

Performance Audit Report

Follow-up of Performance Audits

Police Response to Calls for Assistance
(March 1998)

The Levying and Collection of Land Tax
(August 1998)

Coordination of Bushfire Fighting Activities
(December 1998)

State Library of New South Wales cataloguing-in publication data

New South Wales. Audit Office.

Performance audit report : follow-up of performance audits : police response to calls for assistance (March 1998) : the levying and collection of land tax (August 1998) : coordination of bushfire fighting activities (December 1998) / [The Audit Office of New South Wales]

0734721218

1. Police - Response time - New South Wales - Auditing. 2. Land value taxation - New South Wales - Auditing. 3. Forest fires - New South Wales - Prevention and control - Auditing. I. Title: Performance audit follow up 2001 : police response to calls for assistance. II. Title: Performance audit follow up 2001 : the levying and collection of land tax. III. Title: Performance audit follow up 2001 : coordination of bushfire fighting activities.

658.401309944

© Copyright reserved by the Audit Office of New South Wales. All rights reserved. No part of this publication may be reproduced without prior consent of the Audit Office of New South Wales.

CONTENTS

Executive Summary	1
Police response to calls for assistance (March 1998)	7
The levying and collection of land tax (August 1998)	19
The coordination of bushfire fighting activities (December 1998)	29
Appendices	47
Performance Audits by the Audit Office of New South Wales	51

Executive Summary

Executive Summary

The overriding objective of performance auditing is to examine the extent to which activities undertaken by agencies are carried out efficiently, effectively and economically.

A feature of performance audit is that the reports are tabled in Parliament and, as a general rule, contain recommendations as to the way the activities examined can be improved upon.

Where possible, the Audit Office tries to reach agreement with agencies on recommendations for change. As a consequence, where agencies accept the recommendations, there is an expectation that those recommendations will be implemented expeditiously.

The audit

To examine the extent to which accepted recommendations have been implemented, the Audit Office periodically undertakes follow-up performance audits. These follow-up audits provide Parliament with an assessment of any changes which may have occurred in agencies in response to an earlier performance audit report.¹

This performance audit examines three reports tabled during 1998:

- ❑ *Police Response to Calls for Assistance* (March 1998)
- ❑ *The Levying and Collection of Land Tax* (August 1998)
- ❑ *Coordination of Bushfire Fighting Activities* (December 1998).

This audit takes a more rigorous approach to assessing changes in practice and performance than has been the practice in the past. Findings in this audit are based on evidence collected through document analysis and interviews with agency staff.²

The Audit Office intends to carry out further follow-up audits, which are expected to be tabled by September 2001.

¹ Two follow-up reports have been tabled by the Audit Office; *Performance Auditing in New South Wales: Implementation of Recommendations and Improving Follow-up Mechanisms* The Audit Office 1995; *Follow-Up of Performance Audits 1995-1997* The Audit Office 1998.

² In previous follow-up audits, the Audit Office has based its findings on responses to a questionnaire completed by the agency. There was no validation of the responses provided by agencies and agencies were not required to provide evidence of results.

Audit opinion

The acceptance of audit recommendations by agencies in the current review was high and represented 96% of the recommendations made.

In addition, half of the recommendations in the 1998 audits have been adequately addressed and for over 70% of recommendations there has been some measurable change in practices or performance. But overall, most of these improvements have been incremental.

And, for nearly one third of the recommendations, changes have not yet taken effect and there is a risk that the issue or problem contained in the original reports may persist.

There is also a danger that current reporting arrangements may not provide Parliament sufficient assurance as to the extent accepted recommendations have been implemented and improvements have been achieved.

To provide greater transparency and accountability, agencies, following a performance audit, should:

- establish arrangements, such as an audit committee, to follow up on the progress of implementation of the recommendations**
- report on the progress of the implementation of recommendations in their annual report to Parliament.**

The opinion is based on the findings outlined in the following chapters. However, the overall observations are outlined below.

Acceptance and progress

Agency acceptance of the recommendations in performance audit reports was high at 96% (only one of twenty-seven recommendations was not accepted). Half of these have been implemented. The remainder were in various stages of implementation (38% partially implemented) and only 12% had not been implemented.

Assessing change

In principle, performance audits make recommendations to address an issue or problem. In reviewing progress, the current audit assessed whether or not there had been an improvement in performance.

For over 70% of the recommendations, there was evidence of some changes in practices or results. In 27% of cases, either implementation had stalled or changes have yet to take effect.

Monitoring progress

The Audit Office found agencies adopted varied approaches to monitoring the progress of the implementation of recommendations.

In two of the agencies, a committee was established to consider audit recommendations but only one of the committees reported on progress to the Minister and the Chief Executive Officer (CEO). In the third agency, there was no formal mechanism in place.

It is up to Ministers and CEOs to choose the most appropriate means of monitoring progress. Audit committees are often best suited for this task and as a minimum, agencies should require these committees to monitor and report on progress.

In response to the follow-up audit, both the NSW Police Service and the Office of State Revenue established committees to monitor responses to matters raised by the Auditor-General in either financial or performance audit reports.

Being held to account

Annual reporting legislation requires government agencies to include in their annual report action taken in regard to matters of significance raised by the Auditor-General. This should include reporting on action taken to address findings in performance audit reports which might affect the agency.³

Only one agency (Office of State Revenue) included a reference to the audit in its annual report to Parliament.

Best practice would suggest that agencies report on progress until implementation is complete.

For example, the Department of Health has established procedures to comply with requirements for the ongoing monitoring and reporting on performance audit recommendations. Detailed schedules are maintained of progress against all recommendations and provided to the Department's Audit Committee for review.⁴

Monitoring can continue for some time given that matters raised by some performance audit reports may take an extended period to address (and in some cases up to five years following tabling of the report).

³ Annual Reports (Departments) Act 1985 and the Annual Reports (Statutory Bodies) Act 1984.

⁴ Awareness The Audit Office 1999

External reviews Parliamentary committees may follow up on performance audit reports. None of the reports covered by this review have been subject to follow-up by a parliamentary committee although an inquiry into the NSW Rural Fire Service in 1999 used the audit report as part of its investigations.⁵

In other jurisdictions, parliamentary review is commonplace and can add impetus to a reform agenda.

In New South Wales, the central agencies no longer take an active role in monitoring agency responses to performance audits. In the past, the Council on the Cost of Government (now the Council on the Cost and Quality of Government) would follow up on the recommendations in reports but ceased doing this in 1998.⁶

Improving accountability The current review and reporting arrangements (in regard to the implementation of recommendations), provide Parliament with only limited assurance that agencies are addressing the recommendations in performance audit reports.

Future directions for the Audit Office To assist in providing greater exposure of the progress made in implementing recommendations accepted (and as such to report on the extent to which recommendations improve efficiency economy and effectiveness) the Audit Office will include in its annual program of performance audits, a number of these detailed follow-up studies.

In addition, the Audit Office will assist agencies in two main ways.

Firstly, at the completion of the performance audit, the Audit Office will:

- ❑ provide agencies with guidance on best practice in monitoring and reporting on the implementation of recommendations
- ❑ where appropriate, identify key indicators that can be used to monitor changes in performance in an agency following a performance audit report.

⁵ The Legislative Council General Purpose Standing Committee No. 5 examined the adequacy of fire suppression services provided to rural communities in NSW in its Report on the Inquiry into the NSW Rural Fire Service June 2000.

⁶ In its Sixth Report (1998) the Council indicated that reliance should be placed on the initiator of reports (that is the Audit Office) to ensure that audit recommendations have been considered.

The Audit Office will also:

- ❑ continue to monitor agency performance for up to a period of five years following the audit using key indicator results or agency annual reports
- ❑ regularly report to Parliament and the public on changes in agency practices and performance in response to the audit.

The Audit Office has developed a checklist to assist agencies monitor and report on recommendations from performance audit reports (refer Appendix 1).

These strategies and the checklist may help focus agency attention on addressing issues identified in performance audits and improve monitoring and reporting on outcomes.

Police response to calls for assistance (March 1998)

NSW Police Service

Audit Opinion

In response to the 1998 audit, the NSW Police Service has focussed on improving measures of response times and addressing issues of data access and quality.

As a result, there have been substantial improvements in the accuracy of response time measurement and improvements in transparency and accountability for performance.

However there are still a number of recommendations from the 1998 audit that have not been implemented.

The 1998 audit

The 1998 audit examined how well the NSW Police Service (the Service) managed its response to calls for assistance from the public.

In judging the Service's performance the 1998 audit commented on:

- strategies for improving response times
- accountability for providing a timely response
- the need to establish performance standards for responding to calls for assistance
- the need to publicly report results.

Police receive around 1.5 million calls for assistance annually across the State. The vast majority of these calls (90%) do not require an urgent response, nevertheless, the Police Service must maintain a capability to respond to calls from the public.⁷

Government's five point plan

Immediately following the 1998 audit, the Government released its five point plan to improve police response times and address issues raised in the audit report.

⁷ NSW Police Service Annual Report 1999-2000 p.10; Auditor-General's Report to Parliament 2000 Volume 5

The five point plan recognised opportunities to optimise police response to crime through:

- more police undertaking policing duties
- developing a response management strategic plan
- improving accountability for response times
- increasing public awareness of when to call for assistance
- better use of resources including single policing and a smart rostering system.⁸

The response management strategic plan was completed in July 1998 and recommended eight projects be established to deal with systems, process and procedural issues.

A committee was established to implement the plan and report on progress. This committee continued until mid 1999, however some of the projects were not completed. The result has been that:

- a number of the audit recommendations have not been implemented
- the five point plan was not completed.

Findings

1998 audit findings

At the time of the 1998 audit, little attention was given by the Service to monitoring response times or accounting for performance.

The 1998 audit could not reach any definitive conclusions in relation to response time performance, but noted that:

- there was considerable variation in performance between local area commands
- variations in workload and distance were major factors impacting on performance.

The 1998 audit was conducted less than 12 months after the Service was restructured to create 80 Local Area Commands (LAC) as a means of providing more efficient and responsive community based policing.

The 1998 audit recognised the progress the Service had already made by establishing LACs but considered that further work was needed to better plan, manage and integrate initiatives for reducing response times.

⁸ Government Five Point Plan to improve response time March 1998

Further improvements in response times were considered to be hampered by inadequate data to support decision making and the absence of clear lines of accountability for performance.

Responding to calls

Since the 1998 audit, the Police Assistance Line (PAL) has been established, handling an average of 1000 calls a day.⁹ Calls for assistance are also received through “000” or direct to police stations.

The effects of PAL will not be fully realised until the end of 2001.¹⁰ However, there has been some improvement in response time since the 1998 audit was completed (see Table 1 below).

Table 1: Police response times			
	December 1997¹	1998-99²	1999-2000³
Time to attend urgent calls	50% in 10 mins 80% in 21 mins	50% in 5 mins 80% in 10 mins	50% in 5 mins 80% in 11 mins
Time to attend non urgent calls	50% in 22 mins 80% in 54 mins	50% in 17 mins 80% in 40 mins	50% in 15 mins 80% in 40 mins

Source:

1. Police Response to Calls for Assistance, The Audit Office March 1998
2. 1998-99 Annual Report NSW Police Service
(note: data for January to June 1999 only)
3. 1999-2000 Annual Report NSW Police Service

Performance improvements from 1997 to 1998 are partly explained by improved data accuracy (response times tended to be overstated in 1997 due to recording practices).

Response management is now devolved to LACs with LAC business plans containing strategies for improvement.

⁹ NSW Police Service website. PAL was fully operational from 1 January 2000.

¹⁰ NSW Budget Papers 2000-01 p16-4

Status of the implementation of recommendations

All but one of the recommendations were accepted by the Service.¹¹

Rec	Issue	Implementation	Change
1	Strategic Framework	Implemented	Satisfactory change
2	Guarantee of Service	Not implemented	No change
3	Monitoring Performance	Partially implemented	Some change
4	Authority and Accountability	Partially implemented	Some change
5	Differential/Grades of Response	Implemented	Satisfactory change
6	Police Assistance Line	Not accepted	Not accepted
7	Computer Terminals in Police Cars	Implemented	Satisfactory change
8	Single Officer Policing	Not implemented	Unknown
9	Computer Aided Dispatch	Still being considered	No change

More detail on the implementation of each recommendation follows.

Strategic plan for improving response times

The 1998 audit found there was a need for the Service to better integrate response initiatives through the preparation of a strategic plan.

The Service prepared a strategic plan as a requirement of the Government's five point plan in July 1998.

¹¹ One recommendation related to the Service comparing the costs and benefits of PAL with other lower cost alternatives. The Service rejected this recommendation as it was already committed to the implementation of PAL.

Guarantee of Service

The 1998 audit (and the five-point plan) recommended the Guarantee of Service include time standards for responses to urgent and non urgent calls.

At the time of the 1998 audit, the Service was unable to measure response capability and therefore prevented from establishing realistic performance standards.¹²

Since 1998, the Service has been able to assess capability and has included response times in the annual report. However, the Guarantee of Service still does not incorporate performance standards.¹³

The Service advised that after two years of response time data collection it is now in a position to publish standards for responding to urgent calls for assistance in its Guarantee of Service.

Monitoring performance

The 1998 audit recommended better monitoring and reporting on the efficiency and effectiveness of police response (both at a Service and LAC level) including data on:

- timeliness
- quality (caller satisfaction)
- demand (number and type of incidents)
- resource availability and workload
- cost of providing the service.

The five point plan recommended similar strategies to enhance accountability.

¹² Response Management Strategic Plan, NSW Police Service July 1998

¹³ Guarantee of Service from NSW Police Service Annual Report 1999-2000

Data accuracy

In response to the 1998 audit, the Service agreed that reliable systems were needed to measure response times and reviewed both data accuracy and access. This exercise highlighted problems with data accuracy and completeness and the risk that reported response times were overstated.

In December 1998 the Service introduced new procedures for recording police arrival and departure times and in 1999 upgraded the Computerised Incident Dispatch System (CIDS) to allow real time data entry and access from LACs.

Since 2000, LACs have included response time targets in their business plans and strategies to improve performance (such as improved rostering, redirecting calls to PAL).

In regard to the 1998 audit recommendation, there has been an improvement in the way in which data are now used (to monitor performance at the LAC level and to guide business planning decisions). However, there are still no data reported on cost (for calculating operational efficiency) and caller satisfaction at the LAC level (effectiveness).¹⁴

The Service agrees with the need to collect data on costs and is investigating options.

In addition, the Service agrees that data on client satisfaction at LAC level is desirable but advises that cost is prohibitive. The Service advised that data on client satisfaction will, in future, be available at the regional level through community attitude surveys.

Clear lines of accountability

The 1998 audit found that no part of the Service could be adequately held accountable for police response times and considered that accountability be devolved to Local Area Commanders.

¹⁴ Although data on customer satisfaction is reported on a service wide basis in the Annual Report.

The Service agreed and at the time was promoting LAC accountability for policing in the community.

Since 1998, LACs have had access to CIDS. Accountability for response times has been improved through providing performance data on each LAC and the inclusion of response time targets and strategies in LAC business plans.

The Service advised that accountability for police response to calls for assistance will be more clearly defined in duty statements for Duty Officers at Local Area Commands.

However, LACs still have limited authority over the allocation of patrols to non urgent jobs (all urgent and non urgent calls still go through the communication centre) and therefore few opportunities to improve performance through better use of resources.

Providing an appropriate response

The central principle in judging police response is that the response is appropriate to the circumstances.¹⁵

Differential response is the allocation of a priority in police attendance from immediate, to routine non urgent or fixing an agreed time of attendance. In 1998, differential response had been trialed by police but not implemented across the Service.

Part of the reason that differential response had not progressed was confusion over the grading of calls and the need for clearer articulation of rules for calls received by LACs or the communication centre (each used a different system to grade calls).

The grading system provides a selection of responses to calls for assistance ranging from single unit response to multi unit coordinated response or using another agency to respond.

The 1998 audit recommended that the grading system be changed to support differential response to non urgent calls by including options such as telephone call back, appointments at the station and referral to another agency where appropriate.

¹⁵ Response from the Commissioner of Police printed in Police Response to Calls for Assistance The Audit Office 1998

The introduction of PAL is the most significant advance towards the use of differential response, reducing the need for police to attend non urgent calls. The full impact of PAL on freeing up police resources will not be apparent until 2001.

In addition, a new grading system was introduced in LACs and the communication centre in 1999.

Better use of resources

Computer terminals in police cars

The 1998 audit found, following trials by the Service in 1997, that a mobile data terminal system (MDT) would maximise the time police officers spend on patrol by allowing them to conduct inquiries in the field.

To date, around 200 MDTs have been installed in police primary response vehicles. A total of 620 MDTs are to be installed under the current program.¹⁰

Single policing

There are advantages in allowing a single police officer (rather than officers in pairs) to attend calls for assistance as a means of optimising police resources. Since 1995, commanders have had the option to deploy single unit policing and guidelines were available to determine appropriate circumstances.

The 1998 audit recommended that the Service monitor the use of single unit policing by LACs to identify opportunities to extend the program.

This has not been implemented and there are no data on the frequency of single unit policing.

The Service advises that the issue of single unit policing will be incorporated into the current audit program on police availability which includes rostering, tasking and the first response agreement.

¹⁰ Status Report, NSW Police Service, February 2001

Computer Aided Dispatch

At the time of the audit, the Service was assessing the feasibility of implementing a Computer Aided Dispatch System (CAD) to enable better processing of calls for assistance and more accurate and timely transmission of information to police in the field.

The 1998 audit recommended that the costs and benefits of CAD should be compared to lower cost alternatives, including an upgrading of the existing system (CIDS) and use of commercially based vehicle location systems.

Some upgrades of CIDS did occur following the 1998 audit but the Service has not reached a final decision on CAD.

Ensuring implementation

Monitoring and reporting on implementation

An internal executive (management) committee was established to progress the implementation of the Government's five point plan and the audit recommendations. The committee developed the strategic plan and provided reports to the Minister and the Commissioner on progress.

However, the committee has not met since mid 1999 and some projects remain incomplete.

The Service advises that a Continuous Improvement Schedule will be developed in response to matters raised by the Auditor-General in reports and form the basis on which the Business Risk Committee can determine the status of implementation and change.

Public reporting

There were no references to the audit in NSW Police Service Annual Reports (ie the 1998-1999 and 1999-2000 annual reports that followed the audit).

The Service advises that future NSW Police Service Annual Reports will include acknowledgment of work carried out by external agencies, particularly that of the Audit Office.

Response from the NSW Police Service

The NSW Police Service has worked closely with the Audit Office during both the performance and follow-up audits. I am grateful for the advice and assistance received to further improve police response times and thus the protection of the people of this State.

The Service has focused strongly on improving measures for response times as well as addressing issues of data access and quality. As reported by the Audit Office, we have made substantial improvements in accuracy of measurement and transparency and accountability of performance.

As a result of enhancements to existing communication systems, the Service is now better placed to report on its response capability in its Annual Report, Corporate Plan, and Local Area Command Business Plans.

I am especially pleased to report that the NSW Police Service compares favourably to world-wide standards in response times, attending to 80% of urgent calls for assistance within 11 minutes.

As also acknowledged in the audit, the Service is on track with implementation of our Mobile Data Terminals (MDT) project. To date 200 units have been installed in front-line vehicles with another 420 programmed for installation.

The Service remains committed to the range of opportunities contained in the Audit Office report. A Continuous Improvement Schedule (CIS) has been developed to focus on the following areas:

Guarantee of Service.

The Service agrees to report on standards for urgent calls for assistance.

Monitoring Performance.

Cost of police response for calls for assistance – *the Service will identify costs and explore ways for greater efficiencies for responding to the range of calls received for assistance.*

Customer feedback on quality of service - *the Service will explore the most cost effective way to conduct customer surveys across 80 Local Area Commands.*

Authority and Accountability.

The Service will formalise the arrangements for managing police response at the Local Area Command level with a particular focus on lines of authority and accountability.

Single Officer Policing.

The issue of “single officer” policing has been incorporated into the current Audit program on effective deployment.

Computer Aided Dispatch.

The Service will update the “business case” for a Computer Aided Dispatch system.

Annual Report.

The Service will acknowledge work done by external agencies, particularly the Audit Office in its Police Annual Report.

There can be no doubt that the audits have significantly strengthened the Service’s focus on the management of response to calls for assistance.

(signed)

*P J Ryan
Commissioner*

Dated: 28 May 2001

The levying and collection of land tax (August 1998)

Office of State Revenue

Audit Opinion

The main issue raised in the 1998 audit was the need to improve land information which at the time, prevented the Office of State Revenue (OSR) from being able to access accurate and complete data on land holdings and land ownership in NSW.

The current audit found that OSR has implemented many of the recommendations from the 1998 audit, although some of them slower than expected and there have also been subsequent improvements in the administration of land tax.

Prior to and since the 1998 audit, OSR has made considerable progress in automating processes however, problems remain with data integrity as the planned improvements to the database are not yet complete.

OSR has taken adequate action to address these issues. Further improvement should occur when changes to the database are completed in July 2001.

The 1998 audit

The 1998 audit examined the efficiency and effectiveness of the levying and collection of land tax by the Office of State Revenue (OSR).

In judging OSR's performance, the audit commented on:

- the quality of the land database and whether it was able to identify all landholdings and landholders liable for land tax
- the economy and efficiency of land tax administration and processing
- the management of land tax debts.

Land tax is a tax on the ownership of land in NSW (including vacant land, flats or home units). The wide range of exemptions allowed under land tax legislation means that the majority of NSW land in private hands is exempt from tax.

In terms of the contribution to state revenue, land tax represents around 8% of total state tax revenue (\$930m in 1999-2000).¹⁶ The 1998 audit also noted that land tax had the highest collections cost ratio (cost per dollar collected) of any state tax.

Findings

1998 audit findings The 1998 audit found that OSR had been pursuing initiatives to reduce administration costs and improve compliance rates but progress had been severely hampered by inadequate information systems and continued difficulties with the integrity and quality of land information.

In 1998, OSR was not in a position where it could identify all landholdings in NSW liable for land tax nor all liable landholders.

The audit highlighted opportunities for improving the administration and collection of land tax by:

- improving the quality and integrity of land information
- enhancing voluntary compliance through better targeted client education programs
- improving processes (such as changes in tax assessment notices)
- identifying best options for debt collection.

Status of the implementation of recommendations

OSR accepted all of the 1998 audit recommendations.

Rec	Issue	Implementation	Change
1	Land Information Data	Partial implementation ¹⁷	Some change
2	Client Education & Information	Implemented	Satisfactory change
3	Assessment notification	Implemented	Satisfactory change
4	Debt collection	Partial implementation	Some change

¹⁶ Annual Report Office of State Revenue 1999-2000

¹⁷ Stage 1 of the Integrated Property Warehouse project is implemented. Stage 2 will be implemented by end July 2001.

Further detail on the implementation of each recommendation follows.

Improvements in land information

The 1998 audit found that the quality of land information provided by external agencies hampered OSR from achieving further efficiency gains in collection. The land database was found to be incomplete and contain duplicate and corrupt data.

Prior to and since the 1998 audit, OSR has made considerable progress in automating processes, however problems remain with data integrity and quality.

OSR maintains its own database of landholdings in NSW and devotes considerable resources to correcting and cleansing data used in identifying potential taxable land holdings. Many of the data quality problems arise from the data origins ie Land and Property Information NSW which is the trustee of data on NSW land valuation and ownership.¹⁸

OSR has been the primary initiator (and will be one of a number of beneficiaries) of an interdepartmental project established in 1997 to deal with land data quality issues. The project is to deliver database and revenue cash flow improvements through standardised land ownership information allowing better identification of land tax liabilities.

In response to the 1998 audit, NSW Treasury indicated that improvements in land data would be achieved within 18 months to two years.

Integrated Property Warehouse Project

This has not happened, although stages 1 and 2 of the project are now planned to be operational in time for the 2002 land tax year.

As this project is not yet complete, there has been no significant decrease in the percentage of assessments requiring amendment (the rate remains close to 10%). Improvements were to result from OSR being able to access accurate and complete data on land holdings and land ownership.

¹⁸ Previously Land Titles Office and the Valuer General's Department.

Since the 1998 audit, OSR has re-engineered its own tax systems, including land tax, to achieve efficiencies in processing.¹⁹

The Audit Office considers that OSR has taken adequate action to address data integrity and data quality issues. However, the Integrated Property Warehouse project delays are disappointing and may have contributed to delays in collecting land tax revenue.

Better targeted client education

The 1998 audit found that OSR largely relied on information provided by taxpayers to identify and collect land tax. It also considered that, given the importance of client education to improving compliance rates (and reducing defaults by landowners), a thorough review of its efficacy was deserved.

Other recommendations of the audit were for better use of intelligence from compliance, objections and appeals (to identify reasons for default) and specific programs in response to legislative change (such as changes in exemption status).

OSR utilises a range of education and awareness mechanisms to enhance voluntary compliance and has historically focussed these efforts on tax advisory professionals such as accountants and solicitors.

Since the 1998 audit, OSR has reviewed its education efforts to better integrate awareness programs across the organisation.

Other recent initiatives include:

- ❑ the establishment of a committee to better identify client knowledge gaps (from complaint data, objections etc)
- ❑ better use of revenue profiles for targeting various client groups
- ❑ analysis of data from the case management system
- ❑ more extensive use of the OSR website for providing client information
- ❑ using reliable land data (when available) to identify and advise potentially liable property owners as to their land value and land tax responsibilities.

¹⁹ The redesign of OSR's tax systems is known as the Revenue and Compliance Processes and Systems Project (RECOUPS). Release 3 relates to land tax and was implemented in September 2000.

Process improvements

The 1998 audit identified opportunities for OSR to improve the efficiency and effectiveness of the collection process to facilitate early detection of defaulters and more timely debt recovery.

OSR has fully addressed the audit recommendations in that:

- ❑ reminder notices were sent to clients prior to instalment due dates for the 1998 land tax year
- ❑ changes were made to land tax payment arrangements by abolishing the midpoint payment option and extension of the instalment option to all taxpayers (for the 2001 land tax year)
- ❑ assessment notices include a schedule of the taxpayers total indebtedness (for the 2001 land tax year).

The Government introduced an additional incentive for land tax in 2001 of a 1.5% discount if land tax was paid in full by the first instalment date.

OSR advised that the issue of reminder notices resulted in a 30% increase in on-time payment, however, it is too early to judge whether other changes have lead to further improvements in on-time payments and debt reduction.

Reviewing debt collection

The 1998 audit also raised the need for debt collection strategies to be targeted to high risk areas and recommended these strategies be periodically reviewed for effectiveness.

The 1998 audit noted that the outstanding debt for land tax represented over one third of total outstanding tax debt.

The 1998 audit also noted the absence of any comprehensive analysis of the efficiency and effectiveness of OSR's debt collection strategies (and their impact on taxpayer behaviours). At the time, the reason this had not occurred was the existing debt management system did not allow it.

The current audit found some improvement in approaches to debt collection including policy changes for writing off debts and new payment schedules (discussed earlier). OSR advised that there had also been enhancements made to the debt management system to facilitate interrogation, and further enhancements are in train.

In response to the 1998 audit, there was some dispute regarding the necessity to conduct a review of debt collection strategies (NSW Treasury considered OSR's strategies to be appropriate) and recognition was given to OSR's revenue gap analysis as demonstrating best practice.

Revenue gap analysis identifies revenue at risk as the result of evasion or ignorance of land tax requirements (or any other reasons for default). However, since the 1998 audit there has not been any analysis focussed on gaps arising from debtors failing to pay within legislated periods.

Although OSR reviews debt collection strategies and monitors overdue debt, there has not been a comprehensive analysis of these strategies to assess effectiveness (or impact) and identify best available options to reduce outstanding debt since the 1998 audit.

Ensuring implementation

Monitoring and reporting on implementation

The Audit Office found that there were few mechanisms in place to monitor and review the recommendations in the performance audit report and there were no reports on progress to the Executive Director, OSR or the Treasurer.

OSR advises that the audit committee is now responsible for monitoring responses to matters raised by the Auditor-General in either financial or performance audit reports.

Public reporting

The initial report was tabled in August 1998 and comments were included in the 1998-99 OSR Annual Report.

Response from NSW Treasury

Thank you for your letter of 9 May 2001 enclosing the segment of the Performance Audit Report which relates to the Office of State Revenue (OSR) and providing the opportunity for me to respond on behalf of the NSW Treasury.

I appreciate the recognition given in your Report for OSR's performance in implementing the recommendations of your 1998 Report. The Report concluded that OSR had made substantial progress in three of the four sets of recommendations contained in the original 1998 Audit Report, and in two of these the recommendations had been implemented in full.

My comments in relation to each of the findings of the most recent Audit Report are attached.

I appreciate the opportunity to comment on the Report. Please let me know if any further information is required.

NSW Treasury Comment on Audit Findings

1. Improving the quality and integrity of land information

I acknowledge the finding that OSR has taken adequate action to address data integrity and data quality issues. However, I do not agree with the conclusion regarding delays in the Integrated Property Warehouse project.

This "Whole of Government" initiative is being managed by Land and Property Information NSW. The original timetable for commencement of the IPW on which the audit finding was based was an indicative timetable set in early 1998, when the IPW Project (then known as the Spatial Information Partnering Project), was in the planning stages, before the tender for the detailed design and development of the project had been released.

Subsequent to the 1998 report being published, the IPW Project was expanded to encompass the redevelopment of the Valnet System, replacement of the Integrated Property Hub and enhancements to the Notice of Sale System that provides information to local government and utilities for rating purposes. This widening of the scope will provide additional benefits to a wide range of State and local Government bodies. The anticipated benefits will far outweigh any short-term disadvantage associated with delaying the availability of the IPW for land tax purposes.

Since the tender for the first stage of the IPW project was let in April 1999, there has been a slippage of only 2 weeks in the implementation of the IPW. Both the new Valnet II system and the Integrated Property Warehouse commenced on 17 April, and I am advised that additional functions planned for implementation in June and July are likely to be available on time. This includes development of the interface between the IPW and OSR's land information database, which is currently being tested. It is expected that the IPW will improve information and data matching capabilities for land tax purposes, and will greatly assist OSR in identifying both individuals and corporations who become liable for land tax for the first time.

2. Better targeted client education

I acknowledge the findings of the Audit that OSR has implemented the recommendations of the original audit, by reviewing its education efforts to better integrate awareness programs to enhance voluntary compliance by land taxpayers. I particularly welcome your observation that OSR is using its Website more extensively to provide client information. Indeed, OSR has further plans to enhance the role of its Website in the future.

3. Process improvements

I acknowledge the findings of the Audit that OSR has fully implemented the recommendations of the 1998 Audit Report, by introducing instalment reminder notices, enhancing assessment notices to disclose a taxpayer's total land tax debt including arrears, and introducing new payment options designed to maximise on-time payment of land tax liabilities.

4. Reviewing debt collection strategies

I acknowledge the findings of the Audit that OSR reviews debt collection strategies and monitors overdue debt. However, I disagree with the Report's conclusion that there has not been a comprehensive analysis of these strategies to identify best available options to reduce outstanding debt since the 1998 audit.

OSR undertook a comprehensive review of its business processes and systems used in managing debt, as part of the design of the new Debt Management System. This project spanned the period over which the 1998 audit was conducted, commencing in 1997 and lead to the implementation of a new

Debt Management System in late 1999, and a new land tax system, implemented in September 2000, which was the third stage of OSR's new RECOUPS system.

In designing its new systems, OSR undertook studies of the best practices in a number of leading private sector businesses, and in Revenue Offices in other States. The process changes which I commented upon in Part 3 above, were incorporated in the new land tax system as a result of these best practice studies.

In addition to these systems and process changes, OSR is implementing further enhancements which will integrate debt management for all taxes administered by OSR into the RECOUPS System. These enhancements are expected to be operational by the end of this calendar year.

These enhancements are expected to result in more timely actioning of debt, including earlier identification and intervention to protect high risk debts, and better management reports. The aim is to achieve earlier collection of overdue debts and a reduction in the amount of debt which is written off.

5. Ensuring implementation

The Audit report acknowledges that OSR included in its Annual Report action taken in regard to matters raised in the audit report, but suggests that there were few mechanisms in place to monitor and review the recommendations and no reports on progress to the OSR's Executive Director or to the Treasurer.

Although OSR did not establish a separate mechanism to monitor the Audit recommendations, implementation of the recommendations was managed within OSR's existing corporate planning and performance monitoring systems. OSR's progress in implementing the recommendations is acknowledged by the Audit report.

However, it has now been agreed that the OSR Audit Committee will take responsibility for monitoring and reporting on performance audits, as well as financial audits. This change has already been implemented.

(signed)

*John Pierce
Secretary
Dated 5 June 2001*

The coordination of bushfire fighting activities (December 1998)

NSW Rural Fire Service

Audit Opinion

The Audit Office found that eight of the fourteen recommendations from the 1998 audit had been implemented by the Rural Fire Service although not all changes have as yet taken effect.

The Audit Office also notes that the Rural Fire Service is currently implementing arrangements (eg a change management program) which aim to address many of the outstanding issues raised in the original audit.

In addition, a parliamentary inquiry which used the 1998 audit report as part of its investigation has given further impetus to many of the recent changes in the coordination of bushfire fighting activities.

The 1998 audit

The 1998 audit examined the extent to which bushfire management and coordination within NSW was conducted in an effective, efficient and economical manner.

The NSW firefighting model shares bushfire management responsibilities across several agencies including:

- Rural Fire Service (RFS)
- NSW Fire Brigades (NSWFB)
- National Parks and Wildlife Service (NPWS)
- State Forests
- local government.

The RFS is the largest firefighting agency and has primary responsibility for bushfire management in rural areas. The RFS is under the command of a Commissioner who is assisted by a small number of salaried staff who provide administrative support to rural fire brigades.

The rural fire brigades consist of volunteer firefighters. Under the *Rural Fires Act 1997* (RF Act) local government has significant involvement in the operation of brigades and in 1998, were also required to appoint fire control officers (FCOs) responsible for controlling and coordinating local RFS activities.

The 1998 audit report focused on firefighting operations, rural fire resourcing, fire prevention activities, firefighter competencies and training.

Since then there has been a parliamentary inquiry into the RFS which made a number of recommendations aimed at improving the effectiveness of fire suppression activities.

Findings

1998 audit findings The 1998 audit found that while there had been much improvement in the management and coordination of bushfire fighting over the past decade there were a number of key issues which required attention.

These issues included dual accountability arrangements for fire control officers, poor communication and liaison during fire suppression activities, funding inequities, hazard reduction and training deficiencies.

The audit highlighted opportunities for improving bushfire management in the following areas:

- planning, coordinating and liaison for bushfire suppression activities
- rural fire resourcing
- bushfire prevention, training and community education.

All recommendations were accepted by the Commissioner of the RFS.

Status of the implementation of recommendations

In assessing changes in practice and performance, the Audit Office took into account the environment in which the Rural Fire Service operates and its dependence on the goodwill of volunteer firefighters and other agencies with which it interacts.

The Audit Office found that eight of the fourteen recommendations from the 1998 audit had been implemented by the Rural Fire Service although some recent changes had yet to take effect.

Table 4: Status of the implementation of recommendations			
Rec	Issue	Implementation	Change
Planning, coordinating and liaison for bushfire suppression			
1	Fire Control Officers	Implemented	Satisfactory change (from 1 July 2001)
2	Incident Control System	Implemented	Satisfactory change
3	Communication/BFM Plans	Implemented	Satisfactory change
4	Radio contact	Implemented	Satisfactory change
6	Use of aircraft	Partial implementation	Changes have yet to take effect
7	Post fire evaluation	Partial implementation	Changes have yet to take effect
Rural Fire Resourcing			
5	S44 claims	Partial implementation	Some change
8	RFFF procedures	Implemented	Satisfactory change
9	Matching resources to risk	Partial implementation	Some change
10	Sharing of resources	Partial implementation	Some change (from 1 July 2001)
Cooperation in bushfire prevention, training and community education activities.			
11	Hazard reduction	Implemented	Changes have yet to take effect
12	Hazard reduction evaluation	Partial implementation	Changes have yet to take effect
13	Community education	Implemented	Some change
14	Training	Implemented	Some change

More detail on the implementation of each recommendation follows.

Planning, coordinating and liaison for bushfire suppression

Planning and coordination

The 1998 audit made six recommendations concerning the planning and coordination of bushfire suppression activities. Of these, four have been implemented.

Fire Control Officers

A key recommendation addressed problems with reporting and accountability arrangements for fire control officers (FCOs) who were responsible to both the Commissioner, RFS and General Managers of local councils.

In August 1999 the Minister for Emergency Services established a working party to examine the issue and in November 2000 legislation was introduced to make FCOs employees of the RFS, effective from 1 July 2001.²⁰

The RFS has recently instituted a change management program designed to facilitate the transfer of FCOs to the RFS.

Communication and liaison

Recommendations relating to communication arrangements which have been implemented include the adoption of an agreed incident management system in the event of a fire, improved communication and coordination between firefighting agencies and better radio communications in the field.

There has been satisfactory changes in most of these areas with new incident management protocols being introduced and the majority of local Bushfire Management Plans agreed and signed by all relevant firefighting agencies.

The RFS has also introduced radio communication protocols, dual radios in fire tankers and reprogrammed radios to deliver better coverage and allow firefighters from different agencies to communicate with each other.

The Audit Office considers that the RFS should continue to review post-fire evaluation reports to monitor and address communication issues.

²⁰ *Rural Fires Amendment Bill 2000*

Use of aircraft and post fire evaluation Two recommendations that have not yet been implemented concern guidance on when aircraft should be used to fight bushfires and performance measures for fire suppression. The RFS is currently in the process of developing guidelines that will help officers determine when they should request aircraft.

Similarly, while performance measures have been developed to judge the effectiveness of the RFS in fire suppression, there is as yet no standard suite of performance measures for use by all fire fighting agencies within NSW.

Rural fire resourcing

The 1998 audit also made four recommendations relating to rural fire resourcing. The Audit Office considered that only one of these recommendations had been implemented by the RFS.

Better guidance on expenditure One issue related to confusion over what items could be claimed as legitimate expenses for fighting major fires under section 44 of the Rural Fires Act.²¹ The 1998 audit recommended further clarification of s44 expenditure guidelines.

The RFS has recently drafted new procedures for claims under s44 arrangements to be released mid 2001. As yet there has been no training on s44 arrangements. The RFS reports that training is to be included in the change management program to support the transfer of FCOs to the RFS.

Distribution of funds according to needs The 1998 audit also recommended improved guidelines on the allocation of funding. Specifically, funding guidelines needed to clarify items that local brigades should consider as part of their annual resource bid. In response the RFS issued a new CD-ROM with instructions on the completion of budget estimates and an equipment catalogue (January 2001). It has also drafted a new resources acquisition service standard.

The RFS is also in the process of developing an asset register which will improve inventory control for firefighting equipment such as tankers and pumps.

²¹ For very large fires the Commissioner appoints an incident controller under s44 of the Rural Fires Act and the cost of managing the fire is borne by the State as a whole (not the local community). Brigades can claim for reimbursement from the Rural Fire Fighting Fund (RFFF) of expenditure that is incurred under s44 arrangements.

Matching resources to risk Another key recommendation concerned targeting resources to fire prone areas. The RFS has been in the process of refining Standards of Fire Cover (SOFC) methodologies which help link resource allocation decisions to risk assessments.

The current audit found that SOFC is being used in most districts to match resource allocation (eg. tankers) to risk at the local level. The RFS also advised that under FCO transfer arrangements SOFC would form the basis of long-term equipment plans.

In addition, education activities for councils and brigades on SOFC will occur as part of the change management program.

Sharing of resources The 1998 audit also recommended that firefighting authorities develop cooperative arrangements to identify and facilitate the sharing of resources (such as stations, equipment and personnel). The proposed amendments to the RF Act will require the development of Service Level Agreements which will outline administrative and resourcing arrangements between local councils and the RFS.

The RFS advises that while the sharing of resources may occur on an informal basis, it no longer considers it appropriate to enter into formal agreements with other fire fighting agencies.²²

Bushfire prevention, training and community education

These recommendations related to firefighter training and fire prevention opportunities, including hazard reduction and community education. While most of these recommendations have been implemented, the current audit found that some changes had not yet taken effect.

²² There are MOUs and mutual aid agreements with NSWFB however these deal with communication of emergency calls and incident response strategies, rather than the sharing of resources (stations, equipment, personnel).

Hazard reduction One key recommendation concerned hazard reduction activities which were being adversely affected by perceived competing requirements arising from various pieces of environmental legislation. A Ministerial Working Party was recently formed to review these problems.²³ Guidelines on the development of Risk Management Plans, to be prepared by districts, also contain information on environmental legislation (such as historic heritage, threatened species, planning and protected lands).

However the Audit Office found that the amount of hazard reduction has decreased by 28% since 1997-98 (from 661,132 ha to 474,009 ha per annum).

The RFS advised the Audit Office that the variation in hazard reduction across the State over the last three years is within the expected range for such activities. This is because the level of hazard reduction fluctuates as a result of weather conditions, land management objectives and the period since the last burn. In addition, there has been an increased focus on fire trail maintenance and hazard reduction along lineal features (eg roads).

Bushfire risk management plans include provisions for the monitoring of the implementation of risk management strategies, including hazard reduction. The RFS advises that it will take a number of fire seasons to determine the full effectiveness of these strategies and that they are in the process of developing methodologies to measure the effectiveness of hazard reduction activities as a means of reducing the impact of fires.

Community education The 1998 audit also recommended that the RFS review existing strategies to promote community involvement in their own protection against fire. In response, the RFS has developed a number of brochures, service standards and teaching aids on community education.

Until all bushfire risk management plans have been finalised it will be difficult to determine whether community education strategies are targeted at high risk areas. To date, 53% of districts have submitted community education strategies.

²³ The Ministerial Working Party released a draft report in March 2001: Interdepartmental Committee on Environmental Assessments for Bush Fire Hazard Reduction Proposals.

Training

The final recommendation sought to address deficiencies in training for brigade members in rural fire districts. The RFS reports that targets for the number of instructors and assessors have been met. Although there has been an increase in the number of certified firefighters, not all brigade members have completed the required level of training, particularly in the western regions of NSW.²⁴

The RFS advises that a new database (Firezone) will incorporate a training register for firefighters in each district and will maintain data on training history (previously unavailable). In addition, the RFS is currently negotiating an MOU with NPWS and State Forests which will establish the RFS as the principal training centre for firefighters.

Ensuring implementation

Monitoring and reporting on implementation

Two interdepartmental committees, the Bush Fire Coordinating Committee (BFCC) and the Rural Fire Service Advisory Council (RFSAC), reviewed the recommendations and suggested relevant action to be taken to progress implementation.

Although steps were taken to review the recommendations, there have been few reports on the progress of implementation to the Commissioner or the Minister for Emergency Services.

Public reporting

There was no reference to the audit in RFS Annual Reports (ie the 1998-1999 and 1999-2000 annual reports) that followed the audit.

External follow-up

The Audit Office found that implementation of recommendations was further progressed as a result of a parliamentary inquiry that occurred after the audit. The RFS indicated that the inquiry provided strong impetus for introducing reforms in the coordination of bushfire fighting activities.

²⁴ 83% of firefighters are certified at basic firefighter level, 50% of Brigade Officers are certified as Crew Leaders and 100% of Group Officers are certified as Group Leaders.

Parliamentary Inquiry: NSW Rural Fire Service

In November 1999 the Legislative Council General Purpose Standing Committee No 5 commenced an inquiry into the NSW Rural Fire Service. The Committee examined the adequacy of fire suppression services provided to rural communities in NSW, with particular focus on:

- ❑ expenditure on fire fighting equipment
- ❑ the adequacy of fire fighting apparatus
- ❑ stakeholder representation in operational matters
- ❑ firefighter training and protective equipment
- ❑ the appropriateness of the command and control system used in bushfire suppression activities.

Submissions were received from the public and key stakeholders, including government agencies. The Committee also held four hearings in metropolitan and regional NSW.

The Committee's report on the inquiry, tabled June 2000, made a number of recommendations concerning SOFC methodologies, protective equipment for support functions, communication strategies, code of ethics and hazard reduction.

One key issue, also highlighted by the Audit Office, was the dual reporting and accountability arrangements of FCOs. The Committee recommended that FCOs be transferred to the Rural Fire Service.

Since the inquiry, RFS has been actively implementing a number of the Committee's recommendations and in late 2000 the government approved the transfer of FCOs to the RFS.

The RFS advises that many of the recommendations of both the audit and the parliamentary inquiry will be dealt with as part of a change management program designed to facilitate the transfer of FCOs to the RFS.

Source: Report on Inquiry into the NSW Rural Fire Service, General Purpose Standing Committee No 5, June 2000

Response from the NSW Rural Fire Service

I refer to the recent Follow-Up Performance Audit Review to the December 1998 Report on “The Coordination of Bushfire Fighting Activities” by your office.

Thank you for the opportunity to formally comment on the Review prior to its presentation to Parliament.

In the two and a half year period since the last report, the NSW Rural Fire Service has responded either fully or in part to all the issues raised by The Audit Office. In that period the NSW Rural Fire Service has also had to respond to a Parliamentary Inquiry, four Coronial Inquiries and conduct its business through two quite severe and demanding bush fire seasons.

As noted by the Review, from 1 July 2001 all Council employed fire control staff will be transferred to State employment and be subject to direct control and accountability to myself as Commissioner. This has been a long-standing issue raised initially by Deputy Coroner Hiatt in his report on the January 1994 bushfires, your own report in December 1998 and the Report of Standing Committee No.5 of the Legislative Council in June 2000.

Flowing from Coroner Hiatt’s findings, a Ministerial Working Party, comprising Local Government and Rural Fire Service representatives was established in August 1999 to review the accountability arrangements for fire control staff. The Working Party deliberated for nearly 12 months before agreement was reached to transfer fire control staff from Local Government to the employ of the State. Reaching this position has required significant sensitive negotiations with the key stakeholders.

In late 2000, the Parliament passed legislation to give effect to the transfer of fire control staff effective from 1 July 2001.

This has been a significant milestone and extensive resources are currently being deployed to give effect to this transfer and establishing the necessary procedures and processes associated with this change. The ability for improved accountability will be critical in giving effect to the majority of findings of your follow up investigations.

As part of this process, the NSW Rural Fire Service has adopted a computerised fire management package, Firezone, with a number of modules covering resource management, incident recording, asset management, brigade details, training details and reporting modules.

I concur with the Audit Office that further enhancements are required in some areas. In addressing many of these issues though, I believe it is important to highlight that co-ordinated bushfire management is not the sole province of the NSW Rural Fire Service, and for it to be effective requires a significant element of “ownership” by each of the key participants. There is a very strong need for careful consideration and development of many issues to ensure that the needs of all the players are adequately met.

The NSW Rural Fire Service is not a land management agency and is not in a position to address land management issues, rightfully the responsibility of other agencies and/or local government.

In 1998, I noted that some time would be required to deal with the issues raised in the audit and that a reform process was in train. I would offer that significant progress has been made in the two and a half years since the original report was released. The process of reform will continue and I have noted the comments by your office in relation to implementation.

Having made these general remarks, I would now offer the following specific comments on the issues raised in this Review.

1. Planning, coordinating and liaison for bushfire suppression activities

Of the six recommendations related to planning, coordination and suppression, The Audit Office notes that four have been fully implemented including the transfer of Fire Control Officers, incident management protocols, communication procedures and the adoption of operational plans as well as radio communication protocols.

Implementation in relation to the use of aircraft and post fire evaluation continue. It should be noted that the Bush Fire Coordinating Committee has sought resolution of the issues surrounding aircraft usage for bush fire events. The NSW Rural Fire Service is actively participating in this process, however, in the case of other affected agencies the NSW Rural Fire Service is not in a position to control aircraft resources owned and managed by those agencies. Resolution of outstanding issues such as guidelines to help officers in determining when aircraft can be used is expected prior to the beginning of the upcoming bush fire season.

Notwithstanding the view of The Audit Office, I seek to reaffirm that a Service Standard and an Aviation Assistance Plan has been promulgated prior to the current review.

In my view significant progress has been achieved but as with all matters requiring input from multiple agencies it does require considerable negotiation to reach a consensus position.

The Audit Office also notes that there is as yet no standard suite of performance measures for use by all fire fighting agencies in NSW in relation to fire suppression. This arises from two factors being that, in the case of NPWS and State Forests of NSW, these fire authorities also have significant land management functions, and secondly, the nature of fire suppression activities is often different. The NSW Rural Fire Service has, at considerable expense and time, adopted a suitable Fire Incident Reporting System (FIRS) compatible with national reporting requirements. Discussions will be held with NPWS and State Forests on these issues, however, it would appear that the requirements for reporting by land management agencies may differ from that of the NSW Rural Fire Service and indeed the NSW Fire Brigades.

2. Rural Fire Resourcing.

Of the four recommendations of the 1998 audit relating to funding and resourcing, The Audit Office believes that only one of the recommendations has been fully implemented, relating to the improved guidelines on the allocation of funding from the Rural Fire Fighting Fund.

The NSW Rural Fire Service believes The Audit Office has taken a narrow view of implementation. Guidelines for Section 44 expenditure are currently before the Bush Fire Coordinating Committee and should be in place shortly.

In relation to improved inventory control, the NSW Rural Fire Service is linking the equipment (asset) register to its Service Level Agreements with Local Councils and will have an accurate record through its Firezone Asset Register module. The NSW Rural Fire Service is expecting to finalise an updated version of this module that will comprise a more comprehensive inventory control system, for evaluation by the close of this calendar year. The current Asset Register is for capital items and other equipment that has been assessed using risk management principles as being essential for fire fighting operations (including pumps, chainsaws and the like) but does not include consumables.

I would like to reiterate the NSW Rural Fire Service commitment to the delivery of Standards of Fire Cover to the District level. This will be facilitated by the new computerised system linked to Firezone which should be in place from 1 July 2001.

On the issue of sharing of resources, the NSW Rural Fire Service has, through its links with local Councils, been able to develop some capacity to share resources with other agencies. Whilst the Rural Fire Service does avail itself of the opportunity to share resources with other agencies, in practical terms the ability to do this is relatively limited and is generally confined to multiple use of sites and buildings.

This is best demonstrated with the State Emergency Service where there are examples of joint accommodation servicing specific Council areas. In like fashion, the Service has several examples of shared facilities with NSWFB.

Opportunities for the sharing of resources with land management agencies such as the NPWS and State Forests is rarely available, however the NSW Rural Fire Service is engaged in discussion with the NPWS and State Forests in relation to establishing a Memorandum of Understanding between these agencies and the NSW Rural Fire Service in relation to training and other matters.

In 1996, the Government also established the Fire Services Joint Standing Committee to minimise duplication and maximise compatibility of resources in the management of fires and other incidents. A Memorandum of Understanding has also been developed and signed by the agencies to give effect to protocols and procedures for the management of fires and Mutual Aid Agreements have been incorporated into Operational Plans where the two agencies operate in close proximity to each other.

In addition, the NSW Rural Fire Service has embarked on a program to explore, in conjunction with local government, the merging of rural fire services to establish a system of zoning between Council areas.

The concept of sharing resources such as personnel and equipment is of course the very foundation that coordinated firefighting principles are built on. It is widely recognised that no single agency will be able to marshal sufficient resources from within the defined local area to deal with fires occurring at the extreme end of the weather scale. Under those circumstances it is always essential to bolster local resources from sources external to the local area and each of the four fire fighting authorities identified in the Rural Fires Act, can and do mobilise out of area resources when conditions dictate.

The four fire fighting authorities comprise the two fire services and two land management agencies. Whilst there are examples where a fire service and a land management agency are co-located, reality has to prevail and that reality is that each of the land management agencies has a substantial array of activities that must be undertaken that are not remotely connected to fire management. Each agency must, perforce, establish an office and staffing structure that permits it to undertake its core business with maximum efficiencies.

In the case of the Rural Fire Service (and the State Emergency Service), establishment of infrastructure is dependent upon funding agreements between the Service and the local Government council/s, whereas all other agencies are not tied to agreements with Councils.

A greater proportion of local Government councils have recognised the need for dedicated Fire Control Centres and/or Emergency Control Centres, that incorporate specialist needs for fire management purposes and other emergency incidents. Such centres must be able to efficiently manage operations from routine activities right through to large and complex events requiring input and coordination of resources from multiple authorities and support agencies.

Control centres are typically based in Council premises although some were initially based in land management agency offices, albeit on an informal basis.

As these agencies have rationalised their Regional and District structures the opportunity to utilise existing office space as fire control centres for emergency type operations has diminished and the Service, in conjunction with local Government Councils, has embarked upon a program of upgrading or replacement.

The opportunity to share common resources with NSWFB is not always feasible given the necessity for each Service to site its stations and infrastructure in a central location within the respective fire districts, in recognition of the need to provide a timely response to incidents.

3. Bushfire prevention, training and community education.

The Audit Office noted that while recommendations relating to fire fighter training and fire prevention opportunities had been implemented, some changes had not yet taken effect.

Hazard reduction activities are the responsibility of the relevant land managers and fluctuates largely as a result of weather conditions, land management objectives and the period since last burn. While the Rural Fire Service reports on annual achievements, it is responsible for very little hazard reduction in its own right because of a complete absence of land management responsibilities. The Service plays a major role in conducting hazard reduction activities, but does so in a cooperative manner with the responsible management agency.

The occurrence of wildfires can also affect the level of hazard reduction where scheduled areas have already been burnt. The variation of 28% in hazard reduction across the State is within the expected range and is significantly closer to the mean figure of approximately 500,000 ha per annum, than the audit report suggests. It should also be noted that there has been a significant increase in the level of hazard reduction of linear features such as roads, fire trails and railway lines in addition to the figures quoted.

Community education continues to be a high priority of the NSW Rural Fire Service and it is expected that with the completion of bush fire risk management plans, community education priorities related to risk can be established across the State. The proposed realignment of Regional staff duties that will occur simultaneously with the transfer of District staff, will see a much stronger emphasis on Community Safety and specific positions within Regions will focus on this topic to provide assistance and direction for Districts, to ensure that Districts develop and implement apposite community education programmes.

In relation to training, the NSW Rural Fire Service will continue to base fire fighting capability on competencies to undertake the tasks of fire fighting. This process also accepts the recognition of prior learning and competencies often derived from years of practical experience.

4. Ensuring implementation.

I can indicate that I have already included The Audit Office Review in the agenda papers for the Bush Fire Coordinating Committee, for consideration and deliberation at the next meeting in June 2001.

I also accept that in future, progress on the implementation of the 1998 Report and this Review should form part of the NSW Rural Fire Service Annual Report, however this was not evident as a requirement in the original report in 1998.

In addition, I have established a small Project Team to provide regular reports for myself and the Minister on progress in the implementation of the recommendations to the original report and the further findings of the current review. That team will include the Assistant Commissioner responsible for coordinated fire management issues and interaction with the Bush Fire Coordinating Committee and the Manager of Planning Services.

Conclusion.

In the period since the 1998 Report, the NSW Rural Fire Service has made considerable progress in the implementation of the Report's findings. This has not always been apparent and I accept the need to formalise this process and the communication of change.

The NSW Rural Fire Service is not able to accept the unqualified findings in relation to the sharing of resources in terms of personnel, equipment and facilities. Two major examples exemplify this:

- *during the major storm event in the Eastern Sydney suburbs in 1999, the NSW Rural Fire Service, NSW Fire Brigades and NPWS worked hand in hand with the State Emergency Services, demonstrating the flexibility and dedication of fire services to work compatibly with other emergency services.*

- *during the outbreak of Newcastle Disease in 1999 and more recently in the floods along the North Coast, the NSW Rural Fire Service demonstrated its ability to effectively coordinate with other Agencies in the provision of services other than fire fighting.*

Given the wide ranging nature of the agencies that are collectively responsible for coordinated firefighting, it is my intention that an appropriate plan to address outstanding issues should be formulated and acted upon by the Bush Fire Coordinating Committee. As indicated above, I have assigned a small working party the task of ensuring that Rural Fire Service specific matters are attended to and reported upon within a timely fashion.

(signed)

*Phil Koperberg AM, AFSM, BEM
Commissioner*

Dated 4 June 2001

Appendices

Appendix 1 A guide for monitoring and reporting on performance audit recommendations

Following a performance audit, agencies should:

- ✓ Assign responsibility for the implementation of recommendations accepted to a single person or branch
- ✓ Develop an action plan which includes a timetable for implementation and clearly outlines roles and responsibilities for the implementation of each recommendation accepted
- ✓ Include in the plan mechanisms to monitor and report on results against key indicators where they have been identified in the audit
- ✓ Allocate sufficient resources to implement the plan and set realistic and achievable timeframes and targets
- ✓ Have the plan endorsed by the CEO and where appropriate, the Board and the Minister
- ✓ Incorporate the plan in other planning documents such as the corporate plan, business plans or performance agreements
- ✓ Nominate or establish a committee to monitor and report on progress (some agencies use their audit committee or risk management committee to do this)
- ✓ Provide regular reports on the progress of implementation of the recommendations to the CEO and where appropriate, the Board and the Minister
- ✓ Raise staff awareness of the outcomes of the performance audit and invite feedback on how best to implement the recommendations
- ✓ Regularly review and monitor the plan and make amendments, where necessary, to maintain relevance and appropriateness
- ✓ Report progress and actions taken to address issues raised in the performance audit in the annual report (reporting progress each year until implementation is complete).

Appendix 2 The audit

Objective Follow-up performance audits examine the extent to which accepted recommendations have been implemented by agencies. Follow-up audits provide Parliament with an assessment of any changes which may have occurred in agencies in response to an earlier performance audit report.

Scope The following reports were covered by the audit:

- *Police Response to Calls for Assistance* (March 1998)
- *The Levying and Collection of Land Tax* (August 1998)
- *The Coordination of Bushfire Fighting Activities* (December 1998)

Criteria The following criteria were used to judge changes in practice or performance:

- the agency has assessed the impact of the recommendations, has determined the course of action, and has implemented recommendations accepted
- the implementation plan is monitored and reported upon (eg, through the Audit Committee or other monitoring mechanisms)
- the agency has reported the progress of implementation of recommendations in subsequent agency Annual Reports.

Cost of the audit The cost of the audit was \$112,800. This figure includes the estimated cost of printing the report (\$5000).

Acknowledgements

The Audit Office gratefully acknowledges the cooperation and assistance provided by representatives of the NSW Police Services, the Office of State Revenue and the NSW Rural Fire Service.

Performance Audits by the Audit Office of New South Wales

Performance Auditing

Performance audits seek to serve the interests of the Parliament, the people of New South Wales and public sector managers.

The legislative basis for performance audits is contained within the *Public Finance and Audit Act 1983, Division 2A*, which differentiates such work from the Office's financial statements audit function. Performance audits examine whether an authority is carrying out its activities effectively and doing so economically and efficiently and in compliance with all relevant laws. These audits also evaluate whether members of Parliament and the public are provided with appropriate accountability information in respect of those activities.

Performance audits are not entitled to question the merits of policy objectives of the Government.

When undertaking performance audits, auditors can look either at results, to determine whether value for money is actually achieved, or at management processes, to determine whether those

processes should ensure that value is received and that required standards of probity and accountability have been met. A mixture of such approaches is common.

Where appropriate, performance audits provide recommendations for improvements in public administration.

Performance audits are conducted by specialist performance auditors who are drawn from a wide range of professional disciplines.

The procedures followed in the conduct of performance audits comply with the Audit Office's Performance Audit Manual which incorporates the requirements of Australian Audit Standards *AUS 806 and 808*.

Our performance audit services are certified under international quality standard *ISO 9001*, and accordingly our quality management system is subject to regular independent verification. The Audit Office of NSW was the first public audit office in the world to achieve formal certification to this standard.

Performance Audit Reports

No.	Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
1	Department of Housing	<i>Public Housing Construction: Selected Management Matters</i>	5 December 1991
2	Police Service, Department of Corrective Services, Ambulance Service, Fire Brigades and Others	<i>Training and Development for the State's Disciplined Services: Stream 1 - Training Facilities</i>	24 September 1992
3	Public Servant Housing	<i>Rental and Management Aspects of Public Servant Housing</i>	28 September 1992
4	Police Service	<i>Air Travel Arrangements</i>	8 December 1992
5	Fraud Control	<i>Fraud Control Strategies</i>	15 June 1993
6	HomeFund Program	<i>The Special Audit of the HomeFund Program</i>	17 September 1993
7	State Rail Authority	<i>Countrylink: A Review of Costs, Fare Levels, Concession Fares and CSO Arrangements</i>	10 December 1993
8	Ambulance Service, Fire Brigades	<i>Training and Development for the State's Disciplined Services: Stream 2 - Skills Maintenance Training</i>	13 December 1993
9*	Fraud Control	<i>Fraud Control: Developing an Effective Strategy (Better Practice Guide jointly published with the Office of Public Management, Premier's Department)</i>	30 March 1994
10	Aboriginal Land Council	<i>Statutory Investments and Business Enterprises</i>	31 August 1994
11	Aboriginal Land Claims	<i>Aboriginal Land Claims</i>	31 August 1994
12	Children's Services	<i>Preschool and Long Day Care</i>	10 October 1994
13	Roads and Traffic Authority	<i>Private Participation in the Provision of Public Infrastructure (Accounting Treatments; Sydney Harbour Tunnel; M4 Tollway; M5 Tollway)</i>	17 October 1994
14	Sydney Olympics 2000	<i>Review of Estimates</i>	18 November 1994
15	State Bank	<i>Special Audit Report: Proposed Sale of the State Bank of New South Wales</i>	13 January 1995
16	Roads and Traffic Authority	<i>The M2 Motorway</i>	31 January 1995
17	Department of Courts Administration	<i>Management of the Courts: A Preliminary Report</i>	5 April 1995
18*	Joint Operations in the Education Sector	<i>A Review of Establishment, Management and Effectiveness Issues (including a Guide to Better Practice)</i>	13 September 1995

No.	Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
19	Department of School Education	<i>Effective Utilisation of School Facilities</i>	29 September 1995
20	Luna Park	<i>Luna Park</i>	12 October 1995
21	Government Advertising	<i>Government Advertising</i>	23 November 1995
22	Performance Auditing In NSW	<i>Implementation of Recommendations; and Improving Follow-Up Mechanisms</i>	6 December 1995
23*	Ethnic Affairs Commission	<i>Administration of Grants (including a Guide To Better Practice)</i>	7 December 1995
24	Department of Health	<i>Same Day Admissions</i>	12 December 1995
25	Environment Protection Authority	<i>Management and Regulation of Contaminated Sites: A Preliminary Report</i>	18 December 1995
26	State Rail Authority of NSW	<i>Internal Control</i>	14 May 1996
27	Building Services Corporation	<i>Inquiry into Outstanding Grievances</i>	9 August 1996
28	Newcastle Port Corporation	<i>Protected Disclosure</i>	19 September 1996
29*	Ambulance Service of New South Wales	<i>Charging and Revenue Collection (including a Guide to Better Practice in Debtors Administration)</i>	26 September 1996
30	Department of Public Works and Services	<i>Sale of the State Office Block</i>	17 October 1996
31	State Rail Authority	<i>Tangara Contract Finalisation</i>	19 November 1996
32	NSW Fire Brigades	<i>Fire Prevention</i>	5 December 1996
33	State Rail	<i>Accountability and Internal Review Arrangements at State Rail</i>	19 December 1996
34*	Corporate Credit Cards	<i>The Corporate Credit Card (including Guidelines for the Internal Control of the Corporate Credit Card)</i>	23 January 1997
35	NSW Health Department	<i>Medical Specialists: Rights of Private Practice Arrangements</i>	12 March 1997
36	NSW Agriculture	<i>Review of NSW Agriculture</i>	27 March 1997
37	Redundancy Arrangements	<i>Redundancy Arrangements</i>	17 April 1997
38	NSW Health Department	<i>Immunisation in New South Wales</i>	12 June 1997
39	Corporate Governance	<i>Corporate Governance Volume 1 : In Principle Volume 2 : In Practice</i>	17 June 1997
40	Department of Community Services and Ageing and Disability Department	<i>Large Residential Centres for People with a Disability in New South Wales</i>	26 June 1997
41	The Law Society Council of NSW, the Bar Council, the Legal Services Commissioner	<i>A Review of Activities Funded by the Statutory Interest Account</i>	30 June 1997

No.	Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
42	Roads and Traffic Authority	<i>Review of Eastern Distributor</i>	31 July 1997
43	Department of Public Works and Services	<i>1999-2000 Millennium Date Rollover: Preparedness of the NSW Public Sector</i>	8 December 1997
44	Sydney Showground, Moore Park Trust	<i>Lease to Fox Studios Australia</i>	8 December 1997
45	Department of Public Works and Services	<i>Government Office Accommodation</i>	11 December 1997
46	Department of Housing	<i>Redevelopment Proposal for East Fairfield (Villawood) Estate</i>	29 January 1998
47	NSW Police Service	<i>Police Response to Calls for Assistance</i>	10 March 1998
48	Fraud Control	<i>Status Report on the Implementation of Fraud Control Strategies</i>	25 March 1998
49*	Corporate Governance	<i>On Board: guide to better practice for public sector governing and advisory boards (jointly published with Premier's Department)</i>	7 April 1998
50	Casino Surveillance	<i>Casino Surveillance as undertaken by the Director of Casino Surveillance and the Casino Control Authority</i>	10 June 1998
51	Office of State Revenue	<i>The Levying and Collection of Land Tax</i>	5 August 1998
52	NSW Public Sector	<i>Management of Sickness Absence NSW Public Sector Volume 1: Executive Briefing Volume 2: The Survey - Detailed Findings</i>	27 August 1998
53	NSW Police Service	<i>Police Response to Fraud</i>	14 October 1998
54	Hospital Emergency Departments	<i>Planning Statewide Services</i>	21 October 1998
55	NSW Public Sector	<i>Follow-up of Performance Audits: 1995 - 1997</i>	17 November 1998
56	NSW Health	<i>Management of Research: Infrastructure Grants Program - A Case Study</i>	25 November 1998
57	Rural Fire Service	<i>The Coordination of Bushfire Fighting Activities</i>	2 December 1998
58	Walsh Bay	<i>Review of Walsh Bay</i>	17 December 1998
59	NSW Senior Executive Service	<i>Professionalism and Integrity Volume One: Summary and Research Report Volume Two: Literature Review and Survey Findings</i>	17 December 1998
60	Department of State and Regional Development	<i>Provision of Industry Assistance</i>	21 December 1998
61	The Treasury	<i>Sale of the TAB</i>	23 December 1998

No.	Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
62	The Sydney 2000 Olympic and Paralympic Games	<i>Review of Estimates</i>	14 January 1999
63	Department of Education and Training	<i>The School Accountability and Improvement Model</i>	12 May 1999
64*	Key Performance Indicators	<i>Government-wide Framework Defining and Measuring Performance (Better practice Principles)</i> <i>Legal Aid Commission Case Study</i>	31 August 1999
65	Attorney General's Department	<i>Management of Court Waiting Times</i>	3 September 1999
66	Office of the Protective Commissioner Office of the Public Guardian	<i>Complaints and Review Processes</i>	28 September 1999
67	University of Western Sydney	<i>Administrative Arrangements</i>	17 November 1999
68	NSW Police Service	<i>Enforcement of Street Parking</i>	24 November 1999
69	Roads and Traffic Authority of NSW	<i>Planning for Road Maintenance</i>	1 December 1999
70	NSW Police Service	<i>Staff Rostering, Tasking and Allocation</i>	31 January 2000
71*	Academics' Paid Outside Work	<i>Administrative Procedures</i> <i>Protection of Intellectual Property</i> <i>Minimum Standard Checklists</i> <i>Better Practice Examples</i>	7 February 2000
72	Hospital Emergency Departments	<i>Delivering Services to Patients</i>	15 March 2000
73	Department of Education and Training	<i>Using computers in schools for teaching and learning</i>	7 June 2000
74	Ageing and Disability Department	<i>Group Homes for people with disabilities in NSW</i>	27 June 2000
75	NSW Department of Transport	<i>Management of Road Passenger Transport Regulation</i>	6 September 2000
76	Judging Performance from Annual Reports	<i>Review of eight Agencies' Annual Reports</i>	29 November 2000
77*	Reporting Performance	<i>Better Practice Guide</i> <i>A guide to preparing performance information for annual reports</i>	29 November 2000
78	State Rail Authority (CityRail) State Transit Authority	<i>Fare Evasion on Public Transport</i>	6 December 2000
79	TAFE NSW	<i>Review of Administration</i>	6 February 2001
80	Ambulance Service of New South Wales	<i>Readiness to respond</i>	7 March 2001
81	Department of Housing	<i>Maintenance of Public Housing</i>	11 April 2001
82	Environment Protection Authority	<i>Controlling and Reducing Pollution from Industry</i>	18 April 2001

No.	Agency or Issue Examined	Title of Performance Audit Report or Publication	Date Tabled in Parliament or Published
83	Department of Corrective Services	<i>NSW Correctional Industries</i>	13 June 2001
84	Follow-up of Performance Audits	<i>Police Response to Calls for Assistance The Levying and Collection of Land Tax Coordination of Bushfire Fighting Activities</i>	June 2001

* Better Practice Guides

Performance Audits in Progress

A list of performance audits in progress can be found on our website www.audit.nsw.gov.au



**THE AUDIT OFFICE
MISSION**

**Assisting Parliament
improve the
accountability and
performance of the
State**

For further information please contact:

The Audit Office of New South Wales

Street Address

Level 11
234 Sussex Street
SYDNEY NSW 2000
Australia

Postal Address

GPO Box 12
SYDNEY NSW 2001
Australia

Telephone (02) 9285 0155
Facsimile (02) 9285 0100
Internet <http://www.audit.nsw.gov.au>
e-mail mail@audit.nsw.gov.au

Office Hours: 9.00am - 5.00pm Monday to Friday

Contact Officer: Jane Tebbatt
Principal Performance Audit
+612 9285 0074

To purchase this Report please contact:

The NSW Government Information Service

Retail Shops

Sydney CBD

Parramatta CBD

Ground Floor Goodsell Building Chifley Square Cnr Elizabeth & Hunter Sts SYDNEY NSW 2000	Ground Floor Ferguson Centre 130 George Street PARRAMATTA NSW 2150
--	---

Telephone and Facsimile Orders

Telephone

Callers from Sydney metropolitan area	9743 7200
Callers from other locations within NSW	1800 46 3955
Callers from interstate	(02) 9743 7200

Facsimile	(02) 9743 7124
-----------	----------------