

PORTFOLIO COMMITTEE NO. 6 - TRANSPORT AND CUSTOMER SERVICE

Monday 9 March 2020

Examination of proposed expenditure for the portfolio area

CUSTOMER SERVICE

CORRECTED

The Committee met at 9:30

MEMBERS

The Hon. Mark Banasiak (Acting Chair)

The Hon. Anthony D'Adam (Acting Deputy Chair)

Ms Cate Faehrmann

The Hon. Scott Farlow

The Hon. Sam Farraway

Mr Justin Field

The Hon. John Graham

The Hon. Shayne Mallard

The Hon. Daniel Mookhey

The Hon. Adam Searle

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 ACTING CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2019-20, further hearings. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I would also like to pay my respects to the Elders past and present of the Eora nation and extend that respect to other Aboriginal people present. I welcome Minister Dominello 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 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 they must take responsibility for what they 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 this House in 2018. There may be some questions that a witness could only answer if they had more time or certain documents to hand. In those circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisors or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and any officers accompanying you that you are free to pass notes and refer directly to your advisors seated at the table behind you.

Transcripts of this hearing will be available on the web as soon as possible. Finally, would everyone please turn their mobile phones to silent for the duration of the hearing. All the witnesses from the department, statutory bodies and corporations will be sworn prior to giving evidence. However, I believe in this case you have all been previously sworn. Minister Dominello, 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. Today's hearing will be conducted from 9.30 a.m. to 12.30 p.m. with the Minister and from 2.00 p.m. to 5.30 p.m. with departmental witnesses. I now declare the proposed expenditure for the portfolio of Customer Service open for examination.

EMMA HOGAN, Secretary and NSW Customer Service Commissioner, Department of Customer Service, on former affirmation

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

CARMEL DONNELLY, Chief Executive Officer, State Insurance Regulatory Authority, on former affirmation

DAMON REES, Chief Executive Officer, Service NSW, on former affirmation

GREG WELLS, Government Chief Information Officer, Department of Customer Service, on former oath

WILLIAM MURPHY, Deputy Secretary for Delivery and Transformation, Department of Customer Service, on former oath

ROSE WEBB, Deputy Secretary, Better Regulation Division, Department of Finance, Services and Innovation, on former affirmation

The ACTING CHAIR: As there is no provision for opening statements, I will hand to Labor for questions.

The Hon. DANIEL MOOKHEY: Minister, thank you, for your appearance this morning, as well as all the officials who have accompanied you. Minister, on Thursday evening your regulator, the State Insurance Regulatory Authority [SIRA], published a bulletin in which it said that it was:

... notified by icare that errors have been detected in weekly payment calculations in a sample of closed Nominal Insurer workers compensation claims.

The errors were found during an icare risk discovery review in 2019. The review, which excluded the Treasury Managed Fund, was designed to test the extent to which the initial Pre-Injury Average Weekly Earnings (PIAWE) calculation was correct from 2012-2018.

The scope and results of the review as advised by icare as follows:

- approximately 3,000 claim files were reviewed
- where there was sufficient information on file to recalculate PIAWE, approximately one quarter of the claims were potentially underpaid, at least initially, and a similar proportion were potentially overpaid

...

On top of that, that had flow-on consequences for businesses in terms of their premiums. Just doing the maths on that, every month the Nominal Insurer [NI] deals with 5,300 claims on average. Over a six-year period that is 387,000 claims. If one in four is affected we are dealing with 96,000 workers who may have been underpaid. Is that correct?

Mr VICTOR DOMINELLO: I am not here to go into that level of detail in relation to the maths. That is obviously a matter for the regulator and icare. I will go with your assumptions for the sake of the exercise.

The Hon. DANIEL MOOKHEY: Even if only one-tenth of those figures in terms of the number of people—

Mr VICTOR DOMINELLO: I am happy to play out with those assumptions just for the sake of the exercise.

The Hon. DANIEL MOOKHEY: Sure. To be fair to you, I am not sure whether you have any better information.

Mr VICTOR DOMINELLO: That is why.

The Hon. DANIEL MOOKHEY: But even if it is just one-tenth of those figures, your Government would effectively be responsible for one of the biggest underpayment issues confronting Australian workers to date.

Mr VICTOR DOMINELLO: Again, I am happy to go through this exercise so that we can have a discussion in relation to what we need to do get to the bottom of it, but one of the good things we have got since the 2015 reforms, Mr Mookhey, as you would appreciate, is an independent regulator. In many ways a lot of these things may not have even surfaced if it were not for the reforms that we have introduced. I know that SIRA is looking at that and, no doubt, will be spending a lot of time with icare in relation to that issue.

The Hon. DANIEL MOOKHEY: Can you confirm whether or not you or SIRA have ordered the government self-insurers, the other self-insurers and/or the Treasury Managed Fund to be reviewed as well to find out whether or not they have also engaged in the underpayment of workers.

Mr VICTOR DOMINELLO: I will defer to Ms Donnelly on that.

Ms DONNELLY: I can confirm that I have required icare to also undertake a review of the Treasury Managed Fund and that SIRA is commencing an audit of the self-insurers and specialist insurers as well.

The Hon. DANIEL MOOKHEY: Do you know when that it is going to be finished?

Ms DONNELLY: No, I do not know when exactly it will be finished. We are only really commencing now.

The Hon. DANIEL MOOKHEY: Publicly icare has said that the majority of issues are pre 2016. Does the regulator agree with icare in that statement?

Ms DONNELLY: It is not consistent with the information in the pack that I was provided.

The Hon. DANIEL MOOKHEY: To the extent that it has also publicly said that it may have only affected one of the first payments made to injured workers, is that a view that the regulator also shares?

Ms DONNELLY: What I know now, and obviously we are determined to have the full picture, take appropriate action and look after the people who may have been impacted, is that the audit was—from what I am advised—a random sample of 3,000 claims. It was focused on closed claims and looked particularly at the initial payment. Part of what I have initiated is working with the Workers Compensation Independent Review Office and the Workers Compensation Commission and our own data analysis to understand to what extent initial errors would have already been remediated through complaints handled by the WIRO, disputes handled by the Workers Compensation Commission or, in fact, further reviews at the 13-week point for claims that went beyond four weeks. We are determined to understand the full picture, but some of that is not known yet.

The Hon. DANIEL MOOKHEY: Yes, I appreciate that this has only arrived on your desk pretty recently. Listening to your answer, Ms Donnelly, it seems clear that you have no basis to say it is just limited to the first payment. Is that correct?

Ms DONNELLY: I need to have the full picture, yes.

The Hon. DANIEL MOOKHEY: Minister, this underpayment problem emerged because of the confusion around how to calculate pre-injury average weekly earnings.

Mr VICTOR DOMINELLO: And we brought in some reforms around that.

The Hon. DANIEL MOOKHEY: We will talk through that. But your Government was repeatedly warned about how difficult it was to calculate pre-injury average weekly earnings, which is, incidentally, a concept that your Government introduced into workers compensation law. The Standing Committee on Law and Justice warned you twice, as early as March 2017 in the first review of the scheme and again in the second scheme. You introduced legislation in 2018 but your Government only proclaimed the regulation to fix the pre-injury average weekly earnings issue on 13 September 2019—that is, less than six months ago. This was a problem you were warned about years ago. If you had acted earlier we would not be in this mess. That is correct, is it not?

Mr VICTOR DOMINELLO: No, that is wrong.

The Hon. DANIEL MOOKHEY: Why did it take 18 months after the point that Parliament passed the law and four years after you were first warned about it for you, as the Minister responsible, to actually proclaim the regulation that would have prevented these workers from being underpaid?

Mr VICTOR DOMINELLO: Again, in relation to the underpayment, the independent regulator, SIRA, is going to be working through that.

The Hon. DANIEL MOOKHEY: Minister, I am asking you about your decision to proclaim the regulation. Do you want me to simplify it?

Mr VICTOR DOMINELLO: I know, but you are drawing a very, very long bow to suggest that because of an event that took place in 2018 or 2019, the underpayments, whatever they turn out to be and to the extent that that decision in 2018 or 2019—

The Hon. DANIEL MOOKHEY: That is not my point. You were warned in 2015 when this was reviewed.

Mr VICTOR DOMINELLO: That is not fair.

The Hon. DANIEL MOOKHEY: This is the history of it. You got a warning, your Government accepted the recommendation from the Committee on Law and Justice—

Mr VICTOR DOMINELLO: When do you say that warnings were made?

The Hon. DANIEL MOOKHEY: In March 2017 when we handed down our first review into the workers compensations claims. It was a clear recommendation, which, incidentally, your Government accepted it, but then it took you years to actually proclaim the regulation. In the meantime you were warned again, as was your regulator, multiple times that this was a huge issue that was creating massive confusion. On 13 September 2019 you actually proclaimed the regulation. I am asking you: Why did it take so long?

Mr VICTOR DOMINELLO: I am happy for Ms Donnelly to answer the question. I am just trying to put into perspective the loaded nature of your question because I do not think the way you are putting it forward is a fair characterisation. You know as much as anybody else that doing pre-injury average weekly earnings is not simple. There is a whole lot of work you need to do with stakeholders to get that right.

The Hon. JOHN GRAHAM: Minister, we might return to Ms Donnelly in the session with officials. I want to give you a chance to respond—

The Hon. SCOTT FARLOW: Point of order: The Minister was asked a question. The Minister has said that he will provide an answer through one of the witnesses on the panel. Should the Minister not be allowed to defer to a witness on the panel?

The Hon. DANIEL MOOKHEY: The Minister was repeating his answer.

Mr VICTOR DOMINELLO: No, I was about to defer to Ms Donnelly.

The Hon. SCOTT FARLOW: The Minister was deferring.

The Hon. JOHN GRAHAM: If Ms Donnelly has something brief to contribute, we are happy to hear it.

Ms DONNELLY: I have spoken on this matter before.

The Hon. JOHN GRAHAM: I understand.

Ms DONNELLY: The process was one of extensive consultation in order to come up with a regulation that would meet all the requirements. It did take longer than I had hoped, personally, but stakeholders were keen to continue working through to get something that they were satisfied with.

The Hon. JOHN GRAHAM: Thank you for that, Ms Donnelly. I can assure you that we will return to that in the session with officials. Minister, I want to give you the chance to respond to the view my colleagues put: Is this the biggest underpayment to workers to date? You are still grappling with scale of it. Is that possible?

Mr VICTOR DOMINELLO: Again, this is something that just landed on our desk, as it were, so it is something that the regulator—

The Hon. JOHN GRAHAM: As you are grappling with the scale of it today, you could not rule out that this could be the biggest underpayment of workers to date?

Mr VICTOR DOMINELLO: These are hypotheticals. I do not think it helps anybody to basically get the ouija board out and to make predictions. Let us just wait and see what—

The Hon. DANIEL MOOKHEY: Do you have any better evidence, Minister?

Mr VICTOR DOMINELLO: Let us wait and see what the investigator does, or the independent regulator does, and let us see how it plays out. I guess the good-news story here is that because of the 2015 reforms that we introduced we do have an independent regulator that is now able to—

The Hon. DANIEL MOOKHEY: Detect your mistakes.

The Hon. JOHN GRAHAM: Minister, if you are—

Mr VICTOR DOMINELLO: If you really want to talk about mistakes, Mr Mookhey, let us go back to 2011—

The Hon. DANIEL MOOKHEY: No, let us talk about underpayments to thousands of injured workers.

Mr VICTOR DOMINELLO: Let us go to 2011 and the wretched mess that we inherited in 2011 and the huge reforms that we had to do.

The Hon. JOHN GRAHAM: Minister, I want to move on to talk about the bushfires.

Mr VICTOR DOMINELLO: Wait a second. Just going back to the question, I did answer the question in relation to stakeholder engagement. We all know, whether it is compulsory third party or workers compensation, these stakeholders are—how shall we say—very sophisticated. Dealing with insurers and lawyers is not simple. It does take time to get regulations right. I know we all wanted to move it much faster but, as some of you around the table would know, getting lawyers and insurers around the room is one of the more complicated things you have to do.

The Hon. JOHN GRAHAM: Thanks for that response, Minister. I want to move to bushfires. I want to get an understanding about how many payments that the Government is offering have been received. Can we start with the volunteer firefighter payment? That payment is \$6,000. Service NSW is administering it. How many people have received the payment to date?

Mr VICTOR DOMINELLO: My current figures are approximately 1,800. That comes to a total payment of \$6.34 million.

The Hon. JOHN GRAHAM: Thank you. Stamp duty relief is being offered to people buying in a new location if their home was destroyed by bushfire. How many people have received that assistance?

Mr VICTOR DOMINELLO: I will refer that to Mr Rees. That is pretty recent as well. Do you have an answer?

Mr REES: I do not have any current numbers for that yet.

Mr VICTOR DOMINELLO: Because that is just recent.

The Hon. JOHN GRAHAM: If possible, can you come back, preferably in this session, with a number on that? Sporting clubs are able to apply for concessional loans from the Rural Assistance Authority. How many clubs have received that assistance?

Mr VICTOR DOMINELLO: That is not part of the service, is it?

Mr REES: No, we do not have a responsibility there.

Mr VICTOR DOMINELLO: As you would appreciate, Service NSW has—

The Hon. JOHN GRAHAM: So there is no interaction with Service NSW for that?

Mr VICTOR DOMINELLO: No.

The Hon. JOHN GRAHAM: I will ask about churches and non-profit associations applying for recovery grants or concessional loans. Again, this is via the Rural Assistance Authority.

Mr VICTOR DOMINELLO: Again, you would need to—

The Hon. JOHN GRAHAM: So you are saying there is no interaction with—

Mr VICTOR DOMINELLO: No, but in terms of charities, the Premier did announce at the time—because there were a whole lot of charities trying to do the right thing. We have 4,800 people who have registered, seeking assistance from charities, so we tried to consolidate all the charities into one space, as it were. So we have reached out in that sense. Through Disaster Assistance Finder, we have had nigh on 6,000 people assisted.

The Hon. JOHN GRAHAM: It would be appreciated if you could come back with the stamp duty view.

The Hon. DANIEL MOOKHEY: Do we have the latest numbers on the small business grants?

Mr VICTOR DOMINELLO: According to my figures, it is over one million and 66 have been approved.

Mr REES: Maybe I can provide more current information?

Mr VICTOR DOMINELLO: Yes, if you wish.

Mr REES: There are two grants that Service NSW administers. One is the \$50,000 Small Business Grant. The other is we have taken over the processing of the \$15,000 grant that the Rural Assistance Authority

previously managed. In total, between those, there have been 190 organisations that have received approval and that money has been paid, totalling \$3.95 million.

The Hon. DANIEL MOOKHEY: Can we break that down? Of the small business grants, the \$50,000 grant, is that the one in relation to which the Minister said 66 were approved?

Mr REES: The Minister's 66 would be part of the 190. I would need to get back to you on the split between the \$50,000 grant and the \$15,000 grant.

The Hon. DANIEL MOOKHEY: Do you split it by the \$25,000 working capital and the \$25,000 above?

Mr REES: No, we do not. That is a differentiation in criteria, depending on the amount that you are claiming, but it is all part of the same \$50,000 grant.

The Hon. DANIEL MOOKHEY: We have 66 approved out of how many small business applications?

Mr REES: We have 190 approved between those two programs

The Hon. DANIEL MOOKHEY: So, 190 applications?

Mr REES: No, 190 that have been successfully approved and paid.

The Hon. DANIEL MOOKHEY: What is the rejection rate for small business?

Mr REES: We have had 72 applications that have been unsuccessful. The principal driver of that is people claiming for things that are not covered by the programs, the largest example being loss of income.

The Hon. JOHN GRAHAM: I want to turn now to the regional seniors travel card and Service NSW's role in administering that. What is the typical wait time at the moment between citizens applying and receiving their card?

Mr REES: I will need to come back to you. Initially the application for the regional seniors card was open to the public prior to the card being ready to be mailed out, so there was a delay for the initial customers who applied for that. That was made clear on the website. That has changed now that the arrangement with Westpac is in place.

The Hon. JOHN GRAHAM: We had reports of six-week delays. Are you saying that may now have shortened from that initial six-week wait?

Mr REES: That is right. I am not sure six weeks was ever incurred—

The Hon. JOHN GRAHAM: I am happy for you to take that on notice.

Mr REES: —but for the customers who are applying for that now, there is a much shorter period.

The Hon. JOHN GRAHAM: Minister, is a log being kept of complaints, issues and inquiries about the card?

Mr VICTOR DOMINELLO: In terms of a log of complaints, I will refer that to Mr Rees, but I can say that we are getting feedback in relation to the card. We have had 12,000 people give feedback in relation to the card.

The Hon. JOHN GRAHAM: Do you characterise that as positive or negative feedback? Do you have some sense of that?

Mr VICTOR DOMINELLO: Yes, to me, it is like feedback in the sense that: Once you have gone through it, were you happy with the process?

The Hon. JOHN GRAHAM: Yes, I understand you would take the position that all feedback is good.

Mr VICTOR DOMINELLO: Absolutely.

The Hon. JOHN GRAHAM: I accept that is your position.

Mr VICTOR DOMINELLO: I am getting feedback from you today. Some of that is pretty good too.

The Hon. JOHN GRAHAM: But do you have some sense about whether it was positive or negative feedback?

Mr VICTOR DOMINELLO: I just think it is extraordinary. I think it is almost perfect. It is 99.21 per cent positive, of 12,000. It is better than Newspoll.

Mr DAVID SHOEBRIDGE: You would call that North Korean levels of response. Have you checked the questionnaire, Minister?

Mr VICTOR DOMINELLO: No, no. I know it is hard to believe—

The Hon. JOHN GRAHAM: Minister, you are indicating that is the proportion of people who give feedback. Is that correct?

Mr VICTOR DOMINELLO: I know it is hard. Culturally, what we have done with Service NSW and now, increasingly, throughout the cluster of the department and, hopefully, throughout the Government, is back in the services that we provide. We saw that with the Digital Driver Licence.

The Hon. JOHN GRAHAM: Minister, are you saying that 99 per cent of people say that they are pleased with the service or that 99 per cent respond.

Mr VICTOR DOMINELLO: I am saying that 99.21 per cent of the 12,000 who have given us feedback have given us the thumbs up as opposed to thumbs down. Again, it is better than me just giving an opinion. These are 12,000 real people who have thought—

The Hon. JOHN GRAHAM: These services are essentially provided by Westpac. What can you tell us about what Westpac is getting out of this arrangement?

Mr VICTOR DOMINELLO: I will defer that to Mr Rees.

Mr REES: The contract between government and Westpac is held by Transport. The policies around the program are held by Transport.

The Hon. JOHN GRAHAM: What are Westpac being paid to provide this program?

Mr REES: You would need to direct that question to Transport.

The Hon. JOHN GRAHAM: They indicated we should direct it elsewhere when we asked exactly that question. Are you saying it is not your department either?

Mr REES: That is right. Service NSW's role is to accept the application from customers. The provision of the banking product—

The Hon. JOHN GRAHAM: What information is handed on from Service NSW to Westpac after that information has been collected from customers?

Mr REES: There is a small set of information that we need to provide to Westpac in order for the product to be provided.

The Hon. JOHN GRAHAM: What is included in that small set of information?

Mr REES: Name, date of birth, address and mother's maiden name.

The Hon. JOHN GRAHAM: Any other information or just those four data points?

Mr REES: I will confirm but they are the ones I am aware of.

The Hon. JOHN GRAHAM: What information do Westpac have about the financial transactions that then flow? Say, people's petrol purchases or travel habits—what information is available?

Mr REES: I think that would be a question that would need to be directed to Transport and Westpac.

The Hon. JOHN GRAHAM: That is not the view of Transport but you are saying it is not your department?

Mr REES: Transport hold the policy for this program and Transport manage the—

The Hon. JOHN GRAHAM: Yes, and I asked exactly that question of Transport—

Mr VICTOR DOMINELLO: It is no different to the small business grants. Again, Service NSW is the agency for delivery of it but the design around it is with the Federal Government in terms of eligibility and the like. It is no different in relation to Transport.

The Hon. JOHN GRAHAM: How many other programs that Service NSW administers are delivered by a bank? Is there another example or examples?

Mr REES: I would need to take the question on notice but none come to mind.

The Hon. JOHN GRAHAM: When in the application process is the personal information handed from Service NSW to Westpac? Is that immediate?

Mr REES: It is after Service NSW has assessed the customer's eligibility for the program. Then it is handed over to the bank to fulfil.

The Hon. JOHN GRAHAM: What protections are in place from a Service NSW point of view to ensure that this is dealt with appropriately?

Mr REES: That what is dealt with appropriately?

The Hon. JOHN GRAHAM: The data of a very significant number of New South Wales citizens. Are there any protections in place? Let me put it that way.

Mr REES: Specifically protections in place with respect to the way that Westpac manage customer information?

The Hon. JOHN GRAHAM: Yes. Are there any protections in place for the thousands of people whose private information is being handed over?

Mr REES: I think the protections in place would be through the product disclosure statement that customers accept as part of fulfilling that product. And then Westpac's responsibilities in the use of that information flow through to the Commonwealth as the regulator.

The Hon. JOHN GRAHAM: Thank you.

Mr REES: If I could just add one point of clarification to the earlier question around the lead time for delivery, we are now looking at five to 10 days between application and receiving the card.

The ACTING CHAIR: Just quickly going back to the underpayment issue, it has been reported that SIRA self-referred the issue to you, Mr Dominello, or to SIRA. Given your statement that if it was not for the regulation change or legislation change in 2015 we would never have picked up on this—

Mr VICTOR DOMINELLO: I said it was possible.

The ACTING CHAIR: Yes but icare have self-referred, which is great. My question is if they did not self-refer, would we have ever found out about this?

Mr DAVID SHOEBRIDGE: Through the work of SIRA.

The ACTING CHAIR: We cannot attribute this finding to the work of SIRA.

Mr VICTOR DOMINELLO: No. What I am saying is that we have an independent regulator that we did not have before and I think—forget the details of the policy settings here. I just think at a macro level an independent regulator has a far stronger position in the market, as it were, than having a self-regulation model. That is what I am saying.

The ACTING CHAIR: What scheduled or unscheduled monitoring does SIRA do on icare, Allianz or any other self-insured companies, so they can pick up on this?

Mr VICTOR DOMINELLO: I am happy for the independent regulator speak to that.

Ms DONNELLY: We have an extensive program of audits and surveillance. We publish information, require information from insurers and make that transparent. For instance, in terms of the Nominal Insurer, last year we commissioned a comprehensive independent compliance and performance review that was a deep dive into case management and other issues raised by stakeholders and from our regular monitoring. Those sorts of activities do change the climate for insured companies because they know they are under surveillance and that there is a program of audits. The latest information reported to us about weekly payments really builds on the detail of some of the claims management issues that were identified in the audits. I think the other difference is that we make those findings public and transparent.

The ACTING CHAIR: So why did your deep dive not pick this up?

Ms DONNELLY: The deep dive did pick up that there were issues with insufficient information on claims files. That is reported; it is in the public domain. That was part of the detailed report of an audit done by Ernst & Young [EY] as part of that review and also some incorrect payment of pre-injury average weekly earnings [PIAWE].

The ACTING CHAIR: So after you found that incorrect payment of PIAWE you did not dig further to see whether it was more systemic?

Ms DONNELLY: I have officers in the Nominal Insurer conducting a further audit now and we are doing quarterly audits in order to understand more and drive improvement. That was arranged as part of the 21-point plan that I have put in place for improvement in performance.

The ACTING CHAIR: You have also been critical of icare's return-to-work data being inaccurate. They claim that it is more a misalignment of categories. You say otherwise. How can we trust the data that the return-to-work rates have dropped when you do not trust the data that you are getting from icare?

Ms DONNELLY: I firstly reject the characterisation of it as a misalignment.

The ACTING CHAIR: You have been quite clear in your report on it.

Ms DONNELLY: That is a description that I am not using. They are not my words. The regulator has a very clear legislative basis for collecting information for monitoring and reporting and we have set the key measure based on feedback from the law and justice committee and stakeholders about actually measuring when someone returns to work, not just when payments finish. That said, we are constantly looking at improvement of the measures and we have in fact gone out for public consultation, which has only just closed, to look at the array of measures.

My view on this is that any insurer is entitled to use any range of measures they want to use to improve their performance and a number of these are correlated. But the proper measure at the moment, and subject to stakeholder feedback, is whether or not the worker has reported that they have returned to work. If there is improvement in other measures that are correlated it should flow through to that. We have also commissioned independent surveys, completely independent of both us and icare, to measure the return to work. All of these measures show a deterioration, which is why we are very actively supervising a program, a 21-point plan, wanting return to work to improve. It is very pivotal.

The ACTING CHAIR: Have you got a sense of what has caused that deterioration? Are we seeing an increase in injuries at work that they do not have the possibility of returning to work? What are you seeing as the reasons for this deterioration?

Ms DONNELLY: The deterioration was one of the reasons why I commissioned the independent report and review by Janet Dore. It indicated claim management issues were driving that. Some of the feedback from employers was that they were not engaged enough in the process. Clearly return to work requires the employer to be engaged and finding suitable duties and encouraging someone and welcoming them back, especially if they have acquired a disability. Janet Dore also found that there were some workers that were being triaged into the wrong level of support.

Mr DAVID SHOEBRIDGE: Not some, 40 per cent. That is not some. It was 40 per cent of cases that were being triaged into the wrong report, Ms Donnelly.

Ms DONNELLY: A case management failure, absolutely.

Mr DAVID SHOEBRIDGE: Comprehensive, fundamental—40 per cent is not some.

The Hon. DANIEL MOOKHEY: Systemic.

Mr DAVID SHOEBRIDGE: It is a systemic failure.

The Hon. DANIEL MOOKHEY: Crisis level.

Ms DONNELLY: It is of great concern, I agree.

The ACTING CHAIR: You say that the Nominal Insurer rate fell to around 74 per cent. Do we have any data on the other insurance companies that you regulate? Allianz, the Treasury Managed Fund—do you have any data on their return-to-work rates?

Ms DONNELLY: I certainly do and I am happy to provide that on notice, if you like. But certainly the latest data that I would have is that there has been some decline in other providers but not to the same degree as

the Nominal Insurer. It is variable. Our most recent data in December shows that the measures at four weeks, 13 weeks and 26 weeks may be beginning to stabilise but the 52 week measure is not.

The Hon. DANIEL MOOKHEY: Stabilising at a lower level.

Ms DONNELLY: At a lower level, certainly—at an unacceptable level, I agree. It is a great concern.

The ACTING CHAIR: Is the claim management issue attributed to staff retention and the level of staff that you have in icare? I understand a lot of the staff in icare are contracted and not permanent.

Ms DONNELLY: Ms Dore did make some comments about staff turnover, but more around the scheme agents.

Mr DAVID SHOEBRIDGE: Minister, when were you first advised about the disastrous results that icare were getting on return to work? When did it first come across your desk?

Mr VICTOR DOMINELLO: On the return to work, when did it first—

Ms DONNELLY: I think we might have to take that on notice, but it would have been well before the compliance and performance review.

Mr DAVID SHOEBRIDGE: More than 12 months ago?

Mr VICTOR DOMINELLO: Yes, I am happy to take it on notice.

Mr DAVID SHOEBRIDGE: Were you briefed about the need for the Dore report?

Mr VICTOR DOMINELLO: I do not recall the specifics on that.

Ms DONNELLY: I should be clear that the SIRA is an independent regulator not subject to ministerial direction. That review was initiated by me.

Mr DAVID SHOEBRIDGE: You did not brief the Minister about the issues?

Ms DONNELLY: I am not saying that. I am happy to take on notice what briefings there were, but it was not the Minister's direction. It was a decision by myself.

Mr DAVID SHOEBRIDGE: Minister, have you sought a briefing from the board about their oversight of icare? Have you sought a briefing from the SIRA board?

Mr VICTOR DOMINELLO: I have had briefings with the board. I am happy to take on notice in terms of our many briefings I have had, but the reality is I am comfortable with where the board is at the moment. In relation to this issue, I am also confident that SIRA will do a thorough investigation and get to the bottom of it.

Mr DAVID SHOEBRIDGE: But, Minister, the problem is this issue arose because of the disastrous implementation by icare of a single agent to cover the great bulk of the claims when they brought EML on. Do you agree that that is the root cause of the problem on return to work?

Mr VICTOR DOMINELLO: I agree that there is an issue there in relation to icare and the way it was rolled out, yes.

Mr DAVID SHOEBRIDGE: Do you agree that that is the root cause of the problem, of the collapsing return to work? I am going to put it to you and you can adopt it or not, but it was a disastrous implementation of that single claims measure.

Mr VICTOR DOMINELLO: I will not adopt it only because there is now going to be a thorough review into that. Obviously a lot of questions you are raising with me should be directed to the other Minister, who is responsible for icare. But I do not want to come to some conclusion. I would rather wait for the report and investigations to be complete.

Mr DAVID SHOEBRIDGE: You only have to look at the Dore report. After the implementation of that change and with EML handling the bulk of the cases, 40 per cent of the files reviewed were allocated to the wrong support category, a lower support category, and they were not getting support for return to work.

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: That is a system failure, is it not?

Mr VICTOR DOMINELLO: It is a significant failure, yes. And I do not cavil with that.

Mr DAVID SHOEBRIDGE: Of that 40 per cent, those injured workers were not assigned a dedicated case manager. There was passive case management, and that is one of the principal reasons the return to work rate has collapsed. Do you agree with that?

Mr VICTOR DOMINELLO: Again, I am not going to—

Mr DAVID SHOEBRIDGE: This is in the Dore report. It is not speculation, I am reading from the Dore report.

Mr VICTOR DOMINELLO: I know, Mr Shoebridge, but as you know probably better than most, we are the regulator but we are not responsible for the day-to-day management of icare. The independent reviewer will do that work to keep them to account.

Mr DAVID SHOEBRIDGE: But, Minister, I will put to you this was about system failures and SIRA's job is to oversee the system—not the individual claims necessarily, but the system. Do you agree with that? That is what the regulator does.

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: The system failed and one of the reasons the system failed was EML was recruiting staff with customer service skills, rather than the skills and experience required for the management of personal injury claims. Those ads were out and about. What oversight was happening when that was happening?

Mr VICTOR DOMINELLO: We will walk through this together. When did they put those ads out?

Mr DAVID SHOEBRIDGE: Throughout 2018.

Mr VICTOR DOMINELLO: When do you think it became apparent that there was a problem?

Mr DAVID SHOEBRIDGE: Minister, I am happy to answer questions later, but for the moment we might just have you answering questions here. We will get to where I think you should have been embarrassed.

The Hon. JOHN GRAHAM: Please do not encourage him.

Mr VICTOR DOMINELLO: All I am trying to suggest, Mr Shoebridge, is sometimes to understand that there is a system failure, there is a lag between. Just because it is apparent now does not mean it was apparent two years ago.

Mr DAVID SHOEBRIDGE: Did SIRA review the deed, the deed under which EML is paid? Ms Dore said the deed did not appear to encourage or reward technical case management nor encourage case managers to be active participants in the claims management process. When did SIRA review the deed, because the deed is a pretty critical document, which is going to determine how all those cases are managed by EML? When did SIRA first review the deed?

Mr VICTOR DOMINELLO: I can refer to Ms Donnelly on when they reviewed the deed, but all I am saying is that I accept that there is a problem and I also except that the independent regulator is now going to investigate that. They have my complete support—do not get me wrong—because it is an important issue to look at. But I just do not want people to think, "Wow, you should have worked this out at the time", because quite frankly the data of the evidence may not have evolved at that point. That is why I am so proud of the work we did around green slips—I do hope you ask me questions around green slips—because we got the data architecture in place.

Mr DAVID SHOEBRIDGE: Minister, this is not about green slips.

Mr VICTOR DOMINELLO: Please ask me questions about—

Mr DAVID SHOEBRIDGE: This is about SIRA's oversight.

Mr VICTOR DOMINELLO: I am happy for Ms Donnelly to answer.

Mr DAVID SHOEBRIDGE: It is a simple question: When was the deed reviewed?

Mr VICTOR DOMINELLO: I am happy for Ms Donnelly to answer that one.

Ms DONNELLY: I will have to take on notice when we reviewed the deed. I can give you some information about the point at which we identified that return to work data was declining and we took that up with icare. That was in August 2018. The initial advice that we were given was that it was due to data quality errors on their part. We went through a program of trying to improve the data quality. It was at the point where I became concerned that that was not the only failing that was driving the results. In December 2018 I advised Mr Nagle

I would commission an independent compliance and performance review and also took steps to begin an independent survey to have measures so that I knew the performance. No doubt you know this, and have read Ms Dore's report thoroughly so I will anticipate the question.

Mr VICTOR DOMINELLO: That is also dangerous.

Ms DONNELLY: The Minister is correct that they are a government agency, but in a different portfolio, and there is governance there as well.

Mr DAVID SHOEBRIDGE: There should be. Minister, how would you describe the relationship between SIRA and icare? You have responsibility for SIRA. How would you describe the relationship?

Mr VICTOR DOMINELLO: I would describe it as robust.

Mr DAVID SHOEBRIDGE: Others have used different adjectives, including poisonous, dysfunctional—highly litigious almost. But poisonous and dysfunctional are two terms that have been used by key stakeholders. Do you think that is fair?

Mr VICTOR DOMINELLO: No, I would use the word "robust" and I think it should be robust. You want the Goldilocks-style position where it is not too hot, not too cold.

Mr DAVID SHOEBRIDGE: We are not in the Goldilocks zone here, Minister. You are not pretending that, are you?

Mr VICTOR DOMINELLO: No, in the sense that you do not want—

Mr DAVID SHOEBRIDGE: This is more like cranky Papa Bear.

Mr VICTOR DOMINELLO: No, no.

The Hon. SHAYNE MALLARD: I do not get the analogy, so we need it explained.

Mr VICTOR DOMINELLO: In the sense that you do not want something that is poisonous, but equally you do not want something where we are all mates. You want a robust tension, where you are still communicating but you are not completely friends.

Mr DAVID SHOEBRIDGE: But, Minister, icare was hiding behind data issues to avoid fessing up about the extent of the return to work problems. That is a problem when they are not being frank and forthright with the regulator. They were hiding behind the data to not disclose the extent of the collapse in return to work. That is what happened, is it not?

Mr VICTOR DOMINELLO: Mr Shoebridge, in relation to the conduct of icare, you need to address that to another Minister.

Mr DAVID SHOEBRIDGE: No, but I am asking about not being frank with your regulator.

Mr VICTOR DOMINELLO: Again, I will let Ms Donnelly answer that. As far as I am concerned, in terms of return to work rates, let us put it in perspective. You know better than anybody else in Parliament, because you are the resident expert, that in 2011 the return to work rates were not that good. We had to do the reforms.

Mr DAVID SHOEBRIDGE: Minister, it is 2020. Do not hide behind data in 2011. There has been a dreadful collapse in return to work. Let's deal with the issue to hand, which is the issue your regulator is responsible for.

Mr VICTOR DOMINELLO: I accept it, but I just want to point out we have got to put it in context. It is a point in time that we need to fix.

Mr DAVID SHOEBRIDGE: Minister, you are not trying to excuse this?

Mr VICTOR DOMINELLO: Hundred per cent. There is no way.

Mr DAVID SHOEBRIDGE: You are not trying to excuse the return-to-work collapse or suggest that it is in any way acceptable?

Mr VICTOR DOMINELLO: No, I am taking it very seriously.

Mr DAVID SHOEBRIDGE: Can we get Ms Donnelly's view about whether icare failed to be frank and forthright about the extent of the problem? What I suggested was they were hiding behind the data issues to avoid being frank and forthright with you, as a regulator, about the extent of the collapse in return to work.

The Hon. SHAYNE MALLARD: Point of order: The Minister was just about to give his answer when Mr David Shoebridge cut him off. It was a bit unfair because the Minister should be allowed to put on the record the answer to the question before Mr David Shoebridge goes to the bureaucrat.

Mr DAVID SHOEBRIDGE: Does the Minister have anything further to add before I go to Ms Donnelly?

Mr VICTOR DOMINELLO: Just quickly, we do take this very seriously. I am not running away from that. I take it very seriously and I want to see this play out in terms of the investigation. I am just saying in terms of where we were from 2011, we did get better return-to-work rates. There are problems now and we will address it. I am actually proud of the reforms that we have done—that we do have an independent regulator that can start doing the work that probably would not have been done before the reforms.

Ms DONNELLY: I am happy to answer that question and I would also like to address some comments, if I may, to your question about the relationship because I think the two are related. Firstly, as I said to you earlier, we detected the decline in return-to-work performance and put it to icare and sought explanations. Initial explanations were that it was in data quality. Being very aware that our role is not to be mates but to hold all insurers—whether they are private sector or public sector—to account and be creating a healthy tension and evidence base, we gave them ample opportunity to explain to what degree it was underlying performance and to what degree it was data and started a program of more intensive audits of the data, which eventually led to regulatory action in terms of data quality.

I am quite proud of the fact that while being respectful and giving ample opportunity for the regulated entity to provide us with information, we continued to analyse further data and require further data, undertake audits and get to the bottom of the issue, to the extent that I commissioned the compliance and performance review in order to understand the performance decline. We no longer accepted that it was an artefact of data quality and it needs to be fixed.

Mr DAVID SHOEBRIDGE: So, in summary, they were not being frank. They were hiding behind the data to avoid telling you the full story about the collapse in return to work.

Ms DONNELLY: Mr Shoebridge, they are your words. It is not my job to assess individual motivations and intent. It is my job to assess the performance of an organisation and hold them to account.

The Hon. JOHN GRAHAM: Minister, I might move back to the regional seniors travel card to ask about a couple of the people who were not eligible when this first went out. The first of those is veterans. The Government has backflipped now and included veterans; this card will now be available to veterans. There are reports, though, that if a veteran applies it will be another three months before they can actually receive a card. Is that correct?

Mr VICTOR DOMINELLO: That is not my—unless you know any further, Mr Rees?

Mr REES: Yes, I think there has been a revision to the eligibility via Transport, as you are flagging. We are still working through with Transport how and when we can introduce that service for that expanded cohort.

The Hon. JOHN GRAHAM: But if a veteran walks into a Service NSW centre today or applies online, Minister, they will not get a card. Is that correct? That is currently the case?

Mr REES: They would be eligible. I will take it on notice as to whether we are able to accept those applications right now.

Mr VICTOR DOMINELLO: Again, Mr Graham, if it is an eligibility question—

The Hon. JOHN GRAHAM: It is not an eligibility question. Can a veteran get a card? At the moment they are unable to apply through your system. Are you aware of this problem?

Mr REES: We have been working through operationally how to introduce that.

The Hon. JOHN GRAHAM: Minister, I am asking are you aware of this problem.

Mr VICTOR DOMINELLO: No, I am deferring to Mr Rees.

The Hon. JOHN GRAHAM: You are not aware of this problem, clearly. For the *Hansard*, I am asking you.

Mr VICTOR DOMINELLO: I am not aware that there is an issue that would take three months to resolve. Then again, the policy has just recently changed so there might be issues that the agency is working out at that level.

Mr REES: Yes, the policy has just recently been revised. We are working through with Transport how to put that in place for customers. I will take it on notice as to when that will be available for customers.

The Hon. JOHN GRAHAM: Veterans are being told it could be three months. What is the hold-up?

Mr REES: Three months is not something that I am aware of.

Mr VICTOR DOMINELLO: Yes, that is what I am saying.

Mr REES: I will take it on notice and confirm the availability date.

The Hon. JOHN GRAHAM: The information seems to be that there is some processing problem with the system that will not allow them to apply properly. That is not the first time we have had this issue with Service NSW. Can you confirm that that is the issue?

Mr REES: I can confirm that is not the issue.

The Hon. JOHN GRAHAM: What is the issue?

Mr REES: When it comes to eligibility, there are a number of things that need to be worked through: principally, how we determine if a customer who is presenting themselves is eligible. As we have added extra people into the eligibility criteria, we need to work out how to effectively do that.

The Hon. JOHN GRAHAM: But you have not done it so far? You are confirming that?

Mr REES: I will take it on notice and I will come back to you with when that will be available.

Mr VICTOR DOMINELLO: Again, we have only recently changed the policy. It is still pretty new so I am giving the agency some leeway.

The Hon. JOHN GRAHAM: We will get the answer on notice from the agency. Minister, the question for you is if it turns out that it is correct that it might be a three-month wait for veterans, are you open to having some sort of manual process in the meantime so that people can apply and receive this card while we sort out the back end at Service NSW?

Mr VICTOR DOMINELLO: My priority is to make sure that there is a good customer experience, so it is something that I definitely get involved in reviewing and working with Minister Toole over. Going back to another point, I know that Mr Shoebridge was flippant in relation to that 99.21 per cent, but if you have a look at the green slip refund, which is again giving money—

The Hon. JOHN GRAHAM: Minister, let's not move to that. I simply want to know, are you open to—

Mr VICTOR DOMINELLO: I am saying—

The Hon. JOHN GRAHAM: Three months is clearly unacceptable. You would agree with that?

Mr VICTOR DOMINELLO: I accept that and I would personally intervene to see what I could do to improve it. But just on the green slips—

The Hon. JOHN GRAHAM: Would you be open to a manual—

The Hon. SCOTT FARLOW: Point of order: The Minister is trying to answer.

Mr VICTOR DOMINELLO: I am just trying to demonstrate that when you use a digital platform, you can actually do a lot of work really quickly and at some high-level value.

The Hon. JOHN GRAHAM: I am highlighting that that has not occurred.

Mr VICTOR DOMINELLO: For example, 265,000 people gave us feedback on the green slip refund, at 98.49 per cent.

The Hon. JOHN GRAHAM: Minister, I am giving you some feedback on veterans' access to the regional seniors travel card. It is not going that well.

Mr VICTOR DOMINELLO: Mr Graham, I am absolutely happy to take it on notice because I actually pride myself on the fact that when Service NSW roll out an initiative, we do the digital mapping and the data

architecture and we get it right so that people do have an opportunity to give us feedback. Overwhelmingly, this is far, far greater than anything you will see in the private sector.

The Hon. JOHN GRAHAM: Minister, are you aware of seniors in the Tweed and Northern Rivers area with a landline phone number beginning with an area code 07 being rejected as they apply for this scheme online?

Mr VICTOR DOMINELLO: No.

The Hon. JOHN GRAHAM: You are not aware of that issue?

Mr VICTOR DOMINELLO: No. I am not the CEO; I am the Minister.

The Hon. JOHN GRAHAM: I would have thought this is the sort of thing that you might take a real interest in, though.

Mr VICTOR DOMINELLO: Area code—people—no, sorry.

The Hon. JOHN GRAHAM: I understand you are not aware, so we might come back to that issue with the agencies later in the afternoon. I will return to another issue which you have already provided us some information on: the volunteer firefighter payment of \$6,000. You have given us the figures for how many people have received this payment. Can I also ask you to let us know how many people have applied for that payment?

Mr VICTOR DOMINELLO: In relation to the volunteer firefighter?

The Hon. JOHN GRAHAM: Yes.

Mr VICTOR DOMINELLO: Do you want that information now or later on?

The Hon. JOHN GRAHAM: Whatever suits. If you have got it to hand—

Mr VICTOR DOMINELLO: I will see if we have got it here. We have got, according to this, 4,797. We have an updated one here: 281 claims completed.

The Hon. ANTHONY D'ADAM: The question was how many applied, not how many are completed.

Mr VICTOR DOMINELLO: Total number of applicants is—I will take it on notice.

The Hon. JOHN GRAHAM: Perhaps if you could come back later in the session, even.

Mr VICTOR DOMINELLO: I will take it on notice.

The Hon. JOHN GRAHAM: I want to turn now to some issues around Sydney's late-night economy. Obviously, as the Minister dealing with Liquor & Gaming NSW you are highly relevant to how this works. Can you confirm first that in moving to the new regulations post lockdown in much of the CBD, the previous scheme that operated, which allowed venues that played live music to trade an extra half-hour late at night, has now been scrapped?

Mr VICTOR DOMINELLO: Apart from Kings Cross, do you mean? Kings Cross is still in.

The Hon. JOHN GRAHAM: Yes, Kings Cross is still under the lockdown. Formerly, up until January 14—

Mr VICTOR DOMINELLO: January 14, that is when it came in.

The Hon. JOHN GRAHAM: Yes, up until January 14 venues that played live music were able to trade for an extra half-hour.

Mr VICTOR DOMINELLO: Yes.

The Hon. JOHN GRAHAM: That is no longer the case, is it, for those venues? Everyone has to close at the same time?

Mr VICTOR DOMINELLO: That is my understanding. Ms Webb?

Ms WEBB: Yes, that is my understanding as well.

The Hon. JOHN GRAHAM: I do not think that is controversial.

Mr VICTOR DOMINELLO: No.

The Hon. JOHN GRAHAM: Why hasn't the Government retained that incentive for venues to play live music, to employ people to do that and, therefore, retain that advantage to trade for an extra half-hour?

Mr VICTOR DOMINELLO: We are definitely working with Minister Ayres in relation to the various levers that we can put into place to do more to promote not only the night-time economy but also music venues. It is something that I am particularly passionate about. I know—and you would probably know this—there is a statistic I read the other day where there has been a significant jump in the amount of live venues and small bars and clubs since about 2011, since we came in. We have to get the facts out there as well because often I hear, "Melbourne is doing this, Melbourne is doing that", but when you break it down and see what the actual facts are, it is counter to what the real story is. Part of the job of you and me, for that matter, is to go out there and sell the good news rather than say, "It is really, really hard".

The Hon. JOHN GRAHAM: I am happy to tell the good news when the news is good. On music, the news is not good.

Mr VICTOR DOMINELLO: In music there is definitely more we can do and we are working with—

The Hon. JOHN GRAHAM: Half of the CBD music venues have closed over that period.

Mr VICTOR DOMINELLO: There is more we can do and there is no doubt that it is something that Minister Ayres and I are working towards.

The Hon. JOHN GRAHAM: This is one of those things that you could do. Are you open to retaining that half-hour? Remember, it was your Government's initiative: If you employ musicians to play you are rewarded with an extra half-hour trade. Are you open to looking at that issue?

Mr VICTOR DOMINELLO: I am open but it is something that I would obviously have to raise with Minister Ayres.

The Hon. JOHN GRAHAM: Yes, understood.

Mr VICTOR DOMINELLO: I am very supportive of the music industry. I love my music so I am a bit biased.

The Hon. JOHN GRAHAM: I am happy to hear that, Minister. You confirm that the Government has scrapped that extra half-hour but you really accept there might be an incentive there to employ people and you might be open to looking at it?

Mr VICTOR DOMINELLO: I am absolutely open to seeing what else we can do in this space to promote live music. I am a technology junkie but if there is one thing I know we need, it is more art and culture because that is critical to jobs in the future as well.

The Hon. JOHN GRAHAM: Are you open to this: Why don't we combine licensing and planning approvals and cut two months out of the process?

Mr VICTOR DOMINELLO: Again, I am open to it and I am happy to have these discussions. In fact, I welcome the discussions with Minister Ayres to see what we can do.

The Hon. JOHN GRAHAM: You accept that that would go some way, if we could open those new venues, to replacing the hundreds that we lost over that period?

Mr VICTOR DOMINELLO: Again, Mr Graham, there is no silver bullet here. I would be open to a number of options.

The Hon. JOHN GRAHAM: That is one of the things we could do.

Mr VICTOR DOMINELLO: I would be open to a number of options that would be put forward, particularly by the stakeholders, to see what we can do. I am absolutely committed to doing my bit in relation to the night-time economy and putting Sydney where it belongs—right at the top.

The Hon. JOHN GRAHAM: What specific measures are you open to in order to encourage small bars to open in Sydney?

Mr VICTOR DOMINELLO: Again, the most important thing that I have to do, rather than me cook up my own ideas, is listen to the industry and work with Minister Ayres and the other key Ministers in relation to it.

The Hon. JOHN GRAHAM: So no specifics at the moment. You accept that these are low-risk venues essentially?

Mr VICTOR DOMINELLO: Definitely. The small bars, absolutely. The small bars, when you go to them, sometimes you get 30 or 40 people there and the type of people who go there, they are normally paying a premium price for a premium product. They are not having 10 or 20 shots; they are normally sitting on one or two really good products. They are great venues and we—

The Hon. JOHN GRAHAM: Here is something else that I think we agree on but I want to confirm the Government position. Do you agree licensing conditions that are in place and ban mirror balls, or have the effect of banning mirror balls, are outdated and should be ruled out in New South Wales? I am hoping we agree on this, Minister.

Mr VICTOR DOMINELLO: Some people would think that a banning of mirror balls is completely appropriate.

The Hon. JOHN GRAHAM: Are you one of those people? Feel free to confess if you are one of those people. You are the Minister, what is your position?

Mr VICTOR DOMINELLO: I never thought budget estimates would come to this. I am not a massive fan of mirror balls but it takes a lot of things for the world to go round. There is a lot of diversity in tastes.

The Hon. JOHN GRAHAM: I am no clearer on your position.

The Hon. SCOTT FARLOW: What is yours, John?

The Hon. JOHN GRAHAM: Do you agree with me that it is not the position of Government to tell people to listen to country and western music? That is currently the case in New South Wales under your licensing scheme.

Mr VICTOR DOMINELLO: Again, I am open to sensible changes that would allow diversity of not just music but diversity of music.

The Hon. JOHN GRAHAM: You are removing some of that. I have seen your media about removing some of the 669 bans and restrictions that are currently in place.

Mr VICTOR DOMINELLO: Yes, exactly, thank you for pointing that out. You are right.

The Hon. JOHN GRAHAM: Can you accept that at the current pace you are removing them, those bans and restrictions will all be removed by 2064?

Mr VICTOR DOMINELLO: There is a long tail there as well. It is not a linear removal.

The Hon. JOHN GRAHAM: I agree with that.

Mr VICTOR DOMINELLO: We are going to have a large—

The Hon. JOHN GRAHAM: The job will be done in 2064, under your current regime.

Mr VICTOR DOMINELLO: Some of these are subject to long-term provisionings that are out of our control.

The Hon. JOHN GRAHAM: I agree with that. When is the job done though? Is it 2064?

Mr VICTOR DOMINELLO: No disrespect, Mr Graham, but that is a typical political question because it is loaded. The reality is that most of the work is going to be done at the front end. There is a big tail there. Regardless, the fundamental question that you have asked, and I agree with, is that we definitely need to work harder to help the music industry. It is something that I am passionate about and something I am happy—if people come up with a good idea I would be the first to raise it with my colleagues and say, "What can we do?"

The Hon. JOHN GRAHAM: I will turn to your plan to close 500 of the 750 government websites—and you have been public about this. How much information which is currently available to the public will no longer be available to the public by the time this is finished? What is the risk that some of that information will just disappear altogether?

Mr VICTOR DOMINELLO: The idea is to put all the information in a digestible form into a website. It is not going to be every website because obviously there are some websites that will need to stand alone for good reasons, probity reasons. Some of the problems are not governments' and it is not just an issue or a challenge for our Government because we are leading digital transformation. If you look at the recent Intermedium report, we have a score of 9.7 out of 10 compared to some other States, such as Victoria and the like. All governments

face this challenge. What we are trying to do is to consolidate as much of the websites that we can into one place to make it a better customer experience.

The Hon. JOHN GRAHAM: As you do that, what guarantees are there that some of that information that is important to the public will not disappear from view? That would be convenient for some of these agencies—I think you'd accept that.

Mr VICTOR DOMINELLO: Under my watch at least, what we are trying to do is to promote more information, not less.

The Hon. JOHN GRAHAM: It is not the intention but is there a guarantee that important public information will not simply disappear in this process? Are you happy to give that assurance?

Mr VICTOR DOMINELLO: Yes, I can give you my assurance that if there is critical information on a website, that will be transferred to the consolidation. There is no doubt about that. Again, under my watch we put up data.nsw, so opening up new data—

The Hon. JOHN GRAHAM: I will tell you why I am worried, Minister. I do not know if you have read the report from former Treasury Secretary Lambert.

Mr VICTOR DOMINELLO: I know Mr Lambert.

The Hon. JOHN GRAHAM: It appears to no longer be available on the Government website. It was available. It is an important report.

Mr VICTOR DOMINELLO: It is an important report.

The Hon. JOHN GRAHAM: The Government has not implemented it. That is a source of some argument.

Mr VICTOR DOMINELLO: Which website was that on? Where was it previously?

The Hon. JOHN GRAHAM: It is no longer available on the Government website. It was housed on the department's website.

Mr VICTOR DOMINELLO: Which department?

The Hon. JOHN GRAHAM: It was on the New South Wales Department of Customer Service website. It is now no longer available. That is an example. I am open to Ms Webb informing us of where it is available later.

Ms WEBB: I am happy to take on notice if something has happened. It certainly has not been a deliberate action because we know that is a live issue.

The Hon. JOHN GRAHAM: It certainly is.

Ms WEBB: We will take it on notice and check.

The Hon. JOHN GRAHAM: It is an important example of the sort of information which should be available to the public.

Mr VICTOR DOMINELLO: Absolutely.

The Hon. JOHN GRAHAM: Is that one of the principles you are happy to commit to as you go through this process.

Mr VICTOR DOMINELLO: I am happy to answer the question because this is my idea. One of my big frustrations is we have a lot of websites. Mr Graham, you would appreciate this, a whole lot of them, I imagine, are not even being used, not even being accessed, yet they are being maintained at not insignificant cost. One of the things we are trying to work out is what do the public want? How do we bring it into one place? The ones that were, quite frankly, a vanity project created in somebody's name that are not used at all, why are they there? That is not an effective use of taxpayer dollars, particularly if no-one is looking at it because it is buried somewhere. I want to bring all the information we can into one website and then understand what the customers, what the public want.

The Hon. JOHN GRAHAM: Thank you for the assurance you have given on that principle.

Mr VICTOR DOMINELLO: There is no doubt about that.

The Hon. JOHN GRAHAM: Minister, I want to turn to the festival roundtable that was established by the Parliament. I think it would be fair to say that you are appalled by the step Parliament took in setting up this roundtable. I simply want to ask, how did it go?

Mr VICTOR DOMINELLO: When Parliament, in its wisdom, legislated that way, I think it went okay. Do you know, Ms Webb? I was not there.

The Hon. JOHN GRAHAM: I was hoping that you might know, Minister?

Mr VICTOR DOMINELLO: I was not there.

The Hon. JOHN GRAHAM: Well you chose not to be.

Mr VICTOR DOMINELLO: Well, I was not in the legislation.

The Hon. JOHN GRAHAM: As the Minister, you certainly could have appointed yourself—

The Hon. SCOTT FARLOW: You already had a regulation.

Mr VICTOR DOMINELLO: I already had it in place.

The Hon. JOHN GRAHAM: This is an important point, Minister. There is nothing in that legislation to bar your appointing yourself to the roundtable?

Mr VICTOR DOMINELLO: You and I have had these discussions before. Philosophically, you do not need legislation. That is a pretty blunt instrument. You get a lot more done in relation to a commitment by the Minister—

The Hon. JOHN GRAHAM: So accepting that is your view, have you met with the industry since that bill passed?

Mr VICTOR DOMINELLO: Definitely before. I do not know if I have met after. The point is that the roundtable is there and it is working.

The Hon. JOHN GRAHAM: But you did not choose to go and you have not chosen to meet with them since. Surely you agree, Minister—

Mr VICTOR DOMINELLO: The Parliament, in its wisdom, has said we will legislate a roundtable. We are just following what the Parliament wants us to do. If something comes out from that roundtable that needs to come to my attention, so be it.

The Hon. JOHN GRAHAM: You agree it is surely safer for the Government, through whatever—

Mr VICTOR DOMINELLO: The appropriate agencies are there.

The ACTING CHAIR: Minister, just sticking with the rationalisation of your Government websites. Is there going to be some kind of mud map provided to customers as to where they can now find all the information? How are customers going to be guided in finding those documents?

Mr VICTOR DOMINELLO: It is a great question, and I will defer to Mr Murphy in a moment. The last time I checked, we had over 160 different agencies in New South Wales. The average person would not have a clue how big government is and the best they do, yet it is the first touchpoint with government these days. As much as I love Service NSW, not everybody has the time to knock on the door, go into a service centre and have a great experience person to person. Normally the first touchpoint with Government in the 2020s is via a website.

So I thought this is crazy that we have so many different agencies and so many different websites. The websites themselves do not even look or feel the same. Yet to the average person on the street, the last time they checked they voted for one government, not 160. In order to harmonise and improve the customer experience, we thought let us try and consolidate as many as we can—particularly the ones that are used the most—into one area to make it easier for the general public. But I am happy to defer to Mr Murphy who is helping to roll out this initiative.

Mr MURPHY: As the Minister said, the intent is to present the information available now to customers in a way that is easier for them to access, which essentially means moving some of that information. The test version of the website is up now for people to have a look at and we are asking for feedback from the community about whether they are finding it easier to find information or not through that facility so that we can improve the service. Part of that service is to introduce the new search function, which will make it easier for people to find things that they need, structured around whatever issue it is they have come to find out about, based on the

customer's need. At the moment, the traditional approach is to structure that information by the name of the government agency, which can make it a bit hard for people to find that information.

The ACTING CHAIR: Is there going to be a redirection on the old dead websites that will take them to the new location? If so, how long is that redirection going to sit there for?

Mr MURPHY: There will be a redirection, so anyone who has got bookmarks or links from other locations to particular websites, that will be redirected through to where that information is on the new nsw.gov.au. That redirection will stay in place until essentially it is no longer being used and we will be able to monitor traffic through that channel. Also as part of the website consolidation project, every time the content is moved from a government website onto the nsw.gov.au platform, that former website will be archived so people can go in and see what was there before that transfer of information occurred.

The ACTING CHAIR: Minister, in budget estimates on 28 October you indicated that you would be happy to speak with the police Minister about making changes to improve customer service delivery by the New South Wales Firearms Registry. Have you spoken to Minister Elliott?

Mr VICTOR DOMINELLO: Yes, I have.

The ACTING CHAIR: About the reforms?

Mr VICTOR DOMINELLO: Yes, I have.

The ACTING CHAIR: Was he receptive about making improvements?

Mr VICTOR DOMINELLO: Yes, he was.

The ACTING CHAIR: Did he identify any areas that he felt needed improvement? Did he self-identify some issues?

Mr VICTOR DOMINELLO: To the Minister's credit, he said there is obviously a lot we can do to improve the experience here. He said he is happy to help in any way he can, so we have used some of the money from the Digital Restart Fund to start kicking that along. Again, Mr Murphy can go through some of the detail of where we are up to, particularly in relation to the back end of the work.

The ACTING CHAIR: Are you speaking about the middle-out transformation project? Is that what you are referring to, the \$1.2 million for—

Mr VICTOR DOMINELLO: That is from the Digital Restart Fund.

The ACTING CHAIR: Yes.

Mr MURPHY: There are a number of streams of work underway between our department and the New South Wales Firearms Registry around the customer experience. In October 2018, Service NSW commenced operating a digital application form for a range of firearms licences. There has been significant use of that channel throughout. One of the things, as the Minister has previously mentioned, that we do with these digital services is we ask the community for feedback. We have had a significant amount of feedback on that service. At this point it is running at about 94.5 per cent thumbs up in terms of customer experience.

The ACTING CHAIR: From your end in terms of Service NSW?

Mr MURPHY: In terms of the Service NSW element of the transaction.

The ACTING CHAIR: Not the registry?

Mr MURPHY: In addition to that, people have left some text feedback and we have other government channels for receiving feedback about services, on which we have had some feedback around the Firearms Registry process. The department is also working with the Firearms Registry to review all of that feedback and look for themes and common areas where we might work together on something to improve the customer experience. That work is going really well between the teams. To date there has been a few initiatives put in place to address some of that feedback. Some of the common pieces of feedback we have received are that the process itself can be a bit opaque for some users. They are not quite clear how the steps work, what the time frames are or how to follow up on their application?

There is now significantly upgraded information on both the Service NSW website and the Firearms Registry website around exactly how the process works, what you need to do to complete your application form, the time frames around that, how to follow up on progress et cetera. In addition to that, one of the common pieces of feedback received was that it was challenging for some people to use the online application

form on the basis that they did not necessarily have very good access to the internet. Now Service NSW has worked with the Firearms Registry to make paper application forms available over the counter at Service NSW outlets and through the mobile service buses. If users are not able to access the service online there is another way that they can interact with the service there.

In addition to that work around reviewing customer feedback that is well underway and the digitisation of the application process through Service NSW, the department also administers a fund called the Digital Restart Fund that has made available some funding to New South Wales police to improve some aspects of the system at the back end. If you are interested in—

Mr VICTOR DOMINELLO: The dealers.

Mr MURPHY: Particularly in relation to dealers—

The ACTING CHAIR: Yes, I am aware of that, so we will not delve deeply into that. Just from your end, can you provide on notice some figures about the number of transactions: the number of firearms licence renewal applications being completed by your app, and if you could break it down by month; the number of new firearms licence applications, once again broken down by month; and the number of PTAs, or permits to acquire, broken down by month over the last 12 months?

Mr MURPHY: We certainly can provide you that detail on notice, although I can say it is quite a popular process. Between October 2018 when the online channel commenced and the beginning of February this year there have been over 135,000 applications. It is not an insignificant amount of applications each month.

The ACTING CHAIR: It is just that the Firearms Registry is complaining that the reason for the delay in everything is that it is swamped. I struggle to see how it takes nine months to renew a dealer licence. I laughed at the Hon. John Graham complaining about three months for the regional transport card when businesses have been sitting there for nine months not being able to do business.

Mr VICTOR DOMINELLO: You are right. Ultimately you want the experience that you are getting when you renew your driver licence—where it used to take two hours, three hours, a half-day off work and now you can do it online in five minutes or less. That is where you want to get to.

The ACTING CHAIR: To your credit, Mr Dominello, most people are saying positive things about the Service NSW end; it seems to be falling down at the other end.

Mr VICTOR DOMINELLO: And we have to work together with the other agencies to build that up.

The ACTING CHAIR: Yes. It is not a symbiotic relationship at the moment.

Ms CATE FAEHRMANN: Good morning, Minister. I compliment you on your lovely green tie today.

Mr VICTOR DOMINELLO: I wore it for you, Ms Faehrmann.

Ms CATE FAEHRMANN: I am sure you did, hence the compliment.

Mr VICTOR DOMINELLO: I woke up this morning and thought, "Ms Faehrmann might be there, she might like this tie."

Ms CATE FAEHRMANN: "How do I appease The Greens?" Excellent. Minister, last September during budget estimates I asked you some questions around the NSW Gaming Machine Prohibited Features Register.

Mr VICTOR DOMINELLO: Yes.

Ms CATE FAEHRMANN: I think you took a couple of questions on notice. In the answer to one of those you indicated that the register was being reviewed. Could the Committee please get an update on the review of that register?

Mr VICTOR DOMINELLO: I am happy to defer that to Ms Webb, because that is in relation to the register.

Ms WEBB: I think at the time we mentioned that there was a large study being undertaken for some evidence-based material. That reported in November 2019—I think we published it then. We are taking account of all the detail that is in that. We are also working with our interstate colleagues to make sure that we are working on these issues together and considering what additional features might be considered for the register and some recommendations to government.

Ms CATE FAEHRMANN: You said you released a study in November. Was that a review of how the register operates and different prohibited features?

Ms WEBB: No. That was I think in our responses on notice last time. We mentioned that we were doing an evidence-based review of gambling harm associated with machines, and that was published in November. It was not of the register; it was of the harms.

Ms CATE FAEHRMANN: The answer, though, to my questions on notice on 4 September did say that the Government is undertaking a review of the NSW Gaming Machine Prohibited Features Register to determine whether any new or proposed gaming machine features present an unreasonable risk of harm to players. Is that incorrect?

Ms WEBB: No, that is what we are doing. We have got the evidence base. We were waiting for that big study, the review of the literature. We have got that and now we are doing the review and working with our interstate colleagues as part of the review.

Mr VICTOR DOMINELLO: The review is still underway.

Ms CATE FAEHRMANN: Is that a formal review with a public consultation period?

Ms WEBB: It may go to that stage. We are not there yet. We are coming up with our initial thinking and then we will formulate the process that we will undertake as well.

Ms CATE FAEHRMANN: Minister, if the Government therefore is undertaking a formal review of the NSW Gaming Machine Prohibited Features Register, given community and experts' concerns and, if you like, welfare experts' concerns around the impact of gaming machines and some of the features that they suggest should be on the prohibited features register, would you agree that something like this should undergo community consultation?

Mr VICTOR DOMINELLO: I will obviously take into account the advice provided by the agency on that. As a prima facie position, I do not have a problem with it.

Ms CATE FAEHRMANN: Since I asked about the prohibited features register again last year, which was last updated in 2011, have any prohibited features been added to that register?

Mr VICTOR DOMINELLO: No.

Ms CATE FAEHRMANN: What is the process for adding a prohibited feature to the register? If an organisation wants to lobby—let's talk about losses disguised as wins, that feature—what is the process at the moment for a feature to be added to that register in New South Wales?

Ms WEBB: My understanding is that it is ILGA, the Independent Liquor & Gaming Authority, that can make changes to the features.

Ms CATE FAEHRMANN: What does an organisation do to add a—what is the process?

Ms WEBB: As you indicated, I think they should make some submissions to us and then we could make a recommendation to ILGA and they could make a decision.

Ms CATE FAEHRMANN: Minister, you are aware that Queensland and Tasmania have banned losses disguised as wins, that both of those States have banned that? I understand there are proposed changes to have a single national standard as well. Are you aware of this?

Ms WEBB: When I mentioned in my previous response about working with our interstate colleagues, that was because part of the ambition is to have a national, harmonised approach.

Mr VICTOR DOMINELLO: That is obviously where we need to be. A lot of these things really should be driven through a federated model. It is pretty clunky having different States with different—it is like different gauges. It really does need a consolidated Federal approach if you want to resolve this issue.

Ms CATE FAEHRMANN: Just to be clear, there is a formal national working group for the national gaming standard—is that correct? Has that been established?

Ms WEBB: I do not want to go so far as to say it is a formal national working group. There is definitely work being done on the national standard. I would have to take on notice exactly how that group is formulated.

Ms CATE FAEHRMANN: If you could take that on notice. Thank you very much. Similarly, who would be the representative for New South Wales on that working group as well?

Ms WEBB: Yes, I can give you that information.

Ms CATE FAEHRMANN: I assume you would have to—

Ms WEBB: We definitely are engaged.

Ms CATE FAEHRMANN: Just a few further questions. Given the community concern around the feature losses disguised as wins—I get a lot of communication to my office from anti-gambling stakeholders in relation to this feature—do you know whether ILGA has reviewed that feature and the impact of that feature?

Ms WEBB: I would have to take on notice whether ILGA has reviewed it. The Responsible Gambling Fund certainly has, because that was part of that study that I mentioned that was published in November. There was a specific chapter on that feature. I just have to take on notice what ILGA has done.

Ms CATE FAEHRMANN: What is your position again, Ms Webb?

Ms WEBB: I am the Deputy Secretary of the Better Regulation Division.

Mr VICTOR DOMINELLO: There is an Office for Responsible Gambling. They have a \$35 million budget and a lot of that is in education, training and counselling, so they would be doing their own as well, independent of ILGA.

Ms CATE FAEHRMANN: I will ask this question and see whether you have the knowledge or you need to take this on notice. I do understand that the authority can make a determination about a gaming product without necessarily referring to the prohibited features register or the machine national standard. Is that correct?

Ms WEBB: Yes, I think our answer last time indicated that the ILGA had authority to make determinations about gambling machines, that it would take into account the national work that was being undertaken and also the prohibited features register, but also can actually determine on a particular machine or a particular feature.

Ms CATE FAEHRMANN: What are the circumstances—do you know—where they do not have to take into account the national standard or prohibited features register?

Ms WEBB: I would have to take that on notice. I do not think there is a sort of situation where people do not take it into account. I think they can take account of anything that is relevant to their decision.

Ms CATE FAEHRMANN: Is this because it is not legislated or regulated that they have to?

Ms WEBB: I would take that on notice, but I think that is correct. I think they can make their decision based on the information that is relevant to the decision that they are making.

Mr VICTOR DOMINELLO: And because, as you would appreciate, Ms Faehrmann, more and more is going online, which does not have State borders, a lot of this has to be driven at a national level to really try to address some of the issues that a lot of us are concerned about.

Ms CATE FAEHRMANN: Yes, but when you look at Queensland and Tasmania, for example, banning that, if things need to be driven at a national level, clearly New South Wales should show leadership.

Mr VICTOR DOMINELLO: Yes, I accept that, and on so many fronts we are clearly leading the nation, but I am just saying that in this area particularly, because it is so dynamic, any given week there is a new product out there, so you need a model that is going to be agile enough to keep up. That is my experience thus far. That sector is moving so fast, and on any given day of the week there is being so much done on research in relation to a new product, so that is why I think we all need to work together on this. It is not a simple solution.

Ms CATE FAEHRMANN: I understand that, but just because something moves fast does not mean that you do not regulate it—

Mr VICTOR DOMINELLO: I accept that.

Ms CATE FAEHRMANN: Or it is moving too fast to regulate.

Mr VICTOR DOMINELLO: I accept that, and we have done a whole lot of things on our own here in New South Wales and, if we can show leadership, so be it.

Ms CATE FAEHRMANN: Just to be really clear then, in terms of the review that you are saying is being undertaken, what is the ambition of the Government in terms of the completion of that review and more features being on the prohibited features register? When can the community expect that to occur?

Mr VICTOR DOMINELLO: Do you have an approximate time line, Ms Webb?

Ms WEBB: No, I think we would have to take it on notice, and part of it will be exactly the process that we end up recommending to the Minister to follow in terms of consultation and community engagements.

Ms CATE FAEHRMANN: This was in September last year and it sounds like the review has not been agreed to in terms of a deadline. Normally, if there is a review undertaken, you could say November or the end of the year, but this is sounding incredibly vague.

Mr VICTOR DOMINELLO: It is just that they have done the literature review and now they are just starting to map out where they are going.

Ms CATE FAEHRMANN: Literature review is the very first step. With respect, the response to the question on notice indicated that the Government was undertaking a review. It did not say anything about a literature review, which is a very different thing from the Government undertaking a review of the prohibited features register.

Mr VICTOR DOMINELLO: Given that this is a global issue, it is not even national, it is a global issue—

Ms CATE FAEHRMANN: But you are the Minister for regulating gaming machines.

Mr VICTOR DOMINELLO: Yes, I am, but for me to say arbitrarily you are going to have something—

Ms CATE FAEHRMANN: Everything is a global problem.

Mr VICTOR DOMINELLO: Yes, but for me to say arbitrarily that you must do something by X weeks, I really have to be guided by—

Ms CATE FAEHRMANN: We just need a date for a review.

Mr VICTOR DOMINELLO: I am happy to defer to Ms Webb in terms of what their road map is because if I force the agency to do something that for some reason out of my knowledge is not doable, we are just setting everyone up to fail. I really do need the advice of the agency.

Ms WEBB: I would take that on notice, as I mentioned.

Ms CATE FAEHRMANN: I look forward to your answers on notice.

Ms WEBB: And I think we did refer to the literature review in our responses to the questions on notice.

Ms CATE FAEHRMANN: Okay, I will have another look.

The Hon. ANTHONY D'ADAM: Minister, the Auditor-General in 2018 made the following observation:

DFSI does not currently have the capability and capacity to detect cyber security events and incidents across the NSW public sector, limiting its ability to support agencies.

We still do not have a register, do we, Minister?

Mr VICTOR DOMINELLO: We set up Cyber Security NSW, we put \$5 million into the creation of that and we are now starting to undertake the overwhelming majority of the recommendations that the Auditor-General suggested in terms of more oversight in relation to every agency.

The Hon. ANTHONY D'ADAM: It is more than two years ago. One of the specific recommendations was about extending mandatory reporting and clarifying security incidents that need to be reported to the Department of Finance, Services and Innovation [DFSI]. That still has not been implemented, has it?

Mr VICTOR DOMINELLO: Yes, it has. As I said, I think we have undertaken the overwhelming majority of the recommendations—

The Hon. ANTHONY D'ADAM: So there is a central register, is that what you are saying?

Mr VICTOR DOMINELLO: Yes.

The Hon. ANTHONY D'ADAM: Is it a public register?

Mr WELLS: No.

The Hon. ANTHONY D'ADAM: Why is that?

Mr VICTOR DOMINELLO: Well, for obvious reasons. If you open that up, who else is going to see it?

The Hon. ANTHONY D'ADAM: Surely some elements of the data could be available to the public to know how many, for example—

Mr VICTOR DOMINELLO: That is a security risk, and there is no way in the world I would be doing anything, unless I got very clear assurance from the relevant security agencies that opening up this data does not expose the public to even greater risk.

The Hon. ANTHONY D'ADAM: How many incidents have there been since the register was established?

Mr VICTOR DOMINELLO: Can I take that on notice?

The Hon. ANTHONY D'ADAM: I think a similar question was asked of Mr Wells in the digital restart bill inquiry and he was not able to answer.

Mr VICTOR DOMINELLO: I am happy to take it on notice. Again, I am not deliberately being coy, I am happy to answer questions all day, but you would appreciate more than anybody else, given that you are asking the questions, that there is a whole lot of information, particularly in the cyber space, that we do not want to make available to hostile states, so opening up a whole lot of information in that area would not necessarily be in the public interest.

The Hon. ANTHONY D'ADAM: The top line figure about the number of incidents certainly would give us some indication of whether the vulnerability has been addressed or whether it continues.

Mr VICTOR DOMINELLO: And I am happy to take it on notice.

The Hon. ANTHONY D'ADAM: Surely that is in the public interest to be in the public domain.

Mr VICTOR DOMINELLO: I am absolutely happy to take that on notice, I just do not want to say something that would compromise the people of our State.

The Hon. ANTHONY D'ADAM: You have said that you are in the process of implementing the recommendations made by the Auditor-General. One of the recommendations was to direct agencies to include standard clauses in contracts requiring IT service providers to report all cyber security incidents within a reasonable time frame. Has that been undertaken? Have you undertaken an audit to establish whether every IT contract in the New South Wales public sector satisfies that requirement?

Mr WELLS: I will take that on notice, if that is okay, but I would say that even prior to the establishment of Cyber Security NSW all contracts, which are constructed under something called the Procure IT Framework, required all third parties to undertake that sort of security risk mitigation.

The Hon. ANTHONY D'ADAM: It is a standard provision and you are confident that it is in every contract, are you?

Mr WELLS: No, I did not say that. I said I will check about the audit of a refresh of that process, but that was already in existence.

The Hon. ANTHONY D'ADAM: You are not aware whether there has been an audit undertaken? This is primarily your responsibility, is it not, Mr Wells?

Mr WELLS: Yes, it is.

The Hon. ANTHONY D'ADAM: And you cannot tell me whether there has been an audit undertaken?

Mr WELLS: There has not been a recent audit of all government contracts, as you talked about, but as I did say, it is a provision existing already in those contracts that all third parties undertake those requirements.

The Hon. ANTHONY D'ADAM: In the event that a contract does not have one of those provisions, do you have the authority to actually direct a variation to that contract? That is a question about your powers.

Mr WELLS: I suppose when you set up contracts, yes, we have the ability to negotiate what we need in those contracts or not.

The Hon. ANTHONY D'ADAM: All those contracts are capable of being subject to a contract variation. Is that right?

Mr WELLS: Yes, depending on the circumstances.

The Hon. ANTHONY D'ADAM: And that is something you would have responsibility for in terms of IT procurement in other agencies?

Mr WELLS: To be clear, it is good to set out here that each agency, each cluster, remains accountable for the contracts they put in place with third parties and for their cybersecurity risk. The role we play is to coordinate that effort across the State for all of government. In terms of contract variations, that would be the subject of the cluster that owns that contract with that provider, which should have the ability to make variations based on circumstances.

The Hon. ANTHONY D'ADAM: It is your responsibility, is it not, to have the whole-of-government oversight?

Mr WELLS: That is correct.

The Hon. ANTHONY D'ADAM: The question was about whether you have the power to direct an agency to make a contract variation to comply with the requirements around assurances on data security. Do you have that power?

Mr WELLS: I will take that on notice to confirm 100 per cent but, as I understand it, each cluster is accountable for putting in place those contracts and is accountable for those contracts.

Mr VICTOR DOMINELLO: We would set the standard and then it would be up to the cluster itself, as Mr Wells said, to implement that.

The Hon. ANTHONY D'ADAM: What support are you providing to agencies? That was one of the other recommendations of the Auditor-General. What support is being provided?

Mr WELLS: We presented our findings a couple of weeks ago to the Public Accounts Committee about progress against that 2018 Auditor-General's report, which we really did welcome. As the Minister said, we have implemented the majority of those recommendations already. There are a range of functions that Cyber Security NSW provides all clusters. One of the key ones is setting in place a policy that the Government now follows for cybersecurity resilience. That policy covers technical controls, governance, policy and other compliance controls that all clusters are now mandated to report against each year. That policy came out in February 2019. August last year was the first report against that policy and now all clusters report their maturity against that policy.

The Hon. ANTHONY D'ADAM: Is that a Premier's memorandum?

Mr WELLS: No, it is not at this stage.

The Hon. ANTHONY D'ADAM: What is the force of that policy? How is it actually enforced?

Mr WELLS: Each secretary of each cluster attests to their maturity in reporting against that and reports that into the Department of Customer Service [DCS].

The Hon. ANTHONY D'ADAM: Can you tell me when the register was actually established? How long has it been in place?

Mr WELLS: Can I clarify exactly what you mean by register?

The Hon. ANTHONY D'ADAM: This is the central register of data security breaches that we were discussing just earlier.

Mr WELLS: That is probably better directed to the Information and Privacy Commissioner. That was a question we handled in the Restart inquiry. That question was about data breaches, not about cybersecurity. Those two things can absolutely be related; a breach may result from a cybersecurity incident.

The Hon. DANIEL MOOKHEY: I think we are talking about the cybersecurity register.

Mr WELLS: Yes, the cybersecurity register would have existed from 31 August last year, which is the first time, as I said, that agencies or clusters reported against the policy.

The Hon. DANIEL MOOKHEY: I just want to talk about the Critical Communications Enhancement Program. This is the government-administered radio network that we were discussing in the September estimates round, which has proven to be vital for us to be able to coordinate emergency services, particularly bushfires.

Mr VICTOR DOMINELLO: Very important.

The Hon. DANIEL MOOKHEY: Indeed, and with the floods as well. Where we got up to last time was that we have completed north-west New South Wales, 41 per cent of the State has been completed for the North Coast and the greater metropolitan area, the expected completion date for that stage is the fourth quarter of 2021. Is that still the target? Are we still on track?

Mr VICTOR DOMINELLO: Approximately. You would have been aware of the recent funding injection that I announced, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Yes, I am aware.

Mr VICTOR DOMINELLO: Taking that into account, that takes us to December 2022. By December 2022 we should have approximately—correct me if I am wrong, Mr Wells—400 towers.

The Hon. DANIEL MOOKHEY: Just to make sure we are comparing apples to apples here, Minister, when you say by the end of 2022, are you talking about stage two and stage three?

Mr VICTOR DOMINELLO: Yes. That means there is only one more stage to go after that.

The Hon. DANIEL MOOKHEY: Indeed, we will get to that. But the previous advice that we had was that the expected completion date was the fourth quarter of 2021 for stage two and stage three. That was before you announced the funding injection. Why is it taking an additional year to complete stage two and stage three?

Mr VICTOR DOMINELLO: There were some delays encountered. There were a couple of delays. One was in relation to vendor issues and the second was in relation to bringing about all of the government agencies together. We do not have the same power that, say, the Telecommunications Act provides the Federal agencies.

The Hon. DANIEL MOOKHEY: The Commonwealth.

Mr VICTOR DOMINELLO: Yes. As you know, that is a very, very blunt instrument. They can just go in there and do what they like pretty much.

The Hon. DANIEL MOOKHEY: What were the vendor issues?

Mr VICTOR DOMINELLO: Again, in relation to implementation, because we do not have the same power that the Feds have, they have to go into various sites and they have to negotiate. There are some people who want them and there are some people that do not. I think they may have overestimated how easy or how simple it was. It is obviously a lot more complex when you are putting towers up. You do not have the legislative hammer to do it. Mr Mookhey, one of the ways that we fixed it is through the creation of the Department of Customer Service in the machinery of government [MoG] changes last year. I cannot believe it was March last year.

The Hon. DANIEL MOOKHEY: But just so that I can appreciate what you are saying, when you say "vendor", you are talking about the fact that the vendor did not have access rights? That is essentially what you have described?

Mr VICTOR DOMINELLO: No, that was one of the issues.

The Hon. DANIEL MOOKHEY: Did the Government make any representations to the vendor that the Government had those access rights and was the vendor relying upon that?

Mr VICTOR DOMINELLO: Again, there were a number of vendor issues. I am happy for Mr Wells to walk you through.

The Hon. DANIEL MOOKHEY: Very briefly, if you know what they were.

Mr WELLS: Yes, I will add to that around bushfires too because there were some issue with vendors, just to be perfectly honest, with the complexity of getting to some of the sites. As we talked about previously, we prioritised based on the emergency services organisations' recommendation that we start on the North Coast. Some of those sites are incredibly difficult to get to, to design around and to implement. Some of the complexity was just in the sites themselves and some was due to vendors. I would add that particularly the last six months has added to that change from 21 December because in that process three of the existing sites were destroyed, 36 sites

of ours were damaged and other networks were damaged as well. So you would appreciate that repairing those assets as well is part of this.

The Hon. DANIEL MOOKHEY: I appreciate that.

Mr VICTOR DOMINELLO: That has to be a priority.

The Hon. DANIEL MOOKHEY: Minister, we are not at cross-purposes with that. Obviously the network was affected by the bushfires. When were you advised that the program was being delayed?

Mr VICTOR DOMINELLO: I will take that on notice.

The Hon. DANIEL MOOKHEY: Were you advised before the bushfires reached their peak?

Mr VICTOR DOMINELLO: We knew that there were some issues in relation to the vendors and in relation to trying to get it out faster. Again, one of the solutions that we had around it was to create—

The Hon. DANIEL MOOKHEY: Was it this year that you were advised or was it last year that you were advised?

Mr VICTOR DOMINELLO: Yes.

The Hon. DANIEL MOOKHEY: It was last year that you were advised?

Mr VICTOR DOMINELLO: Yes, definitely. I am up-front about it. I answered this in my previous answer. One of the solutions that we came up with was to create the Department of Customer Service and things such as the NSW Government Delivery and Performance Committee [DAPCO], which provides us with more of a coordinating role between the agencies. That has definitely improved.

The Hon. DANIEL MOOKHEY: I am glad to hear but you announced an additional \$217 million would be provided to expand and that is to complete stage two and stage three, is that correct?

Mr VICTOR DOMINELLO: Correct.

The Hon. DANIEL MOOKHEY: So what is now the total budget for the project?

Mr VICTOR DOMINELLO: I think it is in the order of about \$620 million.

The Hon. DANIEL MOOKHEY: The original business case for stage two and stage three said the estimated total cost was—what was their estimate for the total cost for stage two and three?

Mr VICTOR DOMINELLO: Do you remember?

Mr WELLS: We will take it on notice and get it back to you. We will try to get it back to you today.

The Hon. DANIEL MOOKHEY: The last available figure was that we were meant to be getting stage one, stage two and stage three, which you described as critical network, for I think circa \$350 million.

Mr VICTOR DOMINELLO: I will take it on notice, Mr Mookhey.

The Hon. DANIEL MOOKHEY: But it is above budget though, is it not?

Mr VICTOR DOMINELLO: Yes. But again, when you have a look at the critical nature of what it provides—

The Hon. DANIEL MOOKHEY: No-one is disputing we should build it; I am just asking if it is above budget.

Mr VICTOR DOMINELLO: It is above the initial estimates, yes.

The Hon. DANIEL MOOKHEY: When did you learn that it was going to exceed cost?

Mr VICTOR DOMINELLO: I think last year or thereabouts. I am happy to take it on notice. But this is the single largest investment in telecommunications in the State's history and I think it shames every other State in terms of the record investment that we are putting into it.

The Hon. DANIEL MOOKHEY: Minister, it has bipartisan support about the need to build a critical communications infrastructure to make sure our emergency services—

Mr VICTOR DOMINELLO: I am sure the Opposition does not want to do this on a shoestring.

The Hon. DANIEL MOOKHEY: I am sure as well that you would recall that in the Tathra inquiries this was one of the points that was made. And since then we have had Commissioner Fitzsimmons saying in respect of the recent bushfire season that firefighters were forced to deal with overloaded radio networks, coverage issues and radio towers on wheels. It is critically important—no-one disputes that.

Mr VICTOR DOMINELLO: Absolutely.

The Hon. DANIEL MOOKHEY: Forty-one per cent—

Mr VICTOR DOMINELLO: And it is not just the fire commissioner.

The Hon. DANIEL MOOKHEY: Sorry, Minister, I get it. No-one is disputing the need for the project. Stage one, stage two and stage three were meant to get it to 41 per cent. It is delayed, which means we will be enduring another bushfire season without it. I understand the reasons. You have explained why.

Mr VICTOR DOMINELLO: No, that is not right.

The Hon. DANIEL MOOKHEY: You said 2022, so it is at least one more bushfire season.

Mr VICTOR DOMINELLO: No, in terms of percentages.

The Hon. SCOTT FARLOW: Point of order: Let the Minister finish his answer.

The Hon. DANIEL MOOKHEY: He has to let me finish the question, actually.

Mr DAVID SHOEBRIDGE: It is quite a long question but I think it is drawing to a close.

The Hon. DANIEL MOOKHEY: The question I have is: Where are we up to in terms of—

The Hon. SCOTT FARLOW: Point of order: Can we have a ruling on the point of order for the Minister to be able to answer the question Mr Mookhey had previously put?

Mr DAVID SHOEBRIDGE: To the point of order: It was a very long question but it was nearing its end.

The Hon. SHAYNE MALLARD: How do you know that?

Mr DAVID SHOEBRIDGE: Because I was listening to the inflection.

The ACTING CHAIR: Can the member get to the crescendo of his question a bit more quickly please?

The Hon. DANIEL MOOKHEY: We know that stage three is taking longer—a bit more budget—but what does this mean for stage four? The last we heard was the business case for stage four was with the Government. Do we have a decision yet on stage four?

Mr VICTOR DOMINELLO: No.

The Hon. DANIEL MOOKHEY: When will we have a decision on stage four?

Mr VICTOR DOMINELLO: That is a matter for the budget. The budget estimates are obviously things backwards, not moving forward, so obviously we will have those discussions with Treasury.

The Hon. DANIEL MOOKHEY: The problem is, Minister, is that your Government has been saying for a while now that there is a business case for stage four.

Mr VICTOR DOMINELLO: Yes.

The Hon. DANIEL MOOKHEY: Is that business case public?

Mr VICTOR DOMINELLO: I do not know if it is public, no.

The Hon. DANIEL MOOKHEY: It is not. But it has been sitting there for a while. I know this because in the last estimates hearings we were told the business case is ready and awaiting government decision. We have now gone through another bushfire season. I just want to know: When are we going to have a decision made on stage four, which would take the network from 41 per cent to circa 90 per cent?

Mr VICTOR DOMINELLO: That is the think I was trying to stop you on. I disagree with the figures around the 41 per cent. We have already got significant coverage in the State but by the end of 2022, which is not that far away now, correct me if I am wrong, Mr Wells, but I think we will get to something in the order of about 97 per cent.

Mr WELLS: Of the population.

Mr VICTOR DOMINELLO: Of the population.

The Hon. DANIEL MOOKHEY: Yes, but I am talking about the geographic land mass.

Mr WELLS: And 50 per cent.

Mr VICTOR DOMINELLO: And 50 per cent geo—

The Hon. DANIEL MOOKHEY: That is the issue. That is the distinction we are drawing.

Mr VICTOR DOMINELLO: Yes. So 50 per cent.

The Hon. DANIEL MOOKHEY: Even going with your 50 per cent, the idea of stage four is to get us to maximum coverage. That was the point.

Mr VICTOR DOMINELLO: I think stage four will get us—the last bit of the lemon that we could squeeze is I think you get to 98 per cent and 60-odd per cent.

The Hon. DANIEL MOOKHEY: Minister, you are interrupting me in my questioning again. But my only question was: When will we be getting a decision on the business case and whether it is going to cover—

Mr VICTOR DOMINELLO: Again, that is subject to budget so I cannot speculate on that.

The Hon. ANTHONY D'ADAM: Minister, can I ask you about the budget overrun in Service NSW of \$95 million on employee-related costs?

Mr VICTOR DOMINELLO: Sure.

The Hon. ANTHONY D'ADAM: Can you explain what caused the budget overrun?

Mr VICTOR DOMINELLO: As I said, I will defer to Mr Rees.

Mr REES: Which financial year are you referring to?

The Hon. ANTHONY D'ADAM: It is 2018-19.

Mr REES: In 2018-19 Service NSW was directed to implement a range of additional initiatives. We were part of DFSI at the time and so government decisions were to be absorbed by the department as a whole. So where you see Service NSW overrunning in some of those items you will find that offset by other parts of the DFSI cluster.

The Hon. ANTHONY D'ADAM: Are you suggesting there was not an employee-related expense overrun? Is your answer that it is an accounting issue?

Mr REES: Employee expenses were greater than were budgeted at the beginning of the year. They were conscious decisions offset by other parts of the department of finance and services.

The Hon. ANTHONY D'ADAM: And so now I think that the overall reduction is \$110 million for this financial year. How are you going to accommodate that?

Mr REES: Like many parts of government we are wrestling with some budgetary challenges, so our focus has been to look at reducing cost without touching frontline services. Our predominant focus has been around the consolidation of corporate services functions within Service NSW.

The Hon. ANTHONY D'ADAM: But these are employee-related costs.

Mr REES: That is right. It is corporate services.

The Hon. ANTHONY D'ADAM: How are you going to reduce the employee-related costs?

Mr REES: Corporate services includes teams like finance, technology, people and culture, marketing, communications, risk governance—all of those functions that are in common with other parts of the department. We have been bringing those together.

The Hon. ANTHONY D'ADAM: How many jobs do you expect it will cost?

Mr REES: From the corporate services change—I would need to take that on notice.

The ACTING CHAIR: Last time around we did a bit of a dance around Avocado Consulting and we finally got a test completion report. I want to delve into the strange relationship Service NSW has with the Firearms Registry. Who decided to employ Avocado Consulting as a technical contractor? Was it Service NSW or was it the Firearms Registry or was it a combined decision?

Mr REES: It was a Service NSW decision. Avocado is a provider that is used on a range of Service NSW programs.

The ACTING CHAIR: Do you always outsource your evaluation of your IT services or your apps that you are developing?

Mr REES: Avocado we used for testing services and we use a range of insourced and outsourced testing services.

The ACTING CHAIR: Who reviewed the test report? Was it Service NSW or the registry?

Mr REES: It would have been reviewed principally by Service NSW.

The ACTING CHAIR: What was Service NSW's opinion on the fact that it had 35 unresolved errors, most of them listed around the severity 3 level, some of them reading as quite significant show stoppers? As Service NSW, if you had custody of that application would you put it out and say it is ready to go, with 35 unresolved errors?

Mr REES: With any project you have a decision to make around when you can bring that to customers, balanced against the quality that you are bringing. As you flagged, we tend to break those test cases down into their criticality. From recollection, that program had a very clear position that we would not go live for customers with any high-severity defects. Lower-severity defects are often ones that do not compromise customer safety or security and can be improved once the project is live, for instance.

The ACTING CHAIR: Most of the ones that sit unresolved were listed as high or highest.

Mr REES: I think you have a point-in-time report there.

The ACTING CHAIR: What is the point now? Were these resolved before NSW Firearms Registry went live?

Mr REES: I would need to take on notice the specific items in there and whether they were resolved prior to the go-live day.

The ACTING CHAIR: I will happily provide you with a copy of that. Ms Hogan, looking at some correspondence you sent my office regarding your work with the Firearms Registry to improve customer service and reduce waiting times, you said that you expect these improvements to be made in early 2020. Can you provide some detail as to what those improvements were?

Ms HOGAN: As Mr Murphy talked to before, the customer division that he runs has been working with police and looking at improvements around the easier provision of information and processes for customers, and I think the other one was the ease of applicants to get forms from Service NSW. Mr Murphy, have I missed anything there?

Mr MURPHY: That is correct.

Mr REES: Maybe if I can be clear, customers were always able to request a form via Service NSW. We previously had to then go and request that of the Firearms Registry. There were about 490 customers that had taken up that option. We can now provide that directly for customers who cannot complete their application online.

The ACTING CHAIR: But none of that seems to go to the heart of the issue of the poor service at the registry level—more about improving the service at Service NSW.

Mr VICTOR DOMINELLO: Well, that is what we are responsible for.

The ACTING CHAIR: Yes, but we have the Customer Service Commissioner here. I am trying to get to the bottom of what her powers are, Minister. Can you make suggestions? Can you make directions to government departments that are failing to deliver customer service? Where does your role extend to?

Ms HOGAN: The role of the Customer Service Commissioner has always been a title. It does not have legislated powers. I would think that the history of that role is that Mr Pratt held that role some years ago, then Mr King held it and then, as the Department of Customer Service came to bear on 1 July last year, he brought that title with him. Since coming into this role we have sort of established that really the secretary of the department is playing the role of commissioner but it never had legislative responsibilities. We still provide feedback on customer capability or advice on life journeys, which is what William Murphy's team lead. We have been collecting customer service feedback on this matter for quite some time. I am in regular receipt of correspondence

from your office as to various inquiries that are made through you. We issue that feedback direct with police and the people in charge of the Firearms Registry for them to leave the transformation program they wish to lead.

The ACTING CHAIR: Just to be abundantly clear, the commission or the commissioner have no powers at all, it is a tokenistic title?

Mr DAVID SHOEBRIDGE: It does not mean anything.

The ACTING CHAIR: Those are Mr Shoebridge's words. It essentially has no power to compel an agency to pull their socks up?

Ms HOGAN: I do not have a legislative power under that title to do that.

Mr VICTOR DOMINELLO: It never did but look at the changes—

The ACTING CHAIR: Minister, would you support giving the commissioner or the commission the power?

Mr VICTOR DOMINELLO: I think what we have done as a result of introducing a Department of Customer Service is we have gone from just a standalone grouping as it were into a whole department. This Government since March last year has completely regeared its focus towards customer service. We are not just leading the country but the world when it comes to customer service.

The ACTING CHAIR: In some areas.

Mr VICTOR DOMINELLO: I accept that and there is always going to be room for improvement.

The ACTING CHAIR: How do you get that improvement when you have a Customer Service Commission or commissioner that cannot actually give directions? All they can really do is make a suggestion but there is no big stick, there is no carrot on the other side either.

Mr VICTOR DOMINELLO: We do. We have more structure in place because we have got a delivery and performance committee that I am the co-chair of, for example. There is a lot more stick, to use your language, than we had before because it now makes sure that we are focused on delivering optimal customer service.

The ACTING CHAIR: Who else is on the delivery and performance committee?

Mr VICTOR DOMINELLO: Myself, the Premier, the Deputy Premier and Minister Toole.

The ACTING CHAIR: Do they have full scope on all agencies or are you once again limited?

Mr VICTOR DOMINELLO: Yes. And recently Minister Stokes and Minister Constance.

The ACTING CHAIR: How often does that delivery and performance committee meet?

Mr VICTOR DOMINELLO: About once a month.

Ms HOGAN: A month to six weeks depending on Cabinet dates.

Mr VICTOR DOMINELLO: It is a Cabinet subcommittee. In many ways it provides the strength that we never had before. I could, for example in this case, go out to Minister Elliott. That I have done; I have reached out to him. We have a lot more power now to say, "Look, this is a priority, get it done. Otherwise you have to report up here."

Mr DAVID SHOEBRIDGE: Minister, SIRA has directed icare to produce a review and remediation plan about the underpayment and/or overpayment issue that was identified to SIRA on 27 February 2020. That review and remediation plan has to be with SIRA by Friday. Will it be published and when will it be published so that injured workers and others can see what is proposed?

Mr VICTOR DOMINELLO: I will refer that to the independent regulator.

Ms DONNELLY: I have not got a firm date or expectation around publication; however, my intention is that we would review it first to see whether we believe it is satisfactory and provide any feedback and work to a timetable of a satisfactory plan. Our approach very much is to be transparent. It will need to obviously be advised to parties what they can expect. That plan will be how individual people will be communicated with if they are impacted. I have got no objection to making it public.

Mr DAVID SHOEBRIDGE: All right, but you cannot give a time frame on it?

Ms DONNELLY: I want to allow enough time to have got a satisfactory plan in place as a priority.

Mr DAVID SHOEBRIDGE: Of the reviewed claims approximately one quarter had potential overpayments. SIRA has a policy on how to recover potential overpayments and you referenced that in your bulletin. Meanwhile, icare has made a blanket statement that there will not be any recovery of overpayments. As regulator, do you support icare's position to have no recovery of overpayments?

Ms DONNELLY: That is a matter for them. My priority is ensuring that injured workers are not receiving less than their statutory entitlements.

Mr DAVID SHOEBRIDGE: But to be clear, as a regulator you have no issue with icare having taken a position to not recover overpayments?

Ms DONNELLY: I want to see the review and remediation plan and understand the impacts rather than make a decision on the run. I do want to have the time to consider that.

Mr DAVID SHOEBRIDGE: Perhaps I can put it to you another way: Under your policy it is open to icare to take that position?

Ms DONNELLY: It is open to icare to take that position.

Mr DAVID SHOEBRIDGE: Ms Donnelly, SIRA has said it will undertake an urgent focused audit of Nominal Insurer claims investigating the pre-injury average weekly earnings matter. Have you got the terms of reference for the audit?

Ms DONNELLY: We are working on it now. I have requested Ernst & Young to work with us to develop the terms of reference for the audit. I have also required from icare, and I have had an indication from Mr Nagle in correspondence, that they would be happy to share the methodology of the audit that they have used. I want to make sure that we consider that. We have not yet finalised the methodology and scope of work. As I said, we are already in icare undertaking a claims management audit and are able to extend that.

Mr DAVID SHOEBRIDGE: Will you publish the terms of reference of the audit?

Ms DONNELLY: I am happy to publish the terms of reference.

Mr DAVID SHOEBRIDGE: Minister, we currently have a situation where SIRA is being asked questions in this budget estimates hearing and the Minister responsible here, and in the other budget estimates hearing icare is being asked questions, which explains some of us coming and going. In the course of asking icare questions about how to explain the \$2.391 billion underwriting loss that they had in the last financial year, their primary explanation was the increase in medical costs. They are on record as blaming the SIRA negotiated pay rates with the Australian Medical Association [AMA] as being a significant part of their financial problems. Do you accept that the pay rates negotiated by SIRA are excessive?

Mr VICTOR DOMINELLO: I do not have the benefit as you do of walking in between so I do not know what they have said.

Mr DAVID SHOEBRIDGE: I do not know if it is a benefit but I will be clear.

Mr VICTOR DOMINELLO: You have lost a lot of weight. You have obviously been running.

Mr DAVID SHOEBRIDGE: So icare says that surgical fees in New South Wales are gazetted by SIRA and allow surgeons to charge at 150 per cent the AMA rate for the first surgical code item and at 112.5 per cent of the AMA rate for additional surgical code items. That compares to the schemes in both Comcare and Queensland where the relevant rates are 100 per cent and 75 per cent. Are you aware of those criticisms of the overpayments for doctors under the New South Wales workers compensation scheme?

Mr VICTOR DOMINELLO: No.

Ms DONNELLY: I am happy to pick this up, Minister. Firstly, there are heritage fee regulation instruments in place that we are reviewing actively with consultation. I do not agree that they are the significant driver of increase in medical utilisation. Independent analysis that I have commissioned and made public would indicate that 61 per cent of the increase in medical costs is driven by increased utilisation. Only roughly 14 per cent of the types of charges that are in place are regulated by SIRA and we set maximum fees; they are not mandatory to charge the maximum fee or pay the maximum. In fact we have assessed that only about 5 per cent of the inflationary pressures are driven by changes in those fees.

Mr DAVID SHOEBRIDGE: This is the 2008 agreement with the AMA. Is that what you are talking about when you say historical?

Ms DONNELLY: That was before my time but my understanding is that yes, it has been in place. And can I say that my intention in reviewing healthcare costs is to modernise and to leverage the benefit that we have of having two personal injury schemes. I am open to reconsidering whether or not those regulatory tools are the appropriate tools.

Mr DAVID SHOEBRIDGE: I will give you one example. Minister, were you aware of the fact that in the New South Wales workers compensation scheme the payment for a spinal fusion procedure is 200 per cent greater than the next highest fee anywhere in the country? In fact, it is 800 per cent greater than what the Medicare Benefits Schedule [MBS] is for a spinal fusion procedure.

Mr VICTOR DOMINELLO: I am not across that detail, no.

Mr DAVID SHOEBRIDGE: In terms of figures, that is \$20,000 for the procedure in New South Wales. The nearest we get is Comcare in Queensland, which is about \$9,500. We cannot have doctors overcharging for workers compensation.

Mr VICTOR DOMINELLO: I am with you. We are on a unity ticket there.

Mr DAVID SHOEBRIDGE: Will you oversee SIRA to ensure that that review of medical payments is rapid, prompt and focused on value for money?

Mr VICTOR DOMINELLO: Again, a lot of questions have been asked throughout the course of the day that I have deliberately deferred to SIRA because I really believe in its independence.

Mr DAVID SHOEBRIDGE: Will you work with the board on this? Will you seek a report from the board about what they are doing about medical costs?

Mr VICTOR DOMINELLO: I am happy to do that. But, again, I will be guided by the board. Mr Shoebridge, you would know better than most that I am not lighthearted when it comes to reforming the personal injury space. We have done a lot of work and there is a lot more to do.

Mr DAVID SHOEBRIDGE: I am focused on this issue. From what I understand, you will seek a report from the SIRA board about the issue of medical costs?

Mr VICTOR DOMINELLO: If the figures you have just quoted to me are accurate then yes, that is worthy.

Mr DAVID SHOEBRIDGE: I am happy for Ms Donnelly to critique them.

Ms DONNELLY: From my recollection they are the maximum fees. But I am not defending them. I actually initiated a review last year to improve the regulatory tools. We have already published 43 out of 53 submissions and we have already published the initial analysis. We have been making that very transparent. The report from that review will be made public.

Mr DAVID SHOEBRIDGE: I am not suggesting this is easy. In reducing these fees you are taking on the most powerful union in the country, which is the Australian Medical Association. Are you going to take on the AMA, insist on getting value for money and not have the New South Wales workers compensation scheme pay so substantially over the mark? It is not only spinal fusion procedures but also spinal surgery, which is \$15,000 in New South Wales with the next highest at \$10,000. It is for disc replacements, knee replacements and shoulder replacements. For every single item New South Wales is the highest.

Ms DONNELLY: Mr Shoebridge, it is my intent that every dollar spent on medical treatment in the scheme should be for the right treatment at the right time to get the right outcome for injured workers. It should be efficient and it should be effective. I have some previous experience in microeconomic performance in health. I am serious about delivering better value and value-based care. In answer to your question, yes.

Mr DAVID SHOEBRIDGE: As I understand it, you indicated that only 5 per cent of the deterioration in the financial performance of icare is related to this issue. Is that right?

Ms DONNELLY: To the inflation in those fees. That is in addition to the fact that they are set at a higher rate than in other jurisdictions.

Mr DAVID SHOEBRIDGE: So that is not about the higher rate, it is about the inflation?

Ms DONNELLY: I am happy to take that on notice but, given that many of the health services in the system are not subject to maximum regulator fees, I stand by the analysis that 61 per cent of that increase is driven by changes in utilisation.

Mr DAVID SHOEBRIDGE: Minister, do you see the difficulty here? icare is saying one thing in that room over there—that it is about medical expenses. They are challenging the return-to-work data and they are challenging the Dore report figures. Over here the Dore report figures are being backed in and the medical expenses issue is being viewed in a very different light. Are you going to sit down with the Treasurer and work out a method where we can get some actual truth on this? Maybe that means getting the two boards to communicate more directly about these matters.

Mr VICTOR DOMINELLO: Of course. It is something that the Treasurer and I would need to do in any event.

Mr DAVID SHOEBRIDGE: Have you done it?

Mr VICTOR DOMINELLO: The Treasurer and I talk about a lot of things.

Mr DAVID SHOEBRIDGE: But have you sat down to talk about this specifically? The Dore report has been out for a while. It is disastrous for icare. Your regulator is pointing at them and saying the problem is there. They are pointing back at you and saying it is the data and medical expenses. Are you and the Treasurer going to sit down to try to put a bit of truth serum into this?

Mr VICTOR DOMINELLO: This is an issue that we obviously need to resolve. Let me just back in the fact that I am proud that we have an independent regulator. Again, I do not have the liberty that you have had to go between hearings. But we have started the process and I am going to see that through. No doubt that will involve discussions with the Treasurer in relation to how—

Mr DAVID SHOEBRIDGE: I am not critical of the work that SIRA has done in commissioning the Dore report. I think that is essential. The problem is that while the truth is being contested, the implementation of the reforms necessary to get on top of it are going to be delayed. I want to know what your procedure is to stop this sort of data truth—

Mr VICTOR DOMINELLO: I do not know about that. Again, I have not had the liberty you have had to listen to the other evidence. I am backing in SIRA. That is point one. Point two is that the Treasurer and I definitely have to get together and work together to sort these issues out because they obviously need a resolution and quickly. I can give you that commitment.

The Hon. DANIEL MOOKHEY: Minister, I am sure you paid some attention to the recent Supreme Court decision that called into question the powers and to remove some of the powers of the Independent Liquor & Gaming Authority. I have a very simple question. Are you currently developing legislation to be brought to Parliament to resolve these powers and if so, when will we see that?

Mr VICTOR DOMINELLO: I am not going to comment on that. Even if I was doing that or somebody else was doing that, it would be a matter of Cabinet-in-confidence.

The Hon. JOHN GRAHAM: If it did come forward, would it be brought forward by you or by another Minister.

Mr VICTOR DOMINELLO: Again, I am not at liberty to say.

The Hon. JOHN GRAHAM: That is a pretty simple question about the administrative arrangements.

Mr VICTOR DOMINELLO: That is a Cabinet decision.

The Hon. JOHN GRAHAM: Minister, I want to ask about the 192 drivers whose personal details were leaked from your office. Have they been officially notified of the breach of their privacy?

Mr VICTOR DOMINELLO: I will take that on notice.

The Hon. JOHN GRAHAM: Are you not aware of whether they have been notified of this privacy breach?

Mr VICTOR DOMINELLO: I will have to take that on notice.

The Hon. JOHN GRAHAM: I do not believe they have been. Why have they not been notified?

The Hon. SHAYNE MALLARD: Point of order: The Minister took the question on notice. He does not accept your answer to the question. He is going to take it on notice.

The Hon. JOHN GRAHAM: That is a very good answer by the member. The Minister should have given that answer.

Mr VICTOR DOMINELLO: I said I will take it on notice.

The Hon. JOHN GRAHAM: Minister, do you agree with your own agency's guidance, which suggests that individuals in this situation should be notified?

Mr VICTOR DOMINELLO: Yes but that is the agency.

The Hon. JOHN GRAHAM: I am asking about the policy of your Government. Your own agency's guidance says that individuals should be notified if their privacy is breached. Do you agree that under the Commonwealth scheme a notification like this would be absolutely compulsory in this instance?

Mr VICTOR DOMINELLO: Yes. And your question is?

The Hon. JOHN GRAHAM: I am asking you if that is your understanding of the Commonwealth situation.

Mr VICTOR DOMINELLO: No, I do not have an immediate understanding of the Commonwealth situation. But if you are putting that to me, I am happy to accept it.

The Hon. JOHN GRAHAM: I appreciate that. You were quite critical of one case; you spoke in the Parliament about it. That was the Vodafone case.

Mr VICTOR DOMINELLO: I remember that.

The Hon. JOHN GRAHAM: You were up-front about that. You said that, "Vodafone's failure to take appropriate action at the time of becoming aware of the breaches and to alert the police and the individuals concerned demonstrates a flagrant disregard for privacy by the organisation." But you are sitting here today unable to confirm whether these individuals have been notified.

Mr VICTOR DOMINELLO: But there is no evidence of the breaches. These are allegations that you are making, Mr Graham.

The Hon. DANIEL MOOKHEY: You are not contesting the fact that the details of 192 people were shared with your office without permission and that that data was then leaked?

Mr VICTOR DOMINELLO: This is the same inquiry or examination that we had last time.

The Hon. JOHN GRAHAM: It is not the same examination.

Mr VICTOR DOMINELLO: With the greatest respect it is because you asked the same questions. I think there have been three independent investigations undertaken in relation to the allegations you are raising. One was from the Information and Privacy Commissioner, another one was from the Police and another one was from ICAC. None of them have said, reported or justified the allegations that you have raised.

The Hon. JOHN GRAHAM: You have been clear, Minister, in this forum and in Parliament, that you have not answered questions to those inquiries—not to the ICAC, not to the independent NSW Privacy Commissioner, not to Strike Force Holmlea conducted by the New South Wales police. I am asking you questions here—

Mr VICTOR DOMINELLO: I love the way—

The Hon. JOHN GRAHAM: I am asking you questions here—

Mr VICTOR DOMINELLO: No, no, you have made—

The Hon. DANIEL MOOKHEY: Do not interrupt the question, Minister. You must let the member ask the question.

The Hon. SCOTT FARLOW: Point of order: The Minister is trying to make a statement.

Mr VICTOR DOMINELLO: I thought you had finished the question.

The ACTING CHAIR: Was there a point of order?

Mr VICTOR DOMINELLO: Please repeat the question.

The Hon. JOHN GRAHAM: Why are you not able to confirm that these individuals have been notified?

Mr VICTOR DOMINELLO: No, please repeat the question.

The Hon. JOHN GRAHAM: I will start again. You were clear here and in Parliament that you have not been asked questions by those forums.

Mr VICTOR DOMINELLO: No, you did not say that at first.

The Hon. SCOTT FARLOW: You put it a very different way.

Mr VICTOR DOMINELLO: You put it a very different way. That is why, again, it is all about politics for you guys, is it not?

The Hon. JOHN GRAHAM: No.

Mr VICTOR DOMINELLO: No, the way you phrased it, it is so political.

The Hon. JOHN GRAHAM: I want to know, Minister, why this one rule for Vodafone?

Mr VICTOR DOMINELLO: The way you phrased it—and that is why I am taking umbrage at it—

The Hon. JOHN GRAHAM: I am sure you are.

Mr VICTOR DOMINELLO: —as if to say, "you have refused," or "you didn't give it".

The Hon. JOHN GRAHAM: No, no.

The ACTING CHAIR: Let the Minister answer.

Mr VICTOR DOMINELLO: The reality is that I said in Parliament, and to this day, I remain willing, ready and able to answer any questions from any independent agency. None of them asked me a question, and I think you can assume from that, because they know I have done nothing wrong.

The Hon. JOHN GRAHAM: Let me ask you one question. Minister, a record from Revenue NSW of a phone conversation held 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.

Can you tell this Committee when you first became aware that that discussion had taken place?

Mr VICTOR DOMINELLO: Sorry, I was talking to the secretary.

The Hon. JOHN GRAHAM: You are aware of that discussion. When did you first—

Mr VICTOR DOMINELLO: Which discussion are you talking about?

The Hon. DANIEL MOOKHEY: When your DLO had a conversation with Revenue NSW and reported to Revenue NSW that she overheard a conversation held in your office about using that information for political purposes.

The Hon. JOHN GRAHAM: When did you first become aware?

Mr VICTOR DOMINELLO: Look, this matter has been resolved. My conduct is not in question.

The Hon. JOHN GRAHAM: You have never answered this question.

Mr VICTOR DOMINELLO: Three bodies have investigated it.

The Hon. JOHN GRAHAM: None of them asked you this question. You have been clear about that. I am asking you this question. You have never answered it. When did you first become aware?

Mr VICTOR DOMINELLO: My conduct is clear.

The Hon. JOHN GRAHAM: Nothing is clear, Minister. When did you become aware?

Mr VICTOR DOMINELLO: With the greatest respect, my conduct is absolutely clear. The police looked at this, the Privacy Commissioner looked at this and now ICAC has looked at this.

The Hon. JOHN GRAHAM: When did you become aware of this conversation?

Mr VICTOR DOMINELLO: No, independent agencies that have far greater power than you have to investigate and go into a deep dive—

The Hon. JOHN GRAHAM: You have never answered this question.

The Hon. SAM FARRAWAY: Point of order: The Hon. John Graham is constantly interjecting when the Minister is answering the very question he has asked. The Minister should be given the opportunity to finish his answer. I would ask the Hon. John Graham to let him finish.

The Hon. JOHN GRAHAM: Chair, I am happy to return to this in a future hearing.

The Hon. SAM FARRAWAY: I want to hear what the Minister has to say.

The ACTING CHAIR: Has the Minister finished his answer?

Mr VICTOR DOMINELLO: Yes. As I said, there have been three independent bodies, and each time Labor tried to politicise this and they would go to another one.

The Hon. ANTHONY D'ADAM: We have limited time, Minister. You have asserted that you have already answered the question.

Mr VICTOR DOMINELLO: They were not happy with the police, therefore they refer it to ICAC. They are not happy with ICAC—

The ACTING CHAIR: Minister, are you happy with your answer? You are just repeating it now.

Mr VICTOR DOMINELLO: Yes, I am happy.

The Hon. ANTHONY D'ADAM: Minister, in February last year you announced 10 new Service NSW centres. I want to ask you about the progress of the rollout of those centres. I want to ask you, in particular, about the Revesby centre. Has a site been identified for that centre?

Mr VICTOR DOMINELLO: For that detail, I will go to Mr Rees.

Mr REES: I believe it has but I will—

The Hon. ANTHONY D'ADAM: Have lease arrangements been commenced?

Mr REES: I will need to take that on notice.

The Hon. ANTHONY D'ADAM: Can I ask similarly for the Glenmore Park site? Has a site been—

Mr REES: I am not aware. I will take that on notice.

The Hon. ANTHONY D'ADAM: You are not aware of that one. What about the Schofields site? Are you aware of that one? Has a site been identified?

Mr REES: I am not aware. I will take it on notice.

The Hon. ANTHONY D'ADAM: Is there a document that identifies the schedule for the rollout of the service centres?

Mr REES: Not for all 10. The plan is to bring all 10 progressively online over four years. The detailed planning is underway, obviously, for Revesby and Engadine.

The Hon. ANTHONY D'ADAM: So you have some planning documents that set out the time frame for the rollout of the specific centres?

Mr REES: We do.

The Hon. ANTHONY D'ADAM: Have you got something that you can produce to the Committee?

Mr REES: It will be precise for Revesby and Engadine and it will be more indicative for the other centres but we can provide that.

The Hon. ANTHONY D'ADAM: Can I also ask about the budget expenditure. Are you able to provide a document that indicates the budget expenditure for each of the proposed sites to date?

Mr REES: We will take that on notice.

The Hon. ANTHONY D'ADAM: In that information that you provide, can you also indicate the indicative date for the opening of those sites?

Mr REES: Yes.

The Hon. DANIEL MOOKHEY: Can I follow up on that? When do you intend to be putting the construction out for tender? Are you going to build them yourselves?

Mr REES: We have been rolling contact centres for a number of years now, so we are leveraging the same program team. I will take on notice whether we are using the same subcontractors for the new centres or whether we are taking a different procurement approach.

The Hon. DANIEL MOOKHEY: Do you have an estimate as to what each of them is going to cost?

Mr REES: We do.

The Hon. ANTHONY D'ADAM: Minister, was Ms Hogan selected on merit for her current position?

Mr VICTOR DOMINELLO: Absolutely.

The Hon. ANTHONY D'ADAM: So, was there a full merit process?

Mr VICTOR DOMINELLO: Oh no, no. The Premier called me and it was a personal direction but, on any view, she is a person of outstanding merit.

The Hon. ANTHONY D'ADAM: How does that conform with the standards of merit selection for the public service?

Mr VICTOR DOMINELLO: As I said, the Premier called me up—I am just telling you—and it was a direct appointment. That happens.

The Hon. ANTHONY D'ADAM: The Premier just decided?

Mr VICTOR DOMINELLO: Direct appointments happen, yes.

The Hon. ANTHONY D'ADAM: And that does not comply with the standard approach for merit selection.

Mr VICTOR DOMINELLO: If you are suggesting Ms Hogan is not up to the job, please let me know, because I have every confidence—

The Hon. ANTHONY D'ADAM: No, I am not suggesting that. I am asking you about the process and whether the process was of the standard that generally applies to public sector appointments. That is an open and competitive process so that the best candidate is selected.

Mr VICTOR DOMINELLO: It was a direct appointment. The Premier gets to see a whole lot of senior public servants throughout her dealings. Obviously she identified somebody with enormous capacity, capability and integrity and, particularly given her previous experience, it was just a perfect fit. We are very, very, very happy with the appointment.

The ACTING CHAIR: The Regional Seniors Transport Card has copped some criticism. It all centres around what is regional and what is not.

Mr VICTOR DOMINELLO: Sometimes I call Ryde regional because we want access to some of that regional money.

Mr DAVID SHOEBRIDGE: It is more regional than North Sydney.

The ACTING CHAIR: It depends on whether you are bidding for a swimming pool or not.

Mr DAVID SHOEBRIDGE: If the regions do start at Milsons Point, it is.

The Hon. SAM FARRAWAY: We will accept him in The Nationals.

The ACTING CHAIR: My concern is that you have the Deputy Premier is saying in the media that Wollongong is a region but is not regional, which just confused everybody, and you have people in Lake Illawarra who are accessing the Regional Seniors Transport Card, but 500 metres over the bridge they cannot access it. What work is being done to sort out this chestnut about what is regional and what is not?

Mr VICTOR DOMINELLO: If you do not mind, can I suggest that you refer those questions to the Deputy Premier. Again, my role in Service NSW is to get the product and to get it to market and have a great customer experience. The policy levers behind it—it is no different to the Digital Driver Licence. Ultimately we get the product to market, but we sort of work with Transport in relation to a whole lot of the policy levers around it. The same with the travel card. Can I ask you to direct it to the Deputy Premier?

The ACTING CHAIR: I am sure he will be happy to hear it.

Mr VICTOR DOMINELLO: I am sure he would love to answer it.

Mr REES: Minister, I am happy just to add a little bit there. For regional seniors we have aligned the definitions to the same definitions used for the Restart NSW program. If I could come back on the previous point as well around the Veteran card, we expect to have that available for customers in early April.

Mr VICTOR DOMINELLO: Oh good. So it is not through us?

Mr REES: It is not through us.

Mr VICTOR DOMINELLO: Oh good.

Mr DAVID SHOEBRIDGE: Ms Donnelly, how many times has the SIRA exercised its powers under section 238AA of the Workplace Injury Management and Workers Compensation Act to obtain information from medical practitioners, given the concerns that icare has expressed about potential overpayments or the rate of payments?

Ms DONNELLY: I might take that on notice, but I will say that we have an active program looking at potential fraud or overpayment or noncompliance with medical practitioners.

Mr DAVID SHOEBRIDGE: Have you identified any medical practitioners?

Ms DONNELLY: I am aware that we have some investigations on foot.

Mr DAVID SHOEBRIDGE: All right. And you will come back to me on how many, if any, section 238AA notices have been done?

Ms DONNELLY: Yes, I just do not have that with me. Certainly.

Mr DAVID SHOEBRIDGE: Given the very substantial issues raised as recently as February but before that in the Dore report, since September 2019 how many direction notices have you issued to the Nominal Insurer under section 194 of the 1987 Act and what were they for?

Ms DONNELLY: I am happy to take that on notice as well.

Mr DAVID SHOEBRIDGE: Have you done any?

Ms DONNELLY: Sorry, I just cannot recall. There may be some notes in here that I could come back to later and have a look.

Mr DAVID SHOEBRIDGE: We will probably return to that this afternoon. Minister, what are you doing to ensure that the 21-point action plan is going to be followed through? Have you got scheduled meetings with the board and with Ms Donnelly? This is the 21-point action plan following from the Dore report.

Mr VICTOR DOMINELLO: We have regular meetings with the board and Ms Donnelly. But particularly given the reform that we are doing in relation to the personal injury commission there is a whole lot of work that we are doing in this space, Mr Shoebidge. You can safely assume that those meetings are going to increase in number, not decrease. There is a lot of work to be done.

Mr DAVID SHOEBRIDGE: Given the Government has now accepted for some years the in-principle recommendation for a single personal injury tribunal for statutory claims, when can we expect to see some legislation to implement that?

Mr VICTOR DOMINELLO: Very soon, I am hoping—very soon. I remember when I did the second read on the compulsory third-party insurance [CTP] reform. I gave an undertaking to the stakeholders that dispute resolution and fixing that up was part of my unfinished business. I gave that commitment and I propose to honour it. I would love—subject to what happens upstairs, of course—for the legislation to be well and truly in by the end of the year.

Mr DAVID SHOEBRIDGE: Are you still committed to what is called a plug and play or a lift and shift—a translation model—as opposed to any substantial, substantive procedural reforms?

Mr VICTOR DOMINELLO: That is my absolute preference. It is just because the reform is so big. Ultimately there would be another few stages to go beyond that, but the very first thing to make sure we do it smoothly is to have a lift and shift.

Mr DAVID SHOEBRIDGE: Does that include the Claims Assessment and Resolution Service process, which is the way in which modified common law claims are dealt with under the CTP scheme?

Mr VICTOR DOMINELLO: Yes. Ultimately you have got the judicial head in Judge Phillips and two different streams, so it would be picking everything up and taking it across. But my intention—again, I am not

the expert in relation to personal injury. I did a bit of personal injury law but not much. My focus will be around the claimant experience and the experience of those practitioners in the field. I want to see how their experiences in dealing with claims, assessing claims and processing claims—we do not want a physical or an injury trauma to be aggravated by a process trauma.

Mr DAVID SHOEBRIDGE: We are on a unity ticket on that, Minister.

Mr VICTOR DOMINELLO: Yes. I will be paying a lot of attention to that.

Mr DAVID SHOEBRIDGE: Could I ask about the numbers that you are getting following the CTP reforms with the new scheme in place? Have you been tracking the profits that the insurers have been obtaining under the new scheme?

Mr VICTOR DOMINELLO: As you know we have already got a couple of legislative instruments to make sure that there are no more super profits.

Mr DAVID SHOEBRIDGE: We are going to come to that. I am asking about what the numbers are now.

Mr VICTOR DOMINELLO: I do not have the numbers in front of me but maybe Ms Donnelly does.

Ms DONNELLY: Yes. The latest number I have is that we are tracking at 8 per cent.

Mr DAVID SHOEBRIDGE: Is that 8 per cent for the first claims year or 8 per cent for the current claims year? When does your data go back to, Ms Donnelly?

Ms DONNELLY: I am happy to clarify that. From what I have got in front of me, I have got an overall figure of the forecast profit based on premiums at the moment.

Mr DAVID SHOEBRIDGE: Is that provided through independent actuarial advice?

Ms DONNELLY: I would need to check, but we do heavily use independent actuarial advice to make sure that we have got robust figures.

Mr DAVID SHOEBRIDGE: Minister, are you satisfied that injured motorists know and understand the existence of the no-fault benefits scheme and are applying for and are receiving no-fault benefits in the numbers that you anticipated or budgeted for?

Mr VICTOR DOMINELLO: I am satisfied that they are aware of it. Can we do more to improve it? Of course. We are constantly looking at this, Mr Shoebridge. I was just looking at some of the figures this morning in preparation for today and just reflecting on how successful these reforms have been.

Mr DAVID SHOEBRIDGE: Well, what are the numbers? The initial two years of no-fault statutory benefit schemes were substantially under the initial projections. What are the current numbers for statutory benefit claims?

Mr VICTOR DOMINELLO: Do you have those in front of you, Ms Donnelly?

Ms DONNELLY: They are quite close to projections, yes.

Mr DAVID SHOEBRIDGE: Have you got the numbers, Ms Donnelly?

Ms DONNELLY: I will have them here and from recollection they are tracking just below projections—like, 1 per cent below.

Mr VICTOR DOMINELLO: This really has been outstanding reform.

Mr DAVID SHOEBRIDGE: Is this the initial projections or the revised projections, Ms Donnelly?

Ms DONNELLY: I will take that on notice.

Mr VICTOR DOMINELLO: The CTP premiums are now only \$491. If it was not for the reforms we introduced they would be, I estimate, around \$750 or \$800. It is just extraordinary reform.

Mr DAVID SHOEBRIDGE: Minister, the question is the extent to which people are accessing the no-fault benefit schemes. Do we know how much has been paid out in the last financial year under the no-fault benefits scheme?

Ms DONNELLY: I am happy to come back to that when I find the figure.

Mr VICTOR DOMINELLO: We are doing a statutory review. When are we starting that again?

Ms DONNELLY: There is a statutory review that is due three years from the commencement—so at the end of this year.

Mr VICTOR DOMINELLO: End of this year.

The ACTING CHAIR: Ms Donnelly, can I just suggest you take that on notice in case you do not come back to it by the end of the day? We have got it on record and you can go and find it.

Mr VICTOR DOMINELLO: I am happy to pick it up there, in any event, and you know that we have completed the report in relation to the definition of minor injury.

Mr DAVID SHOEBRIDGE: Yes. When will we see the amended definition for minor injury? And will that increase access, especially for some of those highly contested claims for lumbar spine injuries, which is one of the most contested areas?

Mr VICTOR DOMINELLO: Again SIRA, to their credit, have been very transparent. They have published a report; no doubt you have seen it. I do not think they went as far as to say that there needs to be massive changes to the definition, but more probably around the language of what minor injury is.

Mr DAVID SHOEBRIDGE: When are we going to see that implemented by regulation?

Mr VICTOR DOMINELLO: Again, it is still pretty fresh in the sense that it has only come out in the last month or so. I am happy to sit down with SIRA and the board and talk about that.

Mr DAVID SHOEBRIDGE: Ms Donnelly, do you have a time frame that you are working to, to have it in place from, say, 1 July?

Ms DONNELLY: I do not have a time frame. What we are focused on is that there are some specific injury types where the minor injury review identified that there could be improvement in how the definition is being applied. We are working on tighter regulatory supervision and monitoring for that. As the Minister alluded, there was some stakeholder feedback about the term being used—the terminology of minor injury. We are suggesting that there needs to be more consultation about what is the better way to approach that, and it could be considered as part of that statutory review that the Minister mentioned.

Mr VICTOR DOMINELLO: And if there is anything else that we need to pick up, we will do it then.

The ACTING CHAIR: Thank you. I would like to thank the Minister for his attendance this morning and just note that if there were any questions taken on notice, you have 21 days to get back.

Mr VICTOR DOMINELLO: Thank you, everyone.

(The Minister for Customer Service withdrew.)

(Luncheon adjournment)

SAMANTHA GAVEL, NSW Privacy Commissioner, Information and Privacy Commission NSW, sworn and examined

ELIZABETH TYDD, NSW Information Commissioner, Information and Privacy Commission NSW, sworn and examined

ELIZABETH LIVINGSTONE, Chief Executive Officer, Independent Pricing and Regulatory Tribunal, sworn and examined

PHILIP CRAWFORD, Chairperson, Independent Liquor and Gaming Authority, sworn and examined

The ACTING CHAIR: Welcome back to the public hearing for the inquiry into budget estimates 2019-2020. Today the Committee is examining the proposed expenditure for the portfolio of Customer Service. I welcome the witnesses joining us for the afternoon session. All witnesses from departments, statutory bodies and corporations will be sworn prior to giving evidence.

The Hon. DANIEL MOOKHEY: Secretary, I respect your authority over how you wish to direct the questions, but I put on notice that for at least the first 20 minutes most of my questions will be directed to Ms Donnelly, if that is okay.

Ms HOGAN: That is fine. Chair, a number of you had questions on notice this morning, some of which we are able to bring back answers for. I am happy to do that now, or at the end of the hearing.

The Hon. DANIEL MOOKHEY: Perhaps in the next session, if possible.

The ACTING CHAIR: Yes.

The Hon. DANIEL MOOKHEY: Ms Donnelly, I want to start by talking about SIRA's premium setting processes. You will be setting premiums for this year pretty soon, will you not, for the Nominal Insurer?

Ms DONNELLY: Mr Mookhey, we do not set premiums. We undertake a compliance assessment of premiums submitted by insurers in line with guidelines.

The Hon. DANIEL MOOKHEY: Yes, you do.

Ms DONNELLY: It is an assessment process and insurers, in all of the schemes we regulate, establish—

The Hon. DANIEL MOOKHEY: And you are assessing the Nominal Insurer currently?

Ms DONNELLY: We are currently assessing a filing from the Nominal Insurer, that is correct.

The Hon. DANIEL MOOKHEY: Has the Nominal Insurer sought an increase in premiums?

Ms DONNELLY: In short, yes.

The Hon. DANIEL MOOKHEY: From what to what?

Ms DONNELLY: I am just hesitating a bit because we have asked for more information and, in particular, quite detailed information in order to assess this. The filing as submitted may not be—

The Hon. DANIEL MOOKHEY: Of course, what you decide and they may revise their position as you go through the undertaking. Perhaps we could limit the question to what they asked for in their filing.

Ms DONNELLY: Okay. It is reasonably complex, but generally in the range of 4 per cent, if I remember correctly.

The Hon. DANIEL MOOKHEY: An increase of 4 per cent in premiums for this coming year?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: The base rate is currently 1.4 per cent on wages and so we are looking at what?

Ms DONNELLY: I might take that on notice, because it is not a straightforward calculation.

The Hon. DANIEL MOOKHEY: SIRA maintains its own actuarial assessment of the position of the Nominal Insurer. Is that correct?

Ms DONNELLY: We undertake an assessment each time we have a liability valuation or where we request information such as the financial condition report.

The Hon. DANIEL MOOKHEY: But the liability valuation that the Nominal Insurer would have to provide you would be provided for the period ended 31 December.

Ms DONNELLY: Part of the reason that we have delayed coming to a position on the filing is that we have not yet received the liability valuation report for December.

The Hon. DANIEL MOOKHEY: Is it late? Have you ordinarily received it by this point in time?

Ms DONNELLY: I am expecting to receive it in March. Ordinarily it would be finalised a few months after the time period.

The Hon. DANIEL MOOKHEY: Have you therefore commissioned your own assessment of that, or are you waiting for valuations to come in?

Ms DONNELLY: We will undertake an assessment of it for the advice to the SIRA board.

The Hon. DANIEL MOOKHEY: What is your current view—that is, SIRA's view not the Nominal Insurer's—as to the funding ratio?

Ms DONNELLY: I am not able to anticipate what the funding ratio might be for that December valuation. Our view for the June liability valuation, and we use 75 per cent probability of sufficiency, is that it was 112 per cent at that point in time.

The Hon. DANIEL MOOKHEY: That is at 75, and 80?

Ms DONNELLY: I can get that for you on notice.

The Hon. DANIEL MOOKHEY: That is okay.

Ms DONNELLY: If you have a look, icare will probably have published both 80 and 75 per cent and we use 75 per cent.

The Hon. DANIEL MOOKHEY: Yes, I think they say it is 109, but that is an 80 per cent efficiency rate, which is below their target of 110.

Ms DONNELLY: That sounds fine, but I am happy to confirm that on notice.

The Hon. DANIEL MOOKHEY: Thank you. After you received the Dore report you issued quite a few things and a letter of censure was one of them. Can you post fines?

Ms DONNELLY: Yes. We issued a warning to icare in June about quality of data and we have since issued a letter of censure about quality of data off the back of a further audit that we undertook.

The Hon. DANIEL MOOKHEY: And you fined them?

Ms DONNELLY: Not on that matter, although we go through a process of escalating enforcement actions. There are 24 civil penalties that were imposed on icare for delays in making weekly payments to workers under section 267. On a further matter, we issued 10 fines for breaches of the market practice and premium guidelines, where they are required to cap premiums.

The Hon. DANIEL MOOKHEY: And they did not.

Ms DONNELLY: Basically, we had detected that ourselves in an audit. We found actually about 320 matters that we thought were in scope. We did further investigation of 10 of those and issued penalties in 10 matters. For five of those matters the penalty was \$5,500 and for five it was \$11,000.

The Hon. DANIEL MOOKHEY: I do not want to cut you short, but because your action has been extensive I think you will be a while to take us through letter and verse of everything.

Ms DONNELLY: I will.

The Hon. DANIEL MOOKHEY: On notice, is it possible for us to get a list of disciplinary actions and the reasons?

Ms DONNELLY: Yes, perfect.

The Hon. DANIEL MOOKHEY: How did icare respond?

Ms DONNELLY: In those matters, they have tended to respond by putting their view after receiving the letters advising. There is a process that we will go through of putting them on notice and having—

The Hon. DANIEL MOOKHEY: Did they reply when you issued the fine?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: Did they welcome your action?

Ms DONNELLY: I do not think so.

The Hon. SCOTT FARLOW: Do many people say, "Thanks for the fine"?

The Hon. DANIEL MOOKHEY: Did they reject your authority?

Ms DONNELLY: It would be open to them to actually mount a challenge in the courts and they have not done that. And they paid the fine.

The Hon. DANIEL MOOKHEY: Did they indicate to you that perhaps your action here was really not welcome and, in fact, the regulator should back off?

Ms DONNELLY: I would have to have a look at the letters. I do not think it would be in those terms. You are asking me to sort of characterise and interpret it.

The Hon. DANIEL MOOKHEY: No, I am just asking you what they said.

Ms DONNELLY: They would have given further information to me.

The Hon. DANIEL MOOKHEY: Perhaps on notice, are you able to provide us with either the letters, if you can, or at least a description of precisely the reply and how you wish to characterise it?

Ms DONNELLY: I am happy to consider that, yes.

The Hon. DANIEL MOOKHEY: Thank you. You made a point, though, that there is a limit to your authority here. I notice that in the same bulletin that you issued last week in which we discovered the underpayment issue you made reference to the fact that you had imposed a special condition on the Catholic Church related to its case management practices. But it is the case that you do not have the opportunity to impose that under the Act on the Nominal Insurer. Is that correct?

Ms DONNELLY: I think it is on the public record from Ms Dore's report that we have a range of different types of insurance providers in the workers compensation scheme. Each of them have different regulatory environments. The Nominal Insurer is one where we certainly do have powers in many regards, but there are some areas where—

The Hon. DANIEL MOOKHEY: You can't impose a licence condition on them?

Ms DONNELLY: There is certainly a reading of the legislation that would indicate that, yes.

The Hon. DANIEL MOOKHEY: And you have not imposed a condition on that licence?

Ms DONNELLY: I would like to take that on notice because I think there are probably some where I have done it and seen whether or not it is challenged.

The Hon. DANIEL MOOKHEY: But you have done that in respect to the Catholic Church?

Ms DONNELLY: Yes, where it is clear.

The Hon. DANIEL MOOKHEY: There is an ambiguity here about your power. You would accept that?

Ms DONNELLY: I would say with the specialised insurers and the self-insurers it is clear that their licence is granted by SIRA, can be suspended, can be withdrawn and conditions can be imposed if necessary.

The Hon. DANIEL MOOKHEY: If you had that power before the Nominal Insurer, beyond any point of ambiguity, in the identical circumstances of the self-insurers or the specialist insurers, would you have imposed a licence condition on icare after receiving the Dore report?

Ms DONNELLY: That is a hypothetical question, which is a bit difficult in a parliamentary inquiry, but I can say that would have been open to me to impose conditions without question in matters around claims management.

The Hon. DANIEL MOOKHEY: The Dore report makes extensive—it is perhaps as clear as can be made—I do not wish to denigrate the actuaries or, for that matter, the EY partners. But as clear as they can make it, there seems to be a breakdown in relationship between the regulator and icare and it seems to be pretty severe. In fact, they have a whole section on it. Do you wish to provide us a view as to whether or not icare is responsive to your regulation or not? You may not be able to; I understand if you can't. I am asking you to respond particularly to what the Dore review has said.

Ms DONNELLY: I did make a comment earlier about—

The Hon. DANIEL MOOKHEY: And to be fair, I am about to ask icare the same question. I just want to know what your response is to what the Dore review says in that respect.

Ms DONNELLY: I am happy to answer the question. The first thing I make clear is that it really is not my business to assess intent, motivation, et cetera. However, I do have the privilege—and I regard as a privilege—of regulating many entities, including insurers in CTP and workers compensation, both private and public sector. It is my observation that the insurers that we regulate in the private sector would have a different culture and attitude towards us.

The Hon. DANIEL MOOKHEY: Perhaps one which is more responsive to you?

Ms DONNELLY: I think they are more consistent in how they would respond to a regulator, yes.

The Hon. DANIEL MOOKHEY: Are they more cooperative?

Mr REES: I would not say that they do not stand by their legal rights and challenge them and so on, but I think we see a different culture.

The Hon. DANIEL MOOKHEY: Let's talk about medical fraud. This was raised by my colleague earlier this morning. SIRA investigates allegations into medical fraud, amongst other things.

Ms DONNELLY: Yes, we can do and we have some matters on foot.

The Hon. DANIEL MOOKHEY: You have some matters on foot. So you detect overpayments to allied health providers and such?

Ms DONNELLY: And such, yes.

The Hon. DANIEL MOOKHEY: How many of them did you detect in the past six months?

Ms DONNELLY: What I can tell you is—because obviously we have been very concerned to understand the full picture around medical costs, work out what our regulatory response is, both through the review but also through understanding what is happening in system trends. We have undertaken significant surveillance and analysis looking at trends and undertaking audits. We have detected that there are payments being made above the maximum regulated fees—areas where we have seen duplicated and sometimes three or four times the same invoices being paid.

The Hon. DANIEL MOOKHEY: Invoices in triplicate?

Ms DONNELLY: Yes, or even four times. In some of those cases we have identified that there needs to be investigation into the practices of the medical provider. In other cases what we have been doing is taking it up with the insurer around their controls because we require the insurer to have adequate controls.

The Hon. DANIEL MOOKHEY: When we are talking about invoices in triplicate and payments above the maximum regulated fees, I just want to concentrate on the Nominal Insurer because, to be fair, the Nominal Insurer is the biggest spender in the workers compensation scheme by far. When you discovered that, have you referred them back to the Nominal Insurer to investigate?

Ms DONNELLY: Yes. We have regular joint oversight and operational meetings and we have a very active insurer supervision model in which we feed each insurer back on a regular basis our insights. Yes, we have.

The Hon. DANIEL MOOKHEY: After you referred them back to the Nominal Insurer, did the Nominal Insurer in any of those incidences not suspend payments, not undertake investigations or delay the investigation substantially? I am talking more than six months before they acted.

Ms DONNELLY: I want to make sure that I am precise in answer to your question. I might take it on notice.

The Hon. DANIEL MOOKHEY: Is that a usual practice for the Nominal Insurer to perhaps take some time before it acts on medical fraud?

Ms DONNELLY: I don't think I could say that but I could say that I am aware that there have been some cases where it seems to have not been arrested as swiftly as we would have expected.

The Hon. DANIEL MOOKHEY: I ask these questions because the Nominal Insurer has advanced a proposition which says that we should be entering into and allowing gap fees for injured workers when it comes to medical payments. In fact, it says that you are the decision-maker in that respect. Where are we up to in terms of your decision-making process about whether or not injured workers will be asked to pay gap fees?

Ms DONNELLY: I will give you a good, thorough answer about that.

The Hon. DANIEL MOOKHEY: As thorough as you can within my time.

Ms DONNELLY: Okay. We have a review in place. It needs to be thorough—it is a complex area—and many of the stakeholders have said to us that they do not want a kneejerk reaction, they want something that will be sustainable. We have sought submissions. icare's submission and some public statements would indicate that it has raised that suggestion. There are many different suggestions from different stakeholders—

The Hon. DANIEL MOOKHEY: Well, they dropped it with *The Sun-Herald* so let's just assume—

Ms DONNELLY: That is right, so let's assume. My position is, firstly, we have not finished that review, we have not come up with a position. However, in my view, there are other, more constructive options for making sure that the right treatment is available at the right time for the right price to get the good health outcome and value-based care. There are other options that are better aligned with the objectives of the workers compensation system which are specifically to provide the necessary treatment for injured workers and reasonable recovery of expenses. I am not able to say what a parliament or a government might do but within SIRA's plans, looking at regulatory options, I don't think that is an option we will be pursuing.

The Hon. DANIEL MOOKHEY: When will you formally be making that decision?

Ms DONNELLY: We are going to finalise that review in the second half of this calendar year.

The Hon. DANIEL MOOKHEY: That is good to hear. Can I now turn to some of the other issues that arose in the Dore review. I want to talk about underwriting loss. This is a \$2.34 billion underwriting loss that was incurred by the Nominal Insurer last year. A proposition that is being advanced is that this is not something that we need to concern ourselves with because this ordinarily happens in insurance schemes. Is that a view you share?

Ms DONNELLY: You are talking about icare advancing that view because I do not believe that that was Ms Dore's view.

The Hon. DANIEL MOOKHEY: It is a view that has been advanced by it. In fact, it advanced that this morning, for what it is worth.

Ms DONNELLY: I don't share that view. I accept that there is volatility in the context of insurance and you can work on a longer trajectory towards getting to the appropriate solvency but I do think there are risks of making an underwriting loss and relying on your investments to bring you up to the right financial position because, as we know, earnings from investments are subject to a number of factors that are outside of your control.

The Hon. DANIEL MOOKHEY: You seem to be sharing the view of Ms Dore, who said in her report:

Reliance on investment returns is inherently risky, especially if depended upon to support the underwriting result. Insurers generally achieve a return by way of their underwriting position (premium less claims costs), investment returns and recoveries. The NI is not required to achieve a profit and is limited in its recovery function so the underwriting position and the return on investment are crucial. The reliance on investment is normal practice in insurance, but during times of economic downturn or volatility, that reliance, in this case not to make or improve on profit, but simply to just break even, is a risky approach.

You would agree with that?

Ms DONNELLY: I do agree with that.

The Hon. DANIEL MOOKHEY: Ms Dore goes on to warn that "the poor underwriting position of the NI is a real risk to the NI's sustainability". Do you agree with that?

Ms DONNELLY: I think it is a reasonable comment to make. Icare may have more information than me. It depends on what time frame you are looking at and a range of other factors, but in general it is a risk.

The Hon. DANIEL MOOKHEY: Yes. To the ordinary person, hearing about an underwriting loss of \$2.3 billion would provide someone with a view that perhaps this is something that we should be avoiding. Part of the reason why icare is advancing this view is that they are saying that the section 39 changes, effectively, did not remove as many people as they thought they would and that is what is causing a lot of their income—the claims have to be continually paid out. Do we have the latest update on how many people have been removed under section 39?

Ms DONNELLY: We do. I also do have some comments on other factors that are driving that as well. Section 39, the number at the end of December last year—which is the recent number I have got—for people exiting since commencement in 2017, which I know you are familiar with, is 5,780.

The Hon. DANIEL MOOKHEY: Why not give us your views on why we are suffering such a poor underwriting result from this? I have been checking your portal on the data.

Ms DONNELLY: Data portal?

The Hon. DANIEL MOOKHEY: Congratulations on it.

Ms DONNELLY: Thank you.

The Hon. DANIEL MOOKHEY: It says that in January 2018 or 2017 we were paying \$53 million per month in weekly benefits but we are now paying \$93 million from the Nominal Insurer in weekly benefits, which means it has virtually doubled. Putting aside the dispute about return-to-work rates, should we not just infer from that that, effectively, you are correct?

Ms DONNELLY: Yes. There is a strong correlation, which has got absolutely clear face validity and is borne out by analysis, that if you take longer to return to work and you are receiving income support, the amount of weekly payments will have gone up.

The Hon. DANIEL MOOKHEY: Clearly, that is what has happened.

Ms DONNELLY: It is evident that right through this process part of the reason that we decided that it cannot be just a data quality program was that other related measures that are used to evaluate the performance of an insurer include the correlated measure of what are the weekly payments. In answer to that other question about the drivers, the top of the list of matters that we were concerned about—a grave concern to SIRA from our response to the Dore report—is return to work. It not only impacts the individual, who—the longer they take to return to work, the chances are they may never return to work. The longer that they are off work, the more they are at home passively, perhaps, coping—sliding into depression—the medical costs do, indeed, increase and the weekly costs increase.

We know that long-term worklessness is actually very bad for your health and, in fact, people will die sooner from long-term worklessness. So there is a very strong ethical driver, plus the health of the scheme in terms of managing the medical costs, and the weekly benefits costs is very strongly connected to your success with return to work.

The Hon. DANIEL MOOKHEY: It was 61 per cent in December at four weeks, was it not?

Ms DONNELLY: Sorry?

The Hon. DANIEL MOOKHEY: It was 61 per cent at four weeks, down from 74 per cent in December 2019.

Ms DONNELLY: I have probably got the four-week one here, but the one that I think is very stark is the six-month performance. In 2015 only one in 10 workers were not back at work in six months; now it is more like two in 10.

The ACTING CHAIR: Ms Donnelly, last budget estimates we were talking about the rise in psychological injuries. You spoke about the mentally healthy workplace program and you gave a brief breakdown of the first phase of the program. What are the other phases of that program, given that it started in October 2018 and it is going to run to 2022? What comes next, after the first phase?

Ms DONNELLY: I might talk briefly, and also my colleague Ms Webb may be able to add to that. Although I am chairing the inter-agency steering committee, her agency SafeWork NSW is leading the work. What I probably will talk about is the work that SIRA is leading, which is about recovery at work. Pardon me if I cover something—because I cannot remember how much we talked about last time.

The ACTING CHAIR: You just gave me the first phase—the three initiatives. But there was nothing after that.

Ms DONNELLY: Our priority has been particularly that area of recovery at work. Where people are able to have safe recovery at work, we want them to recover at work and be engaged in the workforce even if they are suffering from a mental illness. We have had a literature review around what are the appropriate tools and released phase one of recovery at work tools on our website to assist employers. We have provided some grants in a program which we call Boost, where workplaces and others have developed good interventions that assist people to recover at work after a mental health injury.

We have also established, now, a lived experience framework: how we will work with people who have lived experience of mental illness in designing services so we know that they really do work. To that end, we have established a reference group for people with lived experience connecting people who are very interested in this space, including business, so that we end up with much stronger capability to help people recover at work after a mental health injury. Ms Webb's work is very much on the prevention side.

Ms WEBB: Yes, I can say a few words. It is Minister Anderson's portfolio that this work is being done in, but the SafeWork side of it is the proactive training that we are doing, particularly for small businesses, to help them create mentally healthy workplaces and to help them to understand what features of a workplace encourage good mental health and to recognise when their workers may not be having good mental health experiences and what actions they can take to improve that situation. We are also doing quite a lot of research through the Centre for Work Health and Safety on best strategies for mental health provision, particularly in workplaces, and then we have got some general education materials that are available via our website in conducting webinars and other seminars and things like that.

The ACTING CHAIR: Ms Donnelly, what has been the uptake of the toolkit and the grants by businesses?

Ms DONNELLY: I might have to take on notice about the toolkit. We have been engaging with businesses about it, having them evaluate and give us feedback so that we are building a second phase and further tools. I can give you some more information about that on notice, and I can also give you some information about the grants. We had a competitive process; the successful recipients received grants and for the others we are arranging some support and mentoring so that they can have a go at our next grant round. We are building capability in that sector as well.

The ACTING CHAIR: I might switch attack to looking at icare. There was an article on 19 February where icare is essentially updating the authorised provider models and basically outsourcing compensation claim management to QBE and Allianz and GIO. Do you see that as us going backwards and almost returning full circle in the reform, given that during this reform there was a conscious effort to remove licences from Allianz and QBE and GIO and we made a lot of people redundant, and now icare is essentially throwing their hands up and saying, "We can't handle it. We're going to palm off half our work to three companies that we ditched"?

Ms DONNELLY: It is a very good question. If I can refer back to the Dore report that we were talking about earlier, some of the risks highlighted in that independent report was that the concentration of new claims to be managed by one provider was creating risk because that provider had to scale up quickly because they did not necessarily have the capability. Yes, I understand that there were other experienced providers that then did not have a contract in providing services for icare. After the Dore report, with the action plan we have sought to have more choice for employers. That came through with stakeholder submissions, in particular, both to us and to Ms Dore.

I am not so concerned about is it full circle, et cetera, but the reduction of risk by having several providers—there is certainly a view that that gives employers choice, reduces the risk of dependence on one provider and may also encourage some competition.

The ACTING CHAIR: But one of the arguments put forward to move forward with this reform and remove them was there was no point having choice because they all had to set the same premium. The only difference in the service they offered was the level of perceived customer service they provided to those businesses. I would argue we are doubling back on that argument.

Ms DONNELLY: You are entitled to your views. I would just say there are stakeholders who strongly said they have different customer experience from different providers and saw reason for concern and dissatisfaction with the service that they were being provided. I and my agency will continue to monitor because what we actually want is good results, good claims management and good return to work and for employers and

employees to feel properly supported. The choice as to which model is a decision for icare and the icare board, not something that I can direct.

The ACTING CHAIR: Just going back on some return to work stuff that we looked at this morning. What powers does the State Insurance Regulatory Authority have regarding return to work orders that are not necessarily being followed?

Ms DONNELLY: The powers do vary depending on who the provider is. What we are doing that is having an influence is clearly measuring auditing, making it public and holding insurers to account. We are considering intervening more strongly. One of the things that the team and I myself are working on is do we have a return to work roundtable, bringing employers to the table and identifying what is the way that we need to bring New South Wales forward. I discussed that recently with the tripartite committee that SIRA convenes with the peak bodies from business and unions. They were keen to spend some time working on not just how do we measure but how do we prove return to work in this State.

There is probably some innovation needed. Again, it is something that happens with workers and employers and they need to be involved and have their say on how best to return to work. But back to your question about my ability to direct, it does come down to claims management and the engagement of employers. A couple of things that we are requiring in the 21-point action plan that we are recommending and monitoring and will report on are that our injured workers who appear to be going to be off work for more than seven days have a case manager assigned to them. We want to see that happen. Also incentives for scheme agents and icare staff, who are involved in service delivery for workers compensation, that there are very clear incentives and performance structures that drive improved return to work.

The ACTING CHAIR: What about return to work orders that come via the Industrial Relations Commission? Would you intervene in those? If a ruling was made by the Industrial Relations Commission for an employer and essentially the insurance company to comply with a return to work order and they were not, would you get involved in that? Or would you just defer to the Industrial Relations Commission?

Ms DONNELLY: They would be a higher jurisdiction, I would think. But I would like to take that on notice. Certainly we do have an enforcement role in terms of employers if they are not providing suitable duties. We engage SafeWork NSW inspectors in addition to my own inspectors to go and enforce there. But let me take it on notice in terms of directions from the commission.

The ACTING CHAIR: You might also need to take this on notice. You were talking about return to work rates. Could you give us a breakdown on the successful return to work? Maybe break it down in terms of injuries so we can get some comparison between physical injuries and psychological injuries.

Ms DONNELLY: I can absolutely tell you that the trend is poorer in terms of return to work for psychological injuries. That is an area of great concern. On the whole, people with a physical injury do have a faster return to work on average. I am happy to give you a breakdown and we can break it down. It is something that we look at closely because where we see good performance, there is something for us to learn and share with others.

Mr DAVID SHOEBRIDGE: Ms Donnelly, what if any oversight do you have of the contracts being issued by icare in your role as SIRA? Do you have any oversight of that element of their corporate management structure?

Ms DONNELLY: The jurisdiction SIRA has is regulating workers compensation and home building compensation. That effectively means there are product lines managed by icare where we regulate their service delivery. We do not have regulatory power at the level of the whole of icare. So there will be areas where I do not have oversight. Oversight is with the icare board, potentially the Audit Office of NSW and other bodies.

Mr DAVID SHOEBRIDGE: I think it is common ground that icare has had significant difficulties bedding in its single claim management process provider. As part of seeking to resolve that, they have engaged a company called Bridge International where there are substantial historical common work arrangements between the CEO and the group executive of icare and the director, company secretary and senior management team at Bridge International. Do you oversee whether or not conflict of interest arrangements are being undertaken by icare or that kind of integrity testing of icare?

Ms DONNELLY: Not specifically. As I said, I am overseeing their administration and delivery under the workers compensation legislation. I will say that as part of the 21-point plan, we have recommended that they undertake a self-assessment of culture, governance and accountability. What I have in mind there is the sort of tool that the Australian Prudential Regulation Authority [APRA], particularly, published in a document in

November looking at self-assessment. The other thing I am mindful of as a principal officer of an agency—this is my second time as the principal officer of an agency—is that if you come across anything in the course of your work that triggers a section 11 obligation of the ICAC Act then you obviously have an obligation there.

Mr DAVID SHOEBRIDGE: You can take this on notice. Will you review the tendering and or direct contracting arrangements undertaken by icare associated with or related to their single claims provider model and implementation?

Ms DONNELLY: I will take that on notice.

Mr DAVID SHOEBRIDGE: Ms Donnelly, having just come from asking questions of icare about the matter I just raised but also about their financial performance, their position was that the deterioration in return to work rates as a result of the 2018 change in management practices had no impact upon the financial deterioration evidenced in the scheme. Does SIRA have any views about that?

Ms DONNELLY: In commissioning the Dore Review and the EY work that went on there, we went through a process of providing icare with insights as the review was coming to a close. As I had foreshadowed in the terms of reference, I shared draft reports with them, sought a response and some of those responses were considered by EY as a matter for them as an independent agency to incorporate it. Some of those responses were considered by Ms Dore. She lists some of those responses at the back of her report and comments about whether she accepts them or not. That particular point, if I recollect correctly, was really a point about at a point in time what the impact of delayed return to work had been on valuations to date. My grave concern is the importance of return to work not only to the people who need to recover and go back to their livelihood, but also to the costs that happen to the scheme as well as to themselves when they do not get better—you do tend to recover better at work, a person who has acquired a disability will have a better health status if they are in work and all of that thinking, and then has the impact on the scheme. The grave concern that I have is that unless return to work is turned around there will be greater weekly payments, greater medical payments and it will be harder to have a sustainable scheme.

Mr DAVID SHOEBRIDGE: Do I understand you to be saying that deterioration in the return-to-work rates may not—

Ms DONNELLY: Has not yet flowed through.

Mr DAVID SHOEBRIDGE: Are you seeking any independent actuarial analysis, or are you requiring icare to provide you with independent actuarial analysis, to indicate what the effect of that will be?

Ms DONNELLY: I am certainly seeking the December valuation with strong interest. I will then have SIRA's independent scheme actuaries review that, as well as we obtain and review financial condition reports and other documentation and we are seeking information in between those valuations as much as we can.

Mr DAVID SHOEBRIDGE: What is the expected timetable for the receipt of the December reports from icare?

Ms DONNELLY: I am expecting to receive them in March. I am very keen to receive them.

Mr DAVID SHOEBRIDGE: It was my understanding that part of the reform process that was going on between icare and SIRA was for the more timely provision—in fact, close to real-time provision—of key indicators like that. Why is there a three-month delay in providing the account?

Ms DONNELLY: To your first point: yes, there is, and we have a data modernisation program that is in progress to move us to the kind of close-to-real-time data that we have in CTP. A liability valuation, I am sure you appreciate, requires a level of independent accredited actuarial analysis.

Mr DAVID SHOEBRIDGE: Yes, I know it is not just a live spreadsheet. I understand that. But a three-month delay is—

Ms DONNELLY: Well, if it is as at December it would take some time post then. If it is a December-dated one and they are using September data then you might think they have got some indication of what the result is by now, but I have not seen the report yet.

Mr DAVID SHOEBRIDGE: Has SIRA undertaken any review of EML's business practices, given the fact that EML is meant to operate as a mutual but there have been concerns raised with my office that significant parts of EML's contract with icare are contracted out to closely related for-profit entities attached to EML? Has this matter been raised with SIRA?

Ms DONNELLY: Look, it may have been. I am not sure of the specifics of something that I have considered. I would say EML's service delivery was in scope for the Dore report. It does also provide services to a range of other self-insurers, some of whom we have audited more closely and are part of a joint venture with one of the specialised insurers. If there is something specific that you would like me to look into, I am very happy to look into it.

Mr DAVID SHOEBRIDGE: Alright. Could I ask you to just take on notice what if anything has come across your desk, and then there are perhaps other avenues to raise this issue?

Ms DONNELLY: Yes.

The Hon. ADAM SEARLE: I have got some questions for the Independent Pricing and Regulatory Tribunal [IPART], I think to Ms Livingstone in the first instance. Your organisation is responsible for monitoring and enforcing the employment obligations under schedule 4 to the electricity networks assets legislation?

Ms LIVINGSTONE: That's right.

The Hon. ADAM SEARLE: What steps do you take when you receive the filing from one of the distribution companies—say, Ausgrid? What do you do to interrogate the data they give you?

Ms LIVINGSTONE: There are a couple of things. We have a reporting manual for the distribution businesses to provide that data to us. It is a 20-page reporting manual. We check that they have set out the information consistent with the requirements of that reporting manual. We have a program of auditing licence obligations of the networks as well. Depending on priorities each year for that audit, we may audit the systems and processes behind their reporting of that data. If the data is consistent with the reporting manual and no recent audits have given us cause for concern, we publish the data on our website.

The Hon. ADAM SEARLE: How often has Ausgrid been audited since the legislation has been in place?

Ms LIVINGSTONE: It was last audited in late 2017. I think that is the one time it was audited. It was compliant and its systems met all the requirements of the legislation.

The Hon. ADAM SEARLE: You are aware that in the last couple of weeks there has been a controversy about whether Ausgrid has complied with the legislation?

Ms LIVINGSTONE: I am aware there has been media discussion about it.

The Hon. ADAM SEARLE: I am happy to provide on notice a copy of a document. It seems to paint a very different picture of how many employees Ausgrid has compared to its most recent filing, which I think is dated 10 February 2020, where it says it has 3,950 employees. Under the legislation it can claim persons who are directly employed, employees of an associated entity or people employed by an entity that provides the services of that person on an ongoing basis. The legislation does not contain a definition of what "ongoing" means. What working definition is IPART working with?

Ms LIVINGSTONE: That is included in our reporting manual, which is available on our website, but I can read that out to you. It states:

... the expression on an ongoing basis means the services were provided or can reasonably be expected to be provided on a regular and systematic basis for a sequence of periods during a period of at least 12 months ...

The Hon. ADAM SEARLE: Right. So it does not mean "permanent". Would you understand that to mean "permanent"?

Ms LIVINGSTONE: It means that the employee, over a period of 12 months, is regularly providing services to the network provider.

The Hon. ADAM SEARLE: I will start with this question: The most recent filing is dated 10 February 2020. I printed that off the IPART website. When did that information go up on the website?

Ms LIVINGSTONE: It actually went up on 12 February, not 10 February.

The Hon. ADAM SEARLE: Just after the Minister gave an interview on the Wendy Harmer program.

Ms LIVINGSTONE: It may well have been; I do not know the sequence of events. But it had nothing to do with when there was any public discussion of the item. The notification was prepared, then went through our approval processes. When it was prepared the analyst anticipated that it would be published on the tenth.

By the time it was approved and got onto our website it was the twelfth. We should have corrected that date, but it had nothing to do with any other external discussion of the matter.

The Hon. ADAM SEARLE: It was just interesting, because I was listening to the Minister on the radio and I went straight to your website when the Minister claimed there were 4,300 Ausgrid employees.

Ms LIVINGSTONE: That information was not publicly available until the twelfth.

The Hon. ADAM SEARLE: Just going back through the history, when you look at the filings from Ausgrid they fluctuate quite markedly. Just using once particular sequence: from 15 May it is nearly 4,300, it claims; then in August it is over 4,400; then in November 2018 it drops to just over 4,000; then again it jumps up in December 2019 to nearly 4,300, and then down. It is going up and down quite regularly, sometimes even within a 12-month period. If your definition in the third part of that definition of the employees that can be counted is "persons who work regularly, systematically within a 12-month period", does the pattern of Ausgrid's reporting not raise some concern that maybe it is including in its headcount people who are not regularly and systematically engaged for a 12-month period?

Ms LIVINGSTONE: The primary obligation we have to check is that its total employee numbers are above the minimum requirement, the guarantee requirement that is set out in the legislation. How it manages its workforce from period to period is less of an interest to us. It is still compliant with its obligation. We have not seen any systemic reason or issues, particularly from when we last audited its systems, to indicate that that reporting would be inaccurate.

The Hon. ADAM SEARLE: I will leave you with a couple of thoughts. One is, if it is wrongly counting people—notwithstanding that it might be at some points over the threshold—that might affect the number of persons it is claiming who are under the threshold. At the moment it is claiming to have 3,950 persons. I can table for the Committee's benefit a document, which is an internal Ausgrid document, that seems to include contract and labour hire as well as directly employed people. It makes it pretty clear it is well below the 3,750. Will IPART investigate whether or not Ausgrid is compliant with the legislation now that this information is available to you?

Ms LIVINGSTONE: It would be great to have that information available to us. We can certainly consider it. We, in our audits, as I said before, have a risk basis for prioritising what issues we will look at. Certainly the tribunal can consider if they would, based on the information you have there, want to prioritise that in the next audit of Ausgrid.

The Hon. ADAM SEARLE: I note the employment guarantees expire in June.

Ms LIVINGSTONE: That is right.

The Hon. ADAM SEARLE: So time is of the essence, and I will provide the information and look forward to your answer on notice.

Ms LIVINGSTONE: Thank you very much.

The Hon. JOHN GRAHAM: We might turn now to bushfire assistance, to pick up from where we were with the Minister. Firstly, how many visits have been made by mobile service centres to communities affected by drought and bushfire?

Ms HOGAN: I might direct that question to Mr Rees, if that is okay.

The Hon. JOHN GRAHAM: There will be a series of these, if that is helpful.

Mr REES: The information I can give you is that 729 customers as of 2 March have been assisted via the mobile service centres in bushfire-impacted areas. That is not quite the question you asked, which was how many visits, but that is the number of customers that we have serviced.

The Hon. JOHN GRAHAM: That seems quite low, to be honest. Can you tell us how many visits they have made?

Mr REES: I am not sure how we would classify a visit. We have two mobile service centres that we have re-purposed to bushfire impacted areas and they are moving through a range of impacted communities. It is important to understand that the mobile service centres are just one mechanism we have for seeing and assisting people. We also have a Service NSW presence in all of the recovery centres. We have Service NSW service centres in a number of the bushfire-impacted communities as well.

The Hon. JOHN GRAHAM: Can you give us a similar figure for drought-affected communities?

Mr REES: I will need to take that on notice.

The Hon. JOHN GRAHAM: You may also want to take this on notice: Which communities have been visited by mobile service centres in relation to bushfires?

Mr REES: I will take that on notice.

The Hon. JOHN GRAHAM: You have told us how many people have attended. What services have those 729 customers, as you call them, most commonly accessed?

Mr REES: I do not have that information available, so I will take that on notice.

The Hon. JOHN GRAHAM: We would appreciate that. I will turn to the volunteer firefighter payment. In discussions with the Minister it was confirmed that I think 1,800 of those have been received and 2,081 claims—feel free to correct me—have been completed. My question is how many people have applied for those volunteer firefighter payments of \$6,000?

Mr REES: I can only tell you how many were approved and paid as of 2 March, so I will need to take your question on notice.

The Hon. JOHN GRAHAM: Okay. There are 71,234 volunteer firefighters across the State. That is what has been put to us in recent figures. It seems like a small number of claims so far. Can you give us any sense of how many people have applied? Are there many more applications that are working their way through, or have you pretty much approved those that have applied?

Mr REES: My understanding is that the vast majority of applications have been successful, but I will need to confirm specifics on notice.

The Hon. JOHN GRAHAM: It sounds like there might be quite a few people who would be eligible but have not applied in that scenario of 71,000 firefighters.

Mr REES: There is quite specific eligibility criteria, so volunteers need to have spent more than 10 days doing firefighter duties, need to be employed by a small business or self-employed, so it is a portion of the 71,000 overall volunteers.

The Hon. JOHN GRAHAM: What is your assessment of how many of those 71,000 might be eligible?

Mr REES: I do not think we have that information, but I will take the question on notice.

The Hon. JOHN GRAHAM: If you could take it on notice, that would be good. How are you communicating this grant to those volunteer firefighters?

Mr REES: I think there has been a number of ways that that has been done, including, as I understand it, a mail-out via RFS to all of those volunteers.

The Hon. JOHN GRAHAM: How much has been spent communicating it to this point?

Mr REES: I need to take that on notice.

The Hon. JOHN GRAHAM: I might turn to the stamp duty relief questions. Is there any other information you wish to provide us on that program?

Mr MURPHY: The stamp duty relief program that was announced recently?

The Hon. JOHN GRAHAM: Yes.

Mr MURPHY: The teams are working through making that service available with Service NSW as the first contact point and then the customers are being referred to Revenue NSW for the application and the eligibility criteria.

The Hon. JOHN GRAHAM: So it is not actually up and running at the moment?

Mr MURPHY: It is not up and running as at today.

The Hon. JOHN GRAHAM: If someone is looking to buy a house, will they get stamp duty relief? If they buy a house today, will they be able to subsequently apply?

Mr MURPHY: I am not sure about how that will work, but at the moment the guidelines about how the program will work are being finalised and the program is expected to be made available for people to access within a couple of weeks.

The Hon. JOHN GRAHAM: Within a couple of weeks, so is there a projected start date for that program?

Mr MURPHY: Not more precise than that, but it should be within this month.

The Hon. JOHN GRAHAM: So within the month of March, but we are not sure whether, if someone buys a house prior to that date, they will get access to this program?

Mr MURPHY: I do not have that information today, but we can certainly make that available when—

The Hon. JOHN GRAHAM: Obviously, in affected communities, that uncertainty is potentially going to have a big impact on the real estate market. When will we have some certainty about that?

Mr MURPHY: That will be within this month. It should be in the next couple of weeks.

The Hon. JOHN GRAHAM: When is the closing date for that program? How long will people be able to apply for and receive this stamp duty relief?

Mr MURPHY: I will have to come back to you with that on notice, if you do not mind.

The Hon. JOHN GRAHAM: Are you saying that that has not been determined or you are not aware of it?

Mr MURPHY: I do not have that information.

The Hon. JOHN GRAHAM: What is the reason for the delay in getting this program up and running?

Mr MURPHY: I do not believe there is a delay. The program was announced just recently and people are working through operationalising that support.

The Hon. JOHN GRAHAM: I am going to turn briefly to the regional seniors travel card. Treasury has confirmed in the Treasury estimates that they believe the data that is being provided to Westpac is of value. What they have also confirmed is that that value has not been assessed. We are not sure what that value was in the course of signing up to this contract. Westpac has been quite up-front about what they are doing with this data in the product disclosure statement that we talked about earlier. They say clearly what they are doing with the information:

Help us develop insights and conduct data analysis to improve the delivery of products and services, enhance our customer relationships and effectively manage risks.

Ms Hogan, do you think it is appropriate that data from this product is being used to manage the risks of the broader Westpac financial portfolio?

Ms HOGAN: I actually think that policy has come from Transport and has been negotiated with Treasury, so you would be asking for a personal opinion and I do not have one.

The Hon. JOHN GRAHAM: Ms Gavel, as the Privacy Commissioner, do you have any concerns about names, addresses and dates of birth being handed over to Westpac as part of this program and being used to manage risks, thereby generating profits for the Westpac Corporation?

Ms GAVEL: I am not aware of the particular program, but what I would say is that Service NSW or Transport, or whoever is involved, is required to comply with the Personal Information Protection Act in terms of any information that they are providing, and it sounds from what was said earlier that this is done under a consent model where someone is actually able to consent to the information being provided. At the same time Westpac is regulated under the Commonwealth Privacy Act, so they have requirements under that Act as well in terms of the way they manage information.

The Hon. JOHN GRAHAM: Westpac is also up-front that they are disclosing this information. They say, "We disclose your personal information to organisations outside the Westpac group who help us deliver or support our provision of products and services to you." Were you consulted about this program and the privacy implications of Westpac having this data?

Ms GAVEL: I am not aware of this program, but I would like to check on notice that we have not had a consultation within the office about it.

The Hon. JOHN GRAHAM: I am surprised that you were not consulted about it, given the nature of what we are talking about here: 434,000 New South Wales citizens' data handed over to Westpac. They are making money for it; they are up-front about that. But it has not gone to you.

Ms GAVEL: I am not aware of that, but I will double-check and get back to you on notice. But, certainly, I would expect that, for example, a privacy impact assessment would have been done that maps the data flows and looks at the risk mitigations. Again, at the same time, Westpac is subject—

The Hon. JOHN GRAHAM: Do you know if one was done?

Ms GAVEL: As I have said, I am not aware of this particular program.

The Hon. JOHN GRAHAM: Perhaps on notice.

Ms GAVEL: Yes.

The Hon. JOHN GRAHAM: We were turning to the issue of veterans with this particular card. Veterans were not given the card. The Government changed its view and said, "Look, veterans should receive it." As of today, I think we have confirmed they cannot receive the card. They might be eligible but, if they apply, they will not have one given to them. I might first let you clarify that point up-front.

Ms HOGAN: I will let Mr Rees clarify that. He was working on that in the break, I believe.

Mr REES: The expansion to the eligibility criteria taken by Transport occurred recently. I think we do have a capability for veterans to express their interest in this whilst we work out how to operationalise that change to eligibility criteria. As I updated in the morning session, we expect to have that application process live for veterans early April.

The Hon. JOHN GRAHAM: How long is that after the policy change was made?

Mr REES: I will need to take that on notice.

The Hon. JOHN GRAHAM: I am sure we can both work that out shortly. What is the problem? What is the delay?

Mr REES: I think I mentioned this morning, when a customer applies for this there are a range of things they need to do to prove their eligibility. When we add additional groups of people in, such as veterans, we need to work out how to perform that eligibility check in a way that provides them with a good customer experience. We just need some time to work through and operationalise that with Transport.

The Hon. JOHN GRAHAM: I do not really understand what you are saying. What is the problem? Why can they not just apply as everyone else has?

Mr REES: They can apply, but we need a method to verify whether or not their application is eligible. So they will need to provide us information around their veteran status. We need a method of verifying that is correct information.

The Hon. JOHN GRAHAM: That is not routine? I presume we have to check with the Commonwealth.

Mr REES: That is correct.

The Hon. JOHN GRAHAM: We do not have those arrangements in place for other services?

Mr REES: That is right. The source of that information is held by Commonwealth agencies.

The Hon. JOHN GRAHAM: One of those veterans' groups has written to the Government, and this has been passed on to the relevant Minister. I will quote from that: "To add insult to injury we have now been advised that it will take the New South Wales Government two to three months to get the Service NSW computer system updated in order to accept applications from veterans collecting a service pension or recipients of a war widow pension." Is that the problem? Is updating the computer system the issue?

Mr REES: I certainly appreciate customers' frustration and perspective there. It is not taking us two to three months in total. There are a range of things that need to be worked through.

The Hon. JOHN GRAHAM: You have agreed to come back and confirm on notice how long it is taking.

Mr REES: There are a range of things that need to be addressed there. Updating our systems to accept those additional applications is only one element of that.

The Hon. JOHN GRAHAM: Can you give us any other information on the citizens in the north of the State, in the Tweed and Northern Rivers, whose applications are being rejected simply because they have the wrong area code?

Mr REES: Since the question was raised, or feedback was provided this morning, we have checked with our local Tweed Heads service centre. We have had about 6,000 successful applications in the area. The only example that we are aware of where people are being declined with an 07 phone number is because they are based in Queensland, on the other side of the State border. We are not aware of any examples of New South Wales residents being declined.

The Hon. ANTHONY D'ADAM: Maybe we can hear from Ms Hogan about the other information that you were going to provide to the Committee.

Ms HOGAN: I would just add to Mr Rees' comment that obviously when a policy is brought together it is not overnight that a digital process against eligibility, which is still being worked through, would take a little bit of time to bring to life. We will come back with a prediction, but it is not unusual that it would take a little bit of time.

The Hon. JOHN GRAHAM: That is precisely my concern.

Ms HOGAN: Not as long as you might be predicting.

The Hon. ANTHONY D'ADAM: At the start of the hearing you said that you had further information?

Ms HOGAN: Yes, sorry. There were some questions on notice, but I think Mr Rees has some other answers.

Mr REES: Yes, I think there was a question around a split on the bushfire grants applications. There were 190 approved applications. The question was how many of those related to the \$50,000 Small Business Grant versus the \$15,000 Rural Assistance Authority grant. So of those 190, 83 of those approved applications related to the \$15,000 grant. The remaining 107 relate to the \$50,000 grant.

Ms HOGAN: I think Mr Rees answered the other questions in his most recent response.

The ACTING CHAIR: Ms Tydd or Ms Gavel, can either of you explain to me why a NSW Department of Education employee would have to use a Government Information (Public Access) Act [GIPAA] application to obtain information about a case that they are involved in that is being investigated by the Employee Performance and Conduct unit? Is there something that excludes them from obtaining that information without a GIPAA request, even if it is essentially about them?

Ms TYDD: I can take that matter forward as the Information Commissioner. An application may be made under the GIPA Act to seek the investigation information for information relevant to an investigation. The processes that an agency might adopt in relation to an investigation of employee conduct are processes owned by that agency, particularly as they relate to procedural fairness and provision of information to allow the employee to respond. Under the GIPA Act there is an entitlement to make an application. Those types of applications are not infrequent in matters involving employee conduct, for example. There is significant case law provided by the tribunal as to what grounds for non-release might be relied upon by the agency, and the tribunal has developed a considerable body of expertise in that regard.

We, too, at the Information and Privacy Commission [IPC] have published information to assist both agencies and applicants to understand that, but there are a number of grounds that might be relied upon, particularly those under the tabled section 14, that go to the issue of privacy, that go to the issues of natural justice and other proceedings and that also go to the issue of effective exercise of agencies' functions. Sometimes in these matters it may go to excluded information under the GIPA Act.

The ACTING CHAIR: So how does procedural fairness work for the person that the investigation is about? You say that they might be denied because of procedural fairness. Can you elaborate a little bit more on that?

Ms TYDD: The issues in relation to how the agency conducts its own investigations are not within my jurisdiction. At the time there may be information provided to the person seeking to respond to allegations, or being sought to provide a response to allegations. That remains a matter for the agency over which I have no jurisdiction. My jurisdiction is enlivened when an application is made for review by the Information Commissioner. The applicant in the circumstance you are describing may have applied to the agency for a copy of an investigation report, for example. The agency is able to make a decision at that time as to whether or not to release that information in full or in part. If the applicant for that information remains dissatisfied with the decision of the agency, they can then apply to the Information Commissioner, they can apply for internal review by the agency or, alternatively, they can apply to the NSW Civil and Administrative Tribunal, having determinative authority, as distinct from the power of recommendation, which is a power that I am able to exercise on review.

As you say, procedural fairness would be one factor that would be balanced against the other factors that potentially operate against disclosure. They might go to things such as the effective exercise of the agency's functions or the privacy of other people—for example, in an investigation it is reasonably common for other parties to also be investigated or to at least provide evidence—so there are a range of factors that might operate and be relied upon by agencies against the provision of that information.

The ACTING CHAIR: Just going back to Ms Donnelly, I am wondering whether you could provide some data on notice regarding psychological injury and a breakdown of the departments within the public sector—which department has the most claims versus the least?

Ms DONNELLY: Sure. We would have that information, absolutely. I am happy to provide it.

The ACTING CHAIR: I also put these questions on notice to the education Minister but I will put them to you as well in case she claims they are held with you. On notice can you provide the annual premium paid by the Department of Education for workers compensation insurance, public indemnity and any public liability for the last three years?

Ms DONNELLY: Let me just explain how that works. Because the Department of Education is in law a self-insurer and then icare, through the Treasury Managed Fund, manages that. The Department of Education does not have a premium per se. Certainly the other types of indemnity—public indemnity et cetera—I do not regulate. That might be a question that is better directed to icare in the Treasury portfolio. I may have some of it but I think it is better directed to them.

The ACTING CHAIR: If the department does not pay a premium, how is it calculated?

Ms DONNELLY: The department will have a contribution; it is just not quite the same as a premium. It is not regulated to the same degree by us because it is not a commercial arrangement where you are selling a policy to a third party. It is icare acting effectively to manage self-insurance for the education department.

The ACTING CHAIR: So you do not hold any data on the contribution?

Ms DONNELLY: It is a transaction that I do not regulate because I regulate premiums but that is when they are sold as a policy through a third party.

The ACTING CHAIR: Can you talk us through the protocol regarding a claim and when it is accepted or provisionally accepted? When does the independent medical examination kick in?

Ms DONNELLY: Are you talking about a workers compensation claim?

The ACTING CHAIR: Yes.

Ms DONNELLY: If you have a claim—and I would say on our website we have got a tool which is quite helpful that says, "If you have been injured at work ..." and it talks people through the steps. I am happy to come and present to you some of that information if you are interested. You will need to notify your employer and of course you will be going to a medical practitioner of some sort and getting health care and then notifying a claim. Provisional liability can be granted by the insurer for up to about 12 weeks of weekly payments and up to \$10,000 of medical treatment, which is particularly useful when people need to get treatment fast, not be held up, and is being used particularly for psychological injury, which I know you are interested in, in order to help people get better faster. Then there are limits. They really do need to make a decision about whether they are accepting the claim or not. There are time limits beyond that. Does that answer your question?

The ACTING CHAIR: The provisional acceptance has to be done within seven days, is that correct?

Ms DONNELLY: There are weekly payments that need to begin. A decision on liability can be made fully or there can be a provisional liability and by 12 weeks, before the next fee, a formal decision letting the worker know whether or not liability is accepted or denied. The independent medical examination [IME] can be triggered by something else, some other kind of question about the level of a person's need. It does not necessarily have to happen.

The ACTING CHAIR: Do you investigate patterns of claims that are occurring with insurers or the patterns of outcomes of claims? Would you be picking up whether the Nominal Insurer or another insurer was consistently denying claims?

Ms DONNELLY: Yes, we do. We do data mining and analysis and look at the trends. We do surveillance on a range of different things that we are looking at—whether or not there seems to be good things happening with some insurers or others where we might pick up that, for instance, decisions are not being made

in a timely way, there is more litigation, there are more disputes, there are more complaints, and then we will supervise more closely. Indeed we use surveillance to also detect fraud from time to time.

The ACTING CHAIR: Have you seen an increase in denial of claims, particularly for psychological injury? I notice from your previous answers in budget estimates you said that it was around 21 per cent of claims have been denied.

Ms DONNELLY: I might take that on notice. Certainly we have had a shift towards using provisional liability to help people have support quickly. That is particularly in the first responders—police, fire, ambulance et cetera. Sorry, what was the other part of your question?

The ACTING CHAIR: Have you seen an increase in the number of claims being denied, particularly for psychological injury?

Ms DONNELLY: I will take that on notice. Because certainly most of the things that we have been watching are that people are commencing treatment. Also we are monitoring very closely the use of surveillance, which used to be used more heavily in psychological injury than it is now. I will take on notice about denial of liability. I will need to come back to you on that.

The ACTING CHAIR: Could you also perhaps on notice give us some data around surveillance and how much that is occurring?

Ms DONNELLY: Absolutely.

The Hon. JOHN GRAHAM: I turn briefly to the Critical Communications Enhancement Program [CCEP] and the progress on that, which has been the subject of questioning earlier. Firstly, can you confirm the completion date for what would be the completion of stages one, two and three? At 14 November last year expected completion was the fourth quarter of 2021. What is the expected completion date of stage three as of today?

Ms HOGAN: I will refer my questions on CCEP to Mr Wells, if I may.

Mr WELLS: Thanks for the question. As we talked about this morning, with the impact of bushfires on existing Government Radio Network sites and the six months of work that has happened over this summer, with some delays that the Minister talked about this morning, the forecast end date for phases one to three is December 2022.

The Hon. JOHN GRAHAM: December 2022 is a full year after the advice previously.

Mr WELLS: That is right.

The Hon. JOHN GRAHAM: What is the total cost as of today of completing those three stages, given the delays you are talking about?

Mr WELLS: The total cost at this stage is \$401 million, which has been announced to date, plus the \$217 million additional investment announced last week.

The Hon. JOHN GRAHAM: So that \$217 million announced on 5 March to expand the Government Radio Network is funding that will complete stage three.

Mr WELLS: That is right.

The Hon. JOHN GRAHAM: The section that had already been announced and was being rolled out.

Mr WELLS: That is not quite right. It brought forward some scope from the fourth stage of the program. So in some regional areas, particularly to get in place some contiguous access down highways was one thing that has been brought forward. That is something that has been highlighted over the past six months is to make sure that we do not just get critical site coverage but we enable air servers to have—

The Hon. JOHN GRAHAM: Can you describe as precisely as you can that change in the scope?

Mr WELLS: Yes. Look, it is complex because first of all we have an existing radio network that had three sites destroyed, 36 sites impacted, from our perspective, from the Government Radio Network's perspective, and 41 other agency sites impacted by bushfires. We are going through a process, as everyone is, with damaged assets to seek insurance claims and Commonwealth input into recovering the existing network. We want to make that part of the current scope of work. There was the scope of work we have talked about extensively here before, which was phases two and three on the North Coast, greater metro and some critical sites, and then the additional

investment that we have talked about last week in terms of bringing some sites forward. Particularly that is adding some sites in regional areas to get that contiguous access we talked about.

The Hon. JOHN GRAHAM: How many sites have been added?

Mr WELLS: I have to take that on notice. I will check that exactly so we can—

The Hon. JOHN GRAHAM: Thank you. Turning to stage four, what is the expected value of stage four, given the work you have done?

Mr WELLS: We are still to determine that. The program in entirety is confirmed but what we have agreed with Treasury is an incremental funding approach to the program.

The Hon. JOHN GRAHAM: What is the value of the program in its entirety?

Mr WELLS: We have not set that yet because we want to come back with individual business cases. Why that is important is because we want to constantly assess what the right technologies and coverage and approaches are to deploying the radio network. What might be the case in two to three years from now, which is when we would start that phase four of the program, is that there might be other approaches that we could use. We want to make sure that we estimate and build a business case.

The Hon. JOHN GRAHAM: Why don't we start there. The start date for stage four is two to three years from now?

Mr WELLS: We want to overlap the start date of phase four with the current phase. We do not want a gap in the process.

The Hon. JOHN GRAHAM: What is the expected completion date for stage four?

Mr WELLS: I will take that on notice to provide you with an indicative estimate, but again we need to build a business case as we talked about this morning to give you some certainty around that.

The Hon. JOHN GRAHAM: You are saying the scope of stage four is really uncertain at the moment?

Mr WELLS: As set out in this other process, when we did the full site audit from across New South Wales and said that we think it is 675 sites. We have talked about that number before. The reason I want to come back on those is because we need to make sure, as part of this business case, that we are giving you exact, or as close as we can be at this stage estimates of that. Again, that is subject to this final business case we are talking about.

The Hon. JOHN GRAHAM: At any point has stage four been the subject of the business case to government?

Mr WELLS: Not yet. We have talked about this previously but it is intended and supported.

The Hon. JOHN GRAHAM: At no point has there been a costing for stage four?

Mr WELLS: There have been site audits. There have been estimates of the number of sites we think to complete the level of coverage we have talked about but at this stage we have always talked about an incremental business case and funding approach to the program.

The Hon. JOHN GRAHAM: And does stage four cover the South Coast?

Mr WELLS: Yes, it does. Well, I would need you to be more specific. There are components—

The Hon. JOHN GRAHAM: Perhaps if you are more specific on notice.

Mr WELLS: There are elements of the current phases two and three that are in the scope because a number of the critical sites that the emergency services organisations identified are in the South Coast.

The Hon. JOHN GRAHAM: You confirm that the total cost of stages one to three is \$401 million plus the \$217 million. That is \$618 million?

Mr WELLS: Yes, correct.

The Hon. ANTHONY D'ADAM: I am not sure who the correct person is to direct this line of questioning. I am curious about a reference to the Auditor-General's financial audit 2019 for central agencies in relation to the termination of an arrangement with Unisys. Who is the best person?

Ms HOGAN: Myself and my colleague Clinton can help.

The Hon. ANTHONY D'ADAM: The Auditor-General says that the Department of Customer Service terminated the establishment and transition agreement and the customer outsourcing agreement with Unissys. That is correct?

Mr GOULD: Correct, yes.

The Hon. ANTHONY D'ADAM: What was the reason for the termination?

Mr GOULD: Poor performance.

The Hon. ANTHONY D'ADAM: In what respect was the contract not properly performed?

Mr GOULD: Basically, under the contract there are certain service standards that needed to be met and those standards were not being met. It was not a rapid decision. We worked through a process with Unissys but they were unable to basically meet our requirements and so the contract was terminated.

The Hon. ANTHONY D'ADAM: Was that an early termination of the contract?

Mr GOULD: Yes.

The Hon. ANTHONY D'ADAM: And were there any penalties or is there any disputation arising out of the termination of the contract?

Ms HOGAN: I would have to take that on notice. I do not know the details.

Mr GOULD: Termination for convenience.

The Hon. ANTHONY D'ADAM: Termination for convenience, how does that work?

Mr GOULD: I am not a lawyer, but effectively there are no penalties; both parties will basically separate.

The Hon. ANTHONY D'ADAM: Were the criticisms of the Auditor-General made part of the assessment of the underperformance of Unissys?

Mr GOULD: Yes.

The Hon. ANTHONY D'ADAM: And what about the arrangement with Infosys? When this was originally established it was a paired arrangement. It was the result of the outsourcing of service—

Mr GOULD: Unisys provide the information technology outsourcing services and Infosys provide business processing outsource services.

The Hon. ANTHONY D'ADAM: Is that contract affected?

Mr GOULD: No.

The Hon. ANTHONY D'ADAM: That is a completely separate arrangement, is it?

Ms HOGAN: That is right.

The Hon. ANTHONY D'ADAM: And what is the period of the contract?

Ms HOGAN: I think they go to either mid or end 2021 but I will take on notice the specifics.

The Hon. ANTHONY D'ADAM: What is the arrangement that is going forward? What will replace this? Will you go to market or are you going to insource these functions?

Ms HOGAN: Our arrangement at the moment is that we will continue our relationship with Infosys but on the Unisys side we are working to bring some of those activities back in-house. I will take on notice specifically which and will give you more detail. We will likely go with the best-of-breed strategy. We may go to market again but we would likely go to market for multiple contracts for different things as opposed to one for everything. One of the lessons learned is that we will manage some more of that directly ourselves. I would have to come back on the details specifically as to which of those services would be doing what.

The Hon. ANTHONY D'ADAM: One of the controversial things around the original arrangement was that there was a significant delivery of services overseas.

Mr GOULD: Yes.

The Hon. ANTHONY D'ADAM: So the new arrangements will be wholly done onshore?

Mr GOULD: That is not the intention. I have got some notes here but it would just take me a while to find them. Less than 50 per cent is offshored. In fact, I think about 30 per cent is offshored. We would look at each supplier on a case-by-case basis but as the secretary has outlined more of the services will be kept in-house.

The Hon. ANTHONY D'ADAM: The original project was intended to make \$13.4 million worth of savings. Is then now a cost to government associated with the reversal of the arrangements now? What is that cost likely to be?

Mr GOULD: I would have to take that on notice. I was not around at that time.

The Hon. ANTHONY D'ADAM: You will take on notice in terms of the costs of the insourcing proposal?

Ms HOGAN: Yes.

The Hon. ANTHONY D'ADAM: Just to clarify, the transactional services, they are not affected by this at all?

Mr GOULD: No.

Ms HOGAN: That is right.

The Hon. ANTHONY D'ADAM: They will remain outsourced.

Ms HOGAN: To Infosys.

The Hon. ANTHONY D'ADAM: Is there any issues with the conduct of the transactional services side?

Mr GOULD: No. We have an annual external audit process and Infosys passed that.

The Hon. ANTHONY D'ADAM: With flying colours?

Mr GOULD: There are always minor issues and in the early years they struggled more but now they passed in the unqualified audit.

The Hon. ANTHONY D'ADAM: Mr Rees, can I ask you about Shellharbour and why it does not have a Service NSW service centre?

Mr REES: Decisions of where to place service centres are ultimately a decision of government. We inform those decisions with a range of data sources relating to the population, demographic, demand et cetera. I do not know if we would have information specifically addressing your question as to why not in a particular location. We have data that informs the locations that we are in.

The Hon. ANTHONY D'ADAM: When the decisions were made around the expansion of the service centres in February last year was Shellharbour considered in terms of the advice that was provided to government to inform those decisions?

Mr REES: I do not know of that off the top of my head. I will take that on notice.

The Hon. ANTHONY D'ADAM: Ms Hogan, I wanted to ask you about the process of your appointment. Obviously the Minister is not here so I cannot direct these questions to him. How was the approach made in terms of your appointment? Who actually asked you to apply for the job?

Ms HOGAN: Mr Reardon, who is the Secretary of the Department of Premier and Cabinet, approached me on behalf of the Premier to ask whether I would like to consider the role.

The Hon. ANTHONY D'ADAM: Was there any discussions with the Premier directly?

Ms HOGAN: Yes.

The Hon. ANTHONY D'ADAM: What was the context in terms of—

The Hon. SHAYNE MALLARD: Point of order: I do not know who is chairing this Committee at the moment—

The Hon. ANTHONY D'ADAM: I am the Chair at the moment.

The Hon. SHAYNE MALLARD: You are the Chair?

The Hon. ANTHONY D'ADAM: Yes. I will hear your point of order.

The Hon. SHAYNE MALLARD: Are you a substantive member of this Committee?

The Hon. ANTHONY D'ADAM: I am a substantive member for the purposes of this hearing.

The Hon. SHAYNE MALLARD: It is difficult to hear a point of order against yourself.

The Hon. ANTHONY D'ADAM: That is all right. I am very balanced.

The Hon. SHAYNE MALLARD: I do not see why delving into the personal employment negotiations or discussions are relevant to the Committee.

The Hon. JOHN GRAHAM: To the point of order: You have asked a question of this witness, she is entitled to answer. The member can draw this up depending on where it goes from here. If it strays into the Premier's portfolio, I would accept that, but up until this point I do not think you have crossed that line.

The Hon. SHAYNE MALLARD: I will not put you in the awkward spot of having to rule on yourself. I withdraw the point of order. I have made my point.

The Hon. ANTHONY D'ADAM: I will take that on advisement and try to proceed in a way that is sensitive to the issues that you have raised. Was there an application process at all?

Ms HOGAN: No.

The Hon. ANTHONY D'ADAM: There was no application?

Ms HOGAN: No. My understanding is that the Premier is able to directly appoint secretaries should she choose to do so. I believe the Premier is appearing this week. You would have to ask her as to specifically why me. But I would imagine that it was because in my former role as the Public Service Commissioner I sat on the secretaries board. She had some visibility into my performance, as did the Secretary of the Department of Premier and Cabinet, who is the head of the public service. She has the right to directly appoint. The Secretary approached me on her behalf initially to see whether I would be interested in considering it. I was. I met with the Minister and the Premier and was subsequently appointed.

The Hon. ANTHONY D'ADAM: In those discussions did you at any time raise concerns about the nature of the process not being open? You would be aware from your former experience as the Public Service Commissioner that merit selection is premised on open competition. This was clearly not an open process. At any stage did you raise with the Premier or the head of the DPC that you were uncomfortable with the process not being an open competition?

Ms HOGAN: I advised the Secretary that that was an option but that it was also an option for the Premier to hold the right to directly appoint this role. That is what she did. I would be uncomfortable answering any further questions on it. I would rather they be directed to the Premier.

The Hon. JOHN GRAHAM: I might turn to some other questions. I might deal first with the festivals issue. Earlier I asked the Minister for an update on the festival roundtable. I think it would be fair to say that he felt that others would be in a better position to offer an update.

Ms HOGAN: I think he meant Ms Webb.

The Hon. JOHN GRAHAM: Ms Webb, can you give us a view about how it has worked? We have had the first meeting. Was it a success? What was discussed? How has it worked from the agency's point of view?

Ms WEBB: Unfortunately I had a conflict of interest that meant I could not attend the meeting, but Mr John Tansey—

The Hon. JOHN GRAHAM: I think you mean a conflict of appointments rather than a conflict of interest.

Ms WEBB: Sorry, a conflict of appointments meant that I could not attend. But Mr Tansey was the co-chair, along with the industry representative. All the reports I received were that it was very helpful and a good discussion about a number of points. I think I mentioned this morning that the results of that first meeting were published on our website. The second meeting will be held soon.

The Hon. JOHN GRAHAM: I note that they have been published on your website and the reports I have heard have been similarly positive. One issue that was the subject of representations after the meeting was that the Government response to the inquest was released without consultation with the industry. That was the subject of discussion at the meeting but it was not the subject of consultation afterwards. Can you give us any background on that issue?

Ms WEBB: I know that the issue about the Government response to the inquest was raised at the meeting. Unfortunately for the officials that were at the meeting, they were aware of some Cabinet-sensitive processes that were underway at the time. That meant that they were not in a position to disclose any more detail to the people in the meeting just because they were conscience of Cabinet sensitivity. The subsequent publication of the Government response showed what had been happening. But they were put in an unfortunate position at the time of the meeting and could not say anymore.

The Hon. JOHN GRAHAM: Understood. Ultimately it is a Government response, so perhaps those questions are best dealt with by referring to the Government, and I will do that. It does raise an issue around the impact of coronavirus across the board and the possible restrictions on mass gatherings, as has been the case overseas. In fact, we have seen one of the most high-profile festivals cancelled—South by Southwest. Can you give a commitment that there will be consultation with the festival industry if those sorts of issues are going to be considered by the Government?

Ms WEBB: Yes, I think that would be likely. I cannot talk specifically about the music festival situation but certainly other stakeholders in other contexts have raised what they should do about coronavirus issues. We are certainly consulting with a wide range of stakeholders who are responsible for public gatherings of a whole range of different types.

The Hon. JOHN GRAHAM: Yes. Both venues, in a range of ways, and festivals will be—

Ms WEBB: I think anyone who has cause to be involved in some sort of public gathering has an issue at the moment and is talking to government.

The Hon. JOHN GRAHAM: Yes, but I am asking about the festival roundtable. Would you use that forum to consult with industry if government measures are considered?

Ms WEBB: Yes, that would be a good forum.

The Hon. JOHN GRAHAM: Thank you, that is very helpful. Ms Webb, I might return to the question I asked about government websites. My concern is that the fantastic report by former Treasury Secretary Lambert is very hard to find on the government websites. It is certainly not where it was. I do not know if you have got any further information but, when I go looking for it, can I obtain this from a government website?

Ms WEBB: We have had a quick look down in the department and we reflect your experience and are having a little bit of trouble. We know it was on the Building Professionals Board website but it seems to somehow no longer be there. The Building Professionals Board, as you all know, will be abolished on 1 July. We will be moving all the content over. We will definitely make sure before that but also as part of that process that Mr Lambert's report is maintained. It was definitely never an intentional decision to move it off.

The Hon. JOHN GRAHAM: I thank you for that evidence. That is useful. I guess the concern that arises from that—and this is probably best directed elsewhere—is around what the principle is here. It is a key report about what is going on. I cannot find it and the agency cannot find it on the web. It is probably one of the biggest issues. What is the principle that should apply when we are dealing with the fact that two-thirds of the government websites are going to be closed down? How are we going to ensure that other documents do not go missing in the way that this key report has? What protections are in place?

Ms HOGAN: I will restate what the Minister said this morning, which was that the purpose of this exercise is to improve the customer experience and not take it away. Certainly it would not be our intention to remove critical information that you would want to find. In terms of consolidating all the websites, that work is underway. Mr Murphy might be able to talk in some more detail as to what the process would be to stop that happening. But it certainly would not be an intentional thing.

The Hon. JOHN GRAHAM: Just to help guide the response, I was pleased to hear the Minister say that this was not the purpose. I hope all Ministers take that view but I can guarantee that they will not. It may not be their first instinct. Have we written down some principle as part of the reform to ensure that important public information will be available? Is that one of the principles?

Mr MURPHY: Certainly any material that is legally required to be made available will continue to be available post consolidation of online content. Material that is in the public interest to be available will be. Of course, all agencies, under the Government's current policies on this area, are required to manage all of their agency information consistent with their information management policies, which pick up on the requirements of the State Records Act for maintaining government records and that sort of thing. In the case of websites, as website content is decommissioned as part of this consolidation program, our team will be working with agencies and the

State Library to make sure that the current website information is captured and archived before moving to the new content. If there is anything that does not make the shift, people will be able to go back and have a look at what was available.

The Hon. JOHN GRAHAM: So who is checking now? The Lambert report is certainly of public interest. Who checks that it is still available? Is that anyone's job at the moment across government?

Mr MURPHY: At the moment that is an obligation of individual agencies to make sure that their online content complies with their information management policies.

The Hon. JOHN GRAHAM: But that responsibility will now transfer to this department. Is that right? Whose obligation will it be under the new regime?

Mr MURPHY: In the case of the content that is on the nsw.gov.au platform, that will be what we will do in partnership with the agencies who are the content owners.

The Hon. JOHN GRAHAM: But you do not take any responsibility for the other websites if it is not on that main one?

Mr MURPHY: The management of that content is the responsibility of those agencies.

The Hon. JOHN GRAHAM: If we are going to disappear two thirds of the government websites, should it not be someone's role to check that information that is in the public interest is retained in public? I accept you are saying that should be a principle but the principle will not apply if no-one checks. Whose job will it be to check?

Mr MURPHY: In the case of content coming into the nsw.gov.au environment, that will be what our team will do in partnership with the agencies that are the owners of that content.

The Hon. JOHN GRAHAM: Right. But there will be other domains that no-one will be checking. Is that what you are telling us?

Ms HOGAN: Do you mean websites that are not part of this program that will remain independent?

The Hon. JOHN GRAHAM: All the information on the 500 websites that disappear will be captured on the nsw.gov.au platform?

Ms HOGAN: That is the intention.

The Hon. JOHN GRAHAM: So you will be supervising those 500?

Mr MURPHY: Yes.

The Hon. JOHN GRAHAM: That is helpful. Is the principle of "legally required" or "information in the public interest" written down or are you asserting it now?

Mr MURPHY: That is part of the guidelines that we are making available to agencies now about how this program is going to work.

The Hon. JOHN GRAHAM: Have they been issued yet?

Mr MURPHY: All of the agencies have participated in putting those guidelines together. They all have those.

The Hon. JOHN GRAHAM: Are they publicly available?

Mr MURPHY: I will have to come back to you on whether they are publicly available at this point.

The Hon. JOHN GRAHAM: Could you provide those to the Committee?

Mr MURPHY: I can.

The Hon. ANTHONY D'ADAM: I want to ask about information and communications technology [ICT] spend across government. Is it correct that spending on information and communications technology across government has increased by \$800 million in a single year—a 20 per cent increase?

Ms HOGAN: Mr Wells can answer that.

Mr WELLS: No, it is not. Let me explain. The last time we reported that figure publicly, the methodology we used to determine spend across government for ICT was based on a survey that we sent to 40 agencies. Agencies self-reported, basically. The methodology changed the year after that because there have

been improvements in systems whereby we can extract the information. So the figure we reported in questions on notice from the Digital Restart inquiry was \$3.8 billion. But those two figures—the 300 from 2016-17 and the figure we reported through the Digital Restart inquiry—are not really comparable numbers. It is important to note that that \$3.8 billion covers, literally, everything that we can count that relates to ICT. It covers maintenance of critical frontline systems. It covers all the personnel. It covers services. It covers, literally, everything for ICT. I think the other thing to say is even at that level we are about on benchmark for similar government agencies but we are well below benchmark for commercial organisations—banks and other things. As a Gartner benchmark, an external benchmark into that spend, it is about on par.

The Hon. ANTHONY D'ADAM: For which year is that \$3.8 billion?

Mr WELLS: That is for 2017-18.

The Hon. ANTHONY D'ADAM: So you do not have more recent figures?

Mr WELLS: No, we are looking to produce those this year to realign it with the new strategy that we have put out—Beyond Digital. So we are looking to realign those benchmarks.

The Hon. ANTHONY D'ADAM: So you are not in a position to say whether there has been a growth or decline in the ICT spend across government, are you?

Mr WELLS: I would have to take that on notice and see what information we can provide.

The Hon. JOHN GRAHAM: I will ask a budget question of the Independent Liquor & Gaming Authority. On the face of the budget papers, it looks like there is a significant budget cut from 2018-19 to 2019-20—from \$3.7 million to \$2.8 million, a cut off \$900,000. That would represent a cut of 23.5 per cent of the budget. My first question is whether those facts are correct. Then I will come to whether you would like to provide any context around them. Firstly, are those budget figures correct?

Mr CRAWFORD: They are, but I cannot give you the reason. I will need to take that on advisement.

The Hon. JOHN GRAHAM: I might just give you the chance to let us know whether you have any concerns that you would like to place on the record about what appears on the face of it to be a significant cut to the budget. You may or may not but I would like to give you the opportunity.

Mr CRAWFORD: Under the new restructure of three years ago or four years ago, we are sharing services. We have a memorandum of understanding with Liquor & Gaming NSW, which we review every year. We have a secretariat that provides the support to the independent board. It was set up as an independent board for the reasons I think you are well aware of. We think the budget now accurately reflects our expenditure. I do not really think I can give you any concerns about that.

The Hon. JOHN GRAHAM: I appreciate that answer.

The ACTING CHAIR: I will ask two quick questions and then throw back to you, Mr Graham. Ms Donnelly, has SIRA been asked to provide any advice to the Government regarding the review of the Work Health and Safety Act?

Ms DONNELLY: That falls into Minister Anderson's portfolio and Ms Webb leads that. I will say that I, formerly, was the New South Wales representative on Safe Work Australia and I did have input. In fact, I chaired a subcommittee of Safe Work Australia during that review. But SIRA itself does not have a responsibility there. It is Safe Work.

The ACTING CHAIR: Ms Webb, have you provided any?

Ms WEBB: Yes, as part of the review of the Work Health and Safety Act, we have contributed to the discussion on it and provided advice to the Minister about it—to Minister Anderson, not Minister Dominello.

The ACTING CHAIR: With indulgence: Did you provide any advice regarding thoughts on industrial manslaughter and the incorporation of that into the new Act? I know that has been thrown around as a potential idea.

Ms WEBB: Yes, this is a subject that was part of the discussion relating to both the Australia-wide review of the Work Health and Safety Act but I understand it has also been the subject of some parliamentary debate on the current bill that is before the Parliament but I cannot really speak to that anymore in this context.

The ACTING CHAIR: Mr Wells, we heard in the Digital Restart Fund inquiry that \$38 million out of the \$100 million has already been spent. What policies and procedures were followed to make that expenditure out of that fund that technically did not really exist under the legislation?

Mr WELLS: A lot of the governance and processes that will be formalised in a policy at June this year are in place already, so I will stress that the governance and the process by which proposals are proposed, checked, governed, approved is in place and we covered that in the inquiry. Proposals are surfaced by clusters, like police and firearms, which we talked about this morning. Our cluster helps craft a lean business case for those proposals. A working group of Department of Premier and Cabinet, Treasury and our cluster recommends those proposals go forward to something called the ICT & Digital Leadership Group—that comprises all the chief information officers of every cluster—before those things are formally progressed to the Secretaries Board and to the Delivery and Performance Committee of Cabinet. So there are a lot of governance, checks and balances in place that exist for those proposals in terms of that expenditure that you have mentioned. In terms of the legislation, what the legislation is looking to achieve is to establish a fund in a special deposits account. You need that legislation to enable that. So that is the path we are following through that, as we discussed in the inquiry.

The Hon. JOHN GRAHAM: Thank you, Chair. I will conclude that questioning, Mr Crawford. Thank you for your answer. I appreciate what you put on the record. In the course of making that transition have you made any staff redundant from the Independent Liquor & Gaming Authority?

Mr CRAWFORD: I have been reflecting on your question before. I think what it was about was the fact that in the course of our work members of the department do provide services, and there is a question of whether that should be—or a proportion of their time—should be booked to ILGA as opposed to Liquor & Gaming NSW.

The Hon. JOHN GRAHAM: On paper it is a big cut. Is there any context you would like to put around it?

Mr CRAWFORD: I think it was resolved through the process that the costs be kept by Liquor & Gaming NSW and not—so there was a proportionate maybe 25 or 30 per cent. A lot of liquor licensing people do work under delegation from the authority. It is a matter of whether their time was billed at our cost or with Liquor & Gaming. I think that was resolved—I think that is the discrepancy.

The Hon. JOHN GRAHAM: Have staff been made redundant?

Mr CRAWFORD: No.

The Hon. JOHN GRAHAM: Okay, thank you. I think this is best directed to you, Ms Hogan. In the Treasurer's estimates he was asked about a range of privatisations and scoping studies. He indicated the Government had no plans in a range of areas. He was asked about WaterNSW and he was asked about a series of other government entities. He gave a slightly different answer when it came to Service NSW. He said he was not aware of any plans but it was a different form of words in relation to Service NSW. Are you aware of any discussion in relation to the privatisation of Service NSW?

Ms HOGAN: Definitely not.

The Hon. JOHN GRAHAM: Have you been asked to provide any brief in relation to that?

Ms HOGAN: No.

The Hon. JOHN GRAHAM: Have any of your officials been asked to do so?

Ms HOGAN: I do not believe so.

Mr REES: No.

The Hon. JOHN GRAHAM: Is there any other context you would like to provide us in relation to that?

Ms HOGAN: No. That has never come up.

The Hon. JOHN GRAHAM: Okay. Thank you for that.

The Hon. ANTHONY D'ADAM: Earlier in the session, Mr Rees, you spoke about—you were working through options around staff reductions. Can you tell me what advice you have provided to staff about that process? Has there been any advice that there is likely to be redundancies in Service NSW?

Mr REES: Advice around organisational change that might involve change to job numbers tends to come in two pieces. There is a level of informal advice where we are engaging teams through any changes that we plan to make. And then when we are approaching what we believe is a way forward that we should pursue,

we then enter a formal consultation period around any of those changes. With respect to the corporate services changes I mentioned earlier today, we leveraged both of those. The informal element of that had weekly sessions that were run by myself, working through the changes and all the various questions that was bringing out with the Service NSW employees. And then prior to any changes being executed we entered a formal consultation period around what was being proposed and the implications for people.

The Hon. ANTHONY D'ADAM: Are you saying that process has commenced? There is a change management plan that has been prepared?

Mr REES: That is right. A restructure management plan typically is the vehicle by which we work through those organisational changes.

The Hon. ANTHONY D'ADAM: Where are you in that process? Where are you up to? I would have thought if redundancy is to be given effect before the end of the financial year you do not really have a lot of time left to properly go through the full process of change management plan. Is that correct?

Mr REES: That activity has been underway through the second half of last year. The restructure management plan for corporate services, from memory, was finalised last year and a number of those changes have since been effected.

The Hon. ANTHONY D'ADAM: How can you have a restructure management plan without actually knowing how many redundancies you are going to have?

Mr REES: Redundancies can happen in a number of places and a number of ways. The question posed earlier was how many Service NSW staff have been impacted by redundancy, I believe. I think I referred—that question is better answered at a departmental level as we bring together a range of different teams. It is not possible for me to answer that question purely through a Service NSW lens.

Ms HOGAN: When I joined the department in mid-October there were some restructure management plans underway. Part of bringing the department together and kicking it off from 1 July was the ability to centralise and remove duplication of some functions that previously belonged to individual departments, of which Service NSW was one. They were things like HR, IT and finance-type functions. There was a process that closed out last year around those. I think the question earlier may have been—and I could be wrong—were there any intended redundancies for the front line of Service NSW? We are undergoing an integration program into Service NSW at the moment so any identified redundancies to date have been back office, not front of house.

The Hon. ANTHONY D'ADAM: Can I ask about Mr King's exit from the department? Was there any payout involved with Mr King?

Ms HOGAN: That would probably be better directed to the secretary for Premier and Cabinet, but I do understand the answer to that is no and we covered that off at the last estimates. It was a resignation.

The Hon. ANTHONY D'ADAM: Can I also ask, perhaps on notice, if you could provide the dates of your conversation with the Premier and the conversation with the head of Premier and Cabinet—just the dates that those conversations occurred?

Ms HOGAN: The dates they had a conversation with Mr King?

The Hon. ANTHONY D'ADAM: No, the dates that they had a conversation with you about your appointment.

Ms HOGAN: Certainly.

The Hon. ANTHONY D'ADAM: Can I just turn now to intangible asset write-off? I think there were a number of supplementary questions that were asked and answered. And the explanation for \$211 million to \$81 million in terms of intangible assets for Service NSW—the explanation was that they were being amortised over four years. What are the intangible assets of Service NSW that have been subject to this writedown?

Mr REES: I will start the conversation but I might call for help from Mr Gould, who is the department's chief financial officer. The intangible assets for Service NSW principally relate to software, the application software that we build as an organisation to service our customers and some of the systems used by our staff.

The Hon. ANTHONY D'ADAM: So it is \$211 million worth of software, is it, that is written down? Okay.

The Hon. JOHN GRAHAM: Firstly to return to the critical communications enhancement program—I apologise. I know this was discussed while I was not here but I did just want to return with one question, perhaps

to you, Mr Wells. Given the date you have now suggested for stage four of this and given the fact that Rural Fire Service Commissioner Shane Fitzsimmons is on record as saying, "If this network was up and running at its fullest in the last fire season, of course things would have been different," shouldn't stage four be brought forward?

Mr WELLS: That is something we are working through, as I said, as part of this final business case in terms of what the exact timing looks like. It is worth noting that 24 of the sites that are part of the current phase two were brought forward in this bushfire season and brought online—yes, via satellite sometimes or via wireless broadband—to support those frontline organisations, as were eight mobile assets, 27 generators and a range of things the Telco Authority assists RFS with. That is in addition to the role that the Telecommunications Emergency Management Unit plays in RFS, in supporting Commissioner Fitzsimmons in that process. We are, as part of cleaning up the assets that have been impacted this phase, speeding up as much as we can to support the critical sites that Commissioner Fitzsimmons and other emergency organisations point us to in terms of priority. As fast as we can go, we will be looking to implement this program.

The Hon. JOHN GRAHAM: Really that is a budget decision for Government, is it not? It is not as fast as you can go. It is really a decision about the resources. Surely we should bring this forward?

Mr WELLS: We are bringing forward as much as we can. There are constraints in terms of how much design and construction you can do across the State as well, so that needs to be taken into consideration. Some of the sites, for example, are upgrades to existing networks, so it is not a "constructing a tower" scenario. We will look at all of those opportunities, Mr Graham, as part of this final case.

The Hon. JOHN GRAHAM: But you are not telling us market conditions are a constraint to finishing this stage four?

Mr WELLS: No, that is not what I said.

The Hon. JOHN GRAHAM: No. Just to be clear, it is a budget decision which is really the hold-up here. It is going to be a significant cost and that is really the hold-up. That is a fair comment, is it not?

Mr WELLS: No. There is not a budget hold-up. We need to work through this final business case is what I said.

The Hon. JOHN GRAHAM: Ms Hogan, do you want to add anything on the question? Surely we should bring this forward?

Ms HOGAN: No. I agree with Mr Wells. From what I have seen of this project so far as incoming secretary, there is a business case to be built for the fourth phase and it will be forthcoming.

The Hon. JOHN GRAHAM: The only thing I would add is from the visits the shadow Cabinet did to Tumut and talking to some of the RFS team on the ground and talking to some of the parks service people, for example, who were working with them—and they were active at the time. Really it was quite confronting talking to them about the challenges of communicating between the various agencies on the ground. This is clearly a major hurdle, when it comes to actually putting fires out and saving houses on the ground. You would agree with those observations, would you not?

Ms HOGAN: As far as I know, all of the emergency services operations have had input into the way in which this program will be rolled out. I would take that advice from them.

The Hon. JOHN GRAHAM: Yes, but you would not disagree with that assessment that having this up and running at its full capacity will make a difference on the ground—houses saved, fires out? That is the goal.

Ms HOGAN: I do not think anybody disagrees with the fact that this is an important program of work. But to Mr Wells' point, the business case for the last phase is important and still needs to be built.

The Hon. JOHN GRAHAM: I might also then turn back—sorry to jump around a little bit, but we are trying to move through the issues and get to them all—to the question about government websites and the principles that apply. I might ask the Information Commissioner: Do you have any observations you would like to make about the importance of that principle that public interest information should be still available after this process where two-thirds of the websites disappear and how best to make sure that is the case, in your view?

Ms TYDD: I might add to the answers that have already been provided to the Committee in respect of the obligations under the GIPA Act. It is quite clear in terms of mandatory proactive disclosure and the push pathways to ensure that information is available. The GIPA Act, as you are aware, operates in relation to the agency holding the information. That goes to both accountabilities and also responsibilities. Turning to the responses previously provided, those accountabilities and responsibilities rest with the agency under the GIPA

Act in terms of those obligations. In order to ensure that that information continues to be provided, the GIPA Act makes those requirements very clear.

The IPC's approach to regulatory compliance is not dissimilar to other regulatory approaches that you have heard from today in terms of identification of risk, proactively conducting audits, for example, to assess compliance. As you would be aware, in relation to the section 37 report that I am required to table before Parliament each year, we report not only on the pull pathways or the application pathways but on compliance with the mandatory proactive disclosure pathways. That is part of our audit sampling that is reported upon. Pleasingly, compliance with those provisions has steadily increased over a period of time. I have reported on that in the last two to three reports, with my upcoming report to be tabled in the next week or so before Parliament.

There is a growing sophistication and awareness of the requirement to adhere to those obligations in relation to mandatory proactive disclosure. I think your point as to accountability is one that is addressed through the GIPAA lens in terms of the agency and the principal officer of that agency. In terms of consultation with the department regarding requirements, that is something that both my colleague and I make ourselves available for in order to consult with the departments on these requirements.

The Hon. JOHN GRAHAM: Do those GIPAA requirements really apply in this instance, where an agency might make this information available but not easily available on the web? Will that GIPAA lens provide the appropriate protection here to ensure this information continues to be available on the web?

Ms TYDD: Open access information is required to be provided by one means free of charge. It generally defaults to being the website.

The Hon. JOHN GRAHAM: Generally but not specifically; it may not be the channel.

Ms TYDD: The general consideration in relation to not being available on the web, which I have heard in one sector—which is not the government department sector—is the unreasonable division of resources, for example, depending on the resources of the agencies. Our audits demonstrate that agencies are largely compliant, and particularly large government agencies are largely compliant. The operation of a new system of websites and guidelines is not something I can speculate on but, going on current levels of compliance, they are quite positive.

The Hon. JOHN GRAHAM: But you must be concerned when you hear about a key report—literally a report about buildings falling down in Sydney on their residents—that that is not available to the public on a government website. You must be concerned when you hear something like that.

Ms TYDD: Accessibility and transparency are core components of the GIPA Act and I am responsible for being a champion of the Open Government in that regard, so of course it is something I am concerned about and that I actively pursue in terms of audits and engagement with the agencies. It is something that I would actively engage with.

The Hon. JOHN GRAHAM: Have you been consulted on this specific program, this program to amend the websites? Have 500 of these websites been consolidated?

Ms TYDD: That is a matter I might need to take on notice, but personally I do not have a recollection of being consulted in relation to that operational realisation. There may be policies that sit underneath that that I will be consulted on in the future.

The Hon. JOHN GRAHAM: Can I encourage you to take an interest in this as it unfolds?

Ms TYDD: I have an active interest.

The Hon. SHAYNE MALLARD: Something like 700 websites, Mr Graham. Do you have long nights at home?

The Hon. JOHN GRAHAM: No, I certainly do not.

The Hon. SCOTT FARLOW: I think Ms Webb has been agitating to make a comment.

Ms WEBB: Chair, if I might just give a quick update, the broken link to the Lambert report has been fixed now and it should be available on the Fair Trading website. I apologise about the broken link.

The Hon. JOHN GRAHAM: Fantastic, thank you.

The Hon. SHAYNE MALLARD: There is some bedtime reading for Mr Graham.

The Hon. JOHN GRAHAM: I commend it to the Committee.

The Hon. ANTHONY D'ADAM: I might ask another question of Ms Tydd. The number of complaints received by the IPC about GIPAA has increased from 383 in 2016-17 to 414 in 2018-19. What do you think is happening there? What is driving the increase in complaints?

Ms TYDD: I am able to provide a context in relation to that. The IPC reports on complaints and reviews. The figure you are referring to, I think, is a combination of both complaints and reviews. In the last annual report, we observed a 119 per cent increase in complaints, so we now have 79 complaints in relation to GIPAA. I am providing a response to another parliamentary committee on notice in relation to the breakdown of those complaints, the type and the finding. There has been an increase in information access reviews and complaints that is historical—a 14 per cent increase in reviews and, as I said, a large increase in complaints.

So too advice, on reflection, I think of the transformation of government around digital service provision and other issues and how decisions are made, a growing awareness of GIPA Act and access rights and the work of the IPC in terms of rights promotion, which is clearly part of my statutory responsibilities. Over time, there have been incremental increases in the order of about 14 per cent. This year you are quite correct in pointing out that going forward we do predict increases in applications. Looking at our current figures, they are predicted to be about 70 per cent in advices, 20 per cent in information access reviews and that complaints continue.

We are monitoring that very closely because over the years since establishment of the IPC we have implemented many efficiency processes—for example, staff training, new processes for dealing with applications to ensure that our time frames are maintained and that the service delivery standard that we have set is maintained. Possibly the change in the way information is handled and digital service provision, informing decisions and new models of government service delivery may well be factors influencing those increases, but so too rights awareness.

The Hon. ANTHONY D'ADAM: You do not think it is departmental behaviour, that the approach of departments to information applications is a factor that might be driving the increase in complaints?

Ms TYDD: The IPC reports through the section 37 report on compliance with the GIPA Act on an annual basis. There have been reasonably consistent levels of information released—between about 68 per cent and 71 per cent of information is provided under a GIPAA application. That has been reasonably constant. Likewise, we measure ourselves against other jurisdictions, Territories and States and the Commonwealth, and we sit pretty much on a benchmark of around the middle in terms of that performance, bearing in mind also that New South Wales is one of only two jurisdictions that have the push pathway. We proactively release a lot more information. As I said in relation to that pathway, compliance has actually been steadily increasing. There is a behaviour that demonstrates a positive compliance attitude being demonstrated by large government agencies, in particular.

The Hon. ANTHONY D'ADAM: Is there any particular agency where there is a higher proportion of complaints arising?

Ms TYDD: The proportion of complaints may well, in fact, from year to year reflect the number of applications. For example, New South Wales police have traditionally been the largest recipients of GIPAA applications. You would see from our website that we have conducted a proactive audit in relation to New South Wales police and made some 22 recommendations for changes. Pleasingly, that agency has eradicated a backlog that 12 months ago was in the order of around about 700 or 800 down to about nine. We work very actively with agencies that are not fulfilling their GIPAA obligations and we work to develop their systems, processes and capability.

The dashboard that you may be familiar with is an online tool that is available for agencies and for members of the public to look at sector performance and to look at individual agency performance. That is a factor that we consider in standing up any proactive audit initiative. In relation to other agencies, I am yet to table my section 37 report. I will have regard of their performance upon tabling of that report and that information being made publicly available and, certainly, adopt a strategy that reflects the risk posed and also the resources of the IPC and the performance of the agencies to ensure that there is a maximisation of compliance with the GIPA Act.

The Hon. JOHN GRAHAM: I might turn to some questions about venues. Ms Webb, I think these might come to you, although I am happy to be redirected. I was asking the Minister about the former policy which existed where half-hour trading extensions were granted to venues who applied if they had live entertainment. The Minister has confirmed that no longer is the case under the Government's new approach. Can you confirm how many venues had that approval until January 14?

Ms WEBB: No, I would have to take that one on notice.

The Hon. JOHN GRAHAM: Mr Crawford, are you able to assist?

Mr CRAWFORD: Sorry, I cannot help with that one.

The Hon. JOHN GRAHAM: I think it was 31 venues, but I will be happy to be corrected on notice. Ms Webb, what information do we have about what has happened in those venues? Up to January 14 there was this concrete incentive to employ people to play music. That incentive has gone. What do we know about what has happened to music in those venues?

Ms WEBB: I would also have to take that on notice. I do not have any specific information.

The Hon. JOHN GRAHAM: Do you have any other context you can provide on background to this decision?

Ms WEBB: No. I think this morning we talked a little bit about the change in licensing conditions and that we were reviewing them, but on the specific ones that have changed from the extra half-hour I do not have any additional information at the moment.

The Hon. JOHN GRAHAM: I might ask, then, about a second issue that also has an impact on venues and ask about progress on this. In 2016 the South Australian Government introduced a small arts venue state variation to the National Construction Code. I can give you some more detail, and it was examined and recommended in one of the parliamentary committee investigations that we should proceed. The New South Wales Government was investigating and looking at proceeding with a similar variation for New South Wales. Can you give us any background about where this is up to?

Ms WEBB: Not anything more than the Minister's response that he has been working closely with Minister Ayres on various issues.

The Hon. JOHN GRAHAM: I did not ask the Minister about this specific issue.

Ms WEBB: I cannot give anything more specific.

The Hon. JOHN GRAHAM: The other issue I did raise with the Minister was about liquor licence restrictions. I was comfortable with where the Minister was heading on that. Have there been any discussions with local government about the restrictions that remain in place in council areas, often through the development application [DA]? Are you aware of this issue?

Ms WEBB: Yes. We are having various discussions with local government on the intersection between planning and liquor licensing, including where the changes to the law that we have put in in January might still be excluding people from doing things like small bar venue numbers and things like that. We are definitely having ongoing discussions with local government agencies about that.

The Hon. JOHN GRAHAM: Including on the development application restrictions on entertainment?

Ms WEBB: Yes, if that has been the reason why a restriction has been put on—just discussing how best we can go about dealing with applications to remove it or deciding what to do about it.

The Hon. JOHN GRAHAM: One of the things that did change, pleasingly, on 14 January was not just the lockouts but also the change in the size of venue capacity allowed under the small bar licence; I think it was from 100 to 120. How does that apply? Has that automatically come in for those venues or do they need to go through a process to apply to have that capacity increase?

Ms WEBB: It automatically comes in, but it would be subject to any development application restriction they may have.

The Hon. JOHN GRAHAM: Yes.

Ms WEBB: So it depends a bit on what is restricting their numbers.

The Hon. JOHN GRAHAM: So automatically their licence will—

Ms WEBB: Go to 120.

The Hon. JOHN GRAHAM: —move from 100 to 120, but their DA may still restrict exactly how many people they can have.

Ms WEBB: Exactly.

The Hon. JOHN GRAHAM: I might return to cybersecurity and data breaches. Mr Wells, back to you. I was very disappointed not to be here for this questioning, but the scale of the problem seems very large. I think we asked about the 3,324 data incidents. What is your estimate of the potential cost of all those breaches? I am trying to get a sense of the scale of this problem.

Mr WELLS: I can talk to the scale of cybersecurity, but the 3,326 data breaches, as I think the number is, relates to data breaches, which probably would be better addressed by one of the information or privacy commissioners.

The Hon. JOHN GRAHAM: Okay.

Mr WELLS: In terms of cybersecurity you are right, Mr Graham, the problem is large and it is increasing. That is why it is such an important priority for us. There are not thousands a year; there are thousands of events every day trying to get at government, which we prevent most of. But we log and take very seriously any significant incidents that occur. Our role at Cyber Security NSW is to get intelligence about those, to share that intelligence across agencies and to work with agencies on their uplift plans to protect their clusters, because they remain responsible for their initiatives. We have in place now a senior officers group, which the secretary of our cluster chairs for the Government.

The Hon. JOHN GRAHAM: I will leave it there. I promise to read the transcript and come back in future estimates with questions on this subject, but I might take your invitation to ask, on the breaches, either the information or the privacy commissioner. Can you give us any sense of the scale of this problem? How much is it costing?

Ms GAVEL: I think it is best for me to answer the question, because the IPC has a voluntary data breach scheme where agencies can voluntarily advise us of data breaches that involve personal information. Data breaches is quite a large spectrum; the ones that we are concerned about are the ones that involve personal information. Last year we had 74 voluntary notifications reported. In terms of when you referred to—I think it was the 3,200 incidents. I believe that comes from the Auditor-General's report.

The Hon. JOHN GRAHAM: It does.

Ms GAVEL: Yes. That is different to our voluntary data breach scheme. Those breaches may not necessarily involve personal information.

The Hon. JOHN GRAHAM: Yes, understood. One estimate, though, is a report by IBM that estimates the average cost of a single data breach at \$3.8 million. I do not know if you have seen that report. At that rate, this could be a \$12 billion problem for government. Can you give us any sense of the scale of the potential cost of the data breaches that the Auditor-General has highlighted, which, despite the best efforts, are still proceeding?

Ms GAVEL: I have seen various estimations from global reports of what data breaches may cost but they are often based on commercial entities. For example, in the United Kingdom, I think, British Airways had a big data breach and it was fined a large amount of money by the regulator for that. So there are costs like that and there are costs of losing customers, for example. In terms of quantifying breaches in the public sector, I think it is a bit different.

The Hon. JOHN GRAHAM: Whose job is it to quantify that cost in government?

Ms GAVEL: It is not something that the IPC does.

The Hon. JOHN GRAHAM: Mr Wells, can you give us any guidance about whose job it is?

Mr WELLS: Not specifically on data breaches. We regularly look at where there have been cyber incidents and try to understand the cost of those things to build the case for uplift across the government. That is the responsibility that Cyber Security NSW takes from that perspective but not in terms of data breaches.

The Hon. JOHN GRAHAM: Having neglected to be here earlier, I will return to this on a future occasion. I want to ask about the specific data breach I asked about though—the 192 citizens in the daily incident. Can I get any advice from any officials present as to whether those individuals have been notified? The Minister said he was not aware. Can any of the officials here tell me: Have those individuals been notified?

Ms HOGAN: I can probably take that. My understanding is that Mr Brady, who is the deputy secretary—or was the deputy secretary—for Revenue NSW, which was associated with this case to which I think you are referring, answered these questions in estimates last year. I can draw your attention to that but my understanding is that when you have breached data there is a test as to how high that risk is. The assessment was made and that information was not released. Mr Brady answered this question in estimates previously.

The Hon. JOHN GRAHAM: When you say that information was not released, you mean that those individuals were not notified?

Ms HOGAN: That is my understanding, yes. I was not here at the time but that is my understanding.

The Hon. JOHN GRAHAM: The Minister ran through the authorities, who have looked at this and clearly examined it in a great amount of detail. There was a specific police strike force established to examine the matter. Why was this not a serious privacy incident triggering the requirement to notify?

Ms HOGAN: I was not here at the time so I will have to take it on notice. All I can advise you is that Mr Brady was asked similar questions in the past.

The Hon. JOHN GRAHAM: Are you saying that it did not meet the threshold for being a serious privacy breach—which I am very surprised about given the extent to which this was investigated—

Ms HOGAN: I would have to take it on notice.

The Hon. JOHN GRAHAM: —or are you saying that it was the case that because the New South Wales scheme is essentially entirely voluntary that the choice was made not to—

The Hon. SHAYNE MALLARD: Point of order: I let the question run its course but it is trying to get an answer out of the same question, worded in another cunning way. Ms Hogan has said two or three times she would take it on notice and also referred to a previous estimates answer by another senior public servant. I think it is very clear that she said she would take it on notice and I do not think the question is in order.

The Hon. JOHN GRAHAM: To the point of order: I appreciate the point you are making and the answers have actually been quite helpful in guiding me. I just want to finalise this one point. There is actually a distinction here and I am just trying to understand—

The Hon. SHAYNE MALLARD: She said she would take it on notice.

The Hon. JOHN GRAHAM: I am trying to understand the evidence that is being given today. This is my final question, to assure the member.

The Hon. SHAYNE MALLARD: I will leave it hanging there and see where he goes.

The ACTING CHAIR: I was listening for a difference and I could see that you were trying to ascertain whether it is a threshold test or whether it is a case of voluntarily dobbing yourself in.

The Hon. JOHN GRAHAM: To briefly restate and then I will be leaving this here, I want to understand what you are telling me. Is it that it did not meet the threshold of being a serious incident—I am surprised if that is the case—or is it the case, given the New South Wales scheme is essentially voluntary, that the choice was made in this instance to not voluntarily report?

Ms HOGAN: I will have to take it on notice.

The Hon. ANTHONY D'ADAM: Government agencies use Facebook, do they not?

Ms HOGAN: For social media channels, do you mean?

The Hon. ANTHONY D'ADAM: Yes.

Ms HOGAN: Yes.

The Hon. ANTHONY D'ADAM: What mechanisms are in place to make sure the private information of Facebook users accessing government Facebook pages is protected? We have had the Cambridge Analytica scandal. What measures are in place to protect—

Ms HOGAN: I would have to direct that to Mr Murphy, who has our communications department within his team.

Mr MURPHY: There is a whole-of-government social media policy, which covers use of social media by government agencies for a range of purposes. It is actually currently under review. I can take your question on notice and come back with some information about what the previous policy put in place around that was.

The Hon. ANTHONY D'ADAM: Does the Government share any information with Facebook?

Mr MURPHY: I would have to take that question on notice.

The Hon. DANIEL MOOKHEY: Ms Hogan, the leadership of the workplace independent review office—ordinarily the selection process for that ought to have taken place by the Minister for Customer Service. Is that your understanding?

Ms HOGAN: The recent recruitment process was undertaken by the Attorney General's office, is my understanding.

The Hon. DANIEL MOOKHEY: Yes, I do know that the recent one was undertaken by the Attorney General but I am asking ordinarily that appointment is made by the Minister for Customer Service. In fact, I am fairly positive legislatively he, under MoG arrangements, is responsible for that. Is that your understanding?

Ms HOGAN: I am not actually sure. You would have to direct that question to the Minister or I can take it on notice.

The Hon. DANIEL MOOKHEY: Can you take that on notice?

Ms HOGAN: Yes.

The Hon. DANIEL MOOKHEY: The Minister did not participate. If you recall at supplementary estimates we were talking about this.

Ms HOGAN: Yes.

The Hon. DANIEL MOOKHEY: I produced at that time the ad that went out. Do you recall?

Ms HOGAN: Yes, I recall it being a subject at last estimates.

The Hon. DANIEL MOOKHEY: I think it was your second day on the job.

Ms HOGAN: Yes, it was the second day, I think, or maybe the third. We are now at four months.

The Hon. DANIEL MOOKHEY: The Minister did not participate in that decision. Why wasn't the Minister for Customer Service making that decision and why was it referred to the Attorney General?

Ms HOGAN: To be honest, I am not actually sure. I would have to take it on notice.

The Hon. DANIEL MOOKHEY: Ms Donnelly, I am just going to grab my folder and ask you a couple of questions.

Ms DONNELLY: That is what I am here for.

The Hon. DANIEL MOOKHEY: I want to talk about the decision about the underpayments issue. Do you have an estimate for the amount of money that we are talking about here?

Ms DONNELLY: I did write to Mr Nagle in response to the first pack of information that he emailed to me.

The Hon. DANIEL MOOKHEY: Let's just stop there and unpack this. When did you first learn that there was an underpayments issue?

Ms DONNELLY: I had a meeting with Mr Nagle in December that was prior to the release of the Dore report. As an aside of that meeting, my recollection is that he mentioned at that point that he had done some level of risk assessment around PIAWE and it looked like a concern. I asked for more information.

The Hon. DANIEL MOOKHEY: That was in December?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: And that was an aside?

Ms DONNELLY: It was an aside. I did not receive any documentation or any formal notification.

The Hon. DANIEL MOOKHEY: Was it an aside at a meeting?

Ms DONNELLY: It was at a meeting that he and I had to discuss my proposed actions for the 21-point plan for SIRA.

The Hon. DANIEL MOOKHEY: Who else was in the meeting?

Ms DONNELLY: Just he and I.

The Hon. DANIEL MOOKHEY: Was the meeting minuted or finite?

Ms DONNELLY: No, it was a really quick discussion where I was showing the courtesy to tell him what I was going to propose.

The Hon. DANIEL MOOKHEY: At the end of it he mentioned that icare—

Ms DONNELLY: He mentioned the PIawe. Then the next that I heard about it was on 27 February.

The Hon. DANIEL MOOKHEY: How did you hear about it on 27 February?

Ms DONNELLY: On 27 February there was a meeting between the executive director at SIRA, who regulates workers compensation and Mr Nagle. I was at our audit and risk committee at the time.

The Hon. DANIEL MOOKHEY: Sorry, the director of?

Ms DONNELLY: The executive director who regulates workers compensation.

The Hon. DANIEL MOOKHEY: Is that Mr Parker?

Ms DONNELLY: That is Mr Parker. Mr Nagle mentioned and shared a pack. Mr Parker came back, briefed me—

The Hon. DANIEL MOOKHEY: What is "a pack"?

Ms DONNELLY: It is a sort of a slide deck of information.

The Hon. DANIEL MOOKHEY: So, the slide deck of information was how the report was made?

Ms DONNELLY: Subsequently Mr Nagle emailed it to myself and Mr Parker later that afternoon.

The Hon. DANIEL MOOKHEY: He emailed you the slide deck?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: That is the way in which they notified you?

Ms DONNELLY: Yes and then I wrote to Mr Nagle—

The Hon. DANIEL MOOKHEY: Sorry, just pause there. On 27 May you get emailed a slide deck saying—

Ms DONNELLY: February.

The Hon. DANIEL MOOKHEY: February, sorry. You get emailed a slide deck. Who did you call? Before you replied to Mr Nagle, who did you tell? I just asked in Treasury and Mr Gardner said that he got a call from you at Treasury.

Ms DONNELLY: I do not think it would have been that evening. I considered that I would regard that as a significant matter notification and had a discussion with the chair of the SIRA board and the chair of the SIRA Audit and Risk Committee. We have a memorandum of understanding with NSW Treasury knowing that we both have interests but different roles in the performance of icare.

The Hon. DANIEL MOOKHEY: That is consistent with what Treasury has just said.

Ms DONNELLY: I cannot exactly recall the sequence or at what point but that would have been Friday so either a Friday or a Monday I would have had a conversation, Mr Parker and I had a conversation with Mr Gardner and some of his team.

The Hon. DANIEL MOOKHEY: At any time did you inform your Minister or the relevant Minister?

Ms DONNELLY: I did not speak with the Minister or brief the Minister but I did have a conversation with the Minister's chief of staff.

The Hon. DANIEL MOOKHEY: When did you do that?

Ms DONNELLY: On the Friday.

The Hon. DANIEL MOOKHEY: Last Friday?

Ms DONNELLY: On Friday 28.

The Hon. DANIEL MOOKHEY: So the day after. And that was the chief of staff to the Minister for Customer Service?

Ms DONNELLY: Yes. I am happy to check this as I do not have my diary in front of me. It might have been a Monday.

The Hon. DANIEL MOOKHEY: But you recall it was around the same time that you got the notice—

Ms DONNELLY: Then my team also had a further meeting with icare on the Friday, sought further information and gave me a briefing over the weekend. So we worked fairly swiftly to get what information we had and to also ensure there was some visibility with people that we would ordinarily have a conversation with.

The Hon. DANIEL MOOKHEY: Then you replied to Mr Nagle?

Ms DONNELLY: I wrote to Mr Nagle.

The Hon. DANIEL MOOKHEY: When?

Ms DONNELLY: I wrote to Mr Nagle on 3 March and he wrote back to me on 4 March.

The Hon. DANIEL MOOKHEY: In your letter on 3 March did you set out serious views as to what needed to happen?

Ms DONNELLY: This was my instruction to him about what needed to happen.

The Hon. DANIEL MOOKHEY: Did he accept that instruction or dispute it?

Ms DONNELLY: No. He noted instruction and indicated he was taking the matter seriously.

The Hon. DANIEL MOOKHEY: Did he indicate any opposition to what you had proposed?

Ms DONNELLY: I asked him some questions seeking some information and he put his view about whether that was a correct interpretation and provided some additional information.

The Hon. DANIEL MOOKHEY: Was he disputing your ability to ask?

Ms DONNELLY: No, I do not think it is clear that that was where he was coming from.

The Hon. DANIEL MOOKHEY: So where was he coming from?

Ms DONNELLY: He noted my instructions with disappointment.

The Hon. DANIEL MOOKHEY: What was he disappointed about?

Ms DONNELLY: But it may have followed on that he felt there was some internal briefing I had received that was not quite correct. So he took the opportunity to correct and provide some more information which I had sought clarification about. So I was pleased to receive additional information.

The Hon. DANIEL MOOKHEY: After 4 March you issued your—forgive me, we have been locked in estimates for a while—guidelines, your public bulletin last Thursday which was what, 5 March?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: Did you indicate to Mr Nagle that you were intending to do that?

Ms DONNELLY: I did. I called him and discussed my reasons for that. We had a discussion particularly about both of us had been concerned about how injured workers may regard this. I said I was proposing to advise the industry, I needed to advise some of the specialised insurers that I was going to commence an audit program. We have an approach of transparency but my message would say that no injured worker or employee needs to do anything. We would require that the review and remediation plan would identify anyone that needed to have their matter reviewed and they would be communicated with. I had also put in place arrangements so that on SIRA's number 13 10 50 and also on our website people could come and register to receive more information.

The Hon. DANIEL MOOKHEY: Did Mr Nagle oppose your decision to issue a bulletin?

Ms DONNELLY: I would say we talked it through and he accepted that was what I was going to do—

The Hon. DANIEL MOOKHEY: But he had initial opposition?

Ms DONNELLY: It was more a discussion about what the impacts might be.

The Hon. DANIEL MOOKHEY: Did he suggest to you delaying the issuing of the communication?

Ms DONNELLY: I do not recall that. No.

The Hon. DANIEL MOOKHEY: Did he ask you to remove any information that you did disclose?

Ms DONNELLY: I did not share with him the message apart from talking through what I intended to put out for the guidance of injured workers.

The Hon. DANIEL MOOKHEY: In the course of the underpayments, has he ever—in either the slide deck or any other communication—indicated the financial scale that we are thinking about here?

Ms DONNELLY: He indicated an estimate in the range of \$20 million to \$40 million.

The Hon. DANIEL MOOKHEY: So \$20 million to \$40 million of underpayments?

Ms DONNELLY: Potentially.

The Hon. DANIEL MOOKHEY: Preliminary estimates of \$20 million to \$40 million of underpayments to sick and injured workers. I think that is more than Coles and Wesfarmers. Slightly less than Woolworths. That would rank it as one of the biggest underpayment issues that Australian workers are currently confronting. Would you agree?

Ms DONNELLY: I consider it a grave concern.

The Hon. DANIEL MOOKHEY: And this is on the basis of the initial assessment?

Ms DONNELLY: I presume that this is based on more information than I have and an estimate from whoever is doing the estimates in icare.

The Hon. DANIEL MOOKHEY: Okay. If we are dealing with \$20 million to \$40 million of underpayments to sick and injured workers between 2012 and 2018 with the Nominal Insurer, should we assume there could be similar issues in the self-insurers? Should we assume there could be similar issues in the specialist insurers?

Ms DONNELLY: I do not have evidence of that and what I know now is that when we undertook the compliance and performance review, we found claim management failings in the Nominal Insurer. I have independent reports from EY that I made public last year that indicate weaknesses with insufficient information on the file and some errors. To one degree, I have more information about the Nominal Insurer. I still do not know the full picture—

The Hon. DANIEL MOOKHEY: And that is why you have ordered an audit of the others?

Ms DONNELLY: I have ordered an audit of the others to be prudent because I need to have the full picture. But I do not have evidence that the same issues are or are not there at this point.

The Hon. DANIEL MOOKHEY: Turning now to your remediation directions—sorry, the SIRA directions to icare. Actually before we do that, one of the aspects of your disclosure was that this had flow-on consequences for premium calculations for medium to large businesses. Do we know what the premium implications were or was any preliminary view given to you about what the implications are for premium calculations?

Ms DONNELLY: I just want to have a look at the actual wording of my instruction but—

The Hon. DANIEL MOOKHEY: In the bulletin you say that in instances where weekly payments were incorrect, premium calculations for experience-rated medium to large businesses may also be incorrect.

Ms DONNELLY: So "may" is an important word.

The Hon. DANIEL MOOKHEY: Of course.

Ms DONNELLY: In my view, and I will explain this, if you are an experience-rated employer, that means you are a larger employer, your premiums are impacted by the experience of how many claims and the cost of those claims in the previous period. So 95 percent of employers do not fall in that category, they are small business. However, about 5 percent of employers and something like 20,000 employees do fit into that category. I might check that estimate. What could happen, that my concern was, if there are overpayments and potentially underpayments and they effectively net then the claims rated experience might not flow on to a problem with premiums. But there would be a need for due diligence to ensure that is the case. If in fact there were overpayments then there may be an inflated claims experience estimate for an employer and that would need to be assessed.

The Hon. DANIEL MOOKHEY: But with the category of employer that you just described it is not uncommon for them to pay premiums per year above \$2 million or \$3 million, because they are large employers.

Ms DONNELLY: Yes, so they could be significant.

The Hon. DANIEL MOOKHEY: It could be significant for those businesses, would you agree?

Ms DONNELLY: I do not have—

The Hon. DANIEL MOOKHEY: You do not have the figures, of course.

Ms DONNELLY: I do not have evidence as to whether it is the case or not. In my bulletin I said it "may".

The Hon. DANIEL MOOKHEY: But it has the potential.

Ms DONNELLY: My expectation is that the review and remediation plan will consider that as well. It would not be until the impact of any errors for injured worker payments are known that you would be able to then assess the net impact for any employer.

The Hon. DANIEL MOOKHEY: One of the directions that you did issue to SIRA was for it—

Ms DONNELLY: To icare.

The Hon. DANIEL MOOKHEY: Sorry. It has been a long day for us all. One of the directions that you did issue to icare was for details of efforts to review existing claims to ensure the problem was not continuing. Presumably you issued that direction because there is no guarantee that the problem is not continuing. Is it fair for me to read that into that?

Ms DONNELLY: I think it is responsible to check and to manage that the risk is not ongoing. We have noted in the discussion already that there were legislative amendments implemented last year that simplify the calculation, so it is potentially a lower risk that they are continuing, but I felt that was part of their obligation. Nonetheless, whether it is the old formula or the new formula, it is the law.

The Hon. DANIEL MOOKHEY: You have directed icare to produce a remediation claim by this Friday setting out the details of when the full extent of the problem will be known, a proposed approach and time frame for repaying workers, an approach to communicating with people who are affected, the details of efforts, reviews and a risk assessment audit as well. Are you going to require icare to check every file?

Ms DONNELLY: I think it is too soon for me to say that. I think I want to see what the review and remediation plan is and whether there is further evidence that would enable a risk assessment so they could be focused and prioritised. I have also asked my team to be examining the data that we have for regulatory monitoring and I have sought information from both the Workers Compensation Commission and the Workers Compensation Independent Review Office about the patterns of disputes and complaints about weekly payments so that we can do some level of risk assessment.

The Hon. DANIEL MOOKHEY: Do you have a similar financial quantum, or was one ever shared with you by icare, about the scope and scale of the overpayment issue?

Ms DONNELLY: The information I have is that it could be of a similar scale.

The Hon. DANIEL MOOKHEY: Same scale? So in terms of the financial implications we are talking similarly \$20 million, \$40 million—

Ms DONNELLY: I would have to say they will have more information than me. This is a very high-level estimate. The indication that they gave to me from the information I have is that there is a similar number of errors found in the audit sample for overpayment as underpayment. There is nothing that I can see from the information that was given to me that would say that it is not of the same sort of quantum.

The Hon. DANIEL MOOKHEY: Effectively, we are looking at \$40 million to \$80 million that has somehow been incorrectly paid in some respect?

Ms DONNELLY: Potentially—yet to be validated but, yes, potentially. That is the information I have been given.

The Hon. DANIEL MOOKHEY: Ms Donnelly, I will spare you for a couple of minutes and direct some questions to the Information Commissioner. The GIPA Act requires agencies to publish the details of contracts that they entered into, I think, within 45 days after the point of—

Ms TYDD: That is correct, unless there are conditions precedent—

The Hon. DANIEL MOOKHEY: Can you use the microphone?

Ms TYDD: Sorry. Unless there are conditions precedent. I am sorry if you could not hear me. Is that better?

The Hon. DANIEL MOOKHEY: Yes. Forty-five days is the legal requirement, yes?

Ms TYDD: Unless there is a condition precedent.

The Hon. DANIEL MOOKHEY: Do you audit agencies to check whether they are compliant?

Ms TYDD: We have conducted audits in relation to compliance with contract reporting requirements. We have been actively engaged with some agencies in that regard as well. The threshold is at \$150,000.

The Hon. DANIEL MOOKHEY: How many audits have you completed of agencies in the last two years?

Ms TYDD: In relation to contract registers or more broadly?

The Hon. DANIEL MOOKHEY: Yes, compliance with that requirement to publish their contracts.

Ms TYDD: Part of the annual report on the operation of the GIPA Act is to assess compliance requirements with mandatory product and disclosure, and that can include contract requirements. That goes to both small agencies and larger agencies and it is contained in the report on an annual basis. In recent times we have been engaged with another agency, Transport for NSW, in looking at its ability to ensure that its contracts were uploaded in compliance with the GIPA Act requirements.

The Hon. DANIEL MOOKHEY: That is encouraging. We will ask them on Wednesday how that is going. Have you checked icare?

Ms TYDD: To the best of my knowledge, that is not an agency that I have assessed but I will take that on notice.

The Hon. DANIEL MOOKHEY: On 25 February icare published the details of 179 contracts, the overwhelming majority—if not all—well past the 45-day requirement to publish. In fact, these contracts go back to 2018. The total sum of money that it reported was \$180 million worth of public spending that it engaged in without actually reporting it on the database in time. To the best of your knowledge, has any other agency done that in the last year?

Ms TYDD: I am not aware of any agency, if you like, uploading in bulk in that way.

The Hon. DANIEL MOOKHEY: It is unusual?

Ms TYDD: Yes.

The Hon. DANIEL MOOKHEY: Would that be cause for you to inquire?

Ms TYDD: That would certainly be something that I would consider from a compliance perspective, because it is quite an unusual matter. The quantum is quite large and the compliance requirements are quite clear under the GIPA Act; so too is the guidance we provide to agencies. That is something that on the face of it would cause me to inquire further.

The Hon. DANIEL MOOKHEY: Let me just ask you: Can you inquire into it?

Ms TYDD: Indeed.

The Hon. DANIEL MOOKHEY: Thank you. To the regulator: Of these 179 contracts, icare did not put 170 of them to tender. Some of them, to be fair, are for the icare Foundation, and that is for sponsorship of a variety of different groups that are eligible for support. But 170 of them were not put to tender, which were worth \$180 million of money that was given out without tenders. Do you have the power to investigate that?

Ms DONNELLY: I am regulating—I think I have explained this before but you may not have been in the room, Mr Mookhey, so—

The Hon. DANIEL MOOKHEY: Forgive me. I was asking the Secretary of Treasury—

Ms DONNELLY: No, absolutely fine. SIRA's responsibility is to regulate workers compensation and other schemes. Home building and workers compensation are two that icare deliver businesses—business lines

that I regulate. For the Nominal Insurer, I am regulating its delivery of workers compensation. For the Home Building Compensation Fund, I am regulating its delivery of home building compensation. For the Treasury Managed Fund, I am regulating its management of workers compensation, but not the other.

The Hon. DANIEL MOOKHEY: That's simple.

Ms DONNELLY: SIRA's responsibility does not extend to oversight of icare as an entity or all of its business lines. There are some prescribed regulatory decision points with some of the other schemes, but on the whole it is scheme by scheme. I do require information from time to time as part of premium filings to understand what its expenses are, but not to the same degree that, for instance, if you were a regulator overseeing the whole operation.

The Hon. DANIEL MOOKHEY: Sitting here right now, are you saying that you do not think you have the authority to investigate icare's decision to let \$180 million worth of spending without tender?

Ms DONNELLY: I am happy to take it on notice and in fact get legal advice, but I think there is a question about that, absolutely, and I would not expect that that is my accountability. I will say there is a complexity there in that icare manages the Nominal Insurer, but it is a very unique statutory entity that is not subject to the same financial management controls, procurement controls et cetera as other government entities or public sector entities.

The Hon. DANIEL MOOKHEY: For what it is worth, Ms Donnelly, the Treasury just concurred with that view. I put these questions to the Treasury, because icare is a part of the Treasury cluster. I asked the Secretary of NSW Treasury whether he is confident that he has the authority to investigate this decision and his answer was he is not—he is actually adopting the identical course of action that you are, which is to seek advice as to whether he can do anything about this. It goes to the point, though, that icare is unique in terms of the scope and power of your ability to regulate it.

Ms DONNELLY: Certainly the Nominal Insurer is. I will say that I think very carefully about information that I come across and whether there is someone else, an oversight body, that needs to be informed. That might be the Australian Prudential Regulation Authority—we have a memorandum of understanding with APRA—and Treasury I have mentioned before. It would strike me that the Audit Office would have some oversight.

The Hon. DANIEL MOOKHEY: General authority that they might be able to use in this respect. By the way, have you made any references that you have come across in the last two years of behaviour that you have witnessed from the Nominal Insurer, or for that matter any insurer, that you have referred to any external authorities?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: Which external authorities have you made references to?

Ms DONNELLY: I might have to check my notes, but certainly we will have Federal organisations like APRA, Australian Securities and Investments Commission and others that we may identify insurer behaviour that we would refer. I also made the observation earlier today—

The Hon. DANIEL MOOKHEY: I am talking about the workers compensation scheme, not compulsory third party.

Ms DONNELLY: There are APRA authorised insurers in workers compensation—

The Hon. DANIEL MOOKHEY: I know, but just to be clear that that is the distinction.

Ms DONNELLY: That you are asking about workers compensation?

The Hon. DANIEL MOOKHEY: Yes.

Ms DONNELLY: I would have to take that on notice.

The Hon. DANIEL MOOKHEY: Have you made any references to any State-based authority of matters which might require further investigation?

Ms DONNELLY: I have.

The Hon. DANIEL MOOKHEY: To which agencies?

Ms DONNELLY: I have, from time to time, come across information which triggers section 11 of the ICAC Act. I have shared information with the Audit Office.

The Hon. DANIEL MOOKHEY: You have made references under section 11 of the ICAC Act and you have made references under the Audit Act as well. Did you make references to ICAC under section 11?

Ms DONNELLY: I have done on a number of occasions in the two times that I have been the principal officer of an agency. I will just say I am hesitating here because part of the guidance from ICAC, if you do do that, is not to tip everybody off and talk about—

The Hon. DANIEL MOOKHEY: Yes, and that is why I am going to stop that line of questioning right here, for what it is worth, notwithstanding the overwhelming temptation I have to continue.

Ms DONNELLY: So I am talking in general terms.

The Hon. DANIEL MOOKHEY: But you have made references in respect of the workers compensation scheme under section 11?

Ms DONNELLY: I think I would rather take that on notice.

The Hon. DANIEL MOOKHEY: Sure, and under the Audit Act you have made similar references to the Audit Office?

Ms DONNELLY: I will take that on notice as well, but certainly I have a strong relationship with the Audit Office. Obviously they oversee us and there are—

The Hon. DANIEL MOOKHEY: Yes, they oversee us too, for what it is worth.

Ms DONNELLY: For instance, some of the auditing that we are doing at icare we are doing jointly with the Audit Office, so I have a co-regulator type arrangement on occasion with them as well.

The Hon. DANIEL MOOKHEY: Is that so you can use their powers or the matters can be investigated using their powers?

Ms DONNELLY: No, it is using my powers, but acknowledging that they might as well be doing similar audits at the same time and it is in order to be able to do it jointly to reduce the burden and increase the benefit of the audits.

The Hon. DANIEL MOOKHEY: Have you made references to the NSW Police Force?

Ms DONNELLY: I cannot recall that, me personally or our organisation. I will take it on notice.

The Hon. DANIEL MOOKHEY: Can I quickly detour off this subject and go on to another: Have we got data on the amount of people who have had benefits terminated under the medical benefit section 59?

Ms DONNELLY: I have some figures, but I am happy to take that on notice—it might take me a little while to actually find them here.

The Hon. JOHN GRAHAM: While you are doing that, I might just ask a question on one separate matter. This relates to the consultant reports that are indicated in the Service NSW annual report for 2018-19. There are 11 of those consultant reports that are consultancies of value equal to or greater than \$50,000—

Ms HOGAN: Yes.

The Hon. JOHN GRAHAM: Could we get some more detail about the purpose of each of those 11 reports?

Ms HOGAN: I would have to—

The Hon. JOHN GRAHAM: On notice.

Ms HOGAN: Yes.

The Hon. JOHN GRAHAM: That would be helpful. Of those 11 reports, how many of them are public?

Ms HOGAN: The consultant reports?

The Hon. JOHN GRAHAM: Those 11 consultant reports over \$50,000.

Mr REES: If I can just clarify, what I was agreeing to was to provide information around what those consultant engagements—

The Hon. JOHN GRAHAM: Yes, so on notice I think you have agreed to provide additional detail about the purpose of those 11.

Mr REES: That is right. Not all 11 consultancy engagements will result in a report, so a number of those consultant engagements might be providing professional services in the delivery of other outcomes but where we have reports, we can table those.

The Hon. JOHN GRAHAM: That is a very good point, so of those that have produced reports, can you tell us now how many are public?

Mr REES: No, I cannot, I would have to take that on notice.

The Hon. JOHN GRAHAM: On notice, yes, if you could tell us have they produced reports and, if so, are they public? If they are not public, I would request that you table them with the Committee. Just to confirm for Hansard, you are nodding—

Mr REES: I understood, yes.

The Hon. JOHN GRAHAM: I know you understood, I was just hoping Hansard would be able to understand as well.

Ms HOGAN: We will take it on notice.

The Hon. DANIEL MOOKHEY: Ms Donnelly, do you have those numbers?

Ms DONNELLY: For the particular cohort that were impacted by section 39 and who are now, two years later, exiting medical entitlements because their permanent impairment is between zero and 10 per cent, they have started to exit the entitlement for medical benefits from about October last year and I think to date, in that period, roughly about 1,400.

The Hon. DANIEL MOOKHEY: About 1,400?

Ms DONNELLY: I am adding it up looking at the numbers myself, so I am happy to take it on notice and validate, but that is the dimension.

The Hon. DANIEL MOOKHEY: That is the range?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: Do you know how many of them are on pain relief?

Ms DONNELLY: I will know that of that cohort about 48 per cent are accessing some form of pharmaceuticals. I will say that we have implemented a worker health support program that is funded by the SIRA for the first 12 months to fund additional GP and allied health support so that people can transition and manage any of the health issues that otherwise would be a sudden problem.

The Hon. DANIEL MOOKHEY: Can I now turn to another matter: You are aware that icare commissioned what is called a forensic claim review into a matter relating to a claim. Are you aware of that?

Ms DONNELLY: I know the matter that you are talking about.

The Hon. DANIEL MOOKHEY: I think I may have asked you some questions.

Ms DONNELLY: Yes, you did, so I am aware, absolutely.

The Hon. DANIEL MOOKHEY: Have you been provided copies of the outcomes of that forensic claims review?

Ms DONNELLY: We have some copies of some reports on different dates. Let me explain myself. I believe that we do not have the full documentation. I have formally written to icare and to the employer and to the scheme agent—

The Hon. DANIEL MOOKHEY: At the time.

Ms DONNELLY: Under the legislation, requiring all of the information, because I have now escalated it to a full investigation and claim audit.

The Hon. DANIEL MOOKHEY: So it is a full investigation now?

Ms DONNELLY: And a claim audit, yes.

The Hon. DANIEL MOOKHEY: And a claim audit?

Ms DONNELLY: Yes, over three claims.

The Hon. DANIEL MOOKHEY: This matter arose because the claimant alleged that, at the behest of the employer, the scheme agent changed evidence which resulted in their claim being denied. That claim was referred by the Nominal Insurer to KPMG to investigate, and KPMG effectively substantiated the claim. Is that your understanding of events?

Ms DONNELLY: I have seen some of the documentation. I have in fact met one of the claimants or complainants. I do not have all the information. There was an initial assessment some time ago with SIRA. I have a separate team, for some independence, internally going through that matter and I do not have all the detail.

The Hon. DANIEL MOOKHEY: When do you think your full investigation will be completed?

Ms DONNELLY: I would like it to be completed as soon as possible. We have not yet received all of the information that we have sought. I think it, reasonably, it may take another month or two months.

The Hon. DANIEL MOOKHEY: Do you know how much icare has spent to date on this matter?

Ms DONNELLY: My team may have that information. I do not have it to hand.

The Hon. DANIEL MOOKHEY: Do you mind taking that on notice?

Ms DONNELLY: I can take that on notice.

The Hon. DANIEL MOOKHEY: On a slightly related matter, you have the power to issue fines and prosecutions for underpayments of weekly benefits, do you not?

Ms DONNELLY: In terms of the matter, yes, I have the power to issue letters of censure, penalty notices or, in fact, a court appearance notice.

The Hon. DANIEL MOOKHEY: Are you subjecting this whole episode to an investigation that may trigger those powers?

Ms DONNELLY: The audit is to investigate. I will not get ahead of that process.

The Hon. DANIEL MOOKHEY: So the audit is the investigation?

Ms DONNELLY: The audit will investigate both risk management, but also potentially compliance and enforcement.

The Hon. DANIEL MOOKHEY: When was the last time you imposed a penalty for underpayment of weekly benefits?

Ms DONNELLY: The penalties that we have imposed have been more about delay in payment or, in fact, breaches of the premium guidelines. I do not recall and I do not believe that we would have issued a penalty in that sort of matter before. I think have I explained before, SIRA has really had to build from the ground up the regulatory capability and we are also subject to Government guidelines about litigation between agencies. We do tend to meet, exchange information, communicate expectations, issue warnings, request changes and go through a due process before we get to escalating to penalty and then, ultimately, potentially prosecution. We consider that to be appropriate. That is Government practice in line with policy.

The ACTING CHAIR: Thank you. That concludes the estimates hearing. Thank you for your attendance today.

(The witnesses withdrew.)

The Committee proceeded to deliberate.