



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

## **BUDGET ESTIMATES 2019-2020 Supplementary Questions**

**Portfolio Committee No. 6 – Transport and Customer Service**

### **CUSTOMER SERVICE**

Hearing: Monday 28 October 2019

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## CUSTOMER SERVICE

Questions from Ms Cate Faehrmann MLC
<b>Alcohol Advertising</b>
The 2017/18 Parliamentary Inquiry into the Alcoholic Beverages Advertising Prohibition Bill recommended “the NSW Government consider appropriate restrictions and/or exclusions on alcohol advertising on all government infrastructure and property, particularly advertising to which children and young people are exposed.” In response the Government said that individual agencies have their own alcohol advertising policies.
1. Can you please provide the policies for each government department/ agency on advertising alcohol on government property?
2. Can you please provide the policies for each government department/ agency on advertising junk food on government property?
3. Can you please provide the policies for each government department/ agency on advertising gambling on government property?
4. How much money does the Government receive each year from advertisements on government property for alcohol products and businesses that sell alcohol?
5. How much money does the Government receive each year from advertisements on government property for junk food products and fast food outlets?
6. Can the government confirm when the advertising contracts on public transport are due to be renegotiated and what steps it will take to ensure that unhealthy commodities such as alcohol are phased out?
<b>ANSWER 1-6:</b>  The Department of Customer Services is responsible for supporting the administration of government advertising in accordance with the <i>Government Advertising Act 2011 (Act)</i> . The Act applies to NSW Government agencies that undertake advertising through any advertising channel.  The Department of Customer Service is not responsible for the management of third-party advertising displayed on other agencies assets or channels. These are separate commercial arrangements the responsibility of the relevant agency. This is not considered government advertising under the <i>Government Advertising Act 2011</i> .  Service NSW permits advertising on the Service NSW website and on the in-store screens inside service centres. The Guidelines for acceptance and publishing of third party advertising is published online at <a href="https://www.service.nsw.gov.au/advertising-guidelines">https://www.service.nsw.gov.au/advertising-guidelines</a>

<b>Gambling</b>
7. When was the last public review of electronic gaming machine features that are banned in other jurisdictions carried out in NSW?
8. What provision is being made for the introduction of video gaming components into poker machines in terms of standards, regulations and reviews?
9. Last week the Department of Liquor and Gaming released data on poker machine losses. Given almost all the increases across council areas are due to pub pokies being used more intensively, what efforts have been undertaken by Liquor and Gaming to monitor the venues with the largest per machine rises to check on RCG?
10. Will the Minister change the name of the Awareness week as requested by the Upper House?
<b>ANSWER:</b>
7. There are no plans to conduct a public review on this matter.  Liquor & Gaming NSW continuously monitors developments in gaming machine laws in other jurisdictions, including via its role as the co-chair of the National Standards Working Party.
8. Liquor & Gaming NSW has commissioned research to understand the impacts of certain gaming machine features and to assist in determining whether changes to the existing technical standards may be required.  Liquor & Gaming NSW is also working with other jurisdictions to ensure there is a consistent evidence-based approach to assessing gaming machine features.
9. Responsible conduct of gambling is identified as one of Liquor and Gaming NSW's 2018-20 Regulatory Priorities  Liquor & Gaming NSW takes an intelligence led and risk-based approach to its work. Gaming machine data is one of several sources of information used to inform industry supervision activities in relation to Responsible Conduct of Gambling obligations.
10. There are no plans to change the name.
<b>Questions from the Hon Mark Buttigieg MLC (on behalf of the NSW Labor Opposition)</b>
<b>Position of Secretary of the Department and NSW Customer Service Commissioner</b>
11. At the Budget Estimates hearing on 12 September 2019, then Secretary of the Department of

Customer Service Glenn King stated the position of Secretary of the Department of Customer Service and Customer Service Commissioner were “one and the same” (Transcript, page 51). In relation to this:

(a) Are the positions of Secretary of the Department of Customer Service and NSW Customer Service Commissioner separate or distinct roles?

(b) Why has the NSW Government decided to maintain a position of Customer Service Commissioner now that the Department of Customer Service has been created?

(c) Has Emma Hogan been appointed as Secretary of the Department of Customer Service and Customer Service Commissioner?

i. If so, does Ms Hogan receive any remuneration for the role of Commissioner which is additional to the remuneration she receives as Secretary?

**ANSWER:**

(a) The positions are currently held jointly by Emma Hogan.

(b) This information is publicly available.

(c) This information is publicly available.

(i) No

12. At the time of the hearing on 28 October 2019, the NSW Department of Premier and Cabinet website contained information regarding the role of NSW Customer Service Commissioner (<https://www.dpc.nsw.gov.au/programs-and-services/nsw-customer-service-commissioner/>). In relation to this:

(a) Is the position of NSW Customer Service Commissioner part of the “Customer Service” cluster or the “Premier and Cabinet” cluster?

(b) Is the position of NSW Customer Service Commissioner established by any legislation?

i. If so, what legislation?

(c) The information on the Department of Premier and Cabinet’s website states “The Customer Service Commissioner advocates for the citizens of NSW by providing independent advice to the NSW Government”. How can the Commissioner’s advice be “independent” if the Commissioner is also a Secretary subject to Ministerial control and direction under section 84 of the *Government Sector Employment Act 2013* (NSW)?

(d) Does the Customer Service Commissioner report to the Premier, the Minister for Customer Service, or both?

**ANSWER:**

- (a) Customer Service Cluster. This information is publicly available. [See *Administrative Arrangements (Administrative Changes—Public Service Agencies) Order 2019* (NSW) s22(1)(a) at <https://legislation.nsw.gov.au/regulations/2019-159.pdf>.]
- (b) This information is publicly available.
- (c) There has been no change to the Customer Service Commissioner functions.
- (d) The Customer Service Commissioner reports to the Minister for Customer Service.

**Former Secretary of the Department and Property Exchange Australia**

13. On what date did the Minister for Customer Service become aware that Glenn King would leave his position as Secretary of the Department of Customer Service?

14. On what date did the Minister for Customer Service become aware that Glenn King was being considered for the role of Chief Executive Office of Property Exchange Australia (PEXA)?

15. Did Mr King have any involvement in the sale of the NSW Government's interest in PEXA during his time in the NSW public service?

(a) If so, what involvement did Mr King have?

16. Did Mr King provide any advice or take any actions regarding interoperability standards for electronic conveyancing during his time in the NSW public service?

(a) If so, what advice did Mr King provide and what actions did he take?

17. Did Mr King have any involvement in correspondence between Minister Dominello, his cousin Beth Dominello and staff in Minister Dominello's office regarding PEXA?

18. Has the NSW Government taken action to manage risks associated with Mr King's new position as recommended by the NSW Independent Commission Against Corruption (<https://www.icac.nsw.gov.au/prevention/basic-standards/post-separation-employment/developing-a-strategy>)?

(a) If so, what actions have been taken?

(b) If not, why?

19.	Was the NSW Independent Commission Against Corruption asked to provide advice regarding Mr King's post-separation employment?
	(a) If so, what advice did the NSW Independent Commission Against Corruption provide?
	(b) If not, why?
20.	Was the NSW Public Service Commissioner asked to provide advice regarding Mr King's post-separation employment?
	(a) If so, what advice did the NSW Public Service Commissioner provide?
	(b) If not, why?
21.	Was the NSW Department of Premier and Cabinet asked to provide advice regarding Mr King's post-separation employment?
	(a) If so, what advice did the NSW Department of Premier and Cabinet provide?
	(b) If not, why?
22.	What measures prevent Mr King using NSW Government confidential information which he learned as Secretary of the Department of Customer Service in his new role as Chief Executive Officer of PEXA?
23.	What legislation or policies apply to employees in the Customer Service cluster in relation to their employment after the separation from the NSW public service?
24.	What legislation or policies apply to employees in the Customer Service cluster in relation to managing contacts with former public service employees who have taken on roles with private organisations which are regulated by agencies within the Customer Service cluster?
<b>ANSWER:</b>	
13.	13 October 2019.
14.	13 October 2019.
15.	No. The transaction for the NSW Government's interest in PEXA was managed by NSW Treasury. During this time, Mr King was working in the Department of Premier and Cabinet and was in no way involved with the transaction.
15a.	N/A
16.	No. Mr King was not involved in the Office of the Registrar General's work regarding

interoperability among electronic lodgement network operators. As Mr King had engaged with PEXA in his former role at National Australia Bank, Mr King excluded himself from any decisions regarding PEXA and delegated this responsibility to the Deputy Secretary, Better Regulation Division, Rose Webb.

16a. N/A

17. No.

18. Yes

18a. Mr. King declared a potential Conflict of Interest whilst Acting Secretary Department of Finance, Services and Innovation (DFSI), and delegated any decisions in relation to PEXA, to Rose Webb, Deputy Secretary, Better Regulation Division. In addition, PEXA is regulated by the Office of the Registrar General which reports directly to the Deputy Secretary, Better Regulation and not the Secretary, Department of Customer Service (DCS). Mr King was given no access to confidential information relating to PEXA during his time as Acting Secretary DFSI, or thereafter as Secretary DCS.

Mr. King's actions were appropriate to the Public Service Commission's (PSC) Code of Ethics and Conduct for NSW government sector employees (PSC Code) mandatory conduct requirements to be demonstrated by government sector employees. DCS adopts the PSC Code and further supplements required behaviours in its own Code of Ethics and Conduct under Section 2 Clause 17 (Specific Obligations – Obligations after leaving the Department). Both documents are publicly available on respective websites.

18b. N/A

19. No.

19a. N/A

19b. The actions taken at the commencement of Mr King's assignment to the Secretary role, together with the obligations under respective Codes of Conduct were considered sufficient.

20. No.

20a. N/A

20b. The actions taken at the commencement of Mr King's assignment to the Secretary role, together with the obligations under respective Codes of Conduct were considered sufficient.

21. No.

21a. N/A

21b. The actions taken at the commencement of Mr King’s assignment to the Secretary role, together with the obligations under respective Codes of Conduct were considered sufficient.

22. Mr King was given no access to confidential information relating to PEXA during his time as Acting Secretary DFSI, or thereafter as Secretary DCS. Mr King is bound by the continuing provisions in the PSC and DCS Codes of Conduct.

23. The following apply:

- The Government Sector Employment Act 2013.
- Public Service Commission’s (PSC) The Code of Ethics and Conduct for NSW government sector employees (PSC Code)
- DCS Code of Ethics and Conduct

24. The following apply:

- The Government Sector Employment Act 2013.
- Public Service Commission’s (PSC) The Code of Ethics and Conduct for NSW government sector employees (PSC Code)
- DCS Code of Ethics and Conduct

### **Cybersecurity**

25. In relation to the Auditor-General’s 2018 report titled “Detecting and responding to cyber security incidents”:

(a) Which recommendations have been fully implemented?

(b) Which recommendations have been only partially implemented?

(c) Which recommendations have not been implemented at all?

26. In relation to the NSW Government’s Cyber Security Strategy:

(a) Which elements of the Action Plan have been fully implemented?

(b) Which elements of the Action Plan have been only partially implemented?

(c) Which elements of the Action Plan have not been implemented at all?

**ANSWER:**



25a. Fully implemented:

- Develop whole-of-government procedures, protocol and supporting systems to effectively share reported threats and respond to cyber security incidents impacting multiple agencies, including post-incident reviews and communicating lessons learnt.
- Enhance NSW public sector threat intelligence gathering and sharing including formal links with Australian Government security agencies, other states and the private sector.
- Direct agencies to include standard clauses in contracts requiring IT service providers to report all cyber security incidents within a reasonable timeframe.

25b. Partially implemented:

- Assist agencies to improve their detection and response by providing:
  - better practice guidelines for incident detection, response and reporting to help agencies develop their own practices and procedures
  - training and awareness programs, including tailored programs for a range of audiences such as cyber professionals, finance staff, and audit and risk committees
  - role requirements and responsibilities for cyber security across government, relevant to the size and complexity of each agency
  - a support model for agencies that have limited detection and response capabilities
- Revise the Digital Information Security Policy and Event Reporting Protocol by:
  - clarifying what security incidents must be reported to DFSI and when
  - extending mandatory reporting requirements to those NSW Government agencies not currently covered by the policy and protocol, including State owned corporations
- Develop a means for agencies to report incidents in a more effective manner, such as a secure online template, that allows for early warnings and standardised details of incidents and remedial advice
- Provide assurance that agencies have appropriate incident reporting procedures by:
  - Extending the attestation requirement within the Digital Information Security Policy to cover procedures and reporting
  - Reviewing a sample of agencies incident reporting procedures each year

25c. All of the recommendations have either been implemented fully or partially

26a. Fully implemented:

- Support the Counter-Terrorism, Emergency Management and Community Safety Cabinet sub-committee (now via the Delivery and Performance Committee of Cabinet) by providing advice on cyber risks
- Provide regular briefings to the Secretaries Board, State Counter-Terrorism Committee and State Emergency Management Committee
- Create and support the Cyber Security Senior Officers Group for whole-of-government cyber risk governance
- Establish the Cyber Security Advisory Council to provide expert advice from outside government
- Develop shared cyber security terminology
- Establish a risk-based approach to cyber security
- Establish and manage enhanced relationships with Commonwealth initiatives including Joint Cyber Security Centre (JCSC) and CERT Australia
- Partner with NSW Department of Industry to develop a cyber skills pathway model for NSW Government agencies
- Establish NSW Government Cyber Readiness Program comprising
  - Response exercises for serious cyber incidents
  - A whole-of-government incident response model including connections at a national level
- Strengthened Digital Information Security Policy
- Establish minimum cyber security standards and require agencies to regularly assess and report against them
- Develop fit-for-purpose cyber assurance mechanisms for ICT and infrastructure projects
- Introduce a secure-by design approach for new initiatives including the Internet of Things and connected infrastructure, and integrate this into the connected infrastructure policy framework by 2020

- Design and implement protocol for engaging NSW Emergency Management during cyber crisis
- Establish cyber security incident response and remediation advisory service
- Establish an identity recovery service for customers of NSW Government whose identities become compromised from a cyber incident
- Review post-incident review protocol
- Establish mandatory cyber incident reporting requirements
- Implement Commonwealth-State response protocols

26b. Partially implemented:

- Develop a whole-of-government risk-based framework and communicate it across agencies
- Develop whole-of-government risk appetite model
- Design, implement and continually improve a whole-of-government cyber risk awareness program for NSW Government employees
  - Develop cyber awareness resources
  - Integrate cyber security training into induction programs
  - Establish web portal for training and collaboration
- Establish a panel of approved cyber security services
- Establish cyber security procurement contract terms
- Establish best-practice guidelines for incident detection, response and reporting
- Improved Information Sharing:
  - Establish inter-agency information sharing protocol
  - Regular notifications, security advisories and incident alerts distributed to all agencies from the GCISO and linked to Commonwealth and vendor threat intelligence feeds
  - Establish whole-of-government threat intelligence platform
- Establish a NSW Government Cyber Security Coordination Centre
- Establish a model whereby NSW Government agencies share cyber skilled personnel

during a crisis or major incident

- Create standard cyber security role definitions
- Conduct resilience review of NSW capacity to recover from serious cyber events

26c. All of the elements of the Action Plan have either been implemented fully or partially

### **Digital Drivers Licences**

27. On what date did the Minister for Customer Service first become concerned about the stability of Digital Drivers Licences?

28. Did the Minister for Customer Service have concerns regarding the stability of Digital Drivers Licences in June 2019?

29. In response to a question taken on notice at the Budget Estimates hearing on 12 September 2019, the Minister stated \$14 million had been spent on the Digital Drivers Licence project “to date”. In relation to this:

(a) What is the current amount which has been spent on the Digital Drivers Licence project?

(b) What is the total budget for the Digital Drivers Licence project?

(c) Has an additional funding been allocated to the Digital Drivers Licence project:

i. To address the Minister’s concerns regarding stability; and/or

ii. As a result of the delayed state-wide rollout of this project?

(d) Why is the budget for the Digital Drivers Licence project not specified in the Budget Papers?

### **ANSWER:**

27. As previously stated, stability refers to managing high levels of customer demand. Government sought additional independent assurances regarding technology infrastructure, security and privacy before launching the Digital Driver Licence.

High levels of customer demand for the Digital Driver Licence upon launch were expected. However, the number of customers accessing their Digital Driver Licence when it launched exceeded expectations. This shows the product is hugely popular with customers.

Service NSW has processes and controls in place to manage customer demand to protect

Service NSW systems. When the Digital Driver Licence became available, these control processes successfully protected the overall infrastructure, and ensured continuation of services.

28. No.

29a. As at October 2019, expenditure is \$15.2 million

29b. \$16.3 million

29c. No

29d. The context of the Budget Papers are a matter for Treasury.

### **New Service NSW Centres**

30. On 12 February 2019, the NSW Government announced new Service NSW Centres would be built at Merrylands, Randwick, Revesby, Northmead, Engadine, Glenmore Park, Prestons/Edmondson Park, Roselands, North Sydney and Schofields. In relation to this:

(a) By what date will each of these new Service NSW Centres be built?

(b) How were these locations chosen?

(c) Does the NSW Government have any plans to establish any new Service NSW Centres outside metropolitan Sydney during the next four years?

### **ANSWER:**

The roll-out of the ten new Service NSW centres is currently in the early stages of planning and will be staged across the next four years.

In providing advice to the Government on potential locations for new Service Centres, Service NSW undertakes a data-driven analysis which includes population growth, postcode mapping, transaction volume (current and forecast), travel distance and time to the nearest service centre, surrounding sites' utilisation rates and wait times across the existing service network. Other considerations include Socio-Economic Indicators for Areas (SEIFA), unemployment rates at the post-code level to inform societal impact and obligation within the NSW economy, and geographical influences such as public transport options. For Sydney metro locations, the recommendations for the future Service NSW network must also align with the Greater Sydney Commission vision of a Metropolis of Three Cities, Transport for NSW Network and Corridor.

### **Budget Papers**

31. In response to supplementary questions asked following the Budget Estimates hearing on 12

September 2019 (Questions 41 - 46), the Government stated “the department is still developing the details of the initiatives and programs that are being funded this financial year”. In relation to this:
(a) Why were initiatives and programs funded in the Budget if the department was still developing their details?
(b) Has the department now finalised the details of the initiatives and programs that are being funded this financial year?
i. If so, what are the answers to supplementary questions 41 – 46 which were asked following the Budget Estimates hearing on 12 September 2019?
ii. If not, when will this information be finalised?
32. Why did Service NSW spend approximately \$95 million more on employee related expenses in the 2018-19 financial year than was allocated to it in the 2018-19 Budget?
33. What were the \$2.5 million worth of grants and subsidies paid by Service NSW in 2018-19 in relation to?
34. Why did Service NSW incur approximately \$39 million more on depreciation and amortisation in the 2018-19 financial year than was budgeted for in the 2018-19 Budget?
35. How will Service NSW reduce employee related expenses from \$256 million in 2018-19 to \$146 million in 2019-20?
(a) Will there be any reduction in full-time equivalent positions at Service NSW in 2019-20?
i. If so, how many full-time equivalent positions will be reduced at Service NSW in 2019-20?
36. Why has the value of Service NSW’s intangible non-current assets fallen from approximately \$211 million in the 2018-19 Budget to approximately \$81 million in the 2019-20 Budget?
37. What types of intangible assets are held by Service NSW?
38. Why do the 2019-20 Budget Papers show Service NSW to have land and building assets worth approximately \$117 million when these assets are not attributed to Service NSW for 2018-19?
39. Why have total liabilities for Service NSW increased from approximately \$61 million in the 2018-19 Budget to \$188 million in the 2019-20 Budget?
40. Why will Service NSW incur approximately \$2.9 million in finance costs in 2019-20 when it did

not incur any finance costs in 2018-19?

**ANSWER:**

- 31a. Not all initiatives and programs are awarded specific budgets. The department needed to align its total budget envelope post Machinery of Government (MoG) to best deliver to the Government's desired outcomes for the people of NSW Wales.
- 31b. i. This information is available on the NSW Budget 2019-2020 website.
- 31b. ii. N/A
32. Budget allocations are managed at a Cluster-level, not by individual agency. In 2018-19 funding was redistributed within the then Finance, Services and Innovation Cluster to allow Service NSW to deliver on new government initiatives and an increased scale of operation since the original budget was released. The Cluster operated within its overall budget limits for 2018-19.
33. Payments to RMS to reimburse the cost of motor registries yet to be integrated into the Service NSW network. This grant expense reduces overtime as the remaining motor registries are converted to Service Centres. The equivalent expense for 2017-18 was \$13.3 million.
34. This is due to a change in the application of an accounting policy which reduced the useful life of intangible assets from 10 to 4 years.
35. Budget allocations are managed at a Cluster-level, not by individual agency. The Customer Service Cluster is endeavouring to manage within its overall budget limits through the implementation of various initiatives. These initiatives include the consolidation of common corporate services and customer-facing functions, as well as reducing or stopping activities with minimal customer impact.
- 35a. Yes. The initiatives mentioned in the response above will result in a reduction in full-time equivalent positions across the Cluster in 2019-20, including at Service NSW.
- i. The Cluster is still working through this detail and is unable to quantify at this stage.
36. The decrease is due to the amortisation of asset values over their 4 year useful life, and impairment of certain assets that are no longer in use or have been superseded.
37. Mostly digital products and platforms.
38. This is the result of the introduction of the new Leases accounting standard (AASB 16). From 1 July 2019 all operating lease commitments are grossed-up as both an asset and a liability on the balance sheet.

39. As per response to question 38, this is largely due to the introduction of the new Leases accounting standard.
40. As per responses to questions 38 & 39, this is due to the introduction of the new Leases accounting standard; specifically the recognition of interest on lease liabilities from 1 July 2019.
<b>Service NSW location in Randwick</b>
41. Will the government follow through on its commitment to open a Service NSW customer service centre in Randwick?
(a) When will the government begin work to find a location for the Customer Service Centre?
(b) When does the government plan to open the promised Randwick Customer Service Centre in Randwick?
<b>ANSWER:</b> The roll-out of the ten new Service NSW centres, including one for Randwick, is currently in the early stages of planning and will be staged across the next four years.
<b>Service NSW Centre for Shellharbour</b>
42. On the 12 February 2019, it was announced that 10 new Service NSW Centres would be established in growth suburbs across Sydney. When will the NSW Government offer a similar commitment to establish a Service NSW Centre in the Shellharbour electorate?
(a) How many electorates across NSW, do not currently have a dedicated Service NSW Centre?
(b) What level of customer demand would need to be demonstrated for a Service NSW Centre to finally be installed in the Shellharbour electorate?
43. In a letter to the Member for Shellharbour, dated 24 July 2019, the Minister has encouraged the residents of the Shellharbour electorate to utilise digital channels when interacting with Service NSW. What avenues to access government services are available to those people from the Shellharbour who do not have access to the internet?
44. Why was the decision made to close the Motor Registry in Shellharbour in 2015?
45. Why was the Service NSW Digital Pop-up store at Stockland Shellharbour closed?
<b>ANSWER:</b> 42. Service NSW continually monitors its network and identifies potential locations based on



factors such as estimated population growth by region, and the distance to and utilisation of the nearest Service NSW Centre.

- 42a. Service NSW utilises Local Government Area (LGA) as a measure of coverage. There are 11 LGAs which do not have a permanent Service NSW physical presence. with the Mobile Service Centre routes incorporated, there are 2 LGAs which do not have a Service NSW presence.
- 42b. Service NSW continually monitors its network and identifies potential locations based on factors such as estimated population growth by region, and the distance to and utilisation of the nearest Service NSW Centre.
43. Customers who do not have access to the internet can visit nearby Service NSW Service Centres in Warrawong, Wollongong and Kiama, each of which are within a 15 - 30 minute drive from Shellharbour.
44. The previous Shellharbour motor registry was a small site and was unable to accommodate Service NSW requirements and driver testing to meet the current and future needs of the region. The site merged with the new Warrawong Service Centre as it was identified as the ideal location to meet Service NSW needs, including driver testing for all classes of vehicles.
45. The Digital Store in Shellharbour was a temporary pop-up designed to promote the transition of services and transactions to digital channels, it was closed in July 2017.