

# **PORTFOLIO COMMITTEE NO. 6 – TRANSPORT AND CUSTOMER SERVICE**

**Thursday 12 September 2019**

**Examination of proposed expenditure for the portfolio area**

## **CUSTOMER SERVICE**

**CORRECTED**

**The Committee met at 9:30**

### **MEMBERS**

Ms Abigail Boyd (Chair)

The Hon. Mark Banasiak (Deputy Chair)

The Hon. Lou Amato

Mr Justin Field

Ms Cate Faehrmann

The Hon. Wes Fang

The Hon. John Graham

The Hon. Trevor Khan

The Hon. Shayne Mallard

The Hon. Daniel Mookhey

The Hon. Peter Primrose

Mr David Shoebridge

### **PRESENT**

**The Hon. Victor Dominello, Minister for Customer Service**

## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

**Corrections should be marked on a photocopy of the proof and forwarded to:**

**Budget Estimates secretariat  
Room 812  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**



**The CHAIR:** Good morning and welcome to the public hearing for the inquiry into the budget estimates 2019-2020. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay my respects to the elders, past and present, of the Eora nation and extend that respect to other Aboriginals present. I welcome Minister Victor Dominello, the Hon. Catherine Cusack, Parliamentary Secretary for Cost of Living, and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Customer Service. Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography.

I also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could answer only if they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you.

Transcripts of this hearing will be available on the web from tomorrow morning. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn, as you have already sworn an oath to your office as a member of Parliament. The same applies to Ms Cusack. I also remind Mr Glenn King and Mr Clinton Gould from the Department of Customer Service that you do not need to be sworn, as you were sworn at an earlier budget estimates hearing.

**NATASHA JANE MANN**, Executive Director, Liquor, Gaming and Racing, affirmed and examined

**CARMEL DONNELLY**, Chief Executive, State Insurance Regulatory Authority, affirmed and examined

**DAMON REES**, Chief Executive Officer, Service NSW, affirmed and examined

**WILLIAM MURPHY**, Acting Deputy Secretary, Customer Delivery and Transformation, Department of Customer Service, sworn and examined

**GREG WELLS**, Government Chief Information Officer, Department of Customer Service, sworn and examined

**CLINTON GOULD**, Chief Financial Officer, Department of Customer Service, on former oath

**GLENN KING**, Secretary, Department of Customer Service and NSW Customer Service Commissioner, on former oath

**The CHAIR:** I declare the proposed expenditure for the portfolio of Customer Service open for examination. Questioning of this portfolio begins at 9.30 a.m. All witnesses, including the Minister and Ms Cusack, will be questioned in the morning session. After a lunch break we will continue questioning government witnesses, but the Minister and Ms Cusack will not be questioned in the afternoon and evening sessions. As there is no provision for any witness to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

**The Hon. DANIEL MOOKHEY:** Greetings, Minister. It is good to see you.

**Mr VICTOR DOMINELLO:** It is good to see you again, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** And greetings to you again, Mr Secretary. I am sure you are thrilled to be spending another day with us.

**Mr KING:** Yes.

**The Hon. DANIEL MOOKHEY:** And hello to the other officials and to the Parliamentary Secretary. It is very nice to see you on that side of the table.

**Mr VICTOR DOMINELLO:** It is a nice suit that you are wearing today, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** Indeed. I thank you for your assistance with my sartorial elegance earlier today as well, Minister.

**Mr VICTOR DOMINELLO:** You are most welcome.

**The Hon. DANIEL MOOKHEY:** It is most appreciated.

**Mr VICTOR DOMINELLO:** It is what we do at Customer Service.

**The Hon. DANIEL MOOKHEY:** I know. I have experienced it firsthand. Minister, let me give you some customer service now, too. I will begin by discussing the leaking of personal information involving both the Daley family and 192 other citizens of New South Wales earlier this year. Putting aside the actual circumstances that led to the information arriving in the public domain, since its leak in February no-one actually from the Government—certainly, no-one with political responsibility—has actually stepped forward to at least apologise to the Daley family for the breach as well as to the other 192 citizens that were affected by it as well. Of course, as the Minister responsible for maintaining the privacy of citizens' data in accordance with the law, I would like to give you the opportunity now, if you would like, to take some responsibility and at least apologise to the Daley family and the other 192 people involved in this.

**Mr VICTOR DOMINELLO:** Thank you for your question, Mr Mookhey. Can I provide the following statement in relation to this issue. On 8 February 2019 a story appeared in *The Sydney Morning Herald* regarding the existence of a Revenue NSW hotline used by New South Wales members of Parliament to make inquiries on behalf of constituents relating to traffic and other fines. The then Leader of the Opposition, Michael Daley, was named in that story. According to media reports, Mr Daley made a complaint to the NSW Police Force, the Information and Privacy Commission and the ICAC. On 4 June 2019 the NSW Police Force released this statement:

Inquiries conducted by Strike Force Holmlea have concluded and in the absence of other evidence no further investigation is possible. No criminal charges have been laid.

On 7 June 2019, according to a media release, the then acting interim Leader of the Opposition, Penny Sharpe, also made a referral to the ICAC regarding the same matter. In relation to the Information and Privacy Commissioner [IPC] I would refer you to the evidence given by the Chief Commissioner of Revenue NSW, Mr Stephen Brady, on 3 September 2019 in relation to the measures the agency has taken in response to the IPC's

recommendations. I can also confirm that Mr Daley requested that an internal review be conducted by my office under the terms of the Privacy Act. That review has now been completed and Mr Daley has been advised of the outcome.

In relation to the ICAC, I can confirm to this Committee that I received a letter dated 3 September 2019 from the Chief Commissioner of ICAC, the Hon. Peter Hall, confirming that they will not be investigating the matter. I will now table that letter for the benefit of the Committee. Given that the three relevant authorities have looked into the matter and have decided not to take further action, the matter has concluded. If it assists, through you, Madam Chair, I am happy to table the letter from ICAC.

**The Hon. DANIEL MOOKHEY:** That would be helpful, Minister, if you could.

**Document tabled.**

**The Hon. DANIEL MOOKHEY:** I appreciate the fact that you have provided us with that additional information. However, I would like to repeat the original question. Let us be fair: I just gave you four minutes to read your statement. Would you like to take this opportunity to at least apologise to Mr Daley?

**The Hon. TREVOR KHAN:** And that was very fair of you. That was fair.

**The Hon. DANIEL MOOKHEY:** Would you like to take this opportunity to apologise to Mr Daley and the other 192 people who were caught up with this, as the Minister who is legally responsible for keeping the data secret?

**Mr VICTOR DOMINELLO:** Mr Mookhey, I am sympathetic to Mr Daley and understand that a breach of somebody's data and privacy is something that obviously is not a good place to be. That is why the independent reviews by three agencies have looked into it. I am sympathetic to the concerns Mr Daley had, but appropriate investigations have been undertaken and have been conducted independent of the Government—I stress that: independent of the Government—by independent agencies and they have made their determinations.

**The Hon. DANIEL MOOKHEY:** Thank you, Minister. In June last year an adviser in your office requested that your department provide advice about MP representations about speeding offences. Your adviser actually acknowledged it was a big request and gave the department six weeks to comply. Why was your office seeking this information in the first place?

**The Hon. TREVOR KHAN:** Point of order: My understanding is that this is an inquiry into budget estimates relating to the Minister's portfolio, which is Customer Service. These questions do not relate to that portfolio at this point in time. Specifically in that regard, I note that on 25 May 2018 the House adopted the recommendation of the Privileges Committee with regards to the participation of witnesses before inquiries. Point 9 of that relates to the issue of your obligation to ensure that questions that are asked are relevant.

**The Hon. DANIEL MOOKHEY:** To the point of order—this point of order has already taken 90 seconds, a submission.

**The Hon. TREVOR KHAN:** Can I put to you that these matters are not relevant to this portfolio?

**The CHAIR:** Mr Mookhey?

**The Hon. DANIEL MOOKHEY:** Firstly, these are matters directly related to affairs to which the Minister has direct ongoing public administration of—which is actually the standing order, if you want to be specific and technical about it. It is matters connected to the matters of which he is responsible for public administration. Dare I say, the requests he makes to his department fall within that, as does how he conducts his office. Can I also make the other point—because I feel this is going to be a repeated theme from the Government as they attempt to—

**The Hon. TREVOR KHAN:** No, the point is being made now so we clear what the decks are.

**The Hon. DANIEL MOOKHEY:** To be clear, that is how it relies. Can I also make the point: Many of the aspects of the people who are involved still are in his department, as is the Minister responsible directly for this still.

**The CHAIR:** Continue, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** Thank you. Minister, why was your office seeking this information in the first place?

**Mr VICTOR DOMINELLO:** The office seeks information in relation to a number of matters relating to the administration of the department. At the time it was a legitimate question to be asked.

**The Hon. DANIEL MOOKHEY:** Was the dominant purpose to stage a political attack on the MPs making representations?

**Mr VICTOR DOMINELLO:** No.

**The Hon. DANIEL MOOKHEY:** So why, then? What was the dominant purpose?

**Mr VICTOR DOMINELLO:** You would have to ask the staff member at the time.

**The Hon. DANIEL MOOKHEY:** Well you are the Minister and they did work for you.

**Mr VICTOR DOMINELLO:** True, but I am not in the mind of the person who made the request.

**The Hon. DANIEL MOOKHEY:** Were you told that the request was made?

**Mr VICTOR DOMINELLO:** Sorry?

**The Hon. DANIEL MOOKHEY:** Were you told that the request was made?

**Mr VICTOR DOMINELLO:** No.

**The Hon. DANIEL MOOKHEY:** Okay. On 12 November your office then asks the department to update this data, three months later. Why?

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, as you would appreciate it is a legitimate pursuit of inquiry to find out various aspects of how the department operates. It could relate to a resourcing issue. If there is a certain number of MPs that has more inquiries than others; is that to do with geography, is it to do with education, is it to do with information? These are legitimate enquiries that any ministerial office would make.

**The Hon. DANIEL MOOKHEY:** Was it to prepare an attack on MPs to be used in the forthcoming election campaign?

**Mr VICTOR DOMINELLO:** Again, I disagree with that.

**The Hon. DANIEL MOOKHEY:** Were you told about the request for an update?

**Mr VICTOR DOMINELLO:** Again, the information in relation to the questions that you are asking has been the subject of a Government Information (Public Access) Act [GIPAA] request and the documents speak for themselves.

**The Hon. DANIEL MOOKHEY:** Yes, but I am asking you about them. My question is directly: Were you told about the requested update that your office filed in November last year?

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, if your questions are in relation to the investigations that—

**The Hon. DANIEL MOOKHEY:** No, they are not about the investigations.

**Mr VICTOR DOMINELLO:** Then what is your question about?

**The Hon. DANIEL MOOKHEY:** The question is specifically that your office requested this data in June; your office acknowledged to the department that it was a big request. It got the data. Three months later it asked for an update. I am only asking you were you told about either of those two events?

**Mr VICTOR DOMINELLO:** I was busy running in my seat of Ryde at the time, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** Right. So you were electioneering; is that your answer?

**Mr VICTOR DOMINELLO:** Yes, I was participating in a thing called "democracy", Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** There is no value judgement in that. But if that is your answer, that is fine. I understand that.

**Mr VICTOR DOMINELLO:** I know. I was participating in democracy. It is a beautiful thing.

**The Hon. DANIEL MOOKHEY:** Minister, when did you first learn that your office had receipt of the personal information of 192 people that it was not legally entitled to have?

**Mr VICTOR DOMINELLO:** Again, I will rely on the documents that were produced.

**The Hon. DANIEL MOOKHEY:** No, the documents do not touch that, Minister. I am asking you specifically when did you first learn that your office had possession of this data? It is not a loaded question.

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, I rely on the documents.

**The Hon. DANIEL MOOKHEY:** Do you have recall?

**Mr VICTOR DOMINELLO:** Sorry?

**The Hon. DANIEL MOOKHEY:** Do you have recall about when you first learnt?

**Mr VICTOR DOMINELLO:** No, I do not.

**The Hon. DANIEL MOOKHEY:** You do not recall when you first learnt that your office was in possession of this data?

**Mr VICTOR DOMINELLO:** Not specifically, no.

**The Hon. DANIEL MOOKHEY:** Minister, Matt Dawson was your chief of staff in November last year, was he not?

**Mr VICTOR DOMINELLO:** Yes.

**The Hon. DANIEL MOOKHEY:** Is he still your chief of staff?

**Mr VICTOR DOMINELLO:** Yes.

**The Hon. DANIEL MOOKHEY:** I presume, as your chief of staff, you are in regular contact, almost frequent daily contact with him?

**Mr VICTOR DOMINELLO:** Yes.

**The Hon. DANIEL MOOKHEY:** Is that a habit that persists to this day?

**Mr VICTOR DOMINELLO:** Yes, reasonably. Yes.

**The Hon. DANIEL MOOKHEY:** Great. Minister, upon Revenue NSW learning that your office had information it was not entitled to, the Commissioner of State Revenue says he contacted your chief of staff on Wednesday 14 November to ask that the spreadsheet containing the information be destroyed. Did Mr Dawson tell you about the call?

**Mr VICTOR DOMINELLO:** Yes.

**The Hon. DANIEL MOOKHEY:** What did he tell you about the call?

**Mr VICTOR DOMINELLO:** He related to me what was indicated in the documents—that is, that he received the request and he acted on the request.

**The Hon. DANIEL MOOKHEY:** Was that the first time you learned that your office had possession of this spreadsheet?

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, I rely on the documents. They have got a clearer point of time than my memory.

**The Hon. DANIEL MOOKHEY:** What did you tell Mr Dawson?

**Mr VICTOR DOMINELLO:** To act on that request.

**The Hon. DANIEL MOOKHEY:** When did you tell him that?

**Mr VICTOR DOMINELLO:** About that time.

**The Hon. DANIEL MOOKHEY:** Right. Later that evening your chief of staff texted the Commissioner. He wrote:

Hi Steve, just following up on our conversation this afternoon. I know where your concern emanates from and have now got a copy of the relevant spreadsheet. I'm happy to give you an undertaking that the information will not be circulated beyond our office or used inappropriately. I've conveyed this message to the advisers in our office who have been privy to it. Regards Matt.

Did he check with you before he sent that message?

**Mr VICTOR DOMINELLO:** Mr Mookhey, I do have a specific recollection. To be honest, I am not going to—

**The Hon. DANIEL MOOKHEY:** That is okay. If you do not have a specific recollection, that is fine.

**The Hon. TREVOR KHAN:** Point of order: The Minister is answering the question. I understand the line of questioning, but the Minister should actually be entitled to finish answering his question before Mr Mookhey asks his next one.

**The Hon. DANIEL MOOKHEY:** To be fair, Chair, he said he had no specific recollection. I am moving on because I have got limited time.

**The Hon. TREVOR KHAN:** Well, I have given them two hours—

**The CHAIR:** If you could allow him to finish the sentence that would be good. Continue.

**Mr VICTOR DOMINELLO:** As I said, I know the line of questioning. The point is there have been three independent investigations—

**The Hon. DANIEL MOOKHEY:** Yes, Minister.

**Mr VICTOR DOMINELLO:** — that have been undertaken.

**The Hon. TREVOR KHAN:** Point of order—

**Mr VICTOR DOMINELLO:** No, it is fair that this is put on the record.

**The Hon. TREVOR KHAN:** No, that is not the point of order. The point of order again is that he is entitled to finish answering the question.

**The Hon. DANIEL MOOKHEY:** To be fair, I did not interrupt him. I was letting him.

**The Hon. TREVOR KHAN:** Well, you did.

**The Hon. DANIEL MOOKHEY:** To be fair, Chair, the answer is now getting repetitive. The Minister has made his point three times. You have already ruled on this point. I am continuing with the line of questioning.

**The CHAIR:** There is a balance to be struck. The Minister should be allowed a period of time to answer, if he can just get to the end of the sentence, but you are of course allowed to direct further questions as well.

**The Hon. DANIEL MOOKHEY:** So Minister—

**Mr VICTOR DOMINELLO:** Thanks, Madam Chair. The whole purpose of this is to ensure that there is an independent investigation. In fact, there were three independent bodies. Those bodies, Mr Mookhey, have more powers than you and I, more investigative powers than you and I. Those independent agencies have properly on referral looked at the matter. As I said in my earlier statement—

**The Hon. DANIEL MOOKHEY:** Yes, but Minister you are accountable to Parliament. You are in Parliament and we are asking you questions. Just let me go through—

**Mr VICTOR DOMINELLO:** And I have answered the question, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** So let me just ask you more. After Mr Dawson—

**Mr VICTOR DOMINELLO:** See, the difference is, Mr Mookhey—

**The Hon. DANIEL MOOKHEY:** Sorry Minister, I am asking the question now.

**Mr VICTOR DOMINELLO:** These are political questions, understandably; I am not critical of them because they are asked by a politician. But I have more confidence in the independent authorities and the agencies to undertake independent—

**The Hon. DANIEL MOOKHEY:** I will not take that personally, Minister. I will just continue with my questions. Did Mr Dawson—

**Mr VICTOR DOMINELLO:** We are both politicians, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** —tell you that he had sent the message to the Commissioner of State Revenue?

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, I am not going to undergo a travail of what took place at the time.

**The Hon. DANIEL MOOKHEY:** Well you can refuse to answer the questions, Minister, but they are going to be asked.

**Mr VICTOR DOMINELLO:** And I have answered. With the greatest respect, Mr Mookhey—

**The Hon. DANIEL MOOKHEY:** No, Minister—

**Mr VICTOR DOMINELLO:** —I have answered it.

**The Hon. TREVOR KHAN:** I take the point of order again.

**The Hon. DANIEL MOOKHEY:** Minister, you cannot quibble with the questions.

**The CHAIR:** Can I hear the point of order?

**The Hon. TREVOR KHAN:** The point of order really could be a criticism of both the witness and Mr Mookhey. At least in fairness to Hansard, they need to separate the rules of conduct: One asks the question, the other one answers—

**The CHAIR:** If you could speak one at a time that would be very useful.

**The Hon. DANIEL MOOKHEY:** Yes. Minister, you are welcome to not answer the questions.

**Mr VICTOR DOMINELLO:** I accept that criticism.

**The Hon. DANIEL MOOKHEY:** Minister, you are welcome to not answer the questions. You are welcome to refuse to answer the questions but the questions will be put. I am asking you: Did he tell you that he had sent that text message to the Commissioner?

**Mr VICTOR DOMINELLO:** And I am saying to you that there have been three independent authorities that have looked into this—no doubt looked into the question that you are asking me—and those independent authorities have made conclusions.

**The Hon. DANIEL MOOKHEY:** When Mr Dawson he says that he has spoken to three—to the advisers who had been privy to it, who did he speak to?

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, I have already answered the question. I am not going to make any further comment. It is of no value.

**The Hon. DANIEL MOOKHEY:** He says the information will not be circulated beyond the office. Was it circulated within your office?

**Mr VICTOR DOMINELLO:** I am not going to make any comment in relation to investigations that have already—

**The Hon. DANIEL MOOKHEY:** Did you get a copy of the spreadsheet?

**Mr VICTOR DOMINELLO:** I am not going to make any comment in relation to—

**The Hon. DANIEL MOOKHEY:** Can you guarantee us now that you personally did not get a copy of the spreadsheet?

**The Hon. TREVOR KHAN:** Point of order: It is the same point of order. It is ridiculous.

**The CHAIR:** You should let the Minister finish his sentence before you ask the next question.

**The Hon. DANIEL MOOKHEY:** His answer is basically, "I am never going to answer you question." I am not sure that he has much more to add.

**The CHAIR:** Mr Mookhey, can you please ask the next question?

**The Hon. DANIEL MOOKHEY:** Minister, did you personally receive a copy of the spreadsheet?

**Mr VICTOR DOMINELLO:** As I indicated to Parliament, I am and remain ready, willing and able to answer questions in relation to the independent authorities. To this day I can say that I have never been asked any questions. But I remain ready, willing and able to do so. I will leave it at that.

**The Hon. DANIEL MOOKHEY:** I am asking you so that—

**Mr VICTOR DOMINELLO:** I am indicating that—

**The Hon. DANIEL MOOKHEY:** Did you receive a copy of the spreadsheet?

**Mr VICTOR DOMINELLO:** I am indicating that in relation to this issue, three independent authorities have looked into this. I can tell you now that they would have independently undertaken the investigations that are the subject of your questioning. As I said, I have tabled a letter from the ICAC this morning that indicated that it is not going to pursue an investigation.

**The Hon. DANIEL MOOKHEY:** Did anybody in your office ever have a conversation in which it was said that a discussion was had about using the information against Mr Daley in the political arena?

**Mr VICTOR DOMINELLO:** Again, I am not going to canvas what did or did not take place because investigations have been undertaken by the Information and Privacy Commission, the police—

**The Hon. DANIEL MOOKHEY:** Minister, a record from Revenue NSW of a phone conversation had with your department liaison officer [DLO] states,

During the conversation, [The DLO] advised that the Minister's Office had interrogated the table previously supplied and identified that Michael Daley MP (who has recently replaced Luke Foley MP as the Leader of the Opposition), contacted the MP Hotline about his own speeding fine. [The DLO] advised that the Minister's Office were determining whether to use this information against Mr Daley in the political arena or not. I strongly advised [the DLO] that the Minister's Office should not be using this data in any way.

Were you told about that discussion in your office?

**Mr VICTOR DOMINELLO:** Mr Mookhey, again—

**The Hon. DANIEL MOOKHEY:** Do you want to deny that that discussion took place?

**Mr VICTOR DOMINELLO:** As I said, the Information and Privacy Commission has looked into this matter, the police have looked into this matter and the ICAC has looked into this matter. They have no doubt looked into it deeper than you have and have probably asked more questions than you have. They have looked at it and made determinations around it.

**The Hon. DANIEL MOOKHEY:** Minister, on Friday 15 November Revenue NSW sent a further request to your chief of staff requesting the destruction of the data. Did your chief of staff tell you that that request had been received?

**Mr VICTOR DOMINELLO:** Is that your question?

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr VICTOR DOMINELLO:** The substance of your complaint appears to relate to an article that appeared in *The Sydney Morning Herald* at the time. In relation to that—

**The Hon. DANIEL MOOKHEY:** Sorry, Minister, but you have to be directly relevant. I am asking you a specific question.

**Mr VICTOR DOMINELLO:** And I am directing my answer to your question.

**The Hon. DANIEL MOOKHEY:** No, you are not.

**Mr VICTOR DOMINELLO:** With the greatest respect, I am.

**The Hon. DANIEL MOOKHEY:** I am allowed to direct the questioning. Minister, did your officer Mr Dawson inform you on Friday 15 November or afterwards that he had received another request from Revenue NSW to ensure that the document was destroyed? Did he tell you that the document had been destroyed and that he had provided a written undertaking to that effect on 19 November?

**Mr VICTOR DOMINELLO:** Again, the documents produced under the freedom of information laws reveal pretty much what you are saying.

**The Hon. DANIEL MOOKHEY:** By this point the commissioner of Revenue NSW had briefed your secretary, Martin Hoffman, the then Secretary of the Department of Finance, Services and Innovation. Did your secretary raise this with you?

**Mr VICTOR DOMINELLO:** As I said, at the time Mr Stephen Brady was—and still is—the relevant commissioner for Revenue NSW. He has given evidence before—

**The Hon. DANIEL MOOKHEY:** Did you have any direct conversations with Martin Hoffman about this matter?

**Mr VICTOR DOMINELLO:** I am not going to comment any further in relation to an issue that has been appropriately referred to three different agencies and appropriately—

**The Hon. DANIEL MOOKHEY:** Did you ever have an advisor by the name of Thomas Green work for you?

**The Hon. TREVOR KHAN:** Point of order: It is the same point of order. The Minister is answering the question, as he is allowed to do, and the Hon. Daniel Mookhey continues to talk over the top of him.

**The Hon. DANIEL MOOKHEY:** To be fair, he is not actually answering the question.

**The Hon. TREVOR KHAN:** I will take a further point of order. I am entitled to take the point of order without interruption from the Hon. Daniel Mookhey. I ask that he is directed to allow me to take the point of order and to not interrupt me while I am taking it.

**The CHAIR:** As a courtesy, if we could keep the points of order as brief as possible, that would be useful. I agree that when taking a point of order a member should be given the chance to be heard, within reason. The Hon. Daniel Mookhey ran out of time. Would you like to pose one last question?

**The Hon. DANIEL MOOKHEY:** I will resume the questioning, but I do want to address the point of order. The Minister has to be directly responsive and directly relevant to the answer. Incidentally, it is not for the Government members to decide when the Government Minister is not being relevant; it is for the Chair to do that. As the Chair has previously ruled, I am entitled—as is every member—to direct the Minister to the question.

**The Hon. SHAYNE MALLARD:** To the point of order: The Minister does not have to be directly relevant. The House rules do not apply. They just have to be relevant.

**The Hon. DANIEL MOOKHEY:** They do apply in committees.

**The Hon. SHAYNE MALLARD:** No, they do not apply with regard to question time rules. I checked on that yesterday. The Minister just needs to be relevant to the question; not directly relevant.

**The Hon. DANIEL MOOKHEY:** To be fair, I do not think that even approached general relevance.

**The CHAIR:** I am going to now pass it over to Ms Faehrmann.

**Ms CATE FAEHRMANN:** Minister, are you aware of the New South Wales Gaming Machines Prohibited Features Register?

**Mr VICTOR DOMINELLO:** Not the detail of it, but yes, I am aware of it.

**Ms CATE FAEHRMANN:** Are there any guidelines in terms of making features prohibited? Does the department have any guidelines in terms of what makes a feature prohibited?

**Mr VICTOR DOMINELLO:** I believe so but, if it is okay with you, I will refer that question to Ms Mann.

**Ms MANN:** There is a prohibited features list.

**Ms CATE FAEHRMANN:** Yes, I am aware of the list. I have it here. Are there guidelines as to how features make it to that list?

**Ms MANN:** It is the Independent Liquor & Gaming Authority that considers what should go onto that list.

**Ms CATE FAEHRMANN:** Okay, so there are no guidelines that have been prepared by the authority to say, "This is causing harm; this should be on that list."

**Ms MANN:** Not that I am aware of—not specific guidelines.

**Ms CATE FAEHRMANN:** Thank you. Minister, are you aware of the last time a feature was added to the prohibited features register?

**Mr VICTOR DOMINELLO:** I am happy to take that on notice.

**Ms CATE FAEHRMANN:** I will tell you when it was. It was 2011. Do you think that the reason why there has not been a prohibited feature placed on that register since then is that there are no longer any features on gaming machines that cause harm?

**Mr VICTOR DOMINELLO:** Again, I am happy to take that on notice.

**Ms CATE FAEHRMANN:** Minister, are you aware of the feature called "Losses disguised as wins" on poker machines?

**Mr VICTOR DOMINELLO:** I am aware of the feature, but, again, not in any detail.

**Ms CATE FAEHRMANN:** Your department commissioned a report that was delivered to your Government in 2015, although it was not made public until 2017. That report recommended banning the "losses disguised as wins" feature. You are aware of what that does. It is a poker machine that will give you back 25c when you bet a dollar and has all of these flashing lights to basically imply that you have won, as opposed to losing 75c. The feature is banned in Tasmania and Queensland. There was a report delivered to your Government suggesting that it should also be banned in New South Wales because it causes significant gambling harm and people become addicted. Why is that not on the prohibited features register?

**Mr VICTOR DOMINELLO:** Just in relation to the issue of harm caused by gambling, I accept that it is a real issue in our society. There is not doubt about that. Under the Labor administration there was something

like 100,000-odd poker machines. That number has been reduced by 10,000 under our watch. More importantly, in the past few years we have introduced the Office of Responsible Gambling, as you are aware. I was there the other day and I was pleased to see that while in the past there would have been only about two people with Liquor & Gaming that really had direct input in relation to responsible gambling, there has been a ten-fold increase in terms of the staff. There is a corpus of \$35 million. To your point in relation to responsible gambling, it is something that—

**Ms CATE FAEHRMANN:** It was not responsible gambling. I am talking about the harm caused by gambling. I did not say "responsible". That is your spin.

**Mr VICTOR DOMINELLO:** It is to that point. I accept, as do governments around the world, that whenever there is gambling there are issues, particularly relating to those who are vulnerable. I think the average cohort in any given jurisdiction is about 1 per cent. So 1 per cent of the population are going to be vulnerable to problem gambling. Again, gambling is not unlawful. People are allowed to gamble. We just have to make sure that, if there are vulnerabilities of the type to which you refer, we have appropriate mechanisms in place to make sure—

**Ms CATE FAEHRMANN:** Appropriate mechanisms. When a report was delivered to your department, the previous Minister, Paul Toole, said that he will consider the recommendation as part of a broader review of prohibited features on poker machines.

**Mr VICTOR DOMINELLO:** That report was delivered in 2017. Is that what you said?

**Ms CATE FAEHRMANN:** It was delivered in 2015 and not released by the Government for two years. When it finally was uncovered the report said that this was a significantly dangerous feature that made people addicted to poker machines. You would agree that people being addicted to poker machines is a problem?

**Mr VICTOR DOMINELLO:** I accept the proposition that there are those elements in our society that have a predisposition to problem gambling. I accept that proposition.

**Ms CATE FAEHRMANN:** Yes. So why are features put onto the prohibited features register? What is that register for?

**Mr VICTOR DOMINELLO:** So are you saying that the previous Minister, Minister Toole, was the one that published it in 2017?

**Ms CATE FAEHRMANN:** No, the department commissioned a report into problem gambling.

**Mr VICTOR DOMINELLO:** But who published it? Which Minister?

**Ms CATE FAEHRMANN:** It was the previous Minister, but right now you are the Minister and I am asking you the questions in relation to certain features on poker machines that cause harm. Now you have a register. Yes?

**Mr VICTOR DOMINELLO:** Yes.

**Ms CATE FAEHRMANN:** That is for features which are prohibited because they cause harm.

**Mr VICTOR DOMINELLO:** Yes.

**Ms CATE FAEHRMANN:** Why hasn't any feature been added since 2011?

**Mr VICTOR DOMINELLO:** I will take that question on notice.

**Ms CATE FAEHRMANN:** Your department has had a report issued to you that says that a feature called "losses disguised as wins" causes addiction. Do you agree that it potentially should also be on the prohibited features register, because it is making people addicted—it is causing harm?

**Mr VICTOR DOMINELLO:** Ms Faehrmann, I am not trying to cavil with you—

**Ms CATE FAEHRMANN:** No, it is a question.

**Mr VICTOR DOMINELLO:** I accept the question. I am saying that, in all honesty, I will take it on notice. I will have a look at it. I am happy to take it on notice.

**Ms CATE FAEHRMANN:** Is your Government committed to reviewing gaming machines to see whether there are any more features that are causing people to become addicted to them and therefore causing harm?

**Mr VICTOR DOMINELLO:** Again, Ms Faehrmann, I am proud—

**Ms CATE FAEHRMANN:** You will have a look?

**Mr VICTOR DOMINELLO:** I am absolutely happy to have a look. I am actually very proud of the fact that our Government has introduced the Office of Responsible Gambling, because it does play to the point that you raised. At the moment, of the \$35 million, I think about 80 per cent is going into, essentially, rehabilitation, but we really need to put more into education to stop the problem in the first place. I will take that question on notice and have a look at it.

**Ms CATE FAEHRMANN:** One other feature that experts have suggested should be on the prohibited features list is loyalty programs. Are you aware of what loyalty programs are, Minister?

**Mr VICTOR DOMINELLO:** Yes, broadly. I am happy to take that on notice as well, Ms Faehrmann, and report back.

**Ms CATE FAEHRMANN:** What is your definition of "responsible gambling"?

**Mr VICTOR DOMINELLO:** Well, responsible gambling is making sure that you gamble, in a colloquial sense, within your limits. So it is within your controls and your settings.

**Ms CATE FAEHRMANN:** When you have loyalty programs that, for example, offer punters who attain certain status at various RSLs—say, diamond status—reserved parking, red carpets into the gaming areas, 80 per cent discounts on food and drinks, do you think that that is responsible gambling, or does that potentially encourage people to gamble beyond their means?

**Mr VICTOR DOMINELLO:** It is a really good question, because I was recently with the stakeholders in relation to online gambling, for example—

**Ms CATE FAEHRMANN:** Sorry, I do not think you were about to answer the question. Do things like red carpets, 80 per cent discounts and reserved parking at clubs encourage people to walk into a venue and spend more money and gamble beyond their means? That is a loyalty program, and people are suggesting that that should be on the prohibited features register. Why isn't it?

**The Hon. SHAYNE MALLARD:** Point of order: I think that was unfair on the Minister. He had only just started to—

**Ms CATE FAEHRMANN:** He started talking about online gambling, which was not what I put to him.

**The Hon. SHAYNE MALLARD:** You had not let him speak more than half a sentence before you cut him off.

**The Hon. DANIEL MOOKHEY:** I think the Government members just need to calm down this morning. He is an experienced Minister. Calm down.

**The Hon. SHAYNE MALLARD:** You were just told not to talk over points of order, by the Chair. The point is the Minister was about to answer the question and he had not even started and the member restated the question again. I think he should be given the courtesy of being allowed to answer the question.

**The CHAIR:** With respect to the point of order, I ask Ms Faehrmann to proceed with caution.

**Ms CATE FAEHRMANN:** Thank you. On the prohibited features register, I would suggest, gambling harm experts have suggested there are at least two features which urgently need addressing by your Government. One is loyalty programs. The other is losses disguised as wins. Will you commit to looking at both of those as to whether they should be on that register?

**Mr VICTOR DOMINELLO:** Again, I am happy to take it on notice. Can I just point out that in 2015, the New South Wales Government also prohibited gaming machine promotional material being sent to self-excluded patrons, which increases the minimum self-exclusion period from three to six months, and it removed a loophole around offering free or discounted alcohol as an inducement to play gaming machines.

The reason that I tried to contextualise the previous answer was that there is so much innovation in this space. Those that are in the market are constantly changing and constantly finding new ways to bring new players into the market. We have to be agile. I am very proud of the work that the Independent Liquor & Gaming Authority [ILGA] and Liquor & Gaming NSW are doing. They always have to be on their toes, as it were, because it is such an innovative, agile environment—not just here in New South Wales but right around the world. We have to make sure that we do our best to ensure that those who are vulnerable are not exposed.

**Ms CATE FAEHRMANN:** Thank you.

**Mr JUSTIN FIELD:** I think that alcohol loophole was my amendment to your bill. Thank you for taking notice of it.

**Mr VICTOR DOMINELLO:** Congratulations, Mr Field.

**Mr JUSTIN FIELD:** Minister, recently *The Sydney Morning Herald* reported a direct link between a company that is a significant shareholder of Star Group and a company founded and controlled by Stanley Ho. That company is on a recently released list of entities and individuals deemed to be associates of Stanley Ho who are banned from having any ownership of Crown Resorts as part of the Crown Barangaroo restricted gaming licence agreement. The business relationship with Star Group under the company includes a marketing licence focused on international VIPs and high-net-worth international tourists. This is the model of operations for which Crown has come under significant public scrutiny in recent months. Minister, would you agree that this information raises questions about ongoing probity processes relating to casino licences in New South Wales, and why conditions relating to Crown do not seem to apply to Star as well? Do you think these arrangements at Star should be looked into by Justice Bergin as part of her inquiry, which has a broad remit to look generally at the effectiveness of controls under the Casino Act?

**Mr VICTOR DOMINELLO:** I firstly thank you for the question and, more importantly, congratulate you for your advocacy, over a long period of time, in relation to responsible gambling and casino regulation. In fact, one of the first meetings I had was with you when you raised these issues. So, credit to you for the work you are doing. In relation to the specific question, this Government has definitely not shied away from making sure that casinos in New South Wales are only run by suitable persons and are free from criminal influence. Part of this includes reviews by the Independent ILGA about the ongoing suitability of the casino operators. This is not a set-and-forget exercise. We have to make sure that the Independent Liquor & Gaming Authority, and Liquor & Gaming NSW are constantly looking at this. As I alluded to before, there is constant innovation and constant change in this space, and we have to be agile looking at our responses. In relation to your specific question, the New South Wales Independent Liquor & Gaming Authority has not received any application for the partnership to increase its holding in Star Entertainment Group to above 10 per cent, nor for any individual shareholder to increase its share level above 5 per cent.

As required under New South Wales law, any such application would undergo stringent probative legal and financial checks. As you have already noted, the Bergin inquiry has been given a broad ambit to look into the suitability of Crown Sydney, as well as the broader regulatory framework as outlined in part C of the terms of reference—and I have them here. I am sure you have them as well, but I am happy to provide them to you. The Bergin inquiry will have the full raft of powers available to it to consider these issues with the authority having significant powers to take action against a casino operator where misconduct has occurred. The Government definitely welcomes the inquiry and will respond to any recommendations arising out of it.

**Mr JUSTIN FIELD:** I have another question that relates to the inducements to gamble. I appreciate you bringing stronger laws to Parliament and I think we will deal with them in the next couple of weeks. My question relates to another form of potential inducement in the community. Do you think it is appropriate that every day thousands of schoolkids are exposed to gambling advertising as they travel to school?

**Mr VICTOR DOMINELLO:** Again, I think that is the subject of some recent media report. Is that where you are coming from?

**Mr JUSTIN FIELD:** No, it is just that State-owned public transport vehicles, trains, buses and certainly infrastructure, primarily train stations, are regularly covered—blanketed—with gambling-related advertising. To a large degree this is seen by children every day on their way to school. It is all well and good to have a responsible gaming unit within the department, and all well and good to have strong inducement laws relating to adults, but these are kids who are being exposed every day and the State Government is taking money for that advertising. Do you think it is appropriate that the State Government profits off advertising from gambling that children are exposed to?

**Mr VICTOR DOMINELLO:** We have pretty strict advertising laws that have been put into place since we formed government. Under the last administration, in my view there was an abuse of those laws. All advertising is now pretty much controlled by the secretaries at the various levels. They go through what is necessary. We have to accept that gambling is a lawful activity. Equally, we have to acknowledge, as the Hon. Cate Faehrmann has pointed out, that there is always going to be a cohort of people who are exposed to vulnerabilities and we need to make sure that we are looking after them.

**Mr JUSTIN FIELD:** You cannot advertise gambling during children's television viewing hours. Why can you advertise gambling on the public transport that kids travel on?

**Mr VICTOR DOMINELLO:** The rules in relation to advertising are now controlled under the Act that we introduced and that has been devolved to the secretaries.

**Mr JUSTIN FIELD:** Do you think we need to look at those rules and see if they are still applicable, given the exposure?

**Mr VICTOR DOMINELLO:** The beauty of what we have done is that we have now introduced the Office of Responsible Gambling. As I said to the Hon. Cate Faehrmann a moment ago, we have got a \$35 million corpus there. I was speaking to the chair of the trust of the fund and he was saying that 80 per cent at the moment is going essentially to rehabilitation and 20 per cent is going to education. I think he has accepted that best practice around the world probably suggests that we need to spend fifty-fifty on that. But if there are issues that you have, I am happy to refer those to the office that has the expertise and wherewithal to answer those questions.

**Mr JUSTIN FIELD:** If the office recommended that gambling advertising be banned on public transport infrastructure, is that something the Government would take seriously?

**Mr VICTOR DOMINELLO:** Absolutely I would take that seriously, yes.

**Ms CATE FAEHRMANN:** Minister, you mentioned before that, I think you said 1 per cent of all people who gamble become—what was that?

**Mr VICTOR DOMINELLO:** No. Again, as you appreciate, I am not an expert—

**Ms CATE FAEHRMANN:** You should be.

**Mr VICTOR DOMINELLO:** I wish I was an expert in everything, but I am the Minister responsible, and I am the Minister responsible for people who are experts.

**Ms CATE FAEHRMANN:** Yes, but you just gave a 1 per cent figure. What was that?

**Mr VICTOR DOMINELLO:** My understanding is that the 1 per cent figure is in relation to the population, not 1 per cent of those who gamble, 1 per cent of the population.

**Ms CATE FAEHRMANN:** The statistics are that in New South Wales each person who gambles on a poker machine on average loses \$3,500 a year. Do you think that is acceptable?

**Mr VICTOR DOMINELLO:** Again, I am not aware of that specific—

**Ms CATE FAEHRMANN:** The average person who uses a poker machine gambles away \$3,500 a year. Given that is three times, I suppose, the average annual electricity bill in these tough times that your Government likes to talk about so much, \$3,500 a year on average, is that responsible?

**Mr VICTOR DOMINELLO:** Again, Ms Faehrmann, I cannot put myself in the shoes of every person who attends a lawful venue, a pub or a club, and spends some time with their friends on the pokies.

**Ms CATE FAEHRMANN:** Often it is not with friends, you would agree?

**Mr VICTOR DOMINELLO:** I accept your proposition that there is a cohort in any given society, not just here in New South Wales, in South Australia and Victoria, in Canada—

**Ms CATE FAEHRMANN:** Minister, in Victoria—

**Mr VICTOR DOMINELLO:** In any given community around the world from my understanding there is about 1 per cent of the population, between 0.8 and 1 per cent—

**Ms CATE FAEHRMANN:** Minister, are you aware that Australia has 76 per cent of the world's poker machines? So, talking about it globally I do not think is relevant. You know what next week is?

**Mr VICTOR DOMINELLO:** Yes.

**Ms CATE FAEHRMANN:** It is Responsible Gambling Awareness Week. Do you know what that week is called in Victoria?

**Mr VICTOR DOMINELLO:** No.

**Ms CATE FAEHRMANN:** Gambling Harm Awareness Week. What is the difference between gambling harm and responsible gambling, and why are you calling it responsible gambling?

**Mr VICTOR DOMINELLO:** Again, it is a question of making sure that people are responsible in relation to gambling.

**Ms CATE FAEHRMANN:** But not about reducing harm from gambling then?

**Mr VICTOR DOMINELLO:** We have an office that is dedicated to that and that office has now had a tenfold increase over the past two or three years from what it was before. New South Wales is in many ways—

**Ms CATE FAEHRMANN:** Is it reducing gambling harm with its tenfold increase?

**Mr VICTOR DOMINELLO:** I believe, based on what I have seen, there are about 44,000 people, or around that figure, in New South Wales who could be exposed, subject to or vulnerable to problem gambling.

**Ms CATE FAEHRMANN:** That is a lot.

**Mr VICTOR DOMINELLO:** But those figures are within the statistical average around the world.

**Ms CATE FAEHRMANN:** Forty-four thousand people?

**Mr VICTOR DOMINELLO:** I think that is right. But, again—

**Ms CATE FAEHRMANN:** That is a lot of lives damaged, Minister.

**Mr VICTOR DOMINELLO:** Gambling is a lawful activity, as is drinking a lawful activity, but unfortunately we have people who are predisposed to being vulnerable and we need to put measures in place to protect against that.

**Ms CATE FAEHRMANN:** That is why you need to ban loyalty programs, Minister.

**The Hon. DANIEL MOOKHEY:** Minister, 8 February, the story involving the leaking of personal information that was at that time in the custody of your office appears in *The Sydney Morning Herald*. When you read it what did you do?

**Mr VICTOR DOMINELLO:** Sorry, can you ask the question again?

**The Hon. DANIEL MOOKHEY:** When you read the story in *The Sydney Morning Herald*, as the Minister with legal responsibility for ensuring the protection of citizens' data, what did you do?

**Mr VICTOR DOMINELLO:** That was in about February of this year, from memory.

**The Hon. DANIEL MOOKHEY:** It was 8 February, I think.

**Mr VICTOR DOMINELLO:** It was 8 February. Yes, I spoke to my staff and ensured that we would assist in any inquiry that would follow.

**The Hon. DANIEL MOOKHEY:** When you say you spoke to your staff, who specifically did you speak to?

**Mr VICTOR DOMINELLO:** Again, I am not going to go through the travails of this, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** When you said that your office should assist with whatever inquiries, what did you mean?

**Mr VICTOR DOMINELLO:** That if inquiries were going to be undertaken by the Privacy Commissioner, by the police or any other authority, that we would assist.

**The Hon. DANIEL MOOKHEY:** On 8 February you were anticipating that your office may well be—

**Mr VICTOR DOMINELLO:** No, it was thereabouts. That is why, Mr Mookhey, I was in the middle of a campaign and that is why for this to be a memory test or a guessing competition—

**The Hon. DANIEL MOOKHEY:** It is not a memory test.

**Mr VICTOR DOMINELLO:** I do not want to play the game.

**The Hon. SHAYNE MALLARD:** Mr Deputy Chair, point of order—

**The Hon. MARK BANASIAK:** In the brief absence of the Chair, I will hear the point of order.

**The Hon. SHAYNE MALLARD:** Welcome to the inquiry. This line of questioning has been Labor's line of questioning all morning.

**The Hon. MARK BANASIAK:** I was watching it as I was coming in.

**The Hon. SHAYNE MALLARD:** That is good. I was just giving you that background. My point of order is the Minister has answered this question or an alteration of it about 30 times now this morning. He has said there has been three independent inquiries. An ICAC letter clearing him has been tabled to the Committee.

**The Hon. PETER PRIMROSE:** This is hardly a point of order.

**The Hon. SHAYNE MALLARD:** It is my point of order, not yours. You know how it works.

**The Hon. PETER PRIMROSE:** Yes, I do. What is the point of order?

**The Hon. SHAYNE MALLARD:** The Minister has answered this question repeatedly. We are just going over the same ground. He has already answered it about 20 times.

**The Hon. MARK BANASIAK:** So the point of order is repetition?

**The Hon. SHAYNE MALLARD:** Indeed.

**The Hon. PETER PRIMROSE:** To the point of order: I would argue in light of earlier rulings this morning, which you would have heard, I would ask that you allow the Mr Mookhey to continue asking questions that are relevant to the Minister's portfolio.

**The Hon. SHAYNE MALLARD:** It is the same question again and again.

**The Hon. DANIEL MOOKHEY:** If the Minister does not want to answer, it is his prerogative.

**The Hon. PETER PRIMROSE:** They relate to different aspects of a matter.

**The Hon. MARK BANASIAK:** If the member wants to ask similar questions, or repetitive questions, then it is his time that he is wasting in terms of getting answers that he wants. I have noticed there is a slight variation in some of that questioning, but if I do hear an exact replication of a question I will pull you up and ask you to redirect or move on.

**The Hon. DANIEL MOOKHEY:** Minister, did it occur to you when you read this story that perhaps you should be asking your secretary or the commissioner of revenue to contain the data leak?

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, these questions were asked by a committee of similar form to Mr Brady a number of days ago. He has indicated the steps—

**The Hon. DANIEL MOOKHEY:** Yes. I asked the question.

**Mr VICTOR DOMINELLO:** There you go. I understand that he provided a comprehensive response.

**The Hon. DANIEL MOOKHEY:** That is my next question actually. He said that he contacted your chief of staff and lamented effectively that this data had arrived in the public domain. Did your chief of staff tell you that he had received that call?

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, I am not going to go over issues where independent agencies have looked into this. It is not just one independent agency. It was not a political inquiry or an excursion. It was independent agencies of the State of New South Wales looking into it with far deeper investigative powers than you or I would ever have. They have looked into it and they have said they are not going to take any further action.

**The Hon. DANIEL MOOKHEY:** Minister, you are repeating your answer multiple times now so I am just going to move on.

**The Hon. WES FANG:** And you are repeating the question, but anyway.

**Mr VICTOR DOMINELLO:** You are repeating the question, I agree.

**The Hon. DANIEL MOOKHEY:** Mr Tom Green was an adviser of yours, wasn't he?

**Mr VICTOR DOMINELLO:** Sorry?

**The Hon. DANIEL MOOKHEY:** Tom Green was an adviser of yours, wasn't he?

**Mr VICTOR DOMINELLO:** At what point?

**The Hon. DANIEL MOOKHEY:** I am asking you. You tell me. When did he start working for you?

**Mr VICTOR DOMINELLO:** I will take that on notice. I cannot recall.

**The Hon. DANIEL MOOKHEY:** What duties did he perform for you?

**Mr VICTOR DOMINELLO:** Again, these are staffing matters. I will take it on notice.

**The Hon. DANIEL MOOKHEY:** You do not wish to elucidate precisely what duties he performed?

**Mr VICTOR DOMINELLO:** If you are asking me for a memory test—

**The Hon. DANIEL MOOKHEY:** It is not a memory test but I will move on. You have taken it on notice. Was he good at his job?

**Mr VICTOR DOMINELLO:** Yes. He was very good at his job.

**The Hon. DANIEL MOOKHEY:** For the period of the election, was he seconded to work on the Liberal Party's re-election campaign?

**Mr VICTOR DOMINELLO:** Yes.

**The Hon. DANIEL MOOKHEY:** Did you approve that?

**Mr VICTOR DOMINELLO:** Well, it is a matter for HQ.

**The Hon. DANIEL MOOKHEY:** What you mean "it is a matter for HQ"? He was working for you at the time. Presumably under the Act, the Liberal Party headquarters cannot approve his ability to be seconded to come and work for them. Did you approve the secondment?

**Mr VICTOR DOMINELLO:** Yes. Sorry, I thought you asked the question the other way around.

**The Hon. DANIEL MOOKHEY:** You approved his secondment?

**Mr VICTOR DOMINELLO:** Yes. I accepted that he would move across to HQ.

**The Hon. DANIEL MOOKHEY:** I am glad that you accepted it, but I am asking you: Did you approve it?

**Mr VICTOR DOMINELLO:** In the sense that he went across, yes.

**The Hon. DANIEL MOOKHEY:** Who else from your office was seconded to work at the Liberal Party HQ?

**Mr VICTOR DOMINELLO:** One other staff member.

**The Hon. DANIEL MOOKHEY:** Who was that?

**Mr VICTOR DOMINELLO:** One other staff member.

**The Hon. DANIEL MOOKHEY:** Yes. I am asking who it is.

**Mr VICTOR DOMINELLO:** Jane Standish.

**The Hon. DANIEL MOOKHEY:** Thank you. What work was Mr Green performing for the Liberal Party?

**Mr VICTOR DOMINELLO:** You will have to ask them.

**The Hon. DANIEL MOOKHEY:** Were you informed or were you aware?

**Mr VICTOR DOMINELLO:** No. You will have to ask them.

**The Hon. DANIEL MOOKHEY:** What contact were you having with Mr Green during this period?

**Mr VICTOR DOMINELLO:** Any contact I would have had with Mr Green would have been in my capacity as a local MP trying to hold my seat of Ryde.

**The Hon. DANIEL MOOKHEY:** Okay. But you did have contact with him in that capacity?

**Mr VICTOR DOMINELLO:** Again, Mr Mookhey, during that period I was working hard in my seat of Ryde, as most local MPs would have been doing.

**The Hon. DANIEL MOOKHEY:** When did he cease working for you?

**Mr VICTOR DOMINELLO:** I think I put that answer in *Hansard*. I just do not have the date in front of me. But I answered that question in Parliament.

**The Hon. DANIEL MOOKHEY:** Was it June or thereabouts?

**Mr VICTOR DOMINELLO:** I am happy to look at *Hansard*. Do you want me to have a look at *Hansard* and I can tell you?

**The Hon. DANIEL MOOKHEY:** I am going off what the media reported which was June.

**Mr VICTOR DOMINELLO:** No, I actually made a statement to the House.

**The Hon. DANIEL MOOKHEY:** Perhaps your advisers behind you might be able to give it to you?

**Mr VICTOR DOMINELLO:** It was actually in *Hansard*.

**The Hon. DANIEL MOOKHEY:** I am sure they can draw it up and come back to you with an answer. But was it circa June of this year?

**Mr VICTOR DOMINELLO:** Again, I do not want to have a memory test.

**The Hon. DANIEL MOOKHEY:** Did you make the decision to terminate his employment?

**Mr VICTOR DOMINELLO:** No. He resigned.

**The Hon. DANIEL MOOKHEY:** Why did he resign?

**Mr VICTOR DOMINELLO:** I indicated that to *Hansard* in Parliament in, I think, about June.

**The Hon. DANIEL MOOKHEY:** So tell us now. Why did he resign?

**Mr VICTOR DOMINELLO:** I rely on what I said to the House in *Hansard*.

**The Hon. DANIEL MOOKHEY:** Was he dismissed?

**Mr VICTOR DOMINELLO:** No.

**The Hon. DANIEL MOOKHEY:** Did the Premier's office ask you for his resignation?

**Mr VICTOR DOMINELLO:** I indicated to the Parliament on the same line of questioning in about June this year that Mr Green handed in his resignation. I think from memory I said in *Hansard* that I accepted that resignation.

**The Hon. DANIEL MOOKHEY:** Did you demand it?

**Mr VICTOR DOMINELLO:** He handed in his resignation and I accepted that resignation.

**The Hon. DANIEL MOOKHEY:** Did he hand it to you directly? As in, did he resign directly to you or to your chief of staff?

**Mr VICTOR DOMINELLO:** He handed in his resignation and I accepted that resignation.

**The Hon. DANIEL MOOKHEY:** I am asking you now: Did the Premier's office ask you to seek his resignation?

**Mr VICTOR DOMINELLO:** No.

**The Hon. DANIEL MOOKHEY:** So the Premier's chief of staff ends up meeting with Mr Green and informing him that there was no job for him in the New South Wales Government. Did the Premier's chief of staff talk to you prior to having that meeting with Mr Green?

**Mr VICTOR DOMINELLO:** I am not going to go into the staffing matters of my office or discussions that may or may not have been had with various members or other Ministers. You have asked the question. I have answered it. He handed in his resignation.

**The Hon. DANIEL MOOKHEY:** I am asking you additional questions, Minister.

**Mr VICTOR DOMINELLO:** I have indicated to Parliament, let alone to the Committee—I have indicated on *Hansard* that I accepted that resignation and moved on.

**The Hon. DANIEL MOOKHEY:** Did the Premier's chief of staff inform you after she had that conversation with Mr Green that was the position that she had outlined?

**Mr VICTOR DOMINELLO:** Again, these issues have been canvassed before a whole lot of independent authorities and I rely on those authorities.

**The Hon. DANIEL MOOKHEY:** Have you provided a reference to Mr Green?

**Mr VICTOR DOMINELLO:** I am not going to comment on staffing matters.

**The Hon. SHAYNE MALLARD:** Point of order—

**The CHAIR:** I will hear the point of order.

**The Hon. SHAYNE MALLARD:** We need to be sensitive to the fact that this is a private individual's career and his prospects in the workforce are being trashed around in this Committee. We need to be respectful of the arrangements of his departure as well—sensitive to that.

**The Hon. PETER PRIMROSE:** That is hardly a point of order. I would ask you to allow the honourable member to continue his questioning and allow the Minister to answer as he wishes.

**The Hon. SHAYNE MALLARD:** The privacy of a person's career—

**The Hon. DANIEL MOOKHEY:** Was Mr Green—

**The Hon. SHAYNE MALLARD:** No, I will have a ruling.

**The CHAIR:** With that point in mind, could you please continue, Mr Mookhey?

**The Hon. DANIEL MOOKHEY:** Thank you. Did you provide a reference to Mr Green as he sought alternative employment afterwards?

**Mr VICTOR DOMINELLO:** I am not going to comment on private staffing matters.

**The Hon. DANIEL MOOKHEY:** Was Mr Green one of the advisers Mr Dawson spoke to about not using the spreadsheet inappropriately?

**Mr VICTOR DOMINELLO:** Again, I am not going to comment on issues that have been traversed before three independent authorities. This is a political Committee. This is a Committee that is asking political questions. This issue has appropriately been referred to three independent agencies. Again, we have seen that ICAC—with what they are conducting in relation to Labor at the moment—are not scared to investigate where there is something to investigate. We have seen that, Mr Mookhey. They have looked into this—

**The Hon. DANIEL MOOKHEY:** Sorry, but I am allowed now to direct the questioning. I am directing the questioning.

**Mr VICTOR DOMINELLO:** Please ask the question.

**The Hon. DANIEL MOOKHEY:** Did Mr Green have possession of the spreadsheets?

**Mr VICTOR DOMINELLO:** I am indicating to you that the subject matter of your questioning has been referred appropriately. Mr Daley has appropriately referred that to independent agencies of the New South Wales Government—independent of the Government. They have all looked at it and acted appropriately in the circumstances.

**The Hon. DANIEL MOOKHEY:** Did Mr Green leak the data?

**Mr VICTOR DOMINELLO:** All of this has been the subject of three independent authorities.

**The Hon. DANIEL MOOKHEY:** Can you at least sit before this Parliament, notwithstanding the fact that all morning you have refused to answer at least 45 questions on this matter—

**Mr VICTOR DOMINELLO:** I disagree with that characterisation.

**The Hon. DANIEL MOOKHEY:** Minister, you have to now listen to the question.

**The Hon. TREVOR KHAN:** Point of order—

**The Hon. DANIEL MOOKHEY:** It is not the case that you have the opportunity to interrupt when questions are being taken.

**Mr VICTOR DOMINELLO:** The question is loaded.

**The CHAIR:** I will hear the point of order.

**The Hon. TREVOR KHAN:** My point of order is this: Mr Mookhey is entitled to ask questions. What he is doing now is making a speech. If he has got a question he should put it, not engage in, essentially, a robust exchange with the Minister.

**The Hon. DANIEL MOOKHEY:** I will put a question. Minister, is the reason why you have refused to answer at least 45 questions on this matter this morning—

**Mr VICTOR DOMINELLO:** I disagree with the characterisation of your question.

**The Hon. PETER PRIMROSE:** Point of order: My point of order is that just as the Minister should be allowed to answer, honourable members of this Committee should be allowed to ask questions.

**The CHAIR:** Yes. Please cease the interjections.

**The Hon. DANIEL MOOKHEY:** Minister, is the reason why you are refusing to answer any questions on this matter because the facts are that your office had possession of this data, this data was circulated inside your office, a DLO reports it to Revenue NSW that your office had a discussion about using this against Mr Daley in the political arena, it then gets used against Mr Daley in the political arena and a staffer that is seconded from your office to Liberal Party headquarters is later dismissed from the Government? The reason why all that happened was because your office leaked the data and it was Mr Green, was it not?

**Mr VICTOR DOMINELLO:** I completely disagree, and I completely disagree with the characterisation of your question. In relation to the subject matter of your question, rather than being referred to you, a—do not take this the wrong way—politician, it has been referred to independent authorities with far greater ability to investigate and they do not have political motives that you have in asking the question. They have looked at it. They have been tasked to look at it and they reported accordingly.

**The Hon. DANIEL MOOKHEY:** Perhaps this is a question you will answer, Minister. It is a simple one. Sitting there, can you guarantee that neither you nor anyone from your office leaked this data?

**Mr VICTOR DOMINELLO:** That issue has been dealt with and I can tell you now that my office has had a very strong reputation for privacy settings. The amount of speeches I have given on privacy, the amount of speeches I have given on data—I have attended that many privacy sessions where I was the keynote speaker. I cannot think of any other—and I say this with a degree of modesty: I cannot think of any other Minister, let alone a member of Parliament, that is more across privacy, security, data, ethics, because I understand how important this is.

**The Hon. DANIEL MOOKHEY:** Yet the data leaks from your office.

**Mr VICTOR DOMINELLO:** But that is a suggestion that you are making that has been referred to three independent agencies that do not have the same political motivation as you, Mr Mookhey. Those independent agencies have looked at the issue—

**The Hon. DANIEL MOOKHEY:** Mr Green leaked it, did he not?

**Mr VICTOR DOMINELLO:** Mr Mookhey, that is an outrageous suggestion.

**The Hon. DANIEL MOOKHEY:** Then rule it out.

**Mr VICTOR DOMINELLO:** If you have evidence—

**The Hon. DANIEL MOOKHEY:** Then rule it out, because we have the letter that you have tabled here—

**The Hon. TREVOR KHAN:** Point of order—

**The Hon. DANIEL MOOKHEY:** —saying that this investigation concerned leaking information by a member of your staff.

**The CHAIR:** Mr Mookhey, I will hear the point of order.

**The Hon. DANIEL MOOKHEY:** Then rule it out, Minister.

**Mr VICTOR DOMINELLO:** Mr Mookhey, that matter has been referred and the matter has been—

**The CHAIR:** I will hear the point of order.

**The Hon. DANIEL MOOKHEY:** Then provide the guarantee.

**The CHAIR:** Mr Mookhey, I will hear the point of order.

**The Hon. TREVOR KHAN:** My point of order is, again, the Minister is answering. Mr Mookhey is running over the top and he really should relax.

**The CHAIR:** One at a time, please. Continue, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** Did Mr Green leak it?

**Mr VICTOR DOMINELLO:** Mr Mookhey, that matter has been referred—as it appropriately should have been referred—by Mr Daley and Ms Sharpe to three independent agencies that have looked at it and that did not look at it through the political lens that you are looking at it, and they have come up with a conclusion. I have tabled that letter this morning, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** Minister, how many injured workers have had their benefits terminated because of section 39?

**Mr VICTOR DOMINELLO:** I am happy to take it on notice. I will refer it to Ms Donnelly, who has got the exact number.

**Ms DONNELLY:** Up until the end of June this year, the total number—my advice is it is 3,886.

**The Hon. DANIEL MOOKHEY:** How many do you estimate will have their benefits terminated in the next 12 months?

**Ms DONNELLY:** We estimate that it is roughly an average of 80 per month. It does vary.

**The Hon. DANIEL MOOKHEY:** You were maintaining projections as to how many you—under 59, is it, the medical benefits section?

**Ms DONNELLY:** Section 59A.

**The Hon. DANIEL MOOKHEY:** How many are you anticipating are going to lose medical benefits in the next 12 months?

**Ms DONNELLY:** Over the next 12 months—I am speaking about that particular cohort; I think that is what your question is referring to, of people who have lost benefits under section 39. We anticipate 1,882.

**The Hon. DANIEL MOOKHEY:** In the first 12 months?

**Ms DONNELLY:** Until 20 June.

**The Hon. DANIEL MOOKHEY:** In the magnitude of the medical benefits loss that they will be losing, have you got a quantum—an estimate as to what financial impact that is going to have on workers?

**Ms DONNELLY:** I do not have that, but I can tell you that I have approved an additional program to support those workers: a worker health support program that will provide for them additional health-related services coordinated by their GP. So we have an additional program to be provided to them over the next 12 months.

**The Hon. DANIEL MOOKHEY:** Minister, we learnt last year that the State Insurance Regulatory Authority [SIRA], amongst other agencies, maintained projections as to the impact of the loss of payments under section 39 and now, I presume, the medical benefits under section 59, I think it is, on the workers, including the numbers which self-harm. Can we have an update on the number of workers that have self-harmed as a result of this in the last 12 months and how many are suspected of or being tracked for?

**Mr VICTOR DOMINELLO:** Can I just say in relation to the workers compensation scheme, Mr Mookhey, as you would know because it was your party that was in power at the time that led to a scheme that had a \$4.1 billion—

**The Hon. DANIEL MOOKHEY:** I am going to ask you to come to the—I have got limited time.

**Mr VICTOR DOMINELLO:** I will answer it, don't worry about that.

**The Hon. DANIEL MOOKHEY:** I am just asking how many workers—

**The Hon. WES FANG:** Point of order—

**Mr VICTOR DOMINELLO:** No, Mr Mookhey, I will answer it, but I am just putting the—

**The CHAIR:** Apologies, Minister. I will hear the point of order.

**The Hon. WES FANG:** The honourable Minister is trying to answer the question. I request that he be allowed to answer it.

**The CHAIR:** If you could allow the Minister a small amount of time to answer the question before I—

**Mr VICTOR DOMINELLO:** I need to contextualise it, Mr Mookhey. As you know, \$4.1 billion in deficit—it was a scheme that was broken on any view. I think projections were 28 per cent increase in premiums and I think the Business Chamber at the time said, I think, about 12,000 potential job losses, i.e., the scheme was broken. It had to be fixed. One of the provisions that was required in the fixing—and this goes to your point—

**The Hon. DANIEL MOOKHEY:** No, it is not a point; it is a question.

**Mr VICTOR DOMINELLO:** No, it does go to your point. If you hear me out—

**The Hon. DANIEL MOOKHEY:** I have given you the amount of leeway the Chair allowed.

**Mr VICTOR DOMINELLO:** If you hear me out, Mr Mookhey—

**The Hon. DANIEL MOOKHEY:** The question was direct. I have given you the leeway that the Chair encouraged me to. I am just asking you: How many workers have self-harmed?

**Mr VICTOR DOMINELLO:** I am coming to that question.

**The Hon. DANIEL MOOKHEY:** And how many are being monitored for self-harm right now?

**Mr VICTOR DOMINELLO:** I am coming to that question. I have probably got two more sentences to get to that question. When you are dealing with self-harm, we have got to be very careful and sensitive about it. That is why it is critical that I put the framework in place. As a result, every jurisdiction that has statutory schemes around personal injury—every jurisdiction—essentially is required to have sunset clauses. We put those sunset clauses in place, which is again consistent with other jurisdictions.

**The Hon. DANIEL MOOKHEY:** I am asking you now for the third time to come to the question.

**Mr VICTOR DOMINELLO:** I am coming to the question. As a result, when you do come to the end of the sunset, any cohort in any personal injury scheme that has a statutory sunset will be exposed.

**The Hon. DANIEL MOOKHEY:** How many?

**Mr VICTOR DOMINELLO:** We have been informed of about six.

**The Hon. DANIEL MOOKHEY:** You were informed of six last year. That was the figure you gave last year. What is the updated figure?

**Mr VICTOR DOMINELLO:** In terms of?

**The Hon. DANIEL MOOKHEY:** Is it six in the additional last 12 months? Is that what you are saying?

**Mr VICTOR DOMINELLO:** Sorry, six?

**The Hon. DANIEL MOOKHEY:** Is it six in the past 12 months?

**Mr VICTOR DOMINELLO:** For?

**The Hon. DANIEL MOOKHEY:** Who have self-harmed.

**Mr VICTOR DOMINELLO:** Sorry, self-harmed. It is 21.

**The Hon. DANIEL MOOKHEY:** Twenty-one workers have self-harmed?

**Mr VICTOR DOMINELLO:** Yes.

**The Hon. DANIEL MOOKHEY:** Since the onset of section 39. That is up from six last year, so we have had 15 additional workers in the last 12 months who have self-harmed.

**Ms DONNELLY:** Could I clarify the numbers?

**The Hon. DANIEL MOOKHEY:** I am out of time. You might have to come back to that.

**The CHAIR:** I think we could allow Ms Donnelly to quickly clarify, if there is a point there.

**Ms DONNELLY:** Last year the six that was reported—that was six deaths. The 21 is the number of workers that has been reported to us who have self-harmed, not necessarily died from that.

**The Hon. DANIEL MOOKHEY:** How many have died?

**Mr VICTOR DOMINELLO:** Of the six, there is only one where the Coroner has indicated that—looking in relation to the relationship. But again, Mr Mookhey—

**The Hon. DANIEL MOOKHEY:** How many of the 21 have died?

**Mr VICTOR DOMINELLO:** It was six.

**The Hon. DANIEL MOOKHEY:** Right. We are still at six.

**The CHAIR:** You will need to come back to this.

**Mr VICTOR DOMINELLO:** Your question was moving around. That is why I was trying to work out whether it was self-harm or passed away.

**The CHAIR:** Order! It is now time for Mr Banasiak's questions.

**The Hon. MARK BANASIAK:** Minister, we learnt the other day that the Minister for Better Regulation and Innovation is the Minister for only some regulation. Do you have oversight over Customer Service in all government agencies, or are you limited as well in terms of what agencies that you have oversight of in terms of delivering customer service?

**Mr VICTOR DOMINELLO:** As the Minister for Customer Service, I have agencies that directly report to me, and Mr Anderson has agencies that directly report to him.

**The Hon. MARK BANASIAK:** So you are not responsible for any agency that falls outside of that in making sure that they are delivering an acceptable level of customer service as Minister for Customer Service?

**Mr VICTOR DOMINELLO:** No. Obviously I have agencies in my cluster that report to me. There might be agencies, for example, within the Education cluster that would report to the Minister.

**The Hon. MARK BANASIAK:** But you would not have oversight over the delivery of customer service for that Education Department?

**Mr VICTOR DOMINELLO:** No. The primary responsibility is with the Minister.

**The Hon. MARK BANASIAK:** I am just trying to gauge how far your portfolio or scope goes. Would you be able to provide a list of those departments on notice or is it just the ones that are here today?

**Mr VICTOR DOMINELLO:** I am happy to give you the list—basically the list between myself and Minister Anderson, yes.

**The Hon. MARK BANASIAK:** Thank you. How many new Service NSW offices have been opened in regional and rural New South Wales in the past 12 months?

**Mr VICTOR DOMINELLO:** Centres or offices?

**The Hon. MARK BANASIAK:** Centres?

**Mr VICTOR DOMINELLO:** I was at Nyngan about a month ago and that was number 100, from memory, and I think we are rolling out another 10 in the not too distant future. But in addition to the regional areas we have the mobile buses.

**The Hon. MARK BANASIAK:** I will come to a question about the mobile. Are the new offices or centres that you are opening adhering to the seven to seven o'clock—seven to seven hours of operation that was promised? Are they all adhering to that direction?

**Mr VICTOR DOMINELLO:** I will defer that to Mr Rees in relation to the operational hours.

**Mr REES:** We have a range of operational hours based on the needs of the individual communities. In terms of the remaining Service centres, there are three more to be opened in regional New South Wales. I will need to take the question on notice around the exact operating hours of those.

**The Hon. MARK BANASIAK:** How many mobile service units do we have operationally currently?

**Mr VICTOR DOMINELLO:** Buses?

**The Hon. MARK BANASIAK:** Yes, the buses.

**Mr VICTOR DOMINELLO:** We have two. On the North Coast and essentially central New South Wales. We have another two rolling out to basically the southern parts of the State towards the end of the year. And they are very, very good.

**The Hon. MARK BANASIAK:** Do they operate a full suite of services? Can they deliver the same level of service in terms of every single thing that you would get at a normal Service centre?

**Mr VICTOR DOMINELLO:** My understanding is yes. I will let Mr Rees indicate.

**Mr REES:** They are full service, including driver testing, including cost-of-living appointments as well.

**Mr VICTOR DOMINELLO:** I encourage you to go inside. They are quite good.

**The Hon. MARK BANASIAK:** Is there a timetable somewhere online? You said there is a north and south. Is there a timetable where people can see, "The bus is going to be in this region at this time and I know my driver's licence or something is expiring at this time," and they can time the visit and get full use of those units?

**Mr VICTOR DOMINELLO:** Yes. It is a great question, Mr Banasiak. When I say north and south, it is the central part of the State and the north that have the two buses at the moment. Towards the end of the year we will do the southern part of the State essentially. We do have a provision where you can see online where the

buses are scheduled to go. Importantly—and this was one of the key designs of the mobile buses—we need to make sure there is flexibility there. For example, if somebody makes a request—for example, there could be an emergency in the State where people are congregating. If we can deliver a Service bus there, we will change the route. Or it could be a country town that says, "We've got our Candelo Show" or whatever it is. "Can we get a Service bus out there because we're going to have a whole lot of people coming into the area." So we are building in a degree of flexibility to enable the buses to go the people as they are needed.

**The Hon. MARK BANASIAK:** Is there anywhere other than online that people can access this timetable?

**Mr REES:** Online it outlines when buses are going to be where, but there is also a lot of focus on community engagement, so we are leveraging local radio stations, local media, which are raising awareness around when the Service centre is going to be there.

**The Hon. MARK BANASIAK:** But principally most information is online, so if someone lives out in rural New South Wales and does not have adequate internet service, they are at a bit of a disadvantage in terms of finding out—

**Mr VICTOR DOMINELLO:** They could ring up. They can call Service NSW or pop into a Service NSW centre.

**The Hon. MARK BANASIAK:** But if they need the mobile service unit, it is fair to say they probably do not have that opportunity to pop into the Service NSW centre, but they can call up, is what you are saying? That is the other option?

**Mr VICTOR DOMINELLO:** Definitely. Absolutely, and we would encourage them to do that as well. Honestly, it is such an innovative thing to have, as I call it, Service NSW on wheels. It is such a game changer for those remote areas that ordinarily would not see this type of service delivery.

**The Hon. MARK BANASIAK:** Are you looking at expanding the number of mobile units?

**Mr VICTOR DOMINELLO:** We are. So we have two at the moment, but we have another two coming towards the end of this year, which is not that far away.

**The Hon. MARK BANASIAK:** Is that going to be a continual rolling out. So it will be two at the end of this year. Is there going to be another two at the end of the year or is there going to be a cap?

**Mr VICTOR DOMINELLO:** Obviously we will monitor how the two, and then the other two, are going. We will always monitor how it is going. If it is going well, great. If it is not, then we will review it.

**The CHAIR:** I have a couple of questions that perhaps could be best answered by Ms Cusack. As Parliamentary Secretary for Cost of Living, what are your responsibilities?

**The Hon. CATHERINE CUSACK:** There is a charter letter that all Parliamentary Secretaries have received from their Ministers. It is pretty consistent across government that we attend meetings with the Ministers. In relation to my specific role, I am visiting Service NSW offices. It is very focused on that aspect of the portfolio. I am meeting with Cost of Living officers who are located in those centres, and also talking and getting some feedback from some of the customers. It is a very new service. It is an innovative service. It has been an uplifting experience to be talking to these amazing staff—all they want to do is to help people—and find out how life changing some of these offerings have been for those individuals.

I heard a story of one young man visiting, I think, the Auburn office last week or two weeks ago. He just wanted to find out about the new energy flip service of the Government, which has been saving phenomenal sums of money and brought a lot of people into the Cost of Living service. This young man felt he had no opportunities to be assisted, but he did just want to get a better deal on his electricity. They gave him the whole program on cost of living and discovered he had \$19,000 in unclaimed money, which changed his life. He was very emotional. He said he could get married now; he and his fiancée did not think they could get married—just the whole office and staff.

I am gathering those experiences and talking to staff. This is all about trying to help people claim their entitlements and their concessions. It is great that we are offering this Cost of Living service, but are there issues that the agencies offering concessions could do a better job of making them more available in the first place? Why is there such low awareness and what are some good ideas about how people could be accessing the entitlements more in the first place—anyway, giving that feedback? They are the sorts of things that I do.

**Mr VICTOR DOMINELLO:** Can I add: Ms Cusack, to be honest, was the person who first came up with the concept of Cost of Living, so she has been very humble in her answer so far. She should take a lot of credit for the Cost of Living and the success that it has been.

**The CHAIR:** How many households have used the Cost of Living service so far?

**Mr VICTOR DOMINELLO:** I have those figures. Do you know, Mr Rees, exactly?

**Mr REES:** There is a number of different elements to the Cost of Living service, the appointment-based service that Ms Cusack was referring to where you sit down with a Cost of Living adviser. We have had about 32,000 of those appointments take place since the program started. We have an online savings finder that helps people work out which programs the Government has that may be more relevant to them. We have had over a million people leverage that service.

**The CHAIR:** What has been the total amount saved and the typical saving per household from the rebates that have been given?

**The Hon. CATHERINE CUSACK:** I might ask Mr Rees to give those specific numbers. It is a really good story.

**Mr REES:** Sure. The program originally started with about 40 different services within government and we have expanded it to 70, so the total savings across all of those programs is about \$2 billion. What we find for the appointment-based service is that nine out of every 10, roughly, people that we meet with have savings that they were not aware of and were not taking advantage of. Typically that is about \$500 per person, but as Ms Cusack mentioned it can range much, much higher than that for people who have unclaimed money. We have had people who have not actually claimed their first home buyer benefit on homes and things like that. A lot of those benefits have an ongoing annual benefit for customers. They are not one-offs.

**The CHAIR:** I agree it is a great program to get people to actually understand what they can get, but why do you think that awareness was so low previously? Is it because it was not in one spot?

**Mr VICTOR DOMINELLO:** I can answer that. Obviously we have an understanding of how Government works. Quite frankly, there are a lot of us who still struggle to understand the labyrinth that is Government. The average person in the street I do not think really appreciates how to get access to refunds, rebates and the like. That is the beauty of the Cost of Living. If you said to somebody, "Look, there are all these rebates, refunds et cetera, et cetera that exist within the 160 different government agencies", just the thought of trying to navigate that would put most people off because it is not just money; it is their time. If I said to you, "Oh, yeah, we've got 40 different programs but you're going to have to go to 160 different websites to try to find that out", you would not even begin to start. What we have done with Cost of Living is say, "Here is your one-stop shop. We will do all the heavy lifting behind the scenes but we will give you that customer interface. We'll try to find out where that money is potentially available to you."

**The Hon. CATHERINE CUSACK:** Might I just add to that?

**The CHAIR:** Yes, sure.

**The Hon. CATHERINE CUSACK:** Everywhere around the world government is going online with its service offerings and it is a much more efficient way to deliver service. But it is leaving a group of people behind. This actually was the original problem in terms of my previous role in digital inclusion. First of all, there are people who are not online and are finding services difficult to access. This face-to-face option has been wonderful for them. Secondly, you have people whose life circumstances have changed. For example, an elderly woman's husband who has died paid all the bills. She is just not used to the fact that actually she is eligible for a pension concession on her rates and her driver licence—all of those things. There are kids who leave school and enter into TAFE. They are tech savvy but they are not life savvy. They are not aware of the range of supports and programs that are available to them. By consolidating it into one service I would say for families, for young people and for older people, particularly when they have a life-changing event, it has just been terrific for them to either self-assess online or, if they are not great online, to have this face-to-face option.

**The CHAIR:** I have used the service online. I have worked out that I was entitled to stuff that I did not know I was entitled to.

**Mr VICTOR DOMINELLO:** Can I ask this: Did you give your feedback? Thumbs up, thumbs down?

**The CHAIR:** I am not sure I did. I probably did not have time for a survey.

**Mr VICTOR DOMINELLO:** I like feedback.

**The Hon. CATHERINE CUSACK:** I do not know anyone who has not saved money.

**The CHAIR:** No. And that is the point, right? I guess there is still quite a lot of administration involved. That is a great first step—that we are able to go and find out—but, as you pointed out, Ms Cusack, there are still barriers for a lot of people, not just those people who are not necessarily tech savvy but also people who just do not have the time.

**Mr VICTOR DOMINELLO:** It is the time. I agree with that.

**The CHAIR:** Yes. Even something like the Healthy Kids voucher or the Active Kids voucher, or both of those, you still have to get all the information and then you have to provide it to the person who is billing you, and then it has to come first. For each little step, there is still quite a lot of administration. Are there any plans to streamline that?

**Mr VICTOR DOMINELLO:** Definitely, absolutely. One of the priorities of the Premier—and it is something I am very passionate about—is Tell Us Once, approach the Government. That is one big thing that will streamline a whole lot of processes in place. One of my frustrations, which I imagine is yours and the average person in the street, is that they think, "We elect one government." They do not realise that there are 160 different agencies. I have told one agency who I am and my details, why am I telling the other? I have already told you. We are working through and working up a Tell Us Once approach to the Government. If you tell Service NSW, subject to your authorities and permissions, then that will then streamline the information distribution to enable a much easier access to a whole lot of other services in government.

**The Hon. CATHERINE CUSACK:** Can I highlight how internationally innovative this program is and the approach we are taking? Perhaps I can do that by asking Mr Rees to talk about the Harvard University interest in the project.

**Mr VICTOR DOMINELLO:** On Cost of Living?

**The Hon. CATHERINE CUSACK:** Yes.

**Mr REES:** Yes, sure. I think it is something that makes us incredibly proud as an organisation. When you look internationally, governments around the world have the same challenge. We have designed things case by case to solve different problems, but that ability to really bring it together around the customer through those different channels, whether that is online—

**The CHAIR:** Sorry, I am a bit short of time so I will come back to you later on.

**Mr REES:** Sure.

**The CHAIR:** While we are talking about bringing the services that the Government provides to people is really valuable, that is a really good first step.

**Mr VICTOR DOMINELLO:** Thank you.

**The CHAIR:** That is great and I look forward to hearing more about it in the afternoon session as well. But this use of the word "customer", how do you think that that impacts on the culture of the department?

**Mr VICTOR DOMINELLO:** I remember the discussions or the debate at the time and I have given a number of speeches about it because people are saying, "Should we call them customers? Should we call them citizens?" They are not technically citizens of New South Wales. They are citizens of Australia. But different agencies, I guess, have different language around their key stakeholders. For example, if it is a doctor, you have got a client. In Family and Community Services, I think they refer to them as clients. In Service NSW we refer to them as customers. If it is the Electoral Commission, they are referring to them as voters et cetera, et cetera. But we used or ultimately landed on "customer" because ultimately it is the ethos that we have developed in Service NSW—that high standard that we want to permeate right across all of government—that is why we landed on "customer".

**The CHAIR:** The word "customer", for which I have the *Oxford Dictionary* definition, means a person who buys something from a shop, a store or a business.

**The Hon. SHAYNE MALLARD:** That is out of date.

**The CHAIR:** I looked in the *Macquarie Dictionary* as well and the definition was the same. However, a citizen is a person who has a legal right to a particular country or State.

**Mr VICTOR DOMINELLO:** I know.

**The CHAIR:** Do you think that by framing the people of New South Wales as "customers" that we bring in this business ethos, which sort of reflects on individuals as people who are there to purchase and use services as a purchaser as opposed to someone who is entitled as a citizen?

**Mr VICTOR DOMINELLO:** I honestly can understand where you are coming from because it was a question I had in my mind at the time. But, again, we were trying to build out the ethos that we have established in Service NSW and its service. They deal with the transactions which are essentially customers because it is the transaction that pretty much was adopted from the old Roads and Maritime Services [RMS] days, which was the bulk of the work. Now, as Mr Reeves and Ms Cusack have suggested, we are doing more and more services through that portal. But the reality is that the hardest thing of any organisation is changing the culture. One of the shining lights of our Government is Service NSW and the culture it has created. If we want that to permeate right across government, then we have to adopt that customer culture where we put them very much front and centre.

**The CHAIR:** I appreciate that that is your interpretation of the word, but it does make the Government seem like a business. If you have customers, then is the Government the business? If the Government is the business, then who are your shareholders?

**Mr VICTOR DOMINELLO:** I understand the language around it. Again, it was something that I was trying to get my head around at the time that we were putting names to these things. But, again, it is around the culture of saying, "We are putting the customer or the people of our State first." If we treat people with the highest degree of respect and provide them with the highest level of service, then we are going to get the best outcome. We can put all the language to one side but ultimately have a look at how it has performed. How service NSW has performed has been remarkable.

I was at the Australian Data and Digital Council the other day. My Federal counterpart said that they have done a desktop audit around the world and we are in the top three jurisdictions when it comes to service delivery. They are holding Service NSW up. As Mr Rees has indicated—he will no doubt expand on it this afternoon—this is not just leading our country, this is leading the world. I can understand we might have disagreements in relation to the language but the actual outcome is phenomenal.

**The Hon. DANIEL MOOKHEY:** Thank you, Minister. When Mr Green resigned to you or your chief of staff, what reason did he give?

**Mr VICTOR DOMINELLO:** As I indicated, I have now had an opportunity to get the *Hansard*. The same question was raised and I said in the answer:

I can confirm that Mr Green resigned from my office. I accepted his resignation. I will leave it at that.

That is what I said to *Hansard* on the day—I think it was in June.

**The Hon. DANIEL MOOKHEY:** That is helpful context, Minister. But now I am asking you what specifically was the reason why—

**Mr VICTOR DOMINELLO:** I am indicating I am not going to comment on staff matters. This matter has been referred to appropriately by three independent agencies that do not have the political predisposition that you have. They have independently looked at it—

**The Hon. DANIEL MOOKHEY:** Sure. Look, I understand, Minister. I am going—

**Mr VICTOR DOMINELLO:** —without the political prism, without the political line of questioning—

**The Hon. DANIEL MOOKHEY:** —to move on because you are refusing, Minister, to give the reason. I understand that is your answer—

**Mr VICTOR DOMINELLO:** No, no—

**The CHAIR:** One at a time.

**The Hon. DANIEL MOOKHEY:** I am just going to move on to the—

**Mr VICTOR DOMINELLO:** I actually disagree. I disagree.

**The Hon. DANIEL MOOKHEY:** You can disagree as much as you want—

**The CHAIR:** Order! You cannot both talk at the same time.

**The Hon. DANIEL MOOKHEY:** I am moving on, Minister.

**Mr VICTOR DOMINELLO:** I actually disagree with you.

**The Hon. DANIEL MOOKHEY:** Minister, when he resigned were you disappointed that he resigned?

**Mr VICTOR DOMINELLO:** I have indicated—I have answered the question. I have answered it in Parliament. I am not going to make any further comment on it.

**The Hon. PETER PRIMROSE:** Minister, I would like to ask you a couple of questions about the green slip scheme if I can. Can I ask you how confident you are in the actuarial assumptions that underlie the green slip scheme, particularly those relating to the accumulation of funds for long-term catastrophic injuries where there is a long tail?

**Mr VICTOR DOMINELLO:** I am as confident as I can be with actuarial advice, Mr Primrose. I have got some friends who are actuaries. They are not the most entertaining people that you would invite over—

**Mr DAVID SHOEBRIDGE:** They turn up on time 95 per cent of the time.

**Mr VICTOR DOMINELLO:** That's right. Yes, I am as confident as I can be knowing that when we undertook—and it was a rigorous reform that was undertaken in relation to green slips. When we undertook it we had all the key stakeholders in place. I think we had actuaries not just from SIRA; we had actuaries from the legal fraternity, actuaries from insurance. We had at least three different sets of actuaries looking at the scheme. I am as confident as I can be.

**The Hon. PETER PRIMROSE:** I am looking, for instance, at the NSW Bar Association's submission to the SIRA review of minor injury definitions.

**Mr VICTOR DOMINELLO:** Is that the recent one?

**The Hon. PETER PRIMROSE:** Yes, the current one. They cite that the insurance companies have pocketed almost \$4 billion in just 16 months at the expense of injured motorists since the reform. The argument there that I understand they are making is that the actuarial assumptions about what you would require for catastrophic injury—which would accumulate by the insurance companies over time—were in fact incorrect and they are not actually paying out that amount of funding. The actuarial assumptions are the ones that are being brought into question, along with definitions such as "minor injuries". I just ask you or your officers to respond. It would seem to me on those figures that those actuarial assumptions might be a bit suspect.

**Mr VICTOR DOMINELLO:** It is a legitimate question to ask. I met Mr Game—I think it was about two or three weeks ago—and a number of his colleagues from the NSW Bar Association. They readily conceded that they are getting more information now than they have ever received before in relation to a scheme. The most important part of the scheme's design was the data architecture we put in place so we have got more visibility. I have committed to open up as much as I can, subject to commerciality and confidentiality. I want those assumptions to be tested. At the end of the day, as you would appreciate, every time I interrogate I ask the same questions that you ask.

My job is to make sure—I have three primary objectives out of this: one, I have got to make sure that we keep the premiums as low as they can be; two, that we protect those who are injured; and, three, that we prevent the bad old days of insurer super profits, where the scheme was getting about 30 per cent or even more at some point. If there is inefficiency in the scheme it has got to go back to either of two classes: one, the motorists who are paying for it; or, two, those who are injured. I am always asking the same question. However, Mr Primrose, the answers I get back—and they are rational answers—are that this is by definition a personal injury scheme where all the big dollops of money are going to be paid in probably years three, four, five, six. As much as I want to push as hard as I can now, the actuaries are essentially saying, "You have got to allow the scheme to evolve, to get to a higher level of maturation before we can really tackle the assumptions."

**The Hon. PETER PRIMROSE:** Yes, I heard these same points being made by the insurance companies six or seven years ago when I was part of the law and justice committee. I quote from the submission of the NSW Bar Association. It states:

The scheme was formulated on the basis that there would be 16,000 to 18,000 claims per year, meaning that at the 20-month mark there should have been 26,660 to 30,000 claims at the end of July 2019. However, as of that date there have been 17,403 claims in total, which is another indication that the severe restrictions regarding minor injury in the scheme have been based upon inflated actuarial assumptions.

The concern is that the insurance companies are receiving super profits and this is not being passed back to either injured drivers and injured motorists or to reduce the cost of green slips.

**Mr VICTOR DOMINELLO:** I accept what you are saying in terms of interrogating the information. Honestly, I put my hand on my heart and tell you that I am constantly interrogating my agency and the actuaries, more importantly, on the same thing. It helps me and helps us more broadly if I can put further downward pressure on premiums and—

**The Hon. PETER PRIMROSE:** But can I ask how you answer those concerns made specifically by the NSW Bar Association?

**Mr VICTOR DOMINELLO:** When we did the scheme redesign there were a couple of big changes that we made. One was obviously in relation to the soft tissue or the minor injury. I know we are going to do a review around that, or we are doing a review. That review will come back early next year. The other big thing—I will call it one of the "hero pieces" of the reform that not many people talk about—was that we are essentially providing treatment expenses for life and care expenses for life. That means, for example, in the bad old days what would happen is there would be a contest with rehab experts on either side saying, "This person has had an injury. We project that within five years they will need a spinal cord fusion"—or whatever it is—"therefore, here is a hundred thousand or a million dollars". We have said, no, we are going to get rid of that friction in the system and basically say if you need spinal cord surgery in five years, we will pay for it in five years. If you need—

**The Hon. PETER PRIMROSE:** Minister, given my limited time, I accept what you are saying—

**Mr VICTOR DOMINELLO:** But I am saying that—

**The Hon. PETER PRIMROSE:** But I do not understand why the figures as estimated are so far in reality what they are, as opposed to the estimates.

**Mr VICTOR DOMINELLO:** Yes. Again, as you know, we have not even hit the second anniversary. With the major claims—when I was a practising lawyer, anyway, it took a number of years for injuries to settle to a point where you can actually—

**The Hon. PETER PRIMROSE:** But that is what the actuarial claims—

**The Hon. DANIEL MOOKHEY:** Minister, can I just ask—

**Mr VICTOR DOMINELLO:** Ms Donnelly would like to add to something—

**Ms DONNELLY:** I would like to—

**The Hon. DANIEL MOOKHEY:** Sorry Ms Donnelly, just before we do—because I think the Minister might refer this to you anyway. I was going to ask, Minister: What is insurer profit as a percentage of scheme costs currently?

**Mr VICTOR DOMINELLO:** I will let Ms Donnelly answer, but I just want to—there is a real, legitimate concern that has been raised. It was one of the things that we addressed. In fact, I dealt with a number of people from the crossbench in relation to insurer profit.

**The Hon. DANIEL MOOKHEY:** That is why I am just asking for a figure.

**Mr VICTOR DOMINELLO:** For the first time ever we have got a clawback mechanism so that if insurer profits—if your concerns are realised we will claw back those profits.

**The Hon. DANIEL MOOKHEY:** Yes, but I am asking what are the current insurer profits as a percentage of the scheme—

**The Hon. PETER PRIMROSE:** Yes, let's cut out the narrative a moment. Can I just have the figure, please?

**Ms DONNELLY:** I am sorry, there were a number of questions and points in there that I would like to address. I will come to each of them. I believe that talking about the percentage of payments that have been paid now compared to what is projected, the number of claims and around profit—

**The Hon. DANIEL MOOKHEY:** We have the opportunity to get into this in detail this afternoon. Can I direct the question specifically to: What is the percentage of scheme costs that is paid as insurer profits—for insurer profits as a percentage of scheme costs?

**Mr VICTOR DOMINELLO:** Is that in relation to the 2017 scheme or the profits that they were making under the old inefficient scheme?

**The Hon. DANIEL MOOKHEY:** The 2017 scheme—the current scheme.

**Ms DONNELLY:** For the 2017 scheme we have much stronger powers to—particularly in the transitional period—direct premium. That is set at 8 per cent. We are also assiduously monitoring as the claims development payments are made. Our current estimate is that it is in that range of around 8 per cent to 10 per cent. As the regulator I do have a set of powers to ensure that there are not excess profits that were not there in the old scheme, which I have already exercised once and which I will exercise.

**The Hon. DANIEL MOOKHEY:** I understand that, because we have gone through this before. You have a regulated return, which is 8 per cent. I accept that. But have you the figure for the actual return in the last year?

**Ms DONNELLY:** I have a current estimate, which would indicate that it is at 10 per cent. I am monitoring it very closely because our intent is that it should be about 8 per cent. However, to the earlier point, and to the Hon. Peter Primrose's question, only a very small proportion of the payments are paid out. It is very clear in the legislation that people receive their payments much earlier, with 77 per cent of people receiving payments in the first three months. It was 26 per cent under the old scheme. At the same time, the vast majority of payments will go to people with more severe injuries in awards of damages.

The legislation is very clear that most cannot even begin to make a claim until 20 months into the scheme. The scheme began on 1 December. For the first people who unfortunately had an accident on the first day of the scheme, that 20 months is 1 August. Those people have another 16 months after that in which they can make a claim for damages. It is very clearly structured in the scheme so that people receive payments early to help them recover and as income replacement. Then they are given time and support to recover as much as possible. Those who have higher needs later will get large amounts of payments coming later.

**The Hon. PETER PRIMROSE:** Let's come back this afternoon and deal with some of this in more detail then.

**Ms DONNELLY:** I am very happy to.

**The Hon. PETER PRIMROSE:** Minister, in the short time we have left, can I ask you why you have missed your August deadline to roll out the Digital Driver Licence [DDL] statewide?

**Mr VICTOR DOMINELLO:** We want to make sure that we get it right. We are continuing. In relation to the Digital Driver Licence, we will have more to say about that very, very soon.

**The Hon. PETER PRIMROSE:** I understand that. But I presume that before August you also wanted to do it right. What are the reasons you did not do it right in August?

**Mr VICTOR DOMINELLO:** We had to make sure that the systems were ready to go. I was not confident that they were ready to go at that point. Again, we extended the trial—and the trial started in Dubbo, moved to the eastern beaches and then to Albury—because we wanted to get the cross-border experience.

**The Hon. PETER PRIMROSE:** What were your particular concerns about it?

**Mr VICTOR DOMINELLO:** Just stability in relation to the system. That is all.

**The Hon. PETER PRIMROSE:** When are you going to roll out the licence?

**Mr VICTOR DOMINELLO:** Very soon.

**The Hon. PETER PRIMROSE:** Very soon?

**Mr VICTOR DOMINELLO:** Yes.

**The Hon. PETER PRIMROSE:** Before the end of the year?

**Mr VICTOR DOMINELLO:** Very soon.

**The Hon. PETER PRIMROSE:** Before the end of the year?

**Mr VICTOR DOMINELLO:** I am happy for you to be an ambassador if you want. It will be very soon.

**Mr DAVID SHOEBRIDGE:** What is your expectation—

**Mr VICTOR DOMINELLO:** Very soon.

**The Hon. PETER PRIMROSE:** The Service NSW website states that it will occur in late 2019. Is that correct or not?

**Mr VICTOR DOMINELLO:** It will happen very soon. I have a very clear indication of when that will be but I do not want to—

**Mr DAVID SHOEBRIDGE:** Tell us.

**The Hon. PETER PRIMROSE:** Why don't you tell us? Minister, it is on your agency's website. Is it wrong?

**Mr VICTOR DOMINELLO:** We will roll it out when we are ready and it is ready to go. That will be very soon.

**The Hon. PETER PRIMROSE:** I suggest that you may want Service NSW to look at its website.

**Mr DAVID SHOEBRIDGE:** They will do that very soon.

**Mr VICTOR DOMINELLO:** I appreciate that feedback.

**The Hon. PETER PRIMROSE:** Is it going to be this year, as per the website?

**Mr VICTOR DOMINELLO:** Again, it will be very soon.

**The Hon. SHAYNE MALLARD:** I do not want to labour the point, but he has answered the question six times.

**The Hon. PETER PRIMROSE:** I am trying to work it out because the public rely on what Service NSW states. Its website states it will be later this year.

**The Hon. SHAYNE MALLARD:** That is very soon.

**The Hon. PETER PRIMROSE:** I am asking the Minister to clarify that.

**Mr DAVID SHOEBRIDGE:** Is the website accurate?

**The Hon. PETER PRIMROSE:** Is it correct? Obviously he cannot or will not say. What has been the cost of the trial to date?

**Mr VICTOR DOMINELLO:** I will defer that.

**Mr REES:** I do not have a cost specifically for the trial. I can give you the expenditure to date for the program, if that is helpful. Otherwise I can take the trial cost on notice.

**The Hon. PETER PRIMROSE:** Yes. Could you also take on notice the cost of the project to date? Are there security issues associated with the delay of the rollout?

**Mr VICTOR DOMINELLO:** As I said, we are making sure that we have stability, security and all of those things in place as we roll out. That will happen very, very soon. So far the trials have been very successful. We are very confident—

**The Hon. PETER PRIMROSE:** Minister, have there been any security issues associated with the trial?

**Mr VICTOR DOMINELLO:** In relation to the trial, we know that lost or stolen photo cards can be misused. The DDL offers so much more security when it comes to identity fraud.

**The Hon. PETER PRIMROSE:** We can come back to that later. But have security issues been of concern during the trial?

**Mr VICTOR DOMINELLO:** Security should have been and is part of the design of the system, as is privacy. Are there security issues? In any IT platform security has to be locked down—

**The Hon. PETER PRIMROSE:** Security issues are the reason you have delayed it. Are you denying that?

**Mr VICTOR DOMINELLO:** I am saying to you that we are going to roll out the DDL very soon. I wanted to make sure that we had everything ready to go.

**The Hon. PETER PRIMROSE:** So it is a security issue? Okay.

**Mr VICTOR DOMINELLO:** I completely disagree with that characterisation. We have had three successful trials.

**The CHAIR:** Order! It is now Mr Banasiak's time for questions.

**Mr VICTOR DOMINELLO:** If what you are saying is true then that would have been borne out in the trials.

**The CHAIR:** Order!

**The Hon. MARK BANASIAK:** I have one final question and then I will hand over to the rest of the crossbench to give them a fair shake. Minister, we have been hearing a lot of great success stories about Service NSW. Are we fattening the turkey up for Christmas time and does this Government have a plan to privatise Service NSW?

**Mr VICTOR DOMINELLO:** Absolutely not. I will say that again very slowly. Absolutely not! There is no chance, no way—

**The Hon. MARK BANASIAK:** Never?

**Mr VICTOR DOMINELLO:** There is no way on earth. No. There is no chance. I will say it again.

**The Hon. MARK BANASIAK:** Please do.

**Mr VICTOR DOMINELLO:** Do you want some more clarification, Mr Shoebridge? I am 100 per cent ruling it out. I know there were some mischievous people talking about it, but there is zero chance—sub-zero chance—of that happening.

**The Hon. MARK BANASIAK:** Given that it is probably one of the only departments that is achieving some level of competency in this Government, I need to ask if you are fattening up the turkey for Christmas. That is all.

**Mr VICTOR DOMINELLO:** I do not accept that, but I do appreciate the compliment.

**Mr DAVID SHOEBRIDGE:** Minister, earlier in your evidence you said that 21 workers who had been terminated because of section 39 of the Workers Compensation Act had unfortunately engaged in self harm. What, if any, measures have you put in place to assist those 21 workers?

**Mr VICTOR DOMINELLO:** One of the measures—and I think we discussed this with members of your party at the time—was the \$1,000 payment.

**Ms DONNELLY:** The Community Connect payment.

**Mr VICTOR DOMINELLO:** We are looking at expanding that.

**Ms DONNELLY:** There are some other services, if you would like me to add to that, Minister? SIRA has had a 24/7 phone service that people can contact to receive immediate counselling. We have had a number of people use that. I have met with the Mental Health Commissioner, and got some advice. The Mental Health Commissioner has a suicide prevention advisory committee. As a result of that we engaged Everymind, who are very expert in this area, to review the communications and the materials available to insurers to educate insurers and to enable them to recognise and support injured workers who may be at risk.

As you may recall from other evidence that I have given to different committees, we require insurers to notify us of any workers who they consider to be at risk—not just in terms of their own safety but perhaps those who are threatening others' safety or have drug and alcohol problems and so on. So we are monitoring that very closely.

**Mr DAVID SHOEBRIDGE:** Did any of those 21 self-harm incidents result in somebody tragically losing their life?

**Ms DONNELLY:** I understand that there are six where we believe that the person has actually—

**Mr DAVID SHOEBRIDGE:** Over what period of time?

**Ms DONNELLY:** That is for the whole cohort of people who have exited the scheme under section 39, which is 3,886 people.

**Mr DAVID SHOEBRIDGE:** Minister, 3,800 people exiting the scheme, six suicides. That is an extraordinary rate of suicides from such a small population. Do you accept that the Government needs to review this termination of benefits, given this loss of life and harm that is associated with it?

**Mr VICTOR DOMINELLO:** Mr Shoebridge, you are absolutely right. Any loss of life is tragic, and obviously there are coroners' reports and recommendations that we will need to look into in relation to the circumstances surrounding those passings, but again, as I indicated before, in any statutory scheme where there are sunset provisions there are always going to be a cohort of individuals that are particularly vulnerable. We have to make sure that we put mechanisms in place, as articulated by Ms Donnelly and myself earlier in testimony, to reduce those incidents.

**Mr DAVID SHOEBRIDGE:** These mechanisms are not working. We have had six injured workers take their lives and another 15 engage in additional self-harm. The problem is the policy of terminating benefits after five years. Is that policy going to be reviewed?

**Mr VICTOR DOMINELLO:** Again, Mr Shoebridge, I put to you that in any cohort—particularly a cohort where there is a sunset provision in relation to any statutory personal injury scheme—you will always have a cohort of people who are subject to, or vulnerable to, exposure. What we have to do is to put mechanisms in place. I do not take this lightly, but we have to accept that in statutory schemes we have to put protections in place.

**Mr DAVID SHOEBRIDGE:** Minister, your Government put in the sunset clause and failed to put in any kind of termination payment for these workers. They are literally turned off one day. There is no exit payment

of six-months benefits or three-months benefits. They are literally turned off. This was highly predictable, wasn't it?

**Mr VICTOR DOMINELLO:** As you know, Mr Shoebridge, this scheme was in deficit to the tune of \$4.1 billion. I do not have to repeat all of the sad statistics.

**Mr DAVID SHOEBRIDGE:** We can go back to the impact of the global financial crisis and those other matters—

**Mr VICTOR DOMINELLO:** We can, but—

**Mr DAVID SHOEBRIDGE:** —but your Government put this in. It was predictable.

**Mr VICTOR DOMINELLO:** My Government put into place, I think in 2012, sunset provisions in order to stabilise the scheme because if we did not do that the scheme would still be in deficit. At the end of the day somebody is paying for this. Does that mean there are less schools, less roads, less hospitals, less nurses, less police? We have to make sure that the scheme is sustainable.

**Mr DAVID SHOEBRIDGE:** Minister, these benefits are paid for by employers who have a duty of care if somebody is injured at their workplace. But at the moment it is not the employers who are paying; it is the injured workers who are paying—and they are paying, for these six individuals, the ultimate cost of the reforms your Government put through.

**Mr VICTOR DOMINELLO:** Again, in relation to that, whether it is six individuals, and whether it is New South Wales, Victoria, South Australia or Western Australia et cetera, there is always going to be a cohort in our society that are exposed to this or vulnerable to this, and we have to make sure that there are protections in place. One of the discussions that we have had was around that \$1,000 payment that we introduced. Again, there are other facilities that Ms Donnelly has referred to.

**Mr DAVID SHOEBRIDGE:** Are there any moves afoot to consider whether or not the scheme could afford a decent termination payment that would provide these workers with at least some dignity—enough to pay off their credit card debt, enough to get themselves onto a fresh track because \$1,000 is derisory, Minister, and inadequate. Do you agree?

**Mr VICTOR DOMINELLO:** That was the figure that we put forward. In direct answer to your question, Mr Shoebridge, no there is not. The big review that we are undertaking, as you are aware, was a review that I committed to. We are progressing it through in relation to harmonisation, if you will, in relation to the process around the statutory schemes of workers compensation and green slips.

**Mr DAVID SHOEBRIDGE:** Minister, you would be aware that there are a number of quite catastrophically injured workers who, whilst they have very real physical injuries, wish to take care of themselves and make their own decisions about their future medical treatments. But there are no exit options for the medical benefit fund of the scheme. One of the key principles about dealing with injury is providing autonomy where it is appropriate. Will you review that and provide a gateway to allow catastrophically injured workers to get an exit payment and manage their own medical benefits?

**Mr VICTOR DOMINELLO:** I have indicated publicly before that I am happy to look into that. I just say this with a high degree of caution. I am happy to have a review into it but all of us have to be aware of how fast technology is moving and how fast new ways are coming in that really provide great benefit and relief to those who are catastrophically injured.

**Mr DAVID SHOEBRIDGE:** Minister, these injured workers are saying that they want to make the decisions for themselves. They are not infants. They are not children. They have had a catastrophic injury. If they are being fully advised and they take on board the risk, isn't it time we stopped treating them like infants and allowed them to have that autonomy?

**Mr VICTOR DOMINELLO:** Again, Mr Shoebridge, I have indicated publicly before that I am happy to have a look into it. But, again, we need to be very careful to make sure that they are fully advised and they understand the risk. Somebody taking \$1 million today on the basis that a spinal fusion is the best option might be selling themselves very short if, in five years' time, technology changes and it is going to cost a whole lot more money—

**Mr DAVID SHOEBRIDGE:** They may be, Minister, but I am a kind of left-wing, green politician, normally of the view and—

**Mr VICTOR DOMINELLO:** I never saw that.

**Mr DAVID SHOEBRIDGE:** —criticised often for supporting the nanny State. You come from the Right of politics, often wanting to have autonomy for individuals. We have an instance here where I think the interests of the injured workers and autonomy should be prioritised. They can make these decisions for themselves if they are fully informed and have appropriate legal advice.

**Mr VICTOR DOMINELLO:** Again, fully informed and appropriate legal advice. I am, equally, somebody who spends a lot of time looking at technology and what is on the horizon and what is changing. The breadth and the pace of change is profound. So all policy-makers have to be careful that, even with the best advice and with the best information about risk, that we tread carefully in this area, because you do not want to short-change somebody, particularly in relation to medical advancement.

**Mr DAVID SHOEBRIDGE:** Minister, I know you are open to it. You have indicated you are open to it. Have you sought advice from SIRA about what kinds of mechanisms would be appropriate to allow that to happen?

**Mr VICTOR DOMINELLO:** My view is that as we are conducting this broader review in relation to the harmonisation around the statutory schemes, it would be appropriate to look at it holistically there.

**Mr DAVID SHOEBRIDGE:** Speaking about the harmonisation of the schemes, one of the elements in the current motor accident scheme that pretty much every stakeholder thinks works well, should be retained and should be respected in the reform is the Claims Assessment and Resolution Service [CARS] process. Will you commit now to effectively keeping the CARS process as it is, basically to a plug-and-play on CARS, do not dismantle it but keep that working?

**Mr VICTOR DOMINELLO:** I agree with you. I adopt that characterisation that it is working well, and people respect and appreciate that. I do not want to pre-commit to something in terms of scheme design until the review is completed, but I do accept the characterisation.

**Mr DAVID SHOEBRIDGE:** The Dore report was provided to the SIRA board at the end of last month, is that right?

**Ms DONNELLY:** Minister, it may be better if I answer those questions because it is in fact my review that I have commissioned.

**Mr DAVID SHOEBRIDGE:** I am comfortable if you want to refer it to Ms Donnelly.

**Mr VICTOR DOMINELLO:** Yes.

**Ms DONNELLY:** Ms Dore presented to the SIRA board some preliminary findings. At the last meeting her report was not at that point complete. She now has a draft report, which we are preparing to provide to icare for an opportunity to comment and her final report will be going to the SIRA board in October. I have undertaken that it will be published by the end of the year.

**Mr DAVID SHOEBRIDGE:** Thank you for that clarification. Minister, I have these two extraordinarily compendious documents, one called Safe Design and the other called DFSI WHS Framework, which I am told was produced for the department to seek to comply with its work, health safety obligations at a cost of \$250,000. They were produced in March of last year. Have they been put into effect and have they been operationalised?

**Mr VICTOR DOMINELLO:** Can I take that on notice, Mr Shoebridge?

**Mr DAVID SHOEBRIDGE:** Mr King? I am happy for you to have them. I just cannot pass them to you.

**The Hon. CATHERINE CUSACK:** I hope you printed that double-sided, David.

**Mr DAVID SHOEBRIDGE:** You will be pleased to know I got them from somebody else.

**The Hon. CATHERINE CUSACK:** Is it double-sided printed?

**Mr DAVID SHOEBRIDGE:** You can have a look for yourself, Madam Parliamentary Secretary.

**The Hon. MARK BANASIAK:** He planted some trees on the weekend to make up for it.

**Mr KING:** Mr Shoebridge, thanks for that help.

**Mr DAVID SHOEBRIDGE:** But I agree, part of the Amazon is potentially at risk as a result of that. You would hope at least it has been operationalised. Did it cost \$250,000? Has it been operationalised, and when will it happen?

**Mr KING:** The first thing—you probably will not like this answer—but obviously this predates me, so you have to just take that as accepted. What I will do is, I will have a look at this. Can I have these documents?

**Mr DAVID SHOEBRIDGE:** Yes, provided they come back to me.

**Mr KING:** All right, that is fair enough. Then I can give you an answer in terms of where things are at.

**Mr DAVID SHOEBRIDGE:** And maybe we get an answer this afternoon.

**Mr KING:** And this afternoon we can have more of a discussion.

**The CHAIR:** That bring us to the end of the morning session. Thank you very much Minister and Ms Cusack. You will not be required for the afternoon sessions, but the departmental officials will be.

**(The Minister and the Parliamentary withdrew.)**

**(Luncheon adjournment)**

**The CHAIR:** Thank you. We are going to start straightaway with the Opposition.

**The Hon. DANIEL MOOKHEY:** Thank you Chair and thank you officials for your return this afternoon. Can I just through you, Mr Secretary, to Ms Donnelly just resume our conversation about workers compensation if that is possible? We started to identify some of the outcomes for some of the people who have lost benefits under section 39B. But I would just like to be a bit more thorough about it. Just confirming from last year, SIRA is still maintaining its tracking system of post-section 39B outcomes. Is that correct?

**Ms DONNELLY:** We had attempted to track people. I did, yes, talk to you at some previous hearing, whichever one it was, about the tracking that we were doing.

**The Hon. DANIEL MOOKHEY:** Last year.

**Ms DONNELLY:** We did pick a sample of workers and try to track them. We found that around a third did not want to disclose and did not want us to be doing that. So that presented for us some questions about whether it was in their best interests and whether we should pursue it, so we are not following up peoples outcomes in that particular way. But we do have some other work underway longitudinally. It moves back to the space of understanding impact in terms of people's wellbeing and the issues of self-harm.

**The Hon. DANIEL MOOKHEY:** But to the extent to which there was a monitoring system in place, it has now ceased. When did that happen?

**Ms DONNELLY:** We were only able to monitor up to a certain point last year and then we determined that we were not getting people wanting to participate and disclose their information. We are not able to access information from Centrelink as to that. Perhaps if you could let me know what it is that you are interested in knowing in terms of outcomes, and I can tell you what we do know.

**The Hon. DANIEL MOOKHEY:** You have a remarkably prescient way of judging what I want to ask you next. I was going to ask you how many of them have actually found employment? How many of them have ended up on the Disability Support Pension? How many of them have you not been able to identify any source of income for, so they are neither on the Disability Support Pension or have any other source of income? How many others are you aware of who may or may not be homeless? They are the four specific points of information.

**Ms DONNELLY:** I am happy to take on notice what I cannot answer with that. But certainly from the work that we did do with that cohort that we followed up, we understood that about 29 per cent or 30 per cent were receiving some form of benefit. At the time that we followed up, there was about 8 per cent who had been declined and about 12 per cent who were still pending a determination from Centrelink. There were 18 per cent whose asset levels precluded them from receiving other benefits.

**The Hon. DANIEL MOOKHEY:** Sorry, only so that data is meaningful, do you know precisely when you stopped the point of collection?

**Ms DONNELLY:** I might take that on notice and let you know. I do not have that with me.

**The Hon. DANIEL MOOKHEY:** Do you have any further information about the outcomes of section 39 workers that you would like to share with us in any respect?

**Ms DONNELLY:** One thing I was going to touch on there, I did also mention in previous inquiries that we were monitoring more broadly wellbeing outcomes, particularly given the risk of self-harm and our awareness of people being at risk. What we did do was compare rates of death with a comparison group from workers compensation claimants from 2002 to 2012 for those who were long-term and also looking at the more general

population, although there are questions about whether this group of people would be representative of the population. The available data to date does not show that there is a higher rate. In fact, it is a lower rate. But it is a small sample and a short time period, and we have been hampered by there not being longitudinal data routinely available in other jurisdictions. We have had that work reviewed and some advice from Monash University. So we have subsequently commissioned the Insurance Work and Health Research Group at Monash University under Professor Alex Collie to undertake some further work. So we will continue to undertake longitudinal data.

**The Hon. DANIEL MOOKHEY:** On notice can we get the other information on the longitudinal study that you have, if that is possible?

**Ms DONNELLY:** Yes, I can provide some information.

**The Hon. DANIEL MOOKHEY:** Thank you very much. Has SIRA undertaken any investigation into icare in the past 12 months?

**Ms DONNELLY:** Yes, quite a bit of activity in that area and you—

**The Hon. DANIEL MOOKHEY:** Actually, before I get there, yesterday SIRA issued a State insurance workers compensation regulation bulletin, is that correct?

**Ms DONNELLY:** Yes.

**The Hon. DANIEL MOOKHEY:** In that you listed for the first time, the enforcement activity that you have undertaken by insurer?

**Ms DONNELLY:** Yes.

**The Hon. DANIEL MOOKHEY:** That is correct?

**Ms DONNELLY:** Yes.

**The Hon. DANIEL MOOKHEY:** Is it possible that you could table that for the committee so therefore we do not have to go through it?

**Ms DONNELLY:** I am happy to table it. I only have one copy with me, which I have scribbled on, but I can get a copy.

**The Hon. DANIEL MOOKHEY:** It just saves us from having to ask you point by point, and I noticed that it came out yesterday, and we can just go straight to icare after that, if that is possible.

**Ms DONNELLY:** Certainly I will see what my team can do to get a copy.

**The Hon. DANIEL MOOKHEY:** The committee staff can photocopy it for you, if you like.

**Ms DONNELLY:** I might have a team member who can get that.

**The Hon. DANIEL MOOKHEY:** We can leave them to sort out, if it is possible.

**Ms DONNELLY:** You are quite right, we have begun publishing that information. In SIRA's short history our building regulatory frameworks where they did not exist, then implementing them and then more recently listening to community expectations, listening to things like the Hayne royal commission and the Australian Prudential Regulation Authority [APRA] Capability Review and seeing that people want to see what you are doing.

**The Hon. DANIEL MOOKHEY:** I must say, I think the Law and Justice Committee has been talking about that as well.

**Ms DONNELLY:** So we have been hearing that, so we will be reporting regularly, starting from this financial year, on our enforcement activity.

**The Hon. DANIEL MOOKHEY:** So let us go back to the icare issue. Have you undertaken any investigations into icare in the past 12 months?

**Ms DONNELLY:** I have, yes.

**The Hon. DANIEL MOOKHEY:** What was the subject matter of those investigations?

**Ms DONNELLY:** There is a range of activities. The largest is a comprehensive compliance and performance review, which I commissioned, of the Nominal Insurer managed by icare—so that is the workers compensation for the private sector business.

**The Hon. DANIEL MOOKHEY:** When did you do that, Ms Donnelly?

**Ms DONNELLY:** I had concerns around some of the information I was receiving and data I was seeing from our regulatory activities. I wanted to shine a light on those and understand what would need to be done about them. The key ones were, I had concerns about the performance of Return to Work. I had some concerns that there were some data quality issues—again related to Return to Work—which meant that it was difficult to understand the true performance, and data quality is very important in understanding whether the system is performing well. There were some representations made to me from stakeholders, and some complaints and some analysis that we undertook from our regulatory activities that raised concerns about whether premiums were being administered in a transparent and consistent way, and were compliant. In particular, also concerns that there was the right level of early help being given to injured workers to assist recovery. Now, those objectives of fair premiums, early help to get people back to work and achieving good return to work are key to the performance of the workers compensation system.

**The Hon. DANIEL MOOKHEY:** I might ask you a couple of quick questions in succession, if it is possible, just to move through this. When did you commission that review?

**Ms DONNELLY:** I advised icare in December last year that I would be commissioning that review, had a very clear process of providing terms of reference to them and having them have the opportunity to comment. The review commenced in February this year.

**The Hon. DANIEL MOOKHEY:** Has it completed?

**Ms DONNELLY:** It has not completed. I expect the final report in October and I have committed to publishing it by the end of the year.

**The Hon. DANIEL MOOKHEY:** Can you give me the title of it again?

**Ms DONNELLY:** I am sorry?

**The Hon. DANIEL MOOKHEY:** It is a comprehensive—

**Ms DONNELLY:** It is a compliance and performance review. It is a tool that SIRA will be using in future. It really reflects some of those findings from things like the APRA Capability Review that you would not just do focused audits on a particular problem, but you look at the whole governance culture, accountability—the whole system of an entity.

**The Hon. DANIEL MOOKHEY:** Ms Donnelly, is it possible that we could get the terms of reference tabled?

**Ms DONNELLY:** I can do that too. Yes, happy to.

**The Hon. DANIEL MOOKHEY:** That would be very helpful. Who is conducting it?

**Ms DONNELLY:** It is being undertaken by an independent reviewer, Ms Janet Gore, supported by independent actuaries Ernst & Young—EY—and also a team of authorised officials from SIRA.

**The Hon. DANIEL MOOKHEY:** Is that covering off any investigation into EML as the nominal insurance agent?

**Ms DONNELLY:** It covers the scheme agents who are providing services for the Nominal Insurer, including EML.

**The Hon. DANIEL MOOKHEY:** Is that the only investigation that SIRA is currently embarked upon with EML?

**Ms DONNELLY:** No.

**The Hon. DANIEL MOOKHEY:** What other investigations have you embarked upon with EML?

**Ms DONNELLY:** We have reserved the right to conduct our normal regulatory activities as well.

**The Hon. DANIEL MOOKHEY:** I would hope so.

**Ms DONNELLY:** We have clearly and formally made that very clear. There have been audits that we have undertaken in other matters. One area is around the issue of data quality, where we have issued directions to icare that the Nominal Insurer return-to-work data needed to be rectified by 31 July. We have also undertaken audits of medical service cost and utilisation and identified that there are some areas where fees above the gazetted fees are being paid to medical providers and also some duplicates.

**The Hon. DANIEL MOOKHEY:** Just to interrupt you there, understanding that these are what you are doing with EML—

**Ms DONNELLY:** These are actually with the Nominal Insurer more broadly, but including EML.

**The Hon. DANIEL MOOKHEY:** I am asking specifically about EML, but the question applies as well. Given that you have got these concerns, why is a similar exercise not being contemplated with the Treasury Managed Fund, given that the Treasury Managed Fund is also managed by icare and given that the Treasury Managed Fund also utilises EML as its principal agent as well?

**Mr KING:** On some of that, we have also got to be clear about what we cover versus what Treasury covers as well.

**The Hon. DANIEL MOOKHEY:** Sure, but SIRA regulates—

**Mr KING:** Can I also say that the terms of reference—correct me if I am wrong on this—are on the website.

**Ms DONNELLY:** The terms of reference have been on the website since February.

**Mr KING:** I just wanted to let you know on that.

**Ms DONNELLY:** The Treasury Managed Fund—Mr King is correct—we also do regulate. This was based on where we thought the priority was to undertake this review. What I expect that we will do is each year we will identify where, amongst the insurers that we supervise across the schemes that we supervise, we would do a similar exercise each year.

**The Hon. DANIEL MOOKHEY:** That does sound similar to the recommendations made to APRA.

**Ms DONNELLY:** Absolutely in line with that.

**The Hon. DANIEL MOOKHEY:** On notice, can we get a list of all the investigations that you have currently embarked upon?

**Ms DONNELLY:** Certainly.

**The Hon. DANIEL MOOKHEY:** Thank you. Are you aware of any instances where employers have requested insurers to decline workers compensation claims by providing false or misleading evidence?

**Ms DONNELLY:** Could you repeat that?

**The Hon. DANIEL MOOKHEY:** Where employers have requested an insurer or their scheme agents to decline workers compensation claims on the basis of false or misleading evidence.

**Ms DONNELLY:** I am aware that there will be—speaking quite generally, there would be times when an employer might form a view and might have a discussion with an insurer that they believed that there might be some exaggeration or fraud in a claim. That is a general awareness that that will happen a proportion of the time.

**The Hon. DANIEL MOOKHEY:** I want to talk specifically about one specific matter that has come to our attention, and that is correctional officers—Corrective Services NSW, therefore—and it involves icare as the Nominal Insurer. To be fair, I am not making any criticisms of icare here, because the information is they are the people who this lands on. But a report was received by icare in the first half of this year. It said that they commissioned KPMG to undertake an investigation into claims that correctional officers had their claims refused on the basis of misleading evidence provided by their employer. KPMG investigated and the report was received by icare in the first half of 2018. The report says it supported the allegation that QBE managed the claim based on the direction of the employer and that the employer altered evidence or provided two versions of the same document. That evidence held on file did not support the sound rationale for the claims and that was the basis on which the insurer then made the decisions. That is, icare effectively substantiated the complaints of the workers, which is they did not get what they were owed on the basis of their employer engaging in misleading and deceptive activity, effectively. Has this come to SIRA's attention?

**Ms DONNELLY:** It may have come to the attention of my officers. I am not familiar with the matter, but I am happy to take that on notice.

**The Hon. DANIEL MOOKHEY:** Were you provided with that report by icare or any disclosure?

**Ms DONNELLY:** I am happy to check, but I do not know the answer to that question right now.

**The Hon. DANIEL MOOKHEY:** To the extent to which you know, did SIRA take any action with icare with respect to this?

**Ms DONNELLY:** I would need to check that as well.

**The Hon. DANIEL MOOKHEY:** Additional information that is contained says that QBE's solicitor met with the employer and as a result of that there is certainly some implication that there was an additional variation to the statement which resulted in misleading or deceptive claims being made. Has any of that been investigated as to whether or not there was anybody else involved in this?

**Ms DONNELLY:** I would have to take on notice and find out for you. I am not able to answer yet, but I am happy to take it on notice.

**The Hon. DANIEL MOOKHEY:** Is it possible that perhaps by 5.00 p.m. you might be in a position to provide us with any information on this matter? I might then just come back to the questions if it is, because if it is the case that you know nothing about it, we will have to put all of these on notice.

**Ms DONNELLY:** I know if my team are listening and someone is able to brief me, then we will attempt to do that. If not, I will take it on notice.

**The Hon. DANIEL MOOKHEY:** Let's talk about pre-injury average weekly earnings [PIAWE]. Is that new definition in place yet?

**Ms DONNELLY:** The new definition, I am at liberty to say, has been completed. The work has been completed. There is a regulation that has been approved by the Minister. The guidance material has been approved by the SIRA board. We are really just waiting on the machinery of government before it will then commence.

**The Hon. DANIEL MOOKHEY:** When was the regulation agreed to by the Minister?

**Ms DONNELLY:** Only recently. I do not have the exact date.

**The Hon. DANIEL MOOKHEY:** In the last month?

**Ms DONNELLY:** It might have been in the last month.

**The Hon. DANIEL MOOKHEY:** Ms Donnelly, given that we have gone around this roundabout multiple times in multiple forums, I am sure you recall SIRA's view at the end of last year that it would be operational by the start of this year or thereabouts.

**Ms DONNELLY:** I recall that it was certainly my desire to have it implemented as soon as possible. I thought you might ask.

**The Hon. DANIEL MOOKHEY:** I thought you would anticipate it. What are the reasons for why we have waited nine months?

**Ms DONNELLY:** Actually, I ended up being talked into allowing more time. We had a very constructive reference group from business, unions, the Workers Compensation Independent Review Office [WIRO], icare and a number of other parties, including the Australian Lawyers Alliance, the Bar Association and the Law Society. The view that came back to me was that it would need a bit more time to get it right. What I have seen is feedback that that consultation process has landed a solution that all the parties are supportive of, that training is already commencing in preparation and that the sense from the stakeholders was, "It's been a problem that has been there for a long time. Let's make sure that it is actually satisfactorily resolved."

**The Hon. DANIEL MOOKHEY:** I am not sure that I necessarily agree with all that, but I will not contest it here because I have got limited time. Is the claims administration manual now in force?

**Ms DONNELLY:** Absolutely. The standards of practice—and I do have a copy of that here—were issued—

**The Hon. DANIEL MOOKHEY:** I do want to call you there, because standards of practice are different to the claims administration manual.

**Ms DONNELLY:** Very early on in the document it does explain that it is a document issued as the claims administration manual under the appropriate section of the legislation.

**The Hon. DANIEL MOOKHEY:** We find ourselves, then, in a scenario where we have other people coming here and saying to us that the claims administration manual is not in effect. In fact, when I put this question to icare as the Nominal Insurer two weeks ago, that was their evidence.

**Ms DONNELLY:** And Mr Nagle came back and corrected himself.

**The Hon. DANIEL MOOKHEY:** He came back and said the support directions were in place. There is a difference.

**Ms DONNELLY:** No, I am sorry. I did look at his transcript and he came back and corrected himself and then said that he did not believe there was a difference between standards of practice and the claims administration manual. icare were one of the stakeholders that we listened to who were not very supportive of the idea of calling it a claims administration manual and making it sound like an old-fashioned manual, and so we responded to that.

**The Hon. DANIEL MOOKHEY:** Does it have the same legal effect?

**Ms DONNELLY:** It has the same legal effect.

**The Hon. DANIEL MOOKHEY:** Is it enforceable in every respect?

**Ms DONNELLY:** In the same way, yes. It is issued under, I believe, section 192 of the Act and it is enforceable in the same way. Not only that, we now have an online tool that makes it very easy to find, that you can find from the first page of our website.

**The Hon. DANIEL MOOKHEY:** You say that has now been in effect since January?

**Ms DONNELLY:** It has been in effect since January.

**The Hon. DANIEL MOOKHEY:** Therefore, the new surveillance standard—

**Ms DONNELLY:** The new surveillance standard has been in effect since 1 January.

**The Hon. DANIEL MOOKHEY:** Do you have the data as to how many surveillance requests are coming through the schemes, excluding the Nominal Insurer, given that we got the Nominal Insurer two weeks ago?

**Ms DONNELLY:** I know the Nominal Insurer is going to give you their data. I do know that the—

**The Hon. DANIEL MOOKHEY:** Allianz specific, how many requests for surveillance, given that Allianz came under severe criticism in the Hayne royal commission for their use of surveillance practices? How many approvals have been given for Allianz, excluding the Nominal Insurer? Do you have that data with you?

**Ms DONNELLY:** I am happy to take that on notice but I understand that the numbers are extremely small.

**The Hon. DANIEL MOOKHEY:** If you could take that on notice. In fact, on notice can we get the surveillance figures for everybody that you have?

**Ms DONNELLY:** I will give you the data, yes.

**The Hon. MARK BANASIAK:** Just sticking with you, Ms Donnelly. I asked this question in Transport budget estimates but they referred me to you. Taxi versus Uber green slips, can you explain to me why taxidrivars are paying at the moment six to eight times more than Uber drivers are, which has been reported to me? I think it was originally about 12 times more but now it has dropped a little bit. But still, considering they are delivering the same service—

**Ms DONNELLY:** I certainly can. Would you mind waiting while I try and find my notes on that?

**The Hon. MARK BANASIAK:** Yes, sure.

**Ms DONNELLY:** I will say that we have worked very hard consulting with both taxi operators and taxidrivars and rideshare in this space for a number of years—I am sorry, I am having trouble finding my note but let me just go with it. There has certainly been a significant improvement in the price of compulsory third party [CTP] for taxi operators and there is a move to premiums being charged on a distance basis, on a kilometre basis, which was desired.

**The Hon. MARK BANASIAK:** For rideshare?

**Ms DONNELLY:** For both. There is still work underway to ascertain whether in fact the risk is the same and a fair price for risk is the same. I think there is also an acknowledgement that there are some features of the taxi model that are not the same as rideshare, like the hail and ride, and taxi rank operation.

**The Hon. MARK BANASIAK:** That was about the only thing that they did tell me was different. I listed an extensive probably two-page list of requirements that taxidrivars have to go through that you would argue would mitigate that risk compared to rideshare that do not have those mitigating factors.

**Ms DONNELLY:** I know. I have engaged with taxidrivars, spoken at conferences, engaged with rideshare. I understand there are diverse views on this. We continue to work in this space. What we have in place now is an interim solution to do what we can to have a level playing field and we are actively consulting to come

up with a next generation of how we would have fair price for risk from December 2020, so that is a work in progress. There may be some other information that I can provide to you on notice.

**The Hon. MARK BANASIAK:** That would be great, thank you. Does SIRA receive data from the various insurance companies like icare, EML and Allianz—

**Ms DONNELLY:** Yes.

**The Hon. MARK BANASIAK:** —in terms of the types of claims they are receiving, what has been accepted and what has not?

**Ms DONNELLY:** Yes, we do.

**The Hon. MARK BANASIAK:** You might be able to provide this on notice. Would you be able to provide the data on psychological injury claims for the last three years?

**Ms DONNELLY:** Are you interested in all kinds of workers? I can most certainly do that.

**The Hon. MARK BANASIAK:** Yes, how many claims were accepted versus how many were denied, is that possible?

**Ms DONNELLY:** Yes, I am happy to do that. I will also point out that we have an open data portal on our website. You can search that information as well. I am not saying that we will make you do that but it is available.

**The Hon. MARK BANASIAK:** In terms of claims and claims processing, are you aware that companies like icare and EML are essentially given seven days for a claims officer to investigate the claim, contact all the employers and employees and gather any evidence that they need before they can make a decision? They have got seven days and after that seven days it is provisionally accepted and that means essentially we are footing the bill for medical expenses for people who may later down the track be declined? Are you aware that there is that short time frame?

**Ms DONNELLY:** I am most certainly aware. My job is to administer the legislation and that is a requirement under section 267 of the Workplace Injury Management and Workers Compensation Act. Actually, to reflect back to Mr Mookhey's question, PIAWI was an important factor there. No matter how many different views there might be about what a worker's entitlement was, the pre-eminent obligation was the legislation, which requires a decision and commencement of payment within seven days. That can be on a provisional basis and there can be further investigations after that but the intent of the law is very clear.

**The Hon. MARK BANASIAK:** You have that provisional acceptance. That means that until there is a declinature, there are payments being made for medical expenses and those medical expenses cannot be recouped if there is a declinature down the line, is that correct?

**Ms DONNELLY:** Partially correct. I would say that the objective of the system is not to work towards a declinature; it is to work towards recovery and return to work.

**The Hon. MARK BANASIAK:** Many of the people I have spoken to in the industry have said that the needle has swung in the opposite direction; that there is more acceptance than there is declinature. Do you think that seven days is adequate?

**Ms DONNELLY:** No, I have heard that. There are a couple of questions there. I have certainly heard that feedback as well. In the compliance and performance review that we were talking about before we have had over 150 submissions and I am working my way through reading them. I have had my team go through them thoroughly and obviously Ms Dore, the independent reviewer, has been considering them. There is a flavour of a need for earlier assessments' support but also making sure that the right support and the right response is there when there is a claim and there are concerns that are raised by employers. I have certainly heard those and they are part of the scope of that review.

**The Hon. MARK BANASIAK:** From the feedback that you have received, has any of it been around that seven to eight day time period not being long enough for someone working in claims to make an accurate enough decision about whether or not a claim will be accepted?

**Ms DONNELLY:** I am not in a position to be definitive about whether any of it has been that but what I can say is that more of it has been about the importance of those payments commencing appropriately. There are concerns about what happens when an employer keeps paying a worker their usual salary and when there is an acceptance of a workers compensation claim there has been an overpayment and that has to be recouped, so there are a number of issues around that space. As it stands, my focus and my responsibility are on administering the law as it stands, and that is a strong legal requirement.

**The Hon. MARK BANASIAK:** Just going back to the claims in terms of psychological injuries, do you have the data from Allianz?

**Ms DONNELLY:** We would have the data from every provider in the system.

**The Hon. MARK BANASIAK:** Okay. Would you be able to drill down deep enough in terms of particular industries or government departments? I know that Allianz deals with a lot of government departments.

**Ms DONNELLY:** Absolutely, yes.

**The Hon. MARK BANASIAK:** Would you be able to come back to us on notice with how many psychological injuries have occurred from the Department of Education over that three-year period?

**Ms DONNELLY:** Yes, we would have that data.

**The Hon. MARK BANASIAK:** Thank you very much.

**Ms CATE FAEHRMANN:** I want to ask questions in relation to the review this year of the gaming machines regulation. Is that to you, Ms Mann?

**Ms MANN:** Yes.

**Ms CATE FAEHRMANN:** I have some questions particularly around the consultation process. I understand the draft regulations were on public exhibition from 19 June to 27 July, is that correct?

**Ms MANN:** Yes, it is.

**Ms CATE FAEHRMANN:** That is 25 days. Were there any public hearings around this regulation considering it was 10 years old? What kind of extensive consultations took place?

**Ms MANN:** In relation to the consultations, we are consistently speaking with stakeholders. We maintain a list that runs over sometimes years in terms of the concerns that stakeholders have in relation to the regulations, so we certainly draw upon that list. We have regular engagement with stakeholders on these issues. In terms of public forums, that is not normally the way that we would operate the process, but certainly there has been significant engagement with our stakeholders.

**The CHAIR:** Yes. The review of regulation into gaming machines would attract considerable public interest because it is an area that quite a few individuals are interested in, not just organisations. I have the consultation report in front of me and it says that invitations were extended to a number of organisations. It says that Liquor & Gaming NSW proactively sought comment from stakeholders via email. Would you be able to table for the committee those emails? I have been notified that at least one of those stakeholders suggested that they did not receive an invitation to proactively comment by email.

**Ms MANN:** I am happy to table those. Yes, absolutely.

**The CHAIR:** When the report says that Liquor & Gaming NSW ran targeted consultation with the industry, health and government stakeholders, what does that "targeted consultation" mean?

**Ms MANN:** It can mean different things.

**The CHAIR:** In this particular circumstance with this regulation.

**Ms MANN:** I would have to speak to the team that ran the consultation process to give you the exact details of it, but obviously we are trying to elicit the broader stakeholder views on the issues. That might involve asking for written submissions. As you said, public exhibition has occurred. It might involve sitting down with stakeholders who have particular concerns and talking to them about those concerns. In relation to this one, I can absolutely get you the details of the consultation that occurred specifically.

**The CHAIR:** And did ILGA meet with any particular stakeholders from industry or health in relation to the draft regulations before they were placed on public exhibition?

**Ms MANN:** Sorry, is the question around whether ILGA did that or whether Liquor & Gaming did that?

**The CHAIR:** Liquor & Gaming, sorry.

**Ms MANN:** Again, I would have to get the specific details for you. It is usually our practice that we would consult with our Government colleagues that have an interest in the space in developing the draft regulation, so I would imagine that that would have happened. But I am happy to provide the details.

**The CHAIR:** If you could provide that on notice in terms of everybody who was consulted on the draft regulation before it was put on public exhibition—that means every organisation—that would be good.

**Ms MANN:** Of course.

**The CHAIR:** In terms of the changes, they were reasonably minor, you would agree?

**Ms MANN:** Yes.

**The CHAIR:** For example, one of the changes was to remove wall clocks from gambling rooms. Do you know what evidence was relied upon for that particular change?

**Ms MANN:** Again, I would have to take that on notice, but what I can say is that most people have their mobile phones now and use that to check the time. It is very rare that people rely on clocks, although there is one at the back of this room that I can see. But I am sure that very few people in this room would be relying upon it.

**The Hon. SHAYNE MALLARD:** I look at it all the time. Our eyes are stuck to it all the time, don't you worry.

**The CHAIR:** We all do.

**Ms MANN:** Oh, you are? Okay. There you go. So I am wrong in this case, but I do know that in the venues we are speaking of people would ordinarily not be relying on clocks.

**The CHAIR:** What is the evidence?

**Ms MANN:** In terms of the evidence, I will get you that information in terms of what was relied upon.

**The CHAIR:** Yes. The organisations that are concerned with a focus on reducing gambling harm, or at least the submissions I have read relating to the regulations, all suggest that those clocks should be maintained in gambling rooms and the cost of doing so, considering they are already there, of course, is minor. They suggested to keep the clocks there.

**Ms MANN:** Again, I will take that on notice.

**The CHAIR:** All right. I also note with the regulations that it was suggested that there is something called "threshold increase" applications. Are you aware of what that is when clubs wish to increase the number of poker machines?

**Ms MANN:** Yes, I am.

**The CHAIR:** There was a role for the NSW Council of Social Service [NCOSS].

**Ms MANN:** Yes.

**The CHAIR:** But that role has been removed. Is there another organisation that has replaced NCOSS as providing what NCOSS provided in the previous regulations?

**Ms MANN:** In relation to that point, I had personal approaches from NCOSS, which had said to me that it was not properly equipped or resourced to be able to make those submissions and responses. It was concerned that it had that role ostensibly in the regulatory framework, but actually was not in a position to be able to meaningfully contribute. I listened to those concerns. I have had several meetings with senior people at NCOSS about that issue. What we decided was around the local government being able to reach out to the services in that area and being able to provide some of that feedback that NCOSS would otherwise have provided.

**The CHAIR:** Why did the department not look at resourcing NCOSS to provide this critical service? When you read its submission, it is not saying that it does not want to continue providing the service, as you did just say then. It was a matter of resources. Why would the department not ensure that a not-for-profit, which is the point it makes, is resourced enough to be able to provide that service?

**Ms MANN:** What I am referring to is the conversations and the meetings that I had with NCOSS. At those meetings we reached an agreement that, even with resourcing, it was probably not in a position to be able to have spread across the State to be able to meaningfully provide comments, as it was required to under the framework. In terms of resourcing, there is another role that NCOSS has in terms of club grants, where I have been advocating very strongly that it ought to be resourced and we should be looking at resourcing it in terms of that role. But in terms of this one we agreed, after much discussion, that it was probably better that it exited from the process.

**The CHAIR:** Its submission does say, "Without adequately funding the mechanisms in the regulation which provide the check and balance on the gaming industry in New South Wales, the regulation does not meet the objects of the Gaming Machine Act 2001 specifically to facilitate the balanced development in the public interest of the gaming industry." That was NCOSS' submission. NCOSS has specifically played a key role. It

pointed out that without adequately funding these, the objects of the Act are not met; yet the solution from the department is to remove NCOSS as opposed to adequately funding its involvement.

**Ms MANN:** All I can say, Ms Faehrmann, is that subsequent to that submission I have had meetings with NCOSS at which we have explored these issues and it was resolved—

**The CHAIR:** Was funding offered to NCOSS to continue its role?

**Ms MANN:** We did discuss whether funding might be one solution, yes. We did.

**The CHAIR:** How much funding would you have? Was it going to be adequate?

**Ms MANN:** We did not get into specifics of funding, but I think the issue is, as I understand it from NCOSS, that in some parts of the State they have NCOSS members who are able to assist and in other parts they do not. In terms of the spread and its ability, it thinks, to discharge its functions properly under that framework, it did not feel that that was a possibility.

**The CHAIR:** Let me get this straight: So now, instead of NCOSS, it is now local government or individual councils that are now commenting on a club's or a hotel's application to increase poker machines?

**Ms MANN:** It indeed goes further than that. The local councils are then able to nominate, for example, domestic violence services in the area or gambling help services in the area that can contribute to that process.

**The CHAIR:** Is that optional for them to do that?

**Ms MANN:** My understanding is—well, they get the invitation to do so and my understanding is that the intention is that they will do that. So, really, it was about getting to the local grassroots community, who understand the gaming machines and the problems in the area, and being able to get meaningful nuanced feedback.

**The CHAIR:** In relation to those local councils, though, you will understand that some local councils would not all have an urge, I suppose, to reduce gambling harm in their area like NCOSS would in terms of its objects. How many local councils, I suppose, would even make submissions, let alone have the resources, to reach out to organisations in the area? I am assuming that you are not funding local councils for this particular task, either.

**Ms MANN:** You would actually be surprised. Local councils are very, very active in the gambling space. In fact, there have been a couple of local councils that have actually—

**Ms CATE FAEHRMANN:** Some are.

**Ms MANN:** —developed policies in terms of gambling and trying to reduce gambling in their particular local government areas. Local councils are very active in the space, for the most part. It is certainly something that we are monitoring in terms of this change. The submissions from the NSW Council of Social Service [NCOSS] were of a very limited nature and quantity. There were only a small number of submissions that NCOSS was able to make for the reasons that I have described. Our hope is really that we are going to get a better view and vision of what the gambling harms are in the areas from those people in those areas.

**The Hon. PETER PRIMROSE:** Can I ask Mr King or any of your officers some questions again about digital driver licences [DDL] and the trial to date?

**Mr KING:** For sure.

**The Hon. PETER PRIMROSE:** Broadly, what if any security concerns have been identified in the trial so far?

**Mr KING:** Firstly though, Mr Primrose, coming back just generally, it has been rolled out in terms of pilots, as you know, in Dubbo, Bondi Junction and the cross-border and has been very successful to date. What that allows us to do is actually generate, firstly, the citizen experience, how the features actually work but also just test some of the other local conditions, which is important. The other part that the Minister spoke about this morning is it also allows us to see the capacity of the system generally. That is part of our general philosophy of rolling out new customer services. In particular, in terms of security amongst other components, what are we doing about protection? I will firstly hand over to the CEO of Service NSW, Mr Rees, and then we will also get Mr Wells who runs IT for the sector.

**Mr REES:** Thanks for the question. I think with any licence there are a number of inherent risks. The focus for the digital driver licence program has been making sure we protect people's personal information, making sure we protect people's privacy, making sure the system is stable and available when people need it and that inherent risk that we see with plastic licences, which is that people attempt to reproduce them. They are sort of the key areas that we have been focusing on. Your question earlier around the driver for extending the timeline

here, we have laid an additional set of assurances, checks and balances and independent inspection to make sure that we understand those things well.

**The Hon. PETER PRIMROSE:** Okay, so the reasons for the delay were related to concerns about security?

**Mr REES:** No, they were related to additional levels of assurance that we put across the program to make sure that when we took it out across the rest of the State that the experience was—

**The Hon. PETER PRIMROSE:** People such as me would interpret that to mean that you were putting extra layers of—as you say—"protection" in because of issues to do with security.

**Mr REES:** Extra levels of assurance. Extra checks and balances.

**The Hon. PETER PRIMROSE:** Let's not quibble about what that means. You only put extra levels of assurance in if you have concerns in relation to security, I presume.

**Mr REES:** The inherent nature of these projects is that security is very important. Privacy is very important. I think the layers of assurance are appropriate given the nature of the project.

**The Hon. PETER PRIMROSE:** Okay.

**Mr KING:** Would you like Mr Wells to also add, Mr Primrose?

**The Hon. PETER PRIMROSE:** Yes, please. I am interested in what are the—and I have got some specifics issues to raise in a moment. Thank you.

**Mr WELLS:** As Mr Rees said, I think what we have done is just tried to add layers of assurance over the process. That is what Cyber Security NSW does for a range of programs across the Government. The thing with cyber security is that it is not a point in time; it is an ongoing endeavour. You have got to be constantly vigilant about everything that comes up. Cyber Security NSW takes that approach. It looks at ongoing risks and sharing intelligence across the State. It looks at running exercises to make sure we are prepared for things that come up. It looks at building capability up generally across the sector—that is that role. In this case it has looked at that extra layer of assurance across the program. That is the role we have played in this case just to make sure that is in place. We did that for the pilot examples that went live last year. We are doing that again for the statewide rollout just to make sure everything is checked and balanced.

**The Hon. PETER PRIMROSE:** I think you can understand my concerns about the coyness of—I have asked the Minister and now I have asked you: Were concerns about security the reason for the delay of not bringing it in, as proposed, in August? You have now indicated that there were layers of extra security put on. I have reiterated a concern in relation to, okay, were there concerns about security and all I am picking up is a sense of coyness. I do not think anyone could quibble if you were saying, "We identified some concerns and we wanted to put extra layers of security in." That is not an unreasonable thing for you to do.

**Mr REES:** If I can just clarify, we are constantly looking at opportunities to enhance the security of the underlying product. Extra layers of assurance do not relate to the digital driver licence, they relate to arms-length inspections of the product and the way the project has been run to ensure that everything has been taken into account.

**The Hon. PETER PRIMROSE:** So again I will ask: Why the reason for the coyness? Why has it not been implemented when you said it would in August?

**Mr KING:** I think there are a number of things, though, Mr Primrose. What we have seen right across the board for anything you do around digital delivery—whether it is with us in Customer Service or any organisation, any sector—as Mr Wells and Mr Rees have said, it is constant in terms of looking at how you enhance your capability in service delivery, noting Mr Wells' point that it is never a point in time. It is constantly changing on an ongoing basis.

**The Hon. PETER PRIMROSE:** I appreciate that, but you said August.

**Mr KING:** Let me finish. That is the first point. The second point, though, is what we have done with the digital driver licence. We rolled it out in Dubbo to test it from a customer experience perspective. We rolled it out in Bondi Junction further, in terms of metro, and then we have done the cross-border. What we are now doing is actually saying, "Okay, what else do we need to do just to make sure we are match fit as we do the further rollouts?" When we talk about "match fit" it is not just about can you roll it out in August en masse at one point in time. We are thinking about the overall customer experience on an ongoing basis including, for example, what does it also look like when someone comes into a Service NSW centre and asks for the digital driver licence? We want to make sure we are ready from that perspective. So it is not—

**The Hon. PETER PRIMROSE:** I appreciate that. I still do not understand why you won't—you have set a date and now the date has not been met and I have simply asked why.

**Mr KING:** I suppose what we are saying to you is that in many ways we have already started the rollout.

**The Hon. DANIEL MOOKHEY:** Mr King, what are your protections for the take-up of the digital licence in the first 12 months?

**Mr KING:** Mr Rees can give you that.

**Mr REES:** From memory we are projecting potentially—we are basing our assumptions on a 12 per cent take-up. We have got some information through the pilot to inform us, but the pilot is only—

**The Hon. DANIEL MOOKHEY:** In the first 12 months that is?

**Mr REES:** Yes, that is right. But the pilot is only semi-representative of what we should expect across the broader public.

**The Hon. DANIEL MOOKHEY:** Do you maintain further projections beyond 12 months?

**Mr REES:** We have not at this point, no.

**The Hon. PETER PRIMROSE:** It will be opt in only, won't it?

**Mr REES:** It is. That is right.

**The Hon. PETER PRIMROSE:** A few days ago on 6 September the ABC produced an article about identity theft and driver licences. They quoted a security counsellor who said that, for criminals, the "driver's licence [is] the golden ticket for them". Would you agree that that also applies to digital driver licences?

**Mr REES:** I think the driver licence and the digital driver licence play a very important role when it comes to people's identity. That is the reason for the additional diligence, to make sure that we have got the security and the privacy right around the digital product.

**Mr KING:** We should just say though, Mr Primrose, what we are also finding is that with the card-based driver licence and many of the other sort of paper-based just generally, the risk of fraud—amongst other things—is also extremely high. If anything, this should actually provide even greater protection. If you look at, as an example, e-conveyancing—which, as you know, has gone from paper-based to now online and digital—the impact from a security perspective is better through that, rather than the old paper-based. We have just got to keep those things in context as well.

**The Hon. DANIEL MOOKHEY:** Do you maintain any data as to what reduction in fraud you are expecting as a result?

**Mr REES:** We have certainly got mechanisms to monitor any fraud around the DDL very, very closely. Through the course of the pilot there have been no identified examples of either fraud or personal data breach.

**Mr KING:** One of the other aspects is—coming back your earlier point, Mr Mookhey, about the take-up—whilst there is work in terms of what is the take-up in 12 months, we also have to take into account if we get extra take-up. What is the impact on our systems and our capacity from a popularity perspective? You will know, as Mr Primrose will know—not that we plan to go down this path—what we saw with the Census when they just put it online and we had the crash. They are the type of things we are trying to balance out at the same time.

**The Hon. PETER PRIMROSE:** Was Mr Tom Green the adviser in the Minister's office responsible for digital licensing?

**Mr KING:** I cannot answer that. That is before my day.

**The Hon. PETER PRIMROSE:** Do any of your officers know if Mr Tom Green was the adviser responsible? It is a simple question. Yes or no?

**Mr REES:** While I have been working at Service NSW, Mr Green was employed in that office as an adviser related to Service NSW.

**The Hon. DANIEL MOOKHEY:** As part of that portfolio, did that encompass the digital licence?

**Mr REES:** Yes.

**The Hon. PETER PRIMROSE:** Mr King, do you think it was appropriate that someone who had leaked the details of 192 drivers for political gain—

**The Hon. SHAYNE MALLARD:** Point of order: This is a misrepresentation of the evidence heard earlier today. The Minister said the matter had been investigated and the issue had been put to bed because it had been cleared. To say that Mr Green leaked information is to misinform the inquiry.

**The Hon. DANIEL MOOKHEY:** It is for the witness to answer the question as they see fit.

**The Hon. SHAYNE MALLARD:** The question is misrepresenting—

**The Hon. PETER PRIMROSE:** I am asking a question—

**The Hon. SHAYNE MALLARD:** People are entitled to due process under the rules of the estimates committees, including the people that you are talking about.

**The Hon. PETER PRIMROSE:** If people believe that they have been misrepresented that is fair. There is a citizen's right of reply. I am asking a question—

**The Hon. SHAYNE MALLARD:** You are misrepresenting Mr Green.

**The CHAIR:** Under procedural fairness rules there is a right for anybody who is mentioned and feels that they have been unfairly referred to to make a submission to the Committee and for us to hear that. I ask the member to be cautious in his questioning and to keep that in mind.

**The Hon. PETER PRIMROSE:** Thank you, Chair. Do you believe that it is appropriate for someone such as Mr Green to have been responsible for any involvement at all in the trials of the digital licence scheme?

**Mr KING:** Are you asking me?

**The Hon. PETER PRIMROSE:** I am asking any one of your officers, but through you, Mr King.

**Mr KING:** Firstly, let me just speak from my perspective. Mr Green's involvement with Service NSW predates me. I have only been in the role of Secretary of the Department of Customer Service from 1 July. That is the first point. The second point is that it is really not my place to give opinions on any of that stuff. It is all hypothetical, so I cannot answer it all.

**The Hon. PETER PRIMROSE:** Given Mr Green's involvement and, indeed, anyone else's involvement, my question to you all in relation to this matter is: What extra measures will be taken to ensure that the digital licences will remain safe and secure from identity thieves, hackers and people like Mr Green?

**The Hon. SHAYNE MALLARD:** Point of order: Again, it goes to due process. This is just slandering a person who is not here to defend himself. The Minister has said today that the matter has been investigated. The ICAC said that in reference to that staff member there is nothing further to be done. I do not think it is fair due process to lump him into that category.

**The Hon. PETER PRIMROSE:** I am asking a question—

**The Hon. SHAYNE MALLARD:** You lumped into a category of hackers—

**The Hon. PETER PRIMROSE:** Since when is this a matter for standing orders?

**The Hon. SHAYNE MALLARD:** Because you have responsibilities, as we have—

**The Hon. DANIEL MOOKHEY:** Can we ask the Chair to rule?

**The CHAIR:** Again, a citizen has the right to reply. I would prefer that we do not end up with the Committee having to receive letters and information from people who are trying to correct the record or clear their names. I ask that we be cautious in the questioning.

**The Hon. PETER PRIMROSE:** I am being cautious in my questioning. I put the question to Mr King and the other officers. What extra measures will be taken to ensure that these digital licences remain safe and secure?

**Mr KING:** Just so we are clear, on the question about what measures we are putting in place for protection from the cyber perspective and a hacking perspective, we can talk to that question. Again, Mr Rees might want to go first and then we can get Mr Wells to talk about broader cyber security. We can answer that part.

**Mr REES:** I think that is a great question. There are three elements to it. In the same way that the plastic licence has a set of visual identifiers to attempt to make it easy to identify a legitimate licence and difficult to clone a legitimate licence, there is an equivalent digital set of those identifiers. For example, the licence has a digital hologram on it. The second area we have focused on has been working with police. Police have a mechanism to check back against the core system of records with RMS to make sure that the information they are seeing is correct, in case they are not comfortable with what is being presented to them. Finally, the Service NSW

app where this licence sits has a mechanism through which you can scan a QR code to give you an additional level of confidence that the licence being presented is correct.

**Mr KING:** Mr Wells will add to that, but the other important part of this, and this comes back to the Chair's question earlier today, is that what we have seen—and we have just had some recent results come out—is that from a customer experience perspective, the more services you can get on digital the satisfaction of the service experience goes up quite dramatically. If you take one point in time it is good news. In 2012, generally the customer satisfaction score for New South Wales across the sector was around about 62 per cent to 63 per cent. In 2019 it is now at 80 per cent. That was shown through independent research. New South Wales is number one across all jurisdictions in Australia. On top of that, if I may say, because you asked earlier—

**The Hon. PETER PRIMROSE:** I know, but I particularly asked—

**Mr KING:** I know, but the reason I am answering this is because I do want to get this across. That important aspect is also about trust and getting things right from a service delivery perspective. That is why we take the time to make sure that we get it right. Security is an important part of that. I will now ask Mr Wells to comment.

**The Hon. PETER PRIMROSE:** Mr King as well as Mr Wells, since he is going to answer the question, this particular ABC article raised the issue of those whose identity has been compromised and their inability to change their driver licence number. Can you address that issue?

**Mr REES:** I think I should address that. That is a question that needs to be directed to Transport. The decisions and controls around the driver licence number and whether it can change over time sits with Roads and Maritime Services.

**Mr KING:** Which is broader than just cyber.

**The Hon. PETER PRIMROSE:** But you would agree that if the driver licence is compromised, as I understand it—

**Mr KING:** Whether it is paper or digital?

**The Hon. PETER PRIMROSE:** Whether it is paper or digital. But when we are talking about identity theft, your identity is compromised for life because you cannot change your driver licence number in New South Wales.

**Mr KING:** I do not know whether I would agree with that. But what I can say is that identity theft generally is a broad issue across Australia. That is one of a number of reasons why education around the protection of your information—not putting it out in certain circumstances, changing your passwords et cetera—is a core part of service delivery generally. We play a key role there in terms of customer service. But we also work very closely with organisations such as the Commonwealth Banks and banks in other areas as well. But do you also want the work that we are doing on the cyber side of things?

**The Hon. PETER PRIMROSE:** Yes, I will ask Mr Wells. But I want to get this very clear. If we are talking about digital licensing, as well as car licensing—

**Mr KING:** But I note that the issue around identity theft and stealing identities generally is broader and, in many ways when you look at, is dually around paper-based things, amongst other things, including card theft et cetera. The Digital Driver Licence is not necessarily going to be adding to that. Do you want the answer?

**The Hon. DANIEL MOOKHEY:** Perhaps we can get Mr Wells' contribution on notice. Sorry, we just have limited time. Mr King, are you still the Customer Service Commissioner?

**Mr KING:** Yes.

**The Hon. DANIEL MOOKHEY:** When were you appointed as the secretary?

**Mr KING:** With the machinery of government changes, I became the Secretary of the Department of Customer Service when that came into effect on 1 July. I became the secretary of the old organisation just after the election. I think it was early April.

**The Hon. DANIEL MOOKHEY:** You are currently both the Customer Service Commissioner and the Secretary of the Department of Customer Service. Is that correct?

**Mr KING:** That is right. Do you know what that does?

**The Hon. DANIEL MOOKHEY:** No, I have very limited time, Mr King.

**Mr KING:** The critical thing is that it also helps to save costs, which goes to the efficiency point that the Hon. Peter Primrose raised.

**The Hon. DANIEL MOOKHEY:** I am glad. I was going to ask. I am presuming that you are not drawing on the two salaries?

**Mr KING:** I certainly do not.

**The Hon. DANIEL MOOKHEY:** Fair enough. Are you intending to stay on as the Customer Service Commissioner?

**Mr KING:** That is my intent.

**The Hon. DANIEL MOOKHEY:** It is?

**Mr KING:** Yes.

**The Hon. DANIEL MOOKHEY:** Is it not a core part of the responsibilities of the Customer Service Commissioner to, amongst other things, provide oversight of the Department of Customer Service, advocate for changes to the Department of Customer Service and provide advice, for example, to the Secretary of the Department of Customer Service on things they could potentially do better?

**Mr KING:** You would hope that as the Secretary of the Department of Customer Service I would have the customer as part of my DNA. This is an important point. If I cannot seriously drive customer change within Customer Service and need someone else to tell me as the Customer Service Commissioner then there is something fundamentally wrong.

**The Hon. DANIEL MOOKHEY:** I accept that, but when the role of the Customer Service Commissioner was introduced that was fundamentally the rationale that was provided, amongst other things. Are you certain that there is absolutely no-one else who might be able to help you in that regard? Whilst we have great respect for your ability—

**Mr KING:** That is very kind of you.

**The Hon. DANIEL MOOKHEY:** This is the only example I can think of where a role like this—be it a commissioner or an ambassador—is being performed by exactly the same person to whom that job should be advocating to.

**Mr KING:** That is a great point. Let us talk about the Customer Service Commissioner first.

**The Hon. DANIEL MOOKHEY:** Can you provide the position description for that on notice? Is there a position description for that?

**Mr KING:** There was. We can share that.

**The Hon. DANIEL MOOKHEY:** The Customer Service Commissioner was never a statutory office, was it?

**Mr KING:** It was not; a public service employee.

**The Hon. DANIEL MOOKHEY:** It is the case, though—

**Mr KING:** Do you want me to go back to the initial question?

**The Hon. DANIEL MOOKHEY:** I will, if I have the time. Your predecessor, for example, did not have both positions. Is that correct?

**Mr KING:** My predecessor being the current Secretary of NSW Treasury?

**The Hon. DANIEL MOOKHEY:** Yes, Mr Pratt.

**Mr KING:** No, that is right. He did not. In fact, that was his sole role. It was interesting, because when you were asking the question about the Building Commissioner on Monday, he had about four resources—

**The Hon. DANIEL MOOKHEY:** Clearly, you have a whole department, I am just not sure in which capacity.

**Mr KING:** —and the fundamental change was driven across New South Wales from 2012 to 2019, where we now have a Customer Service department.

**The Hon. DANIEL MOOKHEY:** You can tell me the rationale. Are you absolutely confident that the role should be performed by the exact same person who is responsible for delivery? Can you tell us why this—I will describe it as "novel"—arrangement is in the public interest?

**Mr KING:** I am extremely confident that you can have the Customer Service secretary and the Customer Service Commissioner as one. Let me just point to one piece of evidence as to why I am extremely confident on that. Prior to the end of March, there was no Secretary of the Department of Customer Service.

**The Hon. DANIEL MOOKHEY:** There was no Department of Customer Service.

**Mr KING:** Spot on. The difference now is that there is a secretary of Customer Service and there is a Department of Customer Service. What is different now, from what it was in 2012-13, is the fundamental aspect in terms of changing the customer and giving them a better customer experience. In 2012 there was no Service NSW, there was no Opal card, there was no thinking about the customer. Coming back to the fundamental aspect of the evidence base, in 2012 the customer satisfaction score was roughly around 62 per cent from citizens' feedback about the customer experience, but in 2019 it is 80 per cent. So the points are continually changing in terms of improvement based on that—just that one lens. That is why I am confident you can do the two roles.

**The Hon. MARK BANASIAK:** With these digital licences, is there an intention to expand it to other licences that are issued under Service NSW?

**Mr KING:** There are a couple of things, and again I will get Mr Rees to talk about that. There are already some that are digital. From recollection, they were fishing licences and RSAs, as well. Given the question, I will get Mr Rees to talk about it fully.

**The Hon. MARK BANASIAK:** Specifically, firearms licences is another one that you guys issue—in terms of the printing of them and sending them out, at least.

**Mr REES:** To reiterate the secretary's message, there are a number of smaller licences that were done prior to the issue of driver licences—fishing, responsible service of alcohol, responsible conduct of gambling and boat licences. The implementation of the digital driver licences also built some foundations for us to do further digital licences in the future, but there are no plans at this point to apply that to firearms licences.

**The Hon. MARK BANASIAK:** At all? Is there a time frame within which you would say that it would apply, or are you saying that it is never going to happen?

**Mr REES:** It has not been something that I have been involved in, in discussion.

**The Hon. MARK BANASIAK:** Even though you say it is not going to include it, what precautions do you take, given the fact that your department was responsible for sending 300 paper or plastic versions of those firearms licences to the wrong addresses a couple of years ago? What steps are you putting in place that those digital licences—in terms of driver licences—are not going to the wrong email addresses or to the wrong mobile phones or however you are transmitting these licences? What steps are you taking to make sure you are getting that correlation of data correct?

**Mr REES:** That is a great question. The digital driver licence links back to the core system of record, which still sits with RMS. It is the same core system of record for the plastic licence as it is for the digital driver's licence. There is not any opportunity for them to start to reference different data for customers.

**The Hon. MARK BANASIAK:** So what went wrong two or three years ago, if that was still the same system? What went wrong with those firearms licences where 300 of them went haywire?

**Mr REES:** It is an unrelated area of the organisation. That was a manual error at the time, where two pieces of data were manually incorrectly matched and that resulted in what you have described. There has been a whole range of recommendations implemented since then to remove the risk of that reoccurring.

**The Hon. MARK BANASIAK:** Going back to Ms Donnelly, the data that SIRA receives from these different organisations—does SIRA regularly review that data to look for patterns or spikes or anything like that?

**Ms DONNELLY:** We most certainly do, yes. Is that something that you are interested in?

**The Hon. MARK BANASIAK:** What is the regularity in terms of that review?

**Ms DONNELLY:** It is pretty much ongoing. We look at the data from a number of different perspectives. We will look at performance of particular metrics, whether it is return to work, for instance, or what are the trends, and what is happening with premiums. Do they look like they are compliant? We will also look for each insurer—what their overall performance is. For instance, for self-insurers we have an insurer supervision framework and we have a whole set of metrics that we monitor. We track whether or not they are within the

desired range. We give them feedback. We look for action plans. We monitor those action plans. So there are lots of layers of activity. It is a pretty strong system that we have been building.

**The Hon. MARK BANASIAK:** There was a Federal inquiry or report done in 2016 or 2017 that seemed to insinuate that workplace bullying was on the rise. Have you seen that indication through your figures that you say you ongoingly review?

**Ms DONNELLY:** With mental health or psychological injury we see that there are some poorer outcomes for people. Of one concern for me is that people with psychological injury will report less satisfaction with the service they have received. They will have a slower time to get back to work. What we have seen overall is that the prevention of injury has happened faster for physical injuries than it has for psychological injury. So they are starting to become an increasing percentage of the claims that we see.

Amongst the psychological injuries there is a range of different things that might be drivers. Some are around stress and some can be about bullying or harassment in the workplace. That does vary depending on industry, as well. So there is quite a rich picture there. I know that you have asked me for some data, and I am able to give you more around that if you are interested.

**The Hon. MARK BANASIAK:** That would be great. Have you made any representations to the Minister about this data? Is that something that you do on a regular basis? Do you say, "Hey, Minister, we are noticing these trends"? Is that the sort of advice that SIRA takes to the Minister?

**Ms DONNELLY:** That is amongst the range of things that we do. Our focus is very much about holding insurers accountable and holding employers accountable—feeding back the information there. We exchange information also with SafeWork NSW, who regulate work health and safety in New South Wales. They use our data quite extensively. We are part of a group of agencies who are implementing a Mentally Healthy Workplaces Strategy. That is quite a significant program over multi years. We are working with SafeWork NSW, the Mental Health Commissioner, the Mental Health Branch in the Ministry of Health and icare, and I am chairing an interagency group working on that. We have a range of strategies in place, also, to reduce psychological injury to increase recovery at work and to increase participation in work for people with mental illness. Those things are all wrapped in together.

**The Hon. MARK BANASIAK:** Can you give us a preview of what that strategy looks like, or is that a state secret at the moment?

**Ms DONNELLY:** No, it is not. There is quite a lot of information about it. It has a number of strands. Obviously, some of it is about prevention and having ambassadors and getting out into workplaces. The strand that my agency is leading is about return to work. I am happy to share some information about that. There is probably some detail that we can provide to you if you want us to take that on notice.

**The Hon. MARK BANASIAK:** Yes, that is fine. Is there a time frame? Is it an ongoing rollout? Is that what it is, or is there a set time frame when you say, "Now this strategy is implemented."

**Ms DONNELLY:** It is a living strategy. It was kicked off last year. We are actively bringing the agencies together, showcasing what is working and asking ourselves, "Is this working? Do we spend more money on something that is working?" It will be continually re-evaluated.

**The Hon. MARK BANASIAK:** Because it is ongoing, it is going to be continually re-evaluated.

**Ms DONNELLY:** I would say that we will need to be committed to working in this space ongoingly. It is certainly not just in New South Wales. When I talk to unions and businesses in New South Wales it has been a strong focus for some years. I know that that is the same around Australia and New Zealand and certainly more broadly, globally, as well.

**The Hon. MARK BANASIAK:** You might not be able to tell us this, but are our figures comparable in terms of those other States regarding the psychological injuries that you spoke about before, that we are getting people back to work better with physiological injuries than psychological injuries? How are we comparing?

**Ms DONNELLY:** Certainly I am aware nationally we are part of a group of agencies that participates in independent surveys of injured workers and there is good data that would indicate those challenges exist right around the country.

**The CHAIR:** This is all new to me, but I was looking at the role of the NSW Customer Service Commissioner. Dot point one of the role description is, "Provides independent advice to the Premier, Cabinet and Ministers." I appreciate that this is a new department, but how is it possible to be the head of the department as well as providing independent advice?

**Mr KING:** In the 40 seconds we have got left—

**The CHAIR:** Take longer.

**Mr KING:** It is quite different to that. When the role started as the Customer Service Commissioner—and there is no other State from my memory that actually has a customer service commissioner, so we are the first one. That is important to keep in mind. As part of the Customer Service Commissioner, when it started it was part of Premier and Cabinet. It started back in Premier O'Farrell's days. Part of that role was to drive a customer ethos across the entire sector and work with the Premier, and the different departments and secretaries. What has changed now is we actually have a Department of Customer Service. That is a big change. The other key change, which is also important, is the entire sector moving around customer thinking and philosophy, and there are numerous examples that we are happy to share at various stages. The other thing that has also changed, there is a Cabinet committee called delivery and performance Cabinet committee that also helps drive a customer agenda throughout as well. That has only come into place—

**The CHAIR:** But with those changes presumably the role of commissioner has been subsumed?

**Mr KING:** As part of my role—

**The CHAIR:** But why are they still separate roles?

**Mr KING:** It is one and the same role, but I am doing both. It is part of my role, the Customer Service Commissioner.

**The CHAIR:** There are not really two roles any more?

**Mr KING:** No.

**The CHAIR:** And that description is not really correct and you do not get an extra salary for the commissioner role anyway?

**Mr KING:** I definitely do not, I can put that on the record. I do not get two salaries.

**The CHAIR:** That clarifies.

**Mr KING:** I am doing probably a broader role.

**Ms CATE FAEHRMANN:** How much is the taxpayer saving with this brilliant idea to merge the secretary and commissioner's role into one?

**Mr KING:** Right. This is now just talking about my salary. If you think the—

**Ms CATE FAEHRMANN:** How much would the commissioner have been paid, if it were another person?

**Mr KING:** The Customer Service Commissioner role, give or take from a band perspective, I am just going to talk about the bands now—

**Ms CATE FAEHRMANN:** Just quickly. It is a very quick question.

**Mr KING:** That is right. It would have been a senior executive band 3 [SEB], which I think from memory ranges from about \$300,000 to about \$400,000 range, might be out. Obviously, I am on a secretary's salary, which would be publicly disclosed through whatever it actually is. Therefore, if you just take it on that basis, you have saved one band.

**Ms CATE FAEHRMANN:** That is fine. I just needed that response. I go back to where I was previously in relation to the Gaming Machine Regulation review. Ms Mann, how long have you been in your position?

**Ms MANN:** I have been with Liquor & Gaming for almost three years.

**Ms CATE FAEHRMANN:** Are you aware of the reports that I was talking about earlier this morning when I asked the Minister about some of the reports that the department has commissioned into gambling harm?

**Ms MANN:** Yes, I am aware of those reports.

**Ms CATE FAEHRMANN:** You are aware of the one, for example, I was talking about that referred to losses disguised as wins, that report?

**Ms MANN:** Yes.

**Ms CATE FAEHRMANN:** I assume there have been a number of reports commissioned over the past 10 years by the department into gambling harms?

**Ms MANN:** Yes.

**Ms CATE FAEHRMANN:** The review was just recently undertaken 10 years after the regulation came into force. It is 10 years between comprehensive changes.

**Ms MANN:** Sorry, the review of the regulation?

**Ms CATE FAEHRMANN:** Yes.

**Ms MANN:** There is a process where the regulation has a sunset date and so we had deferred review of it until recently.

**Ms CATE FAEHRMANN:** How did all of these reports that the department has commissioned into gambling harm that recommended various things, such as losses disguised as wins be banned, how were those taken into consideration during the review of the Gaming Machine Regulation?

**Ms MANN:** All the evidence that we commission is taken into account in our decision-making, both Liquor & Gaming decision-making and also the decision-making of the Independent Liquor & Gaming Authority. To your point earlier this morning to the Minister around the Prohibitive Features Register, that is one tool that is used around the features that are harmful. But every time there is an application before ILGA it looks at the evidence before it about that particular product and feature, and makes an assessment about whether that would exacerbate problem gambling. The Prohibitive Features Register is one issue, but it is on a case-by-case basis using evidence such as the report that you referred to.

**Ms CATE FAEHRMANN:** The evidence that the department has with a report it commissioned by the University of Sydney Gambling Treatment Clinic says that losses disguised as wins should be banned. What evidence has the department received before it that suggests that losses disguised as wins is not harmful?

**Ms MANN:** That is not harmful?

**Ms CATE FAEHRMANN:** Yes.

**Ms MANN:** That report, as you say, focused in on the losses disguised as wins feature. What we are doing with that research, there is a comprehensive review that has been commissioned by the Responsible Gambling Fund to look at features such as that and see where the harms are with a view to making a more robust and fulsome view of where products are harmful and where they are not to inform decision-making. We have been working with jurisdictions across Australia, because our wont is not for it to be a New South Wales-specific view but an across Australia view of what is harmful and what is not. That piece of research, I think, is going to be quite revolutionary because it does bring together all the research around harmful products, which we will then be able to use in our decision-making processes.

**Ms CATE FAEHRMANN:** Why did Liquor & Gaming, through this review process, choose not to include the separation of ATM and gambling machines in 2017 to make the minimum distance from a gaming room to an ATM 30 metres? You know that there have been recommendations—this is another report that the department has commissioned in relation to the proximity of ATMs to poker machines.

**Ms MANN:** Yes, I am aware of the report.

**Ms CATE FAEHRMANN:** Why did the department choose not to use the regulations to implement the recommendations of that report, for example?

**Ms MANN:** The Government response to that report was that it would be very difficult to rip out ATMs that are already in place across the State. However, the response was that as a best practice standard that ATMs should be 30 metres. Going forward that is the best practice standard that is being applied.

**Ms CATE FAEHRMANN:** What does "difficult" mean when regulations come into force? We have had discussions before, Ms Mann, about lockout laws, for example.

**Ms MANN:** Yes.

**Ms CATE FAEHRMANN:** When the Government chooses to implement regulations that have significant impact on businesses, it will do so. What does "too difficult" mean? Is there any evidence that the department has to suggest that increasing the distance between ATMs and poker machines is too difficult or costly for businesses?

**Ms MANN:** I think at the time that that report was released we had extensive conversations around what that would look like, practically speaking. And the responses that we got and that we tested were that for those that are already in place that it would be difficult, and it would involve a lot of expense and ripping those machines

out, potentially. As I said, the response was that going forward that is a best practice standard that should be adhered to.

**Ms CATE FAEHRMANN:** So the harm that has been demonstrated by research and the experts posed by ATMs too close to poker machines because it encourages people with gambling problems to be able to access cash too much so it increases gambling addiction, that does not matter?

**Ms MANN:** I am absolutely not saying that gambling harm does not matter.

**Ms CATE FAEHRMANN:** Compared to the inconvenience on businesses.

**Ms MANN:** No. I think I can talk you through a whole raft of measures that we have in place to ensure that gambling harm is reduced.

**Ms CATE FAEHRMANN:** But it does sound like there was an opportunity for the department to implement some of the recommendations from quite a few reports into gambling harm that the department has commissioned over the past decade. And to be honest, it looks like it did a rather piecemeal consultation and did not really want to implement any of the recommendations that would actually stop people gambling, or reduce gambling harm, because all of the key recommendations that the organisations have made were not listened to were they?

**Ms MANN:** That is not the case. As I said, the Government's response was that it is a best practice standard going forward that that should be adhered to. As I mentioned earlier—

**Ms CATE FAEHRMANN:** Sorry. That what should be adhered to?

**Ms MANN:** The 30-metre distance.

**Ms CATE FAEHRMANN:** The best practice standard. Sorry, I do not know what that means.

**Ms MANN:** What that is saying is that for venues that are going to install ATMs that the 30-metre distance is the best practice standard and should be adhered to.

**Ms CATE FAEHRMANN:** Where is that from? How is that calculated—that best practice? What does best practice mean?

**Ms MANN:** What we did was look at that research report.

**Ms CATE FAEHRMANN:** Best practice for whom?

**Ms MANN:** For the venues.

**Ms CATE FAEHRMANN:** For the venues, not for the people who are gambling?

**Ms MANN:** To protect the people who are gambling.

**Ms CATE FAEHRMANN:** But that is what this is about.

**Ms MANN:** It is absolutely what this is about. As I mentioned earlier, there is a big piece of research that will bring all of this together and enable better decision-making. I think one of the issues that certainly we find is that there are pieces of research that have been commissioned that say certain things. What we want to do is bring all that together and put that into our decision-making.

**Ms CATE FAEHRMANN:** Thank you.

**The CHAIR:** Thank you. Back to the Opposition.

**The Hon. DANIEL MOOKHEY:** Thank you. Ms Mann, I am going to continue some questioning. It is the case that Liquor & Gaming NSW has commenced an investigation into two venues on the North Coast of New South Wales, is that correct?

**Ms MANN:** That is correct.

**The Hon. DANIEL MOOKHEY:** And they are the Westtower Tavern in West Ballina and the South Tweed Tavern?

**Ms MANN:** Yes, that is right.

**The Hon. DANIEL MOOKHEY:** This investigation arose from complaints that it was possible, I think, in 2017 that inducements were being offered for people to continue gambling, amongst other things.

**Ms MANN:** Yes.

**The Hon. DANIEL MOOKHEY:** What is the status of that investigation?

**Ms MANN:** Yes. So thank you for the question. So we lodged a formal disciplinary complaint with ILGA on 18 June this year. On 1 July ILGA issued its show cause letter to the licensees and to the ALH Group.

**The Hon. DANIEL MOOKHEY:** Sorry. Can you repeat the last bit again?

**Ms MANN:** On 1 July the authority, or ILGA, issued a show cause letter to the licensees of the two hotels, to the relevant operations manager and also to the ALH Group. That matter is currently before the Independent Liquor & Gaming Authority.

**The Hon. DANIEL MOOKHEY:** And they were to show cause for what?

**Ms MANN:** For the complaint. The complaint, as you mentioned, which is around the allegation that they have offered free alcohol to patrons as an inducement for them to gamble.

**The Hon. DANIEL MOOKHEY:** As a result effectively the issuing of a show cause notice may well signal that you have effectively substantiated the complaint and are now giving them a right of reply?

**Ms MANN:** So it is a process that ILGA follows for procedural fairness whereby when a complaint is made it will allow the person who has been complained about to respond.

**The Hon. DANIEL MOOKHEY:** How long do they have?

**Ms MANN:** I am not sure exactly how long they have, although I am advised that ILGA will likely be determining it this year.

**The Hon. DANIEL MOOKHEY:** Are you seeking the imposition of a penalty?

**Ms MANN:** Yes. There are penalties available, obviously. Let me get some information about what was sought in this instance. So the penalties available to ILGA: it is the formal reprimands, fines of up to \$110,000 or in extreme cases the suspension or cancellation of those licences.

**The Hon. DANIEL MOOKHEY:** Which one of these penalties are you seeking? Or all of them?

**Ms MANN:** I would have to take that on notice. I do not have the specific complaint before me.

**The Hon. DANIEL MOOKHEY:** Is it possible that you would be able to get this information to us this afternoon?

**Ms MANN:** Of course.

**The Hon. DANIEL MOOKHEY:** Thank you. That would be very helpful. Has this catalysed any investigation into the corporate group that they are owned by, any further investigation to see whether this is a practice that prevails in any other venue that is owned by that group?

**Ms MANN:** Yes. Absolutely. What we did is we did investigations across the 50 ALH venues in New South Wales. So we did covert surveillance, we did overt surveillance, we did coercive interviews across those 50 venues. The evidence that we found was that it was in relation to these two which are close to the Queensland border. One of the reasons for that is that in Queensland it is actually not an offence to offer alcohol as an inducement to gamble, whereas in New South Wales it is. My understanding is that one of the managers was responsible for Queensland, but also for these two venues which may explain—

**The Hon. DANIEL MOOKHEY:** Did you identify this practice as being engaged in elsewhere in venues owned by that group?

**Ms MANN:** No. So the complaint is in relation to those two, which is where the evidence was.

**The Hon. DANIEL MOOKHEY:** Over what period of time was that wider investigation undertaken?

**Ms MANN:** So my understanding is that the report was made in February. ALH self-reported to us on 4 July 2018 and the investigation continued until we settled it and lodged that complaint, as I said, on 18 June 2019.

**The Hon. DANIEL MOOKHEY:** Right. So that is the point at which it terminated. Just how many inspectors were involved in that investigation?

**Ms MANN:** I could not tell you off hand.

**The Hon. DANIEL MOOKHEY:** Could you take that on notice?

**Ms MANN:** We had a dedicated, experienced team dedicated to it. But I can certainly take that on notice.

**The Hon. DANIEL MOOKHEY:** Okay. Thank you. Ms Mann, the chairperson at ILGA has recently delegated some responsibilities to you, is that correct?

**Ms MANN:** There is a delegations manual that delegates responsibilities from the authority to Liquor & Gaming delegates.

**The Hon. DANIEL MOOKHEY:** And to you specifically?

**Ms MANN:** There are some that are delegated to me.

**The Hon. DANIEL MOOKHEY:** Okay. And when did that take place?

**Ms MANN:** So the delegations manual has been in place for several years, but it is updated regularly.

**The Hon. DANIEL MOOKHEY:** When you say "regularly", how regularly? Are we talking monthly?

**Ms MANN:** It has been recently updated and I can recall perhaps two or three occasions in my tenure where it has been updated. But I can get the exact numbers for you if you would like them.

**The Hon. DANIEL MOOKHEY:** Yes. Was it circa 14 August this year?

**Ms MANN:** That sounds about right.

**The Hon. DANIEL MOOKHEY:** Okay. And what powers did you receive?

**Ms MANN:** Under the new delegations manual?

**The Hon. DANIEL MOOKHEY:** Yes.

**Ms MANN:** The manual is this thick, so I would have to get the details on notice.

**The Hon. DANIEL MOOKHEY:** On notice, is that possible?

**Ms MANN:** Yes.

**The Hon. DANIEL MOOKHEY:** What were the reasons for the delegation?

**Ms MANN:** What we really try to do with that delegations manual is ensure that ILGA, the authority, is dealing with the most contentious, sensitive and difficult matters. Then the ones on a risk-based assessment that can be delegated down to the department that are less characterised in that way, are delegated down, obviously to the appropriate levels. So it might be to my level for some of the very non-contentious, straightforward, lower level licensing matters, it might be to a lower sort of 5/6 clerk, 7/8 level.

**The Hon. DANIEL MOOKHEY:** Do you provide policy advice in respect of how those delegations should be constructed?

**Ms MANN:** It is generally done by people throughout our teams in the organisation. But certainly, yes, I have input into it.

**The Hon. DANIEL MOOKHEY:** Did you play any role in delegations that took place on 14 August?

**Ms MANN:** I have reviewed those delegations. I have seen a version of them, yes.

**The Hon. DANIEL MOOKHEY:** Did the motivations for the delegations arise from any particular change in the regulatory environment that you can nominate?

**Ms MANN:** No. As I said, we just keep them under review to make sure that decision-making is done at the appropriate level, and is risk based and intelligence led.

**The Hon. DANIEL MOOKHEY:** Okay. How many inspectors do you currently have?

**Ms MANN:** We have 70 inspectors.

**The Hon. DANIEL MOOKHEY:** How many did you have in the last financial year?

**Ms MANN:** The number has remained around the same. I think we did a recruitment exercise last year, but the number has remained around the same.

**The Hon. DANIEL MOOKHEY:** Circa 70? Is that your budget for 70 FTE?

**Ms MANN:** We do not really budget on FTEs as such. We have an envelope and we have dedicated that to the 70.

**The Hon. DANIEL MOOKHEY:** Do you have vacancies currently?

**Ms MANN:** We generally do hold vacancies across the entire organisation.

**The Hon. DANIEL MOOKHEY:** How many vacancies for inspectors are there currently?

**Ms MANN:** I think I would need to take that on notice.

**The Hon. DANIEL MOOKHEY:** Are you engaging in any further recruitment right now?

**Ms MANN:** Sorry?

**The Hon. DANIEL MOOKHEY:** Are you engaging in any further recruitment right now?

**Ms MANN:** Recruitment in the inspector space? There may be, but I would have to take that on notice.

**The Hon. DANIEL MOOKHEY:** Okay. Sure. How many inspections did they undertake in the past year?

**Ms MANN:** So in the past year they conducted 953 site inspections and 927 desk audits.

**The Hon. DANIEL MOOKHEY:** So 927 what?

**Ms MANN:** Desk audits.

**The Hon. DANIEL MOOKHEY:** Desk audits. Okay. I presume you use a risk-based approach in order to channel or direct their work?

**Ms MANN:** Absolutely, yes.

**The Hon. DANIEL MOOKHEY:** Where do they inspect?

**Ms MANN:** We have got an intelligence team, which tells us where there may be issues.

**The Hon. DANIEL MOOKHEY:** I am sure you do.

**Ms MANN:** That is part of the decision-making process. Also, if there are big events on we would deploy extra inspectors there. If we are starting to see practices of behaviour that are not favourable, then we would deploy on that basis.

**The Hon. DANIEL MOOKHEY:** On notice, is it possible to get the 953 broken down by the categories that you just described—the category that you think is relevant?

**Ms MANN:** Of course, yes. Happy to do that.

**The Hon. DANIEL MOOKHEY:** That would be helpful. You have got the ability to issue infringement notices?

**Ms MANN:** Yes.

**The Hon. DANIEL MOOKHEY:** How many did you do?

**Ms MANN:** I would have to take that on notice.

**The Hon. DANIEL MOOKHEY:** What else can you do? Can you issue prohibitions and orders?

**Ms MANN:** What else can we do?

**The Hon. DANIEL MOOKHEY:** Can you issue prohibition orders, amongst the other remedies that are available to you?

**Ms MANN:** I would have to take that on notice.

**The Hon. DANIEL MOOKHEY:** You can prosecute, I presume?

**Ms MANN:** Yes, absolutely.

**The Hon. DANIEL MOOKHEY:** How many prosecutions do you do?

**Ms MANN:** In the last financial year we have commenced 23 court prosecutions and seven formal disciplinary complaints. I can also see that we have finalised 20 prosecutions, with 17 successful; so it is an 85 per cent success rate. Also, just to the point around penalty notices, we issued last year 77 and 824 warning notices.

**The Hon. DANIEL MOOKHEY:** How much money in penalties did you collect?

**Ms MANN:** I would have to take that on notice. I do not have that detail.

**Mr KING:** What was the question, sorry?

**The Hon. DANIEL MOOKHEY:** How much money in penalties was collected. On notice, are you able to provide us the list of the prosecution matters by name of prosecution?

**Ms MANN:** Yes, I think we should be able to do that.

**The Hon. DANIEL MOOKHEY:** That would be useful, and I guess also covering the seven disciplinary matters as well. I think my colleague Mr Graham might have some questions for you now.

**The Hon. JOHN GRAHAM:** I just wanted to follow on from those Liquor & Gaming NSW questions. One of the processes which has been in place with Liquor & Gaming NSW and the Government is to remove outdated entertainment conditions on venues.

**Ms MANN:** Yes.

**The Hon. JOHN GRAHAM:** Liquor & Gaming NSW has provided some information about where those have been removed. There has been advice to the Parliament first on 18 June saying 19 venues had had their conditions removed, but we now might be up to 20.

**Ms MANN:** We are up to 20 now, yes.

**The Hon. JOHN GRAHAM:** Can you confirm, then, how many venues still have those conditions in place?

**Ms MANN:** We issue about 2,500 thousand licenses per year and there are about 17,000 liquor licences in place. My understanding is that the cohort that has those outdated conditions is around 100. As you mentioned, we have removed them from 20 so that would leave around 80.

**The Hon. JOHN GRAHAM:** My expectation was that it should be higher, that previous advice had been that there were 94 licensed venues that prohibit live entertainment and a further 575 licensed venues with entertainment restrictions—a total of 669.

**Ms MANN:** I think that was earlier advice that was given, but certainly the current advice that I have is around that 100 cohort.

**The Hon. JOHN GRAHAM:** What has happened to the 669 venues? Why do you consider they no longer have restrictions on entertainment?

**Ms MANN:** My understanding is that figure was not correct at the time but the correct figure is 100.

**The Hon. JOHN GRAHAM:** Okay. I invite you to, on notice, explain what the issue was with the previous advice.

**Ms MANN:** Of course.

**The Hon. JOHN GRAHAM:** Are you able to tell us now what the mistake was?

**Ms MANN:** I do not—but I am happy to take it on notice.

**The Hon. JOHN GRAHAM:** I would be happy if you did that on notice. Are you aware of concerns from operators that while this was a free process, by going into it they might open up consultation either from regulatory authorities or from the community about their other licence conditions?

**Ms MANN:** We did hear those concerns, yes.

**The Hon. JOHN GRAHAM:** And that is one of the reasons why it is a relatively small number of venues that have taken advantage of this offer. Would you accept that?

**Ms MANN:** I am not sure why a relatively low number—although it is 20 out of 100—but that may be one of the reasons. There may be others.

**The Hon. JOHN GRAHAM:** What plans are there to look at the remaining entertainment licence conditions on other venues?

**Ms MANN:** That was sort of an amnesty that the Government offered free of charge. But at any point, if any of those 80 wish to have their outdated—or so-called outdated conditions reviewed, then they are able to for a small fee. I think it is about \$150 or thereabouts.

**The Hon. JOHN GRAHAM:** So they are able to do that under the existing scheme, but there is no other proposal at the moment from the Government to remove those entertainment conditions?

**Ms MANN:** Under the existing scheme they are able to do that at any time.

**The Hon. JOHN GRAHAM:** In the view of Liquor & Gaming NSW, what regulatory purpose is served by having restrictions on particular sorts of music—for example, rock'n'roll or pop music or disco music?

**Ms MANN:** I think it is fair to say that of those 100 licences with conditions on them, most of them were imposed 10 years or more ago and probably would not be imposed now. It sounds strange to us but there may have been reasons. For example, if a particular version of music, like heavy metal—and it is in a local pub that has got residential around it, then maybe that is why the restriction was asked for by police and maybe that is why it is on the licence. It does sound to us sitting in this room a little bit peculiar, but there is a context and background to it. That is not to say that those conditions ought to be applied in 2019.

**The Hon. JOHN GRAHAM:** Why not remove them, as other States have done, in one job lot?

**Ms MANN:** I think you might be referring to the South Australian scheme.

**The Hon. JOHN GRAHAM:** For example, in South Australia.

**Ms MANN:** I think that is certainly something that we could explore, although they have a slightly different approach to it.

**The Hon. JOHN GRAHAM:** Yes, it is obviously a slightly different regulatory scheme.

**Ms MANN:** Yes, that is right.

**The Hon. JOHN GRAHAM:** But the principle still applies here in New South Wales. Would you agree with that?

**Ms MANN:** That is right. I think we are, as a regulator, not wanting to stifle business or music types, by any stretch of the imagination.

**The Hon. JOHN GRAHAM:** Thank you. Can you confirm, then, given the fact that there is now—you consider there is just 100, can you confirm that in the South Dubbo Tavern entertainment is still confined to solos, duos, small cover bands and country and western music, and that no large rock bands or the like are to provide entertainment?

**Ms MANN:** I do not have the details of that particular venue but I am happy to take that on notice.

**The Hon. JOHN GRAHAM:** Great, thank you.

**The Hon. DANIEL MOOKHEY:** I will be sure not to necessarily visit that venue if I want to see a live rock band.

**The Hon. JOHN GRAHAM:** Or original music.

**The Hon. DANIEL MOOKHEY:** Maybe the Customer Service Commissioner should get on to that.

**Mr KING:** We could; you never know.

**The Hon. DANIEL MOOKHEY:** You should talk to the secretary. Mr Secretary, let us talk about GovConnect. Amongst other things, it provides payroll services for public servants. That is correct?

**Mr KING:** That is right.

**The Hon. DANIEL MOOKHEY:** It was outsourced or privatised—depending on your language—circa 2015, to the best of your knowledge?

**Mr KING:** No, and we should be clear: It was not privatised. Prior to GovConnect, it was an organisation called ServiceFirst, which was an internal shared service provider. Approximately, I think, around about 2015 or 2016, it was outsourced to GovConnect, which is a combination of Infosys and Unisys.

**The Hon. DANIEL MOOKHEY:** Thank you for the background. It performs payroll functions; is it for the entirety of the public service?

**Mr KING:** No. GovConnect—and we are just talking about the payroll, which is the Infosys component of it—provides the services for Premier and Cabinet, Treasury. I am just using the broad names.

**The Hon. DANIEL MOOKHEY:** Clusters.

**Mr KING:** Customer Service, and there will be a few entities within it, such as—if I use an example—the Public Service Commission.

**The Hon. DANIEL MOOKHEY:** Do you have an estimate as to, therefore, how many public servants have their payroll performed?

**Mr KING:** I will take that on notice. We can get that number. My colleague Mr Gould has got it.

**Mr GOULD:** It is 14,000.

**The Hon. DANIEL MOOKHEY:** That is very useful, Mr Gould. How many complaints has GovConnect received for underpayment issues?

**Mr KING:** Mr Gould, do you have that?

**Mr GOULD:** No, I do not. I would have to take that on notice.

**The Hon. DANIEL MOOKHEY:** Do you have similar figures—I presume you will not—for overpayment issues?

**Mr GOULD:** No. Again, I would have to take it on notice.

**The Hon. DANIEL MOOKHEY:** In terms of overpayment of workers, presumably you expect them to pay you back.

**Mr GOULD:** Yes, there is a process to recover that.

**The Hon. DANIEL MOOKHEY:** How much money has currently been overpaid to public servants that is being recovered?

**Mr GOULD:** Again, I would have to take it on notice. It is at a point in time because obviously it is a moving feast.

**The Hon. DANIEL MOOKHEY:** Do we have how much was recovered in the last financial year?

**Mr GOULD:** Again, I would have to take this on notice.

**The Hon. DANIEL MOOKHEY:** Can we get the trend analysis for the last three years in respect to the quantum of underpayments and overpayments?

**Mr GOULD:** Yes.

**The Hon. DANIEL MOOKHEY:** Can we get a percentage of how much overpayments have been paid back?

**Mr GOULD:** Yes.

**The Hon. DANIEL MOOKHEY:** Can we get an average as to how much each overpayment is as well?

**Mr GOULD:** Average, yes.

**The Hon. DANIEL MOOKHEY:** And also the amount of time a worker is given to pay back? Is that possible?

**Mr GOULD:** Yes.

**The Hon. DANIEL MOOKHEY:** And can we get any other information you think might be tangentially relevant or arising from poor discretion? Thank you.

**Mr KING:** The good thing, though, when you ask those questions on the GovConnect service the ability to get the data and actually see what those trends look like, et cetera, is far easier now than what it was before.

**The Hon. DANIEL MOOKHEY:** Then on that basis I may well be asking for that data before five o'clock?

**Mr KING:** I don't know whether we can promise that.

**The Hon. DANIEL MOOKHEY:** Let us see. Under the service level agreement that is in place for GovConnect there is a category called "critical incidents", is there not?

**Mr KING:** Mr Gould?

**Mr GOULD:** From an IT perspective? Because there is Unisys and Infosys; one is a business process outsource and the other is an IT outsource.

**The Hon. DANIEL MOOKHEY:** I am talking about the business process part. Is there a category called "critical"?

**Mr GOULD:** Yes.

**Mr KING:** There would be.

**The Hon. DANIEL MOOKHEY:** How many incidents were received of this designation in the past 12 months?

**Mr GOULD:** Again I would have to take it on notice.

**The Hon. DANIEL MOOKHEY:** Can we get a description as to what they were?

**Mr GOULD:** Yes. I do not think the term is actually "critical", but it is high importance. I get what you are saying.

**The Hon. DANIEL MOOKHEY:** Again, I will leave the lexicon to you, Mr Gould, but it would be useful if we could get that. It is the case that when GovConnect was established, targets were committed to the amount of work that should be performed onshore and offshore, is that correct?

**Mr GOULD:** Yes.

**The Hon. DANIEL MOOKHEY:** I think it was set at 50 per cent to be performed in Parramatta in customer sites and 50 per cent offshore, is that correct?

**Mr GOULD:** I believe so. It was prior to my time, but that is my understanding, yes.

**The Hon. DANIEL MOOKHEY:** Where are we up to in that ratio now.

**Mr GOULD:** Seventy-three per cent is being performed onshore and 27 per cent offshore.

**The Hon. DANIEL MOOKHEY:** So that is up from last year, is that correct?

**Mr GOULD:** I have not got last year's figure here.

**The Hon. DANIEL MOOKHEY:** I think it was rebased at some point; it was meant to be then moving to 70:30, I think. It was 50:50 at first conception and then it moved to 70:30, is my understanding. Your information is we got 73 per cent onshore?

**Mr GOULD:** Yes.

**The Hon. DANIEL MOOKHEY:** How much of that is being performed in Parramatta?

**Mr GOULD:** That is where it is performed.

**The Hon. DANIEL MOOKHEY:** How many people?

**Mr GOULD:** It is 244.

**The Hon. DANIEL MOOKHEY:** Do you maintain comparisons on the performance of GovConnect relative to the performance that was done by ServiceFirst?

**Mr KING:** ServiceFirst is its name?

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr GOULD:** Not that I am aware of.

**The Hon. DANIEL MOOKHEY:** Okay.

**Mr GOULD:** I do not think the statistics existed.

**Mr KING:** The data and ServiceFirst, and the quality of the data was not as robust as what we have now, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** Well, the challenge is on, Mr Secretary. If you are able to get this data by five o'clock, I will believe you.

**Mr KING:** But definitely, in all seriousness, getting the information, the data and the comparison now in terms of trends and that is much easier.

**Mr DAVID SHOEBRIDGE:** I am sorry, Mr King, if you cleared it up earlier on transcript, but those wads of occupational health and safety [OHS] material that I handed to you, can you shed any light upon them?

**Mr KING:** We can, and, firstly, we appreciate that you did share it with us and, secondly, as I said before, Mr Shoebridge, it obviously was before my time. The first thing I do want to say, which I know you

understand, is the importance of work health and safety [WHS] across our organisation anyway. In terms of the cost and where it is at. I will hand to Mr Gould, who can give you a bit more background.

**Mr GOULD:** The engagement was undertaken in May 2017 by the then Department of Finance, Services and Innovation [DFSI] cluster. The engagement was initiated by the People and Culture Division. That work was commenced in November and, as you can see, the production of 42 documents and the cost paid for those documents was \$38,800 excluding GST. Those documents, however, were always housed on our intranet and were not produced. In fact, they were put on our intranet as part of our consultation process with employees and unions that were involved in the process. One of the requests was not to actually print that document out for reasons because it is very voluminous. The feedback process occurred for a two-month period and following that consultation period those documents were actually not implemented in their existing form and were revolved into a further review of the WHS strategy.

**Mr DAVID SHOEBRIDGE:** So none of these documents has been implemented?

**Mr GOULD:** No. In their current form some would have been carried forward; others have been updated and still exist on our intranet today.

**Mr DAVID SHOEBRIDGE:** Have they been implemented?

**Mr GOULD:** Certain aspects of them have. I will just flick to my next note here. The Department of Customer Service has initiated a work health and safety plan to be implemented fully in the period 2018 to 2022. That is not to say a plan exists, but what it is doing is updating it to be contemporary and taking on feedback from the consultation process.

**Mr KING:** The plan is in place.

**Mr GOULD:** Yes, the plan is in place, but is also being reviewed and updated on a regular basis.

**Mr KING:** It was launched on 11 July 2018.

**Mr DAVID SHOEBRIDGE:** I have to say that it sounds like a terrible bureaucratic black hole that this has fallen into—42 documents produced by a consultant, some of them your own documents. They are put on consultation. Consultation says they should not be adopted in their current form. Can you tell me how many of them have been adopted in an amended form to date, Mr Gould?

**Mr GOULD:** No, I would have to check that. That presupposes there was nothing prior to that and I think in most cases there would have been a previous policy. This was an attempt to update those.

**Mr DAVID SHOEBRIDGE:** But that attempt has failed, is that a fair summary?

**Mr GOULD:** No, some have been implemented, but I will need to come back to you as to which ones have or have not.

**Mr KING:** What we should say, though, Mr Shoebridge, is that we actually do have the WHS plan in place in Customer Service. We do have a number of components already being rolled out across the organisation, as we do in other clusters as well. We report on our performance on an ongoing basis and I can provide numerous evidence of the things we have in place in the Customer Service cluster. That information, whilst it pre-dates us or me, it would have contributed to the WHS plan just generally.

**Mr DAVID SHOEBRIDGE:** Would it be a fair characterisation of the response you got that there was scathing feedback upon these documents and very real concern that the consultation provisions in the Work Health and Safety Act were not being complied with in that process, Mr Gould?

**Mr GOULD:** I could not answer that directly. I was not directly involved, but I can take that on notice.

**Mr KING:** Noting again that obviously that pre-dates ourselves. I think that was 2018, all those documents.

**Mr DAVID SHOEBRIDGE:** I am not cavilling with it being taken on notice, Mr King, if you were not there.

**Mr GOULD:** There is a plan in place. I do not want you to come away with the image or the picture that there is not a plan in place.

**Mr DAVID SHOEBRIDGE:** I do not need to come away with anything, Mr Gould. You can take it on notice and tell me what is in place.

**Mr GOULD:** All right. Sure.

**Mr DAVID SHOEBRIDGE:** I think that is a better solution rather than me trying to guess at the gaps.

**Mr KING:** Yes, we are more than happy to. It is a very important area of what we deliver.

**Mr DAVID SHOEBRIDGE:** And in doing that can you advise what the formal consultation processes were with both work health and safety representatives, and the union in putting that current process in place?

**Mr GOULD:** Sure.

**Mr DAVID SHOEBRIDGE:** I will take that as a yes for Hansard. Nods turn out really badly.

**Mr KING:** You can take it as a yes.

**Mr DAVID SHOEBRIDGE:** Is a restructure management plan required to be developed when significant organisational change is proposed, Mr King?

**Mr KING:** Yes.

**Mr DAVID SHOEBRIDGE:** Was a restructure management plan prepared for the Digital and Information and Communications Technology [ICT] Branch restructure that happened earlier this year, and I would like some particular attention given to the changes at the Gosford location for the Digital and ICT Branch restructure?

**Mr KING:** Just for my clarity?

**Mr DAVID SHOEBRIDGE:** Was there a restructure management plan?

**Mr KING:** No, I understand that point, but what time frame are you talking about there?

**Mr DAVID SHOEBRIDGE:** Earlier this year?

**Mr KING:** Before March?

**Mr DAVID SHOEBRIDGE:** No. I understand that five staff were declared excess and terminated on or around 19 June this year.

**Mr KING:** Digital and ICT?

**Mr DAVID SHOEBRIDGE:** Correct.

**Mr KING:** In Gosford?

**Mr DAVID SHOEBRIDGE:** Correct.

**Mr KING:** I will hand that to Mr Wells, who runs that area.

**Mr WELLS:** Thanks for the question. There is a restructure management plan in place now for the changes post-machinery of government. I would have to take that particular example on notice to just check what that related to.

**Mr DAVID SHOEBRIDGE:** You say there is one now. Was there one at the time that those five staff were declared excess and terminated on 19 June?

**Mr WELLS:** Again I am going to have to take that on notice.

**Mr DAVID SHOEBRIDGE:** Can you also advise whether or not, if there was one in place, it was circulated to the staff affected by the restructure and/or circulated to the Public Service Association?

**Mr WELLS:** Yes, I will confirm that.

**Mr DAVID SHOEBRIDGE:** Can you, on notice, confirm whether or not it was five staff who were declared excess and were terminated or if the number is different?

**Mr KING:** We will confirm, yes.

**Mr DAVID SHOEBRIDGE:** And if there were any other staff losses at or about the time other than by staff being declared excess or terminated?

**Mr KING:** Sure.

**Mr DAVID SHOEBRIDGE:** Ms Donnelly, there have been significant concerns raised about the payments made to injured workers when they return to work in the public service and particularly with their employer applying the step-downs for their wages when they return to work for partial hours. You would be aware of those concerns?

**Ms DONNELLY:** I am aware of those concerns, yes.

**Mr DAVID SHOEBRIDGE:** Have you undertaken an investigation to determine how many injured workers have had their pay docked inappropriately when they have returned to work from partial hours?

**Ms DONNELLY:** I have not taken that action, but I have written back to Mr Little on this matter recently and offered to meet with him. I believe we will have some work to do to understand what is the contribution to this of the workers compensation system. I certainly agree with some of the issues that have been raised by the Public Service Association [PSA] and I want to work on what sort of steps we can take to ensure that insurers are doing the right thing and employers are doing the right thing, although to some degree it is about, as I understand it, some of the issue was about payment of wages and really an industrial relations obligation as well.

**Mr DAVID SHOEBRIDGE:** One of the two concerns about step down is that, after 12 weeks if a worker is injured and has returned to work, but is working less than 15 hours per week, their workers compensation payments step down to 80 per cent of their pre-injury average weekly earnings [PIAWE]; but, as I understand it, a series of government sector agencies are also reducing the salary paid for the hours they work to 80 per cent of PIAWE. Are you aware of those concerns?

**Ms DONNELLY:** That is the issue that has been raised with me. It is not a step that is aligned to the workers compensation legislation.

**Mr DAVID SHOEBRIDGE:** There is no lawful entitlement for the employer to reduce the wages for time worked, is there?

**Ms DONNELLY:** I understand the point, so I am quite keen to work with the PSA on that and also industrial relations.

**Mr DAVID SHOEBRIDGE:** But more fundamentally—of course meet with Mr Little and work with the PSA—you need to be advising the government agencies, don't you? Have you issued a circular to government agencies, to the various departments, to say, "You have an obligation to pay full freight for the hours worked by staff who are returning to work with an injury." Have you issued that circular to agencies?

**Ms DONNELLY:** I have not issued a circular. I am happy to take on notice what communication we have had with agencies.

**The Hon. MARK BANASIAK:** I will let Mr Shoebridge continue.

**Mr DAVID SHOEBRIDGE:** I am sorry. I got distracted by the bell. Did you say you are happy to take on board issuing the circular?

**Ms DONNELLY:** I am certainly happy to consider that. My answer was that I am not aware of us having issued a circular, but I am happy to take on notice what communication we have had with agencies.

**Mr DAVID SHOEBRIDGE:** But I assume that the SIRA has a contact list of the various key contact points that deal with workers compensation matters across the public sector agencies.

**Ms DONNELLY:** We most certainly do and we do have communication. What I want to take on notice is to come back to you with what the communication has been.

**Mr DAVID SHOEBRIDGE:** And will that include a request to the various public sector agencies to do an audit or review of payments made to workers who are in that situation—who are injured and have returned to work but are working less than 15 hours after the 12 weeks?

**Ms DONNELLY:** I am very willing to consider that and try to take that, and we could do that, yes.

**Mr DAVID SHOEBRIDGE:** Because this really should not be the union's obligation to run down these lost wages. If wages have not been paid properly and it is because employers do not understand their obligations under the Workers Compensation Act, that is something that the Government and SIRA should be addressing, isn't it?

**Ms DONNELLY:** I think there are some complex and diverse issues here, but I am very happy to step up and take some action here.

**Mr DAVID SHOEBRIDGE:** Ms Donnelly, it is actually not that complex. It appears that the Government is docking workers' wages by 20 per cent illegally, and is doing that because it thinks it can because of the provisions of the Workers Compensation Act. That is quite a simple thing. It is deeply wrong, but it is relatively simple, is it not?

**Ms DONNELLY:** Why don't I take—I am happy to take on notice what action we have taken and to what extent we understand the problem is occurring. I am very willing to consider taking further action.

**Mr DAVID SHOEBRIDGE:** Thank you, Ms Donnelly. Ms Donnelly, both Catholic Church Insurance Limited and Veolia Environmental Services (Australia) Pty Limited were notified of SIRA's intention to impose new licence conditions for their workers compensation licences. What were the breaches or issues in respect of both of those entities that led SIRA to state an intention to impose new licence conditions? What were the proposed new licence conditions?

**Ms DONNELLY:** I will just see whether I have that in my notes. I cannot recall, but I certainly will be able to get someone to email me the information, if the team could do that.

**Mr DAVID SHOEBRIDGE:** All right. If we can, we will have the joy of another round of this, Ms Donnelly, if the information comes at some point this afternoon; otherwise, you can take it on notice.

**Ms DONNELLY:** Yes, of course.

**Mr DAVID SHOEBRIDGE:** Catholic Church Insurance Limited was also issued with three penalty notices with respect to non-compliance with claims management practices within its portfolios. Were those two issues linked—the issuing of penalty notices and the intention to impose a new licence condition?

**Ms DONNELLY:** My understanding is that they are, but I am happy to confirm.

**Mr DAVID SHOEBRIDGE:** Again, could you provide the details of what the penalty issues were.

**Ms DONNELLY:** Yes.

**Mr DAVID SHOEBRIDGE:** There were 24 separate occasions where I think icare was issued with civil penalties, or had civil penalties imposed upon it for failure to commence weekly payments in accordance with its obligations under the Act.

**Ms DONNELLY:** Yes.

**Mr DAVID SHOEBRIDGE:** What was the longest period that there was a failure during which a worker was left without payments?

**Ms DONNELLY:** Some of those periods were not long. I do not have with me the details, but we certainly can get the details about what the longest period was for that delay.

**Mr DAVID SHOEBRIDGE:** If you could give details, any further details you can, about the 24 breaches and what the total quantum of the civil penalties was.

**Ms DONNELLY:** Each of those civil penalties was 50 penalty units, which is \$5,500 and which is the maximum that the court could impose if we had taken the matter to court.

**Mr DAVID SHOEBRIDGE:** Ms Donnelly, the workers compensation dashboard, which up until December last year was being updated at least on a quarterly basis, was not updated at all between December 2018 and August this year. Why was there a failure to provide that regular update of the information on workers compensation?

**Ms DONNELLY:** I am not sure that it was not until August. There certainly was a period when the dashboard was not updated. There were two reasons. There was a period in which, as we understood it, caretaker conventions meant that putting information in the public domain should be done with care. We needed to assess that. There was also a reason concerning the data quality of a particular measure about return to work where our data indicated that performance was deteriorating. We wanted to take an extended period of checking our data before we made that public as there were some questions being raised about whether it was an artefact of data quality problems or indeed a performance problem.

**Mr DAVID SHOEBRIDGE:** All right. I think I will come back to it later.

**The Hon. MARK BANASIAK:** Sticking with you, Ms Donnelly, home building compensation insurance—that fits with you?

**Ms DONNELLY:** Yes.

**The Hon. MARK BANASIAK:** Can you outline to us why small builders are targeted with a maximum loading of 30 per cent in terms of their premium? Is that figure correct?

**Ms DONNELLY:** That does not ring a bell to me. Let me talk about the couple of ways that that scheme operates. Firstly, builders obtain eligibility based on risk assessment of themselves as a builder and also keeping

in mind what kind of projects they will embark upon. A small builder may have eligibility to undertake renovations, but not to build multistorey, multidwelling buildings, for instance, depending on risk assessment. The next factor that drives prices is that there has been reform to introduce risk-based pricing. That means that the premiums that are set by icare are assessed by SIRA to ensure that they are compliant.

Those premiums will be based on the risk of the project and they will vary depending on the type of project. That is how the system works. I may need a little more information from you about whether there is a particular experience or a particular builder that is seeing an increase in their premium. There may be a range of factors that are driving that.

**The Hon. MARK BANASIAK:** I will just skip to a question you might have to take on notice. How many claims have been made against small builders, say with a turnover of under \$3 million? How does that compare to medium and large builders, I guess over a period of three years? Have we seen an increase in claims being made against small builders, medium builders or large builders?

**Ms DONNELLY:** I think I would need to take that on notice.

**The Hon. MARK BANASIAK:** In terms of building compensation insurance for multilevel residential units, does that exist? Is there a compensation insurance fund for those builders who build large buildings such as Mascot and Opal—more than three storeys?

**Ms DONNELLY:** The Home Building Compensation Fund is available for projects up to three storeys. For buildings that are above that height, they are not currently in scope and have not been in scope in New South Wales since 2003. They are not in scope in other jurisdictions either. There are potentially other insurance products that a builder could obtain, but not the mandatory statutory scheme.

**The Hon. MARK BANASIAK:** Given the nature of what we are seeing with some developments that are clearly high profile in the media, are we looking to review bringing them under this category or creating a new insurance product for buildings above that three-level limit?

**Ms DONNELLY:** Certainly it is an important concern. You may be aware that I have given evidence a couple of times recently to the inquiry into the regulation of building standards, quality and disputes chaired by Mr Shoebridge. What I have said there is that I am considering both the evidence that has come before that inquiry and submissions. I have been meeting with the NSW Building Commissioner and we have been looking at our data. What I will be doing is giving advice to Minister Dominello, but I want to make sure that that is aligned to other related strategies that are coming forward from the Building Commissioner and also reflecting the insights from the other inquiry.

**The Hon. MARK BANASIAK:** You might need to take this on notice: You mentioned other insurance products that builders might be able to access. What ones would fit in this category, in terms of above three levels, and provide that adequate protection for both the builder and obviously the people who are purchasing these buildings? Is there anything that currently fits into that space?

**Ms DONNELLY:** I will make a couple of comments. I am happy to take it on notice. Firstly, you can have the occupants of a building having taken out an insurance policy after the build.

**The Hon. MARK BANASIAK:** You are talking about home and building, yes. That is obvious.

**Ms DONNELLY:** What is available in other jurisdictions, if we look perhaps at the UK—and I can give you some more information about that—is that you can have insurance that is available for builders and developers that enables them to purchase the insurance and offer 10-year cover for people who purchase those units. It is something that they use to differentiate themselves from other builders who may be higher risk in that—

**Mr DAVID SHOEBRIDGE:** Decennial cover.

**Ms DONNELLY:** —they are able to get affordable insurance and then provide that additional cover as one of the benefits that they are offering for potential purchasers of their unit. You would imagine that builders who are able to offer that are going to be more successful as developers and as offering units for sale. There are some ways that markets will work at offering insurance in other parts of the world.

**The Hon. DANIEL MOOKHEY:** Just two quick questions to follow up on that line of questioning by my colleague—

**Ms DONNELLY:** Mr Mookhey, I have a brief answer to a question that you asked me to come back on.

**The Hon. DANIEL MOOKHEY:** Okay, yes.

**Ms DONNELLY:** Around the matter of the particularly injured worker or workers from Corrections.

**The Hon. DANIEL MOOKHEY:** Yes.

**Ms DONNELLY:** I know that you have not disclosed the identities and I do not have that information. What I do have is that while we have been sitting here Mr Garling, the Workers Compensation Independent Review Office [WIRO], has got in touch with me and also my officers. The two have had contact with a number of injured workers that I think are the people you are talking about. There have been some meetings. There has certainly been consideration of the issues. From what they have been able to tell me it is quite complex. I am wondering, going forward, for those individuals what is the best way that I can assist. One thing might be that you and I have a discussion afterwards or I invite you to write to me and I look into the matter further—

**The Hon. DANIEL MOOKHEY:** It is entirely possible I will do that, Ms Donnelly. I guess my line of questioning was more whether or not SIRA had been notified of this.

**Ms DONNELLY:** Certainly SIRA had been notified. SIRA had then passed it on to the WIRO and the two of us have been looking into elements of those matters.

**The Hon. DANIEL MOOKHEY:** I might return to this later in the hearing today and then we can perhaps discuss offline what else we can potentially do in this respect.

**Ms DONNELLY:** Certainly.

**The Hon. DANIEL MOOKHEY:** Very quickly, just to follow up on this line of questioning from my colleague, you just made mention of the fact that icare will be preparing the premiums and submitting them on a risk-based process for SIRA's approval. That is correct?

**Ms DONNELLY:** That is right. We have introduced a premium regulation system for home building compensation. icare is required to present to us and submit to us the premiums that it proposes to provide; we assess for compliance. It is called a file-and-write system. Then it is able to write.

**The Hon. DANIEL MOOKHEY:** Which is not dissimilar to what you do in respect to the other schemes that you administer as well.

**Ms DONNELLY:** Not dissimilar, no.

**The Hon. DANIEL MOOKHEY:** When is this going to happen?

**Ms DONNELLY:** This has been in place now probably since 2017 in the lead-up over the past year—

**The Hon. DANIEL MOOKHEY:** Yes, I accept that, but when is the next premium due for your consideration?

**Ms DONNELLY:** I might need to check that. What I can say is I know that there is premium information that is available publicly about what icare is planning to do subject to that. It will be continuing to implement risk-based pricing and adjustments up to 2021.

**The Hon. DANIEL MOOKHEY:** Of course. I am just asking: Generally every year when does SIRA approve it?

**Ms DONNELLY:** It is not like clockwork. We have discussions with icare. We work out what kind of timing would suit it. It is not actually required to be on an annual timeframe in the same way. It will have stages and it may decide that it wants to do it every six months.

**The Hon. DANIEL MOOKHEY:** So it flagged with us—I think two weeks ago from tomorrow—that its actuarial assessments are that premiums for this product will be rising by 40 per cent in the next insurance premium cycle. Has it informed SIRA of that view and have you approved that?

**Ms DONNELLY:** I might need to check. That might be an overall position. My understanding is that there are some categories that have not been increasing. Particularly the multistorey, multi-unit dwellings are the ones that are high risk and at this point are not fully risk-based pricing. It has signalled its intention. We have assessed the filing for the prices that are in the market now. It will need to resubmit—even though there is sort of a forward signal we do not approve the pricing years in advance.

**The Hon. DANIEL MOOKHEY:** It is the case, though, that that is a pretty alarming rise in one year and it is arising from issues that are emerging in the building industry. Would you agree with that?

**Ms DONNELLY:** I would say that the baseline is part of the problem here. Before the past few years of reform in this scheme and before we were established as a regulator the premiums did not come anywhere near break-even premium. This is about bringing the premium up towards the true cost of the risk.

**The Hon. DANIEL MOOKHEY:** The risk has risen.

**Ms DONNELLY:** No, I think that the cost of those claims has not been fully met by premiums for some time. The risk of the multistorey dwellings—given that they are three storey but they are still multistorey dwellings in particular, construction for those has probably never been, or not for many years, fully funded by the premiums. That is the reason for the increase. We have had regard to volatility and to the concerns of rapid increases. That is why they are still not fully implemented and it has been staged over a number of years.

**The Hon. PETER PRIMROSE:** Mr Murphy, I note from the Customer Service cluster organisational chart that you are responsible for something entitled "NSW Government Brand and Communications". Is that a separate unit?

**Mr MURPHY:** A separate unit? Can you clarify that?

**The Hon. PETER PRIMROSE:** Is it a business unit?

**Mr MURPHY:** It is. It is a business unit within my team.

**The Hon. PETER PRIMROSE:** Can you tell me how many staff it employs?

**Mr MURPHY:** That business unit, at full complement, will have about 155 FTE staff.

**The Hon. PETER PRIMROSE:** On notice, can you give us a breakdown of how many staff vacancies—full time, part time, casual and contract—there are at the moment?

**Mr MURPHY:** I would have to take that question on notice.

**The Hon. PETER PRIMROSE:** What is the group's annual budget?

**Mr MURPHY:** The annual budget for that group is \$28.1 million.

**The Hon. PETER PRIMROSE:** What does it do?

**Mr MURPHY:** It has a combination of functions through that team. It is the team that manages internal engagement; external engagement; and media, digital and other elements for the Customer Service cluster and all of the businesses that operate within that department. It is shared service, if you like, across the department. It also operates a number of whole-of-government functions, including operating the nsw.gov.au website and the whole-of-government advertising and brand.

**The Hon. PETER PRIMROSE:** Was it recently responsible for some customer testing that included questions regarding the State's waratah emblem?

**Mr MURPHY:** It was.

**The Hon. PETER PRIMROSE:** When was that research conducted and in what community?

**Mr MURPHY:** I will have to take the specifics of the communities on notice. But there is a piece of work being done around the waratah brand that has involved a number of focus groups in regional New South Wales, as well as in metro areas. Those focus groups have been operating over a couple of months. I will have to get the specific dates for you.

**The Hon. PETER PRIMROSE:** Is that continuing or has that research now been finalised?

**Mr MURPHY:** The focus group element of that research is complete. Now we are taking the learnings from those focus groups and doing some quantitative data collection to back up those findings.

**The Hon. PETER PRIMROSE:** Who undertook the research? Was it internal or did you use consultants?

**Mr MURPHY:** We used an external agency.

**The Hon. PETER PRIMROSE:** Can you tell me who that agency was?

**Mr MURPHY:** It was a group called Kantar.

**The Hon. PETER PRIMROSE:** What was the cost of that research? Please feel free to take that on notice.

**Mr MURPHY:** I might take that on notice.

**The Hon. PETER PRIMROSE:** Are there preliminary findings?

**Mr MURPHY:** The work is attempting to get a picture of the way that the community perceives the waratah brand and the value that is placed around that brand in different contexts, dealing with different parts of government. At this stage we have a very broad picture that has come out of the focus groups. But I would like to see the quantitative data collection to back up those findings.

**The Hon. PETER PRIMROSE:** If possible, can you give us some idea of the estimated cost of the research prior to five o'clock?

**Mr MURPHY:** I can do that.

**The Hon. PETER PRIMROSE:** Who asked for that research to be done?

**Mr MURPHY:** I will have to take that question on notice because that research commenced before my time in this role. I commenced in this role on 1 July with the formulation of the department. That research was already underway.

**The Hon. PETER PRIMROSE:** When that research report is finished will we be able to obtain a copy of that report?

**Mr MURPHY:** I do not see why not.

**The Hon. PETER PRIMROSE:** When do you expect that the research will be finalised?

**Mr MURPHY:** I do not have an exact date for you but my understanding is that it will be finalised in the next couple of months.

**The Hon. PETER PRIMROSE:** Will it be made public and placed on your website?

**Mr MURPHY:** I will have to take that question on notice. I am not sure what process we had intended to work through with that research when it is complete.

**The Hon. PETER PRIMROSE:** Please take that on notice. What I am trying to get at is that there has been speculation in the media about the waratah brand. Unnamed sources—and, indeed, some named sources—have indicated that there is no intention to change the waratah brand, given the enormous cost. What I am trying to understand is why you would undertake research of this nature if it has already been ruled out?

**Mr MURPHY:** There is no plan to remove the waratah. As you say, it would be costly to change the branding. On the other side, the waratah is a highly recognised and visible brand. It has a lot of value as a brand. When you have an asset that has a lot of value like the waratah brand it is important to maintain it. Part of that is always understanding the perception of the brand and the values that people attach to the brand. We do that to make sure that we are using the brand in a way that maximises its effectiveness as a tool for communicating to the public about the work that the New South Wales Government does so that they can properly identify service provision and who is providing services to them. It has a lot of positive attributes in the eyes of the community and that gives it credibility and it gives our services authority.

**Mr KING:** Importantly—because I think it is an important point that Mr Murphy was flagging—there is no intention to get rid of the waratah brand at all. Let's put that very clearly on the record. The waratah brand is one of the most important brands in Australia. What we are aiming to do is look at how to maximise the value of that brand to attract investment into New South Wales and to ensure it is used well and effectively for the citizens of New South Wales and businesses generally. We want it to be an iconic brand worldwide. What Mr Murphy's work is there to do is to look at what else we can do to ensure that the return of that brand is strengthened further and further. That is good brand management.

**The Hon. PETER PRIMROSE:** Can you also please tell us how much Kantar was paid to undertake this research before, if possible, the end of this session? I am interested. Does this unit do similar work for agencies across all clusters or similar agencies in other clusters?

**Mr MURPHY:** The waratah brand is managed out of this team. That is the brand that government agencies are expected to use. There is a brand hierarchy where the brand is used differently for different agencies. There are some agencies that are independent of the waratah brand. But broadly speaking, there is a process in place so that government agencies need to use the waratah brand, consistent with the brand guide.

**The Hon. PETER PRIMROSE:** But is there, for example, a New South Wales Government branding communications unit or something of that equivalent in other clusters, or do you do that work for different clusters?

**Mr KING:** There would be communication teams in other clusters. But in terms of brand management and brand management of the waratah, that is in Mr Murphy's area.

**Mr DAVID SHOEBRIDGE:** So you own waratah for everybody?

**Mr KING:** That is exactly right. What we are doing on behalf of the Government is ensuring that we maximise the use of that brand to ensure it is used well, is trusted and is not used incorrectly, as you would expect. The other side that we should add—given that Mr Primrose raised the question of whether it is going to be available on websites and coming back to Mr Mookhey's earlier question about customer satisfaction and the commissioner—is that we also put the data in terms of what the satisfaction performance looks like for New South Wales on there. One of those is in terms of New South Wales public sector performance. New South Wales has gone up to be number one against other sectors. That is partly due the brand and the value that citizens see in the brand in terms of trust. It is just good management.

**The Hon. PETER PRIMROSE:** What other external agencies do you use for brand management?

**Mr KING:** I should say, because I want to make sure we are clear—and there are different parts to this, which Mr Murphy will mention—when you are talking about brand management you have also got things like marketing agencies, media agencies, et cetera. They are all quite different. Brand management is not marketing, media or communications.

**The Hon. PETER PRIMROSE:** What other external agencies do you use?

**Mr MURPHY:** That is my question. What do you mean by brand management?

**The Hon. DANIEL MOOKHEY:** In that respect, are you aware that there is a panel for marketing and communications that NSW Procurement uses? Do you use anybody who is not on that panel?

**Mr MURPHY:** There is a panel for media buying. Government departments are required to use the agencies on that panel for advice on media strategy and media buy.

**Mr KING:** They are not brand management organisations.

**The Hon. DANIEL MOOKHEY:** I get that.

**Mr KING:** I just wanted to clarify that.

**The Hon. DANIEL MOOKHEY:** Can we get the breakdown of the Customer Service cluster and your businesses for that panel by firm? Do you follow? How much is your cluster spending on each firm in that panel?

**Mr KING:** In terms of the media buying?

**The Hon. DANIEL MOOKHEY:** Yes, on notice.

**Mr KING:** Yes. I think we can.

**The Hon. PETER PRIMROSE:** I do not want to ask for the name of the individual public servant, but for the officer who heads up the New South Wales Government branded communications unit, what band are they on, or are they on a separate contract?

**Mr MURPHY:** The broader team—

**The Hon. PETER PRIMROSE:** No, for the unit.

**Mr MURPHY:** —or just the team that does the brand work?

**The Hon. PETER PRIMROSE:** For that unit.

**Mr KING:** The brand team.

**The Hon. DANIEL MOOKHEY:** The head of the business unit.

**Mr KING:** The brand team, though? We just want to be clear.

**Mr MURPHY:** There is the full unit, which has internal engagement, external engagement—

**The Hon. DANIEL MOOKHEY:** I am asking about the full unit.

**Mr KING:** So not just the brand team?

**The Hon. PETER PRIMROSE:** Answer both, if you would, the full unit—the New South Wales Government branded communications.

**Mr MURPHY:** The full unit is headed up by an executive director, which is an SES band 2 role. The brand team within that that manages government advertising across all of government as well as the brand work is band 1.

**The Hon. PETER PRIMROSE:** To clarify, how many officers are actually in the New South Wales Government brand team?

**Mr MURPHY:** There's about 15 FTEs, I believe.

**The Hon. PETER PRIMROSE:** You outlined, I think, a figure of 155, before. That is everyone in the New South Wales Government brand and communication—

**Mr MURPHY:** That is the whole team, including all those other functions.

**Mr DAVID SHOEBRIDGE:** Really, the big question is: Does it have its own logo?

**Mr KING:** No. In all seriousness—I know it is a serious question—one of the things that that team has been doing over the past two or three years is getting rid of the variety of different logos across New South Wales. That, in its own right, provides efficiency but also provides better impact. That is important.

**The Hon. DANIEL MOOKHEY:** Mr King, can I ask you about the critical communications enhancement program?

**Mr KING:** You may. We welcome the questions.

**The Hon. DANIEL MOOKHEY:** I am sure. They are important. You are aware that one of the purposes of this program—certainly one of the most valuable purposes—is to provide critical communications for emergency services. Is that correct?

**Mr KING:** That is right.

**The Hon. DANIEL MOOKHEY:** Therefore it is in everyone's interests for it to remain in good order.

**Mr KING:** That is right.

**The Hon. DANIEL MOOKHEY:** Particularly as we are nearing bushfire season it is crucial that it is maintained in good order. In the first instance, is it the case that the Government has, for a number of years, been engaged in a maintenance program in that respect, and an expansion program? Is that correct?

**Mr KING:** That is my understanding.

**The Hon. DANIEL MOOKHEY:** The Government is committed, I think, to expanding that. Is that correct?

**Mr KING:** Expanding the network or rolling out the critical communication program?

**The Hon. DANIEL MOOKHEY:** Both.

**Mr KING:** That is not my understanding, but Mr Wells actually runs the programs. He can take the question.

**The Hon. DANIEL MOOKHEY:** Is that correct, Mr Wells?

**Mr WELLS:** It is. To provide a bit of context, the telco authority maintains the existing Government radio network—

**The Hon. DANIEL MOOKHEY:** That is the NSW Telco Authority?

**Mr WELLS:** Yes, that is right. It services about 40 agencies. There are about 50,000 users of that network and—

**The Hon. DANIEL MOOKHEY:** Sorry, it services 40 agencies?

**Mr WELLS:** Forty agencies that have different radio requirements. There are about 50,000 users of that. The secretary is right, the Critical Communications Enhancement Program is in a process of maintaining and expanding that network.

**The Hon. DANIEL MOOKHEY:** Where is the network expanding to?

**Mr WELLS:** Probably the main statistic on that is that it takes it from a 35 per cent common coverage with emergency services organisations and the others I talked about to an over 80 per cent coverage. That is the objective of the program. What we do not have with the government radio network at the moment is that common coverage across everywhere.

**The Hon. DANIEL MOOKHEY:** Sure. Over what period of time is that meant to be taking place?

**Mr WELLS:** The program is operating over four stages, and I may take you through those four stages.

**The Hon. DANIEL MOOKHEY:** Very briefly, because I only have brief time.

**Mr WELLS:** I would also like to add, if I could, that in the past week there have been some critical bushfires across everywhere. What the program also does, as sites come on line, is to make those assets available to the emergency services organisations that are operating to put out the bushfires. So on Friday last week in Armidale a site that was almost ready and being tested was brought online early. The Rural Fire Service was able to use that infrastructure to do that work. Over the weekend, the same—we deployed sites, we deployed mobile assets to those fires. I had emails, as at lunchtime today, from Shane Fitzsimmons, saying what a big asset that has been and what a—

**The Hon. DANIEL MOOKHEY:** Of course. That is excellent, and of crucial importance, particularly as we are starting to see—as we have on the weekend—bushfires occurring in places where they have never occurred before. Can I ask, on that basis: What is the time line for the expansion of the program?

**Mr WELLS:** There are four phases. The first phase was a statewide audit and a pilot in the north-west of the State. That took 25 sites and tested those as a common network and brought those online. Those sites took a 57 per cent coverage to a 90 per cent coverage in that area around Lightning Ridge. That is done and was completed on time. The second phase of the program jointly addresses three areas. It looks at the North Coast area, where there is obviously a lot of natural disaster. That looks at 87 sites. It looks, in parallel again, at the greater metropolitan area.

**The Hon. DANIEL MOOKHEY:** Is stage two completed?

**Mr WELLS:** No, I will give you an update as to where it is up to in a minute, if that is all right. It looks at the greater metropolitan area. That takes—

**The Hon. DANIEL MOOKHEY:** Sorry, Mr Wells, we have about 10 seconds.

**Mr WELLS:** In the North Coast we have designed 40 sites, and 50 per cent of those will be operational in the coming six weeks. In the greater metropolitan area we have constructed 12 sites. For the priority sites—the third component of the phase we are in; and there is a fourth phase to come—there are 53 sites, of which nine have been completed and six are operational. So progressively we are implementing this and bringing them online.

**The Hon. PETER PRIMROSE:** When will it cover Tathra?

**Mr KING:** We will take that on notice.

**Mr WELLS:** I would have to take that on notice. I can get you that information.

**The Hon. PETER PRIMROSE:** I refer you to Australian Federal Police Commissioner Mick Keelty, who headed an inquiry into the chaos, and the result of the chaos and the lack of, and poor, communication in mid-2018 down in the Bega area. I will not go into it all, but that specifically addressed the need for improved communication.

**Mr WELLS:** It did. It was before my time. I can remember, though, the program providing assistance to those bushfires.

**The Hon. DANIEL MOOKHEY:** On notice, can we get a complete time line as to when you are expecting a full rollout of the program by each stage?

**Mr WELLS:** Yes, that is fine. We have that.

**Mr KING:** We will give you the Tathra one as well.

**The Hon. MARK BANASIAK:** I just have one more question and will throw the rest to the crossbench members. It is between Mr Rees and Ms Donnelly. There have been some successful cases in particular states in the United States and Canada where there have been financial incentives provided to new driver licence holders if they undertake safe driving courses. They have reduced CTP and reduced green slips. Have either of your departments done any work in this space, or given any advice to the Government in this space along those lines?

**Ms DONNELLY:** I can certainly answer. We have undertaken quite a large randomised trial of telematics devices with young drivers in order to explore whether or not it makes a difference to their driving and safety, with a view that it may potentially lead to either the licenced insurers in the CTP scheme or the Government being able to see a financial advantage. The results are quite promising. They do indicate, in the group of young drivers who received feedback about their driving, that there were some changes in their driving behaviour which make them safer—for instance, braking hard and some of the sorts of driver behaviours that create risk. There was a reduction in the amount of medium-range speeding, and a reduction in the amount of high-range speeding. There was, overall, lower rates of rapid acceleration and braking and turning—

**The Hon. MARK BANASIAK:** Just so I can wrap it up—because I know Mr Shoebridge has some questions—is there a time frame in terms of when you will take some action or make some recommendations on those findings?

**Ms DONNELLY:** That report will be released soon. I am hesitating because it may well be out there already. It is coming soon. What we are going to do is undertake some research, because there is one aspect on which we are not sure of the best way to go forward. That aspect is that there was a dropout rate of young drivers being keen at first. They had a financial incentive at the beginning, paid for by SIRA and a financial incentive at the end, but there was a dropout rate. Of course, the question is: Could it be designed in a way that would keep people engaged and using it, and therefore have a longer safety benefit? So that is work that is ongoing.

**Mr DAVID SHOEBRIDGE:** Mr King, I was asking some questions earlier to Ms Donnelly about the underpayment of workers when they return on partial hours on workers compensation claims. I am advised that there is a significant number of workers in your agencies who are in that exact situation, back at work, working less than 15 hours a week following a workers compensation injury and after 12 weeks post injury are being paid only 80 per cent of their wages by your agencies, rather than the full 100 per cent. Has that issue been raised with you before?

**Mr KING:** Not that I can recall, Mr Shoebridge, but certainly I will take that on notice.

**Mr DAVID SHOEBRIDGE:** Would you take it on notice and report back to us the results of your investigations?

**Mr KING:** For sure.

**Mr DAVID SHOEBRIDGE:** And in fact the nature of your investigations as well?

**Mr KING:** For sure. If I may though—Mr Gould, did you have anything? No. We will take that and come back.

**Mr DAVID SHOEBRIDGE:** Ms Donnelly, at the end of the last session of questions you suggested that you were reticent about publishing regular updates on the workers compensation dashboard during the caretaker period. Did you get any advice to that effect about not doing the regular standard production of data during the caretaker period?

**Ms DONNELLY:** Do you mean did I seek advice?

**Mr DAVID SHOEBRIDGE:** Correct.

**Ms DONNELLY:** About caretaker obligations?

**Mr DAVID SHOEBRIDGE:** Correct.

**Ms DONNELLY:** I do not remember seeking specific advice. I do remember that I carried that guideline around with me, as I do before all elections, for several months and considered it carefully.

**Mr DAVID SHOEBRIDGE:** Surely the caretaker provisions, far from saying you should not publish data in an ordinary regular fashion, say those ordinary processes of government should continue, and indeed not publishing data would raise concerns in the caretaker period rather than the standard regular publishing of data.

**Ms DONNELLY:** I am happy to take that on notice and clarify. But my recollection of the guidelines is that there are actually restrictions on government agencies updating their websites unless it is a matter of public safety or complete public interest in the actual caretaker period, and the pre-election period, there is some guidance. If I give you an example, during the pre-election period I met with stakeholders, both unions and business. I advised them that I was undertaking a compliance and performance review of the Nominal Insurer and I did that on a level of trust that I said I want to do this as an impartial regulator, I do not want this to become information that is public and becomes political and I do not look like I am leading a neutral, impartial regulator. That information was out there to enable those stakeholders to have time to prepare, but I did not put it on the website at that time. That is the way that I interpreted the guidelines.

**Mr DAVID SHOEBRIDGE:** You have said you will take it on notice how it was you came to that conclusion. Did you say that you were concerned about irregularities in the data, that perhaps—

**Ms DONNELLY:** Yes.

**Mr DAVID SHOEBRIDGE:** —were showing trends that were contrary to what your understanding of the system was?

**Ms DONNELLY:** Our data—I will take you through the steps.

**Mr DAVID SHOEBRIDGE:** Tell me what the issue was.

**Ms DONNELLY:** The issue was that the performance in terms of return to work on the metrics that we have established as the regulator, the performance of the Nominal Insurer was deteriorating. If I actually take you back to the law and justice hearings around the review of workers compensation before last, there were recommendations that we do work to better measure return to work.

**Mr DAVID SHOEBRIDGE:** Correct.

**Ms DONNELLY:** And there were particular concerns raised about the use of the measure that was cessation of benefits. We ceased using that as a metric because it really just tells you that a person has stopped being paid, not necessarily—

**Mr DAVID SHOEBRIDGE:** As opposed to gone back to work.

**Ms MANN:** —returned to work.

**Mr DAVID SHOEBRIDGE:** And there were concerns about sustained return to work, as opposed to just one hour and those issues.

**Ms DONNELLY:** And we are still doing more work and we have been adding more measures. In response to that, we as the regulator required the source data needed around work status, which tells you has the person actually advised the insurer they are back at work, not just stopped being paid. We began using that as the performance metric. What we identified through a series of interactions was that that was not being reliably collected through the Nominal Insurer and, as we were open with the dashboards that we were publishing, we knew that the data was declining, there was a need to establish to what degree it was through data quality, data non-compliance and to what degree it was performance. I exercised caution until I became convinced that there was an underlying performance issue.

**Mr DAVID SHOEBRIDGE:** But that was just one data point. Why would that prevent the publication of the balance of the data on the dashboard? Why not publish the data with an asterisk which says "return to work under review because of data issues"?

**Ms DONNELLY:** In hindsight, I could have done that. There is no particular reason why I did not.

**Mr DAVID SHOEBRIDGE:** What is the situation on return to work?

**Ms DONNELLY:** Right now?

**Mr DAVID SHOEBRIDGE:** Yes. Has it deteriorated?

**Ms DONNELLY:** It has deteriorated.

**Mr DAVID SHOEBRIDGE:** What is the average time for return to work now?

**Ms DONNELLY:** For return to work, I will give you an example. For the nominal insurer prior to the beginning of last year it was quite stable that at the four week point about 75 per cent of injured workers were back at work. From June this year, the data that I have is 57 per cent.

**Mr DAVID SHOEBRIDGE:** That is quite a dramatic deterioration.

**Ms DONNELLY:** It is a significant deterioration.

**Mr DAVID SHOEBRIDGE:** Have you sought an explanation for that from icare?

**Ms DONNELLY:** I most certainly have. I have raised that. This is one of the reasons why I commissioned the comprehensive compliance and performance review. I have commissioned additional data analysis in order to assure myself where the underlying performance really is. I have formally communicated with icare.

**Mr DAVID SHOEBRIDGE:** Are we comparing apples with apples with those two figures, the 75 per cent and the 57 per cent?

**Ms DONNELLY:** We are. I have assured myself that we are, yes.

**Mr DAVID SHOEBRIDGE:** That is return to work under the definition of actually returned to work?

**Ms DONNELLY:** Under the definition of actual return to work. And further to that, I was concerned about my ability to effectively monitor where the performance was for the whole system. I commissioned an additional benchmarking study from the social research centre who do the benchmarking study every two years for Safe Work Australia. That confirms deterioration in return to work for the nominal insurer.

**Mr DAVID SHOEBRIDGE:** What, if anything, has been the response from icare about the significant deterioration in return to work?

**Ms DONNELLY:** The most recent communication I have had would indicate that they are concerned that they have—they understand I am requiring them to take action to address that. They are awaiting the opportunity to understand what Ms Dore's report—that review will come up with. I might also just give you as background, when I commissioned that review I established a tripartite reference group. SIRA convenes a regular meeting of unions and peak bodies from business and the regulator. I established them as the reference group. They were one of the four that had raised concerns with me. One of the messages I heard loud and clear from that group was that they wanted a thorough analysis and diagnosis of what was driving these issues. They did not want a kneejerk reaction. That is what I am doing. I will require action and continue to identify action that is needed and hold icare accountable because return to work rates are a significant result that we expect the workers compensation system to deliver.

**Mr DAVID SHOEBRIDGE:** Well, it was one of the notional key indicators—

**Ms DONNELLY:** Absolutely it is a key indicator.

**Mr DAVID SHOEBRIDGE:** —for success or otherwise.

**Ms DONNELLY:** It is a very important indicator.

**Mr DAVID SHOEBRIDGE:** Are you saying that that issue, the deterioration in return to work and potentially recommendations to address it, is one of the principal issues addressed in the Dore report?

**Ms DONNELLY:** It is one of the principal issues that is addressed. It is also one of the issues that has arisen from the stakeholder submissions and the stakeholder engagement that Ms Dore has done around New South Wales meeting with people. It is also an issue that we have detected through our other regulatory and compliance activities, including file reviews and audits of claim management.

**Mr DAVID SHOEBRIDGE:** When will there be a clear direction from SIRA to icare to address this problem with return to work?

**Ms DONNELLY:** I have written to Mr Nagle requiring that he have action on this on his next business plan, which is required to be submitted to me shortly. But I also want to await the findings from Ms Dore to ensure that I keep faith with those stakeholders, that we actually make the action required the right action to solve the problem.

**Mr DAVID SHOEBRIDGE:** Ms Donnelly, how would you describe the relationship currently between SIRA and icare?

**Ms DONNELLY:** That is a broad question and we relate to each other in a number of different roles.

**Mr DAVID SHOEBRIDGE:** Some people have suggested that the relationship is highly conflicted at the moment. Would you disagree with that?

**Ms DONNELLY:** I disagree with that because I think it is too simplistic. One of the intentions in removing the conflict of interests that occurred in the previous organisation structures was to have a healthy independent regulator overseeing the Nominal Insurer and the other insurers. My experience in my role with SIRA has been that we have had to build from the ground up, regulatory capability, tool kits and frameworks.

**Mr DAVID SHOEBRIDGE:** I would agree with that, Ms Donnelly. We have been watching that.

**Ms DONNELLY:** My view is—and I think this is backed up from the community reaction and expectations looking at things like the Hayne royal commission and the APRA Capability Review—is that there should be a level of healthy tension between a regulator and an insurer that they are regulating. In a market where you have one quasi-Government monopoly provider and there is not a lot of competition, that is an important relationship. But notwithstanding that, I do have a constructive relationship with senior people in icare, from the board down.

I can ring people and they can ring me and we can have frank, constructive and courteous discussions. I do work constructively with them as partner organisations when we work on things like mentally healthy workplaces, on matters related to dust diseases, and lifetime care and the other product lines that it is responsible for. There are times when we will jointly provide advice to Government, respecting each other's expertise. So I do want to acknowledge that there are some very strong areas of collaboration and respect within the agencies. But it is very clear to me, my job is to hold it accountable for delivering as a regulator.

**Mr DAVID SHOEBRIDGE:** Ms Donnelly, I will move on to another matter now. In evidence you gave to the other enquiry into building standards about the home building insurance scheme, you said and my note of evidence here is, "It is still not a fully-funded scheme, the situation has improved financially, but it is still on a trajectory to get to a point where it is fully-funding the liabilities." In answers on notice, you advised us that the deficit for the home building insurance scheme has increased from \$105 million in the financial year 2016-2017, to \$135 million in the financial year 2017-2018, and to a record deficit in 2018-2019 of \$201 million. Ms Donnelly, that is not a system that is improving, that is a system that has gone backwards more than ever in the past financial year.

**Ms DONNELLY:** Mr Shoebridge, in my evidence and in the responses to questions on notice and I believe also in Mr Nagel's evidence in last week's budget estimates hearing, we have both outlined that there are really two schemes operating here. There is a heritage scheme before the more recent reforms in which inadequate premium was being collected. So in a policy year you are not collecting enough premium and then you have a long tail scheme where claims are going to come in over a number of years.

The money has not been put aside to fund those later liabilities. Bringing the scheme onto a more positive trajectory, I am talking about a second scheme in a way—a second book—so on a go forward basis, we are moving towards having the premiums reach breakeven premium and fully fund the costs at the time the policy is issued. That will happen when those premium increases that we were talking about earlier are fully implemented in 2021. That does still mean—and we have been quite clear about that in the evidence—that the Government is subsidising, particularly for that older scheme. There are real questions about whether you should expect people building houses now to be paying for the fact that people who built a house 10 years ago did not pay full premium.

**Mr DAVID SHOEBRIDGE:** Ms Donnelly, your evidence was quite clear. You did not try to differentiate between premium years before 2017 and premium years after 2017. It has had its record deficit in the past financial year of \$201 million. That is a record deficit, is it not, for the scheme?

**Ms DONNELLY:** I have given you substantial information in that inquiry.

**Mr DAVID SHOEBRIDGE:** It is a record deficit, is it not, Ms Donnelly?

**Ms DONNELLY:** I have not got the numbers right in front of me. I can have a look at it.

**Mr DAVID SHOEBRIDGE:** Well the total deficit over the whole life of the scheme is \$637 million.

**Ms DONNELLY:** But my point is—

**Mr DAVID SHOEBRIDGE:** No Ms Donnelly, let me just finish the question. The total accumulated deficit for the whole scheme over its life is \$637 million. And last year it was \$201 million. That is not a scheme that is improving. That is a scheme that is a basket case.

**Ms DONNELLY:** But my point, and I believe I did make this point in my evidence in that enquiry, is that to be a bit colloquial, there are two books: There is the old book of policies and the new book of policies.

**The CHAIR:** To the Opposition.

**The Hon. DANIEL MOOKHEY:** Thank you. We will just resume that dialogue we were having with Mr Wells if it is possible about where we are up to in terms of the rollout of a critical communications program.

**Mr KING:** Could I just also say Mr Mookhey and I do not want to interrupt, but if we have time just before 5.00 p.m. do you want us to answer Mr Shoebridge's question about those four people?

**Mr DAVID SHOEBRIDGE:** I am about to leave to go to another inquiry.

**Mr KING:** Do you want the answer now?

**The Hon. DANIEL MOOKHEY:** If you are happy to do it now we will just take the time out of yours.

**Mr KING:** If you have 30 seconds we can just close that off if you want.

**Mr DAVID SHOEBRIDGE:** Whenever is suitable for the committee.

**The CHAIR:** Can we continue with the Opposition's questions?

**The Hon. DANIEL MOOKHEY:** Sure. The Critical Communications Enhancement Program [CCEP], Mr Wells. You were in the process of outlining where we were up to by stage. I think you were up to stage two on the North Coast. I think it was 87 sites you were making reference to.

**Mr WELLS:** I will just go back and give the context again.

**The Hon. DANIEL MOOKHEY:** Let us go. We have a bit more time.

**Mr WELLS:** Four phases. First phase is complete. It was a pilot in the north-west. Stages two and three are done in parallel. It is design and construction of the North Coast, the greater metropolitan area and some priority sites we have agreed with the emergency services organisations. So there are those three bits happening in parallel for stages two and three. In that we also look at the design for the rest of the State. That fourth phase is the construction phase for the rest of the State. So if you think about the entire program of 675 sites—

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr WELLS:** —we are funded at the moment to build 378 of those. To get to your question—

**The Hon. DANIEL MOOKHEY:** When you say you are funded, do you mean in the next financial year or in the forward estimates?

**Mr WELLS:** There is still funding for two more financial years to complete these two middle phases.

**The Hon. DANIEL MOOKHEY:** These 378 sites?

**Mr WELLS:** Yes. That is right. So a total of 675 sites were funded—

**The Hon. DANIEL MOOKHEY:** Sorry. Do not go too fast. So you mean 2019-2020 and 2020-2021, when you say the next two financial years? Including this financial year?

**Mr WELLS:** I will confirm that in just a second, but I think that is correct. There is still that funding to go. Where we are up to exactly is, 126 of those sites have been designed. So about a third of the scope has been design completed. Sixty-two of those sites have been constructed, so the construction of those assets has been completed. And 38 are now operational. Some of those sites are the ones that I was talking about.

**The Hon. DANIEL MOOKHEY:** So 126 designed, 68 constructed.

**Mr WELLS:** Sixty-two constructed.

**The Hon. DANIEL MOOKHEY:** Sixty-two constructed and 38 operational.

**Mr WELLS:** Operational. And in those 38 are the assets that I talked about in the north-west of the State, in Armidale and other places this week that have been brought online early.

**The Hon. DANIEL MOOKHEY:** So the timetable for turning on the balance of the 30, no 24 sites. You said 62 are constructed and 38 are operational. So there must be 24 that are constructed and not operational.

**Mr WELLS:** Yes.

**The Hon. DANIEL MOOKHEY:** Are they to be turned on this year?

**Mr WELLS:** So there is a progressive turning on of those things. I will just get you the information about the rest of turning it on. The forecast completion of this phase at the moment is quarter four, 2021.

**The Hon. DANIEL MOOKHEY:** By quarter four, 2021, are you saying that the 126 would have all been built and operational?

**Mr WELLS:** No, that is the end point for the phases two and three we are in. There are 378 sites; that is the forecast for that completion of those second and third phases of the program.

**The Hon. DANIEL MOOKHEY:** Mr Wells, I am thoroughly confused. What is meant to be finished by the fourth quarter of 2021?

**Mr WELLS:** Phases two and three of the program. Remember I talked about North Coast, greater metropolitan and the priority sites? That is the forecast end for that phase.

**The Hon. DANIEL MOOKHEY:** When will the entire project be finished?

**Mr WELLS:** The last phase of the project, we need to go back to Treasury to seek funding for that phase. That is a phase that is coming up. I can speak to the phases we are currently designing, constructing and deploying, but that last phase is subject to a business case that we go back to Treasury for.

**The Hon. DANIEL MOOKHEY:** So that business case will have to cover—if you have said that you have got 675, and 378 are funded over the next two financial years, then you are saying that you are going to need to go back to Treasury and prepare another business case to get the balance of those constructed.

**Mr WELLS:** That is correct.

**The Hon. DANIEL MOOKHEY:** And you do not anticipate that process starting until the end of 2021?

**Mr WELLS:** No, that process has started from—

**The Hon. DANIEL MOOKHEY:** It can happen in parallel?

**Mr WELLS:** It even started at the commencement of the program. Treasury is aware of the envelope of the sites and what we want to achieve.

**The Hon. DANIEL MOOKHEY:** Do you maintain, or does the cluster maintain, a view as to when it would like to have all 675 sites operational?

**Mr WELLS:** I will come back to you on that, if that is okay. It depends on a couple of things. It depends on some of the technology that is changing as well in some of these sites. We might think about different ways to get to that coverage.

**The Hon. DANIEL MOOKHEY:** That is the NBN. I get the theory.

**Mr KING:** No, it is not NBN. Let's be clear on that.

**Mr WELLS:** Yes, this is very different to NBN. But there are different technologies in terms of satellite technologies and other things that might lead us to a different way of deploying this. We have got to consider all of that in this business case process.

**The Hon. DANIEL MOOKHEY:** When you said that the very instant—that your objective was, I think, to have 90 per cent or 85 per cent coverage?

**Mr WELLS:** Yes, shared coverage. At the moment the Government Radio Network, in terms of shared coverage, is about 35 per cent for the State. The objective, or what the project will achieve, is 80 per cent.

**The Hon. DANIEL MOOKHEY:** In the current phase that you are funded for, which is 378, how much of that network coverage will you achieve by constructing those 378?

**Mr WELLS:** It is a good question. I might come back to you on that, if that is okay. I know what we have already deployed has already increased the coverage for the State by 10 per cent.

**The Hon. DANIEL MOOKHEY:** So we are at 45 per cent?

**Mr WELLS:** Yes, already those 38 additional sites have got us to a 10 per cent additional coverage from where we were when we started.

**The Hon. DANIEL MOOKHEY:** But it is clear that in order for you to obtain the target of 90 per cent, you are going to need all 675 built.

**Mr WELLS:** Yes, and as I said, by the time we get to that last phase of constructing and building and deploying the last phase of the program, there may be other ways to do that. It might not be the exact number of sites and towers and things we use.

**Mr KING:** It is just the change, also, with the change of technology just generally, which is the other reason why we thought we would have it in this particular phased approach. Also, as what Mr Wells was saying, we are learning as we are implementing these first two phases, anyhow.

**The Hon. DANIEL MOOKHEY:** The last question I want to ask you is—no, I will put it on notice.

**The CHAIR:** Mr King, we will hear the additional information at the end. We will go to Ms Faehrmann now.

**Ms CATE FAEHRMANN:** A couple of quick questions going back to you, Ms Mann. We were talking about the role that NCOSS played previously. I just want you to clarify where exactly in the new regulation is the requirement for councils to nominate not-for-profits to be consulted.

**Ms MANN:** Sorry, I do not have the regulation in front of me but I can provide you with the details of that on notice.

**Ms CATE FAEHRMANN:** It is in the regulation?

**Ms MANN:** That is my understanding, yes.

**Ms CATE FAEHRMANN:** How are you planning to educate councils on the new system? What is the process there? If you do not know, take that on notice as well.

**Ms MANN:** I will take that on notice. I do know that we absolutely want to understand what the potential impact is in those local communities. If we find that this change is not giving us those answers, then we will review it again. That is absolutely the intention of the change.

**Ms CATE FAEHRMANN:** That is good to know.

**Mr KING:** Just to add, though, when you are talking about council engagement, across the entire Customer Service cluster we work with councils, with Service NSW, with cyber, amongst others. This will be part of our program and engagement with councils. It is broad-based, not just on a functional perspective.

**Ms CATE FAEHRMANN:** You were also talking about research that the department was undertaking into gambling harm in response to some questions I was asking about a number of reports over the last decade. Could you provide more detail on what that report is and when it should be made public?

**Ms MANN:** Yes. It has been a very comprehensive report, looking at all the literature on all features on gaming machines that—

**Ms CATE FAEHRMANN:** Sorry, who is undertaking it as well? Is this the department or is there an independent consultancy?

**Ms MANN:** It is being funded by the Responsible Gambling Fund with a view, as I mentioned, to bringing it all together so it is a really useful tool in evidence-based decision-making. It is being done independently. I understand that it is in train; it is not ready yet. But there is absolutely the intention that we will make that public once it is completed.

**Ms CATE FAEHRMANN:** Is there a name for it, or is there something to refer to for us to track?

**Ms MANN:** Within the office it is being referred to, I think, as the—we are referring to it as "prohibited features" or "problematic features". It is something along those lines.

**Ms CATE FAEHRMANN:** I will get you to also take it on notice, then, to provide the title in case it is different.

**Ms MANN:** Yes, of course.

**Ms CATE FAEHRMANN:** Ms Mann, you are aware that under the Gaming Machines Act 2001 a hotelier or club must not offer or present a promotional prize that exceeds \$1,000 in value? Is that correct?

**Ms MANN:** Yes, I believe that is correct.

**Ms CATE FAEHRMANN:** Are you aware of the membership program run by Wests Ashfield Leagues Club?

**Ms MANN:** Not specifically that membership program.

**Ms CATE FAEHRMANN:** I have been informed that they run a membership program where money spent in the club—which includes money spent on gaming machines—accrues points, which can then be used to make purchases at retail outlets that accept EFTPOS. But the points can also get members tickets in the membership draw, which has in the past included a car as its first prize. Does that sound aboveboard to you?

**Ms MANN:** I would not like to comment on the specifics of that case because I have not been briefed on it, but I thank you for bringing it to my attention. I will certainly take it back to my officers and get them to look into it. I would say, just in relation to membership programs and loyalty programs, that is something that we do look at as the regulator. Loyalty programs are a common feature of a lot of industries. The airline industry offers frequent flyers.

**Ms CATE FAEHRMANN:** Yes. Frequent flying is not as harmful, though.

**Ms MANN:** Yes, 100 per cent. I think our focus is when those programs actually tip, so those programs are an inducement to gamble, and that is our focus. We have looked at those schemes and that remains a regulatory focus for us. Indeed, you would note the Dee Why investigation that we have carried out, and we have again put that complaint to ILGA. That turns on the membership scheme that was used in Dee Why RSL. So it is certainly something that we are aware of and that we are taking action on.

**Ms CATE FAEHRMANN:** That is probably all from me in terms of questions.

**Ms MANN:** I do actually have the answers that Mr Mookhey asked me for on the ALH Group investigation—the particulars. First of all, just to make clear that the decision on what the appropriate sanctions are is one for ILGA, the authority. Usually what happens is it seeks submissions on the sanctions once it has actually made its findings or determinations. So it will make its findings first and then seek submissions on the sanctions.

**The Hon. DANIEL MOOKHEY:** Can we infer, therefore, that you are yet to prepare advice as to what the sentence should be?

**Ms MANN:** No. In our complaint we have actually made some suggestions around what they should be. I am happy to read those out to you, if you like. We have said that our preliminary view of the appropriate action may include the following: The first is a monetary penalty, which as I mentioned earlier can be up to \$110,000. Number two is a reduction in the number of gaming machines at the two hotels, either via suspension or modification of the hotels' authorisation to keep them. Number three is disqualification of the licensees for a period that the authority sees fit. The next one is disqualification of the close associate, which is the group manager, for a period that the authority sees fit. The next one is reprimanding the close associates.

The final one is ordering the licensees and/or the close associates and/or ALH to pay any costs incurred as a result of the investigation conducted. That has gone into our complaint to the authority but, as I said, it is a matter for the authority as to what they impose. The second question that you asked me was around how many inspectors we had allocated to this particular matter. The advice from my team is that we had seven specialist investigators working on the matter but when we were talking about broader—I mentioned we went to 50 different venues across the State. We pulled in extra officers for that and it involved in excess of 15 officers.

**The CHAIR:** Mr King, did you want to give additional information?

**Mr KING:** Yes, thank you. Mr Wells, this is in response to Mr Shoebridge's question.

**Mr WELLS:** In response to the four people in Gosford, that was initiated in November 2018. That was a small realignment of some IT functions within the cluster at that time. Those four people were found to be in excess of the structure we wanted. They were offered options in terms of redeployment to other divisions or voluntary redundancies and other things. Those four employees elected to take voluntary redundancy.

**The Hon. DANIEL MOOKHEY:** Did Mr King have any answers on the GovConnect issues?

**Mr KING:** No. It is not as fast as what I was hoping. But in all seriousness, we will come back with those.

**The CHAIR:** If you could just bear with us, we are going to have a very short deliberative to talk about whether or not we need you to come back, so if you do not mind hanging around, we will let you know very soon.

**The Hon. DANIEL MOOKHEY:** We can indicate that we do not think that SIRA or Liquor & Gaming will be required. As to some of the other questions that we are intending to ask, we wish to touch upon the issues generally of sub-security of government agencies, the cluster and cluster arrangements, and employment arrangements that will change. Some questions will be directed towards Service NSW about certain cost of living issues. We are in your hands as to who you would like to stay.

**Mr KING:** On that basis, given you want cyber, the broader cluster et cetera, I think Ms Mann and Ms Donnelly can go. The rest of us will stay.

**(Ms Donnelly and Ms Mann withdrew.)**

**(Dinner adjournment)**

**The CHAIR:** The time being six o'clock, the Committee will recommence. Thank you very much for joining us again. We will start with questions from the Opposition.

**The Hon. DANIEL MOOKHEY:** Thank you so much, and thank you to the witnesses for their return appearance as officials. We genuinely appreciate the time and we of course understand the sacrifices that are involved as well. I want to start talking about the Regional Seniors Transport Card, if that is possible?

**Mr KING:** Which one?

**The Hon. DANIEL MOOKHEY:** The Regional Seniors Transport Card.

**Mr KING:** Yes, okay.

**The Hon. DANIEL MOOKHEY:** I assume you recall this initiative?

**Mr KING:** Yes.

**The Hon. DANIEL MOOKHEY:** It is the case that this scheme is meant to be introduced—when is it meant to be introduced from?

**Mr REES:** I am happy to speak to this. This scheme is actually owned by the Department of Transport but we are working with them. My understanding is it is introduced from January 2020.

**The Hon. DANIEL MOOKHEY:** When you say it is owned by the Department of Transport, what does that mean?

**Mr REES:** They are the lead cluster and they are responsible for the policy recommendations that sit around this. The role of Service NSW is to help customers apply for the service.

**The Hon. DANIEL MOOKHEY:** Right. But the policy design around the policy parameters is set by Transport for NSW. Is that correct?

**Mr REES:** That is right.

**The Hon. DANIEL MOOKHEY:** Is Service NSW recovering its costs from Transport for NSW in this respect?

**Mr REES:** We have not established a funding arrangement for this piece of work yet.

**The Hon. DANIEL MOOKHEY:** Okay. When do you anticipate that such an arrangement will be in place?

**Mr REES:** We will need to work through that prior to the end of the year.

**The Hon. DANIEL MOOKHEY:** Do you know what definition is being used for regional?

**Mr KING:** Regional in terms of the Seniors Card?

**The Hon. DANIEL MOOKHEY:** The eligibility for this card.

**Mr KING:** No, sorry. I do not. We will probably have to take that on notice. You are probably best to direct that to Transport. That is not us.

**The Hon. DANIEL MOOKHEY:** Yes. It is now becoming clear that some of the policy parameters around this particular initiative are better directed to Transport, but when you say that Service NSW is assisting in its delivery, how do you anticipate this being delivered?

**Mr REES:** I think what is anticipated is there is a service that customers will need to apply for.

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr REES:** Like many of the services of government, the way that customers will apply for those services is through Service NSW. We approach everything through that omnichannel perspective to give customers choice. The customers will be able to apply for this service online but the customers who are not able to apply online or prefer not to will be able to come to any of our service centres and we will be able to assist them with applying for the service there.

**The Hon. DANIEL MOOKHEY:** Is it primarily going to be online to distribution as the principal channel? When you say omnichannel, I presume you also mean some of your retail locations.

**Mr REES:** Yes. Omnichannel for us is a combination of our face-to-face services, which we have in service centres and mobile service centres. We provide service over the phone through our contact centres in Newcastle and Parramatta and our online or digital services, which is our mobile service and our website.

**The Hon. DANIEL MOOKHEY:** Is it the case that typically when Service NSW prepares for the distribution of such products, you produce projections of how many people you think you will be taking up through your channels?

**Mr REES:** Yes.

**The Hon. DANIEL MOOKHEY:** Have you done that yet?

**Mr REES:** For this piece of work, I am not sure.

**The Hon. DANIEL MOOKHEY:** Do you know what—

**Mr KING:** And just on that, Mr Mookhey, it would also be done in consultation with the agency or the cluster we will be doing the work with.

**The Hon. DANIEL MOOKHEY:** Of course, as is the case because you often have those arrangements with those clusters.

**Mr KING:** That is right.

**The Hon. DANIEL MOOKHEY:** You negotiate them pretty effectively.

**Mr KING:** Also just in terms of part of it coming back to Mr Rees' earlier point, which is that you just want to make sure it is a quality customer experience, so you have to do it in conjunction anyway. It is just good partnership.

**The Hon. DANIEL MOOKHEY:** Did Service NSW participate in the costing of this policy for the election period with the Parliamentary Budget Office [PBO]? Did they seek your advice or have contact with you?

**Mr REES:** I cannot recall. I would need to take that on notice and come back to you.

**The Hon. DANIEL MOOKHEY:** Right. The PBO has put a budget around this assuming a 35 per cent utilisation rate. Is that what Service NSW is expecting as well?

**Mr REES:** The policy recommendations from that would have come from Transport, not from Service NSW.

**The Hon. DANIEL MOOKHEY:** Yes. I agree. But the question is slightly nuanced. It is: Do you agree that that is the likely utilisation rate of this initiative?

**Mr REES:** By utilisation you mean uptake by customers?

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr REES:** I do not have any data that would form a view on that from Service NSW's standpoint.

**The Hon. DANIEL MOOKHEY:** Fair enough. Can I just ask, in general: Service NSW, in terms of the introduction of services that the product growth plan effectively has for you to take over, are you profitable yet?

**Mr REES:** We are a government agency so we do not have the concept of profit.

**The Hon. DANIEL MOOKHEY:** We have limited time. Are you recovering your costs for the products that you are distributing?

**Mr REES:** We have a range of funding arrangements in place. Some of those funding arrangements fully cover the cost of services. Other funding arrangements do not.

**The Hon. DANIEL MOOKHEY:** How many do you have in place?

**Mr REES:** How many funding arrangements do we have in place?

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr REES:** I would need to take that on notice.

**The Hon. DANIEL MOOKHEY:** And are you able, on notice, to tell us which ones of them you are recovering costs for and which ones you are not?

**Mr REES:** We can.

**The Hon. DANIEL MOOKHEY:** You would be happy to do that?

**Mr REES:** Yes.

**Mr KING:** Mr Rees will know more, but I think generally there would be about 900-plus transactions now going through Service NSW.

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr KING:** It is broad base across the sector and then on top of that, from a citizen lens perspective, what we now see very clearly—and Mr Murphy will know this—if citizens access their transactions through Service NSW the satisfaction score was about 75 per cent to 80 per cent, or something along that line versus if they do not it is around 60 per cent, much lower. It is better in terms of convenience, better in terms of experience and also, in addition to that, it also helps to reduce red tape among other things.

**The Hon. DANIEL MOOKHEY:** But you do have a detailed forward forecast plan for the introduction of additional services, don't you?

**Mr KING:** A couple of things on that and, again, Mr Rees can talk about that, but generally most of the services are already going through Service NSW. High volume ones already—

**The Hon. DANIEL MOOKHEY:** What additional services do you foresee being introduced through Service NSW in the next 12 months in accordance with those funding arrangements that you have been talking about?

**Mr REES:** We have about 22 projects underway at the moment looking at bringing additional services in. About 12 of those relate to partnering with agencies on the various election commitments that were made by the current term of government.

**The Hon. DANIEL MOOKHEY:** On notice can we get the list of the 22 in the next 12 months?

**Mr REES:** Yes.

**The Hon. DANIEL MOOKHEY:** That would be very useful. Can I just ask you very quickly about the Toll Relief program? How many motorists have received free registration under the Toll Relief program in each year that it was introduced?

**Mr REES:** Bear with me for a second.

**The Hon. DANIEL MOOKHEY:** Let's go with last financial year, which would be useful and then on notice since it was introduced, if it is possible.

**Mr REES:** The data I have in terms of the number of claims is not broken down by financial year, but 86,402 free registrations, and you will note that we introduced a second stage of that service on 1 July, which provided, I think, 50 per cent off tolls for customers who had spent \$15 or more per week on tolling. Once you incorporate the cohort that is going to receive benefit from the additional expansion of the scheme I think it goes to 300,000 eligible drivers overall.

**The Hon. DANIEL MOOKHEY:** And you maintain geographic data on the distribution of those benefits, do you not?

**Mr REES:** We would have that, yes.

**The Hon. DANIEL MOOKHEY:** Is it possible, on notice, for you to be able to provide us the quantum of relief by postcode, if that is possible? The amount of money paid to people who live in each particular postcode?

**Mr REES:** I will take that on notice and if we can we will obviously provide it.

**The Hon. DANIEL MOOKHEY:** I think you have previously been able to provide that data, and if you are able to provide the number of people claiming by postcode as well that would be very useful. Are you happy to take that on notice?

**Mr REES:** Of course.

**The Hon. DANIEL MOOKHEY:** Great. And can you do that in respect of the second program that you just mentioned too?

**Mr REES:** The second program was—

**The Hon. DANIEL MOOKHEY:** The one from 1 July.

**Mr REES:** Phase two of the Toll Relief program?

**The Hon. DANIEL MOOKHEY:** Yes.

**Mr REES:** Sure.

**The Hon. DANIEL MOOKHEY:** Understanding that, of course, it is in a far more nascent stage.

**Mr KING:** We should just say that the top 10 suburbs claiming toll relief—Mr Mookhey, do you want to know the top 10 suburbs claiming toll relief?

**The Hon. DANIEL MOOKHEY:** Not if it is possible to take it on notice because I am eager to get you out of here, if possible.

**Mr KING:** We would always be keen, but just providing it now means we do not have to do that paperwork.

**The Hon. DANIEL MOOKHEY:** I would agree with that, but I still have to ask for the paperwork regardless of whether you tell me now because I want more than the top 10.

**Mr KING:** Fair enough.

**The Hon. DANIEL MOOKHEY:** But you are welcome to give us the top 10 very quickly, if you want.

**Mr KING:** We might as well: Castle Hill, Baulkham Hills, Kellyville, Blacktown, Mosman, Quakers Hill, West Pennant Hills, Glenwood, Cherrybrook and Glenmore Park.

**The Hon. DANIEL MOOKHEY:** That is effectively where I grew up.

**Mr KING:** There you go, and it has got about a 99.7 per cent thumbs up score.

**The Hon. DANIEL MOOKHEY:** I am sure giving people back their tolls would get a very high rating.

**Mr KING:** It is important that they know about it.

**The Hon. DANIEL MOOKHEY:** Of course; I do not dispute that. Can I just move on now, Mr Secretary, to questions about the cluster, if that is possible? We started this conversation on Monday when we were talking about the efficiency dividend but it is—can I just start with the sense that this is, at the point that the department commenced in July, what was the FTE of the entire cluster?

**Mr KING:** Yes, for sure. Mr Gould, do you have that?

**Mr GOULD:** As at 30 June we had a staff head count of 8,474.

**The Hon. DANIEL MOOKHEY:** Eight thousand, four hundred and seventy-four?

**Mr GOULD:** Yes.

**The Hon. DANIEL MOOKHEY:** Obviously the formation of the cluster would require some form of restructure. Is that correct?

**Mr KING:** That's right.

**The Hon. DANIEL MOOKHEY:** Sorry, we had to get the verbal response for Hansard.

**Mr GOULD:** Yes.

**The Hon. DANIEL MOOKHEY:** That requires you to engage in what are called "restructure management plans". Is that correct?

**Mr KING:** That's right, if it is sizable.

**The Hon. DANIEL MOOKHEY:** How many restructure management plans do you anticipate that the cluster is going to need to engage in as a result of the formation of the cluster?

**Mr KING:** I could not give a guess on that at the moment.

**The Hon. DANIEL MOOKHEY:** I am not asking for a guess.

**Mr KING:** No, I could not tell you.

**The Hon. DANIEL MOOKHEY:** Have you prepared any work in this respect?

**Mr KING:** Have we prepared any restructure management plans?

**The Hon. DANIEL MOOKHEY:** Have you prepared any planning around the amount of restructure that would be required? For example, we went through the new operating model that is going to be contemplated in the Better Regulation space. I am not sure whether that catalyses.

**Mr KING:** That would be one. I will take it on notice if we have prepared any more. There would certainly be at least one more, I think, from memory. There would be Mr Murphy's one, I think, from memory. Mr Murphy, do you have one?

**The Hon. DANIEL MOOKHEY:** Have you provided any representations to anybody about the number of restructure management plans that may or may not be required?

**Mr KING:** When you say have I provided any representations?

**The Hon. DANIEL MOOKHEY:** Well, presumably you have a requirement to consult with a bunch of people in the restructure management plan—or even if you are contemplating a restructure.

**Mr KING:** That is my understanding, yes.

**The Hon. DANIEL MOOKHEY:** Have you initiated any of those consultations?

**Mr KING:** My understanding is that there would have been, yes.

**The Hon. DANIEL MOOKHEY:** Who would have been consulted?

**Mr KING:** Who would have been consulted? I would have to take that on notice.

**The Hon. DANIEL MOOKHEY:** Do you know how many different restructures that require restructure management plans that the Government intends in the next 12 months?

**Mr KING:** No, I have already answered that.

**The Hon. DANIEL MOOKHEY:** You do not know?

**Mr KING:** Yes.

**The Hon. DANIEL MOOKHEY:** Is it anticipated that there is going to be at least 25 of these required?

**Mr KING:** No. That is the first I have heard of that.

**The Hon. DANIEL MOOKHEY:** Okay. What is involved in a restructure management plan?

**Mr KING:** I am not sure on that. Mr Gould?

**Mr GOULD:** I can help you here.

**The Hon. DANIEL MOOKHEY:** Sorry—the microphone again, Mr Gould.

**Mr GOULD:** You start with the organisational structure that you have prior to the reorganisation. You then design a new organisational structure. If that then means that there is going to be a reduction in roles, then you communicate to your staff that there is going to be a restructure. You go through a structured consultation process where people can make various decisions about whether they want to stay or whether they want to go or apply for the new roles that are there. That is quite an extensive process. You take the feedback that comes on board, which will allow people to I guess challenge some of the changes that are being proposed or question or make further suggestions.

That is then considered by the management. A final structure is then issued. Then when you have a circumstance where you have more people than you have roles at a certain level, you need to go through a selection process as to who is going to get those positions. At the end of that, if you did not get a role, you would be declared excess. Then other opportunities would be looked at in the cluster—because people are constantly coming and going from the organisation. In some cases you are put into a talent pool for when opportunities come up. At the end of that process if you are unable to secure a role, you would be eligible for a voluntary redundancy.

**Mr KING:** Therefore, on that basis, that is what the Better Regulation division has done.

**The Hon. DANIEL MOOKHEY:** That was a restructure management plan that was being discussed at the time?

**Mr KING:** That's right.

**The Hon. DANIEL MOOKHEY:** So Mr Gould or Mr King, that policy that you just described: Is that a policy of the department or is that one that has been proposed by the Public Sector Commission [PSC]?

**Mr GOULD:** It is a policy of the department but using the guidelines issued by the PSC. That is right.

**Mr KING:** It would be consistent.

**Mr GOULD:** Consistent, yes.

**The Hon. DANIEL MOOKHEY:** Presumably that structure is recognised in some form of an award arrangement, or not?

**Mr KING:** When you say in regard to what?

**The Hon. DANIEL MOOKHEY:** The requirement to consult, for example, what parts of that are legally enforceable through any award or industrial instrument?

**Mr KING:** My understanding is that you would have to do that as part of the arrangement.

**Mr GOULD:** But from 11/12 down. For senior management that is different.

**The Hon. DANIEL MOOKHEY:** Yes, of course. Senior management has a different arrangement. From 11?

**Mr KING:** From 11/12 down.

**The Hon. DANIEL MOOKHEY:** What do you call that—a grade?

**Mr KING:** Grade 11/12 down.

**The Hon. DANIEL MOOKHEY:** You think only two of them are currently underway in the cluster?

**Mr KING:** We said we would take that on notice.

**The Hon. DANIEL MOOKHEY:** I think you said to the best of your knowledge there was two?

**Mr KING:** From my understanding, there would be two. There would be either—Better Regulation would be one and there would be one other.

**The Hon. DANIEL MOOKHEY:** What was the other?

**Mr KING:** My understanding is that we would be doing the customer delivery and transformation team.

**Mr REES:** Where there are changes that impact multiple parts of the cluster we will tend to do a restructure management plan on both sides of that equation, when we are thinking about the number of actual plans that are developed.

**The Hon. DANIEL MOOKHEY:** Given the cluster has been formed, therefore, I can only presume that there will be multiple agencies?

**Mr KING:** There will be. You were asking about the number earlier where there is 25.

**The Hon. DANIEL MOOKHEY:** Yes, I was.

**Mr KING:** I am not aware that there is 25 but we will take that on notice.

**The Hon. DANIEL MOOKHEY:** Are you aware there are more for the next two that is currently underway?

**Mr KING:** There would be more.

**The Hon. DANIEL MOOKHEY:** On notice, you are coming back to us with precisely how many you think there are?

**Mr KING:** For sure, we will.

**The Hon. DANIEL MOOKHEY:** To the extent to which you have engaged in consultation in respect to those two, are you in a position to shed light as to when they began and what consultation you have engaged in and when that will complete and when, effectively, those restructure management plans will be finished?

**Mr KING:** We can. We will take that on notice.

**The Hon. DANIEL MOOKHEY:** You will take all of them on notice as well. At the end of it in pursuit of the restructure management plan process and the cluster formation, which is actually what this is far more to do with, do you have a target for the amount of FTE you intend to have or forecast to have at the end of the formation of the cluster?

**Mr KING:** No, we do not have a target.

**The Hon. DANIEL MOOKHEY:** Have you provided any representations that there is an intention to reduce cluster headcount by over 1,000?

**Mr KING:** Not that I am aware of, that we have provided representations of reducing by 1,000.

**The Hon. DANIEL MOOKHEY:** Are there any plans to that effect that would result in that outcome or more than 1,000 that has been worked on, any draft, anything inside the cluster currently?

**Mr KING:** Not that I am aware of that there is a reduction of 1,000 in terms of headcount. But, in saying that, what is very clear—which has been stated before—is what we are looking at doing is how can we simplify our delivery right across. Coming back to a range of aspects, we have formed a Customer Service cluster. We are looking at how we simplify our delivery, how we can ensure better shared services, amongst other things, and those things which will lead to further efficiency. Therefore, what are some of the things we may do, which I explained.

**The Hon. DANIEL MOOKHEY:** We discussed, yes.

**Mr KING:** For example, one of the things we are doing is reducing contractors. We have done that and we have gone from 1,700 to 600. That would be one thing we are doing. They are the types of things we are doing.

**The Hon. DANIEL MOOKHEY:** In respect of the regional jobs guarantee—that is, the commitment of the Government that no jobs are going to be lost in regional New South Wales—what definition of "regional New South Wales" as a cluster are you using to meet that commitment?

**Mr KING:** Again, I think Mr Reardon made that very clear the other day. You can read his session with Premier and Cabinet.

**The Hon. DANIEL MOOKHEY:** Mr Tim Reardon?

**Mr KING:** Yes.

**The Hon. DANIEL MOOKHEY:** What definition is the cluster using for regional New South Wales?

**Mr KING:** Let us make it easier, Sydney local area from a council perspective of Newcastle and Wollongong is not considered regional New South Wales. Everything else is regional New South Wales.

**The Hon. DANIEL MOOKHEY:** Does the Sydney Basin cover Lithgow?

**Mr KING:** My understanding is no.

**The Hon. DANIEL MOOKHEY:** It does not?

**Mr KING:** Lithgow would be considered regional.

**The Hon. DANIEL MOOKHEY:** Is Wollondilly considered regional or is it considered Sydney?

**Mr KING:** We will come back on that.

**The Hon. DANIEL MOOKHEY:** Is Maitland considered a part of Newcastle?

**Mr KING:** No, it is not; it is regional.

**The Hon. DANIEL MOOKHEY:** It is covered?

**Mr KING:** It is regional and the Premier has been clear that there will be no job losses as part of the machinery-of-government changes in regional New South Wales.

**The Hon. DANIEL MOOKHEY:** Of course, which is why we are talking about the definition.

**Mr KING:** Maitland would be considered regional.

**The Hon. DANIEL MOOKHEY:** The incorporation of Revenue NSW functions into Service NSW—to which Commissioner Brady was able to provide some insight in his estimates hearing—what is the trajectory Service NSW thinks that is going to take and what is being integrated?

**Mr KING:** On this aspect, we should also consider—which Mr Brady also spoke about—that Service NSW is already delivering services on behalf of Revenue NSW. Nothing changes on that aspect. That has already been happening. That is the first point.

**The Hon. DANIEL MOOKHEY:** To be fair, I was not implying that this is new.

**Mr KING:** No, but it is an important point. It is not new.

**The Hon. DANIEL MOOKHEY:** I accept that. But what additional functions will Service NSW be delivering for Revenue NSW and from when?

**Mr REES:** We are still working through the details of that at the moment. What I would say in terms of regional employment is that regional employment is a very, very large part of our focus. We have over 1,000 staff in regional New South Wales. We have no plans to reduce those numbers in any of those locations. In fact, we are constantly looking for opportunities to move more work towards the regions and to grow employment there.

**The Hon. DANIEL MOOKHEY:** That is interesting. But in terms of the Revenue NSW incorporation—

**Mr KING:** We are not saying that Revenue NSW is going to be incorporated into Service NSW. It is not a business in terms of incorporation.

**The Hon. DANIEL MOOKHEY:** Revenue NSW functions, which may be delivered by Service NSW—

**Mr KING:** Or transactions that could be delivered—

**The Hon. DANIEL MOOKHEY:** Or transactions. Revenue NSW made mention of the fact that call centres could be one of the functions that Service NSW might be delivering. Is that what Service NSW's understanding is?

**Mr REES:** That is the area that we are exploring. We are looking at the functions across the cluster that relate to Customer Service, which is the role that Service NSW plays.

**The Hon. DANIEL MOOKHEY:** I think it maintains a service—a call centre—in Parramatta?

**Mr KING:** It has call centres in Parramatta, Lithgow, Maitland and Gosford, from my understanding.

**The Hon. DANIEL MOOKHEY:** Is it contemplated that those call centres and your call centres will merge in those locations?

**Mr KING:** Again, not necessarily.

**The Hon. DANIEL MOOKHEY:** I am not making any value judgements about this, Mr King.

**Mr KING:** I know, but it is an important point. If you take those call centres as an example, they are on old technology platforms. An opportunity for us is whether we can get them on the one common platform. If you get them on the one common platform then you can use those multiple call centres in multiple ways.

**The Hon. DANIEL MOOKHEY:** You can move capacity between them.

**Mr KING:** Spot on. The other thing you can start to think about, which is also important generally in terms of regional jobs, is that as more and more people start to use multichannels—coming back to Mr Rees' omnichannel—more and more people are going to start to use digital. How can we start to upskill people in places like Maitland and Lithgow? That is the type of work we are looking at.

**The Hon. DANIEL MOOKHEY:** I will finish with this, because it arises out of what you just said. Is it contemplated that Revenue NSW call centres will be performing services for Service NSW?

**Mr KING:** There could be multiple options. That is part of the work. Again, we are exploring different scenarios.

**The Hon. DANIEL MOOKHEY:** When do you anticipate that this exploration phase will finish and we will have a service agreement between the two organisations?

**Mr KING:** There already is a service agreement between Revenue NSW and Service NSW. But it is an important point—

**The Hon. DANIEL MOOKHEY:** The subsequent question I am asking is: When do you anticipate that this will conclude and we will have a decision on these questions?

**Mr KING:** I do not think this will ever conclude, which we went back to on Monday. Continuous improvement, in terms of how you change your delivery mechanism, is going to be ongoing.

**The Hon. DANIEL MOOKHEY:** Of course. But when do you anticipate that this particular dialogue with Revenue NSW will conclude? As in, when will this particular conversation that is being had about the performance of call centre functions or the integration of call centre systems—however you wish to describe it—be concluded? Its evidence was that it anticipated it to be in the next couple of months. I am asking about what you think.

**Mr KING:** It could be that phase, quite possibly. But there will be other phases.

**The Hon. DANIEL MOOKHEY:** Of course.

**Mr KING:** I do not want people to think that this just stops and is finished.

**The Hon. DANIEL MOOKHEY:** You have made that point very clear, Mr King. I am trying to bring you to the specifics of when you think this phase—

**Mr KING:** This phase could be stopped in the next couple of months. But then there could be further work going on.

**The Hon. PETER PRIMROSE:** Mr Murphy, earlier I asked you a number of questions about the branding unit. I asked you whether it was possible to bring some material by five o'clock. Could you take those questions on notice?

**Mr MURPHY:** I am happy to do that.

**The Hon. PETER PRIMROSE:** Rather than trying to have a conversation in the final three or four minutes, that would be great. We will see you in October about the issues. I understand that a Cyber Security NSW unit has been established. Is that the case?

**Mr KING:** That is right. Mr Wells will explain that. I know everyone wants to go, but going back to Mr Primrose's earlier point, it will be about three months for the first phase for Revenue NSW and Service NSW.

**The Hon. DANIEL MOOKHEY:** Three months from now?

**Mr KING:** We will be precise on the date.

**The Hon. PETER PRIMROSE:** I do not want to go, but I think others may. Can I just ask about Cyber Security NSW? When did it commence operation?

**Mr WELLS:** The overall coordination function for cyber security in New South Wales has been in place for about two years. Earlier this year we renamed it to make it a clearer, simpler message about what it does. It might be worth explaining some of those functions.

**The Hon. PETER PRIMROSE:** Yes, please. I would like to know what it does, how many people are there and what its current budget is.

**Mr WELLS:** Sure, I will get those figures as we go through. In terms of function—I might start with that, if that is okay?

**The Hon. PETER PRIMROSE:** Please.

**Mr WELLS:** While all clusters remain responsible for their own cyber security—that is an important point—Cyber Security NSW coordinates a lot of activity across the State in this really important topic, to keep the trust of the public. Some of the functions are intelligence sharing across the State—intelligence we get from the Commonwealth, the Australian Cyber Security Centre—we disseminate and share that across the State, we run a series of exercises to assist clusters, we think about how we will respond to various instances and things as they occur, we perform a role around the risk monitoring and performance of clusters and where people are up to in various levels of maturity, we provide advice on how to remediate certain issues as those things come up and there is also a big role in cultural uplift and awareness of what cyber security is and how we might mitigate some of those issues.

**The Hon. PETER PRIMROSE:** Can I ask you the current budget?

**Mr WELLS:** Sure. I will come back to you on that in just a second but there are 21 people in the organisation.

**The Hon. PETER PRIMROSE:** Twenty-one full-time equivalents?

**Mr WELLS:** Yes, in Cyber Security NSW. The overall budget for that unit over the four years it was set up for is \$20 million, so I think it is \$4.9 million. I will confirm that exactly on notice.

**The Hon. PETER PRIMROSE:** That is per annum?

**Mr WELLS:** Yes, the current year is \$4.9 million but I will confirm that on notice.

**The Hon. PETER PRIMROSE:** I understand the Auditor-General conducted a report that was released in March this year, which made a number of recommendations in relation to cyber security. Can you tell us where the implementation of those is up to?

**Mr WELLS:** Yes. So that report on detecting and responding to incidents from March 2018, we have looked at that and accepted those recommendations. Many have already been implemented and the rest are in train. What that goes to is the cyber security policy that we issued in February this year. That policy has four really important components. The first one is that it asks all clusters to manage their security around something called the Australian Cyber Security Essential Eight—eight mechanisms that we look at. It is really around basic hygiene to protect the information and assets that each cluster has. So that is one thing that the policy recommends and that is part of the Auditor-General's recommendations.

The second one is that it looks at a risk-based approach to agencies, identifying what the industry calls crown jewels—important information that each cluster holds and how you particularly protect that information. It also looks at any high-risk items that a cluster would monitor through their audit and risk committees and other things related to information security. So it is reporting against that and also against this exercise program, to say, if we get certain incidents how we respond, how we communicate amongst ourselves, across clusters, with the public—technically, how would we isolate incidents and respond to those things. That is the key to a lot of the Auditor-General's recommendations around how we organise ourselves in the event of an incident or crisis.

**The Hon. PETER PRIMROSE:** I appreciate it needs more time, but we do not have it. Thank you very much.

**The Hon. DANIEL MOOKHEY:** Mr Wells, the implication of your answer is that the service will not be providing services directly to citizens. For example, for citizen redress should they find themselves a victim of any cyber abuse.

**Mr WELLS:** Sorry, could you repeat that?

**The Hon. DANIEL MOOKHEY:** This is predominantly a unit that is directed towards security of government information; is that a correct characterisation?

**Mr WELLS:** Yes, that is correct.

**The Hon. DANIEL MOOKHEY:** It is not going to have a direct interface with citizens. So a citizen who finds themselves in a position where, for example, they have been hacked, cannot come to it for any assistance or relief?

**Mr WELLS:** That is not quite true. We also have a subscription to something called IDCARE, which provides citizens who have had identity theft or any fraud against them to contact that organisation to be assisted through a process to get some of that information back. We do have that service as well, but you are right, it is predominantly around the protection of government information and assets.

**The Hon. DANIEL MOOKHEY:** A lot of MPs get those types of representations from constituents. I have been subjected to my image being digitally altered. And if you are a woman, particularly in the context of domestic violence, it is quite a common occurrence nowadays that intimate images are introduced into the public domain without consent, for example. The Parliament has made law changes, as it should. Is this agency in a position to provide any assistance to them or not?

**Mr WELLS:** I do not think so, but I might follow up on that, if that is all right, on notice. I think it is more around identity and the protection of the assets we have.

**The Hon. DANIEL MOOKHEY:** Is there anywhere else in the cluster where it is possible for a person—a citizen—to go to for that type of relief?

**Mr WELLS:** Not that I am aware of in that particular case you have mentioned—

**The Hon. DANIEL MOOKHEY:** Other than the police?

**Mr WELLS:** —other than the police, obviously. I will come back to you. Just to correct the figure I gave you before, this year it is \$5.19 million. That is just the spread of the \$20 million over four years.

**Mr KING:** But there is another area, Mr Mookhey. The Commonwealth also provides a service. In many ways we work quite closely with the Commonwealth, and this is where you can also make sure you get access with that one-door type of approach. We do not necessarily need to duplicate it—

**The Hon. DANIEL MOOKHEY:** Of course.

**Mr KING:** —which saves you money.

**The CHAIR:** Thank you very much to all of you for your attendance. The Committee secretariat will be in touch in relation to the questions you have taken on notice, as well as any supplementary questions that come through. You will have 21 days to respond with your answers.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**