

Appendices

Appendix 1: Response from the agency



Ms Margaret Crawford
Auditor-General of NSW
GPO Box 12
SYDNEY NSW 2001

DGL17/339

Dear Ms Crawford

I refer to your letter of 3 April 2017 inviting a response to the final Performance Audit Report on Planning for School Infrastructure (your reference: PA6583).

The Department of Education welcomes the NSW Auditor General's report as an opportunity to highlight the development of the School Assets Strategic Plan, which you have supported as a good plan to meet the challenge of enrolment growth in New South Wales. I look forward to building on our foundation to further improve value outcomes for the department and the NSW Government.

I note the constructive suggestions made in the recommendations of the report and attach a formal response from the department to be incorporated into the published report.

I am pleased to inform you that the department accepts all of the report's recommendations and work is already underway to address them.

Once again, I would like to thank the review team of the Audit Office for working with the officers of the department to make this audit a worthwhile and constructive exercise.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Scott'.

Mr Mark Scott
SECRETARY
DEPARTMENT OF EDUCATION
2 May 2017

NSW Department of Education
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www.det.nsw.edu.au

The NSW Department of Education welcomes the NSW Auditor General's report *Performance Audit – Planning for School Infrastructure*

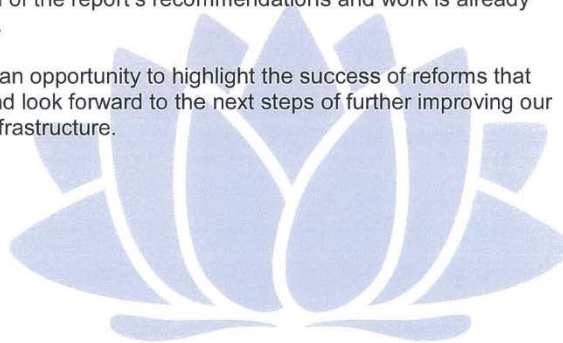
The report is an opportunity to highlight the department's approach to accommodating the expected student population up to 2031. In particular, we welcome the opportunity to highlight the development of the School Assets Strategic Plan, which you have supported as a good plan to meet the challenge of enrolment growth in NSW.

The department welcomes the audit findings that:-

- School asset planning is improving;
- New school assets strategy is evidence-based and has been reviewed extensively;
- The department has a robust methodology for student population projections;
- The department has robust and timely data on school assets;
- Many more classrooms will be needed, with many others requiring functional upgrades;
- The department has initiated a significant change in the approach to delivering school facilities, amounting to a new and more economical approach to reducing the need for additional schools and addressing the need for functional upgrades, maintenance and renewals;
- The implementation model is good in design and that the department is implementing a cluster planning model to manage growing demands for school assets;
- Cluster planning represents an improvement over the previous model which addressed infrastructure needs on a school by school basis;
- The proposed approach to consultation with the community represents good practice;
- The department has been strengthening collaboration with key stakeholders.

The department accepts all of the report's recommendations and work is already underway to address them.

We welcome the report as an opportunity to highlight the success of reforms that have been implemented and look forward to the next steps of further improving our approach to planning for infrastructure.



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Recommendation 1 :- Regularly revisit and evaluate the Strategic Plan to keep it contemporary, refine it based on learnings, update cost estimates to reflect actual results, and respond to available funding

The Strategic Plan will be kept up to date and regularly reviewed. The next review will be updated to align to the revised State Infrastructure Strategy in 2017 with a 2036 demographic horizon.

Recommendation 2:- Work with Treasury NSW to develop a framework for partnering with the private sector

A joint working party is being established with NSW Treasury and other agencies to identify appropriate methodologies for partnering with the private sector. Two pilot projects are being identified and will be tested before the framework is finalised.

Recommendation 3:- Align Total Asset Management plans with cluster plans as they are developed

Negotiations are underway with NSW Treasury to identify how this is best achieved.

Recommendation 4:- Closely consult and collaborate with communities on implementation of the Strategic Plan

The department is developing a number of communication strategies relating to the Strategic Plan including the creation of a new website for cluster planning. Communication plans will be developed for each school cluster plan.

Recommendation 5:- Continue to collaborate with key government agencies, local government, the non-government school sector and the private sector on implementation of the Strategic Plan

The department engaged and collaborated with these sectors in the development of the Strategic Plan and will continue to do so as it is implemented.

Recommendation 6:- Publish detailed information on the status of assets, current and projected enrolments, and planned school projects to support effective consultation and collaboration

The department will do this (as it relates to the school cluster plans that it is conducting) on its cluster planning website.

Recommendation 7:- Seek a ten-year capital planning limit from NSW Treasury

Negotiations are underway with NSW Treasury to implement a 10 Year Capital Planning Limit.

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Recommendation 8:- Advise the Government on options to change operational policies and practices to reduce infrastructure requirements.

The department will review and consider options to change operational policies and practices to reduce infrastructure requirements.