



INSIGHTS FOR BETTER GOVERNMENT

17 AUGUST 2023

# Annual Work Program 2023–26

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## RECONCILIATION COMMITMENT STATEMENT

The Audit Office of New South Wales pay our respect and recognise Aboriginal people as the traditional custodians of the land in NSW.

We recognise that Aboriginal people, as custodians, have a spiritual, social and cultural connection with their lands and waters, and have made and continue to make a rich, unique and lasting contribution to the State. We are committed to continue learning about Aboriginal and Torres Strait Islander peoples' history and culture.

We honour and thank the traditional owners of the land on which our office is located, the Gadigal people of the Eora nation, and the traditional owners of the lands on which our staff live and work. We pay our respects to their Elders past and present, and to the next generation of leaders.

# Annual Work Program 2023–26



# Auditor-General's introduction

I am pleased to present the New South Wales Audit Office Annual Work program 2023–26. It has been developed at a time of heightened interest in integrity and trust in government.

I am proud of the role the Audit Office has played in shining a light on processes that lack integrity, and that put at risk the community's trust in government. Over recent years our audit reports to the NSW Parliament have raised the bar and changed the conversation to focus equally on how things are done, not just what is delivered.

The integrity of systems and processes remains a key focus of this audit work plan. Audits will assess the quality and impartiality of advice to government, ensuring that options, risks, and impacts are made clear to decision makers. Our work will also provide assurance over governance arrangements, including legal compliance, management of conflicts of interest, and the maintenance of accurate and complete records.

This program will continue our focus on cyber security in view of the growing risk this presents.

For the first time, audits will consider the relevance of applying new 'follow the dollar' powers passed by the NSW Parliament late last year in the scoping of performance audits. With the increased reliance on non-government organisations to deliver on behalf of state government and local councils, follow the dollar powers mean our audits can consider the effectiveness and efficiency of commissioned programs or commercial arrangements.

In formulating this work program, we have conducted rigorous analysis of risks and issues facing the sectors we audit. We have engaged with stakeholders to ensure the work is timely and will deliver the best value to the agencies we audit, to the Parliament and to the citizens of New South Wales.

The Audit Office is always open to feedback on our topic selection and areas of focus. We would welcome suggestions for further improvement.



Margaret Crawford PSM  
Auditor-General for New South Wales

## WHAT WE DO

The Auditor-General reports to the New South Wales Parliament and is responsible for audits and related services. These audits aim to help Parliament hold government accountable for its use of public resources.

The Audit Office conducts financial and performance audits of state government entities, local councils and universities, principally under the *Government Sector Audit Act 1983* (GSA Act) and the *Local Government Act 1993* (LG Act) and examines allegations of serious and substantial waste of public money under the *Public Interest Disclosures Act 1994*. The Auditor-General can also be requested by the Treasurer, a minister or both Houses of Parliament to perform audit or audit-related services. These can include audits of agencies' compliance with specific legislation, directions and regulations. Following changes to the GSA Act in 2022, our performance audits can also include non-public sector entities that have received money or other resources, (whether directly or indirectly) from or on behalf of a government entity for a particular purpose.



Audit Office  
of New South Wales

→ Auditees → Audit and review → Report → Accountability →



State  
government  
entities



Local  
government  
councils



Universities



Parliament  
of New South Wales

## FINANCIAL AUDITS

Our financial audits provide an objective and independent opinion on the consolidated financial statements of the NSW general government and total state sectors, and the financial statements of NSW government agencies, NSW universities and local councils in New South Wales.

Financial audits are a key part of effective public sector governance and assess the adequacy of the financial reporting and internal control frameworks of audited entities. The GSA Act also provides the mandate to report any waste and/or lack of probity or financial prudence in the management of public resources that we may identify during our audits.

Each year, our financial audits also examine a small number of specific focus areas across the entities we audit. We look across the sectors we audit to identify common themes, issues or areas for improvement.

As well as our statutory financial audits, we perform other assurance audits and reviews, including providing assurance over Commonwealth grants and payments to the NSW Government and local councils under Commonwealth legislation.

For NSW government agencies, the results of each financial audit are reported to the head of the agency concerned, the responsible minister, the Treasurer, and the New South Wales Parliament.

For NSW local councils, the results of each financial audit are reported to the local council concerned, the responsible minister, the Secretary of the Department of Planning and Environment, and the New South Wales Parliament.

For NSW universities and related entities, the results of each financial audit are reported to the head of the university concerned, the responsible minister, the Treasurer, and the New South Wales Parliament.

Public sector accountability and sector-wide reports are also provided to New South Wales Parliament.



## PERFORMANCE AUDITS

Our performance audits assess whether the activities of government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws. Our mandate to conduct these audits is provided under the GSA Act and the LG Act. The Auditor-General can also be requested by the Treasurer, a minister or both Houses of Parliament to perform an audit or audit-related services.

We may, as part of a performance audit of State or Local Government activities, extend the scope of the audit to include the activities of non-public sector entities that receive money or resources from or on behalf of a State Government entity for a particular purpose (known as 'a State purpose') or from or on behalf of a Local Government entity for a local government purpose. Under the *Government Advertising Act 2011*, we are also required to conduct a performance audit of at least one government advertising campaign each year.

The activities examined by a performance audit may include a government program, project or service, and can include all or part of an audited entity, or more than one entity. Performance audits can also consider issues that affect the whole state sector or local government sector. Some of our performance audits will have particular regard to compliance with standards, policy and legislation.

For NSW government agencies, the results of each performance audit are reported to the head of the agency concerned, the responsible minister, the Treasurer, and New South Wales Parliament.

For local councils, the results of each performance audit are reported to the local council concerned, the responsible minister, the Secretary of the Department of Planning and Environment, and New South Wales Parliament.

Audited entities have the opportunity to provide a formal response to each performance audit. This is included in the Auditor-General's Report to Parliament.



### SYSTEMS ASSURANCE, CYBER AND DATA

The NSW public sector is increasingly reliant on Information Technology to improve service delivery. The newly created Systems Assurance, Cyber and Data Branch within the NSW Audit Office will seek to respond to the pervasive risks and opportunities associated with Information Technology, and the growing availability of large amounts of data. The creation of a new branch reflects the prominence of data and cyber within our Corporate Strategy and Annual Work Program, and the importance of our information systems assurance work. The work of this new branch enables our financial and performance audits, with insights being reflected in our financial and performance audit reports.

The outcome we seek is a sharper focus on Information Technology risks within the public sector, particularly cyber risks, being highlighted in our performance and financial audits. Our increasing use of data for more effective audits, aims to further enhance our audit reports.

### OTHER ASSURANCE REVIEWS

Each year we review whether members of the New South Wales Parliament complied with certain requirements outlined in the Parliamentary Remuneration Tribunal's Determination.





## Amendments to the *Government Sector Audit Act 1983* and *Local Government Act 1993*

In November 2022, amendments were made to the *Government Sector Audit Act 1983* and the *Local Government Act 1993* (the Acts), to provide the Audit Office with the ability to include non-public sector entities in its performance audits (known as 'follow the dollar' powers). These amendments principally stemmed from recommendations that had previously been made by former Public Accounts Committee's as part of their Quadrennial Reviews of the Audit Office. At the same time, other amendments were also passed — including to establish the Auditor-General as an independent officer of the Parliament, and to ensure the right of the Audit Office to access confidential information.

### Follow the dollar

The amendments to the *Government Sector Audit Act 1983* and the *Local Government Act 1993* gave the Auditor-General powers to include relevant, non-government entities in the scope of performance audits. A 'relevant entity' is a non-public sector entity that has received money or other government resources for a particular purpose and agrees to use that money or resources for the State purpose or has entered into a contract that relates to the State purpose.

These new powers are sometimes referred to as 'follow the dollar'. With increasing reliance on non-government sectors to deliver outcomes on behalf of government, these changes improve the ability of the Audit Office to ensure that public money is spent efficiently, effectively, economically and in compliance with relevant laws.

### Access to confidential information

While a person authorised by the Auditor-General has always had a legislative right to access information, amendments to the Acts extended this right to 'confidential information' (Cabinet documents or documents subject to a claim of Legal Professional Privilege). The amendments also introduced specific requirements relating to the disclosure — including reporting — of confidential information, namely:

- confidential information is not disclosed unless the Auditor-General has determined the disclosure is relevant and in the public interest.
- In these circumstances, the Auditor-General has, at least 28 days before disclosure, notified the Premier of the proposed disclosure and the Premier has not, within that 28 days, issued a certificate that the disclosure of the information is, in the opinion of the Premier, not in the public interest.



## Other key updates to our mandate

### Modern Slavery

In 2021, amendments were made to the *Modern Slavery Act 2018* to allow the Auditor-General to perform a 'risk-based audit of all or any particular activities' of a government agency to ensure those activities are not a product of modern slavery. The amendments commenced 1 January 2022.

### Fast-Track Grants

The NSW Government has determined that any future fast-track disaster funding grants will be considered high-risk grants under its grants framework, and the Auditor-General will be requested to conduct regular performance audits in relation to them.

### Childcare and Economic Opportunity Fund Act

The *Childcare and Economic Opportunity Fund Act* commenced in 2022 with the principal objective to increase participation in the State's workforce, particularly for women, by making quality childcare more affordable and accessible. The Act requires the Auditor-General to conduct performance audits of the Fund and financial assistance provided from the Fund at least once every three years with the first performance audit being completed no later than three years after the approval of the first strategic investment plan by the Minister and the Treasurer.

# Auditing for impact

The Audit Office publishes this audit work program annually. It reflects our ongoing strategic assessment of the risks and challenges facing government, and in turn, our annual focus areas for financial audits, and planned performance audit topics. The performance audit topics are published as a three-year rolling program. We aim to inform the New South Wales Parliament, the public sector and the community about the key risks we have identified, as well as our priorities and expected timeframes for the delivery of our work. This helps to give our stakeholders the best opportunity to prepare for and engage with our audits.

The annual review of audit priorities is an important way we ensure our responsiveness to broader challenges and risks across the public sector, while carefully managing our finite resources in delivering our mandate. The government provides around 7c for performance audits in every \$1,000 spent in the general government sector, so it is important we ensure we are targeting our program to areas where we can have the greatest impact.

The Annual Work Program includes topics that have regard to NSW government policy objectives and its reform agenda – to assess progress and impacts. It also reflects consideration of issues raised by the New South Wales Parliament's Public Accounts Committee, other Parliamentary Committees, individual Members of Parliament, local councils and members of the public.

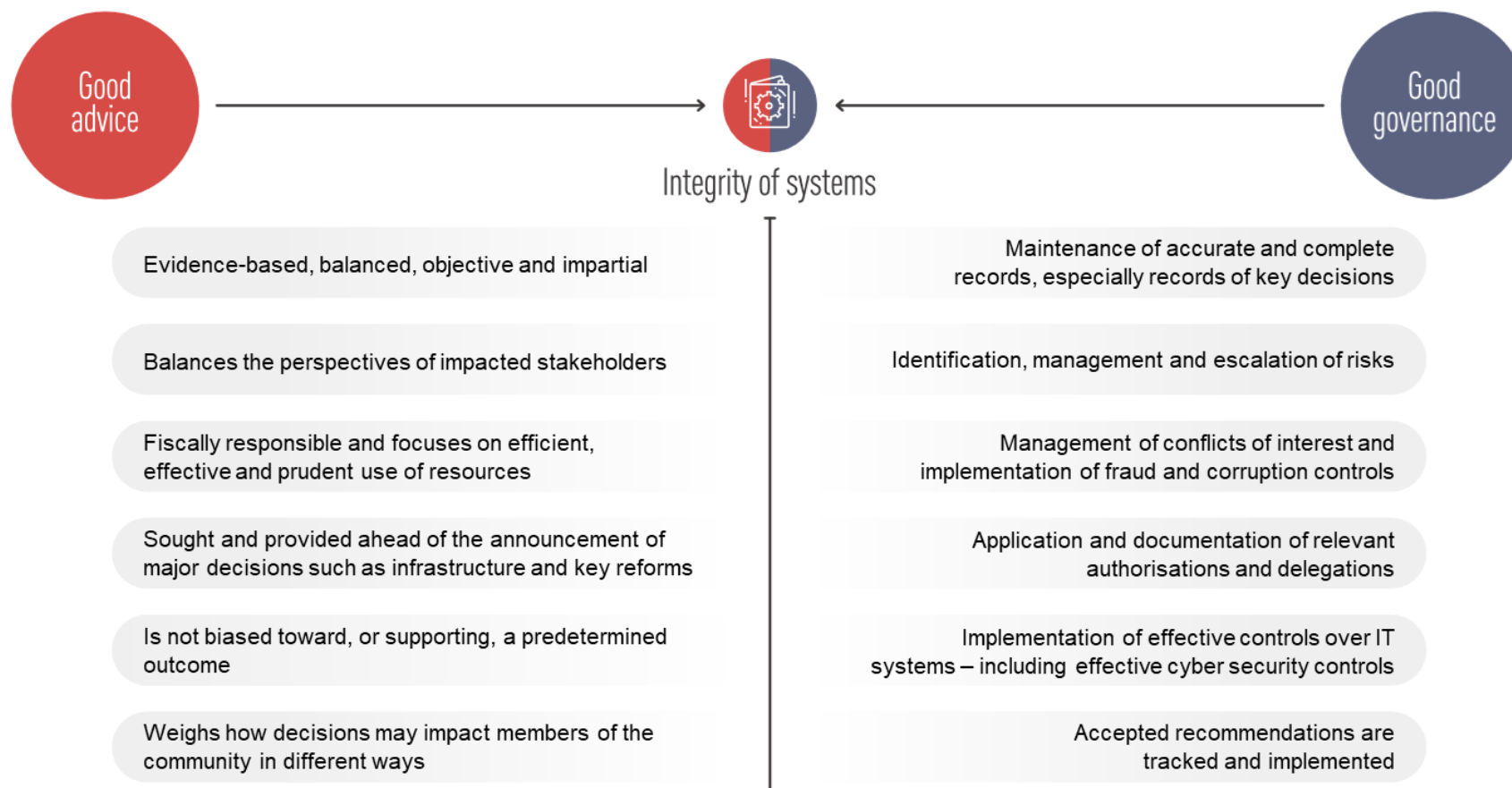
In focusing our program to specific areas, we have regard to key risks, significance, coverage of public sector entities, and interest or suggestions from the Parliament and community. We also have regard to how we will approach specific audits and navigate complexity. For this program, we plan to have an increased focus on the use of data analytics in our performance and financial audits, as well as on specific subject focus areas – including the integrity of systems and cyber security.

In addition, governments are continuing to assist communities in their recovery from recent emergencies such as the COVID-19 pandemic and severe weather events. The scale of government responses to these events has been significant and has required a wide-ranging response involving emergency response coordination, service delivery, governance and policy. The continuing and changing risk environment presented by emergency events – now and into the future – has meant that we will maintain our focus on providing assurance on how effectively aspects of government responses have been delivered. This includes financial and governance risks arising from the scale and complexity of government responses.



# Our focus on integrity

The Audit Office of New South Wales has a fundamental role in helping the Parliament hold government accountable for the use of public resources. In doing so, we examine whether government systems and processes are effective in supporting integrity, accountability and transparency. We set out below the aspects of integrity that we expect to see in these systems and processes—such as in grant program administration, major project delivery and application of controls and governance. We will assess these elements in the conduct of our financial and performance audits over the next three years. These focus areas arise from the collation of key findings and recommendations from our past reports, which we set out in further detail in our report on Audit Insights 2018–2022.





# Our focus on cyber security

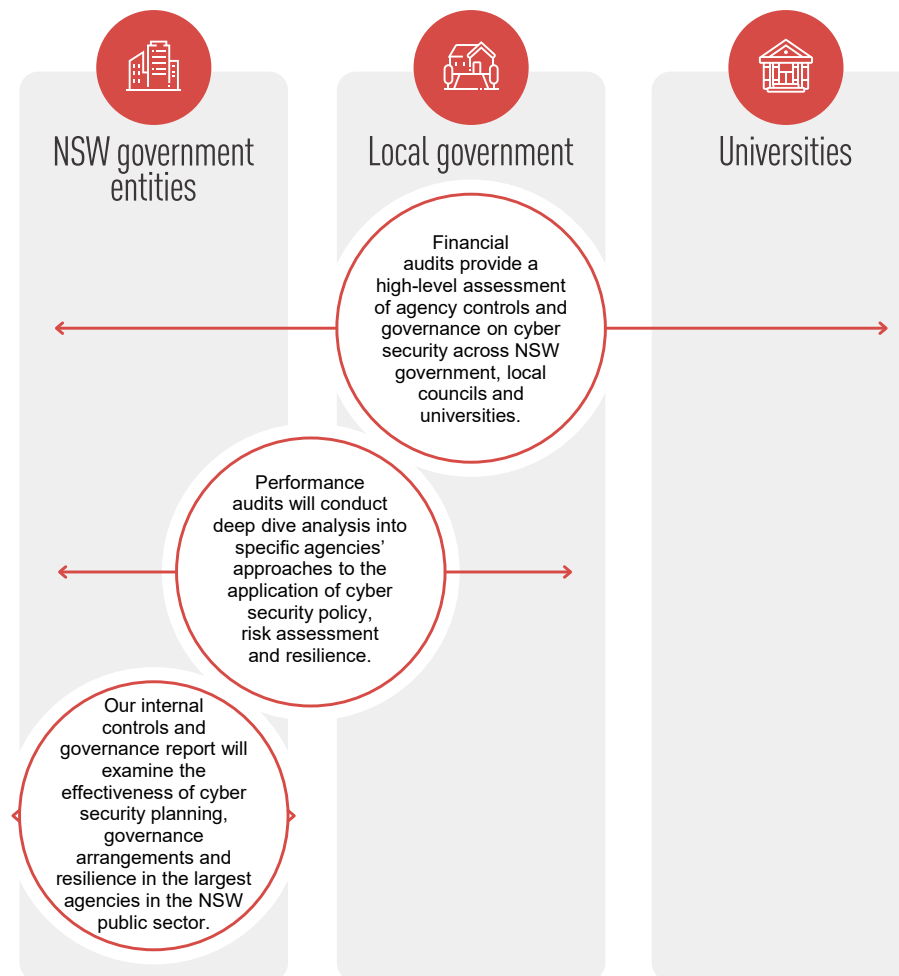
The pervasive reliance on information technology in modern government in addition to the global interconnectivity between computer networks has dramatically increased the risk of cyber security incidents. Such incidents can harm government service delivery and may include the theft of information, breaches of private information, denial of access to critical technology, or even the hijacking of systems for profit or malicious intent. These outcomes can harm trust in government.

More broadly, outdated and 'legacy' IT systems, changing functional responsibilities between agencies, risks with third and fourth party service providers, and workforce capability present risks to government. Agencies need to be alert to the need to update and replace legacy systems, identify security implications in functional changes, and regularly train and upskill staff in their use of IT and to be cyber risk-aware.

The Audit Office's approach to auditing cyber security across state entities, local councils and universities involves:

- considering how agencies are responding to the risks associated with cyber security in our financial audits across the NSW public sector
- examining the effectiveness of cyber security planning and governance arrangements for large New South Wales state government agencies for our Internal Controls and Governance report
- conducting deep dive performance audits of the effectiveness of specific agency activities in preparing for, responding to, and recovering from cyber security risks.

Our focus on cyber security in our Annual Work Program aims to provide insight into how agencies are going in implementing Cyber NSW guidance, and how well agencies are mitigating key cyber security challenges faced by government.



# Our focus on cyber security (continued)

## Cyber Security Challenges guiding the focus of our Annual Work Program



\* Our Cyber Security Challenges have been adapted from those presented by the United States Government Accountability Office (GAO) — Cybersecurity | U.S. GAO to highlight challenges we have seen in the NSW Public Sector from our Financial and Performance Audits.

\*\* When we refer to Cyber Resilience we are aligning with the NSW Government Cyber Security Policy definition, where resilience includes incident detection, response and recovery.

\*\*\* Audits provide insights as to how agencies are going against the six Focus Areas of the NSW Cyber Security Framework, but not assurance in relation to all aspects of the framework.

## FINANCIAL AUDIT

We will carry out around 500 statutory financial audits of NSW government agencies, universities and local councils' financial statements, issuing over 1,200 assurance opinions. We will comment on the results of these audits and our examination of state sector accountability and across-the-board focus areas in the Auditor-General's Reports to Parliament, detailed below.

### Report on State Finances

This report will focus on the 2022–23 consolidated financial statements of the NSW general government and total state sectors. It will comment on the key matters that have been the focus of our audit and highlight significant factors that have contributed to the State's financial results.

### Internal Controls and Governance

This report will bring together the findings and recommendations from our 2022–23 financial audits that relate to the internal controls and governance of the largest NSW government agencies. In 2022–23, this report will cover:

- internal control trends
- information technology controls
- governance arrangements including:
  - roles and responsibilities
  - risk management framework and processes
  - use of internal audit
  - the role of the Audit and Risk Committee
  - ethical conduct
- payroll controls
- management of work, health and safety obligations.

### Local government

This report will bring together findings and recommendations from our 2022–23 financial audits of local councils. It will comment on financial reporting and performance, internal controls and governance, and areas of interest that are in focus during the conduct of our audits.

### Universities

This report will analyse the results of the financial statement audits of the ten NSW universities for the year ended 31 December 2023. It will comment on financial reporting and performance, internal controls and governance, and areas of interest that are in focus during the conduct of our audits.

### State sector accountability reports

Our reports will analyse the results of the 2022–23 financial statement audits of NSW government agencies and group findings around key areas of service delivery. They will comment on financial reporting and performance, key accounting issues, and internal controls and governance findings.

### Members Entitlements

This report will analyse whether members of New South Wales Parliament complied with requirements outlined in the Parliamentary Remuneration Tribunal's Determination.

## PERFORMANCE AUDIT

The following performance audits are underway or planned. This program is subject to change in response to emerging issues. For navigability, we have grouped topics under headings relating to key areas of government service delivery and operations.

### Whole-of-government/multi-agency

#### Underway

- Flood housing response

#### Planned

- Governance and administration arrangements for NSW government departments
- GovConnect NSW

### Premier's, Cabinet Office and Treasury

#### Underway

- WestInvest Fund
- iCare

#### Planned

- Progress on the new National Agreement on Closing the Gap
- Outcome budgeting

### Customer Service

#### Underway

- SafeWork NSW
- Park'nPay

#### Planned

- Land Titles Registry
- Government advertising: 2022–23

### Transport

#### Underway

- Driver Vehicle System (DRIVES)
- Regional road safety

#### Planned

- Bus contracts
- Rail rollingstock procurement

### Education and skills

#### Underway

- Supporting students with a disability

### Health

#### Underway

- Ambulance services in regional New South Wales

#### Planned

- Cyber security in local health districts
- Northern Beaches Hospital

### Community Services

#### Underway

- Oversight of the child protection system
- Safeguarding the rights of Aboriginal children and young people in the child protection system

#### Planned

- Social housing

### Justice and emergency services

#### Planned

- Achieving outcomes across the prison system

### Planning

#### Planned

- Cemeteries and crematoria

### Environment

#### Planned

- Threatened species
- Water management and regulation
- Coastal management (with selected local councils)

### Trade, investment and regional development

#### Planned

- Regional Digital Connectivity program
- The NSW government's international offices

### Local government

#### Underway

- Cyber security in local government

#### Planned

- Road asset management
- Coastal management (also in Planning and Environment)



# Three-year performance audit program

## Whole-of-government/multi-agency

This section outlines audits we plan to conduct which span multiple NSW government agencies.

The specific agencies selected for inclusion in these audits will be identified during the preliminary scoping phase.



### PLANNED AUDITS

#### Topic focus area

#### Brief overview

Governance and administration  
arrangements for NSW government  
departments

Administration arrangements for the NSW public sector play an important role in how effectively agencies deliver their core responsibilities and collaborate to deliver cross-government initiatives. These arrangements are subject to change, depending on the policy and program objectives of the government of the day. Establishing and changing how departments are structured and administered can entail significant cost and disruption. Our 2021 performance audit on Machinery of government changes found that benefits and costs of such activities can be unclear unless effective planning and tracking is undertaken.

This audit will examine selected public administration and departmental arrangements to determine whether they are effectively supporting the public sector to deliver its objectives—having regard to important governance and accountability structures—while avoiding inherent conflicts between functions and unnecessary administration and cost.

GovConnect NSW

In 2020–21, Infosys, Unisys and the Department of Customer Service were co-providers of business processes and information technology services to a number of client agencies that constitute the GovConnect NSW environment. The role of the department has now transitioned to provision of GovConnect IT services. This audit will examine how effectively government agencies managed the outsourced service contracts and whether the arrangements resulted in greater employee productivity and better value for New South Wales taxpayers.

# Whole-of-government/multi-agency (continued)

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Unsolicited proposals (with Trade, investment and regional development)	An 'Unsolicited Proposal' is an approach to government from a proponent with a proposal to deal directly with the government over a commercial proposition, where the government has not requested the proposal. The NSW Government updated its guidelines for the submission and assessment of unsolicited proposals in August 2017. The updated guidelines incorporated the recommendations from two performance audits conducted by the Audit Office of New South Wales ( <a href="#">Managing Unsolicited Proposals in NSW</a> , 2016 and <a href="#">NorthConnex</a> , 2017) and the most recent periodic review in 2016, providing greater clarity and public reporting. The guidelines were further updated in 2022 to reflect machinery of government changes. This audit will assess the integrity and probity of the unsolicited proposals process.
Cyber security	The NSW Cyber Security Policy established that agency heads, including Departmental Secretaries, have a range of specific accountabilities in regard to cyber security, including to determine their agency's risk appetite, and to ensure their agency develops, implements and maintains an effective cyber security plan and/or information security plan. Secretaries are further accountable for ensuring all agencies in their cluster implement and maintain an effective cyber security program. This audit may examine the effectiveness of cyber security in one or more government agencies.
Governance of Artificial Intelligence, automation and robotics	Artificial Intelligence, or AI, is intelligent technology, programs and the use of advanced computing algorithms that can augment decision-making by identifying meaningful patterns in data. The NSW Government AI Policy and Assurance Framework describes the role of Artificial Intelligence to help the NSW Government free up the workforce for critical and frontline tasks, cut costs and enable delivery of better, more targeted services. This audit will examine the effectiveness of the governance of Artificial Intelligence, automation and robotics used to deliver services in NSW across a selection of agencies.
Compliance with records and public access to information	Under the NSW <i>State Records Act 1998</i> , NSW Government agencies are required to maintain effective records to ensure that the business of the NSW public sector is properly documented and to support service delivery, good governance and accountability. The <i>Government Information (Public Access) Act 2009</i> authorises and encourages the proactive release of information by NSW public sector agencies and gives members of the public a legally enforceable right to access government information. This audit will examine a selection of agencies' compliance with the <i>State Records Act 1998</i> and the <i>Government Information (Public Access) Act 2009</i> .

This section outlines our planned audits in relation to policy implementation and reform across government, the passage of significant legislation, financial and economic advice, economic strategy and governance of the State's finances, support for the delivery of major projects and events, and intergovernmental relations.



## PLANNED AUDITS

Topic focus area	Brief overview
Progress on the new National Agreement on Closing the Gap	The NSW Premier signed the new National Agreement on Closing the Gap on behalf of New South Wales in July 2020. The objective of the Agreement is to overcome the entrenched inequality faced by Aboriginal people so that their life outcomes are equal to those of all Australians. The NSW Government and NSW Coalition of Aboriginal Peak Organisations developed an implementation plan for 2021–22 which sets out five 'priority reform areas' and outlines the approach to achieving improvements in each of these. Aboriginal Affairs NSW is leading this work. This audit will focus on Aboriginal Affairs NSW's approach to, and progress in implementing, the National Agreement on Closing the Gap. This may include its approach to partnerships and communication, governance and accountability for outcomes.
Outcome budgeting	Outcome budgeting was announced in the 2017–18 Budget as a reform that aimed to deliver better outcomes for the people of New South Wales through increased transparency, accountability and value-for-money. The reform has been rolled out over several years. This audit will examine how effectively NSW Treasury has overseen the implementation of outcome budgeting to ensure that the reform's policy goals are achieved.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Gambling harm minimisation measures	NSW government research indicates that almost 20% of people who gamble in NSW have gambling problems, and that certain groups are at higher risk of developing gambling problems. The NSW government is introducing several harm minimisation measures that aim to address problem gambling. These include trialling cashless gaming machines, cash input limits, and bans on signage outside pubs and clubs. This audit may focus on the effectiveness of the NSW government's measures in reducing the harms caused by problem gambling.



This section outlines our planned audits in relation to transactional services, including digital, data and design, and regulatory and compliance activities covering citizens and businesses across New South Wales. This also includes cyber security policy, and the use of data and behavioural insights.



## PLANNED AUDITS

Topic focus area	Brief overview
Land Titles Registry	Australian Registry Investments (trading as NSW Land Registry Services) was granted the right to operate the titling and registry operations of New South Wales in April 2017, under a 35-year concession which commenced on 1 July 2017. The NSW Government continues to guarantee the title under the Torrens Assurance Fund. The Office of the Registrar General regulates NSW Land Registry Services (NSW LRS) as the operator of the NSW land titles registry under a regulator operator model. This audit will determine whether the NSW Government is realising the intended benefits from the 2017 sale of the long-term concession over the NSW Land Titles Registry and whether the Regulator can demonstrate it is ensuring the private operator is performing effectively and efficiently.
Government advertising: 2022–23	Under the <i>NSW Government Advertising Act 2011</i> , the Auditor-General is required to undertake a performance audit on government advertising activities undertaken by agencies in each financial year. This audit will examine selected government advertising campaigns approved and/or conducted in 2022–23.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Service NSW	Service NSW, an agency within the Department of Customer Service (DCS), provides one-stop access to a range of government services via digital and phone channels, as well as in-person at 114 service centres. It has become more involved in the delivery of grant funding, as well as other forms of assistance to communities affected by natural disasters. This audit will examine whether Service NSW's operating and financial models are fit-for-purpose to effectively and efficiently achieve the outcomes intended by government. It may also assess DCS's management of accountability and risk, particularly for IT infrastructure shared with other government entities.
Revenue NSW Hardship Policy	The intention of the Hardship Policy is to assist people that have a debt with Revenue NSW and are experiencing economic hardship, including those affected by natural disasters and COVID-19. The policy also applies to people experiencing homelessness, or who are considered vulnerable due to mental illness, intellectual disability or cognitive impairment, domestic violence, or substance misuse. This audit will consider the effectiveness of the policy in meeting its objectives.
Building regulation – preventing building defects	In response to high-profile examples of building defects, the NSW Government responded to heightened community concerns through a range of building regulation reforms. These include additional requirements around the registration and regulation of building and development certifiers. This audit will examine how effectively government agencies, including the Office of the Building Commissioner, have implemented these reforms and in a manner consistent with good regulatory practice.
Cyber security	The NSW Cyber Security Policy established that agency heads, including Departmental Secretaries, have a range of specific accountabilities in regard to cyber security, including to determine their agency's risk appetite, and to ensure their agency develops, implements and maintains an effective cyber security plan and/or information security plan. Secretaries are further accountable for ensuring all agencies in their cluster implement and maintain an effective cyber security program. This audit will examine specific cyber security controls in a selected NSW government agency.
Digital Restart Fund	The Digital Restart Fund was established in 2019 to accelerate whole-of-government digital transformation and enable iterative, multidisciplinary approaches to digital or information and communications technology (ICT) planning, and development and service provision. In 2020, there was \$1.6 billion available in the fund. This audit will assess the governance and administration arrangements for the fund and whether it will achieve its objectives.
Government advertising	Under the <i>NSW Government Advertising Act 2011</i> , the Auditor-General is required to undertake a performance audit on government advertising activities undertaken by agencies in each financial year. Each year, this audit will examine selected government advertising campaigns approved and/or conducted in 2023–24 and 2024–25.

This section outlines our planned audits in relation to infrastructure and integrated services across all modes of transport, including road, rail, bus, ferry, light rail and cycling.



## PLANNED AUDITS

Topic focus area	Brief overview
Bus contracts	Transport for NSW enters into contracts private companies to operate bus services. This performance audit will assess the effectiveness of bus service contract planning, management, and enforcement. It will examine whether contracting has delivered the expected improvements in bus services for citizens, and whether Transport for NSW is effectively managing private operator performance, utilising data analytics.
Rail rollingstock procurement	NSW transport agencies have been acquiring rollingstock for the new inner-city fleet, regional fleet and for Metro rail, with individual contracts with the private sector valued more than \$2 billion. In this audit we will assess the effectiveness of agencies in planning and management the procurement of rollingstock, as well as value-for-money. We will also consider if lessons learnt from the Tanagra and Millennium train acquisitions has been put into practice.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Natural disaster preparedness and response	Key service delivery agencies, including those in the Transport cluster, have funding allocated to respond to natural disasters. This can include events such as bushfires and severe weather conditions (such as flooding or storms) that impact directly on transport infrastructure as well as affecting local communities and the economy. This audit may consider how effectively Transport for NSW applies this funding to prepare for, respond to, and recover from natural disaster events in regional areas.
Metro Rail	Sydney Metro is Australia's biggest mega public transport project. It is a fully automated rapid transit system serving the city of Sydney. This audit will examine the effectiveness and integrity of the government's identification, allocation and management of risk, with a particular focus on the project initiation, planning and development, procurement and delivery stages. Advice to government and probity will be key considerations.



# Education and skills

This section outlines our planned audits in relation to education and skills, including delivery and regulation of education and training services for New South Wales students, workers and industry. This also includes the early childhood education and care sector, government and non-government schools, and the vocational education and training sector.



## PLANNED AUDITS

### Topic focus area

### Brief overview

#### Supporting students with a disability

Around one in five New South Wales public school students have a disability (approximately 172,000 students). Eighty-five per cent of students with disability learn in mainstream classes in mainstream schools. The department's Disability Strategy (2019) committed to build a more inclusive education system and identified actions across four key areas to do this. An audit in this area could examine how well the department has implemented the 2019 Disability Strategy and whether it is leading to greater inclusion in mainstream settings and improved outcomes for students with disability.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Security of student information	Schools collect and maintain detailed student data, including sensitive personal information. Schools can also require or encourage students to use third party software applications for learning and other school related activities. This audit will examine how effectively schools ensure student data is secure – both within their own systems and when provided to third or fourth parties.
School asset maintenance	Schools need well-maintained classrooms and physical activity areas to support student safety and learning. The department updated its school asset management policy in 2021, which considers age and maintenance requirements of existing public schools to optimise service delivery. \$480 million was allocated to school maintenance in 2022–23. This audit could look at how effectively the department plans and manages the maintenance of public school buildings and facilities.
Student behaviour management	Behaviour support is critical to promoting engaging and effective classrooms and lifting student performance. The department released a new student behaviour strategy in 2021 and policy and procedures in late 2022. The new policy settings aim to strengthen support for the engagement and participation of all students, including those with disability, complex and challenging behaviours, and additional needs. In early 2023, the NSW Government appointed a Chief Behaviour Advisor tasked with leading improvements in student behaviour and wellbeing across the school sectors. This audit could assess implementation of the new student behaviour policy settings and whether they are on track to meet intended outcomes.
Early childhood education	Children who participate in a quality early childhood education program are more likely to arrive at school with the social, cognitive and emotional skills they need to engage in learning. In December 2021, the NSW Government committed to increase funding for long day care and to deliver targeted programs for disadvantaged children. This audit could examine how well the department has increased access to affordable early childhood education services, while maintaining appropriate regulatory oversight of safety and quality.
Teacher and principal wellbeing	According to the 2022 People Matter Employee Survey, only 19% of teachers agreed they have the time to do their job well and 32% of teachers agreed they were able to keep their work stress at an acceptable level. The audit may consider how the department supports teacher and principal wellbeing through looking at issues such as workloads, bullying, support to respond to challenging student behaviour, workplace compensation claims, absenteeism, and management of complaints.
Literacy and numeracy in NSW schools	Literacy and numeracy form the foundations students need for learning across the curriculum and the development of skills for everyday life. The department has set five priorities for improving literacy and numeracy. In 2022, it introduced new specialist roles in primary and secondary schools to provide additional support in literacy and numeracy. An audit in this area could consider whether the five priorities and new specialist roles are successfully improving education outcomes in the targeted areas.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Vocational education and training for secondary school students	Vocational Education and Training (VET) courses can help students prepare for further education, training or employment. Students in New South Wales can study VET courses at school, through TAFE NSW or other providers. In 2021, a major review reported concerns about the quality and value of current offerings. In 2022, the department released the Pathways for Secondary Students Strategy. This strategy aims to ensure learners in high school are supported through pathways to succeed in post-school destinations. This audit could examine implementation of the strategy and whether the department is sufficiently addressing the findings of the 2021 review.
TAFE NSW —Institutes of Applied Technology	The government aims to ensure that its funded training delivers skills and capabilities needed for employment, meets current industry expectations and improves lifelong employment outcomes. To help achieve this aim, it is creating a new industry-led, blended model of education and training through the establishment of Institutes of Applied Technology (IATs). An IAT focused on 'digital skills' opened at TAFE NSW Meadowbank in 2022 and an IAT for 'construction skills' is due to open at TAFE NSW Kingswood in July 2023. This audit could examine governance of the IAT model and whether it is meeting its stated objectives.

This section outlines our planned audits in relation to health including protecting, maintaining and improving the health and wellbeing of residents in New South Wales and the investment in new capital works and renewal of health-related infrastructure.



## PLANNED AUDITS

Topic focus area	Brief overview
Ambulance services in regional New South Wales	NSW Ambulance is responsible for delivering ambulance services across New South Wales, including the delivery of the Extended Care and Intensive Care paramedic programs. In its 2021–22 annual report, NSW Health noted a four-year initiative to convert 246 paramedic positions to intensive care paramedic positions, with 73 paramedics commencing training for regional Intensive Care Paramedic positions. Additionally, in its 2020–21 Year in Review report, NSW Ambulance reported the upskilling of 203 Intensive Care Paramedics for regional areas, as well as the delivery of a new fleet of 69 intensive care ambulances, with 50 going to rural and regional New South Wales. This audit may examine the efficiency and effectiveness of NSW Ambulance services in regional New South Wales.
Cyber security in local health districts	Local Health Districts in New South Wales create, collect and maintain patient data, including sensitive personal information. Cyber security incidents can harm service delivery and may include the theft of information, denial of access to critical technology, or even the hijacking of systems for profit or malicious intent. This audit may examine the effectiveness of Local Health Districts in safeguarding patient data and ensuring data security, including how well LHDs ensure they have effective cyber security measures in place.
Northern Beaches Hospital	On 11 December 2014, the State entered into a public-private partnership (PPP) to deliver the Northern Beaches Hospital. Under the terms of the PPP, the private sector designed, built, operates and maintains the new hospital which provides free public patient services as well as a range of services for private patients. The Northern Beaches Hospital is a part of the Northern Sydney Local Health District and the private sector partner remains responsible for providing publicly-funded health services until October 2038. Using follow the dollar provisions, this audit may examine whether the Northern Beaches Hospital is delivering publicly-funded health services transparently, efficiently and effectively.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Managing elective surgery	Each year approximately 200,000 patients have elective procedures/surgery in New South Wales public hospitals. Patients are placed on a waiting list and given a clinical priority depending on the seriousness of their condition. Managing elective surgery patients and waiting lists is a key priority for the NSW Government and NSW Health. During the COVID--19 pandemic, there were temporary suspensions of non--urgent elective surgeries to ensure there was sufficient staffing and hospital bed capacity in New South Wales to meet COVID--19 related demand. This audit may examine how NSW Health manages the public elective surgery waitlist, and could include a focus on the impact on patient health caused by the suspension of elective surgery during COVID--19.
Oversight of Visiting Medical Officers (VMOs)	In the NSW public hospital system, senior doctors are generally either staff specialists or visiting medical officers (VMOs). Staff specialists are permanent or fixed term employees working full-time or part-time in the public health system. VMOs are not hospital employees but are contracted by the local health district to provide specific medical services. The arrangements under which VMOs are remunerated are complex and the total expenditure to VMOs in NSW is a significant expense. This audit may examine the adequacy of NSW Health's oversight and assurance arrangements.
Aboriginal health outcomes	NSW Health released the NSW Aboriginal Health Plan 2013--2023 in 2012. The vision of the Plan is health equity for Aboriginal people. The goal of the Plan is to work in partnership with Aboriginal people to achieve the highest level of health possible for individuals, families, and communities. This audit may examine NSW Health's progress at improving health outcomes for Aboriginal people in New South Wales.
Virtual healthcare	Virtual healthcare, also known as telehealth, safely connects patients with health professionals to deliver care when and where it is needed. It complements face-to-face care. Virtual healthcare services received a major boost during the COVID-19 pandemic. Patients and clinicians embraced the service with a 700% increase in February to May 2020 compared with the same period in 2019. This audit may examine the use of virtual care services and NSW Health's focus on sustainably embedding the virtual care model.
Health workforce planning	Workforce planning has the potential to influence the effectiveness of the entire New South Wales hospital system. Governments are responsible for ensuring the availability of a capable and qualified nurse and medical workforce to staff NSW Health's public hospitals. There are challenges across the country in sourcing staff with some clinical specialties. This is particularly acute in regional and rural areas. NSW Health needs assurance that nurse and medical staff are sufficient in numbers and appropriately qualified to service the current and future requirements. This audit may assess the effectiveness of workforce planning to supply sufficient health staff, with a particular focus on regional, rural and remote areas.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Community-based mental healthcare	Increasing numbers of people are presenting at hospital emergency departments requiring treatment during an acute mental health episode. Over the past ten years, a higher volume of mental health presentations has increased stress on hospital emergency department personnel and resources. NSW Health has a range of community mental health services and programs, including the statewide Community Living Supports program to support people to live with mental illness in the community. This audit could consider NSW Health's actions to enhance community-based mental healthcare through coordination and integration of community care with other services and non-government providers, as well as actions to enhance telehealth and community mental health workforce planning.
Suicide prevention	Towards Zero Suicides is an \$87 million investment over three years, starting from 2019–2020, in new suicide prevention initiatives that address priorities in the Strategic Framework for Suicide Prevention in NSW 2018–2023. The initiatives include system improvements, suicide prevention training for NSW government staff and community members, and enhancing support in regional and rural areas. This audit could examine whether NSW Health's implementation of the Strategic Framework for Suicide Prevention in NSW 2018–2023 is effectively meeting its objectives.
Access to drug and alcohol services	<p>The Centre for Alcohol and Other Drugs is responsible for developing, managing and coordinating NSW Ministry of Health policy, strategy and program funding for the prevention, minimisation and treatment of alcohol and drug-related harm. The branch also supports the maintenance of relevant legislative frameworks, including drug and alcohol treatment legislation.</p> <p>The work of Centre for Alcohol and Other Drugs is delivered through the drug and alcohol program, in partnership with local health districts, Justice Forensic and Mental Health, Sydney Children's Hospital Network, NSW Health pillars and affiliated health organisations, non-government organisations, research institutions and other partner organisations. The 2021–22 budget for drug and alcohol services is \$330 million. The funding is allocated to local health districts and non-government organisations to provide core drug and alcohol services. This audit may examine the effectiveness, efficiency and economy of NSW Health's drug and alcohol program.</p>
Preventive health and health promotion	Preventive health and health promotion policies and programs play a critical part in ensuring the future health of citizens. They also address the increasing burden of disease, help to reduce health inequity, and increase preparedness for emerging health threats. Decreased disease burden has a significant impact on the economy, reducing the cost of delivering health services, as well as increasing productivity. The NSW Government has carriage of many health prevention and awareness programs, some of which are delivered through Health key partners and Local Health Districts. In New South Wales, preventive health and health promotion policies and programs cover a range of issues, including cancer prevention, alcohol and other drug use, cardiovascular health, sexual health, and the promotion of healthy eating and physical activity. This audit may examine whether NSW Health is effectively and efficiently delivering outcomes in one or more prevention or health promotion programs.



This section outlines our planned audits in relation to protecting and supporting children and families including child protection and out-of-home care functions; housing and homelessness and disability.



## PLANNED AUDITS

Topic focus area	Brief overview
Social housing	<p>Long-term, subsidised rental housing is provided to assist people who have extreme difficulty in accessing housing in the private housing market. The collective term for this type of housing is 'social housing' which in New South Wales includes:</p> <ul style="list-style-type: none"><li>• 'public housing' managed by the department</li><li>• 'community housing' managed by non-government organisations (social housing providers)</li><li>• housing for Aboriginal people owned by the Aboriginal Housing Office and managed by the department or Aboriginal social housing providers.</li></ul> <p>The 2016 Future Directions for Social Housing strategy sets out the NSW Government's ten-year vision for social housing. The \$1 billion Social and Affordable Housing Fund is a key initiative under Future Directions and is expected to provide 3,400 new social and affordable dwellings by the end of 2023. The 2020–21 State Budget allocated a further \$812 million for new and upgraded social housing across New South Wales. This is intended to deliver a further 1,280 new social homes and Aboriginal housing, place-based redevelopment projects at some existing housing estates, and upgrades to over 3,500 social housing dwellings.</p> <p>This audit may consider the effectiveness of the: strategic planning and administration of public housing; delivery and outcomes of the Future Directions strategy and related investment; transfer of housing to community providers; and/or the accessibility of social housing in New South Wales.</p>

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Community services portfolio management	This performance audit could take a broad view of how programs and services are targeted within the community services portfolio of the department. This may include an examination of demand modelling, workforce planning, evaluation and data, and other evidence for the department's decisions on service planning, funding and delivery, including piloting, decommissioning and reprioritisation.
ChildStory	<p>The NSW child protection system aims to ensure the safety and wellbeing of children and young people, and protect them from risk of harm, abuse and neglect. ChildStory is the key information technology system the Department of Communities and Justice uses to capture information about children and young people to support its decision-making about the safety and wellbeing of children.</p> <p>ChildStory was implemented in November 2017. Early post-implementation reviews of ChildStory identified gaps between the original business case features and what was delivered. Since then, the Department of Communities and Justice has continued to update ChildStory to improve performance and usability. This audit will assess whether ChildStory is now achieving intended benefits and providing relevant, secure information to all intended users.</p>

# Justice and emergency services

This section outlines our planned audits in relation to promoting public safety and breaking the cycle of reoffending. This includes responsibility for courts and tribunals; law reform and legal services; and corrective services. It also includes the functions of the police and emergency services.



## PLANNED AUDITS

Topic focus area	Brief overview
Achieving outcomes across the prison system	The NSW corrective system comprises both public and private prison operators, with approximately three quarters of the inmate population in publicly operated prisons, and the remaining quarter in privately managed prisons. In 2018, Corrective Services NSW (CSNSW) commenced a project to use consistent measures to monitor and benchmark service delivery outcomes across the NSW prison system. This audit may examine whether the benchmarking project is achieving its objectives to enhance performance and service delivery outcomes in the prisons operated by CSNSW and three privately managed prisons in NSW (Clarence Correctional Centre, Junee Correctional Centre, and Parklea Correctional Centre). The audit could use 'follow the dollar' powers to directly engage with and request information from the private prison operators.

# Justice and emergency services (continued)

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Organisational responses to disasters and emergencies	In March 2022, the NSW Government commissioned an independent expert inquiry into the preparation for, causes of, response to and recovery from the 2022 catastrophic flood event across New South Wales. In August 2022, the NSW Government accepted a recommendation from the inquiry report to establish a new Deputy Commissioner of Police to permanently take on the State Emergency Operations Controller responsibilities. This audit may examine the effectiveness of this new function in meeting its objectives in responding to disasters.
Access to Legal Aid and community legal services	Legal Aid NSW and non-government community legal centres (CLCs) provide free legal assistance services across the State, particularly to people experiencing economic hardship, social disadvantage or discrimination. Previous national and state reviews have found unmet demand for legal assistance services and specific service gaps, and made recommendations for adequate and stable funding. In 2019–20 the NSW Government provided \$224 million in funding to Legal Aid NSW for legal assistance services, and an additional \$88 million to enable Legal Aid NSW to increase hourly rates for private lawyers in line with other states and territories. A further \$95 million in Australian Government legal assistance funding was announced for Legal Aid NSW and a number of NSW CLCs in 2021–22 under the National Legal Assistance Partnership Agreement. This audit may consider how accessible Legal Aid NSW and CLC services are, and how effectively they are prioritising their services to meet demand.
Managing offenders in the community	An offender may be placed on a diverse range of community-based court orders in New South Wales. Conditions may include home detention, electronic monitoring, curfews, community service work, alcohol/drug bans, place restrictions or non-association requirements. NSW Government reforms commenced in September 2018 aimed to increase the proportion of offenders sentenced to supervised community-based orders and reduce the proportion of offenders serving short prison sentences. The NSW Bureau of Crime Statistics and Research found these reforms have increased the number of offenders on supervised community orders from around 39,000 at the introduction of the reforms to more than 59,000 as at 31 January 2020. This audit may look at the effectiveness and efficiency of managing offenders on community-based orders and alleged offenders on remand in the community, and may follow on from our 2019 report examining responses to growth in the prisoner population.
Service continuity during crises	Recent emergencies in New South Wales including bushfires, floods and the COVID-19 pandemic have put additional pressure on emergency response agencies. Agencies are required to plan for service delivery during business-as-usual times, including forecasting demand for their services, and planning for the workforce and other resources required to deliver service. Agencies are also required to plan for the unexpected through Business Continuity Plans detailing how they will respond in a crisis. This audit may examine one or more emergency service agencies and how effectively they have planned to deliver quality and timely services in business as usual and crisis situations.

This section outlines our planned audits in relation to urban and regional planning and housing.



## PLANNED AUDITS

### Topic focus area

### Brief overview

#### Cemeteries and Crematoria

In February 2021, the NSW Government tabled the report of a statutory review of the *Cemeteries and Crematoria Act 2013*. The report titled 'The 11th hour solving Sydney's cemetery crisis' found that Greater Sydney is running out of burial space, posing significant financial risk to the State's finances with unfunded liabilities of the Crown sector in excess of \$300 million and required capital for new cemeteries of approximately \$200–300 million. As part of a response to these risks, this report recommended the consolidation of Crown Cemetery Land Managers into a new body. The NSW Government has adopted a two-operator model and formed Metropolitan Memorial Parks on 1 July 2023 to amalgamate three Crown Cemetery Land Managers into a new body.

An audit of this topic could look at how effectively the NSW Government is planning and implementing a response to the issues set out in this report. The audit may also consider the operations of Metropolitan Memorial Parks.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Crown lands compliance	<p>Crown land comprises 42% of the state and holds a value of approximately \$11 billion. The Department of Planning and Environment is responsible for ensuring compliance with the <i>Crown Land Management Act 2016</i> so that Crown land is appropriately used and occupied. Crown land can be managed by the Department, by community Crown land managers (CLMs) including local councils, and under a lease or licence arrangement.</p> <p>The 2020–23 Crown Lands Compliance Strategy outlines the Department's approach to managing matters within its land administration operations. It identifies six priorities and a series of activities focused on the regulation of Crown waterfront tenures and occupations; addressing unauthorised activities on Crown reserves; better engaging with the public, the regulated community and other agencies including to promote voluntary compliance, and enabling self-regulation. The strategy also includes commitments to building data capabilities, workforce skills and capacities to support compliance functions.</p> <p>A performance audit on this topic could assess how effectively the Department has planned and implemented the 2020–23 Crown Lands Compliance Strategy, and whether it has built sufficient capability for its current and future compliance priorities.</p>
Western Sydney Aerotropolis (with local government)	<p>The Western Sydney Aerotropolis is an 11,200-hectare economic hub being built around the new Western Sydney Airport. The NSW Government states that the Aerotropolis will be a significant contributor to jobs in Western Sydney over the coming years, particularly after the airport commences operations in 2026. It is planned to be a high-skills jobs hub across aerospace and defence, manufacturing, healthcare, freight and logistics, agribusiness, education and research industries. Key agencies include the Department of Planning and Environment, the Western Sydney Parkland City Authority, and Transport for NSW.</p> <p>This audit may consider one or more issues such as: the effectiveness of the key state government agencies in planning for and attracting businesses to the precinct, and the integrity of the processes involved; the environmental impact of developments and how targets are being met to reduce environmental impact; and the development of the Bradfield City Centre for which the NSW Government has recently announced over \$1 billion in funding to create jobs and economic opportunities across Western Sydney.</p>
Rezoning Pathways Program	<p>The Rezoning Pathways Program aims to identify and deliver strategically important rezonings under two state-based pathways – state-led rezonings and state-assessed planning proposals. A state-led rezoning is when the Department of Planning and Environment leads a rezoning for large geographic areas or in precincts of state significance. A state-assessed planning proposal is when the Department assesses a planning proposal of state significance or regional environmental planning significance. The key objective of the Rezoning Pathways Program, including the state-assessed planning proposal pathway, is to help unlock land for 70,000 new homes by 2024. Some state-led rezonings have been completed and more were announced in 2023. The first state-assessed planning proposals were announced in 2023, with five planning proposals selected. This audit may consider the Department's governance and assessment process for rezoning and planning proposals under the Rezoning Pathways Program.</p>



## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Maintenance of social housing	<p>Land and Housing Corporation (LAHC) within the Department of Planning and Environment owns and manages the largest social housing portfolio in Australia with more than 125,000 properties across NSW. LAHC is responsible for the maintenance of these properties and reports that in 2021–22 it delivered \$500 million worth of repairs, maintenance and upgrades, upgrading more than 10,000 properties. LAHC manages the maintenance of its properties through contracts with third party providers. Community Housing Providers are responsible for the maintenance of properties which they manage. A performance audit of this topic could look at how effectively and efficiently LAHC and Community Housing Providers manage the maintenance of social housing including oversight of third-party contractors who undertake the work.</p>
Resilient Homes Program	<p>Following the flood events in the Northern Rivers region in March 2022, the NSW Government announced the Resilient Homes Program, a \$700 million program to support homeowners in their recovery and to build resilience in the Northern Rivers community. The Northern Rivers Reconstruction Corporation (NRRC) developed and manages the Resilient Homes Program. This program assesses eligible homes in the Northern Rivers region impacted by the flood events, and then on the basis of this assessment will recommend that properties be bought back, raised or retrofitted. This assessment is designed to take into account the level of risk to that home. Differing levels of financial support are available from the NSW Government depending on the outcome of the assessment.</p> <p>This audit may consider whether NRRC has effectively implemented the Resilient Homes Program including whether it has achieved its goals and the consistency of assessments to determine the action undertaken with each home.</p>
Accelerated Infrastructure Fund	<p>In April 2020 the NSW Government announced the \$515 million Accelerated Infrastructure Fund (AIF), administered by the Department of Planning and Environment. There have been three rounds of the AIF to date, providing funding worth \$463 million to infrastructure projects. The AIF is available for eligible councils, state agencies and utilities to deliver roads, stormwater, electricity infrastructure, sewerage and public open space projects to support the construction and delivery of new homes and development-ready land. The first two rounds of the AIF funded a selection of metropolitan LGAs, while the third round also included some regional LGAs.</p> <p>This audit may consider the effectiveness of DPE's administration of the AIF, including whether the AIF is achieving its objectives, the prioritisation of funding within each grant round and the calculation and assurance over the number of homes supported by each project.</p>

This section outlines our planned audits in relation to improving the liveability and sustainability of New South Wales including natural resources, environment, climate and water.



## PLANNED AUDITS

Topic focus area	Brief overview
Threatened species	<p>There are 1,043 species and 115 ecological communities that are listed as threatened in New South Wales under the <i>Biodiversity Conservation Act 2016</i>, including 78 species declared extinct. These numbers continue to rise, and the 2019–20 bushfires exacerbated this. Under the Act, the Department of Planning and Environment is responsible for implementing a biodiversity conservation program that maximises the security of threatened species and ecological communities, and minimises the impacts of key threatening processes. The Department has been delivering this program, 'Saving Our Species', since 2016 with a commitment to its delivery until 2026. The Act requires that the program includes a framework for setting priorities, a process for monitoring outcomes, and that it is reviewed and reported on. A performance audit on this topic could assess whether the Department has effective mechanisms for the management and continuous improvement of its threatened species programs, primarily including but not limited to Saving Our Species.</p>
Water management and regulation	<p>Water regulation aims to achieve sustainable environmental, economic and social outcomes from the management of water resources, consistent with the <i>Water Management Act 2000</i>. Following recommendations from reviews into water theft, reforms were made to strengthen water regulation, compliance and enforcement – including the establishment of the Natural Resources Access Regulator (NRAR) in 2018. The Department of Planning and Environment shares responsibility for issuing water access licences and approvals with the state-owned corporation, WaterNSW.</p> <p>A performance audit could assess how effectively the Department, WaterNSW and NRAR are undertaking relevant planning, licensing and regulatory functions to ensure secure, sustainable and transparent water sharing in New South Wales. This topic could also consider how effectively the Department has implemented reforms to enhance water metering technology and rules, and the efficacy of NRAR's activities to support this program.</p>

## PLANNED AUDITS

### Topic focus area

Coastal management reforms (with selected local councils)

### Brief overview

The coast is one of our greatest assets in New South Wales and is home to nearly 85% of the state's population. The NSW Government has established a framework to manage the coastal environment in a sustainable way for the wellbeing of the people of New South Wales. This includes the *Coastal Management Act 2016*, which requires certain local councils to prepare a coastal management program, and the State Environmental Planning Policy (Resilience and Hazards) 2021. The Department of Planning and Environment is responsible for the Act and assists local councils in the coastal zone ('coastal councils') by administering grant funding and offering technical support and coordination for their coastal management programs.

A performance audit on this topic could assess how effectively the Department has overseen and implemented key elements of this reform package, and how effectively coastal councils have progressed coastal management planning and delivered coastal management programs.

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Electric vehicle infrastructure	In 2020, electric vehicle sales made up under one per cent of all vehicle sales in New South Wales. The NSW Electric Vehicle Strategy, released in 2021, is intended to increase this share to 52% of all new car sales in 2030–31 as part of reducing the State's carbon emissions. A key part of this strategy is to invest in electric vehicle charging infrastructure. The NSW Government has announced \$171 million in investment over four years to achieve this. This includes ensuring that ultra-fast charging stations are available at 100 km intervals across all major highways in New South Wales, as well as increasing the availability of charging infrastructure in areas with limited off-street parking. An audit in this space may consider how effectively the Department of Planning and Environment is administering this funding and whether the program is effectively providing electric vehicle infrastructure in identified priority areas. The audit may also consider other aspects of the NSW Electric Vehicle Strategy.
Koala protection	The koala is an iconic and globally recognised species with cultural significance to the people of New South Wales. Koalas continue to face significant threats including habitat loss, climate change, bushfires, dog attacks, vehicle strikes and disease. A 2020 parliamentary inquiry into NSW koala populations and habitat found that without intervention, the koala will be extinct in New South Wales by 2050. The NSW Koala Strategy 2021—2026 committed \$190 million over five years to double the number of koalas in NSW by 2050. The Department of Planning and Environment is responsible for implementing the Koala Strategy. There are numerous other policies and strategies across government that impact on koalas, including biodiversity and conservation strategies, disaster recovery plans, and land use planning policies. A performance audit on this topic could assess whether the department is effectively supporting coherent policy implementation for the management and protection of koalas.
Electricity Infrastructure Roadmap (with Treasury)	The Electricity Infrastructure Roadmap, released in November 2020, is the NSW Government's 20-year plan to transform the State's electricity system into one that is cheap, clean and reliable. This audit will examine whether components of the Roadmap are being delivered as planned and whether key risks are being appropriately managed. This audit may also examine whether asset owners and operators have effective risk and resilience plans in place to safeguard designated critical electricity infrastructure assets.

# Trade, investment and regional development

This section outlines our planned audits in relation to coordinating support for people, businesses and communities in regional areas including primary industries.



## PLANNED AUDITS

Topic focus area	Brief overview
Regional digital connectivity program	<p>The NSW Government has committed more than \$400 million over four years to bring a faster and more reliable digital network to rural and regional New South Wales. The Regional Digital Connectivity Program (RDCP) was set up to deliver families and businesses in regional NSW better access to mobile, internet and digital services, aiming to address the divide between metropolitan centres and regional NSW. The program is investing in infrastructure, emerging technologies, and services to aid in this, as well as technology to increase productivity for farms and agribusinesses. Some of this funding is delivered through tenders to telecommunications providers and some of the funding is distributed through a grants program. This audit may focus on how effectively the Department of Regional NSW is administering the RDCP.</p>
The NSW Government's international offices	<p>Most Australian state and territory governments have trade and investment offices located overseas, which operate alongside the Australian government's international Austrade offices. The NSW Government has an international network, with offices and staff located in the Americas, Greater China, India, the Middle East, North Asia, ASEAN, and the UK, Europe and Israel. These offices aim to attract international businesses to NSW and assist NSW-based businesses to operate internationally.</p> <p>This audit may examine areas including the effectiveness of international offices in achieving the NSW Government's trade and investment goals, and the accountability and governance of the offices.</p>

# Trade, investment and regional development (continued)

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Special Activation Precincts	Special Activation Precincts are a new way of planning and delivering industrial and commercial infrastructure projects in dedicated areas in regional New South Wales, by bringing together planning and investment support services. The creation of Special Activation Precincts is delivered as part of the \$4.2 billion Snowy Hydro Legacy Fund. Seven areas have been identified: Parkes, Wagga Wagga, Snowy Mountains, Moree, Williamtown and Narrabri. This audit may select one or more Special Activation Precincts and examine how the state government and local council are working together to deliver the anticipated outcomes.
Investment in arts and culture	The arts and culture sector plays an important role in the State's social and economic fabric, including by attracting visitors, developing skills, creating new jobs and developing state cultural assets for future generations. This audit may examine the effectiveness of significant arts infrastructure or funding governance processes and/or the achievement of value-for-money from specific projects.
Unsolicited proposals (with Whole-of-government/multi-agency)	<p>An 'unsolicited proposal' is an approach to government from a proponent with a proposal to deal directly with the government over a commercial proposition, where the government has not requested the proposal. The NSW Government updated its guidelines for the submission and assessment of unsolicited proposals in August 2017. The updated guidelines incorporated the recommendations from two performance audits conducted by the Audit Office of New South Wales (<a href="#">Managing Unsolicited Proposals in NSW</a>, 2016 and <a href="#">NorthConnex</a>, 2017) and the most recent periodic review in 2016, providing greater clarity and public reporting. The guidelines were further updated in 2022 to reflect machinery of government changes.</p> <p>This audit will assess the integrity and probity of the unsolicited proposals process.</p>



# Local government

This section outlines our planned audits in relation to the 128 local councils servicing a specific geographic area and ten county councils formed for specific purposes, such as water supply management or the eradication of noxious weeds. Each council provides a unique range of services to meet its communities' needs. The mix is influenced by a range of factors including population density, demographics, the local economy, and geographic and climatic characteristics.



## PLANNED AUDITS

Topic focus area	Brief overview
Road asset management	New South Wales has over 180,000 km of roads across its network. Local councils manage over 85% of these roads. This audit will consider how effectively councils are managing their road assets. The audit may consider whether councils are collecting and managing road asset condition data, using that information to maintain road conditions according to asset management plans and maintenance schedules, and communicating their activity and outcomes to the community and other levels of government.
Coastal management reforms (with Environment)	<p>The coast is one of our greatest assets in New South Wales and is home to nearly 85% of the State's population. The NSW Government has established a framework to manage the coastal environment in a sustainable way for the wellbeing of the people of New South Wales. This includes the <i>Coastal Management Act 2016</i>, which requires certain local councils to prepare a coastal management program, and the State Environmental Planning Policy (Resilience and Hazards) 2021. The Department of Planning and Environment is responsible for the Act and assists local councils in the coastal zone ('coastal councils') by administering grant funding and offering technical support and coordination for their coastal management programs.</p> <p>A performance audit on this topic could assess how effectively the Department has overseen and implemented key elements of this reform package, and how effectively coastal councils have progressed coastal management planning and delivered coastal management programs.</p>

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Managing climate risks to assets and services	<p>Councils face climate risks that may impact the assets they use to provide services and infrastructure to local communities, especially in local government areas near the coast, on floodplains, or on bushfire-prone land. Our 2021 performance audit report on Managing climate risks to assets and services identified that key state government agencies had not conducted climate risk assessments and most lacked adaption plans. Councils should be preparing for, implementing and monitoring actions to adapt to climate risks, for both current assets and services as well as longer-term strategic planning. This audit may consider how effectively selected councils are doing this.</p>
Western Sydney Aerotropolis	<p>The Western Sydney Aerotropolis is an 11,200-hectare economic hub being built around the new Western Sydney Airport. The NSW Government states that the Aerotropolis will be a significant contributor to jobs in Western Sydney over the coming years, particularly after the airport commences operations in 2026. It is planned to be a high-skills jobs hub across aerospace and defence, manufacturing, healthcare, freight and logistics, agribusiness, education and research industries. Key agencies include the Department of Planning and Environment, the Western Sydney Parkland City Authority, and Transport for NSW.</p> <p>This audit may consider one or more issues such as: the effectiveness of the key state government agencies in planning for and attracting businesses to the precinct, and the integrity of the processes involved; the environmental impact of developments and how targets are being met to reduce environmental impact; and the development of the Bradfield City Centre for which the NSW Government has recently announced over \$1 billion in funding to create jobs and economic opportunities across Western Sydney.</p>

## PLANNED AUDITS 2024 TO 2026

Topic focus area	Brief overview
Performance management and monitoring	Councils need to be transparent and accountable to the public about their operations and performance, and ensure they deliver in line with community expectations. All councils in New South Wales should have adopted the Integrated Planning & Reporting (IP&R) framework by June 2012. This framework ensures councils' delivery of programs and operational plans are aligned with community priorities. Councils are to report on their performance in their annual reports. This audit could examine councils' compliance with IP&R guidelines. It could also examine how the OLG has supported councils through the development of a performance measurement framework and delivered direct support to rural councils. This audit would follow on from our <a href="#">2018 performance audit</a> which reviewed the annual reports of all local councils to look at the performance of a select number of councils in depth.
Audits of governance issues within a particular council	From time to time the Auditor-General receives requests for special reviews or is alerted to matters of concern from the public in relation to governance of individual councils. In considering these requests we may carry out a performance audit on a single council including their efficiency, effectiveness, economy, or compliance with laws. Issues under consideration in such an audit could include financial management and sustainability, governance, and the effectiveness of service delivery.
Amalgamated councils	In 2016 the NSW Government amalgamated a number of councils. These councils were required to merge functions while continuing to deliver services to their communities. This audit will examine whether amalgamated councils have achieved economies of scale, improvements to community services and reduced spending as a result of the amalgamations. The audit may also consider centralisation challenges councils may have faced since amalgamation, such as changes in community engagement, decision-making and councillor representation. The audit may focus on one or more councils.

Professional people with purpose

## OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

## OUR PURPOSE

To help parliament hold government accountable for its use of public resources.

## OUR VALUES

Pride in purpose

Curious and open-minded

Valuing people

Contagious integrity

Courage (even when it's uncomfortable)

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