

REPORT OF PROCEEDINGS BEFORE

PUBLIC ACCOUNTS COMMITTEE

EXAMINATION OF AUDITOR-GENERAL'S PERFORMANCE AUDITS

At Sydney on Wednesday 11 June 2008

The Committee met at 10.00 a.m.

PRESENT

Mr P. E. McLeay (Chair)

Mr N. Khoshaba

Ms J. L. McKay

Mr. R. J. M. Oakeshott

Mr A. J. Roberts

Mr J. H. Turner

DEBRA THOMS, Chief Nursing and Midwifery Officer, New South Wales Department of Health, 73 Miller Street, North Sydney, and

DAVID DIXON, Acting Director, Workforce Development and Leadership, New South Wales Department of Health, 73 Miller Street, North Sydney, and

PETER CHARLES ACHTERSTRAAT, New South Wales Auditor-General, Audit Office of New South Wales, 1 Margaret Street, Sydney, and

JANE TEBBATT, Director, Performance Audit, Audit Office of New South Wales, 1 Margaret Street, Sydney, sworn and examined:

CHAIR: The Public Accounts Committee is a bipartisan committee comprising Government, Opposition and Independent members. Although the Government chairs the Committee, it is a bipartisan committee that makes recommendations to the Parliament, not to the executive arm of the Government. I welcome the representatives of the New South Wales Department of Health, the Auditor-General and representatives of the Audit Office of New South Wales. I thank you for appearing today to provide evidence on the Public Accounts Committee's examination of the response to the Auditor-General's report on attracting, retaining and managing nurses. Would you please state in which capacity you appear before the Committee?

Ms THOMS: I am appearing as Chief Nursing and Midwifery Officer of the New South Wales Department of Health.

Mr DIXON: I am appearing as the Acting Director, Workforce Development and Leadership, New South Wales Department of Health.

Mr ACHTERSTRAAT: I am appearing in my capacity as Auditor-General.

Ms TEBBATT: I am appearing in the capacity of Director, Performance Audit, Audit Office of New South Wales.

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of Parliament and an offence under the Parliamentary Evidence Act 1901. I will invite the Department of Health and then the Auditor-General to make a brief opening statement. The Committee will then ask questions. If witnesses wish to raise issues for discussion, I ask they direct their comments to the Committee, as witnesses may not directly respond to each other.

This is the first hearing under the Committee's new approach to examining the Auditor-General's performance audits. Under this approach the Committee is paying detailed attention to the responses of agencies to all performance audits. Last year the Committee commenced seeking submissions from relevant agencies outlining their responses to each performance audit tabled by the Auditor-General. The Committee is now following up such submissions with hearings so that it can clarify any outstanding issues. The performance audits the Committee is examining address difficult issues. It is apparent from the audits and

from the agencies' responses that significant work is being done by these agencies to manage the problems they face. The Audit Office's performance audits provide a fresh look by a professional body at the processes for addressing these problems and make recommendations on how they may work more effectively.

The Public Accounts Committee's examination of the implementation of these recommendations is to help ensure that they result in improved outcomes and to provide public assurance that they are being properly addressed. I hope that this examination will be welcomed by agencies as an opportunity to explain to Parliament what is being done to address these important and complex problems. I also hope that agencies will be encouraged in their responses to audits, knowing that the work they do will not go unnoticed. We will now commence examination of the response to the report on attracting, retaining and managing nurses. Ms Thoms or Mr Dixon, would you like to make an opening statement?

Mr DIXON: We do not have any opening statement but we are quite happy to be invited to respond and clarify the matters raised by the Committee.

CHAIR: I would note that we have received a response from your chief executive, Ms Debra Piccone, which addressed our terms of reference, and we thank your agency for providing that. Auditor-General, would you like to make an opening statement?

Mr ACHTERSTRAAT: Yes, I would, thank you. We welcome this opportunity to support the Committee's inquiry into our performance audit on attracting, retaining and managing nurses. It is important from the outset that I provide some context to the audit's recommendations, which are the focus of your inquiry. The overall conclusion of the audit was that attracting and retaining nurses is not an easy task. The nursing workforce is ageing and the supply of new graduates through the university system has been unable to keep pace with the increasing demands of our health system.

Overall, we concluded that NSW Health has done well to attract and retain nurses despite these problems. In fact, between 2001 and 2006 the number of nurses employed had increased by over 5,500—an average annual increase of 4 per cent. NSW Health achieved this through recruiting new graduates and nurses from overseas and also by attracting ex-nurses back to hospitals. NSW Health has also been able to reduce the rate of resignations from 16 to 14 per cent. But notwithstanding these improvements, NSW Health was encouraged to expand its efforts in a number of areas.

Our recommendations are focused on better measuring the demand for nurses now and in the future; reducing the reliance on overtime and agency nurses; and improving nurse recruitment, retention and management strategies. NSW Health at the time of the audit indicated that it had accepted all of the report's 14 recommendations. It is pleasing to note that in recent advice from the department, progress has been made on most of these, although I should point out that we have not gone back to NSW Health to verify how much progress has been made. We have accepted the statements on face value. Overall, the actions of NSW Health are consistent with the advice we received at the conclusion of the 2006 audit.

CHAIR: We will now focus most of our questions on Health. We propose to do that by going directly to the recommendations. Some of the questions will be relatively quick and easy to answer and others will require some more investigation. I hand over to Committee

members to kick it off and itemise which recommendation the question is about and then we will have some general questions at the end.

Ms JODI McKAY: I will start with recommendation 1, which is in regard to all hospitals using the general workload calculation tool to assess the number of nurses needed in appropriate wards, and that was by December 2007. Can you update the Committee on whether the review of the general workload calculation tool has been completed?

Ms THOMS: The review is not complete: the review is currently occurring. All hospitals have implemented the general workload calculation tool, but the review process is currently occurring in conjunction with the nurses association. It has stalled at the moment while the wage negotiations occur and then it will resume its full activity.

Ms JODI McKAY: When do you expect it to be completed?

Ms THOMS: I do not have a final date at the moment. It is partially around the negotiations that are undertaken with the association to arrive at an agreement about any changes that may be needed to the tool.

Ms JODI McKAY: If we could look at recommendation 3, which is in regard to staffing for patients who need more than the expected level of care. I believe, as the Auditor-General's report has pointed out, you call them patient specials, and this is in regard to calculating the whole of hospital nursing needs. Can you inform the Committee what is being done in regard to patient specials?

Ms THOMS: Most facilities do use patient specials at various times for particular client needs. Sometimes it is about the complexity of care that you want more one-to-one so you will bring in a fairly experienced nurse to do that, or sometimes it is about people that are wandering or demented and just need to be watched more closely. Most of the facilities have developed policies to assist them in how those specials should be used, and I have also had some discussions with the reasonable workloads unit about how that might be looked at in the context of the whole of the general workload calculation tool.

As some specialty units come online, such as psychiatric emergency units, we would anticipate that that will impact upon the number of specials required in wards because those sorts of patients then become co-hoarded together and you can manage their care more appropriately and more efficiently. But it is an ongoing area of interest, I suppose I would call it, and there is still work to occur on that.

CHAIR: Will that feed into the workload calculation tool?

Ms THOMS: It is unclear how we can feed it into the tool, and that is what we are trying to work out: how you take account of it; can you be accurate and can you ensure that you capture relevant information. So that is part of what we need to be looking at and working out.

Ms JODI McKAY: So only some hospitals have taken it on. Is there an increasing propensity for that to occur?

Ms THOMS: I'm sorry?

Ms JODI McKAY: You said only some hospitals are moving in that path.

Ms THOMS: The review is a statewide review.

Ms JODI McKAY: But in regard to the specials?

Ms THOMS: Most hospitals have now got policies in place and we will be expecting them all, over time, to get them.

Mr JOHN TURNER: If they have policies in place, would that mean that those nurse requirements are counted in the statistical returns?

Ms THOMS: There is a monitoring tool. We would expect staff to be recording them using that monitoring tool.

Mr JOHN TURNER: How many hospitals or area health services—whichever way you do your statistics—would have this monitoring system?

Ms THOMS: All of them; it is across the system. It sits beside the workload calculation tool.

Mr ANTHONY ROBERTS: Now that we have established the right ark of fire, which is recommendations one and three, I intend establishing the left ark of fire, which is recommendation 13—review and report on current and projected nurse shortages in public hospitals. The age profile of nurses is of significance given the number of nurses in their 30s and around half in their 40s. That figure is half again for nurses in their 20s. What are the current projections for nurse shortages?

Mr DIXON: At the moment, the current projection of nurse shortages in 2012 could be between 8,000 and 10,000 nationally. The initiatives being thought about in terms of managing those deficiencies include the national approach. That will include workplace redesign. Much of that workplace redesign is underway in our area health services, and it has been for some time. We will continue overseas recruitment, which has been quite successful. We are also using the Nurse Reconnect Project strategy, and we will continue to use it. We are also attracting new undergraduate positions into the universities.

Mr ROBERT OAKESHOTT: What date was that?

Mr DIXON: It was 2012.

CHAIR: Not far off.

Mr DIXON: No.

Mr JOHN TURNER: Does Nurse Reconnect involve attracting nurses back into the system?

Mr DIXON: Yes. I point out that that number is predicated on our doing absolutely nothing.

Mr ROBERT OAKESHOTT: Do you have a number predicated on your doing the four things you recommended?

Mr DIXON: No.

CHAIR: Is the target zero?

Mr DIXON: Absolutely. The target is to ensure that we do not have any deficiency in our workforce in any of our occupational categories. The difficulty is in matching all the things that we need to pull together to make that happen. Health and education Ministers across the nation have established the Ministerial Council on Education, Employment, Training and Youth Affairs.

Mr ANTHONY ROBERTS: While obviously you are looking at achieving a zero shortage, is that achievable?

Ms THOMS: It is difficult to say.

Mr DIXON: It is a difficult question to answer. That is certainly the target, as it would be in every other jurisdiction. But internationally the shortages being experienced in nursing are worthwhile considering. I understand that the United States will be looking for about 250,000 nurses in the next 10 to 15 years. India is starting to draw back the nurses that it lost overseas and Europe is after 25,000. If we think we are going to continue to provide nursing staff simply by training our way out of it, we are in for a shock.

Mr ROBERT OAKESHOTT: Taking that a step further, do you have confidence that the four strategies that you mentioned by 2012—

Ms THOMS: They are not the only strategies.

Mr DIXON: They are not the only strategies.

Mr ROBERT OAKESHOTT: What are the others?

Ms THOMS: Anything we can think of.

Mr ROBERT OAKESHOTT: Which is what?

Ms THOMS: There is also a fair amount of attention being paid to retention. There is a whole-of-government project around retention of mature-aged workers. We are engaged in some of the pilot work around that. It is not just about numbers; it is also about knowledge transfer. We are interested in how we ensure that the knowledge of the members of the workforce who are potentially leaving in the next five to ten years is transferred to younger cohorts coming through. We are now seeing an increase in the number of graduates from undergraduate programs. This year we will have the largest number of new graduates ever in this State. We have employed more than 1,600 in the public sector this year.

We are looking at who is the most appropriate person to do work and the role redesign that David Dixon mentioned. Do we have nurses doing work critical for nurses to do and

what can other categories of workers do? One of challenges of workforce planning it is not just looking occupationally specific tasks; you have to look at the whole workforce and how that relates to the clinical services that we want to provide.

Mr ROBERT OAKESHOTT: Of the seven strategies you have put forward, are you confident that the shortfall will be less than half you mentioned by 2012 with a do-nothing strategy?

Mr DIXON: I would be confident that we would be making headway into that number. But I could not give you an outcome; I would not be prepared to say that we will save 4,000 or 10,000.

Mr ROBERT OAKESHOTT: So there is no benchmarking exercise with the strategies in place?

Ms THOMS: I am not sure whom we would benchmark with.

Mr DIXON: Can you clarify the question?

Mr ROBERT OAKESHOTT: As far as setting a target of what you are trying to achieve.

Mr DIXON: The target is the target. If we think we are going to have a deficiency of that number, then that is the target we must achieve.

Mr ROBERT OAKESHOTT: So the question is whether you are confident you are going to achieve that target.

Mr DIXON: I am becoming increasingly confident. Once those strategies start to get traction, yes. The national approach will contribute a great deal in achieving that target.

Mr ANTHONY ROBERTS: Following on from that, one the key things about having a State plan—and this committee heavily involved with that—is putting in place achievable targets. We would all like to win the lottery—or some of us would—but how you achieve that is the issue. You can say that the target is zero and that you are moving towards that, but are we going to get within 10 per cent or 20 per cent without additional funding? We would like it to be zero in 2012. Given what has been put into the system now, and with all the planets in alignment, are we going to get only halfway there?

Mr DIXON: It is fair to say that there has been a lot of additional investment in recruitment, retention and education of nurses. In 2006-07, \$36.6 million was allocated over four or five projects. Those projects included the trainee enrolled nurse program at \$13.7 million; study leave backfill for some nurses to accommodate education and training requirements at about \$6 million; and scholarships for registered and enrolled nurses at about \$3 million. The list goes on. In 2007-08, the budget is \$37.9 million over four years for the same sorts of programs, which is an increase of 3.5 per cent. Whether that is enough, I do not know. However, it is certainly contributing to our achieving those objectives.

Ms THOMS: We continue to see the size of the nursing workforce grow and there is active recruitment. That is some indication that we are having success in reducing that figure.

There will always be some vacant positions—people move. One of the difficulties is knowing when you have hit the point at which it is normal. We have about 1,100 positions being actively recruited at the moment. Out of a workforce of over 40,000, we are probably getting close to what we would expect it to be. Challenges lie more specifically in specialty areas rather than across the board.

Mr ROBERT OAKESHOTT: Coming at it from a slightly different perspective—that is, a quality care perspective—is someone in the system now working on option B? That is the option no-one wants—a shortage in the workforce. What are the implications for quality care and how will that be addressed?

Mr DIXON: Part of any strategy we have thought about includes a consideration of quality patient care. Indeed, in terms of workforce redesign, that is a critical element to be considered in how we redesign any of the roles. We have focused for a long time on who we have who can do the work rather than defining the work we want to be done. That is the critical part of workforce redesign for us. Quality patient care is uppermost in those considerations.

Mr ROBERT OAKESHOTT: So, realistically, if there is going to be a shortfall, what planning is being done now to endorse what you just said?

Mr DIXON: As I said, in every one of those strategies, if we talk about workforce redesign, one of the first elements we will be thinking about is if we do design factors out of a role, what sufficiency is there in terms of quality care for the patient? If it is not, we cannot do that. We will not compromise quality patient care.

Mr ROBERT OAKESHOTT: Do you understand what I am saying? If there is a shortfall, something has to give somewhere because it is a shortfall. What planning has been done about that shortfall?

Ms THOMS: I do not know, I cannot answer if there is a specific piece of planning on that particular issue. I would suggest, the way we look at the workforce, we are planning to manage the work that is required to be done, however we do that, and quality care is one of the parameters you have to consider in that. So, if there is a massive shortfall of nurses, it may mean we have to redesign how everything works to deliver the care in a different way, and that is ongoing.

Mr ROBERT OAKESHOTT: So you respond to the moment, I guess, is the answer?

Ms THOMS: Hopefully a little ahead of the moment.

Mr DIXON: That is always a consideration. The strategies we explained to you, they are not an exhaustive list. Another would be how we attract nurses from high school. There is a VET in schools program going at the moment and that has grown pretty quickly. We hope that will be contributing to our realising the numbers we need. But quality care is paramount in any of those considerations. That is why education and training and upskilling and skills escalation are important in the redesign process.

Mr ANTHONY ROBERTS: You can probably appreciate there will still be a shortfall of nurses in 2012. Are there greater projected shortfalls of nurses in rural areas?

Mr DIXON: I could not answer the question with any accuracy. I would have to take that on notice.

Ms JODI McKAY: I turn to recommendation 6. Your submission indicates that New South Wales Health is still reviewing whether it will require hospitals to monitor bed closures and deferred elective surgery resulting from a shortage of nurses. Can you advise the Committee on what has delayed the department responding to that recommendation?

Ms THOMS: We would see bed closures in some ways as a relatively imprecise measure of workforce capacity. There are a number of items that hospitals collect around why beds close. The feedback we have had from hospitals is that 90 per cent to 95 per cent of deferred elective surgery is due to more urgent patients requiring surgery, both emergency admissions and inpatients, and there has been limited evidence, if any, that that has been due to the shortage of nurses. There are odd occasions where hospitals will report that they may have reduced some bed capacity—on very rare occasions. We have had a hospital in 2007, and it has since put in a range of strategies to address that. The capacity to collect that information is very difficult, that is the feedback we have received. They do monitor bed closures and they do report on those regularly and they collect up to 40-odd reasons why beds close, and nursing shortage has not been a key feature that has been identified from the hospital end of why they are closing beds.

CHAIR: Who do they report to?

Ms THOMS: They report to their area health services and to—performance information?

Mr DIXON: Performance management, yes.

CHAIR: You do not publish that?

Mr DIXON: I am not aware.

Ms JODI McKAY: Is that a recommendation you are rejecting, then? I think you have indicated you are still looking at it?

Ms THOMS: We would suggest that the ability to get that into play would require a fair amount of effort, and the return would be minimal at this point. We have certainly raised with area health services that this is something they need to think about as part of their monitoring of bed closures.

CHAIR: Can we ask the Auditor-General to respond to that issue?

Mr ACHTERSTRAAT: Yes, certainly. First I will respond to recommendation 6 and then I might touch on recommendation 13, which was mentioned by the member for Lane Cove. Unless we are aware of the consequences and the shortages, it is difficult to prioritise how much effort should be put into addressing the issue. People can talk about nurse shortages, and yes it is a thing we have to address, but unless we quantify what that

causes—whether it is bed closures or other impacts on healthcare—it is difficult for management to prioritise how much effort to put into it. That is why we stand by our recommendation that hospitals monitor the impact of nursing shortages on the delivery of care. In relation to the earlier question by the member for Port Macquarie—

CHAIR: If they also say that in 95 per cent of cases it has nothing to do with nurses—

Mr ACHTERSTRAAT: Then that is an answer to our question. Then they are saying that only 5 per cent of the cases is the bed closure caused by it nurse shortage. That answers our question but I understand that is a very rough estimate, 95 per cent. We are suggesting maybe it is not bed closures, it is the other impacts of the shortage of nurses which need to be quantified, because until we know the consequences of something, we do not know how much effort we need to fix it. Similarly with the reporting of the nursing shortages into the future, recommendation 13—

CHAIR: We will come back to that. There is also the issue of efficiency—if it costs too much to collect this data.

Mr ACHTERSTRAAT: Correct. That is a judgement question for management. If it is going to cost 200 person years to collect the data, clearly there may be better ways of doing it. But you cannot just throw your hands up in the air and say we are not going to measure the consequences. It may well be that the estimates that New South Wales Health has done are adequate and it has rough estimates of 95 per cent. That is a start, a good start. It may be that Health will say if it to fine tune that estimate any further is not cost-effective. If that is the case, management can make that call.

I will just say in relation to recommendation 13, the reporting on the potential nursing shortage, we know there will be 30,000 nurses short in 2010 in Australia. New South Wales Health has done a marvellous job in these seven strategies plus more to reduce the impact here. Again, our experience is unless it is measured it is not managed. So, if we say we are aiming for zero, we need to have some measures or a reporting against how we are going. That is one of the central concepts of this report and other reports, which says it is all very well to say we have seven strategies which will help us achieve it, and that is tremendous, but we are saying you need to report regularly on how it is going. Unless someone measures something it just goes into the too hard basket and it is not managed.

Mr ROBERT OAKESHOTT: I would have thought the data would be available and it is just a matter of collating it and putting some contingencies in place. If we are 1,000 short, these are the implications—this is the strategy. And if we are 3,000 short, I would have thought there are some trend lines already collected in the system to show what those projected outcomes potentially are and contingencies can then hang off that. In your view, is that information already being collected?

Mr ACHTERSTRAAT: I am not in a position to answer that, Mr Oakeshott. I am not aware of it.

Mr DIXON: I am not aware of it either. I do not think it is that simple, with respect. The workforce is so dynamic at the moment in terms of its redesign factors, its influx of new

graduates, and it is reclassifying the roles and delineations, so to set a target that way would be—

Mr ROBERT OAKESHOTT: Is it more contingency planning? I have seen within various departments the amount of information that is collated, and that is excellent.

Mr DIXON: Yes, it is

Mr ROBERT OAKESHOTT: So, it is a matter of doing some projections off that information. The question is how are you doing that contingency planning?

Mr DIXON: There is a pilot going in at the moment in two area health services in workforce projection and modelling. It has predominately been targeted and focused on the emergency stream. What has happened before, there has been a preoccupation within workforce planning so we planned by occupation or discipline rather than clinical stream. So, now we need to adopt an approach of clinical stream plans. So we pick up all the occupations within the clinical stream, including nursing. So, we know from integrating our clinical service planning with our workforce planning, which I think is well underway in most of the area health services, and I know from my own experience in New England that was the approach we took from the outset of setting up the workforce plan. It would be closely integrated with clinical services planning. We will have a clinical services plan with an outcome of what the clinical services provision is going to look like and what sort of workforce we need to staff that. Having said that, the dynamics of the workforce mean that clinical service plan and workforce plan need to be constantly revised and updated. That is the way it should be; it is a dynamic document. I guess in contingency planning terms, that is the way we have to approach it rather than just on a discipline base.

CHAIR: Would you like to respond briefly to the issues regarding recommendation 6 with respect to bed closures and reporting?

Ms THOMS: Can I just clarify that the 90 to 95 per cent was due to more urgent patients requiring surgery, both emergency admissions and in-patients. The other 5 per cent is due to a range of reasons, it is not due to nursing shortages, so it was not a split between that and nursing shortages. It is due to a number of other reasons. Through the various systems that the hospitals use, depending which system, some of them have 10 or 12 different reasons, such as patients were moved, the doctor was not available; there is a whole range of reasons why surgery gets deferred but nursing shortage is not one that features.

CHAIR: Not one?

Ms THOMS: No.

CHAIR: So zero per cent?

Ms THOMS: In the ones that area health services report on, yes.

Ms JODI McKAY: Do you then support the Auditor-General's assertion that you need a measure in terms of the impact of the nurse shortage?

Ms THOMS: I do not disagree that you need to look at measures of the impact of nurse shortage but I do not know that bed closures is one of the measures that is coming up as being a good indicator at the moment.

CHAIR: So what is then?

Ms THOMS: It might.

Mr DIXON: I can give you some good measures, some workforce measures—outcome, overtime, casual use, agency use, maternity leave, sick leave.

CHAIR: What about the impact on the service, as opposed to the impact on the workforce and budgeting?

Mr DIXON: There is a direct correlation. If there is a shortage in the roster, there is an impact on the service. If we would sustain a shortage in the roster, there will be an impact on the service.

CHAIR: You are suggesting—and they are very real and good measures—are there measures that you can use that instead of talking about workforce planning statistics, that talk about patient care outcomes?

Ms JODI McKAY: Delivery?

CHAIR: For example, bed shortage is a way of saying, "Well, this is an impact on the patients, not necessarily on the workforce and how much overtime they are doing, how stressed they are."

Mr DIXON: I understand.

CHAIR: This is an impact on patients. Are there patient care outcomes that you can think of?

Ms THOMS: Specifically that measure nursing shortage?

CHAIR: That nursing shortage has a potential impact on?

Ms THOMS: They can contribute to some of the quality of care outcome indicators that are used right across the system. They will not be solely responsible.

CHAIR: So may be customer satisfaction or repeats on wounds?

Ms THOMS: Yes, repeat patient surveys and then you would look at some of the other data that is collected locally around infection rates potentially, medication errors, information that we collect of that nature. Staffing can have any impact on that but it will not necessarily be the sole driver.

CHAIR: No, and we know that these measures are not precise. There is no matching principle here but we are talking about indicators and recommendation 6 is really about having an outcome that is reported on patient care outcomes. If you say that it is one that has

no correlation, I imagine the community may accept that, but we would like to have some suggestions of other non-workforce planning. Are you happy to take that on notice?

Mr DIXON: Yes, please.

Mr ANTHONY ROBERTS: Can you take this on notice? If we are not measuring the shortages, as the Auditor-General said, I find it difficult that we do not have a measurement on the shortage in the rural areas of New South Wales with respect to nurses. It is obvious we are not going to reach the target—

CHAIR: It is not obvious.

Mr ANTHONY ROBERTS: Well, no-one has given us—

Mr ROBERT OAKESHOTT: Well, we do not know because we cannot manage it.

Mr ANTHONY ROBERTS: I express my position and that is that it is very important to have continuing measurements as we move towards that 2012 target, at least for Parliament, for Treasury and for the community.

Ms THOMS: I would say that the way we look at that is by looking really at the positions actively being recruited rather than a big figure that there is going to be X thousand short. Because of the dynamic way that health changes that end figure can keep changing as well. Certainly rural areas are more challenging about recruiting and maintaining the workforce. We started to look at how many people are retiring. One of the area health services is doing an in-depth piece of work around the age cohorts in the workforce and people's intention to retire so that we can actually get a clearer picture of when people are looking at going, who is coming in and how we are going to address that, rather than dealing with the fact that we will be X thousand short. We do not know that we will end up being X thousand short, because the whole thing is, as David said, very dynamic. We, in the Nursing Office anyway, use more the positions being actively recruited as a clearer indicator and how long it takes to recruit some of those positions as an indicator of where we are starting to have difficulties with some of the health services.

Mr NINOS KHOSHABA: Recommendation 4 states to continue to encourage hospitals to increase the use of appropriately trained and supervised enrolled nurses. I will tie that in with recommendation 8, which requires hospitals to review the use of hospital use and cost of overtime, casual and agency nurses. My understanding is that a large percentage of nurses, part time or casual, wish to be part time or casual due to family or other reasons. Do we have any programs or incentives to encourage other casuals or part-time nurses to convert to full-time positions, given that they are already adequately trained, that they have the experience behind them and that that would be a cost saving?

Ms THOMS: It potentially can be a cost saving. Certainly, the part timer is not necessarily more expensive than a full timer, a permanent part time.

Mr NINOS KHOSHABA: That is right, but to bring someone in, to then have to train them and take them through the whole process, whereas you might already have someone doing the work, who might be part time or casual. Are there any programs or incentives to convert those people to full-time staff, where they are already trained?

Ms THOMS: Specific programs about converting part-timers to the full timers, I would not say as specific as that.

Mr DIXON: The programs would not be specific for that sort of transfer of employment status. They are specific to attract and retain. We need to understand that the workforce needs to have a balance and equilibrium within it. In fact, we need to be careful that we do not use the very measures we are using to attract, to deter, and part time is one of those. Part-time work is very attractive, given that 93 per cent of our nursing workforce is female and it is very attractive. Our medical workforce, incidentally, is becoming increasingly femininised and we are facing the same challenges there. Part-time work in nursing is very attractive.

We could not let it go to 100 per cent of the workforce, of course, but it does give us some flexibility in the way we manage our workforce and rostering. Indeed, if all our nursing workforce was full time, that actually increases the rigidity of the way you roster your workforce. You must roster them for 38 hours a week. Part time gives you that flexibility, right down to four or six hours sometimes. In terms of casuals, we are encouraging our area health services generally to establish larger casual pools rather than rely on agency staff. Casual pools does give you the benefit of having people on the ground that have experienced your environment before, know the work routine and the challenges confronting them and are comfortable in that environment, so we are looking to establish casual pools and manage it in a more focused and centralised way for each of the area health services.

Ms THOMS: We have been successful in that. The casual pools have increased and the agency use continues to fall. So that has been successful. We do find that the workforce changes. They might work part-time for a few years, they then might work full-time or go to part-time, depending on what is happening in their lives. Also, we have to be aware that the current generations coming into our workforce have quite different expectations around work, and part-time features very highly on how they view how they want to work.

Mr NINOS KHOSHABA: Would you say it is more difficult to employ full-time nurses than it is to employ casuals or part-time nurses?

Ms THOMS: Not necessarily, no.

CHAIR: In attachment A to your response you refer to a specific recommendation. The attachment notes specific strategies. I note that every area seems to have a different strategy.

Ms THOMS: Which recommendation is this?

CHAIR: Recommendation 8, which is to require hospitals to review the use and cost of overtime for casual and agency nurses. In attachment A you say, "All Area Health Services have reported that they actively review the use and cost of overtime, casual and agency nurses", and every area health service has a different strategy. Is that because it is horses for courses, or because they are not sharing the best strategies, or is it your job, David, to pull it together?

Mr DIXON: I suppose it is part of this job to share those strategies, too; indeed, that happens. With regard to your first comment, sometimes it is horses for courses. Some of the environments have to respond differently to their labour pool. I know that one of our area health services to the north of us finds it relatively more simple to retrain nursing staff than do some of our metropolitan environments. Indeed, sometimes that can work against you too, because you do not introduce new blood and you do not get a freshness of approach in your workforce, and that needs to be revitalised and regenerated as well to keep it healthy. So a turnover rate of around about 10 to 12 per cent is probably preferable; indeed, that is about what we are running at currently. That has come down significantly, I think, in the last couple of years, from about 16 to 14 to, I think, about 12.8 now. So work in terms of retention has been very effective. That retention is often attributable to our getting hold of casual nurses and then becoming permanent, either part time or full time.

CHAIR: Can you explain what the "nurse bank" is, as referred to in recommendation 9?

Ms THOMS: "Nurse bank" generally refers to a system whereby you offer people part-time employment but they are not assigned to a specific ward. They will come to a central point each day, or when they are working their shift—they might work a couple of shifts a week, or whatever they want to work—and they will then be assigned to a unit or ward where there is a shortfall for that shift. It enables you to give people permanent employment. Some people really like bank work, because they like to have a variety in the wards and areas in which they work, so it gives you the opportunity to provide that option. Also, it means you have a pool of people in your organisation that you know are going to be there, who you can then redeploy to relevant areas, rather than moving people from their home ward.

CHAIR: Within the one location?

Ms THOMS: Within the one location, yes. It is almost a tiered strategy: agency is your last resort, then you have your casuals, who are not actually employees but perhaps work for you quite a lot, then there is a bank, then you have your part-timers and full-timers.

CHAIR: Recommendation 9 refers to systems for managing the performance of individual agency nurses. You said that agency staff are your last resort. The recommendation was in response to the problem of some hospitals not having effective systems to gather and review feedback from ward managers on the performance of individual nurses from agencies and employed casually. What is New South Wales Health doing to gather and review feedback from ward managers on the performance of individual nurses from agencies and employed casually?

Ms THOMS: That continues to be a difficulty. Certainly at local levels they have in place some processes whereby, if they are concerned about an individual agency nurse's performance, some of them have a centralised process and some of them are more decentralised and report to whoever organises their agency staff, in the main. Then it should be, and in most cases is, reported through to the agency. The continuing challenge at the moment is: If there is a problem with a nurse at hospital A, how do we let hospital B know that we have concerns? It might only be one shift. Sometimes it is difficult to truly assess someone's performance in one shift. Ideally, you would see them across a range of shifts. One of the difficulties at the moment is that they can move from hospital to hospital, and pooling

that information together to get a true picture of a person's performance continues to be something that we are grappling with.

Mr DIXON: One of the strategies we are looking at to help us overcome that is implementing a new, integrated human resource information system, which will allow us to deliver some multidimensional reporting. That will include a unique employee identifier. All our agency staff will become members of our payroll, and with that unique identifier we will be able to track their attendance, conduct and performance throughout the system.

CHAIR: In that way, you would be able to manage poor performance, if it occurred?

Mr DIXON: Yes.

CHAIR: If someone does not like the person and they say, "Don't ever get them again", they will go to the next hospital—

Ms THOMS: Yes. And that is one of the difficulties at the moment. There is also the problem of differentiating between someone did not like them and someone is not actually up to scratch.

CHAIR: And if it is agency staff, you are less inclined to manage poor performance; you simply do not give them the job back?

Ms THOMS: That is right.

CHAIR: In general terms, who is responsible for this monitoring of the recommendations? Do all area health services know of the release of the performance report? Does the CEO asked for updates? We are now 12 months on. Was it a case of quickly responding to the report? Particularly with regard to the services that are ongoing like the workforce tool, how can we be assured that you will continue to respond to the recommendations?

Ms THOMS: I think corporate governance and records management has the overarching monitoring of all these sorts of reports. David has responsibility for some recommendations, and I have more responsibility for others. I work through the area directors of nursing. Those recommendations have gone out to all the area health services and we have requested them to report to us on what they have done about various ones, and it is an ongoing process, particularly concerning the ones that are somewhat more challenging.

Ms JODI McKAY: May I ask whether you found the Auditor-General's performance audit beneficial, in terms of someone else coming in and looking at your processes and systems?

Ms THOMS: I think it is beneficial to have someone come in and look at your processes. I think one of the challenges around health, and one of the difficulties someone like myself can have at times, is that I have such an integral knowledge of what I am talking about that it can sometimes be difficult to explain that to someone who does not work in health—the same as I probably would have trouble understanding engineering. I found that the audit team, Jane and her people, were very good. We had many lengthy conversations

trying to explain and assist them to understand what we meant when we said certain things and how we went about certain activities.

CHAIR: They took the time to do that?

Ms THOMS: Yes, they did. They spent considerable time with us. It is always good to have someone come in. There are things that an external person sees that you just do not see on a day-to-day basis sometimes, so that is always useful.

CHAIR: Your dealings with them were professional and courteous?

Ms THOMS: Yes.

CHAIR: And the process was worthwhile overall?

Ms THOMS: Yes, overall.

CHAIR: You obviously have issues with recommendation 6 about the monitoring of bed closures.

Ms THOMS: We had discussions with officers at that time and had some concerns about the levels of evidence that were used to arrive at that conclusion.

Ms JODI McKAY: Do you have any criticisms of the process?

Ms THOMS: No, not of the process.

Ms JODI McKAY: Of anything?

Ms THOMS: Sometimes the levels of evidence. I know that one of the levels of evidence around the shortage was minutes of a meeting or something, and we investigated what led to that being there. There had been an outbreak of a gastro bug. When that happens, that does cause significant problems for everybody, including patients. But it is a rare occasion; it is not a common occurrence. Overall we were happy.

CHAIR: Do you want to make a closing statement?

Ms THOMS: No.

Mr ACHTERSTRAAT: We commend New South Wales Health for their approach and the progress they have made. We particularly commend the professionalism of the front-line staff we met in the course of the audit. It is fair to say that we are discussing here recommendations at the margin. The basic thrust of the report is agreed to. The area where there is a slight difference is in the reporting mechanism and what should be reported. Our view is, for example, if we want to persuade the Commonwealth to have more nursing spots at universities, more CSP spots, we need data, either data of shortages or data of consequences, to be able to achieve those things. In summary, we are very pleased with the cooperation we had and the professional approach and we can see runs on the board. There is one small area where we had to agree to disagree, and that will always happen.

CHAIR: Having said that, you have committed to getting back to us on some alternative proposals?

Ms THOMS: Yes.

CHAIR: Thank you for your time today; we very much appreciate it.

(The witnesses withdrew.)

(Short adjournment)

STEPHEN EDWARD O'CONNOR, Acting Chief Executive Officer, Legal Aid New South Wales, 323 Castlereagh Street, Sydney, and

SEAN MICHAEL CRUMLIN, Director, Performance Audit, Audit Office of New South Wales, 1 Margaret Street, sworn and examined:

PETER CHARLES ACHTERSTRAAT, Auditor-General, Audit Office of New South Wales, 1 Margaret Street, Sydney, on former oath:

CHAIR: I welcome you and thank you for appearing today to provide evidence on the Public Accounts Committee's examination of the response to the Auditor-General's report on distributing legal aid in New South Wales. The Public Accounts Committee is a bipartisan committee comprising members of the Legislative Assembly that reports directly to the Parliament. Would you please tell the Committee in which capacity you are appearing today?

Mr O'CONNOR: I am appearing in the capacity of Acting Chief Executive Officer, Legal Aid New South Wales.

Mr CRUMLIN: I am appearing in the capacity of Director, Performance Audit, Audit Office of New South Wales.

Mr ACHTERSTRAAT: I appear in my capacity as Auditor-General.

CHAIR: I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901. I would invite Legal Aid New South Wales and then the Auditor-General to make a brief opening statement. The Committee will then ask questions. If witnesses wish to raise issues for discussion, I ask that you direct your comments through the Committee and not directly respond to each other. Mr O'Connor, would you like to make an opening statement?

Mr O'CONNOR: I am pleased to note that the report is largely positive about Legal Aid New South Wales and that we are performing well in delivering legal aid services. The Audit Office makes a number of recommendations, 15 in all, of which we have accepted 7, rejected 6 and are considering the remaining 2. The question is whether we would have got to these recommendations ourselves by our own means or whether we were taken there more quickly by the Audit Office. That is an issue we could all debate. It has been very useful for Legal Aid New South Wales to focus our minds on our business and where we should head. We are very thankful for the suggestions of the Audit Office and the participation of the Audit Office in the review.

CHAIR: Would you like to table a document?

Mr O'CONNOR: Yes, I have an updated response to the recommendations dated yesterday. I have a number of copies for the Committee members and the representatives of the Audit Office.

CHAIR: Thank you for providing that document. Mr Achterstraat, would you like to make an opening statement?

Mr ACHTERSTRAAT: Yes, thank you, Mr Chair. Mr Chair, members of the Public Accounts Committee, I welcome this opportunity to support the Committee's inquiry into our performance audit relating to the distributing of legal aid in New South Wales. It is important at the outset that I provide some context for the audit recommendations, which are the focus of your inquiry. The overall conclusion of the audit was that Legal Aid is performing well in delivering its services. We found that Legal Aid had maintained and expanded its services, despite funding pressures and increased demand. Accordingly, the emphasis of the audit's recommendations was to provide the Legal Aid Commission with goals that extended and improved their current activities. We are pleased to note that recent advice from the Legal Aid Commission indicates that progress is being made with most of the recommendations. These actions are consistent with advice we received at the conclusion of the audit in late 2006. We should point out that we have not gone back and verified this progress.

Of the audit's 15 recommendations, as Mr O'Connor indicated, Legal Aid at the time of the audit accepted seven, had two under consideration and rejected six. We note that Legal Aid is taking action that, in our view, addresses the intent of two of the rejected recommendations. The first of these related to measuring and reporting gaps between available resources and demand for its services. The second related to making a statement about addressing the unmet demand identified in the 2003 review of civil law services.

The other four rejected recommendations were stretch goals intended to encourage the adoption of best practice over time. The recommendations related to reporting on the number of services delivered against targets, engaging peers to review operations, reporting on the time taken to process cases and revising appeal panel processes. We remain convinced of the worth of these recommendations. However, we also recognise there could be operational circumstances impeding their implementation.

CHAIR: I should also note before we move to questions, Mr O'Connor, the Committee will at a later time, as we have done with your existing response to the recommendations, publish your updated responses on our website. Could you draw our attention to any particular or significant changes that you have provided in your submission that we have on our version from January?

Mr O'CONNOR: That I am not too mindful of. It has been a work in progress.

CHAIR: Do you know if you have changed any of your recommendations or whether you have accepted or rejected any?

Mr O'CONNOR: No, we have not changed, accepted or rejected any of the recommendations, but there has been some movement to probably an agreed position where we are taking our business. I can go through that in my responses.

Mr NINOS KHOSHABA: I refer to recommendation No. 3—consider conducting periodic whole of commission access and equity reviews of its existing services—and I note the document you just tabled says that it is under investigation. I have a two-part question, and part one might be already answered as part of what you have tabled, but what is the commission doing to explore the viability of conducting access and equity audits? Part two:

What information does the commission have about any problems regarding the accessibility of its services in the absence of such an audit?

Mr O'CONNOR: We have appointed an access and equity officer who is addressing those very issues in legal aid. We co-chair a disability committee with the Attorney General's Department, which looks at client access to our services, both physical and the service is generally. So, it is an area that we are alive to; it is an area that we also are addressing in the physical construction of our sites, and it is something that spills into our general client base. Disadvantaged people often have access and equity issues in any event, so it is a general theme in the way we engage with clients. But, as I said, we have an access and equity officer now and I think this will be something we are proceeding through. Can you just refer me to the page for recommendation 3?

Mr NINOS KHOSHABA: Page 24.

Mr O'CONNOR: As I say in the response, we are also considering the viability of conducting access and equity audits and that will come under the province of that position I referred to. This is on page two of the document I have just tabled.

Ms JODI McKAY: Has that position been created as a result of the recommendation?

Mr O'CONNOR: That position has been in place for about four years, but this review and other programs that we have in place is focusing the mind on developing those audits and developing a better approach to the client base in the community at large. As I said, we are now looking at the physical issues of our sites.

CHAIR: What are your concerns?

Mr O'CONNOR: With the physical issues of our sites or generally?

CHAIR: Generally about access and equity reviews.

Mr O'CONNOR: That is something we are going through and just addressing in the needs of our clients. As we say, an audit will be something that directly focuses our attention on what are the issues. But generally we are aware that there are issues with accessing our services. We are looking at it. If there is a physical disability we have got key learning that we are introducing, and that is mentioned in the responses. That will be on our website; members of the public can access our site, if they have that capacity without difficulty, to approach us to see whether certain programs are available to meet their legal needs. We have got toolkits, which we can address later, which are available at community legal centres and generally. So we are looking generally in the broad range of services we provide to the broad range of disadvantaged people that we provide those services to.

CHAIR: You count how many people get access to your service. Do you count how many people are missing out?

Mr O'CONNOR: We are looking at a needs survey. National Legal Aid, which is the overarching body for legal aid commissions around Australia, has engaged the Law and Justice Foundation of New South Wales to do a survey of unmet need in the community. This

will be the first time nationally that we will have some scientific indication of unmet legal need in the community and the nature and geographic location of that need. That report will be available in its indicative form at the end of this calendar year and the final report will be available at the end of 2009.

CHAIR: If one compares the recommendation on page 22 with the recommendation on page 24, it looks like more of a flow on. You are happy to accept the recommendation on page 24 but only to consider the one on page 22. I do not understand why there is such a difference. You have a recommendation that you should consider conducting reviews on access and equity.

Mr O'CONNOR: I have committed to the fact that we will consider doing those audits.

CHAIR: Okay. So you have committed to considering it.

Mr O'CONNOR: Yes. And the position that I have identified is charged with coming up with a recommendation or a business paper that we can take forward.

Ms JODI McKAY: In terms of the viability?

Mr O'CONNOR: Yes. Is that the best way to do it or is there some other way to do it through our program work?

Ms JODI McKAY: And how often it would be required?

Mr O'CONNOR: The structure of it, yes.

Mr NINOS KHOSHABA: Originally you said that you appointed—

Mr O'CONNOR: An access and equity officer.

Mr NINOS KHOSHABA: Later on you said that that person has been in that position for four years.

Mr O'CONNOR: I think it has been in place for about four years.

Mr NINOS KHOSHABA: You have given him or her extra duties?

Mr O'CONNOR: Yes, we have given her the extra duty of looking at the broad range of equity and access issues as well as the report's recommendations.

Mr JOHN TURNER: You rejected recommendation six—that is, the setting of service targets. Your original submission has a reason, which you have expanded in the submission just tabled. In the absence of setting targets, how are decisions made to allocate resources? In the absence of targets, how does the commission gauge its performance providing legal services where they are most needed? In view of the Law and Justice Foundation's looking at unmet legal needs, would that inquiry not fold into recommendation six? You are having an inquiry, which I assume you are partaking in, but you have rejected the Auditor-General's recommendation.

Mr O'CONNOR: The question for us is setting targets. We are not sure what is the need to meet. That is why we have said that that is rejected. However, we do set ourselves goals and we know what we actually provide by way of services on an annual basis. We compare ourselves three yearly to see that we are performing to a set level. Our annual report comments on that three-year cycle of service delivery. But we will be looking at the needs survey. Of course, that will inform so much of our business and will give us a benchmark of needs in the community. At the moment we are unaware of the need to service. We know what we are serving, so we can keep ourselves focused and have a performance measure. But, you are right that that needs analysis report will give us a quantifiable and scientific approach to delivering services and the level of services that we must meet within the client base we provide services for.

Mr JOHN TURNER: Are you agreeing that the Law and Justice Foundation inquiry is the correct way to proceed?

Mr O'CONNOR: It may be; I will not pre-empt what it says.

Mr JOHN TURNER: But your commission is supporting it?

Mr O'CONNOR: We are supportive of it. We have commissioned it in conjunction with the other members of National Legal Aid.

Mr JOHN TURNER: But, by the same token, the Legal Aid Commission has rejected a program to assess performance targets.

Mr O'CONNOR: At this stage, yes.

Mr JOHN TURNER: Is it not a contradiction in terms? I presume that you are financially and morally supporting an inquiry but rejecting a recommendation of the Auditor-General.

Mr O'CONNOR: Nothing is fixed in stone; we will move our position according to the factors that come to up to be addressed. I am saying at the moment that because we do not know the level of need it would be difficult and somewhat meaningless to set a target. We have set ourselves targets compared to our performance against service delivery in past years. However, our mind is open in respect of the response that we get from the needs analysis. We may then start setting targets for service delivery in relation to specific types of clients, services and geographic locations.

CHAIR: Can you be more specific? How do you allocate budgets?

Mr O'CONNOR: We allocate budgets by way of what we are given by the Commonwealth and State governments and the Public Purpose Fund. We allocate budgets using our knowledge of services that we have traditionally provided and by using business cases put up to the executive that are therefore progressed to government or the Public Purpose Fund for enhanced funding.

CHAIR: So it is based on what you did last year and any new business cases?

Mr O'CONNOR: Exactly. The future is based on the needs analysis survey results, which hopefully will be a positive means for us to engage with our funders to provide funding to us to allow us to expand our services to meet what we see is a fairly substantial unmet legal need.

CHAIR: So, in rejecting a proposal to extend your reporting to include targets, what happens if the new review says you should set targets? Is it an ideological objection or practical objection?

Mr O'CONNOR: I am not saying that we will not move ground on this; I am saying that that is our current position. The outcome of that analysis might be that we see it is meaningful then to set targets; that is, that it is a good way for us to approach that need and a good way to engage with our funders to allow us to meet that need by way of expansion of our service provision or by way of providing funds to assign practitioners to undertake that work.

Mr ROBERT OAKESHOTT: Why not respond by saying it is under consideration? It sounds as though it is.

Mr O'CONNOR: This is probably a document marked in time. I am giving it more of a current approach than it should have at the moment. I am giving the commitment that we will look at it.

Mr JOHN TURNER: Do your funding providers not ask for targets and reports along the lines that the Auditor-General suggested?

Mr O'CONNOR: We provide to the Commonwealth Government reports on our service delivery compared to past years. We are reporting against past years not against targets at this stage.

Mr JOHN TURNER: So if the past year was a bad practice you are possibly passing it on as a precedent for the next year.

Mr O'CONNOR: At the moment that is what we have to measure against, but we are showing positive service delivery signs across our programs. We are showing that we are meeting needs in the community and expanding our services across various ranges of clients. We are not following past failure; we are progressing successfully. That is how we are reporting to government and funders at the moment.

Mr NINOS KHOSHABA: I assume you distribute funds to your offices on a needs basis. You might have some offices that are performing better than others. Is that not a concern for you and the Legal Aid Commission?

Mr O'CONNOR: The way we have offices, our 22 locations in the State, has happened through a range of reasons. I could not even tell you why we have opened up at certain locations. Some offices perform better than others but you have to interrogate why that is the case. Some offices perform much better because there is a more stable and successful client base so the numbers turn around more quickly. In other locations you have to do what we call outreach. You have to go some distance into remote and regional New South Wales to reach those. Some clients are more difficult to service because of their innate

disadvantage. It is not easy to respond to. So, it is hard to compare offices to offices but we are very rigorous in the way we demand service delivery and the way we seek that our prospective areas account for their business.

There has been reference in the report, and in the responses, to our business, our technological business structures. We brought in a new case management system or case tracking system, which is going to allow us to report better against service delivery and performance measures and performance indicators, and we have a new grants management system, which is coming in to replace an archaic system which has been around for maybe 10 or 15 years.

CHAIR: Besides the physical, what are the difficulties in estimating the demand for legal aid services?

Mr O'CONNOR: The demand for legal aid services is only known by people who come forward or are brought forward. A lot of people—and this is the early signs I am hearing from the Law and Justice Foundation—in the community do not deal with their legal problems. The elderly, the homeless and Aboriginal people do not deal with their problems at all. So, we are not seeing them, we are not addressing their needs. So we are looking at trying to understand what is the unmet need and then to develop systems to engage with those clients to better know what their needs are and service those needs through innovative approaches by looking at connecting to health services. When people come to health they normally come with not just a health problem but they have other problems, legal problems, as well, and education again. So, once we know what the unmet need is, we are looking at providing a better approach to engage with those persons.

CHAIR: So you want to know what the unmet need is, and you want to engage with it, but you do not want to report it?

Mr O'CONNOR: I am saying, yes, once we know what the unmet need is—

CHAIR: You would then report it?

Mr O'CONNOR: Yes. Once we know what it is, once we know where it is, and the form of it, we then have the imperative to set up business systems to engage with those members of the public to understand why they are not coming forward with their legal problems or why they are not being serviced if they seek to come forward with those legal problems, and to have programs that are accessible and effective and to report against those, yes.

CHAIR: But at the moment you do not know what it is like, but you are working towards it?

Mr O'CONNOR: No-one knows what it is at the moment. We are meeting people coming through the door or people in the cells or people that we seek out in outreach services in regional New South Wales or that we deal with in partnership with the many people who provide services to disadvantaged people.

CHAIR: I might stop you there. Mr Auditor-General, if legal aid says no-one knows what the unmet need is, unmet demand, why do you have several recommendations saying that it should report it?

Mr ACHTERSTRAAT: Legal aid is an evolutionary concept to a certain extent. It is commendable that legal aid is saying we want to meet 100 per cent of demand. So, there are two issues. The first point is everyone wants to meet 100 per cent of demand but there is not a blank cheque, there is not a bottomless pit. So, good management practices are we need targets to help allocate our resources to demand. That is the concept we were discussing earlier about why do we suggest there needs to be targets, so we can allocate resources according to outcomes—not just measuring inputs but measuring outcomes.

The very question that was asked earlier about the access and equity audit, the Victorian Legal Aid Commission undertook an access and equity audit, quite a comprehensive one, and came up with recommendations that there was not a lot of community awareness of legal aid. That is a function of unmet demand because people do not necessarily know about it. So, it is not just unmet demand, it is unknown demand. So, our recommendations are to increase community awareness so people know about it, but also to try to quantify the unmet demand. If we do not do that, we might start with a bucket of money in July, keep trying to meet 100 per cent of demand that comes through the door, and by the time it comes to February or March there may be no money left. We need to be able to understand who is being rejected and who is not. The corollary is that come March there could be a lot of money left and we could have met more of the demand earlier.

So, on those two recommendations in relation to the targets, all good management practice says you need to have targets. You do not just keep running on a treadmill. You have to know where you are going. A sportsman does not just run around the oval, he knows what his personal best is. You have to have those targets. With the unmet demand we have to be in a position to be able to quantify that so we can work out where to put the allocated resources.

CHAIR: And to measure that do you count up the number of people arrested each year and compare that to how many receive legal aid if they are qualified, or do you do community surveys into awareness and accessibility or do you do client satisfaction surveys?

Mr ACHTERSTRAAT: All three, and that is the purpose of the report that has been commissioned and which legal aid is part of, to determine the best way to do that. I do not think we have got to the situation where—after recommendation 4 and others—I do not think we got into the detail of saying this is how you should measure unmet demand.

CHAIR: That is their job. Mr O'Connor, do you want to respond to any of that?

Mr O'CONNOR: I think I basically agree with what was just said. We have targets at the moment which are ensuring our service delivery is meeting our past provision of services in an uncertain climate. We are looking to the unmet need. We are never going to be able to provide services to everyone, and that is the way legal aid develops policies to provide services to the most needy. So, we have to measure that capacity to provide those services.

Mr ANTHONY ROBERTS: The commission has rejected a recommendation that it measure the time taken to process cases. How difficult would it be for the commission to measure and report the time taken to process cases? Taking into account the time taken to

clearly resolve many factors, would there be an intelligent analysis of such information that could be a useful management tool for the commission?

Mr O'CONNOR: What we said by way of rejecting measuring the time taken to process cases is that we are a downstream agency. The way cases are processed is something out of our control. The courts manage the business of case management in courts. In criminal matters we are subject to the police providing briefs of evidence. In indictable matters the Director of Public Prosecutions determines the charge and the matter being brought before the court for arraignment and having the cases starting.

In other proceedings, family and civil, it is the court and the other side, so we are saying it is difficult for us to measure and to report against processing times. But we acknowledge that in New South Wales the Productivity Commission has reported that in the justice system in New South Wales the productivity of caseload management is the best in Australia. We are supporting that by way of legal aid providing timely service provision and assisting the court in its disposal of cases. I make that point to the Committee.

CHAIR: That is not necessarily a judgement. Measuring and reporting the time taken does not say your agency is performing good or bad. It is just a fact.

Mr O'CONNOR: We are saying the court should be doing that. It is the manager of the case, not us. We are merely litigants before the court. We are saying if anyone should be measuring the processing times, it should be the court and the court should then be informing itself as to why there is a variation. Is it responsibility of available court space, too short case management or the parties themselves? We are not disagreeing. In the response I have given I am saying it is a matter for the court.

CHAIR: You say the time taken is not within your control and does not inform users of information about your efficiency or effectiveness. Mr Auditor-General, would you respond to that? Is this simply a case of asking them to measure something for measurement sake?

Mr ACHTERSTRAAT: No, not at all. We stand by our recommendation. Everything people do are subject to the exigencies of other factors. You can turn around and say, "It is in our control", but at the end of the day New South Wales needs to have figures on how long it takes to process cases and things like that. Unless you start measuring things you cannot have incentives for productivity. It may well be that there are other measures. If we drill down and say, "Some of this is not controllable by legal aid", there may be other measures that are controllable by legal aid and we will be open to hear those; the actual time that cases land on the legal aid officer's desk, or something.

We do appreciate that there are court delays and things like that which will impact, but we are suggesting that there needs to be a form of measure to help encourage productivity. As I said before, unless you measure something, you do not manage it; it just sits on the desk. It may well be that if these are measured, there may be incentives for legal aid to do all within its power to speed them up. I appreciate that some clients are tardy and that some people, for cultural reasons, do not want to go to court and they are a bit tardy. Maybe Legal Aid could look at some best practices in various parts of the country. They have 22 different offices and that they might look at which areas the time frames are the shortest and what are the best practices being implemented there, either by Legal Aid or the courts.

They are the sorts of things we would encourage Legal Aid to do because there must be different practices around the State.

CHAIR: Mr O'Connor, do you have anything further to add?

Mr O'CONNOR: The concern is the ability of us to control the time because of our position in the process. We are seeking speedy resolution of matters. We have been a catalyst for the introduction of criminal case conferencing, which is now a statutory pilot in indictable committals in Sydney and it is all about focusing the mind quicker on cases to have better results of clients and avoiding more costly outcomes for Legal Aid. I am not against that. I am saying we do have processes in place with our practice reviews on staff. We do look at processing of cases but to actually have asked, as the gatekeeper on court—

CHAIR: But you are not. I do not think the recommendation says that. It says for your own purposes. Has participating in the pilot proved to be difficult to collect this data or expensive to measure how long it takes, without saying that it is good or bad, but giving the average case costs in different forms of crime?

Mr O'CONNOR: We can keep the times. It is just another imposition on staff to provide the time, or we can automate it through our case management case tracking system.

CHAIR: So there is capacity to automate it through your case tracking system?

Mr O'CONNOR: I am sure there are time factors there. This something we are looking at in costing anyway, just the costs, which is another recommendation of the Audit Office. I have probably looked it from a global rather than a specific Legal Aid function, so if you say it is a micro not a macro issue, I can look at it from our point of view, but a lot of the outcomes will be not of our making; they will be the making of the court's availability to hear cases and of our opponent's capacity to progress the case quickly.

Mr ANTHONY ROBERTS: There are a number of rejections. You rejected some of our recommendations. What issue does the commission have with peers reviewing its operations?

Mr O'CONNOR: It is not an issue for the legal profession but in a way we will probably move to a form of peer review because we have commissioned a number of internal reviews of discrete functions in legal aid. There is the Children's Legal Service, Prisoners Legal Service, the protection role and a number of other roles and in a lot of those cases we have engaged an external person to do that review. When I was in the Director of Public Prosecutions I did a review of the criminal law practice of legal aid back in 2002 and we have used people within the commission with skills to do reviews as well.

Recently we had someone do the Aboriginal Medical Service civil outreach and civil law review itself so we are doing, in a form, peer review. National legal aid is also another means to engage in peer review with like-minded operations across Australia. Every two years there is a best practice conference held where the commissions come together and engage to try to find best practices to bring services to engaging the clients to addressing new approaches to the provision of legal aid. So I am saying probably, although not purely in response to peer review, but in a form we are doing those peer reviews.

Mr ANTHONY ROBERTS: Have those peer reviews been made public?

Mr O'CONNOR: They are not made public. They are presented to our board for approval and once the board approves them, the commission then sets up an implementation committee and then publishes the report internally. If there has been an external participant or external partner involved, we provide the report to them. Whether we put those on our Internet site, I am not sure. I do not think we actually do a media release or do a fanfare presentation. They may be on our Internet site.

Mr ANTHONY ROBERTS: There is a vast amount of public funds spent on your commission each year and, as the Auditor-General said, we are in a new era where there needs to be openness, transparency and a high level of accountability, particularly with the spending of those funds. As the Auditor-General said, unless you measure, you cannot really manage those. My concern is that there seems to be a lower level of transparency and accountability from the commission than other government agencies that have embraced what we are doing here about accountability. I do not know whether other members share this view, but I hold the view that you are not necessarily embracing many of the benefits that come out of this level of transparency and accountability, particularly the measuring of your performance.

Mr O'CONNOR: That is a question?

Mr ANTHONY ROBERTS: I can rephrase it as a question. It is a statement, but I am asking your opinion in respect to that.

Mr O'CONNOR: I feel that we are accountable. We report in our annual report our services. We provide services to the community, in partnership with other people, the legal profession, the community legal centres [CLCs], the Aboriginal Legal Service and community agencies. We are subject to internal reviews. Whether they should be made public, that is a point I will take on notice and consider. We are not about hiding our service delivery. We are proud of our service delivery. We are proud of meeting our community expectations as best we can. The Audit Office recognised our funding difficulties. They are a continuing strain on us and the Audit Office recognised that we are performing well. So I think we should publicise that. I do not disagree with openness. I do not think we are intentionally being closed in the accessibility of our outcomes. If there is a better means to respond to that, I am happy to hear from the Committee or take it on board and return to Legal Aid with that agenda.

CHAIR: Auditor-General, I have a question in relation to the peer review. The recommendation at page 42 considers the option of review of appeals by a member of a review panel rather than an appeals committee. The Legal Aid Commission says, without passing judgement on it, that the structure of the review committee is done by statute as opposed to policy, that it is defined in the Legal Aid Commission Act.

Mr ACHTERSTRAAT: I will turn to that in one second. You mentioned the peer reviews. I will cover that first and then I will come to recommendation 14, which you are talking about. As to peer reviews, it seems to me it might be just a question of terminology. We have suggested there be peer reviews and Legal Aid has said that it has rejected it. In practice, it looks like it has been accepted. Peer reviews are a fantastic management tool to learn better practice. They should not be seen as a threat to say, "We are not as good as

somebody else." A peer review says, "This is what you are doing. This is what can be done better." It is a management tool. Even though Legal Aid has rejected it in form, I think in practice it has actually accepted it. In relation to recommendation 14, which is also rejected by the Legal Aid Commission, it says it is determined by the Act.

We have been looking at Victoria and Queensland, where our recommendation comes from, that it be done by a member rather than by a panel. It seems to work well in Victoria and Queensland. I am not sure if that will require a change to the legislation or not. I will just have a look at our report. If New South Wales were to take up the option that is used in Victoria and Queensland, it would require amendment to the Legal Aid Act. That is covered in our report on page 41. We are suggesting it should be considered. It seems to work well in two other jurisdictions. The fact that the law may need to be changed is probably not a reason not to do it. If it needs to be done we could come to the Parliament and say that we think it should be done and the Parliament can decide whether to change the law or not.

CHAIR: What about Legal Aid's view that a single-member panel appeal process is less robust than a multimember appeal panel?

Mr ACHTERSTRAAT: Our view is not consistent with that. Our view is that the single one can be more speed boatish, if there is such a term.

CHAIR: Is that an accounting term?

Mr ACHTERSTRAAT: It is an auditing standard.

Mr NINOS KHOSHABA: Mr O'Connor, in relation to what the Auditor-General just said about Queensland and Victoria, have you had a chance to look at those systems yourself?

Mr O'CONNOR: I personally have not. As I have responded in the document I have tabled and as I have said, we prefer the current system. We see it as working well. It meets the New South Wales cultural approach to dealing with these issues. But life is full of changes and whatever washes up in Parliament we are happy to accept and work with. As I mentioned on the last page, page 6, the next flow-on recommendation, we are doing an internal review in any event of our Legal Aid review committee processes.

Mr NINOS KHOSHABA: From a management point of view, it would probably be in your best interests to review these procedures. You may then come back and change your opinion?

Mr O'CONNOR: I am open to that.

CHAIR: I want to ask a procedural question flowing on from that. What is the status of this document? Who is responsible for the recommendations that are under consideration or you will get back to because of the national review? Is this still a living document in your organisation?

Mr O'CONNOR: Yes, it is a living document in our organisation. Ultimately the CEO is responsible for that, with the executive team. We are looking at that and we have kept progressing our consideration of that document. I have tabled and updated a progress report.

CHAIR: What framework is that done through—an audit committee or a senior management team?

Mr O'CONNOR: A senior management team.

CHAIR: Does that work well?

Mr O'CONNOR: It does work well.

CHAIR: I will note this one because we are reviewing not only your responses to it, but also the role of the Auditor-General and whether the Audit Office has been effective, efficient and accountable. In your submission you note that you were not given much notice and that you had to spend a great deal of time educating the auditors about legal practices and so on. How much notice were you given? What do you think would be appropriate notice?

Mr O'CONNOR: I cannot recall the actual notice we were given. We accept that it was late notice and we accept that the Audit Office was caused to rejig its reviews, for reasons I cannot recall or was not told. I think this was an additional approach to the audit by way of time necessity. It needs to be addressed from the context of the business of the organisation and the breadth of the review. The Audit Office did a review of our core business, providing legal aid in New South Wales, our bread-and-butter stuff, our fundamental business. It was a big review. It is difficult for the Audit Office to get across all that. There is a lead-in time you need to inform and educate members of the Audit Office. They would not be conversant with every intricacy of our or other businesses. It depends on the nature of the audit, the breadth of the audit and the time that is required to give notice to the organisation to allow the organisation to provide time and individuals. This consumed most of our executive very quickly and it also consumed a number of key people to educate members of the Audit Office—I am not being critical; it is just a reality—in understanding our business so that they can be better able to conduct the review. They are all not specific timelines I can give you but they are factors to be taken into account in the way audits are done. As this audit did flow, it flowed well.

CHAIR: Did you find that your relations with the Audit Office were professional and courteous and they took the time to learn your organisation's culture?

Mr O'CONNOR: They were very professional and very courteous. I had the opportunity to also work with the Audit Office on the audit into homelessness in New South Wales, which I think followed within about six months of this audit being completed. Again, that was a very professional and I thought appropriate approach to conducting their business. That was a multiagency audit. We were a part of that; we were not the sole agency being reviewed. They are my comments in relation to what I suggest the Audit Office should do in the future. I am understanding of the fact that we were taken out of time priority.

CHAIR: Would you care to make a closing statement?

Mr O'CONNOR: No, thank you.

CHAIR: Mr Achterstraat?

Mr ACHTERSTRAAT: No, thank you.

CHAIR: Thank you for your time today. We very much appreciate it.

(Witnesses withdrew.)

(Luncheon adjournment)

CATHERINE ELLEN MACKSON, Principal Policy Analyst, Ministry for Police, and former Senior Programs Officer for Youth, Level 13, 201 Elizabeth Street, Sydney, and

MEGAN JANE WILSON, Executive Director, Conduct, Policy and Government Relations, Department of Juvenile Justice, Level 24, 477 Pitt Street, Sydney, affirmed and examined:

RODNEY JAMES SMITH, Former Commander of Policy Programs and former Corporate Spokesperson for Youth, Burwood Local Area Command, 24 Burley Street, Burwood,

DAVID JOHN OWENS, Deputy Commissioner, Field Operations, New South Wales Police Force, Level 15, 201 Elizabeth Street, Sydney, and

PETER JAMES MUIR, Acting Director General, New South Wales Department of Juvenile Justice, Level 24, 477 Pitt Street, Sydney, sworn and examined:

CHAIR: Welcome to the New South Wales Public Accounts Committee. We are a bipartisan committee of Parliament made up of members of the lower House. We have adopted a new regime of following up inquiries into 100 per cent of the Auditor-General's performance audits. Thank you for taking the time to appear before the Committee. We trust it will be of assistance to the State and we appreciate your frankness and attendance today. We note that Mr Achterstraat and Ms Tebbatt have already sworn an oath today in the proceedings.

Mr ANTHONY ROBERTS: I declare an interest as shadow Minister for Juvenile Justice.

CHAIR: That is noted. I thank the representatives of Juvenile Justice, New South Wales Police and the Auditor-General. Thank you for appearing today and providing evidence on the Public Accounts Committee's examination of the response to the Auditor-General's report on addressing the needs of young offenders. I draw your attention to the fact that your evidence is given under parliamentary privilege and you are protected from legal or administrative action that might otherwise result in relation to the information you provide. I should also point out that any deliberate misleading of the Committee may constitute a contempt of the Parliament and an offence under the Parliamentary Evidence Act 1901.

I will now invite Police first, then Juvenile Justice and then the Auditor-General to make a brief opening statement. The Committee will then ask questions. If witnesses wish to raise issues for discussion I ask you direct those comments through the Committee, as witnesses may not directly respond to each other.

Mr OWENS: Thank you for the opportunity to appear before you this afternoon to discuss the Auditor-General's report. The New South Wales Police Force, by virtue of a role as law enforcers, is generally the first service call to deal with offending behaviour and the community's young people. Given that we are the first service to be called, there is an expectation by the community that we will deal with that behaviour in a manner that will prevent further reoffending. As an organisation we would like to think that this was true.

Offending behaviour is a complex issue and is impacted upon by myriad factors, many of which are outside the control of an organisation such as the police. This is

acknowledged both within the report and by the broader community. The New South Wales Police Force accepts, however, that it has a major part to play in the management of young offenders and we take that responsibility very seriously. Long before the introduction of a Young Offenders Act in 1997 the New South Wales Police Force interacted with young people in a way that was designed to either prevent them from becoming offenders or to stop their offending behaviours. Many of these interactions, such as taking kids down to the local police boys club for boxing, were effective in achieving their outcomes. The results, however, were never measured.

With the introduction of the Young Offenders Act what were once informal and unrecorded processes, such as warnings and cautions, now became measurable outcomes designed to divert children and young people from the criminal justice system where possible. Research at the time promulgated diversion as an excellent means by which to reduce the risk of reoffending. Research recently conducted on behalf of the New South Wales Police Force reinforces this position. Whilst we accept that exercising our functions under the Young Offenders Act will have a positive impact upon the rates of young people reoffending, that is not the only set of factors that need to be addressed. Other significant factors such as health, hygiene and safety within the home are just as important in providing an opportunity for children and young people to either avoid criminal activity altogether or eliminate offending behaviours. Children from dysfunctional families are at significant risk of developing offending behaviours.

Outside of our formal obligations, the New South Wales Police Force is involved with children and young people who are either at risk of offending or actually offending in other programs. Some of these programs have been developed by the police themselves and some have been developed in consultation with the community. I have a number of programs, which I will not go through.

The only other thing I would highlight is we have done an amended response to the recommendations of the performance audit. Some of those we have highlighted in red, which are the changes we have made on going through it; some of them were simply standard operating procedures versus guidelines and the difference in those, and that is why originally it came through as the status was incomplete or delayed. However, they were, in fact, already in process and already being put through. The difference is the commissioner signs off on standard operating procedures; the corporate spokesperson for young persons can sign off on the checklist and also on the guidelines, and that is in fact what has happened to speed up that process.

CHAIR: Thank you. Do you wish to table that new document as part of your submission?

Mr OWENS: Yes.

CHAIR: We will publish it in a similar fashion as we did the previous submission.

Mr MUIR: I do not wish to make an opening statement to allow maximum time for questions.

Mr ACHTERSTRAAT: Mr Chairman and members of the Public Accounts Committee, I welcome this opportunity to support the committee's inquiry into our

performance audit report on addressing the needs of young offenders. I will give the committee some context to the report's recommendations, which were developed after lengthy consultations with both the Department of Juvenile Justice and the New South Wales Police Force.

There are many factors in a young person's life that may lead them to commit an offence. As the Deputy Commissioner has indicated, these may include family dysfunction, antisocial attitudes, mental health issues and drug and alcohol abuse. We recognise that the Department of Juvenile Justice and the New South Wales Police Force manage some of the most socially disadvantaged and troublesome young people in New South Wales. Ideally, agencies in the youth justice system need to identify and address a young offender's needs to prevent reoffending and to break the juvenile crime cycle.

Overall, we found that the Department of Juvenile Justice and the New South Wales Police Force work together, and with other agencies they do help young offenders. This is done particularly well for offenders who end up in detention and under community supervision orders. We made a series of recommendations designed to improve outcomes for young offenders who participate in youth justice conferences and who receive police cautions. That is the difference between those who go to the court system and those in the caution system.

The Department of Juvenile Justice at the time of the report indicated that it accepted all of the report's recommendations and the Police Force accepted all but one recommendation. The police at the time did not agree to report on trends in reoffending, rather leaving this responsibility to another agencies in the Justice portfolio. It is important to note that we have not gone back since the audit to assess the agencies' progress. However, I am encouraged that each of the agencies has embraced the intent of the recommendations and have indicated that progress is being made in meeting these challenges.

CHAIR: Thank you. The Committee is encouraged that most of the recommendations were accepted. It is one thing to say you have accepted them; the committee wants to find out what has been done. We will also have some discussions about recommendations in relation to the report on trends and the proportion of young offenders you have continued to reject and why.

Mr ANTHONY ROBERTS: I refer to recommendation 8 of the Auditor-General's Report, addressing cross-agency issues. The audit highlighted the importance of facilitating cross-agency information sharing as a means of ensuring that offenders are dealt with through an integrated approach. This seems to be achieved through a range of agreements between the department and other government agencies and the then recently established Cross-agency Management of Young Offenders Senior Officers' Group. Could you please provide details of the membership of that group and the frequency of its meetings?

Mr MUIR: The senior officers' group was managed by my predecessor. Ms Wilson has certainly had more carriage of that, and I will ask her to answer the question about the composition. The process in relation to the group was to look at how particularly human services and other justice agencies were dealing with juvenile offenders on a range of issues. The department's approach of late has been the development of a compact in relation to juvenile offenders.

The department put to the group the concept of developing agreements with individual agencies to deal with some of the highest-risk offenders. Thus far, a paper has been developed on the compact and it has been presented to the senior officers' group and to the chief executives' committees of the justice and human services sectors. That paper canvasses a range of cross-management issues for these young people. As a result, I will be meeting with each chief executive to finalise that compact to ensure that we get specific agreements on how we will manage them. I will ask Mr Wilson to talk specifically about the committee process to answer the member's question directly.

Ms WILSON: The original Cross-agency Management of Young Offenders Senior Officers' Group comprised members of all the major human services and justice agencies: the Department of Housing; the Department of Community Services; Police; Health; the Department of Disability, Ageing and Home Care; the Attorney General's Department; the Department of Aboriginal Affairs; and the Department of Corrective Services. That was the original group, but since the formation of the senior officers' group and with the introduction of the State Plan, the human services and the justice cluster CEOs' group have been amalgamated and redefined. We have been working through that group, which has a representative of every major agency. Rather than having a duplication, we have been working through the human services and justice CEOs' group. There is a corresponding supporting senior officers' group under that.

As Mr Muir has said, we have met on several occasions and had rigorous discussion and debate about how we might progress the juvenile compact and the issues we would like to cover, which are specifically around agency, cross-agency and multi-agency management of juvenile offenders and the specific issues that address offending behaviour. We are also working closely with the Department of Corrective Services, which is very keen to promote better cross-agency management of offenders generally as part of our strategy under the State Plan. So, between the two agencies, we are working through those groups. The next step—now that we have had consultation at officer and to an extent at the CEOs' level—is to start bedding down some of those strategies at the CEO level.

Mr ANTHONY ROBERTS: Can you inform the committee about the frequency and number of those meetings?

Ms WILSON: The senior officers' group and the CEOs' group meet quarterly. This has been on the agenda for the past 12 months.

Mr ANTHONY ROBERTS: Has the senior officers' group resulted in any improvement in access to services and exchange of information between your department, the New South Wales Police Force and other agencies?

Mr MUIR: There has been some progress on information exchange. The commissioner and I have recently signed an agreement on the level of information that we exchange in relation to youth justice conferences. This is the first time there has been a concrete agreement between the agencies. The commissioner and I have agreed about the level of information and what information will be exchanged. That agreement has been entered into.

CHAIR: Did that result in more or less?

Mr MUIR: It is consistent; we are getting a consistent level of information in relation to every youth justice conference. So we know what we are getting from the police and the police do not have to waste their time giving us superfluous information. There has been a fairly extensive consultation process between the agencies as to what level of information we think we need to run conferences effectively that will not overly burden frontline police officers in the performance of their duties. We have had some progress on that information exchange with police.

We have also had some fairly high-level meetings with the Department of Community Services on looking at dealing with some of the most challenging young people. Those meetings have included us, Ageing, Disability and Home Care, Police, Justice, Health and the Department of Education and Training, and that program has specifically been targeting some of the highest needs young people in the State, those who have a multiagency impact and typically are falling under the care and protection of the director general of DOCS. So, we have established operational procedures. We are in the final stages of agreement on that before there is chief executive sign off of that project, and that will ensure there is information exchange around those particular individuals. I think some of the broader issues of information exchange are also being well canvassed by Justice Wood in his work and I think some of the issues that will come out of Justice Wood's inquiry will be instructive across a range of areas in government.

Ms MACKSON: The amendments to the Children's (Criminal Proceedings) Act are still before Parliament. Amendments to the Young Offenders Act have begun the process of being drafted. Many of those amendments are as a result of consultations between the New South Wales Police Force and the Department of Juvenile Justice, and the implementation of those will be an ongoing process of sharing information and finalising how the impact of those changes will best be managed operationally. So, there are still a number of things happening coming out of those two major pieces of legislation which have rather significant amendments in addressing some of those issues.

Mr ANTHONY ROBERTS: With respect to recommendation 12 of the Auditor-Generals report, something that concerns me, and it has been mentioned a number of times in our hearing today by the Auditor-General and it is something I believe in, is that in order to manage well you need to measure. The performance audit recommended that the department make data on juvenile reoffending rates available to the public. The department stated this was being achieved through State Plan reporting and the results and services plan. The associated priority in the New South Wales State Plan contains only aggregate data on the rate of reoffending among juveniles. Are these data broken down into separate young offender groups as recommended by the Audit Office?

Mr MUIR: Yes, the department has through its results and services plan a range of measures in place to measure reoffending from the department's services. This data are provided in our results and services plan.

Mr ANTHONY ROBERTS: So it is broken down into separate young offender groups as recommended by the Audit Office?

Mr MUIR: Yes.

Mr ANTHONY ROBERTS: Are this data published elsewhere, for example in the department's annual report?

Mr MUIR: No. The data are not published in the department's annual report. Members of the Committee may not be aware that I was only recently appointed to this position. So, I am not in a position to look at past annual reports but certainly I am prepared to look at the department's forthcoming annual report, and this data and the Auditor-General's recommendation.

CHAIR: So you are unaware of the reasons why this decision was not taken previously?

Mr MUIR: Yes, but certainly we are willing to look at this issue for the forthcoming annual report. The data are collected by the department and in our results and services plan. We are looking at our forthcoming annual report.

CHAIR: Does the Auditor-General wish to respond?

Mr ACHTERSTRAAT: Yes, to both of those. First of all, in relation to the cross-agency senior officer group, our experience has often been that where one agency is responsible for delivering an outcome it can be delivered reasonably effectively and efficiently because it is in complete control. Where an outcome is subject to a number of agencies it becomes a little bit more difficult. In relation to building a road or having a school, we know who is responsible but in relation to who is responsible to stop a young person reoffending, as the Department of Juvenile Justice has indicated, a range of agencies can all add their bit. That is why it is so crucial that there be a cross-agency working party, and we are encouraged that the group has been established. It seems to me there has been a lot of research, a lot of work and a lot of papers, and we will be looking forward to the next 12 months for the runs on the board. That is the first point. The second point in relation to the data, we are encouraged to hear that they will be now published and broken down into the three category groups rather than just the aggregate.

CHAIR: What about the issues with the criminal processing? It does not affect your changes to the Young Offenders Act that Ms Mackson was talking about?

Mr ACHTERSTRAAT: That is consistent with our recommendation.

Ms JODI McKAY: Can I turn your attention to recommendation 4? This is in regard to the implementation of a checklist to identify the needs of each child offender and their risks of reoffending being low, moderate or high. It is on page 22 of the performance audit. In this submission to the Committee the Police Force has indicated that progress has been delayed on that?

Mr OWENS: That is correct. Our original report that went in said it had been delayed. The amended report is that it has been implemented.

Ms JODI McKAY: It has been implemented?

Mr OWENS: Yes, it has. As I said, it was over SOPs versus guidelines and a checklist versus guidelines. With SOPs, standard operating procedures, the commissioner

must sign off on those, which means they must be followed rigidly to the letter of the law, whereas we believe with the Audit Office, what its requirement is, as shown in our research and by the Audit Office, our experienced youth liaison officers are very good through experience and gut instinct in knowing mid to high risk reoffenders. The checklist or guidelines was to be used by new YLOs that were coming through, who would be given a mentor and through the use of the guidelines, plus the mentor, they too would become experienced on what to look for. That is why we were to have them signed off by the commissioner. However, to implement them the draft SOPs were sent through the YLO conference in December 2007. We asked for feedback. The feedback was given and we have since circulated those documents and they are now in use and the data are being captured on our COPS system.

CHAIR: COPS, I presume, is a computer?

Mr OWENS: Yes, I am sorry, a police computer system, yes.

Mr ROBERT OAKESHOTT: And Juvenile Justice does not have access to COPS, does it?

Mr OWENS: No, it does not. Not for that data, no.

Ms JODI McKAY: I can go to recommendation 5. Have you changed this one as well? Has there been an update on recommendation 5?

Mr SMITH: Once we introduced the checklist and the guidelines, part of the guidelines were that the risk rating would be recorded in the COPS outcome field. That has now been done. One follows the other.

Mr JOHN TURNER: Mine is recommendation 7, and I note from the red lettering in your latest submission it appears that is now underway. You said in your response to the Audit Office in relation to that matter that the capacity for YLOs, youth liaison officers, to follow up where they receive feedback from agencies is dependent on their privacy arrangements. Have any obstacles been encountered thus far in that regard?

Mr SMITH: The feedback I had when I was in charge of youth in policy and programs and also as the corporate spokesperson for youth, was that we had not had any obstacles or difficulties in following up with service providers what the outcomes were.

Mr JOHN TURNER: For instance, I know from my constituency work that the Department of Housing has a very strict privacy code which I am not sure assists their clientele, but that is another matter. You do not encounter that at all in relation to dealing with these other agencies with the youth liaison officer following up?

Ms MACKSON: I will respond to that. One of the chief challenges for all police, but particularly youth liaison officers [YLOs] is to provide service providers with a rationale for a young person to approach them. Most young are quite happy to admit that they are in trouble with police but they struggle to admit to whatever problem they might have that meets those criteria, whether it is the Department of Housing or whatever sort of service provision. The role that the YLO has is to help the young person identify the risk factor that

is leading to their offending behaviour that would then enable them to seek the sort of support that a service provider might give, whether it is accommodation or whatever.

The issue is partly privacy but it is partly that most service providers have a strict criteria because that is their funding requirement, and we understand that, but it is not always easy, particularly in a police caution, which may only run for a very short amount of time, to get a young person to acknowledge what is causing them to offend; these are the problems. It is walking a very balanced tightrope in terms of a young person being able to say, "This is what I need help with" and then getting a service provider to take that on, when often being in trouble with police is one of the exclusion criteria or bits of information that they will not provide any feedback on to police because it is about a legal issue. We are very supportive of service providers needing to be careful about legal issues and not trying to get over that, but it is getting that balance right to make sure that the kids get what they need and the service providers are meeting their own standards.

Mr JOHN TURNER: So basically you are knocking on brick walls at this stage?

Ms MACKSON: It is not brick walls, but there are certain fences that need climbing over and some service providers are very on-side with helping us do it. Others find that their own requirements, despite their personal desire to help, just make it very difficult.

Mr JOHN TURNER: Would this be a matter that could go forward to CAMSOG?

Ms MACKSON: It is certainly one of the issues that gets discussed in the broader service provision type agencies, particularly with the Department of Community Services, which funds many of the services we might use; those agencies that understand that offending behaviour should not be excluded from trying to provide help to these young kids.

Mr ROBERT OAKESHOTT: Silos of assistance in government often come up in the electorate work of members of Parliament. In a practical sense, if there is a young offender in, say, Forster, who has got a caution, can you walk me through the information sharing of government in providing assistance to that reoffender in trying to minimise that reoffender from reoffending again? The caution is on the system and the YLO has put it on COPS.

Ms MACKSON: Our first task is to encourage the young person to do the reaching out because voluntarily seeking service provision is the one thing that is sure to get some help for that young person, but also to make sure that they have what they need to be clear with those service providers about what is going on in their life, including if they are in trouble with the police.

Mr ROBERT OAKESHOTT: So the YLO talks to them one-on-one?

Ms MACKSON: Has a bit of a conversation with them, "I think you might want to ring this refuge rather than leaving here and going back out on the street."

Mr ROBERT OAKESHOTT: So they have a list of available government services?

Ms MACKSON: Yes, "What might you say to that refuge", because we cannot put words in their mouth so that they understand some of the negotiations.

Mr ROBERT OAKESHOTT: What about the back office? What is going on?

Ms MACKSON: We do not have a provision under the Act to apply conditions to the caution, so ringing a service provider and making it sound like the police are saying you have to go there is very close to applying a condition. What we tend to do is more make sure that the young person does—and give them the capacity to do that, which might mean using the telephone or helping them write out an application form, or any of those sorts of things.

Mr ROBERT OAKESHOTT: So who in the rest of government knows that someone has offended and someone has had a chat with a YLO?

Ms MACKSON: Immediately after the caution, nobody, unless we have reason to report that young person to the Department of Community Services as a young person at risk and their offending behaviour makes them at risk.

Mr ROBERT OAKESHOTT: Do you think that is an issue?

Mr MUIR: I will add just to assist members, because with respect to information sharing, there are some models that are developing that have not been touched on, if I may digress, and one of the models is the antisocial behaviour pilots that are extending around New South Wales. This fairly useful model probably addresses the member's concerns about how information gets across. In those particular cases some of those high-risk young people are identified to a group of senior members of each agency.

In each of those antisocial pilot areas, you will have police, ourselves, the Department of Community Services, Education and all of the human services agencies. The manner in which information is able to be shared in those pilots through Privacy Commission exemptions and they have probably been one of the more useful mechanisms. Getting to the heart of the question of how do you get away from the silos of information sharing blockages, we all face very real legislative constraints.

For example, my particular piece of legislation says that it is an offence for one of my staff to disclose certain pieces of information unless it is in connection with the administration of the Act. I am sure other agencies face similar legislative constraints, so even with the best of intent there are, at times, very real legislative blockages to the sharing of that information but the antisocial behaviour pilots have actually provided, in my view, a fairly useful model to eliminate some of those legislative constraints through Privacy Commission exemptions that allow the exchange of information between relative agencies.

Mr ROBERT OAKESHOTT: What I am trying to explore as people who effect legislation, do you see it as a good model that there are those provisions in regards to privacy or do you think it is an issue that legislators should be looking at in allowing that information flow between agencies to be freer so that you can all do your job better and reoffenders on the ground hopefully are less likely to reoffend? Is the law friend or foe in this situation?

Mr OWENS: If we step back about eight years when I was a local area commander, we used to do what one of the Committee members were saying, get Health, Education and DOCS and the police in a room together. It is called individual case management where you would separately identify what we called back then high-risk children. It was amazing when

you went back into each of our lists—we would give a list of say 5 or 10 and everybody else would give a list—how many of those 5 to 10 from each agency were the same 5 to 10 or from the same families. When you start going back and saying, "When did the information flow not start? When you go back and start looking at when they used to start throwing chairs at teachers, it was when the police used to start arriving on the door at home for domestic violence and when they used to start going to the hospital as a victim.

They are the triggers that the legislation needs to be able to exchange that information all the way back there because by the time it comes to us, it generally, whilst it might be the first caution or the first time we going to charge or conference, sometimes they have been in need of that help for a number of years and those triggers have been there in individual agencies—and without criticising any of the agencies, including my own—you have to have flags coming up. I think that is the way we have stepped with the antisocial stuff; flags start coming up all over the place and the agencies start looking at the flags saying, "Hang on, we got that same flag in that same family. We need to help the family" as opposed to not just the individual child. It might be mum and dad that we need to help because the flow-on effect goes downwards. I think that is how we have significantly stepped forward over those eight years.

Mr JOHN TURNER: This pilot that you are referring to, where is it? It sounds very good to me. Where are we up to with it and what can we expect to the future?

Mr OWENS: We are just about to start rolling them out. I sit on the crime prevention partnerships with the Attorney General's Department and Premier's and the police sit over the top of the steering committee. We have rolled out the crime prevention partnerships and the antisocial behaviour pilots are just about to roll out as well. We do have a list of where they are going. I do not have them on me but I certainly could supply the local areas where they are going in. I am happy to do that offline.

CHAIR: We can look at Tony Blair if we want to see some examples.

Mr OWENS: That is one model that was looked at. We did not go down that way. We stopped short at: Is it an offence if the order is breached or not. They make it an offence to breach the orders. We have not gone as far as that. We have stopped it there and said, no, it is not an offence. You just need to stay in the system and get some help.

Mr MUIR: Mr Chair, these are very good cross-agency case management committees, which bring fairly high-level commitment to these committees. They require for the case coordination committees quite senior people from an agency to be able to commit resources and they are coordinated through Premier's and Cabinet so that there has been a central imperative for agencies to come. My area managers who have participated in them think they have been a very positive initiative in terms of breaking down some of those silos and making sure the resources come to the sorts of cases that Mr Owens has identified.

Mr ROBERT OAKESHOTT: In those pilots, how are those questions of information sharing being handled? With regard to the online questions, is it a fairly open discussion?

Mr MUIR: As I said, the Privacy Commissioner has granted exemptions to the agencies with each of those pilots, so there is a specific written charter from the Privacy

Commissioner that enables departments to share information fairly freely. To answer the earlier question, I think Justice Wood will tease out some of the issues around the benefits and limitations of privacy. My own view is that there are times when people deserve some level of privacy.

If I look at the example of a one-off young offender who has committed an offence and police have issued a caution and it is their assessment that that young person will go on with life, in my view probably that young person should be afforded some level of anonymity to get on with their life. If, however, there are the sorts of things that the deputy commissioner has identified, where they are going to a family and it is well known, those flags need to come up probably at an earlier stage. That is where the sorts of pilots are occurring.

CHAIR: Will this happen with regard to second offenders, or are you talking about the flags going up, like bed wetters and fire starters?

Mr MUIR: They can go up at any stage. I think one of the beauties of this is its flexibility; it does not have to wait until someone is before a court, or even cautioned, before the involvement of the agencies.

Ms MACKSON: I think the rationale of the Young Offenders Act that young people are entitled to not have a criminal record and make one mistake and move on with their lives is a fairly significant principle. A recent report on the prohibition of children's names, which was tabled in Parliament recently, reinforced that idea that some young people are entitled to not have everything plastered all over the newspaper, or not have it impact on their future life. As the vast majority of young people who come for a police caution never reappear in police statistics ever again, not even for a warning or a truancy, I think those young people are entitled to their privacy. It is figuring out—which is I guess exactly what the Audit Office is trying to do—those kids with multiple risk factors who are going to reappear across the boundaries of all our agencies, that we need to think a bit differently about the whole privacy issue. But the report does try to go into some of those issues, and the Committee might like to seek that out.

Mr NINOS KHOSHABA: The final recommendation—that the New South Wales Police Force report on trends in reoffending for young offenders receiving cautions, both against the State Plan target and using the one and two-year follow-up periods—was rejected on the basis that suitable indicators were not available. Firstly, was the final recommendation rejected outright or is the New South Wales Police Force working towards its implementation, as suggested in the second paragraph, where it is stated that NSW Police will support the Department of Corrective Services to progress the development of appropriate indicators for the State Plan purposes? Secondly, in the event that NSW Police is unable to extract this data from its own systems, is anything preventing the New South Wales Police Force from obtaining this information from the New South Wales Bureau of Crime Statistics and Research for inclusion in the NSW Police annual report?

Mr SMITH: There are a couple of answers. First, yes, we are providing the ongoing support as Corrections is the lead agency under recommendation 2, which includes the development of appropriate measures. We are happy to continue with that. The New South Wales Bureau of Crime Statistics and Research [BOCSAR] has developed models for adult and juvenile re-offenders, defined as persons previously convicted in a court. BOSCAR is

examining the extent of the models to incorporate non-court sanctions at the moment, and BOSCAR's approach is to take a cohort of offenders in a given year and track their reappearance in the subsequent two to five-year period.

With regard to the rejection, the target of reducing reoffending by measures, a return to court, or youth conferencing, is irrelevant to cautioning, as the nature of the cautioning, as a diversion option, also addresses the nature of youth crime, an increase in caution numbers may not reflect an increase in crime or reoffending, merely an increase in diversions, which we would encourage. It is far more relevant to consider who has one or two cautions and significant risk factors and does not return, given that we now know that more than half the people who receive a caution will not return in any case.

The recommendation can be supported by the entire New South Wales Police Force meeting the State Plan targets. It has no bearing on the process described in the rest of the report. An attempt was made at the time to determine other indicators that may be used and reported upon in the annual report that will not be the same as those used in the State Plan, but we will provide some reporting of trends. We were looking for an attempt made at the time to determine other indicators that may be used and reported using some other reporting of trends. That would go back to BOSCAR figures, and they are currently working to incorporate non-court sanctions.

Mr NINOS KHOSHABA: Mr Chair, I would not mind hearing from the Auditor-General with regard to this recommendation.

CHAIR: You have rejected the recommendation because you think it is not relevant?

Mr SMITH: There are two things. The first is that it is not relevant. Secondly, we had a change of commissioner at about the same time as we had a change of annual report. Our present commissioner has said that he is not going to put additional reporting into our annual report that is not required by legislation. Given that this is not required by legislation, he is taking the stance at the present time not to include it in our annual report. We will assist the Department of Corrective Services in its reporting requirements under recommendation 2—

CHAIR: And you will do that through your internal management figures—?

Mr SMITH: Our internal processes and the conversations we have between our two agencies.

CHAIR: So there are two issues. First, you are not required by law to do this—both of those recommendations at page 38 basically?

Mr SMITH: I am sorry. With regard to the clarification in the annual report, our annual report, as with most annual reports, starts off fairly small and then it grows, and grows, and grows. What the present commissioner went back to say is that we did a concise, informative annual report, and therefore we will only report on what we, by legislation, must report on. However, having spoken to him today, if it is the view of the Committee or the Audit Office that this is something that is necessary to report on in our annual report, there is nothing to bar us or stop us from doing that. That was recommendation 15. We took the view that it is not legislation, and we are not going to report on it because it just kept growing.

However, if we receive a request to include it in our annual report, we are happy to do that; it is an exception to the rule that was taken.

CHAIR: What about item 16?

Mr OWENS: Recommendation 2, Corrections is the lead agency on that. Therefore, we will support their reporting against the State Plan with any figures, help or assistance they require. However, we do not plan to report separately on recommendation 2, as we are the lead in recommendations 1 and 3.

CHAIR: It is someone else's job?

Mr OWENS: Corrections is recommendation 2.

CHAIR: Would the Auditor-General like to respond?

Ms TEBBATT: It raises the same issue that we had with the Department of Juvenile Justice regarding the reporting on recommendation 2 under the State Plan. At the moment that is still an aggregate on reoffending rates. The idea of putting the recommendations to the agencies was to break that down into component parts so that we could actually see what was happening. We still stand by that recommendation. We would like to see it appear in the annual reports, unless the State Plan starts reporting it as a disaggregated result. It is very pleasing to see that the Department of Juvenile Justice is putting it in their annual report from now on. We listen to the concerns of the New South Wales Police Force about the size of the annual report, that it is a problem for agencies. However, the provision of information regarding performance in annual reports is critical for people to make judgements and have open debates about performance. We would like to see that as an important inclusion in the annual report, rather than maybe some of the other information that is currently included. We would stand by that recommendation at the moment because of the importance of disaggregation.

CHAIR: Are there any sections you could recommend they could drop?

Ms TEBBATT: No, I would not want to go there at the moment. The cohort study by the Bureau of Crime Statistics and Research [BOCSAR], we have heard something about that but it was not occurring at the time. I think there may be something interesting coming out of that which would be worthy of reporting. Instead of what we have suggested, it may be a better indicator. Either way, we would like to see something appearing in the annual report.

CHAIR: Mr Owens or Mr Smith, you suggested there are alternatives, better ways to report on this issue?

Mr SMITH: In terms of alternatives for our performance?

CHAIR: Yes.

Mr SMITH: At the present time we do not report on our performance about young people. We do it internally. We do it through a number of committees and groups. We do it through the Youth Issues Advisory Group. We have regular meetings in that respect. We have a look at our performance in relation to cautioning, meeting our obligations, and those

sorts of things, and also about the effects of the cautioning and the outcomes of some of our programs that we have put in place. But we have not reported them in the State Plan. I do not know that it was our intention to report them in the State Plan. However, that is probably one place they could put it on an annual basis.

CHAIR: Do you want to add anything, Mr Owens?

Mr OWENS: Simply that BOCSAR was not available at the time. We are changing all our figures because we have this difference every time we report between the BOCSAR figures and ours. We are now going towards cleansing the data as per BOCSAR, which is the Australian standard, so it is acceptable by everybody. That is why we baulked at it, whilst we change our procedures across. It is also about what we can actually capture on our police system at the moment, what it is designed to capture. Every time we want to capture something else we get, "Yes, we can do that but it will cost you X amount of dollars to go and do it."

CHAIR: And then retrain your staff?

Mr OWENS: It is pretty easy now with pop-up screens, data collection, statisticians and all that. It is just a matter of a cost in the system to upgrade it.

Ms JODI McKAY: I have a question for Juvenile Justice, in regard to the multi-systemic therapy [MST]. Obviously that is being implemented in Newcastle and Western Sydney. I am very happy about that. I know it as the Intensive Supervision Program. The review that you have just completed, are there learnings from that which have changed fundamentally how you approach the program?

Mr MUIR: In our investigations before we established an Intensive Supervision Program, we went to Western Australia, which is the only other Australian jurisdiction that has been running the program to date. We also met with New Zealand. Both jurisdictions were incredibly generous in sharing their implementation of MST. The major thing that we learnt from the implementation of MST is that it has been backed by such thorough research that the lesson of every jurisdiction is "Do not vary from the program that you buy." When you start varying the program, the results will not come. New Zealand had a few iterations of implementing MST—one in a government context and one in a non-government context. The non-government organisations, in essence, implemented it by the book and the government iterations varied, and the results did not come. They have now gone and rebuilt those implementations of MST. The major thing we have learnt from working with the parent in the United States and with the Western Australians and New Zealanders was to really stick by the program that we buy and rely on the research.

The other thing that Western Australia has pioneered, really worldwide for MST, is its applicability to Aboriginal and Torres Strait Islander people. It is the first time in the world really that the concept of cultural advisers has been attached to the program. Western Australia has found that to be a fairly key factor in making sure that the program is acceptable to indigenous families. A lot of that is around making sure that those cultural advisers vouch for the validity of the program. It is really a two-way role: liaising between the program and the families concerned and working with our staff to make sure they understand the cultural implications of what they are doing in those families. Western

Australia has found that those positions were pivotal to the engagement of Aboriginal families into the program.

Ms JODI McKAY: Given the significant investment in this program, what sort of measures are you looking at in order to make it viable to roll out to other areas of the State? As the name suggests, it is an intensive program. It goes into the family environment.

Mr MUIR: Firstly, in answer to part of your question, its applicability across New South Wales will always be somewhat limited because of the intensive nature and the level of staff needed. We are looking at other forms of family interventions across New South Wales for those parts of New South Wales where MST is not a viable model. To answer the other part of the question, Mr Chair, when we buy the licence for the program for MST services, we buy a certain level of evaluation with the program. So it is inbuilt to the licence. We are also partnering with the Bureau of Crime Statistics and Research to carry out an independent evaluation of the program, in addition to what the department is doing. We will have data coming back to us from two sources. One is what we buy in the licence and the other is through BOCSAR.

CHAIR: We now want to turn briefly to the general overview and quality of the Audit Office. Did you find that you were given sufficient notice and time to participate in the audit? Did you think it was valuable? Were they professional and courteous?

Mr OWENS: They audited us again, so we will have to be biased.

CHAIR: I am sure they will be back again.

Mr OWENS: I did not do the youth one. However, I have participated in the alcohol-related audit. We were given every opportunity to present the original draft document, to comment, to make any amendments. That is good because sometimes with information exchange the information sought from one person may not be factually correct as to what is going on. I think it is a very fair and just process and you have the right of reply, which is good.

CHAIR: Did you find the recommendations helpful? Would you have done that anyway? Was it a push?

Mr OWENS: I think the focus is always good. If it focuses you and your agency toward certain areas, that is a benefit. I would have to say, yes, in this instance it was good. It focuses on youth. It is not saying we are not focused. It is saying there are specific areas, which they indicated to us, and we certainly addressed those areas. I think it was good.

CHAIR: Mr Muir?

Mr MUIR: It was a very thorough process, very professional, and I was involved. It was a robust process and we found that the officers were open to vigorous discussion and if there was disagreement on any points they were open to hear our side: they gave us every opportunity to present our case, and there were no surprises. We found the exchange of information from the audit office to be very open and certainly one of the things that I appreciated about the process was the fact that the Auditor-General himself came at the end

of the process, which I think gives it a fairly high level sign off and lets us know that the audit office takes this process seriously.

In terms of the value, I think performance, certainly in the human services and justice world, is something that makes us focus on what we do and the accountability for the funds that we are given. We recognise that we no longer live in a world where it is just acceptable to report our outputs in the organisation and that we certainly have got to look at our performance. I think this particular audit has made us focus on some of our operations and is certainly still leading some of our thinking; we are still doing some work on some of the recommendations, particularly the ones around risk assessment, and working again with the Bureau of Crime Statistics and Research [BOCSAR] with some of those. They continue to drive some level of improvement within our agency, so we have found it a very useful process.

CHAIR: Where did this document live once it was created? Do you refer it to your audit committee or is it CEO or senior manager's committee? What is the process in which you deal with recommendations?

Mr MUIR: In our agency the director general oversaw the implementation of those. We were each required to report back to the director general the various responsibilities.

CHAIR: I presume you are an internal position. Did I hear you saying, "We were required to report back" to your current position?

Mr MUIR: Yes, we were. Ms Mason took an active interest in ensuring that the recommendations were addressed and certainly we continue to look at those, particularly in relation to our youth justice conferencing. There is still some work being undertaken, and some of those now are embedded in our corporate plan. So, we have actually shifted into the mainstream corporate planning some of the things this audit has driven.

Mr OWENS: And our report goes through our commissioner and comes down to me and then goes to our policy and programs area, which deals specifically with youth, and then it is distributed through conferences that are held down at the police academy. So it is a flow-down effect: everybody knows and we make it available.

CHAIR: Would you like to make any closing remarks?

Mr ACHTERSTRAAT: I would like to commend the commitment of the staff we came across in both police and juvenile justice. I think everyone is committed to addressing the needs of young offenders particularly. We all want to make sure they do not reoffend. It is pleasing to see with our substantive recommendations where we want things to be done; for example, having a checklist to see whether an offender may be at a high risk of reoffending, and those sorts of things, and the follow-up and referrals, those recommendations have all been accepted and I think it has improved public administration in New South Wales.

Where the areas are of disagreement is more on the reporting side of things, which is a thing we may have to work on with the various agencies. In summary, I commend both juvenile justice and police for their approach to this. I think things are moving.

CHAIR: Thank you all very much for your time.

(The witnesses withdrew.)

(The Committee adjourned at 3.04 p.m.)

