

## Customer Service

### Budget Estimates Further Hearings 2019-20

#### Questions taken on notice

**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

#### ANSWER

Subject to eligibility criteria being met it is estimated that these landholders will be eligible for bushfire relief.

**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.

#### ANSWER

Please refer to the Supplementary Questions.

**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.

#### ANSWER

Application for the regional seniors travel card was available from the 29 January 2020 for eligible customers. The first batch of cards were mailed out to customers on the 16 February 2020.

As of March 2020, cards are dispatched within 1 working day of successful application. Customers receive their cards within 5 to 10 days. The timeframe is dependent on the postal service and the customer's postal address.

**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.

## ANSWER

The Seniors Travel card is administered by Transport for NSW and issued by Westpac as a Visa card.

**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 employee 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.

**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.

**ANSWER**

Return to work data is publicly available on SIRA's open data portal.

**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.

**ANSWER**

SIRA executives meet regularly with the Minister and provide updates on the workers compensation scheme as they arise.

**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.

**ANSWER**

Please refer to the previous answer.

**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.

**ANSWER**

The SIRA Board agenda and all meeting papers are provided to the Minister's Office after each SIRA Board meeting. SIRA also provides briefings on specific matters as required and the SIRA Chief Executive, who is a member of the SIRA Board, meets regularly with the Minister's Office.

SIRA is an independent regulator not subject to Ministerial direction except in specific circumstances as prescribed in the *State Insurance and Care Governance Act 2015*.

**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 expect 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.

#### ANSWER

A service provider agreement (SPA) was entered into between icare and EML effective from 1 January 2018. SIRA was provided with a copy of the SPA and associated schedules, attachments and appendices in September 2018.

However as noted, SIRA does not have the power to direct icare's claims management approach, or icare's contracts with agents.

**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.

#### ANSWER

Veterans can now apply through Service NSW.

**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.

**ANSWER**

Please see above.

**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.

**ANSWER**

Please see above.

**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?

**ANSWER**

Please see above.

**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.

**ANSWER**

This is a matter for the Minister for Regional Transport and Roads.

**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.

**ANSWER**

As at 21 April 2020, 2,144 individual applicants applied and had their claim accepted. The online application only accepts applicants with a valid RFS or SES reference number. Applicants who do not have this number cannot progress through the application as they are ineligible. For this grant there are no rejections. If you have a validated membership number, complete the self-declaration, then your application is completed.

**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.

#### ANSWER

Fair Trading has now placed the report on its website:

[https://www.fairtrading.nsw.gov.au/data/assets/pdf\\_file/0017/604520/Independent-review-of-the-Building-Professionals-Act-2005.pdf](https://www.fairtrading.nsw.gov.au/data/assets/pdf_file/0017/604520/Independent-review-of-the-Building-Professionals-Act-2005.pdf).

**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.

#### ANSWER

Transaction Name	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Individual - New Application	1,024	908	1,146	1,111	1,295	1,356	1,111	1,066	1,056	835	932	1,136	907
Permit to acquire	5,291	4,705	5,275	4,970	5,826	5,659	5,289	5,233	5,372	4,332	4,576	4,964	5,332
Reapplication	3,567	2,689	3,198	3,165	3,282	3,048	3,120	3,235	2,901	2,406	2,630	2,403	2,780

**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.

**ANSWER**

The National Standards Working Party (NSWP) is established by the Australasian Casino and Gambling Regulators CEO Forum. The purpose of the NSWP is to maintain and monitor the adequacy of the Australia/New Zealand Gaming Machine National Standard to meet current and emerging trends and developments.

The NSWP is made up of senior policy and technical officers of each jurisdiction.

**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.

**ANSWER**

The Independent Liquor and Gaming Authority has been presented with a report commissioned by the Responsible Gambling Fund Trust (*Literature review of the impact of electronic gaming machine characteristics on gambling harm*), which included findings in respect of losses disguised as wins. The Authority noted the potential for the report to inform policy review and development, as well gaming machine licensing decisions.

**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.

**ANSWER**



Section 62 of the *Gaming Machines Act 2001* provides that the Independent Liquor and Gaming Authority may approve of technical standards in relation to gaming machines. Section 62A of the Act requires the Authority to have due regard to the following when approving technical standards, or any gaming machine:

- (a) the need for gambling harm minimisation
- (b) the need to foster responsible conduct in relation to gambling,
- (c) the need to minimise the potential for any harm that may result from the approval of technical standards or from the declaration of a device as an approved gaming machine,
- (d) whether any feature, function or characteristic of any such device is likely to lead to an exacerbation of problem gambling.

In addition, the Authority may draw on any approved standards, contemporary research and experience in other jurisdictions when considering the approval of gaming equipment. This would include the findings of the *Literature review of the impact of electronic gaming machine characteristics on gambling harm*.

**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.

**ANSWER**

Please see above.

**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.

**ANSWER**

It is the intention to align NSW's Gaming Machine Prohibited Features Register with the Australia/New Zealand Gaming Machine National Standard and progress the development of a national approach to prohibited features and gambling harm minimisation.

The NSWP was scheduled report to the next Australasian Casino and Gambling Regulators CEO Forum in May 2020, but this has been postponed given current circumstances.

**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.

#### **ANSWER**

Please refer to the previous answer.

**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?

#### **ANSWER**

Cyber Security NSW does keep a register of cyber security incidents that are reported to it by agencies. The register was established in February 2017. Incident reporting to Cyber Security NSW by agencies is sensitive and not for public release.

**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.

**ANSWER**

Incident reporting to Cyber Security NSW by agencies is sensitive and not for public release.

**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.

**ANSWER**

Incident reporting to Cyber Security NSW by agencies is sensitive and not for public release.

**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.

**ANSWER**

Mandatory requirement 3.4 of the Cyber Security Policy requires that all agencies and departments ensure cyber security requirements are built into early stages of projects and the system development life cycle, including agile projects.

Cyber Security NSW has incorporated cyber security risk into the ICT Assurance Framework (ensuring secure-by-design).

**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.

**ANSWER**

The procurement of ICT and digital services including cyber security is decentralised. In that sense, each Cluster is accountable for managing risks and ensuring each contract complies with mandatory policies including the NSW Government Cyber Security Policy.

**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.

## ANSWER

Regular updates on the rollout of the Critical Communications Enhancement Program have been provided to me by the Department since its inception.

**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.

**ANSWER**

The CCEP's scope to deliver state-wide Government Radio Network coverage was approved in 2016. The program is being delivered through staged funding.

Stage 1 received funding of \$45.3 million to deliver a state-wide site audit, preliminary design of the network and a pilot in north-western NSW.

Stages 2 and 3 are being delivered concurrently. Funding committed to date is \$572 million. Upon completion Stages 2 and 3 will deliver GRN land coverage of 50% and reach 97% of the NSW population.

**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.

**ANSWER**

Please see above.

**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.

**ANSWER**

Please see above.

**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.

**ANSWER**

The Department of Finance, Service and Innovation (now the Department of Customer Service) manages its budget as a cluster rather than at individual agency level however, results reported in Budget Papers and Financial Statements are on an agency basis.

The cost of delivering these initiatives was reflected in Service NSW's results and were offset by other parts of the Department.

The Department of Customer Service is working through the identification and implementation of savings measures to meet the 2019-20 budget. This includes measures that achieve both cost savings and improved service such as the consolidation of corporate services functions across the Department. As at 9 March 2020, the consolidation of Corporate Services functions has resulted in 21 department positions being made redundant.

**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.

**ANSWER**

At launch of the first digital firearms applications there were approximately 30 Severity 3 (minor) issues and Change Requests remaining. All Showstopper (Sev 1) or Major (Sev 2) issues were resolved prior to go live. In the leadup to the Firearms transactions going live SNSW and the Firearms Registry held regular meetings to review and agree on the severity of issues.

Following testing, the online forms were available to real customers through a closed pilot. These customers were through dealers. 70% of customers in the pilot thought the online form was easier than the paper forms. 85% of customers in the pilot provided feedback that they would recommend the online process.

The table below shows the defect severity definition used on the Firearms project:

Severity is used to determine the impact of a defect on business operability. These definitions conform to Service NSW Release Management and Test Practice.

Severity	System Impact Definition	Business Impact Definition
1 - Showstopper	Showstopper in processing for business or project. Number of client/business impact is high. No work around possible. Essential for go live. Awaiting business decision that does not allow testing to proceed.	Will prevent normal business activity, and no suitable workaround is available
2 - Major	Major system function unusable. No workaround available, or one that is so costly due to the number of resources that would be required to support this workaround, it is not acceptable to the business.	Will significantly impact the conduct of normal business, and no suitable work around exists for the affected business component.
3 - Minor	Minor Defect. Not essential for go live. Workaround is available. Low priority business process not working.	Will impacts normal business activity but a work-around exists.
4 - Cosmetic	Cosmetic faults in screen or report layouts, such as alignments, misspelling of non-legislative text. No workaround required. Not essential for go live.	Will have minimal impact on normal business activity.

**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.

#### ANSWER

SIRA commissioned EY to analyse increases in health care costs across the overall workers compensation system. As published in SIRA's Workers Compensation Bulletin number 86, EY found that between 2016/17 and 2017/18:

- Increased service utilisation accounts for around 61 percent of the total growth in workers compensation medical expenditure between 2016/17 and 2017/18.
- By comparison, increases in the unit cost (i.e. the fee paid per service) accounts for around 5 percent of the total growth in healthcare expenditure.
- Other contributing factors include growth in active claims.

SIRA sets maximum fees for medical practitioners, surgeons and orthopaedic surgeons in gazetted fees orders which are generally based on the Australian Medical Association Fees List. The AMA indexes the list each year using its own AMA Medical Fees Indexation rate based on the Wage Price Index, CPI and other factors.

These are maximum fees and insurers are not obliged to pay this amount and may come to their own arrangements with service providers or set their own fee schedules.

**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.

#### ANSWER

The question contains unsubstantiated claims which were the subject of several inquiries.

**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

#### ANSWER

Yes.

**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.

#### ANSWER

No.
<p><b>The Hon. ANTHONY D'ADAM:</b> You are not aware of that one. What about the Schofields site? Are you aware of that one? Has a site been identified?</p> <p><b>Mr REES:</b> I am not aware. I will take it on notice.</p>
<p><b>ANSWER</b></p> <p>No.</p>
<p><b>The Hon. ANTHONY D'ADAM:</b> Is there a document that identifies the schedule for the rollout of the service centres?</p> <p><b>Mr REES:</b> 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.</p> <p><b>The Hon. ANTHONY D'ADAM:</b> So you have some planning documents that set out the time frame for the rollout of the specific centres?</p> <p><b>Mr REES:</b> We do.</p> <p><b>The Hon. ANTHONY D'ADAM:</b> Have you got something that you can produce to the Committee?</p> <p><b>Mr REES:</b> It will be precise for Revesby and Engadine and it will be more indicative for the other centres but we can provide that.</p>
<p><b>ANSWER</b></p> <p>Please see TAB A. Similar documents will be populated for the rollout of the other service centres.</p>
<p><b>The Hon. ANTHONY D'ADAM:</b> 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?</p> <p><b>Mr REES:</b> We will take that on notice.</p> <p><b>The Hon. ANTHONY D'ADAM:</b> In that information that you provide, can you also indicate the indicative date for the opening of those sites?</p> <p><b>Mr REES:</b> Yes.</p>
<p><b>ANSWER</b></p> <p>As this was an election commitment all information is publicly available through Parliamentary Budget Office.</p>
<p><b>The Hon. DANIEL MOOKHEY:</b> 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?</p> <p><b>Mr REES:</b> 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.</p> <p><b>The Hon. DANIEL MOOKHEY:</b> Do you have an estimate as to what each of them is going to cost?</p> <p><b>Mr REES:</b> We do.</p>
<p><b>ANSWER</b></p> <p>For 8 service centres delivered after Revesby and Engadine Service NSW will go out to tender in FY20/21.</p>
<p><b>Mr DAVID SHOEBRIDGE:</b> 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?</p> <p><b>Ms DONNELLY:</b> 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.</p>
<p><b>ANSWER</b></p> <p>Between 1 July 2019 to 6 March 2020, SIRA issued Section 238AA notices to 15 specific health service providers for the purpose of obtaining information regarding potential fraud or overpayment, or noncompliance with medical practitioners.</p>
<p><b>Mr DAVID SHOEBRIDGE:</b> Have you identified any medical practitioners?</p> <p><b>Ms DONNELLY:</b> I am aware that we have some investigations on foot.</p>



**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.

**ANSWER**

Please refer to the answer above.

**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.

**ANSWER**

SIRA issued a Section 194 direction under the *Workers Compensation Act 1987* to the Nominal Insurer on 7 June 2019, directing accurate capture of 6 data measures to ensure accurate RTW reporting, in accordance with the Workers Compensation Insurer Data Reporting Requirements.

**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.

**ANSWER**

The 2017 CTP scheme was designed with a mechanism enabling limits to be imposed on insurer profits. The mechanism during the transition period is referred to as Transitional Excess Profit and Loss (TEPL). During the transition period, which continues until regulations are made bringing it to an end, insurer profits for the industry in aggregate cannot exceed 10 percent (or up to 13 percent if the insurer is granted an innovation bonus by SIRA). Any industry profits in excess of the prescribed maximum can be recovered by SIRA.

All insurer premium rate filings made since the commencement of the scheme have included a profit margin of 8 percent or less. To estimate the actual profits made by insurers in a specific accident period, the earned premium and outstanding claims liabilities for that period must be calculated. Under TEPL, this will occur for the first accident period at the end of 2020. As such, a precise estimate of insurer profits for the first accident year is not yet known.

The estimation of insurer profits under TEPL will be conducted by the independent Scheme Actuary and will be subject to review by the independent Peer Review Actuary, as per the issued Guidelines.

Based on the insurers' average filed premiums (premiums the insurers propose to collect), SIRA's Scheme Actuary's preliminary assessment is that the first accident year is tracking at approximately 10% and the second and third accident years are tracking at around 8% of filed premiums. This profit estimate is highly uncertain as it is based on

assessing filed premiums not on actual claims incurred. The formal mechanism for assessing profit and triggering any profit adjustment is based on assessing the insurers' earned premium and actual claims experience and it will take into account the award of damages claims which have not yet finalised to a sufficient level for accurate estimates.

**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.

#### ANSWER

Statutory benefit claims for the first two accident years are tracking at or slightly below revised projections. For the first accident year (the thirteen months from December 2017 to December 2018), 12,066 claims were expected to be lodged and 12,062 claims have been lodged as at December 2019. Actual claims are in line with revised projections. This figure is not expected to change significantly.

For the second accident year (the twelve months from January 2019 to December 2019), 11,256 claims are ultimately expected to be lodged. As at December 2019, a total of 10,113 claims have been lodged. Additional claims associated with the second accident year are expected to continue to lodge over the coming months as injured persons have 3 months from the accident date to lodge claims and further allowance for 'late' claims; in which case the gap between expected and actual claims will reduce.

**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.

#### ANSWER

Total claim payments for statutory benefit claims for the last financial year (year ending 30 June 2019) were \$148.9M (this excludes payments related to award of damages, interstate, compensation to relatives and workers compensation claims).

**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.

#### ANSWER

Section 11.13 of the *Motor Accidents Injuries Act 2017* requires the Minister to review the Act as soon as practicable after the period of 3 years from commencement of the Act. A report on the outcomes of the review must be table in Parliament within 12 months after 3 years from commencement. The Act commenced on 1 December 2017. Accordingly, the review must commence as soon as practicable after 1 December 2020 and a report on the outcomes of the review must be tabled by 30 November 2021.

**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.

#### ANSWER

As of 16 April 2020 the compliance assessment of this filing is not yet complete.

**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.

#### ANSWER

The June 2019 liability valuation for the Nominal Insurer reported a funding position of 112.3%. This is calculated at a 75% probability of sufficiency, per APRA's prudential standards.

The December 2019 valuation, recently provided to SIRA, reports that the funding ratio at an 80% probability of sufficiency has deteriorated to 103.7%, and at a 75% probability of sufficiency it is 106.7%.

**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.

#### ANSWER

icare's public accounts report the Nominal Insurer's financial position at an 80% probability of sufficiency, which requires a higher ratio of assets to liabilities. As at June 2019, the funding position of the Nominal Insurer at an 80% probability of sufficiency was 109%.

The December 2019 valuation, recently provided to SIRA, reports that the funding ratio at an 80% probability of sufficiency has deteriorated to 103.7%, and at a 75% probability of sufficiency it is 106.7%.

**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.

**ANSWER**

Please see attachment for the complete list of letters between SIRA and icare regarding the below list of disciplinary actions.

Date	Disciplinary action	Reason
7 June 2019	S194 Direction	To improve RTW data, due to ongoing poor data quality
6 September 2019	Civil penalty	Contravention of section 267(5) of the <i>Workplace Injury Management and Workers Compensation Act 1998</i> – failure to commence weekly payments of compensation within 7 days of initial notification.
16 December 2019	Warning letter - Notification of death of s39 affected workers	To reiterate the requirement that the Nominal Insurer must disclose to SIRA any death of any worker who has ceased or has been notified that they will cease weekly payments due to the application of s39 of the <i>Workers Compensation Act 1987</i> .
19 December 2019	Civil penalty	SIRA response to icare letter dated 9 October 2019 – confirming decision to impose civil penalty (6 September letter)
16 January 2020	Letter of Censure	Failure to comply with s194 notice from June 2019
22 January 2020	Civil penalty	Failure to comply with the Workers Compensation Market Practice and Premiums Guidelines – failure to apply premium capping.

**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.

**ANSWER**

Date	Disciplinary action	icare reply
7 June 2019	S194 Direction	SIRA has no record of a reply from icare in relation to this Direction.
1 August 2019	SIRA intention to impose a civil penalty – failure to comply with their statutory obligations	icare reply on 16 August 2019.
6 September 2019	Civil penalty	icare reply on 9 October 2019
16 January 2020	Letter of Censure	icare reply on 11 February 2020
22 January 2020	Civil penalty	icare reply on 29 January 2020

**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.

**ANSWER**

No licence conditions have been previously imposed on the Nominal Insurer.

**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.

**ANSWER**

Where SIRA has identified an inaccurate payment of an invoice, SIRA has provided icare with this information for a response. icare's response following this request for feedback, generally, in most occasions was that icare was already aware of the concerns raised.

As part of SIRA's 21 Point Action Plan in response to the Dore Report, SIRA will commission an independent audit of the Nominal Insurer's approval and payments process for medical and related treatment expenses to monitor compliance with regulatory requirements.

**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.

**ANSWER**

The toolkit and grants program were launched in September 2019. Since the launch there have been 1719 unique views of the first version of the toolkit, along with 34 responses to the toolkit survey. During the second half of 2020 SIRA plans to engage with organisations to modify the toolkit for their needs.

The Recovery Boost grants program has seen strong interest with 84 businesses submitting expressions of interest in the first round. To support the development of applications for the next round in mid-2020, capability building activities are planned, including a hack day and online training.

**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.

**ANSWER**

Injured workers are protected from dismissal under Part 8 of the *Workers Compensation Act 1987* and may apply to the Industrial Relations Commission (IRC) for reinstatement. It is an offence for an employer to dismiss an injured worker in the circumstances set out in section 248. It is open to SIRA to commence proceedings for an offence under the workers compensation legislation. If the IRC were to make an order for reinstatement under the *Workers Compensation Act 1987*, SIRA would closely monitor that decision. Further SIRA would work closely with the WIRO should any complaints of non-compliance be made by injured workers.

**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.

#### ANSWER

The latest reporting data as at December 2019 for return to work performance at 26 weeks (6 post injury) indicates:

- Return to work rates for the general population (predominantly physical injuries) is at 81%.
- Return to work rates for psychological injuries is at 53%.

**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.

#### ANSWER

SIRA does not have regulatory oversight of the procurement practices of icare.

**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.

#### ANSWER

SIRA does not have sufficient information about the matter referred to in this question to provide a comment. SIRA invites Mr Shoebridge to get in touch with the Chief Executive of SIRA to report the matter. Alternatively, SIRA suggests that any individual who has received information of potential maladministration or corruption refer the matter to the NSW Ombudsman, ICAC or the Audit Office.

**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.

**ANSWER**

IPART is seeking further information from Ausgrid. The Tribunal will then determine the appropriate course of action.

**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.

**ANSWER**

As drought affected a large majority of Regional NSW, Service NSW did not track specific drought transactions, however from September - November 2019, Mobile Service Centres in the West and North of NSW served 819 Customers, undertaking 1179 transactions.

**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.

**ANSWER**

<b>MSC North</b>	<b>MSC South/Community</b>
Taree	Cobargo
Tuncurry	Lake Conjola
Old Bar	Merimbula
Port Macquarie	St George's Basin
Laurieton	Bermagui
Rappville	Fishermans Paradise
Nabiac	Nimmitabel
Blackhead	Adaminaby
Killabakh	Malua Bay
Willawarrin	Jindabyne
Bobin	Mogo
Yarranbella	Wingello
Jackadgery	Bundanoon
Ewingar	Tumbarumba
Coutts Crossing	Braidwood
Glenreagh	Talbingo
South Arm	Batlow
	Sussex Inlet
	Gundagai
	Bodalla
	Kangaroo Valley
	Tuross Heads
	Balmoral
	Quaama
	Candelo
	Wyndham
	Wonboyn
	Bombala

	Tomakin	
	Bawley Point	
	Dalmeny	
	Broulee	
	Lake Tabourie	
	Huskisson	
	Kiah	
	Towanda	
	Bredbo	

**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.

**ANSWER**

The most common transactions in bushfire affected areas are:

- Assisting customers apply for rebates and clean up.
- Assistance with accessing federal and State Government Grants
- Referral to mental health support
- Replace of Births, Deaths and Marriages documentation
- Cancellation of car registrations
- Replacement of registration certificates.
- Replacement of Licence/photo cards

**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.

**ANSWER**

To be able to complete the application customers need a valid volunteer number. These numbers are validated against data supplied by both the Rural Fire Service and SES. Customers cannot progress through the application if they do not have this number.

NSW Government does not have a data set available that confirms total number of volunteers that would eligible as eligibility criteria includes a number of factors such as a minimum number of days volunteered and for the volunteer to be employed by a small to medium business.

**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.

**ANSWER**

As at 21 April 2020, 2,144 individual applicants applied and had their claim accepted. The online application only accepts applicants with a valid RFS or SES reference number. Applicants who do not have this number cannot progress through the application as they are ineligible. For this grant there are no rejections. If you have a validated membership number, complete the self-declaration, then your application is completed.

**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.

**ANSWER**



NSW Government does not have a data set available that confirms total number of volunteers that would be eligible for the program. Eligibility criteria includes a number of factors such as a minimum number of days volunteered and for the volunteer to be employed by a small to medium business.

**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.

#### ANSWER

All costs associated with the program have been met within the program's budget.

**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.

#### ANSWER

The NSW Bushfire Duty Relief Scheme was announced on 3 March 2020, with acceptance of applications from that date until 2 March 2022. The Scheme is available for people whose homes have been destroyed during the 2019/2020 NSW bushfires, covering those homes destroyed in the North Coast bushfires from 18 July 2019 onwards, and the NSW bushfires from 31 August 2019 onwards.

**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.

**ANSWER**

No, the Privacy Commissioner and the IPC have not been consulted on this program to date.

\*As previously provided directly by the Information and Privacy Commission.

**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.

**ANSWER**

As I have not been consulted on this project, I cannot advise whether a privacy impact assessment was undertaken.

\*As previously provided directly by the Information and Privacy Commission.

**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.

**ANSWER**

Veterans can now apply through Service NSW.

**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.

**ANSWER**

Please see above.

**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.

**ANSWER**

Please see above.

**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.

**ANSWER**

The cluster with the most claims is Stronger Communities. The cluster with the least claims is the Department of Premier and Cabinet.

**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.

**ANSWER**

As advised at the Hearing the Department of Education is a self-insurer, and therefore questions relating to the Department of Education's insurance costs should be referred to the Minister for Education.

**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?

**ANSWER**

The percentage of psychological claims denied has decreased.

**Table 2:** All psychological claims from 1 July 2012

Claim Entered Financial Year	Number of Psychological claims	Number of denied claims	Percentage of denied claims
2012-2013	5,565	2,129	38%
2013-2014	5,091	1,982	39%
2014-2015	4,922	1,797	37%
2015-2016	5,126	1,608	31%
2016-2017	6,527	1,466	22%
2017-2018	7,138	1,111	16%
2018-2019	8,323	1,329	16%
2019-2020	5,070	558	11%

**Table 3:** Psychological claims from 1 July 2012 made by emergency workers only (including Ambulance officers and Paramedics, Fire and Emergency Workers, and Police)

Claim Entered Financial Year	Number of Psychological claims	Number of denied claims	Percentage of denied claims
2012-2013	490	68	14%
2013-2014	531	94	18%
2014-2015	549	75	14%
2015-2016	690	93	13%
2016-2017	948	67	7%
2017-2018	980	48	5%
2018-2019	1,184	72	6%
2019-2020	746	40	5%

**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.

**ANSWER**

Please see above.

**The ACTING CHAIR:** Could you also perhaps on notice give us some data around surveillance and how much that is occurring?

**Ms DONNELLY:** Absolutely.

**ANSWER**

**Table 4:** All psychological claims with surveillance payments

Claim Entered Financial Year	Number of Psych Claims	Number of Psych claims with Surveillance payments	Percent of Psych claims with Surveillance payments
2012-2013	5,565	3,221	58%
2013-2014	5,091	2,961	58%
2014-2015	4,922	3,029	62%
2015-2016	5,126	3,002	59%
2016-2017	6,527	3,107	48%
2017-2018	7,138	3,382	47%
2018-2019	8,323	3,847	46%
2019-2020	5,070	1,436	28%
<b>Totals</b>	<b>47,762</b>	<b>23,985</b>	<b>50%</b>

**Table 5:** Psychological claims made by emergency workers only (including Ambulance officers and Paramedics, Fire and Emergency Workers, and Police) with surveillance payments

Claim Entered Financial Year	Number of Psych Claims	Number of Psych claims with Surveillance payments	Percent of Psych claims with Surveillance payments
2012-2013	490	293	60%
2013-2014	531	353	66%
2014-2015	549	376	68%
2015-2016	690	436	63%
2016-2017	948	408	43%
2017-2018	980	408	42%
2018-2019	1,184	476	40%
2019-2020	746	138	18%
<b>Totals</b>	<b>6,118</b>	<b>2,888</b>	<b>47%</b>

**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—

**ANSWER**

22 key sites from Stage 4 have been brought forward.

**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.

**ANSWER**

Delivery of Stage 4 is subject to a future business case.

**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.

**ANSWER**

The South Coast of NSW currently has 68.5% GRN coverage. This coverage will be further expanded and enhanced upon completion of Stages 2 and 3 of the program to 79.3%. Areas that will benefit from enhanced GRN coverage as a result of the CCEP's Stage 2 and 3 roll-out include Bombala, Jindabyne, Thredbo and Perisher Villages.

**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.

**ANSWER**

The service provider has not disputed the termination of the contract and are working in partnership with the Department of Customer Service (the Contract Authority) to transition out services.

Fees payable to the service provider as a result of the termination of the contract are dependent on several factors to be worked through as part of the termination.

**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.

**ANSWER**

The contract with the Information Technology Outsourcing (ITO) service provider has an end date of 31 May 2021.

**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.

**ANSWER**

These arrangements are yet to be finalised.

**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.

**ANSWER**

Once services have been fully transitioned from the incumbent Information Technology Outsourcing (ITO) service provider, it is anticipated that the cost will be the same or less than the original ITO outsourcing agreement.

**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.

**ANSWER**

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 Centre.

**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.

**ANSWER**

The new guidelines are expected to be made publicly available by the second half of this year.

**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.

**ANSWER**

The NSW Government ICT spend during the FY2016/17 according to the ICT metric report was \$3.08B. The spend for FY 2017/18 increased to \$3.8B.

NSW Govt ICT spending is consistent with state governments and industry average benchmarks over the same period.

**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.

**ANSWER**

This reflects changes in the accounting treatment within the DCS budget of the in-kind personnel service cost for the ILGA Secretariat. It does not represent a reduction in ILGAs budget.

**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

**ANSWER**

On the evening of Fri 11 October 2019 - Tim Reardon, Secretary Department of Premier and Cabinet spoke to Ms Hogan confidentially on behalf of the Premier, to discuss the anticipated vacancy of the Secretary, Department of Customer Service position.

Monday 14 October 2019— Ms Hogan advised Mr Reardon she would be willing to consider the role, subject to further conversations with the Minister for Customer Service and the Premier.

Tuesday 15 October 2019 – Ms Hogan met with Minister Dominello to discuss the position.

Thursday 17 October 2019 – Ms Hogan met with the Premier, to discuss and finalise the appointment. The announcement was made that day. In parallel, Mr King announced his resignation to the department.

**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 operation's realisation. There may be policies that sit underneath that that I will be consulted on in the future.

**ANSWER**

The New South Wales Information and Privacy Commission and the Information Commissioner have not been consulted on this initiative.

\*As previously provided directly by the Information and Privacy Commission.

**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.

**ANSWER**

As at 14 January 2020, there were 35 venues in the Sydney CBD Entertainment precinct and 4 venues in the Kings Cross precinct that had a live entertainment exemption.

**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.

**ANSWER**

Since 14 January, inspections have occurred at 27 of the 35 venues with live music exemptions in the Sydney CBD Entertainment precinct and inspectors noted that live entertainment was continuing to be offered at each of those venues.

**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:** 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.

**ANSWER**

The Information and Privacy Commission has produced detailed guidance to agencies on managing data breaches, including when persons whose privacy has been breached might be notified. The guidance advises agencies to

consider various factors in determining whether to notify individuals or organisations affected by a breach. This includes assessing whether a data breach gives rise to a real risk of serious harm to the individual. In this case and in accordance with the Commission's guidance, notification was not considered necessary. The factors considered included the type of information disclosed, the nature and cause of the breach, and remedial steps taken to date.

**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.

#### ANSWER

The Department of Customer Service does not share any customer data with Facebook.

**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.

#### ANSWER

Part 3 of the *Workplace Injury Management and Workers Compensation Act* deals with the appointment and administrative arrangements of the Workers Compensation Independent Review Officer (WIRO). Part 3 of the Act is jointly administered by The Attorney General, and the Minister for Customer Service and either can undertake recruitment for the position, in line with the requirements of the Act.

**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.

#### ANSWER

The Minister for Customer Service notified the Premier of a potential conflict of interest relating to the reappointment of the WIRO, Mr Kim Garling. As a result, the Attorney General led the recruitment process.

**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.

#### ANSWER

On Friday 28 February, Ms Donnelly rang the Chair of the SIRA Board, the Chair of the SIRA ARC, Minister Dominello's Chief of Staff and the Secretary of the Customer Service Cluster to advise of the issue and that SIRA would treat it as a significant matter and was assessing further with a view to requiring action.



**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.

#### **ANSWER**

The Market Practice and Premium Guidelines, published by SIRA under section 168 of the 1987 Act, distinguish between small employers and experience rated employers. The distinction is based on a base tariff premium (BTP) threshold of \$30K. Employers whose BTP is above the threshold are 'experience rated'. This means that their claims experience and costs from previous policy periods impacts their premium in future years.

In 2019, 17,789 of employers were classified as 'experience rated' employers, this figure represents 7.2 percent of the total number of employers.

**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.

#### **ANSWER**

icare's compliance with contract disclosure requirements had not been assessed by the New South Wales Information and Privacy Commission as at 9 March 2020.

\*As previously provided directly by the Information and Privacy Commission.

**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.

#### **ANSWER**

The Information Commissioner reviewed the NSW eTendering website to assess icare's performance and commenced regulatory engagement with icare on 12 March 2020 seeking further information. The provision of additional information from icare will inform an assessment of icare's compliance with the Government Information (Public Access) Act 2009. This action is ongoing.

\*As previously provided directly by the Information and Privacy Commission.

**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.

#### **ANSWER**

There is nothing in the legislation that provides SIRA with oversight powers over supplier contracts engaged by icare. SIRA's functions are set out in section 24 of the *State Insurance and Care Governance Act 2015* and sections 22 and 23 of the *Workplace Injury Management and Workers Compensation Act 1998*. These include, for example, monitoring compliance with the workers compensation legislation, and monitoring the financial viability of the workers compensation scheme.

Section 154F of the *Workers Compensation Act 1987* provides powers for auditing of the Insurance Fund by the Auditor-General.

**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.

#### ANSWER

SIRA has memoranda of understanding (MOU) with APRA in relation to both workers compensation and CTP insurers and shares information with APRA as a co-regulator under those MOUs.

**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.

#### ANSWER

Ms Donnelly confirms that she has on a number of occasions, as the principal officer of SIRA and previously as the principal officer of the Motor Accidents Authority, made reports to ICAC under Section 11 of the ICAC Act.

Section 11 of the ICAC Act provides that all principal officers of NSW public sector authorities have a duty to report all matters they suspect on reasonable grounds concern corrupt conduct. This includes general managers of local councils, secretaries and chief executives of government departments, as well as any officer who constitutes a public authority. Others with a duty to report such matters include the NSW Ombudsman, the Police Commissioner and ministers of the Crown.

#### Report guidelines for principal officers. The guidelines say:

“It is important that reports to the ICAC be made without advising the person(s) to whom the report relates and without publicity. Failure to handle reports to the ICAC confidentially may prejudice any subsequent investigation and may cause unnecessary damage or embarrassment to individuals.”

**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—

**ANSWER**

SIRA regularly meets with the NSW Audit Office and has advised of risks detected by SIRA that fall within the jurisdiction of the Audit Office.

**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.

**ANSWER**

For workers compensation, SIRA has made one report to NSW Police.

**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.

**ANSWER**

In the cohort of workers who ceased entitlements under section 39, there are 1411 people who have subsequently ceased entitlements for medical benefits under Section 59A.

**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.

**ANSWER**

The 11 consulting engagements referenced are stated in the below table:

Name of Consultant	The title/nature of the consultancy
Deloitte Touche Tohmatsu	Review of Easy to do Business Project.
Fifty-Five Five Pty Ltd	Research on Making Business Easier initiative
Lockstep Consulting	Digital Driver Licence independent security risk review.
KPMG Australia Pty Ltd	Operational review.
Qualtrics Lic	Analytics capability for Making Business Easier.
Ernest & Young	Operational review.
Meld Studios	Customer journey map.
Hypothesis Pty Ltd	Delivery of Digital Land Valuation Notices.
Information Pty Ltd	Support for record management system.
Gordian Global Solutions Pty Ltd	Review Health Check tool to assess its effectiveness on frontline staff working on end-to-end release, transition and design.

Expert 360 Aust Pty Ltd	Record of labour hire.	
<p><b>The Hon. JOHN GRAHAM:</b> Yes, so on notice I think you have agreed to provide additional detail about the purpose of those 11.</p> <p><b>Mr REES:</b> 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.</p> <p><b>The Hon. JOHN GRAHAM:</b> That is a very good point, so of those that have produced reports, can you tell us now how many are public?</p> <p><b>Mr REES:</b> No, I cannot, I would have to take that on notice.</p>		
<p><b>ANSWER</b> Refer to table above</p>		
<p><b>The Hon. JOHN GRAHAM:</b> 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—</p> <p><b>Mr REES:</b> I understood, yes.</p> <p><b>The Hon. JOHN GRAHAM:</b> I know you understood, I was just hoping Hansard would be able to understand as well.</p> <p><b>Ms HOGAN:</b> We will take it on notice.</p>		
<p><b>ANSWER</b> Refer to table above</p>		
<p><b>The Hon. DANIEL MOOKHEY:</b> Ms Donnelly, do you have those numbers?</p> <p><b>Ms DONNELLY:</b> 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.</p> <p><b>The Hon. DANIEL MOOKHEY:</b> About 1,400?</p> <p><b>Ms DONNELLY:</b> 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.</p>		
<p><b>ANSWER</b> In the cohort of workers who ceased entitlements under section 39, there are 1411 people who have subsequently ceased entitlements for medical benefits under Section 59A.</p>		
<p><b>The Hon. DANIEL MOOKHEY:</b> 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?</p> <p><b>Ms DONNELLY:</b> 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.</p> <p><b>The Hon. DANIEL MOOKHEY:</b> When do you think your full investigation will be completed?</p> <p><b>Ms DONNELLY:</b> 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.</p> <p><b>The Hon. DANIEL MOOKHEY:</b> Do you know how much icare has spent to date on this matter?</p> <p><b>Ms DONNELLY:</b> My team may have that information. I do not have it to hand.</p> <p><b>The Hon. DANIEL MOOKHEY:</b> Do you mind taking that on notice?</p> <p><b>Ms DONNELLY:</b> I can take that on notice.</p>		
<p><b>ANSWER</b> While SIRA has data on claims costs, SIRA does not currently have specific data on icare's total expenditure on the KPMG investigation.</p>		