New South Wales Auditor-General’s Report
Performance Audit
Energy rebates for low income households
Department of Planning and Environment
The role of the Auditor-General

The roles and responsibilities of the Auditor-General, and hence the Audit Office, are set out in the Public Finance and Audit Act 1983.

Our major responsibility is to conduct financial or ‘attest’ audits of State public sector agencies’ financial statements. We also audit the Total State Sector Accounts, a consolidation of all agencies’ accounts.

Financial audits are designed to add credibility to financial statements, enhancing their value to end-users. Also, the existence of such audits provides a constant stimulus to agencies to ensure sound financial management.

Following a financial audit the Audit Office issues a variety of reports to agencies and reports periodically to parliament. In combination these reports give opinions on the truth and fairness of financial statements, and comment on agency compliance with certain laws, regulations and government directives. They may comment on financial prudence, probity and waste, and recommend operational improvements.

We also conduct performance audits. These examine whether an agency is carrying out its activities effectively and doing so economically and efficiently and in compliance with relevant laws. Audits may cover all or parts of an agency’s operations, or consider particular issues across a number of agencies.

As well as financial and performance audits, the Auditor-General carries out special reviews and compliance engagements.

Performance audits are reported separately, with all other audits included in one of the regular volumes of the Auditor-General’s Reports to Parliament – Financial Audits.

audit.nsw.gov.au

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

The Audit Office does not accept responsibility for loss or damage suffered by any person acting on or refraining from action as a result of any of this material.
Contents

Foreword
Executive summary 1
Conclusion 1
Recommendations 3
Introduction 4
Background 4
  Energy rebate scheme 4
  Administrative framework 5
  Budget and expenditure 6
About the audit 6
Key findings 7
1. Ongoing support rebates 7
2. Crisis Support 14
Appendices 18
Appendix 1: Response from Agency 18
Appendix 2: About the Audit 20
Performance auditing 22
Foreword

On 3 September 2017, after the final audit report was issued to the Department of Planning and Environment, the NSW Government announced increases in the value of each of the energy rebates, backdated to 1 July 2017. Figures quoted in this audit report are based on the value of rebates at the time the audit was conducted, and do not reflect the changes announced on 3 September 2017.

The audit focused on the administration of rebate schemes and not on the value of the individual rebates, so the conclusion and recommendations are not impacted by these changes.
Executive summary

The Department of Planning and Environment (Department) administers five energy rebate schemes targeted to low-income households. The five rebates are of two key types:

1. Ongoing support to pay energy bills
2. Crisis Support

More than one million rebates are paid each year to over 800,000, or around 27 per cent, of NSW households. Households learn about rebates from a variety of sources including: Service NSW, government and energy retailer websites, energy retailer welcome packs, Department marketing efforts, information on energy bills, and Centrelink.

The budget for energy rebates is increasing every year and in 2017–18 is more than $245 million. The Department delivers most rebates through a network of partnership arrangements with:

• energy retailers, who apply rebates directly onto energy bills
• more than 340 charities and other NGOs who assess households’ eligibility for crisis support and distribute support through the Energy Accounts Payment Assistance scheme (EAPA)
• Service NSW, who informs NSW households about rebates through their call centre.

The energy rebates budget is substantial and the distribution arrangements are complex. The objective of the audit was to assess whether the current design and distribution of energy rebates schemes is effective.

Conclusion

The Department administers the rebate schemes using partners to ensure funds are directed towards energy bills as intended. Ongoing support schemes provide assistance to low-income households as intended, but have no measurable objectives or outcome measures and therefore can't be assessed for their effectiveness. Crisis support (EAPA) has a clear objective, to keep households experiencing financial crisis connected to energy services, but the Department does not monitor the performance of EAPA against this objective.

The structure of rebates providing ongoing support is complex and can be inequitable for some households. Reducing the number of separate schemes and simplifying eligibility requirements offers the most scope for improving effectiveness of ongoing support schemes.

The growth of embedded1 networks represents a future administrative risk to the Department. Partnering with energy retailers, charities and NGOs delivers advantages, but stronger oversight is required over partner organisations.

The Department and partner organisations administer the rebate schemes as designed

The Department oversees a complex package of rebate schemes in partnership with 25 retailers and around 340 charities and NGOs. The partnership arrangements ensure that funds are distributed directly to energy bills as intended. The schemes provide support to recipients and are administered in line with government decisions about eligibility.

Communication about rebates does not reach all eligible households

Households learn about rebate schemes through a mix of communication channels including retailer websites and call centres, Department websites, Centrelink, financial counsellors,

---

1 Embedded networks are energy supply arrangements where the manager of a residential facility such as a caravan park, retirement village or apartment block, buys energy in bulk and then on-sells it to residents.
EAPA Providers, the Energy and Water Ombudsman and Service NSW. Some low-income
groups, such as those with poor English language skills, do not find out about energy rebates.

**Scheme objectives are not measurable**

Rebate schemes that provide ongoing support do not have measurable objectives or outcome
measures. Without clear and measurable objectives, the Department cannot report to
government on whether the schemes are achieving the intended policy outcomes, nor
recommend improvements to ensure the schemes deliver the greatest benefit to the most
financially vulnerable households.

The EAPA crisis support scheme has a clearer objective in that it aims to keep households
experiencing financial crisis connected to energy services. However, the Department does not
measure outcomes from providing this type of support, and does not know if the crisis support
achieves this objective.

**The structure of rebate schemes for ongoing support is complex**

The Low Income Household Rebate accounts for 80 per cent of the budget for ongoing
support rebates. The remaining 20 per cent of the budget is administered through four
separate schemes: Gas Rebate, Medical Energy Rebate, Family Energy Rebate and Life
Support Rebate.

Each of these rebates has its own eligibility criteria and some require separate application
processes. The Family Energy Rebate is complex to access and apply for, and around one
third of households do not reapply each year. Eligible households that receive energy through
embedded networks apply directly to the Department for rebates, which are paid by the
Department into bank accounts. Embedded networks are energy supply arrangements where
the manager of a residential facility such as a caravan park, retirement village or apartment
block, buys energy in bulk and then on-sells it to residents. The Department is yet to develop
strategies to address a forecast increase in such households.

**The design of the rebate schemes creates some inequities**

Households in similar circumstances can receive different levels of assistance depending on
which adult in the house is the energy account holder, the mix of energy types used in the
home, or the EAPA Provider they turn to when in financial crisis.

Households with both gas and electricity connections receive more assistance than those with
only electricity. Households in rural and regional areas receive the same value rebate as
households closer to Sydney, despite higher distribution charges. Family Energy Rebate is a
two-tier payment, with a higher amount available to families with greater means. Lower-
icome families receive a much smaller Family Energy Rebate on the assumption that they
already receive Low Income Household Rebate. Charities and NGOs distributing EAPA crisis
support apply inconsistent standards when assessing household need, which leads to
inequitable levels of assistance.

**Departmental oversight of energy retailers and EAPA Providers is not strong enough**

While partnering with energy retailers and EAPA Providers delivers advantages, stronger
management is needed to ensure that partners follow Departmental guidelines and to
minimise the potential for fraud. The Department's accreditation process for potential EAPA
Providers does not consider the applicant's financial governance standards and the most
recent audit of EAPA Providers was 2013.
Recommendations

By September 2018, the Department of Planning and Environment should:

1. Ensure effective strategies are in place to make information about rebates available to all eligible, low-income households
2. Evaluate alternative models and develop advice for government to reduce complexity and improve equity of ongoing rebates
3. Establish measurable objectives for schemes that provide ongoing support, and monitor and measure performance of all schemes against objectives and outcome measures
4. Assess the impacts of the forecast increase in embedded networks and develop strategies to manage any increased administrative risk
5. Strengthen assurance that EAPA is being provided in accordance with its objectives and guidelines by implementing accreditation and compliance programs
6. Ensure those eligible for EAPA financial support are not disadvantaged by inflexible payments, inconsistent provider practices, or inability to access an EAPA provider in a timely manner. Options include:
   - moving from a fixed-value voucher to a flexible payment based on need irrespective of energy type
   - establishing a ‘Provider of Last Resort’ facility for households that cannot access an EAPA Provider.
Introduction

Background

Energy rebate scheme

The Department administers six energy rebate schemes with a budget of more than $245 million. Five of the schemes are targeted towards vulnerable or low-income households. The sixth scheme, the Life Support Rebate, assists households that use specified types of life support equipment, but is not means-tested and is not included in the scope of this audit.

The energy rebate package for low-income households in NSW can be categorised broadly into two key rebate types:

1. Ongoing support
   • Low Income Household Rebate
   • Gas Rebate
   • Medical Energy Rebate
   • Family Energy Rebate

2. Crisis support
   • Energy Accounts Payment Assistance (EAPA)

Exhibit 1: Energy rebates, value, eligibility, payment structure and budget

<table>
<thead>
<tr>
<th>Rebate</th>
<th>Value</th>
<th>Eligibility*</th>
<th>How paid</th>
<th>2017–18 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Household Rebate (LIHR)</td>
<td>$235 per year</td>
<td>PCC, HCC or DVA Gold Card (marked)</td>
<td>Quarterly instalments onto electricity bill</td>
<td>$191 million</td>
</tr>
<tr>
<td>Gas Rebate (GR)</td>
<td>$90 per year</td>
<td>PCC, HCC or DVA Gold Card (marked)</td>
<td>Quarterly instalments onto gas bill</td>
<td>$29 million</td>
</tr>
<tr>
<td>Medical Energy Rebate (MER)</td>
<td>$235 per year</td>
<td>PCC, HCC, DVA Gold Card (any) or Medical Certificate</td>
<td>Quarterly instalments onto electricity bill</td>
<td>$3 million</td>
</tr>
<tr>
<td>Family Energy Rebate (FER)</td>
<td>$150 per year</td>
<td>Family Tax Benefit A or Family Tax Benefit B</td>
<td>Lump sum onto electricity bill at the end of the year</td>
<td>$7 million</td>
</tr>
<tr>
<td></td>
<td>$15 per year for those eligible for LIHR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Energy Accounts Payment Assistance (EAPA)</td>
<td>$50 vouchers up to $250 twice a year ($500) per fuel type</td>
<td>Must be in financial crisis and at risk of disconnection</td>
<td>Paper vouchers distributed by charities and NGOs (EAPA Providers), to be used to pay electricity or gas bills. Soon to be electronic payment onto bill.</td>
<td>$17 million</td>
</tr>
</tbody>
</table>

* PCC-Pensioner Concession Card, HCC- DHS Health Care Card, DVA-Department of Veterans’ Affairs. Marked DVA cards are those nominated as for War Widows or Widowers, Totally and Permanently Incapacitated (TPI) or Disability pension (EDA).

Source: Audit Office Research based on figures supplied by Department of Planning and Environment.
Ongoing support

Ongoing support refers to regular payments that assist households to cope with the rising cost of energy. The package of support available to low-income households includes the following:

- Rebates funded by the NSW Government, applied directly to energy bills
- Energy Efficiency Action Plan, funded by the NSW Government, which assists households to reduce energy consumption through in-home energy assessments and subsidised energy-efficient appliances
- Energy supplement paid by the Commonwealth Government to recipients of income support payments
- Hardship programs and payment plans provided by energy retailers.

Only the first of these, the rebates funded by the NSW Government, are included in the scope of this audit.

To access the ongoing support rebates provided by the NSW Government, most households apply directly to their energy retailer, and the rebate appears as a deduction on their quarterly energy bill. Energy retailers match concession card details provided by the account holder with data held by the Commonwealth Department of Human Services (DHS) to validate eligibility. Households applying for Medical Energy Rebate must also supply an up-to-date medical certificate to prove that someone in the household suffers from an illness affecting their ability to regulate their own body temperature, such as Parkinson's Disease or Multiple Sclerosis.

Family Energy Rebate applications are more complex as the eligibility criteria is based on tax data (Family Tax Benefit status) rather than on concession cards. Most households apply online and the Department verifies eligibility with DHS before sending details of eligible households to the relevant energy retailer. Family Energy Rebates are paid as a single lump sum onto the energy bill and the household must reapply each year once their tax return and Family Tax Benefit status are finalised.

Crisis support

Households in financial crisis that cannot pay an energy bill can approach an accredited EAPA Provider and request assistance. EAPA Providers have access to vouchers worth $50 that can be used to pay energy accounts. A household can receive up to $250 towards any single bill, with a maximum of $500 per year per energy type. In practice, the Department will provide more than the maximum if the EAPA Provider shows good cause as to why the household needs additional support. During the period of this audit, the Department moved from a system of paper vouchers to a digital system that enables the EAPA Provider to directly transfer EAPA funds to an energy retailer for payment of a bill.

Administrative framework

Partnership arrangements

Energy rebates are administered by the Energy Operations group within the Department of Planning and Environment, Division of Energy, Water and Portfolio Strategy (Department). The Department partners with energy retailers to distribute ongoing rebates onto energy bills, and with charities and NGOs to assess eligibility of households for crisis support (EAPA).

Energy retailer responsibilities are documented in the NSW Social Programs for Energy Code, 2017, which is incorporated in legislation through the Electricity Supply (General) Regulation, 2014. The National Energy Retail Rules recognise the role of energy retailers in dealing with customer hardship, including informing customers about rebate programs.

Responsibilities of EAPA Providers are documented in the EAPA Delivery Guidelines, updated in 2017 to recognise the replacement of paper vouchers with digital vouchers on 1 July 2017.
Embedded network households

Approximately 28,000 households receive energy supplies via more than 230 embedded networks\(^2\), supply arrangements where a residential manager purchases energy in bulk and on-sells it to residents. Embedded networks are typically found within caravan parks and retirement villages, although a more recent trend is for the managers of residential developments to take on the role of supplying energy to residents. As these households have no relationship with an energy retailer, the Department pays rebates directly into the bank accounts of around 10,000 households that are connected to embedded networks and eligible for rebates. We estimate these payments represent fewer than one per cent of rebate payments.

Budget and expenditure

More than 27 per cent of NSW households receive one or more rebates. Expenditure on rebates is increasing annually.

Exhibit 2 Expenditure on rebate schemes for low income households

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>‘000</td>
<td>‘000</td>
<td>‘000</td>
<td>‘000</td>
</tr>
<tr>
<td>Low Income Household Rebate</td>
<td>176,830</td>
<td>184,505</td>
<td>187,708</td>
<td>187,314</td>
</tr>
<tr>
<td>Gas Rebate</td>
<td>--</td>
<td>--</td>
<td>16,250</td>
<td>19,311</td>
</tr>
<tr>
<td>Medical Energy Rebate</td>
<td>1,231</td>
<td>1,758</td>
<td>1,696</td>
<td>1,966</td>
</tr>
<tr>
<td>Family Energy Rebate</td>
<td>4,441</td>
<td>6,949</td>
<td>5,777</td>
<td>4,333</td>
</tr>
<tr>
<td>Energy Accounts Payment Assistance</td>
<td>14,400</td>
<td>12,493</td>
<td>11,790</td>
<td>15,718</td>
</tr>
<tr>
<td>Total</td>
<td>196,902</td>
<td>205,705</td>
<td>223,221</td>
<td>228,642</td>
</tr>
</tbody>
</table>

The schemes have a total budget in excess of $245 million. The budget is consistently underspent, due in part to contingency included in budgets to ensure the appropriation does not run out, and also to a range of factors discussed elsewhere in this report. These factors include some households not knowing about rebates and others finding them difficult or onerous to access.

About the audit

The audit objective was to assess whether the energy rebate schemes are effective. In making this assessment, the audit examined whether:

- the rebate schemes are structured to most effectively achieve their objectives in a changing energy market
- the system adopted by the Department for informing consumers and distributing rebates is effective
- the Department is effectively partnering with service partners to deliver rebates to consumers.

More information about the audit approach is provided at Appendix 2.

\(^2\) Australian Energy Market Commission estimate.
Key findings

1. Ongoing support rebates

The Department partners with energy retailers to administer the rebate schemes as designed, but ongoing support rebates do not have measurable objectives and therefore can’t be assessed for their effectiveness. The structure of rebates providing ongoing support appears complex and inequitable in some cases. The growth of embedded networks represents a future administrative risk to the Department.

Without measurable objectives for the rebate schemes, the Department cannot evaluate outcomes to assess whether the schemes are effective, and has no basis for evaluating options to improve the schemes. In their current form, the design of the schemes prevents them from being as effective as they might be.

The package of rebate schemes providing ongoing support has gradually been built up over time and is complex, with four different schemes delivering ongoing support to low-income households, each with its own eligibility criteria. Multiple schemes with different eligibility criteria contribute to overall inequity and households in similar circumstances may receive different levels of assistance.

A forecast increase in the number of embedded networks represents an administrative risk to the Department that is yet to be addressed.

The Department partners with energy retailers and Service NSW to inform potential recipients about energy support schemes distribute energy rebates as designed. Regular reviews of performance are needed over partner organisations to ensure that eligible households find out about rebates, and partner organisations are complying with Departmental requirements.

Recommendations

1. Ensure effective strategies are in place to make information about rebates available to all eligible, low-income households.
2. Evaluate alternative models and develop advice for government to reduce complexity and improve equity of ongoing rebates.
3. Establish measurable objectives for schemes that provide ongoing support, and monitor and measure performance of all schemes against objectives and outcome measures.
4. Assess the impacts of the forecast increase in embedded networks and develop strategies to manage any increased administrative risk.

1.1 Objectives of the rebate schemes

Objectives for ongoing rebate schemes are not measurable

Department staff indicated that the objective of the rebates is generally understood to be helping low-income households pay rising energy bills, but this objective is not associated with outcome measures.

Distributing money to help cover the cost of energy bills undoubtedly provides assistance to low-income households, but with no stated outcome measures, the Department has no way of knowing if the level of assistance is enough to prevent households from being disconnected from services, nor whether the funds could be used in a more efficient or sustainable way. At the same time, the Department does not set the thresholds for what is an ‘eligible low-income household’ as government policy aligns these with eligibility for various Commonwealth Government concession cards.
With no measurable objectives or outcome measures the Department cannot assess whether, for example:

- particular groups in the community require more or less assistance than others
- some geographic areas of the state require more energy assistance than others
- the rebates budget is sufficient to meet program objectives.

KPIs for organisational units involved in administering rebates, as well as for the rebate schemes themselves, should be based on the objectives of the schemes, but this is not possible unless clear, measurable objectives and outcome measures are in place.

1.2 Equity within the ongoing rebate schemes

The rebate is paid as a flat fee where everyone receives the same, regardless of need

Ongoing rebate schemes where every household receives the same value rebate are simple to administer, but do not target varied circumstances and need. For example, the flat fee rebate structure does not recognise different household sizes, or variations in energy costs across NSW. A pensioner living alone in a studio apartment receives the same rebate as a family with three children living in a large home. Households in rural areas experience higher network costs, which they cannot control, yet they receive the same rebate as those in urban areas who experience lower network costs. At the same time, households which share a number of characteristics may have very different incomes and, hence, need.

Exhibit 3: Single-person household compared to family

<table>
<thead>
<tr>
<th>Household A</th>
<th>Household B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A single pensioner lives alone in her one bedroom apartment in Sydney. Energy bills, typical of a 1-person household, are $264 per quarter, or $1,054 per year.</td>
<td>A family of five lives around the corner in a 4-bedroom home. The family is eligible for Family Tax Benefit. Energy bills, typical of a 5-person household are $714.08 per quarter, or $2,856.34 per year.</td>
</tr>
</tbody>
</table>

Rebate: $235 per year or 22 per cent of energy costs.  
Rebate: $235 per year for Low Income Household Rebate + $15 Family Energy Rebate = $250 or 9 per cent of energy costs.

Source: Hypothetical example based on Audit Office research and Acil Allen Consulting research, 2015.

Other jurisdictions use percentage rebates and social tariffs

Flat fee rebates or concessions are not unusual in Australia, where most welfare payments are paid on a fixed-value basis across the country, with no cost-of-living adjustments based on geography. Other jurisdictions that distribute energy rebates have implemented more flexible models that adjust based on need. For example, the Victorian State Government pays a rebate calculated as a percentage of part of the householder's bill. The UK recognises ‘fuel poverty’ as different to other forms of poverty, defining it in terms of energy costs equal to or exceeding 10 per cent of household income. Certain rebates and concessions are available to households deemed ‘fuel poor’. Governments in Belgium, Brazil and Spain all fund the difference between a ‘social tariff’ for low-income households and the market tariff offered by energy retailers. A similar arrangement is in place in Tasmania, supplemented with an additional heating allowance paid during the winter months.

---

3 Hypothetical scenarios cannot address all possible variations in household circumstances.  
5 Source: Deloitte Corporate Finance P/L, Improving energy concessions and hardship payments policies, 2013.  
Households with both electricity and gas receive more assistance

The rebate structure in NSW allows households with both electricity and gas accounts to receive two rebates, the Low Income Household Rebate valued at $235 and the Gas Rebate valued at $90, a total of $325. Households using only electricity can only access the Low Income Household Rebate, with a value of $235. The mix of energy types in the home is not usually something the householder controls readily.

**Exhibit 4: Electricity-only household versus Electricity + Gas household**

<table>
<thead>
<tr>
<th>Household A</th>
<th>Household B</th>
</tr>
</thead>
<tbody>
<tr>
<td>A family of five in Sydney in a 4-bedroom home. Their energy needs are all met through electricity. The family is eligible for Family Tax Benefit. Electricity bills, typical of a 5-person household are $714.08 per quarter, or $2,856.34 per year.</td>
<td>A family of five living next door in the same size house has both gas and electricity connected. Energy bills, typical of a 5-person household, are $656.82 per quarter $2,627.29 per year.</td>
</tr>
<tr>
<td>Rebate: $235 per year for Low Income Household Rebate + $15 Family Energy Rebate = $250 or 9 per cent of energy costs.</td>
<td>Rebate: $235 per year for Low Income Household Rebate + $90 Gas Rebate + $15 Family Energy Rebate = $340 or 13 per cent of energy costs.</td>
</tr>
</tbody>
</table>

Source: Hypothetical example based on Audit Office research, current energy prices and Acil Allen Consulting research, 2015.

Family Energy Rebate is a two-tier payment that can be difficult to access

The Family Energy Rebate is designed as a stand-alone rebate for families that do not have concession cards but are eligible for Family Tax Benefit, and a ‘top up’ for households that have concession cards. The result is that families with greater means receive a Family Energy Rebate of $150 while lower-income households, if eligible for Low Income Household Rebate, receive a Family Energy Rebate of $15, even if they have not actually applied for Low Income Household Rebate.

As the Family Energy Rebate is based on Family Tax Benefit status, eligible recipients must have a DHS Customer Reference Number (CRN) in the same name as the energy account. Blended households, divorced households, multi-generational households and many traditional households may not meet this criterion even though they are eligible for the rebate based on Family Tax Benefit status. More than 3,000 applications for Family Energy Rebate, or 4 per cent of applicants, were declined in 2015–16 due to names not matching. In some cases, DHS cannot release Family Tax Benefit status to the Department because customers have withheld their consent for privacy reasons, meaning that some eligible households may miss out on the rebate.

---

7 It is difficult to determine the ‘typical’ split between electricity and gas as households differ in terms of which appliances use gas. For the purpose of this exercise we assume that electricity consumption is reduced by 40 per cent, and gas consumption is at the high end of typical household usage.
Exhibit 5: Multi-generational family cannot access Family Energy Rebate

A family with 2 children have been renting their home for some years. One parent works full-time and the other works part-time; they receive Family Tax Benefit and the Family Energy Rebate.

To save the deposit for a house, the family moves in with their in-laws. The family can help by taking care of mother-in-law, who is unwell, and supporting father-in-law's transition into aged care. Mother-in-law is a self-funded retiree and cannot afford to pay the household bills for the entire extended family, so the working parents will be covering most of these living expenses.

The working parents apply for the Family Energy Rebate and find they are no longer eligible as the electricity account is held in father-in-law's name, even though the working parents are paying the bills. If they change the account into their own name they can receive Family Energy Rebate, but they are reluctant to do this as they don't expect to live with mother-in-law for very long, and to change the name of the account will require payment of a fee to the retailer, and then again when the account is changed back after they move out.

Source: Hypothetical example based on Audit Office research.

1.3 Structure of ongoing rebates

The structure of ongoing rebates is complex

Prior to 2010, the Department administered two rebates that provided ongoing support: Energy Rebate and the Life Support Rebate. Medical Energy Rebate was introduced in 2010 for DHS health care card holders with specific medical conditions that affect the regulation of body temperature.

In 2011, the Energy Rebate was replaced by the Low Income Household Rebate, with the rebate extended to all low-income households. Eligibility is based on Commonwealth definitions of low income: recipients must have a Pensioner Concession Card, DHS Health Care Card or a DVA Gold Card marked War Widow or Widower, TPI or EDA. At the same time, eligibility for Medical Energy Rebate was also expanded to include those same low-income groups, although the DVA Gold Card need not be marked for this rebate.

Family Energy Rebate was added in 2012, with eligibility based on Family Tax Benefit status. Due to the complex and private nature of tax records, the Department plays an intermediary role, administering eligibility checks for around 85,000 Family Energy Rebate applicants each year, involving a substantial administrative burden and requiring between three and five additional full-time staff between April and July each year. Around one third of recipients do not reapply for Family Energy Rebate each year. The Family Energy Rebate budget was $8 million in 2016–17 and was underspent by 46 per cent. The budget has been adjusted to $7 million for 2017–18, well in excess of the $4.3 million spent in 2016–17.

Gas rebate was added in 2015 and extended to LPG in 2016, with eligibility criteria matching that of Low Income Household Rebate.

Exhibit 6: Increasing complexity of the energy rebates package over time

8 TPI - Totally and Permanently Incapacitated
EDA - Extreme Displacement Adjustment (disability)
Source: Audit Office Research based on information supplied by Department of Planning.

Low Income Household Rebate accounts for 80 per cent of the budget for ongoing rebates, with the remaining 20 per cent administered through four separate schemes, each with its own eligibility criteria. This structure has built up through successive responses to different community needs. None of the individual schemes have been reviewed since implementation, and never as a holistic package. Family Energy Rebate was introduced in 2012 with the intent to review it after five years. That review timeframe coincides with this audit. An opportunity exists to review all the ongoing rebates as an overall package of support, looking for opportunities to rationalise schemes and improve equity and targeting.

1.4 Embedded networks

Increasing use of embedded networks presents an administrative risk to the Department

Around 28,000 households receive their energy supplies through embedded networks. These households typically reside in caravan parks or retirement villages, and energy is purchased in bulk by the facility manager, and distributed to each caravan or retirement unit without the involvement of an energy retailer. The Department administers rebates directly to around 10,000 of these households, with two payments a year sent to bank accounts via direct deposit.

Exhibit 7: Embedded network

Source: Ovation Group.

The Department has advised that the number of households in embedded networks is increasing. In addition, the managers of large apartment developments increasingly are taking on the role of energy suppliers to their residents. This may mean more customers within embedded networks become eligible for rebates. As yet, the Department has not considered the impact of the potential increase in energy rebates associated with embedded networks, which could be felt in terms of administrative budget. We are informed by Department staff that work will soon be underway to better understand the potential growth in embedded network customers.

1.5 Marketing and communication about ongoing rebates

The quality of marketing and information about rebates is variable and some is poor

The Department relies on retailers to inform eligible consumers about rebate schemes and distribute rebates. Retailers are bound by the National Energy Retail Rules to inform new customers about rebate schemes in their state of residence. In addition, the NSW Social Programs for Energy Code requires all retailers to inform NSW energy consumers about energy rebates on the retailer website, on the household bill and when speaking to energy consumers on the phone.

In practice, energy consumers learn about rebate schemes through a mix of communication channels: retailer websites and call centres, Department websites, Centrelink, financial counsellors, EAPA Providers, the Energy and Water Ombudsman and Service NSW.

9 Includes Life Support Rebate, which is not means tested, and not included in the scope of this audit.
The Department conducts a small amount of marketing each year, usually for the Family Energy Rebate (which is underspent) and for any new initiatives. The Department also provides Service NSW with call centre scripts that are reviewed on a regular basis.

The Energy and Water Ombudsman conducts an outreach program that includes informing energy consumers about the availability of rebates and EAPA vouchers for crisis support.

We reviewed campaign materials from the 2014–15 Family Energy Rebate marketing campaign and found it was developed using sound marketing principles including: clear and measurable objectives, segmentation based on demographic data and choice of communication channels based on perceived channel performance in prior campaigns.

We also reviewed other marketing materials that used innovative communication channels to reach the intended target audience, such as school newsletters and websites, although the performance of those channels is not monitored or measured.

The Gas Rebate was extended in 2016–17 to include LPG, but some information leaflets included complex and formal language that may have been difficult for many households to understand. The Gas Rebate was underspent in 2016–17 by 36 per cent.

Differences between jurisdictions leads to misinformed consumers

Each jurisdiction in Australia supports slightly different rebate schemes. Differences occur in the names of rebate schemes, value of rebates and eligibility criteria. Victoria is the only state to deliver a percentage-based rebate. National energy retailers do not typically review their call-centre scripts with the Department, and the variability in schemes across jurisdictions means they may find it difficult to provide accurate information to households.

Some low-income groups are not well-informed about rebate schemes

Around 22 per cent of people in NSW speak a language other than English at home and around four per cent of people in NSW speak English poorly or not at all. While we have no information about how many of these households are eligible for energy rebates, non-English speaking households tend to be over-represented in lower income brackets.

Recent research into the energy market knowledge of linguistically-diverse groups reveals that some groups do not know about assistance available for energy bills. The National Energy Retail Rules require retailers to promote an interpreter service on their bills, but non-English speakers are unlikely to call an interpreter service to ask questions about energy rebates if they have not heard about them in the first place.

Exhibit 8: Experience of an Arabic-speaking seniors group in accessing information

During the conduct of this audit, our auditors were invited to observe a technology class for Arabic-speaking seniors. During class, the participants were instructed to access the energy rebates webpage on the Department's internet site. The participants had previously been shown how to navigate to webpages, and most found their way to the energy rebates web page, but at that point their search for information stalled as the page was only available in English.

The instructor asked the participants if any of them had heard of energy rebates, and none had. Some were aware of discounts offered by energy retailers for early payment of bills, but none knew about government support to pay energy bills.

Households living in caravan parks or retirement villages have no direct relationship with an energy retailer and must rely on other communication channels to learn about energy rebates. The Department provides rebate information directly to the operators of caravan parks, but has no way of knowing if the information is passed on to residents.

Householders with low levels of literacy may also find it difficult to learn about or apply for rebates. Around 44 per cent of Australians do not have literacy levels required to meet the demands of everyday life, rising to 78 per cent amongst people aged over 65.

Results from a survey of low-income households\(^\text{11}\) published during the period of this audit found ‘a universally low level of awareness’ about available financial support for energy bills.

### 1.6 Management of energy retailers and other system partners

**Responsibilities of energy retailers are well-documented and understood**

Energy retailer responsibilities are documented in the NSW Social Programs for Energy Code. While the Department does not require retailers to formally sign up to the code, representatives from energy retailers that we spoke to all understand that they are bound by the code and may be audited for compliance.

**The Department has recently initiated a program of compliance audits**

A first audit of energy retailers’ compliance with the NSW Social Programs for Energy Code was conducted in 2016. The 2016 audit included eight of the 25 retailers and did not cover all requirements of the NSW Social Programs for Energy Code. For example, the obligation of retailers to inform households about energy rebates was limited to retailer websites. Information provided to consumers when they establish a retail contract was not audited, nor were scripts used by energy retailers. These gaps are important to address as some households do not use the internet, and others prefer to get their information by phone.

The 2016 audit was the first in an ongoing audit program, and a second round of retailer audits commenced while this audit was underway. The Department did not follow up on issues of non-compliance found in the 2016 audit, intending to do so as part of the next audit. We checked retailer websites and found that not all had implemented recommendations from the 2016 audit, and some remain non-compliant.

The Department has not audited or reviewed the accuracy of information about energy rebates provided to households through the Service NSW call centre.

---

2. Crisis Support

The distribution of crisis support (EAPA) by charities and NGOs is a strength of the scheme but stronger oversight is needed to ensure these organisations distribute funds in accordance with Departmental guidelines. The fixed-value voucher system can also create inconsistent outcomes for households. Introduction of digital EAPA provides an opportunity for the Department to review the structure of crisis support to improve equity and access.

The objective of crisis support is to prevent households from being disconnected from energy services. This objective is documented and communicated, but the performance of the scheme is not monitored or measured. The Department does not know if the crisis support is preventing disconnections and has no basis for making improvements to the scheme.

More than 340 charities and NGOs distribute crisis support in the form of EAPA vouchers. These organisations are better placed than the Department to assess the needs of financially vulnerable households in their communities, and can also provide other types of support to those in need.

The Department provides training and support to those distributing EAPA vouchers, but accreditation, compliance and fraud detection processes are not strong enough. Some households find it difficult to access EAPA due to capacity constraints at their local EAPA Provider.

The fixed-value voucher structure is inflexible and leaves some households with a funding shortfall.

Recommendation

5. Strengthen assurance that EAPA is being provided in accordance with its objectives and guidelines by implementing accreditation and compliance programs.

6. Ensure people eligible for EAPA financial support are not disadvantaged by inflexible payments, inconsistent provider practices, or inability to access an EAPA provider in a timely manner. Options include:
   • moving from a fixed-value voucher to a flexible payment based on need irrespective of energy type
   • establishing a 'Provider of Last Resort' facility for households that cannot access an EAPA Provider.

2.1 Objectives of crisis support

Energy Accounts Payment Assistance (EAPA) is a system of $50 vouchers intended to help pay the energy bills of households experiencing a short-term financial crisis. Unlike other rebates, the household does not need to hold a concession card to access EAPA, but must be in genuine need and at risk of being disconnected from services. EAPA is not intended to be a form of ongoing support and can only be paid to a particular household twice in any year.

For many years, EAPA vouchers took the form of paper vouchers that were allocated by the Department to accredited charities and NGOs, and distributed by EAPA workers within those organisations. After applying for and receiving one or more EAPA vouchers, a householder would take the vouchers to Australia Post and use them to pay the energy bill. During the period of this audit, the Department implemented a digital EAPA system. EAPA workers now allocate vouchers electronically, and the voucher is sent directly to the energy retailer as a form of payment. The Department expects the digital system to provide greater visibility over the distribution of EAPA vouchers, and the ability to react more quickly to any problems, such as an EAPA Provider running out of vouchers.
Performance of EAPA is not monitored or measured against objectives

The objective of EAPA is to assist households in financial crisis to remain connected to essential energy services. This objective is communicated to all EAPA Providers in the EAPA Delivery Guidelines.

While the EAPA Providers we spoke to all confirmed anecdotally that EAPA makes a difference to households in crisis, the Department has no way of knowing if the scheme is reaching all those who need help, nor if the scheme is preventing disconnections. In each of the past three years, energy retailers have disconnected more than 30,000 households from electricity services. Analysing the relationship between disconnections and receipt of EAPA at a household level may provide useful insights into the performance of the scheme against its objectives.

2.2 EAPA Governance

Partnering with charities and NGOs provides benefits to households and government

EAPA is distributed by a network of more than 340 charities and NGOs. Many of these are branches of respected, well-known charitable organisations. Other EAPA Providers are smaller and relatively unknown outside their local communities.

The NSW Government Commissioning and Contestability Policy recognises partnerships as ‘critical to the delivery of quality and sustainable services, whether they are public, private or NGO provided.’

The Policy requires agencies to put the customer (in this case the household) at the centre of service design and consider whether services are improved through the partnership arrangement. In the case of EAPA, charities and NGOs are best placed to assess households for eligibility, and they can offer additional supports at the same time to those most in need, such as financial counselling and food vouchers.

The accreditation process for EAPA Providers lacks rigour

While the partnership approach offers benefits for households, the Commissioning and Contestability Policy also recognises the need for regulation and accreditation.

EAPA Providers are handling public funds and administering a welfare scheme on behalf of the government. The Department currently lacks assurance that these organisations have good governance in place and are equipped to administer public funds in accordance with Departmental guidelines.

The process of accrediting EAPA Providers is based primarily on the need to have providers close to potential recipients across the State. EAPA Providers are not currently subject to basic assessment criteria such as criminal history checks, confidentiality training or conflicts of interest.

At the very least we would expect that EAPA Providers should be assessed for basic governance standards. At the same time we recognise the need to balance the opportunity for oversight with the capacity of smaller EAPA Providers, some of which are small, locally-based organisations reliant on volunteer staff. The Department’s approach could be informed by the Australian Charities and Not-for-profits Commission (ACNC) governance standards.

Some EAPA workers may not be adequately trained

The Department conducts regular EAPA training and schedules training sessions in both urban and remote areas. Our review of the training schedule for 2015–16 found that most of the training scheduled for remote areas was cancelled due to lack of attendees.

The Department provides EAPA Delivery Guidelines and an assessment checklist for use when assessing households for crisis support, but stakeholders indicated that some workers may withhold information or support from eligible households in financial stress. We recognise

---

that many EAPA workers are volunteers and not bound by employment conditions, but they still need to be trained in the correct procedures for handling vouchers, and comply with the Department's expectations regarding eligibility for support.

With the introduction of digital EAPA, the Department may have more control over which individual EAPA workers can distribute EAPA, although the Department will not be able to prevent password-sharing.

**EAPA Providers are not monitored for compliance with Departmental guidelines**

Compliance with EAPA Delivery Guidelines was audited internally in 2013 but the Department has no plans for an ongoing audit program of EAPA Providers, despite this being a recommendation of the 2013 audit.

Fraudulent use of EAPA vouchers has occurred, and the Department has been advised of this by EAPA Providers. A regular audit program would have the effect of discouraging as well as detecting fraudulent activity. An audit program could also identify situations where EAPA Providers are allowing untrained workers to distribute EAPA vouchers.

Separately to an audit program, the introduction of digital EAPA will provide greater transparency of EAPA Providers' activity, including information about which energy accounts receive assistance. The introduction of digital EAPA provides an opportunity to use the electronic records to detect and flag unusual EAPA distribution patterns although the Department has not indicated an intent to use the data in this way. The Department told us it plans to monitor EAPA Providers’ behaviour for 12 months following implementation of the digital EAPA system, then adjust EAPA Delivery Guidelines or system thresholds if required.

### 2.3 Equity and Access

**EAPA Providers apply their own standards about crisis support**

Despite Departmental guidelines, EAPA Providers at times apply their own standards about how much support to administer to a household in need. The EAPA Delivery Guidelines are clear that EAPA is capped at $250 per bill per fuel type and can only be paid twice a year onto one energy account. The Department has told EAPA Providers that they can exceed that cap in exceptional circumstances, so long as they document the circumstances. This instruction appears to cause confusion as EAPA Providers are unsure about when, how often and under what circumstances they can breach the cap, a situation exacerbated by the poor training attendance. There are advantages to giving EAPA Providers some discretion, but this needs to be supported by appropriate training and oversight.

At other times, EAPA Providers may withhold available support. For example, one EAPA Provider told us that it is their policy not to pay an entire bill so that the household feels some responsibility to contribute to their own energy consumption.

The Department could consider capturing the total bill amount as an additional piece of information in the digital EAPA system. This would allow the Department to identify EAPA Providers that appear to be holding back on support and not making full use of the funds available to households in crisis.

**The structure of EAPA leads to inequity**

EAPA vouchers are only available in multiples of $50 and cannot be used to put an energy account into credit.

EAPA assistance is provided per fuel type, meaning that households with a mix of electricity and gas can receive twice as much as households with electricity alone. Low income households often cannot control the mix of energy types in the home.
Exhibit 9: Inequities and inconsistencies of the EAPA scheme

An energy customer with an outstanding bill of $198 can receive only three vouchers worth $150, leaving them to pay the remaining $48. An energy customer with an outstanding bill of $200 can receive four vouchers, and have nothing to pay.

A household with both gas and electricity can (according to EAPA scheme rules) receive up to $1,000 per year, whereas those with only electricity can receive a maximum of $500.

Source: Audit office analysis of scheme rules.

Introduction of digital EAPA provides an opportunity to shift from a fixed value voucher to a more flexible payment based on need. The digital system may also provide an opportunity to move away from a per-fuel system so that all households in need can access the same level of support regardless of the energy types used in the home.

Some households do not find out about EAPA when they need support

Energy retailers are required to inform households about energy rebates, but not necessarily about crisis support. Crisis support is administered differently in each jurisdiction in Australia, with NSW the only state distributing crisis support through charities and NGOs. These cross-jurisdictional differences lead to confusion within national retailer call centres, and households may receive incorrect information.

Results from a recent survey of low-income households found that more than 44 per cent of those surveyed were unaware of EAPA.13

Some households find it hard to gain access to EAPA Providers

Prior to July 2017, the Department required EAPA Providers to conduct face-to-face interviews with households seeking support. This requirement was difficult for some households, especially those in remote areas. EAPA Delivery Guidelines have been updated in conjunction with the introduction of digital EAPA, and the requirement for face-to-face interviews has been removed, although reference to ‘interviews’ remains within the 2017 EAPA Delivery Guidelines and may cause confusion for some EAPA Providers.

Stakeholders report that some households find it difficult to make an appointment with an EAPA Provider, due to EAPA Provider capacity, geographic distance or lack of phone credit to make an appointment. For example, some EAPA Providers only perform EAPA assessment services once a week. Others conduct home visits, and can only see a few households when a volunteer worker is available. As a result, some households in need may be unable to access support.

The introduction of digital EAPA provides an opportunity for EAPA Providers to consider offering telephone-based interviews. One EAPA Provider we spoke to has been offering telephone interviews for some time, although this model of support may not suit all EAPA Providers.

While households should make every attempt to contact their local EAPA Provider, capacity or other constraints at the local provider should not prevent a household in crisis from receiving support. The Department should also consider establishing a ‘Provider of Last Resort’ to whom householders can turn when they are unable to gain access to other EAPA Providers.

---

Appendices

Appendix 1: Response from Agency

Ms Margaret Crawford  
Auditor-General of NSW  
Audit Office of New South Wales  
GPO Box 12  
SYDNEY NSW 2001

Dear Ms Crawford

Thank you for your letter of 22 August 2017 and the final report of the Performance Audit – Energy Rebates for Low Income Households conducted by your office.

I welcome the opportunity to provide a formal response to the final report from the Department of Planning and Environment. I note that officers of both our organisations have worked closely to ensure a robust and detailed examination of the energy rebate programs.

Accordingly, I welcome the key outcome of the performance audit that the Audit Office has not expressed any concerns with the Department’s administration of the energy rebate programs.

In response to the major findings and recommendations of this report, I provide the following comments:

Ensure effective strategies are in place to make information about rebates available to all eligible low-income households - recommendation 1

The Department routinely promotes the availability of energy rebates and will continue to monitor and review opportunities to enhance this promotional activity.

Evaluate alternative models and develop advice for Government to reduce complexity and improve equity of rebates - recommendation 2

The Department will continue to provide advice to Government on opportunities to enhance the design and implementation of the rebates scheme.

Establish measurable objectives for schemes that provide ongoing support, and monitor and measure performance - recommendation 3

The objective of the rebates scheme is to help customers manage the financial impact of their energy bills. The Department will continue with its data development agenda to inform the design and implementation of the rebates scheme.
Assess the impacts of the forecast increase in embedded networks and develop strategies to manage any risk - recommendation 4

The Department welcomes the focus on these issues and is currently working on matters about embedded networks and other ‘off-grid’ supply with stakeholders, including the industry Ombudsman and other jurisdictions. The Department will provide advice to the Government as any proposals are developed.

Strengthen assurance that EAPA is being provided in accordance with its objectives and guidelines - recommendation 5

The new Digital EAPA system for the emergency voucher scheme provides much improved monitoring of the community-based EAPA providers. The Department will continue with its data development agenda to strengthen compliance by the EAPA providers.

Ensure that those eligible for EAPA financial support are not disadvantaged by inflexible payments, inconsistent provider practices or inability to access an EAPA provider in a timely manner - recommendation 6

The introduction of the new Digital EAPA system has enhanced the flexibility of the program. For example, the new system allows customers to be issued vouchers without physically attending the office of a local EAPA provider. The Department will consider further enhancements to the EAPA program to ensure those eligible are not disadvantaged.

Should you have any further questions in relation to this matter, please contact Dr Liz Develin, Deputy Secretary, Division of Energy, Water and Portfolio Strategy. Dr Develin can be contacted on telephone (02) 9373 2851 or by email at liz.develin@planning.nsw.gov.au.

Yours sincerely

Carolyn McNally
Secretary
Appendix 2: About the Audit

Audit objective
The audit assessed whether the energy rebates distributed to low income households are effective.

Audit scope and focus
The audit focused on the structure of the schemes and the Department's management of the partner organisations that distribute rebates.

The scope of the audit included:
• Low Income Household Rebate
• Gas Rebate
• Medical Energy Rebate
• Family Energy Rebate
• Energy Accounts Payment Assistance
• Medical Energy Rebate
• Customers who receive their energy from an energy retailer as well as those who receive energy through an embedded network.

Audit criteria
The audit assessed the rebate schemes against the following criteria:
• Are the rebates structured to most effectively achieve their objectives in a changing energy market?
• Is the system adopted by the Department for informing consumers and distribution of the rebates effective?
• Is the Department effectively partnering with service partners to deliver rebates to consumers?

Audit exclusions
The audit did not examine any factors relating to Life Support Rebate, which is not means tested. The audit did not include consideration of schemes designed to reduce household energy consumption administered by the Office of Environment and Heritage.

Audit approach
The audit team acquired subject matter expertise through:
• examination of relevant data and documents, including legislation, policies, guidelines, reports, strategies, reviews, data files
• discussions with key staff in the Department of Planning and Environment
• consultation with key stakeholders, including energy retailers, Energy and Water Ombudsman NSW, NSW Treasury, NSW Council of Social Services, IPART, PIAC, energy retailers, St. Vincent de Paul, Salvation Army, Ethnic Community Council and other NGOs
• engagement with members of the community who receive rebates and those who assist them
• a comparison with approaches in other jurisdictions.

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 Standards ASAE 3500 on performance auditing. The Standard requires 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 the auditing requirements specified in the *Public Finance and Audit Act 1983*.

**Acknowledgements**

We gratefully acknowledge the co-operation and assistance provided by the Department of Planning and Environment. In particular, we wish to thank our liaison officer and staff who participated in interviews and provided material relevant to the audit.

We would also like to thank other stakeholders that spoke to us and provided material during the audit, with special thanks to the stakeholder organisations that arranged for us to engage directly with members of the community who benefit from the rebate schemes.

**Audit team**

Susan Loane, Rod Longford, Laura Benecke, Matthew Blunt and Andrew Hayne conducted the performance audit. Michael Thistlethwaite was the Engagement Reviewer.

**Audit cost**

Including staff costs, travel and overheads, the estimated cost of the audit is $150,000.
Performance auditing

What are performance audits?
Performance audits determine whether an agency is carrying out its activities effectively, and doing 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 a government agency or consider particular issues which affect the whole public sector. They cannot question the merits of government policy objectives.

The Auditor-General’s mandate to undertake performance audits is set out in the Public Finance and Audit Act 1983.

Why do we conduct performance audits?
Performance audits provide independent assurance to parliament and the public.

Through their recommendations, performance audits seek to improve the efficiency and effectiveness of government agencies so that the community receives value for money from government services.

Performance audits also focus on assisting accountability processes by holding managers to account for agency performance.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, the public, agencies and Audit Office research.

What happens during the phases of a performance audit?
Performance audits have three key phases: planning, fieldwork and report writing. They can take up to nine months to complete, depending on the audit’s scope.

During the planning phase the audit team develops an understanding of agency activities 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 agency or program activities are assessed. Criteria may be based on best practice, government targets, benchmarks or published guidelines.

At the completion of fieldwork the audit team meets with agency management 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 agency management to check that facts presented in the draft report are accurate and that recommendations are practical and appropriate.

A final report is then provided to the CEO for comment. The relevant minister and the Treasurer are also provided with a copy of the final report. The report tabled in parliament includes a response from the CEO on the report’s conclusion and recommendations. In multiple agency performance audits there may be responses from more than one agency or from a nominated coordinating agency.

Do we check to see if recommendations have been implemented?
Following the tabling of the report in parliament, agencies are requested to advise the Audit Office on action taken, or proposed, against each of the report’s recommendations. It is usual for agency audit committees to monitor progress with the implementation of recommendations.

In addition, it is the practice of Parliament’s Public Accounts Committee (PAC) 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 is tabled. These reports are available on the parliamentary website.

Who audits the auditors?
Our performance audits are subject to internal and external quality reviews against relevant Australian and international standards.

Internal quality control review of each audit ensures compliance with Australian assurance standards. Periodic review by other Audit Offices tests our activities against best practice.

The PAC is also responsible for overseeing the performance of the Audit Office and conducts a review of our operations every four years. The review’s report is tabled in parliament and available on its website.

Who pays for performance audits?
No fee is charged 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 mission
To help parliament hold government accountable for its use of public resources.

Our values
Purpose – we have an impact, are accountable, and work as a team.
People – we trust and respect others and have a balanced approach to work.
Professionalism – we are recognised for our independence and integrity and the value we deliver.