

PERFORMANCE AUDIT

21 JUNE 2022

NSW planning portal

NEW SOUTH WALES AUDITOR-GENERAL'S REPORT

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In accordance with section 38E of the *Government Sector Audit Act 1983*, I present a report titled '**NSW planning portal**'.

A handwritten signature in black ink, appearing to read 'Margaret Crawford'.

Margaret Crawford
Auditor-General for New South Wales
21 June 2022

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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.

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Section one

NSW planning portal

Executive summary

The ePlanning program is an initiative of the Department of Planning and Environment (the department) to deliver a digital planning service for New South Wales through the NSW planning portal (the portal, or the planning portal). The department defines the portal as an online environment where community, industry and government can work together to better understand and meet their obligations under the *Environmental Planning and Assessment Act 1979* (NSW). Using the portal, relevant planning activities can be carried out online throughout New South Wales. This includes, but is not limited to:

- applying for and gaining planning approval
- applying for and gaining approval for building works, sub-dividing land and similar activities
- issuing occupancy and other certificates.

The portal has been developed under three separate business cases. The first business case in 2013 led to the creation of a central portal, which made planning information available to view by planning applicants and allowed some planning applications to be lodged and tracked online.

Under a second business case prepared in 2014, the department set out to improve and widen the functions available via the portal. The department prepared a third business case in 2020 to fund further improvements to the portal over the period July 2020 to June 2023. The third business case also extended the portal's functions to support the building and occupation stages of the planning cycle.

In late 2019, the government mandated the use of the portal for all stages of development applications. This decision took effect across 2020–21 and applied to all councils as well as certifiers and others involved in the planning process.

The objective of this performance audit was to assess the effectiveness of the department's implementation, governance and stakeholder engagement in delivering the NSW planning portal. We investigated whether:

- delivery of the NSW planning portal was planned effectively
- sound governance arrangements are in place to ensure effective implementation of the program
- users of the NSW planning portal are supported effectively to adopt and use the system.

Conclusion

Since implementation commenced in 2013, the NSW planning portal has progressively achieved its objectives to provide citizens with access to consolidated planning information and allow them to prepare and submit development applications online. Implementation was initially hindered by deficiencies in planning and it has taken the department significantly longer and cost significantly more to implement the portal than first anticipated. While the portal's implementation has delivered financial benefits, the department has overestimated their value. As a result, the department cannot yet demonstrate that the portal has achieved overall financial benefits, relative to its costs.

In the first two years of the ePlanning program, the department delivered a portal that allowed planners, developers, certifiers and the public to view important planning information. However, the department found the delivery of a second, transactional version of the portal in 2017 to be much more challenging. This version was intended to offer more integrated information and allow development applications to be submitted and managed online. The department did not rollout this version after a pilot showed significant weaknesses with the portal's performance. A subsequent review found that this was partly because the department did not have a clear view of the portal's role or the best way to implement it. In recent years the department has improved the planning, implementation and governance of the ePlanning program resulting in improved delivery of the portal's core functions.

By the time the program reaches its scheduled completion in 2023, it will have taken the department ten years and around \$146 million in capital expenditure to implement the portal. This will be significantly longer and more expensive than the department originally expected. This overrun is partly due to an increased scope of services delivered through the portal and an initial under-appreciation of what is involved in creating a standard, central resource such as the portal. The department also experienced some significant implementation difficulties – which saw the transactional portal discontinued after it was found to be not fit for purpose. Following this, the department re-set the program in 2017–18 and re-planned much of the portal's subsequent development.

In November 2019, the New South Wales Government decided to mandate the use of the portal for all stages of development applications by the end of 2020–21. The department had previously planned that the portal would be progressively adopted by all councils and other stakeholders over the five years to 2025. The decision to mandate the portal's use for all development applications brought forward many of the portal's benefits as well as the challenges of its implementation. The department did not change its overall delivery approach in response to the changed risks associated with the government's decision to mandate use of the portal.

The current version of the portal has given the department more timely and comprehensive planning information and has helped New South Wales to provide continuous planning services during COVID-19 lockdowns, which interrupted many other public functions. The portal has also delivered financial benefits, however the department has not independently assured benefits calculations carried out by its consultant, and the reported benefits are overstated. In addition, some stakeholders report that the portal is a net cost to their organisation. This has included some certifiers and some councils which had implemented or had started to implement their own ePlanning reforms when use of the portal was mandated in 2019. The department now needs to address the issues faced by these stakeholders while continuing to deliver the remaining improvements and enhancements to the portal. Over the remaining year of the program, it will be critical that the department focuses on the agreed program scope and carefully evaluates any opportunities to further develop the portal to support future planning reforms.

1. Key findings

Shortcomings in the department's initial planning and management of the program led to a significant time overrun

The first two ePlanning business cases were each intended to last for two years, four years in total. Program delivery under the first business case met the two-year timeframe, but the second business case took five years. The time overrun was partly caused by a failure to plan for the full scale of work required to design and build an online government service of this nature. There were other reasons for the time overrun, such as the department's failure to effectively manage its contract with an external implementation partner, and the department initially not having a clear view of the portal's role or the best way to implement it.

The department did not provide time contingency in the project schedules

The department's three ePlanning business cases did not include any contingency for a time overrun. The department's first business case was prepared at the same time as the department was consulting stakeholders on wider reforms to the planning system. The department set a timeline of two years to deliver the service and chose not to include any time contingency to help manage the risks associated with building a new government service or the risks associated with business requirements which were developing in parallel to the system development.

The department's second business case aimed to extend and strengthen the portal services beyond what had been set out in 2013 in the government's planning system White Paper. The second business case set out an ambitious program of activities designed to respond to high-priority user requirements and identified service needs. Delivery was originally intended to take place from July 2015 to June 2017.

Actual delivery of the second business case took place over the five years from July 2015 to June 2020, three years longer than planned. While some of this overrun can be attributed to implementation challenges, failing to fully plan for risks to the delivery timeframe was a fundamental contributor.

The department now has a clear view of the scope necessary to finalise the program, but has not yet published the services it plans to implement in 2022 and 2023

The department has a clear scope of services in its third business case and has a governance process to ensure that any additions to the program scope are well managed. As a result, the department is now better positioned to manage the ePlanning program scope through to the program's conclusion in 2023.

The department's overall program planning disciplines have improved. However, it is still considering additions to its current program of work. While the program should respond to important new policy and other requirements, it should also aim to closely define its future program of work and clearly communicate this to stakeholders. However, the department has not yet communicated the new services it plans to add, or improvements that it plans to make, to the portal over the remainder of the program.

Mandating the portal's use for all development applications changed the program's strategic risk environment, but the department kept its overall delivery approach the same

In November 2019 the New South Wales Government decided to mandate the use of the planning portal for all development applications. Use of the portal had previously been required in some circumstances but the government's decision required the portal to be used for all stages of development applications lodged in New South Wales as well as certificates for construction, sub-division, sub-division works and occupation. This significantly changed the program's strategic risk environment, primarily because the program was now required to work more closely with councils and technology vendors that had previously been less engaged with the program.

When use of the portal became mandatory for all stages of development applications, the department had to work more closely with a cohort of stakeholders, many of whom did not want to adopt the portal. This added complexity and difficulty to the program's efforts to ensure the widescale adoption of the planning portal by users. However, the department did not update its main change management approach, alter any key planning assumptions, or provide additional time or cost contingency to support the mandatory use of the portal.

The decision to mandate the use of the planning portal for all stages of development applications brought forward the expected benefits as well as potential costs of the ePlanning program. However, the department did not update the third business case to reflect the mandate. It instead continued to finalise the business case under its previous assumptions which included a much slower uptake of portal services by councils and other users.

The program steering committee has managed key issues, but has had less success in managing strategic risks

The ePlanning steering committee has focused on issue management and general project oversight. However, the steering committee has not dedicated regular time to carry out strategic risk management and has not always sought information on strategic risks which would help it to discharge its important responsibilities.

The steering committee could have reduced the likelihood of issues impacting the program if it had reserved regular time to focus on strategic risk management. For example, the steering committee could have better managed the risks attached to the department's management of:

- the implementation partner's overall performance rather than just its timeliness
- change management and technology risks following the government's decision to mandate the use of the portal for all development applications.

The portal has delivered financial benefits but reported benefits are overstated

In September 2021, the department reported that the program had achieved \$334 million of benefits over the three financial years to June 2021 plus the first two months of 2021–22. The reported benefits were significantly higher than the expected benefits of \$93 million. This was primarily because the department has not updated its benefit targets to reflect the impact of the 2019 decision to mandate the use of the portal for all development applications.

However, the department's calculation of benefits is overstated because:

- a proportion of reported benefits is likely to be due to other planning reforms
- the calculation of the largest single benefit is incorrect
- the reported benefits may not fully account for dis-benefits reported by some stakeholders.

The largest contribution to the department's September 2021 benefit report was an estimated saving of \$151 million for developers due to lower costs associated with holding their investments for a shorter time. However, the department's calculation of this benefit assumes a high baseline for the time to determine a development application. It also assumes that all development applications except for additions or alterations to existing properties will incur financing costs, whereas a small but material number will be self-financed. The calculation also includes several data errors in spreadsheets.

Some users consulted as part of this audit report that the planning portal is not intuitive and creates additional work for them. The department recognises that the portal does not currently deliver an optimum experience for all users and has established a project to develop and release enhancements to the portal monthly until June 2022. It has published information to help councils and certifiers to automatically integrate their systems with the portal and has also provided \$4.8 million funding to assist regional councils with this task. Once fully implemented, the department expects the system integration will reduce costs incurred by stakeholders.

The department has only reported benefits since 2019 and has not independently assured the calculation of benefits

The department originally intended to track benefits from October 2014. However, it only started to track benefits in 2019 when it appointed an external provider to calculate the benefits achieved by the program. Any benefits or dis-benefits between the introduction of the portal and 2019 are unknown and not included in the department's calculation of benefits.

The department has appointed an external provider to calculate the benefits achieved by the portal. The department does not have access to the benefits calculation model which is owned and operated by the external provider. The department trusts that the provider correctly calculates the benefits and does not verify the reported benefit numbers.

2. Recommendations

By December 2022, the Department of Planning and Environment should:

1. publish a roadmap of the services it expects to release on the NSW planning portal across 2022 and 2023
2. update its ePlanning program assumptions, benefits targets and change management approach to reflect the government's decision to mandate the use of the portal for all stages of a development application
3. independently assure and report publicly the correct calculation of ePlanning program benefits to account for:
 - errors and assumptions in the calculation of benefits due to changed holding costs for developers
 - the contribution of other planning reforms to reduced timeframes to determine planning applications
 - any dis-benefits which may be experienced by stakeholders.

1. Introduction

1.1 The ePlanning program

The ePlanning program is an initiative of the Department of Planning and Environment (the department) to deliver a digital planning service for New South Wales through the NSW planning portal (the portal, or the planning portal). The department defines the planning portal as an online environment where community, industry and government can work together to better understand and meet their obligations under the *Environmental Planning and Assessment Act 1979* (NSW).

The department first launched the ePlanning program in 2013 and has implemented the program continuously since then. The department's current aims for the program are to:

- centralise and publish more planning information
- help the public to be involved in the planning process
- reduce the need for planning applicants to provide repeat information
- improve the customer experience to deliver easy and equitable access to planning services and reduce assessment times
- ensure planning decisions and oversight are supported by clear data and evidence.

Changed management of digital planning services

The department has prepared three business cases to direct its ePlanning program activities. The first business case in 2013 focused on creating a central online environment (the portal), making important planning information available to view by planning applicants and stakeholders, and developing a facility to lodge and track some planning applications. Under a second business case prepared in 2014, the program set out to improve and widen the transactional functions in the portal and add a tool to calculate certain contributions paid by developers. The department prepared a third business case in 2020 which funds enhancements to the portal over the period July 2020 to June 2023.

Exhibit 1: Characteristics of the three ePlanning program business cases 2013 to 2020

Characteristic	2013	2014	2020
Model	Central repository of planning information and optional planning application services	Central repository of planning information and optional planning application services	Central repository of planning information and mandatory planning application services
Key services	Planning portal: <ul style="list-style-type: none">• Interactive House, which shows domestic rules and codes on a simplified domestic house• Spatial Viewer, which displays some planning information, zoning, etc for locations• development application lodgement and tracking (for limited types of planning application)	Services under the previous business case plus: <ul style="list-style-type: none">• planning dashboard, including single sign-on• enhanced planning viewer, showing planning rules linked to specific land parcels• development application lodgement and tracking (for additional types of application)• ability to view fees and make payments	Services under the previous business cases plus: <ul style="list-style-type: none">• integration with more planning and some licensing functions such as liquor licensing• digital 'building manual'• public access to local planning panels• development application lodgement and tracking (for additional types of application)

Characteristic	2013	2014	2020
	<ul style="list-style-type: none"> stakeholder consultation mechanisms and forums 		<ul style="list-style-type: none"> registration of compliance and post-consent certificates
Councils in scope	120 out of 152	120 out of 152	128 out of 128
Funding basis	Centrally funded	Centrally funded	Centrally funded plus user fees
Investment costs (planned)	\$30 million	\$21.8 million	\$55.5 million
Delivery time (planned)	2 years	2 years	3 years

Source: Audit Office of NSW analysis of Department of Planning and Environment documents.

1.2 Key stakeholders

The planning portal is used by stakeholders including:

- applicants, including developers and others who need planning approval for developments
- local authorities, such as councils which evaluate and can consent to planning applications
- state agencies, such as the department and other agencies which may also consent to planning applications or which otherwise rely on information in the portal
- certifiers, including those employed in the public and private sector, who can inspect building work and issue certificates for construction, occupation and compliance.

1.3 Planning services supported by the portal

The current version of the portal supports the end-to-end planning lifecycle of:

- applying for and gaining planning approval
- carrying out building works, sub-dividing land and similar activities
- occupation and compliance activities.

Exhibit 2: End-to-end planning services supported by the portal

Planning service	Detail	Supported by business case
Investigate	Understand requirements using modelling tools and viewers	Business cases 1 and 2
Enquire	Access information and provide feedback	
Lodge	Prepare and submit planning applications	
Assess	Track application status	
Determine	Decide and advise applicants	
Confirm	Access data and provide reports	Business case 3
Certify	Receive conditions of consent	
Build	Understand obligations	
Occupy	Prepare and receive occupancy and other certificates	
Compliance	Access records and understand ongoing obligations	

Source: Audit Office of NSW analysis of Department of Planning and Environment documents.

1.4 Large program in a wider set of planning reforms

The ePlanning program is a key part of the department's wider planning reforms which are designed to deliver a better planning system. The department has work underway which aims to improve assessment time frames, reduce administration and accelerate projects. This includes, but is not limited to, the:

- Planning Reform Action Plan, which was announced in 2020 and is defined by the department as a long-term structural reform of the planning system. It includes measures to:
 - reduce assessment times for planning proposals, regionally significant development applications and major projects
 - provide new resources for the Land and Environment Court
 - reduce concurrence and referral cases between agencies
 - expand complying development
 - accelerate precinct coordination.
- Planning Delivery Unit, which the department introduced to progress priority planning projects. The unit operates a case management and concierge service. It also supports regional councils with:
 - access to a panel of planning consultants to help speed up planning decisions
 - office facilities for regional planners which reduces the need for them to relocate or travel.

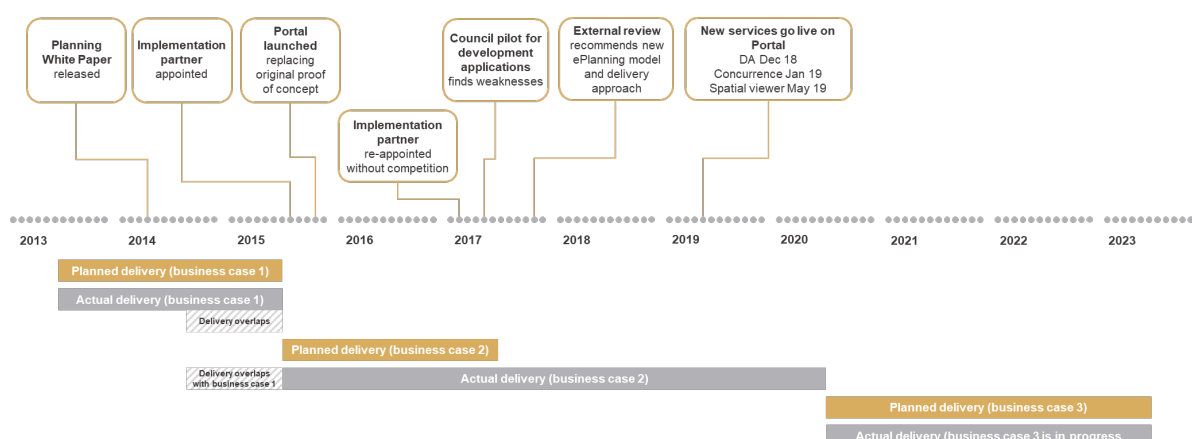
1.5 Timeline of key events in the program

The department started the ePlanning program in July 2013 and now expects to complete the program in June 2023. Further development of the planning portal after then will be carried out as part of the department's normal business and not through a dedicated program.

The department developed a proof-of-concept version of the planning portal in 2014. It replaced this in November 2015 with an information-only version of the portal before developing a version of the portal that could support the lodgement of development applications, which it piloted with one council in May 2017. However, the department and stakeholders determined that this version was unsuitable for rollout to councils. The department then commissioned an external review of the portal's design, software and operating model.

In November 2017 the department recommenced the program under new management with a changed operating model and new system design. The department assumed greater direct responsibility for technical delivery from then and reports that it moved from a waterfall style delivery approach to a project management approach which includes significant components of agile project management. New development application services went live in December 2018. Since then, the department has added new services and worked to improve the existing services.

Exhibit 3: Timeline of services and delivery (planned and actual) for the ePlanning program 2013 to 2023



Source: Audit Office of NSW analysis of Department of Planning and Environment documents.

1.6 Regulation changes during the life of the program

Since 2013, the department has reformed the New South Wales planning system to implement changes in government policy and to respond to events, such as the economic impacts of COVID-19. Many of the changes to the planning system have impacted the portal. Key changes include:

- *Environmental Planning and Assessment Amendment Act 2014* which provided for the establishment of the planning portal and database
- Environment Planning and Assessment Amendment (ePlanning) Regulation 2015 which provided for fees to be used to operate the planning portal and maintain the database
- Environmental Planning and Assessment (Savings, Transitional and Other Provisions) Regulation 2017 which, as an interim measure, allowed the registration of a development consent or other approval on the portal to be considered a notification to the applicant
- Environmental Planning and Assessment Amendment (ePlanning—Complying Development Certificates) Regulation 2018 which allowed Complying Development Certificates to be lodged on the portal
- regulations made in 2018 which provided for the use of the portal for development applications which require concurrent review by government agencies, or which are integrated development
- regulations made in 2020 which provided for the use of the portal to publish certain documents online rather than in newspapers, and which established transitional provisions to phase in the use of the planning portal for all development applications by 1 July 2021.

The *Design and Building Practitioners Act 2020* and Design and Building Practitioners Regulation 2021 were also introduced requiring use of the portal by professional engineers and design and building practitioners.

1.7 About the audit

This audit assessed the department's performance in bringing a range of planning services online since it first launched the ePlanning program in 2013. It considered the ePlanning program's links to the department's wider planning reforms but did not review those reforms.

The audit objective was to assess the effectiveness of the department's implementation, governance and stakeholder engagement in delivering the NSW planning portal.

The audit investigated whether:

- delivery of the NSW planning portal was planned effectively
- sound governance arrangements are in place to ensure effective implementation of the program
- users of the NSW planning portal are supported effectively to adopt and use the system.

2. Implementation

This part of the report sets out how:

- the ePlanning program has been planned and delivered
- users of the portal have been supported
- the program has been governed.

2.1 Planning and delivering the first two ePlanning business cases in 2013 and 2014

The department's first two business cases were approved in July 2013 and October 2014. Under these business cases, program delivery took place over the seven years to June 2020 and delivered services including:

- an online spatial viewer showing planning information by location, and an interactive building showing domestic rules and codes on a simplified domestic house
- a central repository for environmental planning instruments such as district plans
- lodgement and tracking services for some types of planning application
- concurrence and referral services, which are used when multiple government agencies consider a planning application
- a contribution payment system, free trees application, cladding register, analytics, information and other services
- a pilot portal which could support the lodgement of development applications which was trialled in May 2017.

The department initially failed to plan for the scale of work required, which led to a significant time overrun

The department's first two business cases were each scoped to last for two years, four years in total. Actual program delivery took place over seven years, with delivery under the second business case taking five years. The time overrun was partly caused by a failure to plan for the scale of work required to design and build a new online government service of this nature.

In 2013, the department intended the program to be the key enabler for many of the reforms proposed in a government White Paper on the planning system. The department anticipated the program would be a two-year, \$30 million project which would be completed by 30 June 2015. Although this first business case noted that this investment could be a foundation for future work, it presented the portal as a stand-alone project which would deliver New South Wales 'a customer-focused electronic planning system'.

The first business case did not scope any subsequent phases of work or indicate that further investment or implementation might be required. This was despite the business case acknowledging that there were business requirements which were not yet defined as they were subject to an ongoing consultation on the government's planning system White Paper.

In 2014, the department prepared a second business case to extend the scale and scope of the ePlanning program beyond what had been set out in the planning system White Paper. The second business case was again a two-year program and included a capital investment of \$21.8 million and \$2.2 million for an upgrade of the system after five years of operation. The second business case presented the new two-year program as a crucial step in achieving improved user experience and updating the planning platform. It did not scope any subsequent phases of work or link the delivery of a full planning portal service to any further program implementation.

Program delivery under business cases one and two took place over the seven years to June 2020. The department then prepared a third business case which sought funding for three further years of the ePlanning program. The third business case extended the program's scope into the building, occupation and compliance stages of the planning lifecycle. It was approved in July 2020.

The department failed to effectively manage the contract with its implementation partner

The department initially appointed an implementation partner in September 2015 to build and operate the first version of the portal which replaced an existing proof-of-concept portal. The department was satisfied with the initial performance of its partner and wanted the partner to further develop the portal to enable the lodgement and management of development applications. In February 2017 the department obtained Ministerial approval to reappoint the same vendor and negotiate a new contract without further testing the market.

The department paid its implementation partner a total of \$8.7 million. The department and the partner built the second version of the portal and piloted the development application lodgement service in 2017 at Liverpool City Council and provided demonstrations to other councils. The pilot found a range of performance issues and an overall poor user experience. The department paused the rollout of the development application lodgement service and reviewed the ePlanning program and the work carried out by its implementation partner.

The department reports that the system built in 2017 was inflexible, not fit for purpose, and required significant rework. Despite this, it negotiated a reduction of only \$600,000 from the contracts with its implementation partner and sought no formal remedy for the poor performance of the portal built in 2017.

The department did not have a clear view of the portal's role or the best way to implement it

Following the difficulties experienced with the pilot in 2017, the department commissioned an external review of the program, which considered the portal's software design and operating model. The review found that:

- The department was not clear on the portal's overall role or the range of services that it should deliver. The review found that there was a lack of consistency and clarity around the department's vision for the portal, its desired capabilities and the extent to which it would process different types of development application.
- The portal software was highly customised and not sufficiently flexible.

By November 2017 the department had re-commenced the program under new management with a changed operating model and new system design. The department also assumed greater direct responsibility for technical delivery. As part of this, the department reports that it moved from a waterfall style project management approach to one which included significant components of agile delivery.

The department did not provide time contingency in the project schedules

The department's three ePlanning business cases did not include any contingency for a time overrun. The inclusion of a time contingency was particularly important for the first two business cases because:

- the department was designing and building a new government service, which inherently involves some complexity and has an associated risk to timely delivery
- both program schedules were planned to be only two years, which are relatively short durations for government technology programs.

The department's first business case was prepared at the same time as the department was consulting stakeholders on wider reforms to the planning system. The business case acknowledged that this meant some business requirements were not yet precisely known and could only be defined once the consultation had ended. Despite this uncertainty, the department set a timeline of two years to deliver the services and chose not to include any time contingency to help manage the risks associated with building a new government service or the risks associated with business requirements which were developing in parallel to the system development.

The department's second business case was developed after one year of the program. It aimed to extend and strengthen the planning portal services beyond what had been set out in the government's 2013 planning system White Paper and was originally intended to take place from July 2015 to June 2017. It set out an ambitious program of activities designed to respond to high-priority user requirements and identified service needs.

The second business case also lacked time contingency and was optimistic in some key areas. For example, it set out how the department intended to secure an implementation partner to build and operate the second release of the planning portal. It described the department's requirements as a 'complex solution' and noted that a 'best of breed' or 'challenger' vendor should be considered. At that time, the department had started but not yet completed an initial expression of interest.

The business case expected that procurement activity, contract negotiation and initial services to release a new version of the portal would take place over only nine months from September 2014 to June 2015. However, the procurement and contract negotiation steps alone took 12 months.

Successful delivery of the second business case required a combination of high-quality program management, strong technical development, a clear operating model, sound vendor management, and supportive and engaged stakeholders. The department judged that these conditions were sufficiently present to commit to a second business case schedule of only two years. Actual delivery of the second business case took place over the five years July 2015 to June 2020, three years longer than planned. While some of this overrun can be attributed to implementation challenges, failing to fully account for risks to the planned delivery timeframe was a fundamental contributor.

2.2 Planning and delivering the third business case in 2020

The department prepared a third business case for the ePlanning program in 2020 which provides for enhancements to the portal over the period July 2020 to June 2023. Under this business case, the vision for the portal is to provide a digital experience that supports effective planning and decision making in support of the *Environment Planning and Assessment Act 1979* (NSW).

The work planned under the third business case includes:

- mechanisms for online community engagement
- support for local planning panels
- additional services in the build and occupy stages of construction, leading to a buildings 'digital manual'
- broadened development application services including for Crown Land applications and State Significant Development and State Significant Infrastructure
- integration with licensing decisions for complex and high-risk liquor and gaming decisions
- improvement and expansion of digital mapping functions.

In late 2019 the government mandated the portal's use for all development applications; this changed the program's strategic risk environment, but the department kept its overall delivery approach the same

In November 2019 the New South Wales Government decided to mandate the use of the planning portal for all stages of development applications, initially by all metropolitan councils and some larger regional councils as well as certifiers and others involved in planning. Use of the portal had previously been required in some circumstances but the government's decision significantly changed the program's strategic risk environment, primarily because the program was now required to work more closely with councils and technology vendors that had been less engaged with the program.

Although the department understood that mandating the portal would have significant implications for councils and other users, it did not update its main change management approach, alter any key planning assumptions, or provide additional time or cost contingency to support the new mandatory use of the portal.

The decision to mandate the portal was announced in November 2019 but took effect on 1 July 2020 when the Environmental Planning and Assessment (Planning Portal) Regulation 2020 became effective. This required the portal to be used for all stages of development applications, as well as certificates for construction, sub-division works and occupation. Greater Sydney and some regional local government areas were required to do this by 31 December 2020, and this was extended to all local government areas by 1 July 2021.

On 1 July 2020, 68 out of 128 councils were using the development application lodgement service. The new mandatory requirement particularly affected the 60 other councils, as well as certifiers and other prospective users who had so far chosen not to adopt the portal for managing their development applications. These stakeholders were now required to use the portal. The new mandate required them to change aspects of their own systems and processes, irrespective of their quality or maturity. As a result of the mandate, many councils had to separate the integration of their planning systems from other council systems such as finance systems or property and rating systems. For these and some other users, the portal may bring more costs than benefits however it was beyond the scope of this audit to validate the costs to stakeholders.

The department's overall change management approach has matured but not significantly changed throughout the ePlanning program's lifecycle. The approach aims to promote the benefits of the portal to councils and other potential users. It involves:

- understanding the scale and scope of changes arising from implementation of the portal
- identifying and supporting sponsors and champions within councils
- promoting awareness and gaining acceptance of changes arising from implementation of the portal.

When use of the portal became mandatory, the department had to work more closely with a cohort of stakeholders, many of whom did not want to adopt the portal. This added complexity and difficulty to the program's efforts to ensure the widescale adoption of the planning portal by users.

The department responded by increasing the number of stakeholder engagements and prepared a regulation under the *Environmental Planning and Assessment Act 1979* (NSW) that gave regional councils an additional six months to comply with the mandate. The department did not refine its planning assumptions or update its change management approach. The department also has not provided time contingency for the implementation challenges that it may still face in the remaining two years of the program.

The department did not update the third business case to reflect the higher benefits that were expected under the mandated portal

The decision to mandate the portal for the lodgement of all development applications increased the department's estimation of the benefits that were expected from the portal. This was because all councils and certifiers would be required to use the planning portal for this purpose by the end of 2020–21. This was earlier than they otherwise would have used the portal and four years sooner than the department was modelling in its third business case, which was draft at the time.

The decision to mandate the use of the planning portal for all development applications brought forward the expected benefits as well as potential costs of the ePlanning program. However, the department did not update the third business case to reflect the mandate. It instead continued to finalise the business case under its previous assumptions which included a much slower uptake of portal services by councils and other users.

Chapter 3 discusses the expected and reported benefits from the ePlanning program.

The department now has a clear view of the scope necessary to finalise the program

The department's third business case sets out a clear program of work. Once the business case is delivered, the planning portal will become part of the department's normal business operations. At that time, the portal will provide services which allow applicants to enquire, lodge and track planning applications, receive planning consent, and receive construction and other certificates. The business case includes additional services to link with some licensing decisions for complex and high-risk liquor and gaming decisions, as well as broadened and improved development application services. The services built under the third business case are designed to complement and build on those created under the first two business cases.

The department has recently re-activated a 'design authority', which is a key committee in the ePlanning program's governance. The design authority helps to ensure any additions to the program's scope are carefully considered. The design authority also advises the ePlanning steering committee on technical considerations such as standards for ePlanning, technology architecture arrangements, prospective new ePlanning services and opportunities to manage technology risk. The department intended that membership of the design authority would include an independent technical advisor, however at the time of the audit this position was unfilled.

The department's clear scope of services, supported by the design authority, means that it is now better positioned to manage the ePlanning scope through to the conclusion of the program in 2023.

A roadmap of planned services for calendar years 2022 and 2023 is not yet published

While the department's overall program planning disciplines have improved, it is still considering additions to its current program of work (such as changes to State Environment Planning Policies to support reforms in housing, design and place, and codes). While the program should respond to important new policy and other requirements, it should also aim to closely define its future program of work and clearly communicate this to stakeholders. However, it has not yet communicated the new services it plans to add, or improvements that it plans to make, to the portal over the remainder of the program.

Capital costs over the three business cases

Capital expenditure for the ePlanning program was \$119.6 million from July 2013 to December 2021. This was \$38.5 million or 47.5% more than expected. The majority of the overspend occurred under the second business case.

Exhibit 4: Capital expenditure for the ePlanning program 2013 to 2021

Business case	Planned (\$ million)	Actual (\$ million)
One	30.0	20.1
Two	21.8	58.7
Three (1 July 2020 to 31 December 2021)	29.3	40.9
Total	81.1	119.6

Note: The approved capital budget for business case three, which covers planned program expenditure through to 30 June 2023, is \$55.5 million.

Source: Audit Office of NSW analysis of Department of Planning and Environment documents.

2.3 Supporting users of the planning portal

The department's stakeholder management approach encourages stakeholder views to be considered in the program

The department has established a series of representative stakeholder groups to help ensure the system is well designed and targeted to user needs. The department's third business case identified over 100 stakeholders for the portal reforms. To help coordinate and manage the engagement with this large stakeholder group, the department has convened separate reference groups for industry, councils, certifiers and state government agencies. The department uses these reference groups to share information and seek feedback, including on the desirability of various features on the portal. The department also works with councils on a one-to-one basis to support the portal's adoption and uses feedback from stakeholders to improve the planning portal.

Training and support services are available to help developers, certifiers, councils and other stakeholders to use the system

The department runs training sessions and provides other information to stakeholders when it releases new functions on the portal. This includes:

- quick reference guides and similar 'how to' documents
- videos, articles and promotional material in a variety of industry and department publications
- in-person and remote training sessions.

From August to November 2021, the department delivered:

- over 100 sessions for councils and government agencies, attended by 2,215 people
- 17 sessions for certifiers and trade and industry representatives, attended by 200 people.

Some users report that the system can be difficult to use and creates additional work for them

The department uses feedback from stakeholders to improve the planning portal. The department operates a service desk which records and responds to customer queries. The department then analyses this data to identify and develop system improvements. The department also responds to feedback from the reference groups for industry, councils, certifiers and state government agencies. Despite this, some users consulted as part of this audit report that the system is not intuitive and creates additional work for them, primarily because the portal duplicates work that they carry out in their own systems.

The introduction of the portal has required councils to re-engineer aspects of their own business systems and create new ways of integrating council information systems with the state government's portal. Mandatory use of the portal has also required additional, ongoing work for some certifiers.

The department recognises that the planning portal does not currently deliver an optimum experience for all users. To address this, it has established a project to develop and release enhancements to the portal monthly until June 2022.

The department has performance targets for its user support activities but does not report its performance against them

In July 2020, the department and Local Government NSW agreed a Memorandum of Understanding which sets out obligations and expectations of the department and councils for the use of the planning portal. The agreement is non-binding but describes the intention of both parties to cooperate in a timely manner, act in good faith and manage any issues. The agreement also sets out target resolution times for incidents and planned customer support for the portal. This includes:

- level one queries which are handled by Service NSW via an online form, email or telephone between 7am to 7pm Monday to Friday
- level two queries which are escalated from Service NSW and are handled by the ePlanning program
- level three queries which are handled by the ePlanning program in consultation with external specialists.

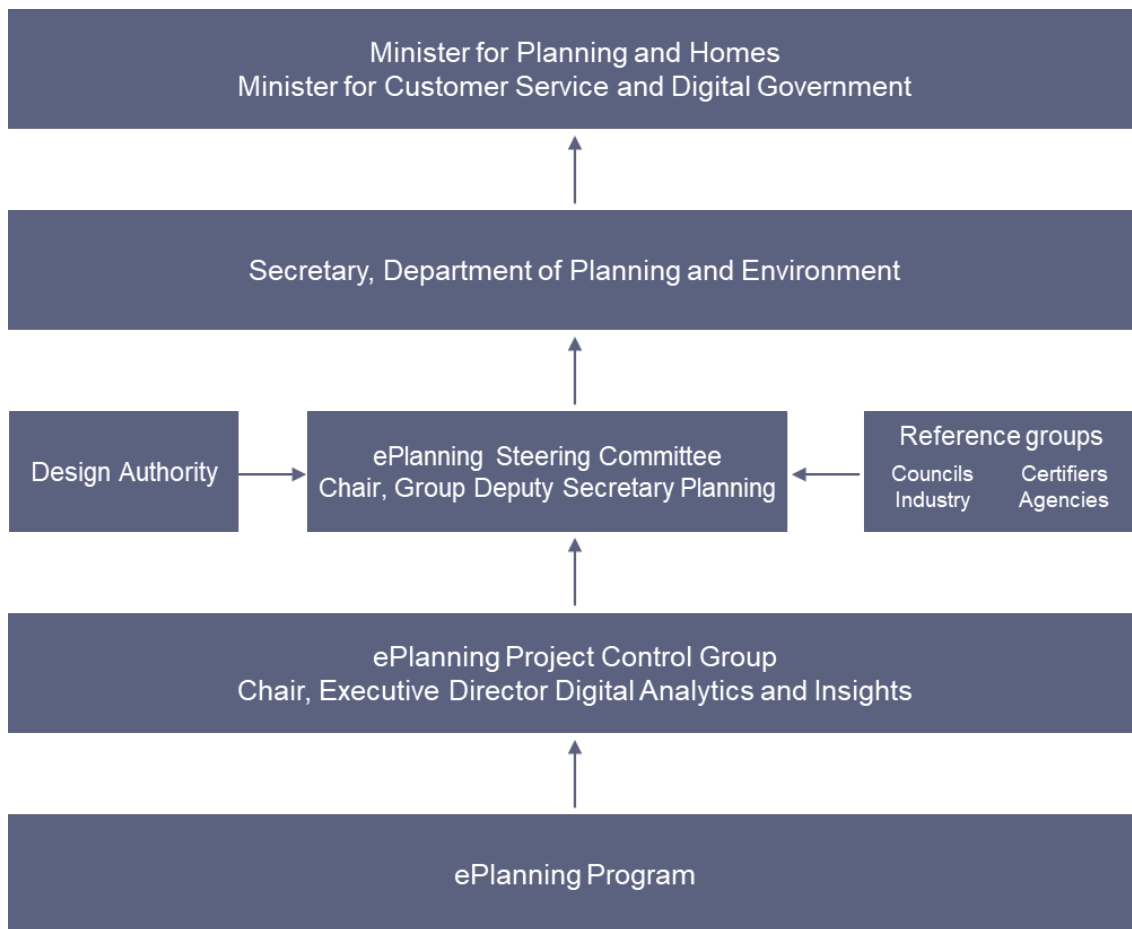
The department does not currently report to Local Government NSW its performance against the standards set out in the Memorandum of Understanding.

2.4 Governing the ePlanning program

A senior-level steering committee governs the program

The ePlanning program is governed by a steering committee chaired by the department's Group Deputy Secretary Planning. The committee includes an external specialist and representatives from other government agencies and policy and operational areas within the department. The steering committee meets monthly and is supported by a design authority, a project control group and stakeholder reference groups.

Exhibit 5: ePlanning program governance 2020 to 2022



Source: Department of Planning and Environment.

The steering committee has managed key issues but has had less success in managing strategic risks

The steering committee has focused on issue management and general program oversight. These are important functions which cannot generally be delegated. As part of this, the steering committee has:

- commissioned the November 2017 review which led to the program being reset under new management with a changed operating model and new system design
- responded to mandatory assurance reviews such as those led by the department of Customer Service
- ensured the program received funding and resources
- maintained oversight of the actions to address identified program weaknesses.

The steering committee has not dedicated regular time to carry out strategic risk management and has not always sought information on strategic risks which would help it to discharge its important responsibilities. Particularly in the early years of the program, the steering committee's ability to govern the program was also hampered by the quality of information and analysis presented to it. For example, in November 2016 the program team provided the steering committee with a high-level roadmap leading up to the first major portal go-live. The roadmap consisted of four stages over the following seven months with a total of nine projects or activities. It did not show dependencies or provide contingencies or give any clear idea of where implementation risk was likely to be. This was despite the main rollout of services under the new portal being planned to commence only five months later.

The steering committee could have reduced the likelihood of issues impacting the program if it had reserved regular time to focus on strategic risk management. For example, the steering committee could have better managed the risks attached to:

- **the department's management of the implementation partner, as well as the quality of the portal delivered by the partner, rather than just its timeliness.** In January 2017 the steering committee received an extract from the program risk register which highlighted a risk of the 'inability of the implementation partner to reach the desired delivery date for the full solution'. This risk had been unreviewed for 12 months. The steering committee may have reduced the likelihood of the quality issues which effected the May 2017 pilot of the portal if it had sought a more timely and comprehensive consideration of the risks attached to the implementation partner
- **the new strategic risk environment after the decision to mandate the portal.** In November 2019 the New South Wales Government decided to mandate use of the portal for lodgement of development applications. This decision had wide-ranging and important implications for the program and significantly changed the program's strategic risk environment. However, the steering committee failed to seek a new risk assessment from the program. If it had done so, it may have identified and reduced change management and technology risks attached to use of the portal by councils.

More recently, the program and the steering committee have balanced their attention more evenly between issue management (addressing the existing and short-term actions required to keep the program on track) and strategic risk management (addressing the longer-term actions required to keep the program on track). The program has improved its risk surveillance and reporting. However, this overall improved risk management has not been consistently maintained by the department. For example, in April 2021 an external assurance review found that the steering committee was no longer receiving regular risk updates from the program. This practice was restarted soon after.

3. Benefits

This part of the report sets out the ePlanning program's:

- expected and reported financial benefits
- calculation of financial benefits.

In 2019, the department increased its expectations for net financial benefits

The department's three ePlanning business cases each forecast substantial financial benefits from the implementation of the planning portal. The department expected that most financial benefits would flow to planning applicants due to a quicker and more consistent planning process. It also expected that government agencies and councils would benefit from the portal.

Exhibit 6: Summary of the financial benefits originally expected

	Business case 1 (\$ million)	Business case 2 (\$ million)	Business case 3 (\$ million)	Total (\$ million)
Benefits	90.0	44.3	270.9	405.2
Costs	43.3	29.4	89.8	162.5
Net benefits	46.7	15.0	181.1	242.7

Note: Benefits and costs are incremental. All amounts are calculated over ten years. Amounts for business case 1, 2 and 3 amounts are expressed in 2013, 2015 and 2019 dollars respectively. All amounts are discounted at seven per cent to show their value at the time when they were calculated. Amounts may not add due to rounding.

Source: Audit Office analysis of data provided by the Department of Planning and Environment.

In 2019 the department commissioned a review to explore opportunities to better identify, monitor and realise the benefits of the ePlanning program. Using this work, the department updated the expected benefits for business cases 1 and 2 to take account of:

- errors and miscalculations in the original benefits calculations
- slower delivery of the portal and changes to the take-up of portal services by councils
- changes to the services supported by the portal.

Exhibit 7: Summary of the financial benefits expected for business case 1 and 2 after the 2019 update

	Original business case 1 and 2 (combined) (\$ million)	New business case 1 and 2 (combined) (\$ million)
Benefits	134.3	210.6
Costs	72.7	96.3
Net benefits	61.7	114.3

Note: Benefits and costs are incremental. All amounts are calculated over ten years. Amounts for the original business case 1 and 2 are expressed in 2013 and 2015 dollars respectively. The new combined amount is expressed in 2019 dollars. All amounts are discounted or inflated at seven per cent to show their value at the time when they were calculated. Amounts may not add due to rounding.

Source: Audit Office analysis of data provided by the Department of Planning and Environment.

Reported benefits significantly exceed the current targets

In September 2021, the department reported that the program had achieved \$334 million of benefits over the three financial years up to June 2021 plus the first two months of 2021–22. These reported benefits were significantly higher than expected.

Exhibit 8: Reported financial benefits from the ePlanning program

	2018–19 (\$ million)	2019–20 (\$ million)	2020–21 (\$ million)	July to August 2021 (\$ million)	Total (\$ million)
Benefits	5.2	68.8	214.7	45.1	333.8
Target	2.5	14.4	56.7	19.2	92.8
Amount and per cent above target	2.7 108%	54.4 378%	158 279%	25.9 135%	241 260%

Source: Audit Office analysis of data provided by the Department of Planning and Environment.

The department attributes the higher-than-expected financial benefits to the following:

- benefit targets have not been updated to reflect the impact of the 2019 decision to mandate the use of the portal for all development applications. This decision brought forward the expected benefits as well as potential costs of the program. However, the department did not update its third business case which was draft at the time. The business case was subsequently approved in July 2020
- one-off cost savings for agencies not having to develop their own systems
- public exhibitions of planning proposals continuing to be available online during 2020 when some newspapers stopping printing due to COVID-19.

The calculation of benefits is overstated

The department reported \$334 million of benefits in September 2021 due to the ePlanning program. This calculation is overstated because:

- a proportion of reported benefits is likely to be due to other planning reforms
- the calculation of the largest single benefit is incorrect
- the reported benefits may not fully account for dis-benefits reported by some stakeholders.

The program's benefits are calculated primarily from changes in planning performance data, such as the time it takes to determine a planning development application. The department currently attributes the benefits from shorter planning cycles entirely to the effect of the ePlanning program. However, planning cycles are impacted by many other factors such as the complexity of planning regulations and the availability of planning professionals. Planning cycles may also be impacted by other departmental initiatives which are designed to improve the time that it takes for a planning application to be evaluated. The Introduction describes some of these initiatives.

The largest contribution to the department's September 2021 benefit report was an estimated saving of \$151 million for developers due to lower costs associated with holding their investment for a shorter time. However, the department's calculation of this benefit assumes a high baseline for the time to determine a development application. It also assumes that all development applications except for additions or alterations to existing properties will incur financing costs. However, a small but material number of these applications will be self-financed. The calculation also includes several data errors in spreadsheets.

The calculation of some benefits relies upon an extrapolation of the benefits experienced by a small number of early-adopter councils, including lower printing and scanning costs, fewer forms and quicker processing times. However, some councils report that their costs have increased following the introduction of the portal, primarily because aspects of the portal duplicate work that they carry out in their own systems. The portal has also required some councils to re-engineer aspects of their own systems, such as the integration of their planning systems with other council systems such as finance or property and rating systems. It has also required councils to create new ways of integrating council information systems with the planning portal.

The department has published information to help councils and certifiers to automatically integrate their systems with the planning portal. This approach uses application programming interfaces (or APIs) which are an industry-standard way for systems to share information. In April and May 2021, the government granted \$4.8 million to 96 regional councils to assist with the cost of developing, implementing and maintaining APIs. The maximum amount of funding for each council was \$50,000. The department is closely monitoring the implementation of APIs by councils and other portal users. Once they are fully implemented the department expects APIs to reduce costs incurred by stakeholders.

The department has not yet measured stakeholder costs. It was beyond the scope of this audit to validate these costs.

The department has not independently assured the calculation of reported benefits

In 2020 the department appointed an external provider to calculate the benefits achieved by the ePlanning program. The department advised that it chose to outsource the calculation of benefits because the provider had the required expertise and because it wanted an independent calculation of the benefits. The process involves:

- extraction and verification of planning performance data by the department
- population of data input sheets by the department
- calculation of benefits by the external provider using the data input
- confirmation by the department that the calculation includes all expected benefit sources.

The department does not have access to the benefits calculation model which is owned and operated by the external provider. The department trusts that the provider correctly calculates the benefits and does not verify the reported benefit numbers. However, as the benefits model involves many linked spreadsheets and approximately 300 individual data points, there is a risk that the calculation model contains errors beyond those discussed in this audit.

The reported benefits have only been calculated since 2019

The department originally intended to track benefits from October 2014. However, it only started to track benefits in 2019 when it appointed an external provider to calculate the benefits achieved by the portal. Any benefits or dis-benefits between the introduction of the portal and 2019 are unknown and not included in the department's calculation of benefits.

Section two

Appendices


Appendix one – Response from agency



Office of the Secretary

IRF22/1882

Margaret Crawford
Auditor-General for New South Wales
Via email: mail@audit.nsw.gov.au


Dear Auditor-General

Thank you for your correspondence on 17 May 2022, attaching the NSW Audit Office Report (final).

I acknowledge and thank the Audit Office of NSW and its team for the collaborative approach taken with the Department of Planning and Environment (the Department), its stakeholders and specifically, our Digital Analytics and Insights team during the audit process.

The Department accepts and is already working to implement your three recommendations. We will provide a report to the Audit Office of NSW on our progress in December 2022.

I appreciate your acknowledgement that the Department's ePlanning program has progressively achieved its objectives and that our improvements to the planning, implementation and governance of the program has resulted in improved delivery.

At this point in time, the ePlanning program consists of nearly 30 digital planning services, has more than 180,000 registered users and has accepted more than 170,000 development applications. An adjustment period and stakeholder issues are to be expected when a digital transformation of this magnitude is progressively introduced.

I am pleased to say that more than 85 per cent of users gave the 'thumbs up' through the Departments customer service feedback widget.

As the number of digital planning services increases, the Department will intensify its work with its stakeholders, as well as adapt its change management approach by increasing training, customer support, communications, and stakeholder forum opportunities.

The ePlanning program has led the digital transformation of the NSW planning system from a heavily paper-based, low democratised and opaque system to one that is digital, transparent and provides access to near real-time data.

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As testament to this achievement, the NSW Government's ICT Assurance Review conducted in December 2020 noted that "the program had effectively adopted an agile development methodology which has contributed to a consistent record of delivery. This approach, along with a council stakeholder feedback loop, has contributed to a strong level of engagement with stakeholders and the continual improvement of the Portal".

Should you have any further inquiries, please do not hesitate to contact my office.

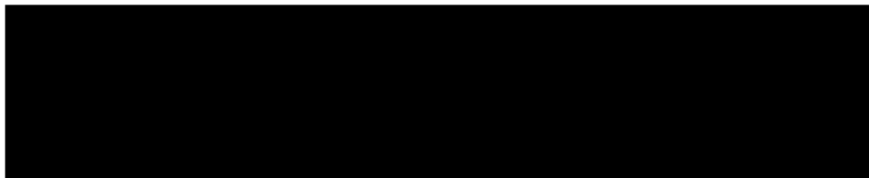
Yours sincerely

A handwritten signature in blue ink, appearing to read "M. Cassel".

Mick Cassel
Secretary
NSW Planning

8 June 2022

CC:



Appendix two – About the audit

Audit objective

This audit assessed the effectiveness of the Department of Planning and Environment's (the department) implementation, governance and stakeholder engagement in delivering the NSW planning portal.

Audit criteria

Criterion 1: Delivery of the NSW planning portal was planned effectively.

- The department had plans in place at each stage of the project and followed these plans.
- The department worked with all relevant stakeholders to understand business needs at the outset of each stage of the project.
- Significant variations to the project delivery approach, scope, budget and timeframe were justified, approved and supported by a revised business case.

Criterion 2: Sound governance arrangements are in place to ensure effective implementation of the program.

- The department uses a governance framework to support sound decision-making and monitor project implementation.
- The department effectively identifies, monitors and addresses key project risks and issues.
- The department is effectively measuring, monitoring and managing realisation of benefits.

Criterion 3: Users of the NSW planning portal are supported effectively to adopt and use the system.

- The department has developed and is implementing an effective stakeholder engagement strategy.
- The department has established an effective support function for internal and external users.
- The department has performance measures in place to provide support to system users and uses these measures to inform its ongoing support strategy.

Audit scope and focus

The audit assessed the effectiveness of the department's planning and implementation of the NSW planning portal. The audit focused on the department's decision-making in relation to the project, governance arrangements and engagement with relevant stakeholders.

The audit scope included:

- project implementation from 2013 to present
- project management and governance
- project scope, timeframes and budget management, including alterations made
- stakeholder consultation and support.

Audit exclusions

The audit did not seek to:

- comment on the merits of government policy objectives
- examine other programs and initiatives delivered as part of the ePlanning reforms
- examine implementation of ePlanning at councils
- validate reported benefits.

The audit does, however, comment on the above where these affect our findings and/or are contextually relevant.

Audit approach

The audit team conducted the audit in accordance with ASAE 3500 'Performance Engagements' and ASAE 3000 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information'. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about an activity's performance against identified criteria and express a reasonable assurance conclusion against the audit objective.

Our procedures included:

1. Interviews and system demonstrations with the department's staff involved in the program. The audit involved consultation with other stakeholders including:
 - interviews with staff from select councils
 - interviews with key external stakeholder groups such as Local Government NSW
 - interviews with other relevant internal and external stakeholders.
2. Examining and analysing documents relating to planning and implementation of the program, including:
 - relevant legislation, regulations, policies, guidelines, ministerial circulars and ministerial orders
 - documentation/formal procedures and guidance around the delivery strategy and governance framework
 - documentation/formal procedures and guidance around risk management, such as risk management plan, risk registers, issues logs, minutes of meetings, etc.
 - program plans and business cases
 - program variations and corresponding formal approvals, justifications and revisions in business cases
 - implementation plans
 - scope, budget and timeframe management documents
 - benefits realisation assumptions and management documents
 - stakeholder engagement strategy
 - user support strategy, agreements and policies
 - minutes of meetings
 - emails and other correspondence
 - briefing and recommendations to decision-makers
 - delegations and approvals.
3. Analysing data:
 - project performance monitoring and evaluation
 - user support function, including user support performance measures and/or performance management data.

We also examined:

- documentation from other stakeholders obtained throughout the audit such as research and studies, statistical data and analysis.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

Audit methodology

Our performance audit methodology is designed to satisfy Australian Audit Standard ASAE 3500 'Performance Engagements' and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

Acknowledgements

We gratefully acknowledge the co-operation and assistance provided by the Department of Planning and Environment.

Audit cost

The estimated cost of this audit including disbursements is \$330,000.

Appendix three – Performance auditing

What are performance audits?

Performance audits determine whether State or local government entities carry out their activities effectively, and do so economically and efficiently and in compliance with all relevant laws.

The activities examined by a performance audit may include a government program, all or part of an audited entity, or more than one entity. They can also consider particular issues which affect the whole public sector and/or the whole local government sector. They cannot question the merits of government policy objectives.

The Auditor-General's mandate to undertake performance audits is set out in section 38B of the *Government Sector Audit Act 1983* for state government entities, and in section 421B of the *Local Government Act 1993* for local government entities.

Why do we conduct performance audits?

Performance audits provide independent assurance to the NSW Parliament and the public.

Through their recommendations, performance audits seek to improve the value for money the community receives from government services.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, State and local government entities, other interested stakeholders and Audit Office research.

How are performance audits selected?

When selecting and scoping topics, we aim to choose topics that reflect the interests of parliament in holding the government to account. Performance audits are selected at the discretion of the Auditor-General based on our own research, suggestions from the public, and consultation with parliamentarians, agency heads and key government stakeholders. Our three-year performance audit program is published on the website and is reviewed annually to ensure it continues to address significant issues of interest to parliament, aligns with government priorities, and reflects contemporary thinking on public sector management. Our program is sufficiently flexible to allow us to respond readily to any emerging issues.

What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing.

During the planning phase, the audit team develops an understanding of the audit topic and responsible entities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the audited entity, program or activities are assessed. Criteria may be based on relevant legislation, internal policies and procedures, industry standards, best practice, government targets, benchmarks or published guidelines.

At the completion of fieldwork, the audit team meets with management representatives to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with management representatives to check that facts presented in the draft report are accurate and to seek input in developing practical recommendations on areas of improvement.

A final report is then provided to the head of the audited entity who is invited to formally respond to the report. The report presented to the NSW Parliament includes any response from the head of the audited entity. The relevant minister and the Treasurer are also provided with a copy of the final report. In performance audits that involve multiple entities, there may be responses from more than one audited entity or from a nominated coordinating entity.

Who checks to see if recommendations have been implemented?

After the report is presented to the NSW Parliament, it is usual for the entity's Audit and Risk Committee/Audit Risk and Improvement Committee to monitor progress with the implementation of recommendations.

In addition, it is the practice of Parliament's Public Accounts Committee to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report received by the NSW Parliament. These reports are available on the NSW Parliament website.

Who audits the auditors?

Our performance audits are subject to internal and external quality reviews against relevant Australian standards.

The Public Accounts Committee appoints an independent reviewer to report on compliance with auditing practices and standards every four years. The reviewer's report is presented to the NSW Parliament and available on its website.

Periodic peer reviews by other Audit Offices test our activities against relevant standards and better practice.

Each audit is subject to internal review prior to its release.

Who pays for performance audits?

No fee is charged to entities for performance audits. Our performance audit services are funded by the NSW Parliament.

Further information and copies of reports

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website www.audit.nsw.gov.au or contact us on 9275 7100.

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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