REPORT ON PROCEEDINGS BEFORE

Public Accounts Committee (PAC)

Examination of the Auditor-General's Performance Audit Reports February 2016 – September 2016

At Macquarie Room, Parliament House, Sydney on Monday 12 February 2018

The Committee met at 9:30 am

PRESENT

 Mr B. Notley-Smith (Chair)

Mr S. Bromhead

Mr L. Evans

Mr R. Park

Mr G. Piper

Mr M. Taylor (Deputy Chair)

The CHAIR: Good morning and thank you for attending this public hearing of the Public Accounts Committee's follow-up of the Auditor-General's Performance Audit Reports. We will be taking evidence to selected Auditor-General's performance audits from February to September 2016. I ask everybody to switch off their mobile phones as they can interfere with the Hansard recording equipment. I now declare the hearing open and welcome the Auditor-General, Ms Margaret Crawford; the Deputy Auditor-General, Mr Ian Goodwin; and the Assistant Auditor-General, Ms Claudia Migotto, from the Audit Office of New South Wales. They will be with us for the entire hearing to provide additional information as required. I also welcome our first witnesses from the Department of Justice. Thank you all for appearing before the Public Accounts Committee today to give evidence.

**MARGARET CRAWFORD**, Auditor-General, affirmed and examined

**IAN GOODWIN**, Deputy Auditor-General, sworn and examined

**CLAUDIA MIGOTTO**, Assistant Auditor-General, affirmed and examined

**JAMES KOULOURIS**, Assistant Commissioner, Governance and Continuous Improvement, New South Wales Department of Justice, sworn and examined

**KEVIN CORCORAN**, Assistant Commissioner, Custodial Corrections, New South Wales Department of Justice, sworn and examined

The CHAIR: Would either or both of you like to make an opening statement?

Mr KOULOURIS: No thank you.

Mr CORCORAN: No thank you.

Mr MARK TAYLOR: Thank you very much for attending. Recommendation 1.e. was prisoner to staff ratios. The response to the audit does not take on board the recommendation of the report for prison to staff ratios, stating it is a complex concept and there is no utility in reporting those ratios. Obviously, there is an issue about certain prisoners needing certain levels of ratios—I can understand that concept. Could you expand on prisoner to staff ratios?

Mr CORCORAN: Yes. In maximum security there is a situation where static security is utilised as one of the primary focuses to manage those inmates. In many instances there are higher levels of inmate to staff ratios. With females there would be quite high levels of staff to inmate ratios, but that drops off in some of the male facilities. As inmates become easier to manage, even if they are higher security, there would be a higher level of staff to inmate ratio. Even in high security, which is what I am trying to put together, a hypothesis that there cannot be a standard staff to prisoner ratio for those inmates. As the security rate drops off, the inmate to staff ratio drops off again and there will be a lot more inmates for any particular given number of staff.

Mr MARK TAYLOR: How is the overall staffing level arrived at?

Mr CORCORAN: It is a matter of risk assessment, looking at the infrastructure, looking at the way that inmates react to various things, looking at the amount of industry, programs and activities there are in a particular facility. If those things cannot be provided because the infrastructure is not up to scratch, then there will have to be higher levels of staff to inmate ratios. An example is Goulburn, where there is a relatively high level of staff to inmate ratio, but there is very little for the inmates to do because of the nature of the facility and its ageing infrastructure.

The CHAIR: Does the Auditor-General wish to comment on this?

Ms CRAWFORD: My comment would be accepting the Assistant Commissioner's point, but our report was talking about reporting against these matters. Clearly, as the Assistant Commissioner rightly says, there are a range of factors but making clear those factors and reporting against them is something that we consider to be worthy from a transparency perspective and also in terms of learnings for the management of new centres.

Mr CORCORAN: Can I make another comment?

The CHAIR: Yes.

Mr CORCORAN: With the new rapid builds, for instance, you have very high levels of staff-to-inmate ratios at those two facilities. The reason for that is that we have to have a 24-hour presence of custodial staff there to respond to incidents. It looks much higher than an equivalent, say, 400-bed maximum security centre somewhere else in the State. That is where the difficulties come in in terms of identifying those numbers.

Ms CRAWFORD: The specifics?

Mr CORCORAN: Yes.

The CHAIR: The issue would seem to be just getting you to spell that out much more clearly.

Mr CORCORAN: Yes.

The CHAIR: Is that an issue for you?

Mr CORCORAN: I do not believe it would be an issue, no.

The CHAIR: I think we have covered the response of the prisoner-to-staff ratios.

Mr RYAN PARK: What about 1d?

The CHAIR: Yes?

Mr RYAN PARK: I am interested in the issue of public reporting in a sector like yours. How do we, as policymakers, know and therefore provide certainty to the public where our prisons sit in terms of performance, both public and private prisons, in a manner similar to the one that applies to, let us say, emergency departments or other components of the health sector or through the Public Education Schools Association or the National Assessment Program—Literacy and Numeracy and other components of the education system? How do I, as a policymaker—not me personally because I am not in government, but the other members of the Committee are—know when we are looking to invest there and have a line of sight over whether that is a good prison because the benchmarks are being hit? While knowing they are all very different—like the Department of Education Y and Z are different—I can compare prison X to something interstate, perhaps even intrastate, and internationally, in the same way that other large public portfolios are done? How can we get to that point?

Mr KOULOURIS: I would be happy to answer that question. I think the Auditor-General acknowledged that the report is fairly detailed in this regard. We are now developing a new performance management framework that attempts to do that very thing, or will do that very thing. It is predicated on achieving core outcomes. What would an efficient and effective correctional system achieve outcomes-wise? Obviously, a key one is safety and security. That is a key feature of our performance framework. The others are around rehabilitation and reintegration. What opportunities are we giving inmates in the system to start leading law-abiding lives? How do we reintegrate those inmates into the community on their release from custody? It is paramount in terms of a community safety outcome that, on their release, they are able to become a productive member of society.

Another is decency and respect. What we mean there is in terms of how we structure the prison setting to give them purposeful and meaningful activity while they are incarcerated so that they can focus on, for example, educational outcomes—in some cases, learning to read and write—learning to gain employment on their release to give them opportunities within an industry, or the time we provide them out of cells to connect with their family, et cetera. Professionalism and accountability constitute the last key outcome. That is around how we as a system demonstrate to the community that they can have confidence in what we do so that we administer court orders appropriately and have accuracy of reporting.

Mr RYAN PARK: Is recidivism a part of that in terms of the first one?

Mr KOULOURIS: Absolutely, yes—recidivism in terms of community safety. Based on those broad outcomes, we are now building a model where we have 17 key KPIs, or key performance indicators, that we are measuring. It ranges from everything in terms of safety and security outcomes; the rate of escape—hopefully, zero; serious staff and inmate assaults; the time we provide inmates out of cells; and the attainment, whether that is in education or a program; and in terms of how they participate in industries.

Mr RYAN PARK: To get to these, I am asking you what is the best prison system in the world? I come from an education background and we often hold Finland up as being our benchmark, so to speak.

Mr KOULOURIS: That is very difficult because we have just such a different legal and legislative requirement. I think we run a very good system here in New South Wales, obviously with a focus on the KPIs. What we are doing centre by centre is engaging with the governor and the staff to set performance thresholds. We are are comparing for the first time KPIs across both the public and privately operated prisons in New South Wales. We will be able to compare performance across correctional centres because we are measuring the same KPIs and performance indicators. We are setting targets at the individual centre level based on their unique characteristics because the inmate cohort does vary, prison from prison, as does the physical infrastructure. The ability to deploy various high-tech security measures differs when you have got an old sandstone prison as opposed to a more modern facility.

Mr RYAN PARK: Yes, of course.

Mr KOULOURIS: That will have an impact in some respects on the achievement of a particular performance target. Obviously, for some of them zero—zero escapes and zero staff assaults; and in others, it will depend on the inmate cohort. For example, a remand or a facility that accepts a lot of new receptions or new inmates into the system, which particularly have a higher rate of assault than would a centre where it was minimum security or a work camp. Accounting for those differences and having a set, consistent and applicable set of KPIs will allow us to measure across our network and across both privately and publicly operated correctional centres.

Mr RYAN PARK: But not interstate?

Mr CORCORAN: Yes, there are measures that apply interstate in the reporting on government services, the Council of Australian Governments report. They compare each jurisdiction on a range of things, such as cost per inmate per day, assaults, deaths, and things of that nature. We are able to get a pretty good picture.

Mr RYAN PARK: Do they compare recidivism?

Mr CORCORAN: Yes.

Mr RYAN PARK: How do we compare?

Mr CORCORAN: I might defer to Mr Koulouris on this one, but I think we are up at fairly high levels at the moment.

Mr RYAN PARK: Good.

Mr CORCORAN: But certainly on costs per inmate per day, we are well and truly the leader of the pack in relation to that. The other thing I would like to add to what my colleague was talking about there is that this new system that we are bringing in to compare the public and private sector is a great step forward. It really puts us on level playing fields with the private sector in terms of analysing each of the correctional centres, which has not been the case in the past. I am looking forward to getting some good data on how we compare against the private sector.

The CHAIR: Auditor-General, would you like to comment on that?

Ms CRAWFORD: Only to say that that goes to the heart of our audit where we were seeking the capacity to benchmark prison against prison. It is pleasing to hear the response. I suppose I wonder about the timeliness of that and when those indicators would be available and made public.

Mr CORCORAN: I think we have to wait until the new contracts come out with the private sector before we can implement that. We are certainly implementing it in the public sector at the moment. Those parameters are being put in place as we benchmark centres. There are agreements between myself and each governor. They have those 17 KPIs, which they have to adhere to and be reported against. I also have an agreement which each governor to meet those KPIs. We will intervene if things are not travelling well.

Mr RYAN PARK: Will those public ones be made available before we get the full rollout of the private sector? For instance we have a facility in the Shoalhaven which is a private sector one, and I except that. But in terms of the public ones, will I be able to, both as a legislator and a taxpayer, look and say that we might have a bit of concern about site Y or site Z?

Mr CORCORAN: Yes.

Mr KOULOURIS: That is the intention. At the moment we have engaged in large procurement exercises for a new correctional centre in Grafton. The winning proponent has been announced there and construction is underway. They will operate under this new performance framework with those KPIs. The intention is to make that information available publicly, as it would be with our publicly operated centres. We are going through a process now where we are engaging centre by centre with the staff to take them through the new key performance indicator framework and to benchmark those facilities. When that process is complete, we will be able to compare performance across all correctional centres and make more information available to the public on the attainment of performance.

Mr RYAN PARK: Have the governors and the frontline staff been involved in the development of the KPIs? I worry about there being 17 KPIs; that seems fairly large. Your environment its extremely difficult; to be brutally honest, it is more difficult than most areas of the public sector. Have they been involved in this process? Can the women and men handling these individuals see the reason for these KPIs? I am not saying they would like them, but would they concur that that is a reasonable measure in terms of the development of these 17 KPIs?

Mr KOULOURIS: They would. These KPIs are used internationally in terms of accurate measurement of correctional centre performance. We are looking at stuff like the rate of unnatural deaths, escapes, major disturbances, and assaults. These are common KPIs that are used in all western jurisdictions that I am aware of to measure prison performance. That is certainly not the feedback. We have benchmarked a number of prisons where we have rolled out this KPI framework, and we have not heard from staff about concerns. It is stuff that has often been measured previously in terms of performance.

The CHAIR: When will we start to see these results from the public sector?

Mr CORCORAN: When the benchmarking in the centres is fully implemented. They are working through that at the moment.

The CHAIR: When is that?

Mr CORCORAN: It will be at least 15 months before we get full implementation of the final centre.

The CHAIR: How long have you been working on that?

Mr CORCORAN: Probably about two years.

Mr KOULOURIS: We have developed the KPIs and the framework. We are now going centre by centre and asking what the thresholds should be. We obviously have a target of zero serious inmate-on-staff assaults. We do not condone any violence in the correctional setting. Unfortunately, with the cohort we manage—they are in prison because often they have committed some fairly serious crimes in the community—there is a rate of assault, for example, inmate on inmate. We are going centre by centre to determine what the threshold should be based on the inmate cohort and the infrastructure of the prison et cetera to keep that rate as low as possible, but also to have some measure of performance.

The CHAIR: Auditor-General, do you think that time frame is acceptable?

**Ms CRAWFORD:** It is disappointing in that there is a general desire to see this information provided more transparently. That said, again I endorse the efforts of consulting, as Mr Park has pointed out, with the staff in the centres to ensure that the measures being set are the right ones. I absolutely understand that that takes some time. I guess we are enthusiastic for the outcome of the work being done.

Mr CORCORAN: This benchmarking involves an incredible amount of work. We are going through every correctional centre. There are 30-odd centres, and the number is growing by the day. It takes three months to consult with staff. We are completely reforming the middle management of each correctional centre, which is a huge task.

Mr RYAN PARK: What level is middle management in a corrections centre? I have not spent much time in these centres. The governor obviously runs a centre, but what is a middle manager?

Mr CORCORAN: We have a number of middle managers in correctional centres. There are senior correctional officers, assistant superintendents, senior assistant superintendents, managers of security, up to governor. We are trying to cut out a whole level and to give the senior assistant superintendents much more responsibility. At the moment we have people rotating through jobs. There might be five jobs and we might have nine people rotating through them. We are going to cut that back to five people doing the five jobs, and make them own that particular area of the centre. That has not happened in recent history.

We are giving more responsibility and accountability to senior correctional officers. They can step up to the mark to manage the staff, which they are not doing at the moment. We are bringing in a performance management system that will enable those senior correctional officers and the senior assistant superintendents to effectively manage career paths and the training and development of the staff under their supervision. That is a huge change and a lot of training is required to bring these people up to speed because they have not been doing this sort of work in the past. An amazing amount of work is required. You cannot do that in a year with 4,000 staff.

The other critical thing to take into account when talking about performance reporting is that we are also bringing in a new system called "Tableau", which will enable us to give much more up-to-date and immediate results to governors about their performance in particular areas. If their assaults are trending up, they can see that very quickly, whereas in the past they had to wait three months for that information to come through. It is a great innovation.

Mr KOULOURIS: As part of the performance management reform we are making real-time information available at the correctional centre level so that the governor can implement local management action immediately to address any particular trends in performance information. We are doing that centre by centre as they go through the benchmarking process, which also looks at staffing structure and other issues in consultation with the staff and the governor. While we have a high-level performance management framework, we have all the KPIs settled, we have counting rules that sit behind each of those KPIs, and we have a system to extract that information from our operational management system.

That infrastructure is built and we are now going centre by centre and rolling that out in consultation with the staff around what the performance threshold would be. As a result, it has taken longer than in other organisations, where they would tend to roll out a performance management system with little or no training and say, "Okay, here we go." That makes it more efficient. Allied to that is obviously the training we are providing to our staff and management cohort. We are offering what we call "functional managers", who manage a function or element of each correctional centre, the opportunity to undertake the Advanced Diploma of Correctional Studies, which is the highest qualification one can obtain in Australia in corrections and which is offered through our academy. That will supplement their extensive operational experience and knowledge with some additional exposure to the latest in terms of management thinking and approach. We think that is a great opportunity for the staff. It is a similar to a program aimed at our governor level, which my colleague can talk about.

Mr CORCORAN: At that functional manager level we are also providing specialist training in the areas they are responsible for. If they are in charge of the rosters, we will give them training on the rosters; if they are in charge of security, we will train them on the electronics and the other things they need to know about security. We will provide the governors and managers of security with an advanced diploma in leadership and management through the University of Western Sydney. That is a four-week residential course done in four week-long slots over the next 12 months. We are putting a lot of effort into making sure that the people managing these centres are very well equipped to rise to the challenge and to implement the reform we are introducing.

Mr GREG PIPER: I refer to the Auditor-General's recommendation No. 6, which relates to designing correctional capacity. The department's response is that it does not support the recommendation because designing correctional capacity is a complex concept impacted by a variety of factors. I would agree even though the terminology is somewhat confusing. I note that we need balance in everything we do, but we have a finite budget. I imagine we are talking about the physical design that relates to many of the other issues we have been talking about, and particularly inmate assaults and how they can be addressed. Can you expand on the difference between designing correctional capacity and operational correctional capacity? Perhaps you can simplify this. Even having read the Auditor-General's comments, I find it very complex.

Mr CORCORAN: An example of design capacity would be these new rapid builds. They are a special type of facility in the sense that to manage them well, you have to have activities and employment for everybody who is in that particular facility because of the nature of it being a dormitory-style environment. In other centres where you have got cells you can expand the capacity to a degree, to beyond what was the original design capacity because you keep putting more beds in the cells—two ups, three ups, sometimes four ups in these particular facilities. What becomes problematic is that you have limited capability for recreation, employment and activities. What you tend to get once you put people into these environments are increased rates of assaults and other activities occurring within those facilities.

If you look at operational capacity—operational capacity I guess is whether you can fit into a particular facility safely—you would have to do risk assessments to make that judgement. At the moment we are pretty much at that operational capacity around the system. That is why we are desperately trying to get those additional beds in place with the new rapid builds and other facilities coming online to relieve the pressure on the system. We have pretty much come to the limit of our ability to put more double-ups and triple-ups into the system.

Mr GREG PIPER: Mr Corcoran, I am more understanding of what you are talking about following that answer. However, the other part of the question relates to Corrective Services not supporting the recommendation to report on design, correctional capacity. Could you expand on that?

Mr CORCORAN: I guess what we are looking at here is an inability to really define what that is because these old correctional centres have grown in a manner that has just added things over the years. To say that the design capacity of a facility back forty years ago was this and now it is that; it really was not the design capacity of that particular centre but we have added various elements on to the centre—we have doubled up, tripled up and tried to add more programs or industries into the facility. It would be problematic for us to say, "This is the design capacity for those old facilities." But for something like the rapid builds we could say, "This is the design capacity for this facility." Putting more inmates in there and having another 80 inmates sitting around with no work or ability to access educational programs would in fact cause significant issues in those facilities, but because we have got these other cell block facilities in maximum security you can push the envelope to a far greater degree in those facilities.

Mr KOULOURIS: If I might add something? With design capacity it is very much about inputs—you have got a prison facility designed to fit so many at some point in time—whereas with the operational capacity it is more focused around the outcome. The outcome for us is to run a system that is safe and secure and there is community safety. It is possible to accommodate more inmates in a facility and get that outcome—that is the risk assessment process we take in our correctional estate. Operational capacity measures how many inmates you can safely house in a facility while maintaining the operational routine of the centre—what it is you would have inmates engaged in day in, day out around purposeful activity, employment, training and program work? We believe the more effective measure of the inmate population issue is to look at that operational capacity, which is focused on the outcome and gives us the measure, and, as my colleague said, obviously now with that $3.8 billion investment in prison infrastructure looking to bring more beds online to relieve the pressure on the system.

Mr GREG PIPER: You have a very important job. I would not want to see you being distracted from what you are doing to jump through hoops put up by the Auditor General who, with respect, is not exposed to the kinds of issues you deal with daily, but that seems like something you could easily report on. Even though, as you say, it is a complex concept you have just reported on it. It might not be objective data and measurable but I am sure you have the capacity to give an explanation. The Auditor General has made a recommendation and whether you like it or not it will be recorded that you do not agree with it. It may not be simple to give a definitive answer in reporting but why would you not give an answer, nuanced as it is, similar to what you have just given in a very brief format?

Mr KOULOURIS: We have been reporting internally against that operational capacity. We have said, "We have got a facility. How many inmates can we safely house in that facility while they can continue to do what we need to do around their rehabilitation and reintegration?" We think that is the most effective measure of the capacity of a correctional centre: operational capacity as opposed to design capacity, which references, as my colleague said, the original design of the prison accounting for any renovations or enhancements.

Mr CORCORAN: It is work I have tried to do in the past because we have got infrastructure strategies that have been updated every year since 2013. This is one thing that in turning our mind to it is really a difficult thing to come up with: What is the design capacity of this facility?

The CHAIR: Surely you could hire a consultant to come up with the figure to satisfy the Auditor General, but before you answer that we will hear from the Auditor General.

Ms CRAWFORD: Mr Piper has really covered the matter and I do not have anything further to add to that. But certainly going forward in looking at the design of new prisons you clearly have a design capacity in mind.

Mr CORCORAN: That is right.

Ms CRAWFORD: I think both indicators are of interest but we acknowledge that in looking back things change over time.

Mr CORCORAN: Moving forward in the future, we definitely have an intent to build facilities, "Here is the design capacity plus here is the surge capacity." So we know we are not going to exceed that. We are also trying to build supporting infrastructure around it to support that surge capacity to a level, but that is only emergency accommodation. The design capacity moving forward in the future I think will be quite apparent.

The CHAIR: Mr Corcoran, earlier you were asked about surveillance and staffing numbers in the old sandstone facilities compared to the new facilities. Can you tell me what sort of extra resourcing costs the sandstone facilities require as opposed to these rapid builds, which from the photographs I have seen look as if they will really help out?

Mr CORCORAN: With the newer facilities, what we are looking for is a much greater reliance on electronic security to move people around the areas. In the old facilities, everywhere you go is a key and a person, a key and a person—you have to have a lot of staff to move people around these facilities. The biggest differences between the new facilities and the old facilities are that greater reliance on electronic security and an ability to reduce staffing levels for moving people around those facilities.

The CHAIR: Can you give me a ballpark figure on what extra resources are required running the sandstones as opposed to these new facilities? If you look at the Bathurst jail, it is something like 150 years old now. Why are we persisting in running these facilities when they are completely—

Mr CORCORAN: Obsolete.

The CHAIR: They are. The fact is that we are still using key blocks—

Mr CORCORAN: And padlocks.

The CHAIR: —and a guard is carrying around a set of keys. Surely, in the long-term, there are cost offsets from getting rid of these older facilities and just having purpose-built, brand-new ones, which are much more flexible and can be adapted to meet the operational objectives, although you do not know what those might be in 20 years.

Mr CORCORAN: In 2013, we commenced work on the infrastructure strategy, which identified all the obsolete facilities and very costly facilities around the State. It was looking at a program to either upgrade those facilities or potentially close them, but the chances of closing a lot of these facilities would be unachievable, I think, because of the nature of their placement in small communities where they almost perform a community service obligation in terms of providing employment in some of the smaller communities. In the obsolete facilities we now have a very detailed infrastructure strategy that will enable us to close down those older facilities over periods of time. But it takes a lot of money to put that sort of strategy together—in fact, the $3.8 billion that has been committed is mainly going for growth. At the time we put the infrastructure strategy together, we were looking at a fairly stable population, so we would been able to turn off some of that old infrastructure. But now it is only managing the growth, which is at quite phenomenal rates really.

The CHAIR: I recognise the economic impact of having a prison in a small local community, but surely being a small community means that that small community is surrounded by significant acreage, which could be utilised to build an entire new facility?

Mr CORCORAN: That is right. Yes, that could be the case in some instances. In some instances, we are able to build on the existing facility and turn off the older part of the facility and build new infrastructure. As the numbers taper off and maybe plateau, we potentially will be able to do that.

The CHAIR: Are you not aiming at this point in time to get ahead of the game and build the capacity that would render some of the existing capacity obsolete?

Mr CORCORAN: We would love to get ahead of the game, but at this point in time the numbers are going up at such a prodigious rate that we are only just managing to cater for growth. These thousand beds—or about 900 beds—we are getting on in the next few months will just enable us to keep ahead of the game. We are looking at about a 5 per cent buffer, which is what we would really like to have in the system to enable us to deal with the surges that might occur. But at the moment we are nowhere near that 5 per cent buffer, and even with these 800 beds and the rapid builds coming along—another 100 beds coming on Mary Wade—that is not going to get us to a point where we have a reasonable buffer in the system. There is a lot more infrastructure being built at the moment—I think another 4,000-odd beds that are coming online in various centres around the State—and we anticipate that by about 2020 we might be able to start turning off some of the double-ups and triple-ups we have in the system. We have a couple of thousand of those that are very high risk in the system.

Mr RYAN PARK: **W**hat are double-ups and triple-ups?

Mr CORCORAN: Three in a cell, four in a cell, two in a cell—we have had to put in these things since 2014, when the numbers started to really ramp up. It is putting huge stress on the system.

Mr KOULOURIS: We do have a brand-new facility being constructed in Grafton, which will be the latest in terms of design and technology. That will have several thousand beds, in my understanding, plus in existing correctional centres we are building a whole raft of new facilities. Parklea and Junee are experiencing growth by several hundred beds—in Parklea, I think it is 600—again using the latest design and approach to technology to make them very efficient and very safe for the community. Likewise, that is being replicated across the estate in order, in part, to address the issue of being able to move to a more modern security and design environment.

Mr CORCORAN: For us to turn off the high-risk beds and the obsolete beds requires us to build about 4,000 additional cells, just to turn off those beds. As I said, with the growth at the moment it is not going to happen anytime soon.

Mr LEE EVANS: My question is probably a bit off centre, but is there a standard cost per prisoner per day?

Mr CORCORAN: Yes, there is an average Australian cost that is reported in the Report on Government Services, which I think is $220 a day. That is the standard average, but we are below that.

Mr KOULOURIS: That is across Australia, but there are various factors that would go into the cost of an inmate per day. One would be their security environment, so housing an inmate in the high-risk management unit in Goulburn would be significantly more expensive than housing an inmate in a minimum-security facility just by virtue of the operating routine and the level of security and supervision. It does vary across the correctional estate, but typically jurisdictions average it across their system. In terms of the cost per inmate per day, New South Wales is the lowest.

Mr LEE EVANS: In a former life, I did some work on designing menus to keep inmates calm, and in that we looked at a cost-benefit analysis to see whether the cost of those menus outweighed the cost of the alternative. How far along that road are we, and can we say that X amount of food at a certain cost keeps them calm and hence we do not have inmates eating each other?

Mr CORCORAN: Food is very, very important. In New South Wales we have done a lot of work on coming up with a system where we can have the best meals possible going out to inmates. We do that centrally. We have a couple of facilities, but one main facility that produces food for the State. That food is taken out to all facilities. It is a good system, but we are moving to an even better system soon. We are going to open a cook‑freeze facility out at Windsor, and that will produce meals that enable us to provide inmates with a daily choice of meals, which they do not have the moment; they just have to have what is on the menu. We are moving towards upgrading that.

Mr LEE EVANS: What is for lunch is fairly important for an inmate stuck in a prison.

Mr CORCORAN: Yes, it is.

Mr LEE EVANS: The work I was involved with was developing a menu that 90 per cent of the inmates would be happy with.

Mr CORCORAN: We also have to make arrangements for specialist meals. We are catering for a wide variety of needs in the inmate meal area.

The CHAIR: Unfortunately, we have run out of time. Thank you for appearing before the Committee. The Committee may wish to send you 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?

Mr CORCORAN: Yes.

Mr KOULOURIS: Yes.

**(The witnesses withdrew)**

**(Short adjournment)**

**MELANIE HAWYES**, Executive Director, Juvenile Justice NSW, Department of Justice, affirmed and examined

The CHAIR: I welcome Ms Hawyes from Juvenile Justice NSW. Thank you for appearing before the Committee today. Would you like to make an opening statement before we begin?

Ms HAWYES: Yes, thank you. Thank you for the opportunity to assist the Committee today. I would like to start by acknowledging the traditional owners of the land on which we meet and pay my respects to elders past and present. I thought I might begin by giving you a brief overview of the responsibilities of youth justice. My accountabilities as executive director include administering diversionary programs, youth justice conferencing and the supervision, rehabilitation and reintegration of young offenders who receive orders from the courts, whether they be community-based or custodial. We are responsible for supporting young people under those orders and, if they are custodial orders, for an environment that maintains safety and security but also promotes their rehabilitation and ultimately the reduction in reoffending.

Our overarching goal and purpose is to work with young people to ensure they can fulfil their potential without offending. We work from the premise that young people can be supported to live lives free of criminal offending and that that is the best form of support to ensure community safety. We focus on diversion and early intervention, so that we start to intervene as soon as young people start to get in trouble with law enforcement agencies, and that custody is a last resort for young people who commit serious offences and for repeat recidivist offenders. We work with young people to assist them to take responsibility for their offending, to acknowledge and understand the impact it has on others and to make positive changes for their future. This includes challenging the antisocial values and beliefs that enable a young person to commit offences.

The focus of the Auditor-General's report and our discussion today is on reintegration. We see this, obviously, as a key part of our role. Our reintegration work covers a spectrum of activities: health, social supports, drug and alcohol supports, vocational education work to link young people to jobs and education, case work and finding them accommodation so that they have a safe place to live. We also work with families and we undertake a range of mentoring and support programs for young people during and after custody. I might close there and take questions on some of our more specific reintegration activities.

The CHAIR: The Audit Office recommended that Juvenile Justice include reintegration outcomes in the next strategic framework, to identify the results being sought when young people leave detention. A Juvenile Justice response notes that this is the way to learn and will be included in the next strategic plan. What is the time frame for the next strategic plan and have you established the reintegration outcomes you want to incorporate, and how were they determined?

Ms HAWYES: Unfortunately, the measure we have is a fairly crude measure, which is just reoffending, and, given the activity to divert and intervene early with young people, what we have in custody is a cohort of concentrated young people—290 young people on average at the moment; it does jump around, but under 300—but they are a concentrated cohort and recidivism is high in that cohort. They come in with multiple and complex issues and it is difficult to see a large shift in that pattern. We have done a lot of work in the last 12 months to put things in place to better support reintegration. Our next phase of work and our next frontier of work is developing really meaningful reintegration outcomes—something more sophisticated than just "Offending again? Yes or no".

We are working on that at the moment. We have done some work with education to be able to factor things in like: Is the young person engaged back in school? Have they stayed in school for an extended period? And ultimately, have they got a job and have they remained in a stable housing placement? We are still working on that and the next phase of that will be to work with the Bureau of Crime Statistics and Research [BOCSAR] on a suite of reintegration outcomes that you can measure and include in the plan. At the moment it is simply reoffending rates, which is, as I say, quite crude.

The CHAIR: Do you have any questions, Auditor-General?

Ms CRAWFORD: As always, just the timing of that good work that you are doing?

Ms HAWYES: So far, in terms of early intervention and diversion, for something like Youth on Track, we measure the frequency and severity of offending. I would like to get to a place where we can do that quite quickly. The piece with BOCSAR will take a bit more time because some of the measures are outside areas that Juvenile Justice [JJ] can control—things like stability of placing in housing and in schools; we will need to work with others to get a full suite of indicators. It is a priority for us in the next year. I hope to be able to publish something more meaningful than reoffending in our next plan.

The CHAIR: What is the actual time frame?

Ms HAWYES: I would like to within 12 months have something that we can put in our annual report that is more than just reoffending rates. I am pretty confident we can get to that. The work with other agencies is still in development for the indicators they can give us access to.

Mr MARK TAYLOR: Recommendation 6 from the Auditor-General concerns aligning recreational activities within JJ moreover with JJ's ultimate priorities. Has there been any clarification of the overall aims, desires and outcomes of recreational activities in linking those with your strategic priorities?

Ms HAWYES: I think this question gets to the important need to differentiate programs, which address criminogenic issues versus activities, which is, as it sounds, activities. We have at the strategic plan level got accountability for making sure that young people are purposefully engaged, but also supported to engage in criminogenic offence-based programs. Our regional directors and centre managers have a responsibility to translate to their own goals and plans and they have done that, and they work with education onsite in all of the centres so that it is really clear the suite of activities young people are involved in, whether that is school, sport, life skills through to their criminogenic counselling, which is differentiated from activities.

I should add to that, we are working to create a more standardised approach so that no matter what centre you are in around the State your day would look pretty similar. We did a lot of work in the school holidays just gone that sought to ensure the kids were really busy. It was a little bit of a shift in terms of creating consistency about what time kids would get up and what would be run through the day. That is a sensitive time for us because obviously with school out it is boring for young people and it is high risk. That went quite well and we would like to work with that to make sure that no matter what centre you are in your day is fairly standardised across the State.

The CHAIR: Can you give us some idea of what sort of programs you are running?

Ms HAWYES: I will give an example of one that we piloted last year. That was a really useful and interesting partnership with Greater Western Sydney AFL team. They came into Cobham and they ran life skills, nutrition, self-esteem and coaching, but also AFL. It was really interesting to watch how it also worked to incentivise good behaviour because once the boys were engaged in it they did not want to compromise their ability to stay on the program. The Greater Western Sydney Giants also noted that they found some incredible talent in the young people in the centres, who, in another life with other opportunities might very well be part of a sporting team.

That went really well as a pilot and we would like to continue that with that organisation potentially in other centres around the State. It is one that looks like, on paper, just a sporting and mentoring program, but it had a whole lot of other benefits for the boys. Most notably, being part of a team and thinking about someone other than themselves had benefits. The boys spoke quite eloquently about the impact that had on them. That is an example of a particular program.

The CHAIR: For recommendation 2 the Juvenile Justice response notes that it has updated the publicly published data regarding reintegration outcomes for young people in detention on its website, but as it stands the most recent information regarding integration outcomes is for 2014-15. When is this information going to be updated and is there more recent data available internally?

Ms HAWYES: We can commission another version of the reintegration data as it was reported back then, but as I mentioned in my first answer, we would like to get a more sophisticated set of measures that cover things like whether the young person has gone back to school and stayed back at school for three to six months post release, whether they are in a stable accommodation placement and whether they have kept up their mental health appointments and those sorts of things. We need to work with our partner agencies to come up with that suite. We can provide the Committee with a refreshed version of that data but we are hoping to move to something more sophisticated within the next 12 months.

The CHAIR: So, you are reticent to put it on the website because it is not as rigorous as you would like it to be.

Ms HAWYES: I am not reticent. It can be placed on the website at any point.

The CHAIR: Auditor-General?

Ms CRAWFORD: I guess there is always the risk of aiming for perfection, but if you put that sort of information on the website it may focus the minds of some of your colleagues, who you need to work with you, to assist with refining the measures.

Ms HAWYES: Yes.

Mr STEPHEN BROMHEAD: You spoke earlier about working with some other agencies like education agencies, the Department of Family and Community Services [FACS], housing and that sort of thing. Are you having any problems in getting the cooperation and collaboration with those organisations? If you are, do you know why? Have you come up with a way that you can get around that or improve it?

Ms HAWYES: No; it has been quite a productive time, recently, across Government. We are working in a number of reform areas in different boards within government that are focused on improving outcomes for young people in contact with the justice system. Their Futures Matter is an enormous reform that is taking place at the moment, looking at how to support kids who are in the child protection system or at risk. We are very heavily involved in that. They are seeking to redesign the way we support young people before they are in crisis. They have identified the focus areas as all of the JJ clients, essentially. So we are looking to work with them to reconfigure the supports those young people get before they end up entrenched in our system or in detention. That is working well and we are sharing a lot of data with that group to understand the cohort and to be able to measure outcomes, ultimately, for that cohort.

That is one. The second piece of governance I am involved in is with Commissioner Fuller and the police inspired governance for preventing youth crime. The NSW Police Force is also very focused on reducing the numbers of young people in custody. We are in a pretty productive partnership with them, particularly at the moment starting to focus on short-term remand, and what drives that short-stay remand cycle. So there has been lots of cooperation across Government recently, especially with the interest in data-sharing.

The CHAIR: In recommendation 5 the Auditor-General recommended that Juvenile Justice improve the recording of referrals to services that do not receive funding from Juvenile Justice to better demonstrate areas of unmet need. In your response you noted that this information is recorded on the client information management system. It was also noted that the community funding unit would run workshops for area managers in early 2017 to reinforce the significance of recording this information. Did this training take place, and have you determined any increase in the consistent and accurate recording of referrals?

Ms HAWYES: The training did take place. We continue to stress the need to record and report referrals. I will go back to the participation that we have with Their Futures Matter, which is really digging into everyone's data to understand where young people are slipping through the cracks across the different services, if that occurs. We are heavily involved in sharing all kinds of information through that group. That is a key way of seeing where young people have, or have not, accessed supports. For example, have they been at school before they come into Juvenile Justice; was it known that they have a disability; do they need disability supports?—those kinds of things. I hope that answers your question.

Mr RYAN PARK: I am interested in education. Some of the information that I have been reading says that a third of young offenders are not participating in education and training or employment after detention. We know that that contributes to recidivism and the likelihood that they will spend time in an adult prison down the track. I have a couple of questions, so I will just put them one at a time. Firstly, are your partnerships with places like TAFE really strong and robust in all your facilities?

Ms HAWYES: We have a range of different things in place, depending in part on the availability and willingness of employers and vocational providers in different locations. We have a strong relationship with the Department of Education. Obviously, they provide education in schools in centres. We recently had a bit of a win, where they are going to attach a school to a drug and rehabilitation facility that we run on the North Coast. We have those sorts of partnerships.

We had a pilot program, recently, on the Smart and Skilled, to get young people in the Frank Baxter Juvenile Justice Centre into certificate 3 training courses. I think the courses were in bricklaying and hospitality. If you are interested I can get the full list. We do that sort of practical stuff all the time. The different suites of things will vary across different centres in the State depending on what is of interest, the age and gender of the kids, as well as the local providers.

Mr RYAN PARK: Is TAFE solid? I want to be clear on this. TAFE gets a lot of funding, and will continue to get a lot of funding. We want to make sure that the public provider goes beyond the middle-class kids and is in touch with kids who need a second chance at education. I would assume that your kids are right, smack bang, in the middle of that cohort. Are there any obstacles to strong partnerships with TAFE? If I asked around the various centres would no-one say, "TAFE don't want a bar of us because it's too hard"?

Ms HAWYES: I would be shocked if you got that response. I can take it on notice to give you the full list of the different things that we have in place with TAFE at the different centres. It varies—sometimes because of the age and gender of the kids—but Baxter is the centre where we have the older boys and that has always had a very productive partnerships with local employers and with TAFE.

Mr RYAN PARK: I have two more questions. With respect to a young person's release date what is the process for planning their re-entry, in terms of access to education and where they will go educationally? I understand there are other issues around housing and who they will go with; I am more interested in the planning. If Ryan Park is going to be released in six months, when do you start planning that?

Ms HAWYES: We start that from the day you walk in, essentially. In July last year we put case-worker positions back into centres—one per unit. A number of those roles were identified, because Aboriginal kids relate to Aboriginal workers at a different level.

Mr RYAN PARK: Sure.

Ms HAWYES: Those case workers have a clear responsibility to make sure that the case planning is strong and that the planning for the day you walk out starts the day you walk in. They work with the principals in the schools on site to ensure that the young person is connected either back to a school or an alternative form of education when they leave, if that is the age appropriate thing for them to do.

Mr RYAN PARK: Sure.

Ms HAWYES: That strengthened the person to make that connection on their behalf.

Mr RYAN PARK: In terms of the education programs—you mentioned a program with the AFL—there must be some that you see as being really successful. If, traditionally, these are one-off trials that work well as pilots and then governments of all persuasions do not pursue them or fund them, do you have an ability to say, "Here are three or four in the education space that work; these should be rolled out across the system as a priority." Does that happen or are we on a rolling, year by year, type of thing, where we cross our fingers?

Ms HAWYES: There is a mix of things—universal things versus the more specific. I will give you an example of something that is quite promising at the moment. As with anything it relies on having a solid evidence base, evaluating it, and then going to Government to present the case. We have a problem in terms of overrepresentation in youth justice—there are far too many Aboriginal kids in our system. We have an intensive reintegration program that started this year. It is 20 weeks plus and it is at the South Coast. Its focus is very much on identity and cultural connection. Sadly, a number of these kids do not know who they are anymore. This program works with the Aboriginal Medical Service. Aboriginal caseworkers spend a lot of time building rapport with these kids and ultimately reconnecting them with who they are, their own community, their culture and their elders. So far, for young people who have stuck with that program, it is really promising in that they have not reoffended. It does not mean that they will not, but that is a big and promising win for us.

 **Mr RYAN PARK:** That is great.

Ms HAWYES: If you are talking about thinking outside the square—the normal processes and generic programs—that cultural connection and understanding your own identity is something that you need before you can re-engage with education or vocation, or contribute the community in other ways. Things like that have huge promise and we are starting to explore those with the funding that we have.

The CHAIR: Are all the caseworker positions filled?

Ms HAWYES: I will confirm that, but my understanding is yes.

The CHAIR: Does that include the one Aboriginal identified role at each centre?

Ms HAWYES: There are six in total, and my understanding is yes, but I will double-check and take it on notice to confirm no-one has resigned in the last 24 hours or something that I am not aware of.

The CHAIR: We will let you off on that one.

Ms HAWYES: They are all filled.

Mr LEE EVANS: I was involved in a sports school in the south of Sydney. They have about 83 Aboriginal students at that school. For Aboriginal students they took on the Clontarf Foundation—have you heard of Clontarf?

Ms HAWYES: Yes, I have.

Mr LEE EVANS: That is very successful within that school environment. I am generalising, but everyone in that program goes back to their own communities as leaders to try to influence others to turn themselves around in their own communities. It would be interesting to see if Clontarf could help you in that area, because they would probably be interested in assisting.

Ms HAWYES: Thank you. We will take that up and meet with them.

The CHAIR: Auditor-General, would you like to make any comments?

Ms CRAWFORD: No, Chair, thank you.

The CHAIR: The new caseworker management policy and procedures were to be reviewed in October 2017. Did that review take place, what were the findings and will they be made public?

Ms HAWYES: The case management framework is an evidence-based operating framework, as it suggests. We use an objective risk assessment tool to assess the risk of reoffending and we use evidence-based intervention approaches. We use something called CHART, which is an acronym for changing habits and reaching targets. It is a behavioural therapy means of intervening with a young person to, as I said, tackle some of their anti-social values and beliefs that drive the ability to offend. We spent a lot of time training people in that framework over the October period. Shortly after, we introduced caseworkers into custody, which also necessitated a review of who has responsibility for what in terms of the handover processes if a young person goes from community to custody—potentially back out to custody—potentially all in quite a short time.

Essentially, we thrashed all that out over the last six months too. The review itself is ongoing. We are still bedding down some of those details about who does what and ensuring that that is all it needs to be as we now work with caseworkers in both community and custody. The next review point is June 2018.

The CHAIR: Did the October review take place?

Ms HAWYES: Yes, it did.

The CHAIR: Will the findings be made public?

Ms HAWYES: For me it is the question of what we would publicise, because it was quite a dynamic internal environment to sort out roles, responsibilities et cetera. The actual review of case management itself and its effectiveness is something we could make public following the June review.

The CHAIR: Is that something you would be seeking, Auditor-General?

Ms CRAWFORD: That sounds very positive.

The CHAIR: Excellent. Are there any other questions? As there are no other questions, thank you very much for appearing before us today and assisting the Committee.

Ms HAWYES: Short but sweet—thank you.

The CHAIR: The Committee may have 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 of any further questions?

Ms HAWYES: Absolutely.

The CHAIR: Thank you very much for coming today. We appreciate it.

Ms HAWYES: Thanks.

(The witness withdrew)

**SIMON KEVIN DRAPER**, Deputy Secretary, Economic Policy Group, Department of Premier and Cabinet, affirmed and examined

**CON GEORGE KARGAS**, Principal Policy Officer, Economic Policy Group, Department of Premier and Cabinet, sworn and examined

The CHAIR: I welcome representatives from the Department of Premier and Cabinet. Thank you for appearing. Would either of you, or both of you, like to make a brief opening statement?

Mr DRAPER: Just a very short statement. We were pleased with the audit. It was done some time ago. It was undertaken by the audit office on the unsolicited proposal process. The findings we thought were fair. They were, in our view, relatively positive. There were helpful improvements offered by the Auditor-General. They found that the guide was a clear, comprehensive and sound framework for governance of unsolicited proposals. We acknowledge that unsolicited proposals are worthy of scrutiny and attention. Clearly they are a different way of government procuring services or assets. I would like to let the Committee know that Department of Premier and Cabinet [DPC] has accepted and implemented all of the recommendations.

There was only one slight adjustment in recommendation two, rather than issuing a Premier's memorandum, which is intended to communicate to the whole public sector how the guide operates, we issued a DPC circular given DPC does manage that process. The updated guide was published in August 2017. The guide clarifies terminology and processes as recommended by the audit office and it does take steps to improve transparency and public recording.

The CHAIR: On recommendation 3, the audit recommended publishing more detailed information for proposals that proceed beyond stage one. It cited a variety of reporting models, such as in Victoria which requires the disclosure of a detailed proposal description and the reasons why a competitive or exclusive negotiation process was pursued during the assessment process. Is it not possible to maintain confidentiality of commercial information while enhancing the information provided to the public for proposals that are seen as high-risk and in the public interest?

Mr DRAPER: It is possible to strike that balance and that is what we are always trying to do. On one hand maintain confidentiality to encourage proponents to participate in the process and on the other hand provide sufficient transparency so the public has confidence in the system. We took steps late last year to improve the reporting. Col Kargas is the subject matter expert and spends all day every day managing answers for proposals. I will ask Mr Kargas to explain it further. We applied that in a recent proposal related to Kogarah station.

Mr KARGAS: That is correct. From stage two and beyond we will be publishing detailed information about proposals. Obviously not going into commercial details but we will certainly publish information about the proposal description, who the proponent is, the suggested governance structure and reasons for progressing to stage two. That mainly involves why it is considered unique and who the probity advisor will be once they are appointed. If a proposal is accepted by government at the end of stage three we will follow what is required by the Government Information (Public Access) Act 2009—GIPA—and the public-private partnership guidelines. For example, any contracts above $100 million the contract summary has to be published.

The CHAIR: On the issue of a probity advisor, my understanding is that for something like these proposals that you would be dipping from a small pool and therefore managing conflicts could be problematic.

Mr DRAPER: The pool for probity advisers is not extensive. It is not like you can find a probity adviser off the shelf, although there are many people who say they can provide that service. It is not often that we would find a probity adviser themselves would have conflicts, they would not be on the other side of a transaction very often because often they are working with government, because the proponents themselves do not need a probity adviser as they are responding to our need for probity.

Mr KARGAS: I think you will find that probity advisers often specialise. We would not go to PricewaterhouseCoopers that has an audit function and an advisory function, we would more likely go to a specific probity adviser.

Ms CRAWFORD: I will only comment that is a positive update from the department. Naturally, in terms of the additional information that you propose to make public after stage two, we would obviously be interested in seeing that detail when it is available.

The CHAIR: What sort of detail are we likely to see?

Mr KARGAS: There is actually something up on the website now and I can provide that to the committee.

Mr RYAN PARK: In the past two calendar years roughly how many unsolicited proposals has the State have been assessed?

Mr KARGAS: Two years—probably about 50 I would say.

Mr RYAN PARK: How many have been rejected.

Mr KARGAS: The majority of them.

Mr RYAN PARK: They mainly get knocked out because of a lack of uniqueness, I assume?

Mr KARGAS: Correct. There are other criteria as well, obviously, such as value for money. The two main ones are value for money and uniqueness.

Mr RYAN PARK: Have they been in any particular sector or portfolio?

Mr KARGAS: I think you will find the majority of them are in Transport and Infrastructure and also acquisition of government property.

Mr DRAPER: Con has answered that on his knowledge but we could provide more accurate detail to the committee.

Mr RYAN PARK: That would be good.

Mr KARGAS: As part of the audit recommendations we are now actually publishing aggregated data over the financial year. Last financial year 26 were received and, as I said, the majority were rejected based on uniqueness and value for money.

Mr GREG PIPER: The audit report looked at issues of financial thresholds for unsolicited proposals. South Australia, Tasmania and the Australian Capital Territory have been referenced. I note that they are much smaller jurisdictions and probably have a lot less opportunity for such proposals but they have guidelines for minimum private investment, for example, contribution, $10 million and creation of a minimum 100 direct jobs. Do you think there may be advantages in setting minimum financial thresholds for unsolicited proposals in New South Wales?

Mr DRAPER: I can understand why those jurisdictions approach that, and we would have a similar mindset that there are occasions where we would have taken the former view that the benefits accruing to the public, compared to the costs of us pursuing that proposal, would not be there. It does make sense that the proposals are of a certain scale before we invest a lot of time and government money into exploring them. But having hard and fast thresholds has not become a problem to us to date. Con, I am not sure whether you want to add to that?

Mr KARGAS: No, I agree. We are open to all innovative proposals. It is something we have discussed internally but decided against applying a threshold. If someone has a good idea, we can apply the guidelines, and we want to hear about it.

Mr GREG PIPER: I was going to follow up as to whether that should be something that should be therefore incorporated. Basically you are saying you would leave it open but you do not want to prejudge any proposal that has not been conceived within the system.

Mr DRAPER: Yes, and in the guidelines, as you will see, even stage one is broken down into two stages—stage 1A and stage 1B. In stage 1A we tend can do a sort of, what I call, a triage exercise and say, "Is this worth pursuing any further?" And that is commonly done.

The CHAIR:In relation to recommendation 4, the audit recommendation requires that the Government adheres to approval requirements in related policy documents and clarifies how this is to be practically achieved. Will you detail how the updated Government's plan and assessment reports template addresses the intent of recommendation 4?

Mr KARGAS: The original guidelines said that we would have regard to other policy documents. We have simply removed that and been explicit now in saying that unsolicited proposals will take into account other relevant policy documents. The main one there really is the New South Wales Treasury's PPP guidelines. If an unsolicited proposal comes in that involves a PPP transaction the requirement under those guidelines will also be followed. We did that with NorthConnex.

Ms CRAWFORD: Yes, that is correct.

Mr RYAN PARK: I have had discussions with large local government entities that come from the Illawarra where I am. Wollongong, I think, is starting to engage in a bit of a process around this. Is the department able to engage with the Office of Local Government or Local Government NSW, whatever its title is now, so that we get a bit of best practise at the local level? I understand that more of these sort of things will actually start to come into play now we have larger councils with some of the merged councils. It would seem logical, given some of the trouble that we have had in local government over a number of years around procurement and around these matters, that the Department of Premier and Cabinet would make available some support or guidance to Local Government NSW, if you were developing a policy around unsolicited proposals, here is what the State does and this is why.

I am not saying it is copied verbatim but I had to have a yarn to a very senior bureaucrat in Wollongong Council. I said, "I don't know why you are spending so much time on developing an unsolicited proposal policy when the State has one." I could do one in twenty-five minutes for him and he is taking six months, goodness knows why. That person did know or did not trigger "Why don't I just use the State basis?" You only use the State as the basis and that made me think in lead up to today, "Are we doing anything to say to those larger, particularly government entities, local council entities. Now a lot of them have become larger, places like Inner West, Bayside, for instance, "This is what we do. We would be suggesting you follow something similar, rather than absolute, to this."

Mr DRAPER: I do not think we have done that to date with local government, but it is certainly a good idea.

Mr RYAN PARK: Thank you.

Mr DRAPER: I think the issues that local government will struggle with are the same as State Government in that sometimes there are unusual proposals that come forward. They are obliged by the same standards of probity and getting good value for money for the ratepayers as well with the public. The challenge for local government would be having the sophistication and resources to manage something which is sometimes very complex, and there are areas of judgement required to be exercised. Certainly, a level of training and development will be required, but yes that is the sort of thing we could talk to the Office of Local Government about, whether they would like us to provide that.

Mr RYAN PARK: You can see where councils get themselves into trouble. I will be blunt, I have seen a lot of cases in my electorate where some guidelines and reference back to best practice would have been better—I am not necessarily talking about rural areas that are smaller in nature, I am talking particularly about large councils in developing areas. From his background, Mr Notley-Smith would be better informed than me. These councils are very large and often deal with complex issues, not the usual rates, rubbish and roads type of thing. People are coming to them with innovative proposals based around a precinct or a region much more than a small geographic area that they once were. I met a person who was blinded by the notion that would it not be easier to engage with the Department of Premier and Cabinet [DPC]. I then said, "Here it is." That got me wondering how many other, large councils in particular, have unsolicited proposals and whether they find themselves in a bit of a quandary when dealing with it.

The CHAIR: Go forth and spread the good sermon.

Mr DRAPER: I probably should say that our guidelines are anchored back into—particularly when it comes to prevention of corruption—the Independent Commission against Corruption's [ICAC] own approach. Similarly councils are the same.

Mr RYAN PARK: That is why. I told them that they are grounded around ICAC's need for transparency. But they are not—dare I say that Wollongong were—without exposure to that anyway. That is the reason why I think this person was in a bit of a difficulty as to how to start this process. More of these bids are being made and will increase as councils become larger.

The CHAIR: They will become much better operators under the scrutiny of the Audit Office of New South Wales.

Mr RYAN PARK: Exactly.

The CHAIR: We are off topic, but to date there has not been a light shone in that area.

Mr RYAN PARK: It is a problem, that is all.

Mr KARGAS: I would be happy to help out.

The CHAIR: Yes.

Mr KARGAS: Especially considering every other State and Territory has followed New South Wales lead and developed their own unsolicited proposals guidelines based on the New South Wales guidelines.

Mr RYAN PARK: Well done.

The CHAIR: Excellent. Page 10 of the audit report has the list of eligibility criteria for proposals. How are they weighted?

Mr KARGAS: Sorry Chair, you are referring to the assessment criteria of unsolicited proposals?

The CHAIR: Yes.

Mr DRAPER: But they are referenced on page 10 of the report; uniqueness, the alignment of government objectives, etcetera. We do not have a formal weighting process for those things. That is why I said earlier there is a level of judgement required in applying the guidelines. I think Mr Kargas hit the nail on the head earlier when he said probably the two that are hardest for proponents to meet of the standards that we require are uniqueness and value for money. They are the two that most proposals—to the extent that they do not make it through, they are the ones they fall on. We pay a lot of attention to those threshold issues in the first instance. I think probably the third one is "aligned with government objectives". Sometimes people have a very good idea, but it does not really fit in with what the Government's priorities are or what the priorities in public policy are, or where the Government's budget is directed. On those occasions they may struggle to meet the standards as well.

The CHAIR: How many criteria have to be met for a project to receive a green light?

Mr KARGAS: All the criteria have to be met.

Mr DRAPER: Yes.

Mr KARGAS: For a proposal to be accepted the criteria need to be met.

The CHAIR: All the criteria, but the weightings is a much more nebulous exercise.

Mr KARGAS: That is something we discussed internally regarding weightings and things. In my discussions with ICAC, it is best to avoid things like that. What is the difference between 5.4 and 4.9? We want to avoid things like that, it introduces risk into the process. We do not have specific weightings out of 10, if that is what you are referring to. But the criteria have to be met.

The CHAIR: Does the Auditor-General have any observations?

Ms CRAWFORD: My only observation is to concur with Mr Draper's comment about demonstrating uniqueness and value for money. When we undertake audits of unsolicited proposals we definitely are very much looking to test against those criteria as well as conformance with the guidelines overall.

Mr DRAPER: As Mr Kargas and I have both said, they all have to be met. As I said earlier, it is usually easier for an organisation to demonstrate they have some capability or capacity to deliver something than to show that the proposal they have is unique or that it fits in with the Government's objectives.

The CHAIR: The Victorian and Australian Capital Territory unsolicited proposals guidelines consider other procurement options, such as limited or standard competitive process as part of the proposal assessment. Have you considered other procurement options when assessing unsolicited proposals?

Mr KARGAS: The Government reserves the right to take an idea, a concept or a proposal to market, respecting the proponent's intellectual property. That option is available to the Government.

Mr DRAPER: That option is certainly available when a proposal comes forward, but you can see from the volume of unsolicited proposals that we do, compared to the amount of procurement that the Government does, that by far the predominant form of procurement of services or assets for the Government is through a competitive process, and various forms of market processes.

The CHAIR: How many unsolicited proposals are currently under consideration?

Mr KARGAS: Approximately five, I think.

The CHAIR: Are there any other questions? Is there anything further you would like to say in conclusion?

Mr DRAPER: Only that, again as I sad earlier, we recognise unsolicited proposals are very worthy of scrutiny and transparency, both by the Auditor-General and by the Committee. There are only a small number of proposals that get through and we do not have it as a sort of target to increase that number. We have a target to be able to consider all innovative proposals that come to Government and encourage organisations to be innovative in their approach to Government. But you would expect that most do not make it through because we have very high standards we set for this form of procurement.

The CHAIR: Thank you very much for appearing before the Committee today. There may be some additional questions that the Committee may wish to send you 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?

Mr DRAPER: Yes, of course.

Mr KARGAS: Of course

(The witnesses withdrew)

**ROSEMARY ANN WEBB**, Deputy Secretary, Better Regulation Division, and Fair Trading Commissioner, Department of Finance, Services and Innovation, affirmed and examined

**JOHN TANSEY**, Executive Director of Regulatory Policy, Better Regulation Division, Department of Finance, Services and Innovation, affirmed and examined

**GABRIELLE SUSAN MANGOS,** Director of Regulatory and National Reform, Better Regulation Division, Department of Finance, Services and Innovation, affirmed and examined

**SIMON DRAPER,** Deputy Director of the Economic Policy Group, Department of Premier and Cabinet, on former affirmation

The CHAIR: Before we commence questions, does any or do all of you wish to make a brief opening statement?

Ms WEBB: Yes, thank you Chair. I would like to make an opening statement. Thank you, Chair, Deputy Chair and Committee members for the opportunity to appear here today and to provide an update on progress in responding to the Audit Office performance audit on the New South Wales Government red tape reduction initiatives. The Department of Finance, Services and Innovation [DFSI] supports the majority of recommendations in the Audit Office report. DFSI is working hard to ensure its regulatory reform and red tape reduction initiatives meet the letter and spirit of the Audit Office's recommendations as accepted by the New South Wales Government. The New South Wales Government recognises the importance of red tape reduction and regulatory reform as key levers for making it easy to do business in New South Wales. Done well, regulation supports productivity, growth, investment and innovation and helps to achieve broader economic, environmental and social objectives. When it is done poorly, it slows economic growth, affects the cost of living and can stifle community freedoms.

The Audit Office's reports demonstrated the limits of traditional red tape reduction initiatives, such as seeking dollar-based savings or numerical reductions in the stock of regulation. The report showed that achieving red tape reduction metrics may not necessarily result in tangible benefits for business and individuals but can sometimes lead to increased legislative complexity and regulatory burden. The report also highlights the limitations of the current regulatory impact assessment process, which allows government to effectively design, administer and evaluate regulation that is proportionate and fit for purpose. The New South Wales Government saw the release of the Audit Office report as an opportunity to review and improve New South Wales' regulatory framework. The then Minister for Innovation and Better Regulation appointed an independent panel chaired by the former Premier, the Hon. Nick Greiner, AC, to undertake a comprehensive review of current red tape reduction, regulatory reform initiatives and the broader New South Wales regulatory policy framework. By commissioning this independent review, the New South Wales Government acknowledged that changes needed to improve the design, administration and management of regulation.

The Audit Office's recommendations, particularly in relation to the regulatory impact assessment process, provided the impetus for this broad-ranging review. The independent review was specifically tasked to also consider the New South Wales Government's initial response to the New South Wales Auditor-General's performance audit on red tape reduction. The panel's draft report was published on 27 May 2017. Following public consultations, including with the Audit Office, the final report was delivered to the Minister for Innovation and Better Regulation on 25 August 2017. As DFSI noted in its response to the Committee in October last year, the New South Wales Government is considering its response to the Greiner review report. DFSI is unable to disclose the content of the report until the Government has finalised its consideration and announced its response. DFSI can, however, provide some insight into the issues considered by the review and how it was carried out. The Greiner review considered all the Audit Office's recommendations in some form. The terms of reference for the review were broad and far reaching, encapsulating the intent behind each of the recommendations made by the Audit Office's report.

Broadly speaking, the Greiner review considered the framework that should underpin best practice regulatory policy and reduce unnecessary red tape so that New South Wales laws and regulations remain fit for purpose and responsive to rapid changes in our society. The panel also considered ways in which the culture and capability of the public sector agencies could be enhanced to support best practice as well as mechanisms to ensure regulatory proposals are systematically and holistically evaluated as well as reviewed so that they remain fit for purpose now and into the future. DFSI notes that substantive responses of many of the Audit Office's recommendations await the outcome of the Government's response to the Greiner review. The intended goals of the Audit Office's recommendations are not in dispute and progress has been made on the recommendations and continues. DFSI has supported and implemented the Audit Office recommendations that could be achieved within existing resources and structures and which would not pre-empt the outcomes of the Greiner review.

In July 2016 DFSI established the Better Regulation Division to better align and coordinate red tape reduction initiatives previously managed by the Department of Premier and Cabinet with initiatives to streamline and simplify compliance for business sectors regulated by DFSI through New South Wales Fair Trading and SafeWork New South Wales. Some of the key functions transferred from the Department of Premier and Cabinet included maintaining the New South Wales Government Guide to Better Regulation, including updates to clarify agency roles and responsibilities as recommended by the Audit Office; monitoring the implementation of recommendations in the Independent Pricing and Regulatory Tribunal report on reforming licensing in New South Wales that had been approved by Cabinet; and administering the quality regulatory services initiative to reduce unnecessary burdens on compliant businesses through improved regulator practices. Better Regulation Division has taken on the key better regulation function of providing guidance on and advocating for better regulation practices across the New South Wales Government that would help reduce unnecessary burden on regulatory end users.

Better Regulation Division does this by providing early and ongoing advice and practical tools to assist agencies to meet the better regulation requirements, maintaining a central repository of significant regulatory impact statements on the DFSI website, providing advice on regulatory proposals submitted to Cabinet and the Executive Council as part of eCabinet consultation, and conducting outreach with the New South Wales agency regulators and other governments to share regulatory policy insights, experience and expertise. Better Regulation Division currently also has responsibility for overseeing regulatory reform and red tape reduction projects across the whole of government. Some of the key projects include evaluation of the outcomes-focused and risk-based framework for regulator performance under the quality regulatory service, including research and analysis on optimal regulatory practices that may enhance quality regulatory service; working to improve services and experience of businesses interacting with regulatory agencies through the Easy to do Business Program and working with the New South Wales Data Analytics Centre and regulators in the New South Wales improvement and innovation in regulatory services group to identify regulatory non-compliance hotspots; and use data to target regulatory reform efforts.

Better Regulation Division is pursuing these projects to equip the New South Wales Government with the tools and resources to reduce unnecessary regulatory burdens for business and the community. I hope this information has provided some extra comfort regarding the progress we have made to respond to the Audit Office report. My colleagues and I would be pleased to clarify any of this information.

The CHAIR: Tell me if I am wrong, but the Better Regulation Division relates to recommendation 1 (a) in which the Audit Office recommended that a new framework allocate responsibility for the oversight of red tape to a dedicated unit within a central agency. Is that right?

Ms WEBB: That is correct.

The CHAIR: It was noted that the DPC has retained the responsibility for assessing compliance and oversight of the Guide to Better Regulation. Is that correct?

Mr DRAPER: That is correct.

The CHAIR: Is that what we were looking for, Auditor-General?

Ms CRAWFORD: I think the reestablishment of a division with that focus is definitely in line with our recommendation. So we are happy with that.

Ms MIGOTTO: I think part of the issue that we picked up at the time of this audit was that roles and responsibilities between the Department of Premier and Cabinet and the then Better Regulation Office, which had recently been abolished at the time of our report, were unclear. Whether or not this is a good arrangement would be predicated on solving the issue of ensuring that roles and responsibilities and regulatory proposals going to Cabinet are quality proposals and are clear. The functions as described by Ms Webb in terms of driving good regulatory performance across government are also clear within the Better Regulation Office.

The CHAIR: Are they, Ms Webb?

Ms WEBB: I think, yes. We know that our role is improve regulatory performance, and that is not only looking at regulatory proposals but also the way in which regulators are operating. We put a lot of focus on that part of the task as well. We understand that the Department of Premier and Cabinet still has the primary responsibility for reviewing regulatory proposals as they go to Cabinet. My experience is that there is some clarity with regard to the division.

Mr GREG PIPER: I have a practical question resulting from that answer. What will be the components of a internal red-tape unit? Not all departments are equal in the size. What do we expect in an organisation such as NSW Health as opposed to the Department of Primary Industries or something like that? Is the unit comprised of one or two people, or is it much bigger?

Ms WEBB: I can talk only to the Better Regulation Office responsibility of the DSFI because that is in our department. We liaise with people across the government who have responsibility for regulatory practice. I might get Mr Tansey or Ms Mangos to elaborate on what we are doing within DFSI as our responsibility.

Mr TANSEY: As a snapshot, and as the previous answer suggests, we have that central whole-of-government role at the moment. The branch that includes the resource that was transferred at the time from the Department of Premier and Cabinet to us, comprises 10 officers working fulltime on the activities. That is both the proactive and reactive roles that we have for better regulation across government, but it also includes and dovetails with the specific roles that are local issues for the DFSI about own regulatory activities, particularly under NSW Fair Trading and SafeWork NSW banners.

Mr RYAN PARK: How do you get the $869 million in savings so wrong? How are they so inaccurate?

Mr DRAPER: That is probably one for us to respond to. Our view is that it is not wrong. We had arrangements in place that any savings asserted by an agency over a certain threshold were reviewed by a third party. There was quite a lot of back and forth in measuring those. The Audit Office has taken a view about some of those calculations. There is always a level of judgment involved in this because they are not asking every business and every household around the country how much they have saved or lost. The Audit Office disagreed with some of those assessments and we accept that it takes view that. Our view is that at the time that method of trying to measure the savings was reasonable and proportionate to the task at hand.

Mr RYAN PARK: How many pieces of legislation have been introduced and how many have been repealed or removed since the Government started this process in 2011?

Mr DRAPER: That was published by the Government for the period of the policy.

Mr RYAN PARK: I do not want the redundant legislation, because that is not really removing it. I think the intent and the spirit of the Government policy of the day—I will stand corrected—was that before new one piece of legislation was introduced, two had to go. I am not sure it meant that before one was introduced two could go if they had been made redundant. I think was a genuine attempt to reduce red tape.

Mr DRAPER: That is certainly the intention of the policy. The numbers that I have—perhaps they are the numbers the Committee has at hand—indicate that over the period of the policy 237 principal pieces of legislation were repealed and 54 were introduced.

Mr RYAN PARK: Do we know if the legislation removed was simply redundant?

Mr DRAPER: I do not have that information. We would have to clarify what you mean by "redundant".

Mr RYAN PARK: Are we looking to reduce red tape, or is it simply slipping away? I will use as an example the first version of the greyhound legislation. Because it has been repealed and made redundant, will it be included in a red tape register? That would be ridiculous. The Government introduced a piece of legislation, and that is fair enough. It then changed its mind, and that is also fair enough. Will we count that? That is not fair enough.

Mr DRAPER: That one falls outside the period we are talking about, because that policy ceased in 2015.

Mr RYAN PARK: What do the guidelines say?

Mr DRAPER: I am struggling to think of another example of something like that happened where a government went down a path and then repealed its own legislation.

Mr RYAN PARK: We all are.

Mr DRAPER: I cannot answer that question accurately without checking. I am happy to do that.

Mr RYAN PARK: For how long has the Government ben considering the Greiner review?

Ms WEBB: For five months. It was handed to the Government in August 2017.

Mr RYAN PARK: It is somewhat laughable that we are talking about red tape reduction and the Government has not responded to recommendations handed down five months ago.

The CHAIR: Is the Government obliged to respond to this report within six months as is the case with any other report?

Mr DRAPER: I do not think that is the case because it is a report of the Government's own making. If it involved a response to a parliamentary report, it would be a different matter. It is a review that the Government itself commissioned

Mr RYAN PARK: Given it has already been five months, do we have any idea how much longer it will be until a response is provided?

Ms WEBB: We cannot answer that; it is a matter for the Government.

Mr RYAN PARK: I have some familiarity with Cabinet minutes. Is the regulatory impact assessment statements for each piece of new legislation attached to a Cabinet minute proposing new legislation? Is that how it works? A great deal of information is coming out about drink driving at the moment, so I will use that as an example. Would a Minister proposing legislation in that area be required to produce a regulatory impact assessment?

Mr DRAPER: Yes. Under the guidelines some sort of assessment would need to be done. Whether they decided to attach that to a Cabinet submission is another question. There are different forms of reporting to Cabinet and it is open to discretion of the Minister about how that information in is presented.

Mr RYAN PARK: If Cabinet is agreeing to introduce new legislation, how does it know that a desktop assessment of the industry or the sector has been done to say that it will not impose additional red tape?

Mr DRAPER: That is a question they would put to the Minister. The Department of Premier and Cabinet would advise the Premier on our view as to whether that had been done adequately but the Minister can also advise his or her Cabinet colleagues on that.

Mr RYAN PARK: Is Cabinet regularly informed about the number of regulations coming in and out?

Mr DRAPER: The policy that you are describing—the one on, two off—is no longer applicable. That ceases the policy.

Mr RYAN PARK: What is it now? Zero?

Mr DRAPER: The focus of our red tape policy, as Ms Webb was saying earlier, is encapsulated in the Greiner review, which, as you pointed out, is still under consideration by the Government. That is the focus. There have been a number of steps taken over that period, including the establishment of a Better Regulation Office, to try and address that. That is now the focus of the Government policy on red tape avoidance and reduction.

The CHAIR: The Audit Office of New South Wales recommended that the Department of Premier and Cabinet re-establish a program of targeted reductions of unnecessary regulatory instruments informed by reduced areas of disproportionate burden. The response notes that this is subject to release of the Greiner review. It would seem that you should be focusing on those areas of disproportionate regulatory burden. Can you speak to that?

Ms WEBB: I think we would agree with that in principle. When you look at the Regulatory and Other Legislation (Amendments and Repeals) Act 2016, which was the 2016 spring clean Act, it was part of the focus to reduce issues, pain points for businesses trying to comply with legislation and reducing regulatory requirements that were duplicative. We are still moving in the direction of trying to find those points in regulation where there is unnecessary burden on businesses that can be removed. That is sort of the easy way of doing it. That burden on business may come through the actual legislation itself or it might be the way in which we are administering it. So we are doing a lot of work through the Easy to do Business program of not just looking at the number of regulations that apply to a business but also working through how they can make it easy for them to comply, for example, by filling out two forms at once or having one source of information in order to get licences and not having to gather information from everywhere. A lot of work is being done on targeted burden reduction in relation to reducing red tape.

The CHAIR: What reductions have occurred under the spring clean Act?

Ms WEBB: The 2016 spring clean Act allowed real estate agents to do digital rental bond payments and removed the requirement for people complaining about architects and building certifiers to put a statutory declaration in. There were duplicates of regulatory requirements for Friendly Societies operating both funeral funds and cemetery trusts, and conveyancers, pawnbrokers and second-hand dealers were allowed to apply for their licences on a three-year basis in line with other occupational licences. Those sort of requirements were changed in that bill and now we have got an ongoing program to look for things we can do like that in future pieces of legislation.

Mr GREG PIPER: Do we have any ongoing feedback processes for affected industries so there is a direct line of communication for them? I would expect that when things are really bad we would get complaints but are we working proactively in those areas?

Ms WEBB: I think taking on the recommendations of the audit committee, the Auditor General and others about how you do effective red tape reduction, we certainly know that the lived experience of people who are subject to regulation is very important, So in some of these initiatives I have been talking about we do spend a lot of time in stakeholder engagement trying to understand how people are interacting with the Government in order to make it easier for them to comply.

Mr DRAPER: In response to Mr Park's earlier question about what sort of advice we would give, one of the principles of better regulation is consultation with affected industry and stakeholders. That is one of the things that the Department of Premier and Cabinet would also be asking questions about as any new proposals came through.

The CHAIR: In recommendation 1 (c) the Audit Office of New South Wales found that the total costs and impacts of regulatory burdens in New South Wales are unknown. In the response you note that the recommendation to conduct a stocktake of the number and cost of existing regulations was not supported. Without undertaking a stocktake of existing costs and the number of regulatory burdens, how will the New South Wales Government have oversight on the impact of its regulations?

Ms WEBB: I think this relates to my earlier answer about looking at the experience of people who are subject to regulation rather than counting numbers of regulations. A stocktake can be quite an expensive and cumbersome process and it really just tells you at a certain point in time what regulation exists; it does not say anything about what actual burden it imposes on businesses. We are looking at reducing regulatory burdens and red tape more holistically rather than just conducting a stocktake.

The CHAIR: Ms Crawford, would you like to comment on that?

Ms CRAWFORD: The approach of considering how it really plays out as a lived experience, of course, makes sense but, from our perspective, our frustration would be that this report was a substantial report tabled in August 2016 and really we have not seen, with the exception of the establishment of a new central division, major progress against our recommendations to date.

The CHAIR: Ms Webb?

Ms WEBB: I cannot really offer any other comment. It was the decision of the Government not to support that stocktake recommendation.

Mr DRAPER: I guess just to note that maybe the Committee does not yet have available to it the final report of the Greiner review but the Government did undertake a fairly major review, with some fairly experienced people leading that review. It is a thoughtful approach to trying to reduce red tape that is yet to be tabled but it is under consideration.

Ms WEBB: I might just add one further comment. One of the things discussed in the draft report from the Greiner panel was regulatory stewardship. In some ways I think stocktakes and stewardship may end up being a similar sort of process—making sure that you have regard to the regulation in your responsibility and ensuring that it is regularly reviewed.

The CHAIR: The response to recommendation 4 notes that the Department of Finance, Services and Innovation now publishes a publicly accessible online central repository for all final regulatory decisions and regulatory impact assessments published since July 2015. Do you have any indication that any other agencies will begin publishing their regulatory impact assessments on this platform and is the repository mandatory for participating agencies or done on an ongoing voluntary basis?

Ms MANGOS: I can answer that question. When we established the repository the Deputy Secretary at the time of the Better Regulation Division [BRD] wrote to all the other relevant deputy secretaries, explained that we were now having this central repository and invited the clusters to provide us with their regulatory impact statements [RIS] so that we could include them in the repository. It was not done mandatorily at that time because this was another matter that the Greiner review was looking at. We also explained to the clusters the value of having a central repository. Clusters have sent in their RIS; we do have quite a number but I would not say that we have all of the RIS in the repository at the moment.

The CHAIR: So we are in a holding pattern until we get the response to the Greiner review?

Ms MANGOS: In some senses, yes, that is correct. But wherever it has been possible to actually help agencies improve regulatory outcomes, certainly we have been doing that. Plus, as Ms Webb said, we have done a lot of work in terms of the experience of regulation—identifying, where we can, where there is any regulatory burden or duplication. We have addressed that through passage of a number of bills, and also in administrative changes, which the NSW Business Chamber has identified as being beneficial to business.

Mr DRAPER: Perhaps just to clarify, Chair, I would not describe the Government as being in a "holding pattern". I know that is a fair assessment for you to make because you have not had access to the information at this point, and it is not open to us to elaborate on what the Government is proposing to do, but we do know the Government has actions under way. So there are steps being taken to implement some of the things coming out of the Greiner final report, but as the Minister responsible has not yet announced those thing we are not in a position to advise that.

Mr STEPHEN BROMHEAD: Mr Draper, you are saying it is not really a dog's breakfast. But the dogs are barking, are they not?

Mr DRAPER: Yes, I am saying that. I understand that the dogs are barking—and for good reason— but there is no dog's breakfast.

The CHAIR: Is that something to do with greyhounds?

Mr STEPHEN BROMHEAD: I thought it was the first day of the Year of the Dog.

The CHAIR: I think we have everything until we get the Greiner review. Would you like to add anything, Auditor-General?

Ms CRAWFORD: No, I think we all await the Government's response to the Greiner review with great interest.

The CHAIR: In summing up, would any of you like to say anything?

Mr DRAPER: No.

The CHAIR: Thank you for all appearing before the Committee today; you have been most helpful. The Committee may wish to send you some further questions, the response to which will form part of your evidence. Are you happy to provide a written reply within five days to any further questions?

Mr DRAPER: Yes.

Ms WEBB: Yes.

The CHAIR: Thank you very much for coming today.

**(The witnesses withdrew)**

**The Committee adjourned at 12.33pm.**