We have been going through a major ICT program and that has really improved the way we function in this space and ensures that LLS has got the best access to satellite imagery. We do that via EES, our colleagues here. Our regional service officers use this satellite imagery in what is in, sort of, the final stages of the build of what is called our My LLS mapping platform. This is a space where we have made significant improvement. We are committed to continuous improvement to ensure that we have got the best, most accurate data and we are recording that in our system. I think in answer to your question, moving forward we should have those photographs in all situations now.

The CHAIR: I had a further question about the time frame or milestones in relation to the ICT system. I think you have indicated it is well advanced.

Mr WITHERDIN: Yes, in terms of the mapping, yes, we have got that in place, the My LLS mapping system, yes.

The CHAIR: In relation real-time sharing of documentation, notifications and certification, can you provide more information on how long it takes place in practice?

Mr WITHERDIN: Yes, sure. It is another where since the audit we have made some really strong progress. We share notifications, certifications and the associated spatial data with EES. That is done via a real-time live link. LLS staff also have a live feed of spatial data from EES. So it is great collaboration there. The My LLS land management system that I referred to in the prior answer will deliver further improvements via an automated data-sharing process that will happen in the back end. We anticipate that will be in place during 2021. On top of that we are also developing a mobile application for our officers out there in the field that will enable staff to both access and collect data in the field. Even when they are out there, there are many places where they work there is no mobile network coverage but when they come back into the office in range that will automatically upload to the ICT system and we anticipate that being available next year as well. We are really pleased with the progress we made in this space.

Mr LEE EVANS: Recommendation 3 states:

By December 2019, ensure all field staff receive specific training in the identification of plant community types and threatened ecological communities, with regular refresher courses.

The department response indicates that the recommendation has been implemented. Could the department provide more information on the number of staff who have received specific training on the identification of threatened ecological communities, and the frequency of the refresher training?

Mr WITHERDIN: Sure. I will answer the question, but I may not have the exact details. In that case, when it comes to the numbers, I will take that on notice. But I think it is important that I outline what we have done in this space. We have a program of ongoing training for all staff who work in this space on plant community types and threatened ecological communities. We support staff through ongoing initiatives to improve their capability in this discipline. It includes field-based training with agency partners—again, we are working with NSW Environment, Energy and Science [EES] in this space—and matching up our more junior or less experienced staff with mentors and more experienced staff, who can guide them and accelerate the gaining of learning and skills.

In terms of the most recent training that has occurred in this space, it was in August just gone with our Hunter and North Coast teams. That was field-based training for the identification of both endangered ecological communities and critically endangered ecological communities. That involved Australian Government environmental officials as part of that, because you would be aware that we also intersect with the Environment Protection and Biodiversity Conservation Act in some of what we do. That is a recent example, but I will take on notice the aspect of the exact number of staff and when that training was done. I am pleased to say that—not as a result of the audit but since that time—we have in place a really solid training database. This would be a good test of it, if we can extract that information quickly.

Mr JUSTIN CLANCY: Referring to recommendations 10 and 11 around the Biodiversity Conservation Trust [BCT], Mr Elton, could you provide additional information on the selection processes used to acquire land under the revolving fund? I am also interested in landholders and the steps they are taking to simplify the process and make it accessible for landholders to be able to work with the BCT.

Mr ELTON: We have several programs and delivery mechanisms, and the revolving fund is just one of those, but for several of those mechanisms we use a consistent assessment metric, which we have published on our website. That is how our field staff and ecologists go onto a site, assess the ecological values of the site itself, as well as how that might benefit at a broader landscape scale. They also assess other factors, including risks to biodiversity on the site. For each site that generates an assessment, what we call a biodiversity value score, and that is how we assess the values of a potential conservation agreement, whether it is being done through the

revolving fund, through one of our conservation tenders or through our fixed-price offers, and so on. If it is a competitive process like a conservation tender, we will then determine the value of that agreement—its price, if you like. The way we do that is we add up the ongoing annual conservation management costs and we calculate the present value of that as a capitalised amount. That is the price of the potential conservation agreement. We divide the biodiversity value score by that price to come up with a biodiversity value index, and that is how we can assess on a value-for-money basis.

If it is a competitive process, we can assess—if, for example, we run a tender for koala habitat on the North Coast, which we have done, we would assess all the bids that have come in, rank them and assess which ones are good value for money. My board considers that and we make offers to the successful bidders. If it is something like a revolving fund, it is more about comparing that biodiversity value index score against biodiversity value index scores we have achieved through other means, because that might be a one-off, where we look at buying a property, putting a conservation agreement on it and then on-selling it to someone who is willing to manage it for conservation under that agreement. That is a broad thumbnail sketch of how we do the assessments.

In terms of your other question about facilitating landholder participation, I would like to think that we have a good track record there. We have had very high participation rates in most of our offers, and if anything we have been oversubscribed on occasions. It is very much a facilitated process. For example, in a conservation tender or a fixed-price offer, we first of all invite expressions of interest. We then do a desktop assessment to assess eligibility, but if a landholder is eligible, we will work with them to develop what their conservation area might be and what their conservation management plan might look like. That is all worked out first before we call for bids. In a conservation tender, the landholder gets to nominate their price, and they do that once all the development of the conservation agreement is completed.

We have also done surveys of our participating landholders, and we have had very high scores in terms of satisfaction with the BCT's process. That is not to say that we are perfect and that we cannot improve. We are about to launch another annual survey of landholders—including people who missed out and were unsuccessful as well as those who were successful in any of the processes that we have conducted—and that will give us more evidence. We get a lot of anecdotal feedback from landholders as well, and we are constantly looking to improve how we conduct these processes, making them as accessible as possible. In fact, we are putting a particular effort into engagement with Aboriginal landholders this year. We are running a tender in the northern inland right now, and a number of the expressions of interest that have come in are actually from Aboriginal landholders, so we are very happy about that. Equally we are very engaged with Deerubbin and Darkinjung local Aboriginal land councils right now in terms of participation in the Biodiversity Offsets Scheme in Sydney and on the Central Coast. So we have a very active program of supporting landholder participation, and once people are in, we also have a very active technical support and offer a lot of financial assistance.

Mr JUSTIN CLANCY: Does the BCT see opportunities to collaborate with State agencies such as LLS? Is there an opportunity there for travelling stock reserves [TSRs]? Obviously there were the bushfires at the start of this year, so what are the BCT's arrangements in terms of fire management protocols?

Mr ELTON: We have a very active collaboration with Local Land Services. In fact, we have a memorandum of understanding between the two organisations. We have a very active project on foot in relation to travelling stock routes and reserves. We both recognise—and Mr Witherdin may wish to add to this—the fact that in the central division of New South Wales in particular, travelling stock routes have significant conservation values, and we are working actively on potentially entering into a large-scale conservation agreement across significant high-value parts of the TSR network, subject to both of our boards considering that. Probably the first step of that will be in the early part of next year.

There are also many other points of collaboration. LLS, on a local scale, will often refer landholders to us, where they might be interested in both land management and conservation activities on their sites—and there have been many examples of that—and vice versa. So there has been very active collaboration on a local scale. We also collaborate with the Saving our Species program, administered by the department with the NSW National Parks and Wildlife Service—so absolute collaboration with other partners. Just remind me: What was the second part?

Mr JUSTIN CLANCY: The fire management.

Mr ELTON: The bushfires, yes. We had a significant impact across our estate, nowhere near as significant as national parks and Crown lands and State forests and others. But nevertheless, I cannot remember the exact numbers, but it was something like 50,000 hectares across more than 100 of our existing landholders out of about 2,000 who were impacted to varying degrees of severity by the fires across their conservation areas. So

we offered a few things, and we have rolled a lot of this out. First of all, we offered ecological support from our ecologists and landholder support staff to help people with technical advice around how to assist recovery.

We also modified our conservation partners grants so that people could apply for fire recovery focused grants, including retrospectively where they may have had to do works urgently. We had quite an uptake of that. If you want the figures, I could take that on notice. And then, thirdly—and this is still rolling out because it is the medium-to-longer-term initiative—we have actually coordinated at a regional scale specialist contractors to come in and assist with weed and pest control because that can, obviously, be exacerbated post-fire. So we have been very active in supporting the landholders that were impacted, absolutely.

Mrs TANYA DAVIES: I go back to recommendation No. 1. I note that the audit report indicated that not all notifications by landholders were completed in accordance with the requirements of the code and, therefore, may not have been valid. Could you inform the Committee whether you require the landholders to resubmit their forms, and what leniency do you give them in terms of time frames to achieve that?

Mr WITHERDIN: Just bear with me. I will take that one. LLS checks all landholder notifications to ensure they meet the relevant code requirements. This is undertaken within a 14-day window between the submission of a notification and when the landholder can apply it. So if we come across a notification that does not comply with the code, we then request that is resubmitted to LLS. I might just take the opportunity to go back, while I am speaking, to that very first question in relation to why paddock tree notification forms were taken down from our website. That was done deliberately to manage the risk in association with that. The notification pathway for this has got some complexity about it in that it requires mapping, specific calculations, and because of that we believe it is probably beyond the remit of most landholders. So we have deliberately taken that down to drive their direct engagement with our staff, who are specialists in this area, who can then walk them through that, undertake that. So it is really just to minimise the risk to landholders and, therefore, the environment in relation to that.

Mrs TANYA DAVIES: Do you maintain records in terms of how many original forms that are submitted are incomplete or do not meet the code versus those that fully meet the code?

Mr WITHERDIN: I expect we will, but I will take that on notice and confirm that that is the case, rather than commit now.

Mrs TANYA DAVIES: A number—for sure. Perhaps you may take this on notice as well, but when you look at that variation—identify the number of original forms that are submitted that are not submitted in full—do you do any work around exploring the reasons why landholders are not completing the forms accurately the first time? Is it a lack of understanding of the process? Is it a lack of information that is available to the landholders? What is actually impeding the landholders from submitting their forms completely the first time? And I think linking that to leniency around fines as well. I think it is important that this Committee understands that we give the landholders as much support as possible at this time, given the drought, given the bushfires. How are you approaching that complexity if there are some issues that are not the fault of the landholders? I just want to make sure that we do not jump straight to a fine scenario if there is something additional that we can do to support our landholders.

Mr WITHERDIN: Okay. In relation to that, I guess there is a whole wide range of reasons why landholders may be challenged. Certainly if you go back to the recommendations of the audit, a number of them relate to provision of greater information to landholders. So there has been a whole number of specific fact sheets that have been developed. They are available on our website as graded guides for landholders. But what we really encourage is that direct engagement of landholders with our staff, so even if they want to go a notification pathway, we always encourage them to come into the office, get onto the phone, and we can guide them through that process. I would need to take on notice any specific numbers around that in terms of the variations, but in terms of a compliance sense, there is a separation between us and EES. EES undertakes compliance in the land management framework.

Mrs TANYA DAVIES: I have a further question if I may, just bearing in mind we are almost out of time.

Mr WITHERDIN: Yes.

Mrs TANYA DAVIES: You mentioned that you are encouraging landholders to physically engage with your department on these matters and to work directly with you rather than through an IT setting to ensure the documentation requests are accurate. I just wonder whether you have gone to your customer base to ask them if that is a practical request, because if I understand in terms of farming, a lot of the time farmers are out the door by 6.30 a.m. or 7.00 a.m. and do not get back until well after standard business hours. Are you providing access after hours to assist landholders in meeting the requests that you are asking of them?

Mr WITHERDIN: Yes, we certainly offer to get out there on farm and meet with farmers out there. The benefit of that is you get the whole context of, I guess, the opportunity, the constraints there, because native vegetation management is just a small part of what we do in LLS. We have staff there in terms of agricultural extension officers. A big part of what we do is in terms of natural resource management. So we get out there and work with landholders around a more comprehensive farm planning approach, and that is when opportunities come up where we can refer to the BCT and so on. So I think often if we can get out there on site, landholders may come around a specific land management issue but then we can open up windows to many more opportunities as part of that. So that is why we encourage it, yes.

The CHAIR: Can I go back to earlier on in the recommendations in relation to the clearing of native vegetation? There was comment about ensuring the assessments of compromised ground cover are calculated at the time of year when the proportion of the native ground cover is likely to be at its maximum in compliance with the code. The department reported the implementation of the recommendation is completed, but can the department provide data on the number of notifications that are rejected because they are not compliant due to the assessment being undertaken at a time of year when native ground cover is calculated?

Mr WITHERDIN: I do not have those figures at hand, so I will take that on notice.

The CHAIR: Thank you for that. As I indicated, it is quite a complex report and we did expect that many questions would flow on from that. I will look to the Auditor-General. Ms Crawford, would you like to make a comment?

Ms CRAWFORD: Thank you, Chair. The Committee may be interested to know that we have just commenced an audit of Aboriginal land claims. That may touch on some of the matters that Mr Elton spoke to in relation to the intersect with biodiversity when we do that.

The CHAIR: Thank you for that. With that, I thank you for appearing before the Committee today. The Committee may send you some additional questions in writing, and that is already forecast. Your replies will form part of your evidence and be made public. Would you be happy to provide a written reply to those questions?

Mr WITHERDIN: Yes.

The CHAIR: Thank you for that. You indicated during the course of your evidence that you would take a number of questions on notice. We look forward to those responses. There may be some other questions on review that we will bundle with that. Thank you for coming along to appear before the Public Accounts Committee to provide evidence. That concludes the session.

(The witnesses withdrew.)

The Committee adjourned at 11:22.