



2013-234092

Ms R Miller
Clerk of the Legislative Assembly
Parliament House
Macquarie Street
Sydney NSW 2000

28 NOV 2013

Dear Ms Miller *Ronda,*

I write in response to your letter dated 6 June 2013 concerning Report 9/55 of the Public Accounts Committee – *Examination of the Auditor General's Performance Audits April 2011 – September 2011*.

Standing Order 303A of the Legislative Assembly requires the Government to respond to the Public Accounts Committee report within six months of a report being tabled in Parliament. I am pleased to provide Parliament with the attached NSW Government response to the Public Accounts Committee.

Yours sincerely

Barry O'Farrell MP
Premier

NSW GOVERNMENT RESPONSE TO REPORT 9/55 OF THE PUBLIC ACCOUNTS COMMITTEE – EXAMINATION OF THE AUDITOR GENERAL'S PERFORMANCE AUDITS APRIL 2011 – SEPTEMBER 2011

RECOMMENDATION	NSW GOVERNMENT RESPONSE
<p>Recommendation 1</p> <p>That the NSW Police Force make public the findings of their pilot program whereby offenders issued a caution are actively followed up by NSW Health, and that appropriate further action be taken when offenders issued with a second caution fail to contact the helpline.</p>	<p><i>Referred to the Minister for Police and Emergency Services</i></p> <p>This recommendation is not supported.</p> <p>The NSW Police Force conducted a small scale feasibility project between January and April 2012, to attempt to increase Cannabis Cautioning Scheme (CCS) expiation rates. The project involved following up recipients of cannabis cautions by phone, and encouraging those persons to call the Alcohol and Drug Information Service (ADIS) to receive a health intervention.</p> <p>The feasibility project was only ever intended for internal use, and not for publication. A report on the project has never been produced. The project was of such a small scale (3 out of 80 LACs) that it does not provide a representative sample of recipients of cannabis cautions; its publication as an assessment of the efficacy of the CCS is therefore not supported.</p> <p>The feasibility study did, however, provide the NSW Police Force with sufficient evidence to determine that a similar large scale initiative would not be an appropriate method for achieving a state-wide increase in CCS expiation rates. The project was found to be too resource intensive. The NSW Police Force also encountered problems related to the privacy of information and obtaining accurate contact details.</p> <p>The results of the CCS evaluation will provide an opportunity to consider the impact and outcome of cautions on offenders, including the effectiveness of referring offenders into treatment services as a means of reducing drug use.</p>

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<p>Recommendation 2</p> <p>That the NSW Police Force considers bringing forward the timeframe for completing the independent review of the Scheme from 2015.</p>	<p><i>Referred to the Minister for Police and Emergency Services</i></p> <p>This recommendation is not supported.</p> <p>The NSW Police Force has advised the Auditor-General that the CCS evaluation was due for completion in early 2015. This time frame was based on methodological challenges presented by the evaluation and likely difficulties in recruiting recipients of cannabis cautions to the study.</p> <p>NSW Police Force is also still in negotiations regarding funding for the evaluation. A Request for Quotation has been developed however, and is being distributed to research agencies. A firm completion date can only be provided once research proposals have been received. Project timelines will be an important selection criterion.</p>
<p>Recommendation 3</p> <p>That the NSW Police Force review how new training and guidelines issued to Youth Liaison Officers can be better disseminated to all NSW Police Officers.</p>	<p><i>Referred to the Minister for Police and Emergency Services</i></p> <p>This recommendation is supported in principle, pending the outcomes of the review of the <i>Young Offenders Act 1997</i>.</p> <p>The Department of Attorney General and Justice is currently reviewing the <i>Young Offenders Act 1997</i>. That review is considering youth diversion and as such, police training can only be finalised once the review is complete.</p>
<p>Recommendation 4</p> <p>That the Office of Communities, Aboriginal Affairs, better detail how the outcomes of the Aboriginal Affairs Strategy will be delivered and who is responsible for each outcome and stage of the program.</p>	<p><i>Referred to the Minister for Aboriginal Affairs</i></p> <p>This recommendation is supported.</p> <p>OCHRE, the NSW Government plan for Aboriginal Affairs was published on 30 April and implementation has commenced. The plan was informed by the recommendations of the NSW Auditor General, NSW Ombudsman, Ministerial Taskforce on Aboriginal Affairs and input from 2,700 people participating in 27 community and industry forums, 427 completed surveys and 207 written submissions. Reflecting community feedback, it</p>

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focuses on education, employment, accountability, sustainable partnership approaches and the effective coordination of services.

The major initiatives under OCHRE, as outlined below, will be delivered by different areas in the Department of Education and Communities:

- Connected Communities: led by the Connected Communities Directorate in the Office of the Director General
- Opportunity Hubs: led by State Training Services
- Aboriginal Language and Culture Nests: led by Aboriginal Education and Community Engagement
- Aboriginal Economic Development Framework and Industry Based Agreements: led by Aboriginal Affairs
- Local Decision Making: led by Aboriginal Affairs

The NSW Government is close to finalising its accountability framework for OCHRE and details will be released shortly.

OCHRE governance is made up of the OCHRE Program Control Group (all Program Managers) that has responsibility for coordinating implementation, evaluation and reporting on progress. Ultimately, the Senior Management Council (forum of Directors General) has oversight of implementation.

A comprehensive Monitoring, Evaluation, Reporting and Improvement (MERI) Framework for OCHRE is currently being developed to support future roll-out, planning, and decision making and to contribute to the evidence about working more effectively with Aboriginal communities.

Further information about OCHRE and the initiatives is available at: <http://www.aboriginalaffairs.nsw.gov.au/hsw-government-aboriginal-affairs-strategy>.

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<p>Recommendation 5</p> <p>That Transport for NSW review the data collected in relation to causes of fatal accidents, particularly where the data has been used as, rationale for the location of a camera, and that all causes of a fatal accident, including speed, be collected and transparently reported on in greater detail.</p>	<p><i>Referred to the Minister for Roads and Ports</i></p> <p>This recommendation is supported in principle.</p> <p>Transport for NSW's Centre for Road Safety collects data on all reported crashes and identifies factors involved. Summary data is published in statistical statements on the Centre for Road Safety website. It has been acknowledged that NSW data includes a range of factors involved in crashes but does not attribute cause. The Centre for Road Safety is continually improving crash data used in NSW for the identification of road safety treatments and is currently undertaking a data enhancement project to expand data fields, and to include serious injuries.</p> <p>The Centre for Road Safety also conducts large scale, network-wide crash analysis to ensure that cameras are placed in the highest priority locations. To select red-light speed camera locations, a detailed investigation is often conducted of crash types, severities and factors involved in crashes at each intersection across the state, to determine a priority list of locations for review.</p> <p>Locations are reviewed to determine if other approaches, such as traffic light phasing, can be used to improve safety at the location, rather than installing a red-light speed camera.</p> <p>This is an exhaustive process, with the aim to install cameras only at locations that need them. Due to the large amount of information that is collated in the assessment of a potential enforcement location, only summary data is reported for each site.</p>
<p>Recommendation 6</p> <p>That causes of fatal crashes be more precisely identified and include categories such as driving too fast for conditions and speed as a contributing factor (where another</p>	<p><i>Referred to the Minister for Roads and Ports</i></p> <p>This recommendation is not supported.</p> <p>The Safe System approach to improving road safety, adopted in Australia, takes a holistic view of the road transport system and its key components - the road user, roads</p>

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<p>factor such as alcohol is the primary cause), rather than relying on 'exceed speed limit' as an all-encompassing speed-related factor.</p>	<p>and roadsides, and vehicle and travel speeds. It recognises that all components of the system have a role to play to keep road users safe.</p> <p>In depth crash studies in NSW from as far back as the 1970s show no one factor can be identified as a primary cause of road crashes in NSW. In every crash there are multiple factors involved and crash data is coded to describe contributing factors. These factors are assessed when road safety interventions are considered.</p> <p>Separating out 'speeding' as the only contributing factor in a crash is not possible as there are always other factors that contribute to a crash. Speeding is identified as a factor in around 40 per cent of fatal crashes. It is well recognised that the faster a vehicle is travelling, the more likely that the consequences of a resulting crash will be severe.</p>
<p>Recommendation 7</p> <p>That the Minister for Roads refer an inquiry into the appropriateness of current categories of causes of fatal crashes, with a view to developing more precisely defined categories referred to in Recommendation 6.</p>	<p><i>Referred to the Minister for Roads and Ports</i></p> <p>This recommendation is not supported.</p> <p>As noted in the response to Recommendation 6, crashes are caused by many factors. It is not possible to simplify and distil primary or more defined causes in the crash data.</p> <p>In regard to speed as a contributing factor in crashes, it is not always possible to precisely differentiate between whether a vehicle was travelling at a speed exceeding the speed limit, or whether the speed was inappropriate for the conditions.</p> <p>All factors recorded in crash data are considered to be contributing factors to crashes and crash outcomes.</p>
<p>Recommendation 8</p> <p>That the resolutions appointing the Joint Standing Committee on Road Safety (Staysafe) be amended to include an ongoing</p>	<p><i>Referred to the Minister for Roads and Ports</i></p> <p>This recommendation is not supported.</p> <p>Transport for NSW's Centre for Road Safety developed the NSW Speed Camera</p>

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<p>monitoring of speed cameras, in consultation with road user groups, police and other stakeholders.</p>	<p>Strategy in response to the Auditor-General’s speed camera audit recommendations. The strategy includes an annual review of speed cameras.</p> <p>Any speed cameras that do not appear effective in improving road safety are comprehensively reviewed. This review includes site inspections led by an independent road safety auditor, community and stakeholder consultation. The annual review of speed cameras is published on the Centre for Road Safety website. If further scrutiny is required, it is recommended a copy of the review and site selection process be submitted to the Auditor-General.</p> <p>NSW Police are consulted on the site selection and in the review of speed cameras. NSW Police also nominate locations for mobile speed camera enforcement. Speed camera deployment is coordinated with police enforcement activities through the Road Safety Strategic Coordination Group, which includes members from the Centre for Road Safety, Roads and Maritime Services and the Traffic Management Centre.</p>
<p>Recommendation 9</p> <p>That the Department of Finance and Services collect consistent and whole of sector data on the effectiveness of the Prequalification Scheme.</p>	<p><i>Referred to the Minister for Finance and Services</i></p> <p>This recommendation is supported.</p> <p>The Department of Finance and Services (DFS) collects a range of data which is consistent and relevant to the ongoing operation of the Prequalification Scheme: Performance and Management Services. This includes the number of services provider lists that agencies download, the number of requests for tender in the eQuote system and supplier performance information.</p> <p>The effectiveness of the Scheme is measured against its key objectives to:</p> <ul style="list-style-type: none"> - Maintain high probity standards in the assessment and engagement of service providers; - Promote competition and reduce the cost of tendering; and - Achieve satisfactory standards of service providers.

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	<p>Service providers applying for full prequalification are subject to a rigorous assessment methodology, including the provision of referee reports. In addition, standard Terms and Conditions are agreed upon at the time of application and are applicable for each agency engagement. The assessment system enhances probity standards and quality assurance by allowing for third party assessment of service providers.</p> <p>The large number of providers has also created competitive tension as there are currently 611 fully prequalified service providers and 193 providers on the Easy Access Registration List. This results in potential service providers providing better value for money and simplifies the engagement process between agencies and service providers.</p> <p>The Scheme Conditions require the submission of a performance report by agencies at completion/termination of the engagement. DFS manages the service providers according to the performance methodology detailed within the Scheme Conditions. The eQuote system also has a built in capability to collect performance information post the completion of each individual project. The system was implemented for agencies using the scheme in May 2013 and it is expected that it will take approximately six months to gather a sufficient body of data. The accumulation of relevant data will increase over time and improve the quality and value of reporting.</p>
<p>Recommendation 10</p> <p>That the Department of Finance and Services monitor management of contract roll-overs and ensure guidelines are followed to encourage competitive processes.</p>	<p><i>Referred to the Minister for Finance and Services</i></p> <p>This recommendation is supported as long as it is consistent with the objectives of NSW Government Procurement Reform and noting that agency heads are ultimately responsible for monitoring and ensuring compliance with the Goods and Services Procurement Policy Framework.</p> <p>The NSW Procurement Board’s Accreditation Scheme for Goods and Services Procurement includes requirements for accredited agencies to undergo regular reviews and submit reports to ensure compliance with policy requirements. The <i>Board Direction 2013-01: Compliance</i> requires unaccredited agencies to monitor compliance with the Goods and Services Procurement Policy Framework on a regular basis.</p>

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	<p>Currently under the Prequalification Scheme Conditions and Guidelines, agencies are expected to anticipate the potential for further engagements prior to seeking initial quotations. When flow-on engagements are likely to exceed the applicable limit, a minimum of three service providers from the Scheme should be invited to provide quotations.</p> <p>The Scheme conditions also specify that successive engagements constitute a form of direct negotiation between an agency and service provider. Agencies are to refer to the Independent Commission Against Corruption publication <i>Direct Negotiations: Guidelines for Managing Risks in Direct Negotiations, May 2006</i>. Agencies are also required to disclose all procurement spend valued at \$150,000 and over, in accordance with the NSW disclosure requirements via the NSW eTendering website.</p>
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