

PORTFOLIO COMMITTEE NO. 6 - TRANSPORT AND CUSTOMER SERVICE

Monday, 8 March 2021

Examination of proposed expenditure for the portfolio area

CUSTOMER SERVICE

UNCORRECTED

The Committee met at 9:30.

MEMBERS

The Hon. John Graham (Acting Chair)

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

Ms Cate Faehrmann

The Hon. Scott Farlow

The Hon. Sam Farraway

The Hon. Shayne Mallard

The Hon. Daniel Mookhey

Mr David Shoebridge

PRESENT

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

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

The ACTING CHAIR: Welcome to the public hearing for the inquiry into budget estimates 2020-21 initial hearings. Before I commence, I would like to acknowledge the Gadigal people who are the traditional custodians of this land. I would also like to pay respect to the Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginals present. I welcome Minister Dominello and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Customer Service. Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I would also remind media representatives you must take responsibility for what you publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Minister Dominello, I remind you and officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table or nearby to you. Any messages from advisers or members' staff seated in the public gallery should be delivered through the secretariat. We expect that transcripts of this hearing will be available on the web from tomorrow morning. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing.

EMMA HOGAN, Secretary, Department of Customer Service, on former affirmation

CARMEL DONNELLY, Chief Executive Officer, State Insurance Regulatory Authority, Department of Customer Service, affirmed and examined

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

DAMON REES, Chief Executive Officer, Service NSW, Department of Customer Service, affirmed and examined

The ACTING CHAIR: Today's hearing will be conducted from 9.30 a.m. until 12.30 p.m. with the Minister and from 2.00 p.m. to 5.00 p.m. with the departmental witnesses, with questions from the Opposition and crossbench members only. The Government members will be given an opportunity for an additional 15 minutes at the end of each session, if required. As there is no provision for any witness to make an opening statement, we will begin with questions from the Opposition. Minister, I might begin by putting a couple of questions to you about the Crown casino, particularly about the compensation arrangements that have been reported as attaching to the casino. They have been reported as delivering 10½ times compensation for certain actions that the State Government might take in public reports. In those reports, you or a spokesperson for you has been quoted as saying you are aware of the terms of the agreement including the compensation clauses; however, you would not pre-empt the outcomes of the Bergin inquiry by commenting on them. That inquiry has now reported. What can you tell us about these clauses that seem on the face of it to deliver 10½ times the compensation to the Crown casino for some actions that the Government might take?

Mr VICTOR DOMINELLO: Thank you, Chair. Well, for starters I am not going to comment on matters that are currently before government for consideration. Obviously, we are considering the recommendations—I think there were 18 or 19 primary recommendations of Patricia Bergin and that is obviously before Cabinet and I will not be commenting on that. In relation to the compensation, again, without going into detail, I do not believe that those compensation clauses will be triggered. I think that the report of Bergin is robust enough to demonstrate that there needs to be reform at Crown. Crown is currently in the process of doing that with the oversight of Philip Crawford, the Independent Liquor & Gaming Authority [ILGA] regulator. I personally do not believe that those compensation clauses are within cooeef of being triggered.

The ACTING CHAIR: But you confirm that they do exist and that they do, in certain circumstances, deliver 10½ times the compensation that might be impacted.

Mr VICTOR DOMINELLO: I accept that they do exist. They existed at the time of the contract, but I do not believe that they would trigger any right. Again, if you read Patricia Bergin's report, it was, for want of a better expression, very robust in its findings and recommendations. I think any preliminary view of contract law you would appreciate that if a fundamental term of the contract was breached, then all things were up, and a fundamental term of a contract of this magnitude would be to exercise that licence in good faith. The fact that there has been demonstrable evidence of money laundering I think really puts into question the fundamental terms of the licence in the first place. So, again, without going into detail, I personally believe that those provisions will not be or could not be relied upon; and in any event, as Patricia Bergin has indicated, it is now for the regulator to work with Crown to find a way forward, if at all possible. I think you would accept that they have been making a lot of ground in that regard. There has been, essentially, a clearing of the deck.

The ACTING CHAIR: I will come to some of those issues. Was this article of 18 September 2020 the first public discussion of these compensation terms?

Mr VICTOR DOMINELLO: I just cannot recall, Mr Chair.

The ACTING CHAIR: Yes. But certainly the Government did not advertise these. They were not discussed as just going through the Parliament. These were quite extraordinary compensation terms. Really the first public discussion appears to be late last year. Do you have another view on that that you want to put to the Committee?

Mr VICTOR DOMINELLO: Sorry, in terms of what, Mr Chair?

The ACTING CHAIR: Why was the Government not up-front about these compensation terms prior to 18 September 2020 when you say you were aware of them?

Mr VICTOR DOMINELLO: Well, I am not aware of what other discourse took place, whether the terms were in confidence. I just cannot comment on that. They could have been in confidence. I am not aware.

The ACTING CHAIR: When did you first personally become aware of these terms?

Mr VICTOR DOMINELLO: Oh, I just cannot recall. Those terms would have been struck, obviously, at the time of negotiations eight or so years ago. I was in Cabinet at that time but I was not the Minister with primary carriage of it, so—

The ACTING CHAIR: Yes. So, you do not recall earlier but you certainly would have been briefed on this as you came into the portfolio.

Mr VICTOR DOMINELLO: There is no question about it. But again I have a very strong view in relation to those terms.

The ACTING CHAIR: And what is that strong view?

Mr VICTOR DOMINELLO: I have just indicated. I am happy to repeat it though.

The ACTING CHAIR: No, I understand. Who actually did approve the terms? Which Minister did sign off on—

Mr VICTOR DOMINELLO: Oh, it would have been the Minister at the time. I just do not recall who it is.

The ACTING CHAIR: So it is the Minister with regulatory responsibility for gaming at the time.

Mr VICTOR DOMINELLO: Perhaps. I just do not recall. I do not want to give you information that is not—

The ACTING CHAIR: Could you take on notice which Minister approved those?

Mr VICTOR DOMINELLO: Happy to take it on notice.

The ACTING CHAIR: Was this one of the matters that was negotiated when Barry O'Farrell met with James Packer in those early meetings? Can you give us any background at that point? That was in February 2012.

Mr VICTOR DOMINELLO: No, I cannot. As I said, I was a Minister of the Government at the time, but as I was not the Minister with the primary responsibility. That is all beyond my scope.

The ACTING CHAIR: I accept your view that these might not be used in this instance. In your experience as a Minister, is it common for there to be compensation terms in place where the State might take an action and then we have to pay 10½ times the impact of that regulatory action on a private corporation?

Mr VICTOR DOMINELLO: It is common and I am being informed that the deed in relation to the arrangement has in fact been publicly available since 2019—just to answer a previous question of yours. So it has been publicly available since 2019. Yes, I think it is standard practice that—

The ACTING CHAIR: So you are aware of other deeds or other arrangements where the Government might take an action and we might have to pay 10½ times the compensation.

Mr VICTOR DOMINELLO: No, I am not aware of specifics. But in terms of broad contractual concepts, it is a standard provision in any contract that in the event of material alteration there would be damages paid. That is just standard contractual terms.

The ACTING CHAIR: Do similar arrangements apply to The Star casino in Sydney?

Mr VICTOR DOMINELLO: I am not aware.

The ACTING CHAIR: If the Government is taking regulatory action against casinos generally. You can see that would be an issue, wouldn't it?

Mr VICTOR DOMINELLO: If regulatory action is taken that fundamentally shifts the contractual basis upon which the two parties agree to then generally speaking in contract law, compensation would be applied. The extent of that conversation would be subject to negotiations and that would depend on the parties at the time, the market conditions at the time—a whole lot of other things.

The ACTING CHAIR: Exactly right. That is what I cannot understand, Minister, because if you are a citizen of the State of New South Wales and your house gets taken away by the State, you would be compensated—as is right. But you are compensated for the price of your house, not for 10½ times the price of your house. Why is it that if you are a citizen, that is what applies? But in this instance, your Government has signed up to something far more generous.

Mr VICTOR DOMINELLO: Again, I cannot talk to the specifics because I was not privy to it, but it would have been based on advice from Treasury and a whole lot of other experts, based on market valuations and conditions. I am not here to say whether 10 times, four times, three times, one time is appropriate, but it would have been signed off—

The ACTING CHAIR: But your Government has signed the State's hands to say 10½ times is appropriate. Not that the circumstances might be measured, not that we might look at how it all stacks up, but we will pay 10½ times.

Mr VICTOR DOMINELLO: It would have been based on market valuations at the time. It would not have been a figure plucked from the air. It would have been based on—

The ACTING CHAIR: What was the basis of that figure?

Mr VICTOR DOMINELLO: It would have been based on commercial terms, and again—

Mr DAVID SHOEBRIDGE: Multiplied 10½ times over? How can you not condemn that? That is wrong. I do not understand, Minister.

Mr VICTOR DOMINELLO: Because I was not privy to it and—

Mr DAVID SHOEBRIDGE: 10½ times.

Mr VICTOR DOMINELLO: —I am not aware of the market appraisals at the time.

The ACTING CHAIR: Can you give us any other examples where this applies?

Mr VICTOR DOMINELLO: Not to my knowledge, no.

The ACTING CHAIR: Can you take that on notice?

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

The ACTING CHAIR: Given your view is that these terms will not be used and there is a bill in front of the Parliament, for which notice has been given, that would remove the risk of the State having to compensate at 10½ times, would you support that bill?

Mr VICTOR DOMINELLO: Again, these are issues that are currently before Cabinet. I am not going to comment on that. I used to be a lawyer for 15 years and giving my 10 cents worth. Again, I am of the strong view that those provisions are nowhere within cooee of being exercised. The State of New South Wales is in a very strong position.

The ACTING CHAIR: I just want to ask you briefly about the cashless card that you have indicated you are supportive of.

Mr VICTOR DOMINELLO: Are you supporting it as well, Mr Graham?

The ACTING CHAIR: The Deputy Premier has made some very clear comments about it. He says it has not been to Cabinet, it is not a policy of the Government at this stage and that it is a conversation piece that is happening in the public domain from you.

The Hon. SHAYNE MALLARD: That is Labor's position.

The ACTING CHAIR: He describes it as senseless bureaucratic regulation, a dramatic overreaction and heavy-handed. What is your response to the Deputy Premier's comments?

The Hon. SCOTT FARLOW: That is the Opposition's comments.

Mr VICTOR DOMINELLO: I would be curious to know what your position is, Mr Graham.

The ACTING CHAIR: When you are in opposition you can ask questions at the estimates, Minister.

Mr VICTOR DOMINELLO: I do not want to be in opposition.

The Hon. SHAYNE MALLARD: He will not be.

Mr VICTOR DOMINELLO: I do not particularly want to be in opposition.

The Hon. SCOTT FARLOW: It is not an aspiration.

The ACTING CHAIR: What is your response to the Deputy Premier?

Mr VICTOR DOMINELLO: Obviously, this is a discourse that is, again, subject to Cabinet deliberations and that will play itself out with the fullness of time and, if appropriate, to the party room and then, if appropriate, to the floor of Parliament.

The ACTING CHAIR: Is this not koalas all over again? Is that not how this is shaping up?

Mr VICTOR DOMINELLO: No. There is always robust discussions on most topics. I imagine the Opposition has a robust discussion right now about leadership, and you know that as much as I do.

The Hon. SHAYNE MALLARD: Do not smile, John.

The ACTING CHAIR: I am not. I am about to—

Mr VICTOR DOMINELLO: The reality is, that is healthy. A healthy debate is something that should be encouraged and if people have strong views, that is fair enough.

Mr DAVID SHOEBRIDGE: Provided it is not bankrolled on one side by the gambling industry; that is the key thing—donations to political parties from the gambling industry.

The Hon. ANTHONY D'ADAM: Can I ask you about the Accellion breach? For context, are you able to advise on what dates Cyber Security NSW was made aware of the breach?

Mr VICTOR DOMINELLO: Mr D'Adam, can I just read the following statement in relation to the Accellion breach and then I am happy to take any questions beyond that? Organisations around the world, including many government agencies, use a tool called Accellion File Transfer Appliance [FTA] to share and store files. Accellion FTA is an enterprise file-sharing solution for securely transferring large and sensitive files. Other impacted organisations of this criminal activity include the Australian Securities and Investment Commission, the Washington State Auditor's office, New Zealand's central bank, Singapore telecom Singtel and law firm Jones Day. In January 2021 Cyber Security NSW became aware that vulnerabilities in the Accellion FTA file transfer product had potentially been exploited in New South Wales Government—

The Hon. ANTHONY D'ADAM: What was the date of that, Minister? Was there a specific date in January?

Mr VICTOR DOMINELLO: If I could just read the statement and then I am happy to take any questions. In January 2021 Cyber Security NSW became aware that vulnerabilities in the Accellion FTA file transfer product had potentially been exploited in New South Wales Government agencies as part of agency reporting protocols. In response, Cyber Security NSW and New South Wales police established Strike Force Martine and are continuing to work closely with the Australian Cyber Security Centre and forensic specialists. The Australian Cyber Security Centre advises against paying an extortion demand to side with criminals and this is the default position of the New South Wales Government. I can confirm that the New South Wales Government has not paid any such demand.

Cyber Security NSW and New South Wales police are aware of recent developments in the breach. The attack was a criminal act and is the subject of police investigation. At this stage of the police and technical investigation I am not able to disclose further information regarding the methodologies deployed as it could prejudice the investigation and may encourage scams that would not be in the public interest, and we must take this position to limit any further risk to customer and government data very seriously. I hasten to add, Mr D'Adam, that the threat from advanced militia cyber activity is increasing in frequency, scale, sophistication and severity, which was reinforced in the Prime Minister's statement in June last year. That is why we have ensured a commitment to continuous improvement to meet this increasing threat, including investment of \$240 million over three years to uplift cybersecurity across the great State of New South Wales. Can I finally reiterate—

The Hon. ANTHONY D'ADAM: Minister, I have limited time.

Mr VICTOR DOMINELLO: —that no digital system or service can be guaranteed to be secure. We can and do take steps to ensure that they are continuously strengthened; however new vulnerabilities and ways to exploit systems are regularly discovered. Threat actors are always looking for ways to do harm and are consistently changing their tactics, techniques and procedures in order to achieve their desired end state.

The Hon. ANTHONY D'ADAM: Minister, are you able to clarify what other agencies have been affected? We know that health and transport have been affected. Are there any other agencies that have been affected by the breach?

Mr VICTOR DOMINELLO: Health and transport were the prime agencies.

The Hon. ANTHONY D'ADAM: Are you able to advise the Committee about the nature of the information that has been compromised?

Mr VICTOR DOMINELLO: I am reluctant to say anything further that would compromise the police investigation and would put at risk those investigations. I am happy to defer to Ms Hogan, if she wishes to say anything further.

Ms HOGAN: Just to say that the health and transport agencies are in the process of conducting the forensic analysis on any data that was taken. Both agencies have got the customer at the centre of their planning and they will alert customers as to any breach as soon as they can, in a safe and secure way.

The Hon. ANTHONY D'ADAM: When do you anticipate that will be?

Ms HOGAN: I would have to take it on notice. Both departments are working through that now.

The Hon. ANTHONY D'ADAM: It is your evidence that only health and transport are affected. There are no other agencies that are affected by this breach.

Ms HOGAN: We have conducted an investigation and they are the two agencies that are impacted and will need to alert some customers to that.

The Hon. ANTHONY D'ADAM: Minister, you alluded to extortion but you did not specify whether there has been an extortion threat made towards the New South Wales Government. Is that right?

Mr VICTOR DOMINELLO: I repeat what I said in the statement. The Australian Cyber Security Centre [ACSC] advises against paying any extortion demand. This is the default position of the New South Wales Government.

The Hon. ANTHONY D'ADAM: Is the Clop gang—a Russian mafia-linked organisation—involved in this breach?

Mr VICTOR DOMINELLO: I am not going to comment further, Mr D'Adam. As I said before, this is serious criminal activity. I hope that you would respect that. Maybe, if you wish to interrogate further, it is something you would raise with the police commissioner. But I am not going to say anything that would prejudice his investigations.

The Hon. ANTHONY D'ADAM: What was the specific date that you were notified that Cyber Security NSW was notified of the breach in January?

Mr VICTOR DOMINELLO: I will take that on notice, but it was in January 2021.

The Hon. ANTHONY D'ADAM: Are Accellion cooperating with the investigations?

Mr VICTOR DOMINELLO: Again, I am happy to defer to Ms Hogan.

Ms HOGAN: Cyber Security NSW, who is coordinating this response, has contacted Accellion and they have made available information as we have required it.

The Hon. ANTHONY D'ADAM: Can I ask about the file transfer appliance. This is a very old application—20 years old—and I understand that Accellion have now notified that they are going to close down this particular application. Those older legacy applications being maintained by suppliers of software tend to have a lower level of maintenance. Are there processes in place in the New South Wales Government to make sure that older legacy applications that may have vulnerabilities, like this file transfer appliance, are being reviewed by Cyber Security NSW to satisfy that there are not vulnerabilities there that can be exploited?

Ms HOGAN: I might ask Mr Wells, who is our chief digital officer, to respond to the more technical detail on that.

Mr WELLS: Thank you, Mr D'Adam. The answer to that is yes. I would start by saying each cluster is accountable and owns the systems that they store customer information in and run their departments on. As part of the Digital Restart Fund announced last year, a big portion of that is looking specifically at cyber security uplift and also at legacy applications. That is a really important component of the Digital Restart Fund. Clusters are definitely looking at the systems they have taking a risk-based approach to what are the most important systems and taking steps to upgrade those.

Ms HOGAN: Can I also add, Mr D'Adam, that since being made aware of this breach Accellion has been retired by all agencies with New South Wales government.

Mr DAVID SHOEBRIDGE: Minister and everybody, welcome. Minister, about a month ago there was a discussion in this very room with Cyber Security NSW about a COVID-19 passport. Their advice—the advice of the NSW Chief Cyber Security Officer, Tony Chapman—was that they had not been asked to do anything about checking the integrity of a COVID-19 passport. It had not been referred to them. It had not crossed their desk. But they were aware of the potential to see the Service NSW app used as a COVID-19 passport. How does that happen? How do we have a cyber security chief and a specialist team and they are not there doing the early work to make sure any COVID-19 passport is safe?

Mr VICTOR DOMINELLO: That was a month ago. As you would be aware, Mr Shoebridge, the passport is basically—the concept around a passport or a vaccination passport is as soon as you get vaccinated you would be able to display or disclose that in an easily identifiable way, whether it is through the old form of paper where you used to have that yellow booklet in your passport or in a digital form through a wallet-style system. The Federal Government control all things in relation to immunisation through the Australian Immunisation Register. Anything that we do in that space would have to be with the concurrence of the Federal Government. Until the Federal Government talk to us and say, "We would like you to do something along these lines," it is still just a discussion.

Mr DAVID SHOEBRIDGE: Are you saying the Federal Government has not raised it at all, the idea of a vaccination passport?

Mr VICTOR DOMINELLO: Yes, I can say that we are having those—I am on what used to be known as the Australian Data and Digital Council. Myself and my counterparts across the States and my Federal counterpart, Stu Robert, do talk about this. What we are trying to do is create an easy mechanism for the people of Australia and indeed New South Wales to display the fact that they have been vaccinated. I think the landing at the moment is that the Federal Government will basically provide the citizens with the option of where they wish to store their vaccination record, and then we will have to work with them to see how we can make that simpler for the people of New South Wales.

Mr DAVID SHOEBRIDGE: Surely you are not suggesting that the answer is going to be through that terrible Federal Government myGov website, are you? That is not where it is going to be—through some torturous, inaccessible Federal method.

Mr VICTOR DOMINELLO: Again, the Federal—

Mr DAVID SHOEBRIDGE: Have you tried to do it? Has anyone here successfully tried to get anything off myGov? The best thing for the Service NSW app is myGov.

Mr VICTOR DOMINELLO: I am glad my colleagues raised the scent but I was never going to suggest that, Mr Shoebridge. You are too earnest for that. As I said before, Mr Shoebridge, the Federal Government rightly control the Australian Immunisation Registry and it is a function for them. Ms Hogan, would you like to add to that?

Ms HOGAN: Mr Shoebridge, just in terms of your original question, when we are developing any product, whether that be QR codes or a product such as the one that you are referring to, the agency responsible for developing that product is also responsible for the cyber security arrangements around it. Cyber Security NSW acts as a guidance agency, a coordination agency. It looks for threats, it shares data, but it would not be necessarily advised in the first early stages of product development. The independent cyber security officers within the relevant divisions would be responsible, and as that became heightened or if we were receiving advice from the ACSC—the Federal body for cyber security—we would share that information back. But it would not be unusual for us to not give Cyber Security NSW a product like this in the first couple of weeks of thinking about it.

Mr DAVID SHOEBRIDGE: All of the cyber security experts—and indeed all of the privacy experts—say that that kind of approach about bringing in the privacy experts and the cyber security experts once you have developed the product is deeply wrongheaded, that you actually need to design a product with security at the outset.

Ms HOGAN: That is correct. We do do that. But it is the responsibility of the agency to do that, not Cyber Security NSW. They have their own cyber security teams.

Mr DAVID SHOEBRIDGE: But they are the experts. You are saying you bring them in after you have designed the product.

Ms HOGAN: No, I am not saying that. I am saying—

Mr VICTOR DOMINELLO: Mr Shoebridge, as I was trying to explain in my answer, these are dialogues that are still being had at the first instance between the Federal Government and our Government as to what can take place. Nothing has been agreed. I agree with you: Once there is an agreement that we proceed with a course, then in the design phase you bring privacy inside—their experts—but we have not even got to that threshold question yet.

Mr DAVID SHOEBRIDGE: That is not what Ms Hogan said. Ms Hogan said these matters have developed inside the agency responsible: I assume—let me finish, Ms Hogan—in this case, NSW Health. Once they have got the product up and running, they then bring in cyber New South Wales. I may have misheard you, and I will go back and read the transcript carefully, Ms Hogan, but that is what I heard from you.

Ms HOGAN: Sorry, each team that is developing any product for the public will have its own cybersecurity experts within the agency who work on it and they will also have their own privacy experts. If they do not, we will often bring in privacy experts at the design phase to develop a product such as the one that you are referring to. Cyber New South Wales as an independent agency that sits within DCS provides broader more strategic advice around threats. Each team does have its own cybersecurity and privacy experts, and they are certainly involved in the up-front product design.

Mr DAVID SHOEBRIDGE: Okay.

Mr VICTOR DOMINELLO: But can I emphasise, Mr Shoebridge, we have not actually landed on the concept or the product ahead.

Mr DAVID SHOEBRIDGE: Alright.

Mr VICTOR DOMINELLO: But hopefully we do get to an agreement with the Federal Government as to what can take place and, at that juncture, you design around it.

Mr DAVID SHOEBRIDGE: When I first put this proposition to you about Cyber Security NSW having had no role and not being asked, your response was, "But that was in February." Minister, has anything happened since February involving Cyber Security NSW and a COVID-19 passport?

Mr VICTOR DOMINELLO: Sorry, can you repeat the question?

Mr DAVID SHOEBRIDGE: I put to you that in February when we asked Cyber Security NSW what, if any, advice they had given in relation to a digital passport—COVID-19 passport—they said it had not crossed their desk; they had not been asked.

Mr VICTOR DOMINELLO: That is right.

Mr DAVID SHOEBRIDGE: When I put that to you, you said, "Yes, but that was in February."

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: So has the position changed in March?

Mr VICTOR DOMINELLO: Well, not to my knowledge.

Mr DAVID SHOEBRIDGE: Okay.

Mr VICTOR DOMINELLO: We have not landed on any firm pathway or an agreed pathway—not to my knowledge. There might be something in other agencies that I am not aware of between Health, for example, as to how this is going to be rolled out. But once something is concrete, then obviously privacy and security would have the primary lens.

Mr DAVID SHOEBRIDGE: Minister, do you accept that gig economy workers, particularly food delivery workers, should not be treated as second-class citizens and second-class workers?

Mr VICTOR DOMINELLO: I do not think anybody should be treated as a second-class citizen or second-class worker in this great southern land of ours, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Do you agree that it should not be cheaper to kill, to injure gig workers than other workers?

Mr VICTOR DOMINELLO: I think that statement, as you would agree, would be offensive.

The Hon. SHAYNE MALLARD: Yes.

Mr DAVID SHOEBRIDGE: Yes, indeed. Can I show you a document?

Mr VICTOR DOMINELLO: Are you tendering this? Is this exhibit A?

Mr DAVID SHOEBRIDGE: Well, we will get to that.

The Hon. SHAYNE MALLARD: It is a gotcha.

Mr DAVID SHOEBRIDGE: I do not think it is a gotcha. I am sure you have seen this before, Minister.

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: This is a high-level preliminary proposal from your Government that suggested three options for providing some kind of workers compensation coverage to gig economy workers, isn't it?

Mr VICTOR DOMINELLO: I will take that on notice.

Mr DAVID SHOEBRIDGE: I think it has been stapled back-to-front, so I apologise for that.

Mr VICTOR DOMINELLO: Oh, right.

Mr DAVID SHOEBRIDGE: That was not designed to throw you off, Minister.

Mr VICTOR DOMINELLO: Well, that is alright then. It did not.

Mr DAVID SHOEBRIDGE: You see at the top it says—the reason I say I think it is a gig economy personal injury scheme, high-level preliminary proposal, December 2020 is because that is what it says at the top. Do you see that?

Mr VICTOR DOMINELLO: Well, the document speaks for itself, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Yes, indeed. And what it purports to be is what it is, correct?

Mr VICTOR DOMINELLO: Well, if that is what you say, yes. I do not disagree.

Mr DAVID SHOEBRIDGE: Okay, good. That is good.

Mr VICTOR DOMINELLO: As I said, the document is in front of me.

The Hon. SHAYNE MALLARD: You can take it on notice.

Mr DAVID SHOEBRIDGE: Well, it would be odd to take on notice—well, he has not, because that would be odd. Minister, each one of these three options set out in this document provides workers compensation benefits for gig delivery drivers at a significantly lower rate than applies under the regular workers compensation scheme, doesn't it?

Mr VICTOR DOMINELLO: Again, the document speaks for itself.

Mr DAVID SHOEBRIDGE: But the proposition I am putting to you is true. Each one of those three options provides benefits at a significantly lower rate than apply under the standard workers compensation scheme, don't they?

Mr VICTOR DOMINELLO: Yes. But again, I have not had a chance to explore this with the same level of detail that you have. I am looking at the top left-hand corner—I should have brought my glasses—and it has got indicative benefits.

Mr DAVID SHOEBRIDGE: Alright.

Mr VICTOR DOMINELLO: These are preliminary and indicative. They are not concluded by any shape or form.

Mr DAVID SHOEBRIDGE: There are three options here, and the first option provides that if a worker is killed, a maximum payment of \$250,000 and some funeral expenses are paid.

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: And then at most 13 weeks of compensation capped at \$850 per week. Do you see that?

Mr VICTOR DOMINELLO: Yes, I do.

Mr DAVID SHOEBRIDGE: And if there has been a catastrophic injury, it would cap even medical payments at \$200,000. Do you see that?

Mr VICTOR DOMINELLO: Yes, I do see that.

Mr DAVID SHOEBRIDGE: And even the most generous proposal would cap—and that is the third option—maximum medical payments even for a catastrophic injury at \$400,000. Do you see that?

Mr VICTOR DOMINELLO: I see that as part of "indicative", yes.

Mr DAVID SHOEBRIDGE: And then it would cap the amount of weekly payments being made to, at most, \$850 a week for up to a year. Do you see that?

Mr VICTOR DOMINELLO: Yes, you are very astute in your reading.

Mr DAVID SHOEBRIDGE: Yes. Minister, even the most generous scheme that has been proposed by your Government, if it is adopted, would see gig economy workers even if they were catastrophically injured getting no more than a year's payment, capped at \$850 per week. Why would you be proposing to not provide full protection for those workers? Why are you proposing that they be cheaper to injure and cheaper to kill than other workers?

Mr VICTOR DOMINELLO: Well, that is a quantum leap of logic, Mr Shoebridge, to suggest that I am proposing that based on a leaked document that has no force of government. All the Government is committed to at this stage is to do what no other State or Territory has done, and that is to recognise that there is a hole, or a gap, in the system around gig economy workers, as you have rightly identified. We saw a tragedy last year where five people lost their lives, four of whom were in New South Wales. That then came to the attention obviously of myself and the Treasurer through icare to say, "We need to look at this because no other State is doing it." I think we must take a leadership role on this because we are leading the country—and, in fact, I think the Southern Hemisphere—when it comes to digital transformation. The gig economy is a growing and complex area, and what we have committed to as a government is to go out and consult, and to try and identify the problems and challenges and consult with industry in relation to simple solutions.

Mr DAVID SHOEBRIDGE: Minister, you had consulted to getting a discussion paper out by February.

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: I have not seen it.

Mr VICTOR DOMINELLO: Sorry, you say I consulted?

Mr DAVID SHOEBRIDGE: You committed to getting a discussion paper out by February.

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: It is now March, where is the discussion paper?

Mr VICTOR DOMINELLO: It is nigh.

Mr DAVID SHOEBRIDGE: In terms of a medieval time frame, what does "nigh" mean?

Mr VICTOR DOMINELLO: It means very—it is imminent.

The Hon. SHAYNE MALLARD: There is that word. It is a popular word here.

The Hon. SCOTT FARLOW: Good King Wenceslas once looked down.

Mr DAVID SHOEBRIDGE: In the next feast?

Mr VICTOR DOMINELLO: That is right, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Give me the saint's day that you are putting it out on.

Mr VICTOR DOMINELLO: Sorry?

Mr DAVID SHOEBRIDGE: Give me the saint's day that you are putting it out on.

The Hon. SCOTT FARLOW: Saint Dominello.

Mr VICTOR DOMINELLO: Saint David. I think Saint David could be—

Mr DAVID SHOEBRIDGE: So what does nigh mean?

Mr VICTOR DOMINELLO: It is imminent. It is soon.

Mr DAVID SHOEBRIDGE: Days, weeks? March, April, May?

Mr VICTOR DOMINELLO: I am hoping within a function of days/weeks.

Mr DAVID SHOEBRIDGE: Minister, do you accept that if the New South Wales Government adopts a scheme where gig economy workers have a separate workers compensation scheme where their families are paid less if they are killed, they are paid less if they are injured, their medical benefits are capped, that will see a second-class workers compensation scheme for gig economy workers?

Mr VICTOR DOMINELLO: I accept, Mr Shoebridge, that there is an apparent gap in the compensation regime that applies to, in particular, food delivery drivers. Let us focus on them because that is where the tragedy occurred in relation to the loss of lives. I do not, if truth be told, understand fully what that gap is, but the Treasurer and I have committed to being the first State to go and consult on this. Again, we were the first State that, between myself and Minister Constance, introduced ride-sharing through Uber; we legalised that. We want to be forward leaning in this area.

Mr DAVID SHOEBRIDGE: But if New South Wales sets the standard and it sets a standard where gig economy workers are cheaper to employ, cheaper to injure and cheaper to kill, that would be a bad precedent for the rest of the country, Minister. Do you accept that?

Mr VICTOR DOMINELLO: I accept that the Government is taking a leadership role in understanding what the problems are. I do not accept the conclusions you are drawing when we have not even started the consultations.

Mr DAVID SHOEBRIDGE: Will you commit to one of the options that goes out for consultation with the industry and the community being full workers compensation coverage for gig economy workers?

Mr VICTOR DOMINELLO: I will commit to consulting with the industry to identify what the problems are and working through a solution and leading the nation in this area. But I cannot—

Mr DAVID SHOEBRIDGE: Not leading the nation, Minister. Not leading the nation to a position where gig economy workers get second-rate workers comp benefits. That would be a bad direction to lead the country in, do you accept?

Mr VICTOR DOMINELLO: Again, Mr Shoebridge, I am not going to pre-empt what the consultation is. If that is the case, it would not be consultation. If you wanted me to issue a directive now, then that would not be consultation.

Mr DAVID SHOEBRIDGE: But, Minister, will you consult—and I will ask you again—on one of the options being full workers compensation protection for gig economy workers?

Mr VICTOR DOMINELLO: Again, we will consult in relation to the gig economy, and we have made that commitment.

Mr DAVID SHOEBRIDGE: Minister, can I ask you this—

Mr VICTOR DOMINELLO: Ms Donnelly would like to say something further.

Mr DAVID SHOEBRIDGE: Maybe I will ask you this question, and then Ms Donnelly can handle both of them if there is something to add.

Mr VICTOR DOMINELLO: Sure.

Mr DAVID SHOEBRIDGE: This document suggests that there has been an initial costing done that would suggest a 4 per cent levy on food delivery payments would produce something like 88c on average per delivery and would be used potentially to fund this scheme. What level of benefits would that kind of levy cover? Would it cover full benefits?

Mr VICTOR DOMINELLO: Again, that is a document that is indicative. It does not have the force of government at all. I have not gone through the detail of it. It is something that we need to consult with the industry on. Obviously if there was to be a compensatory regime—and, again, that is subject to consultation—it has to be paid for somehow. No doubt the agency has done some preliminary—and I emphasise that, preliminary—costings around it.

Mr DAVID SHOEBRIDGE: Ms Donnelly?

Mr VICTOR DOMINELLO: Ms Donnelly might add further to it.

Ms DONNELLY: Thank you, Mr Shoebridge. I can confirm that this document—I have just seen it, but when I saw the media article, I went through the State Insurance Regulatory Authority [SIRA] records to try

and identify where the information had come from. When working with the Minister towards preparing a discussion paper so that we can go out for consultation very soon, my team started to do indicative costings to give us a kind of ballpark sense of what the costings might be. These are costings that I did not provide to the Minister's office with any form of endorsement. In fact, they have been overtaken by other modelling that we are doing, and we will continue to do modelling throughout the consultation.

It is an early working draft. It does not represent my advice as the chief executive of SIRA to the Minister's office in any way, and it is not a part of a proposal at this point. We are absolutely committed at SIRA to releasing a discussion paper which does canvass a range of options for the purpose of eliciting feedback. There is no preferred option. When we get that feedback, we will iteratively assess and develop final options, and then we will provide advice to government.

Mr DAVID SHOEBRIDGE: My final question before I go—

The ACTING CHAIR: We will now move to Opposition time, if that is acceptable, Mr Shoebridge. Mr D'Adam.

The Hon. ANTHONY D'ADAM: Minister, I want to come back to the Accellion breach. Is New South Wales Government data or citizens' data currently available on the dark web as a consequence of this breach?

Mr VICTOR DOMINELLO: I will not comment in relation to the breach, which is the subject of police investigation, Mr D'Adam.

The Hon. ANTHONY D'ADAM: Can I ask you about the cost of the investigation. Who covers the cost of the investigation and remediation of the damage that is caused by this breach? Is that borne by Accellion?

Mr VICTOR DOMINELLO: Again, I am not going to comment on the investigation.

The Hon. ANTHONY D'ADAM: This is not about the investigation, Minister. This is about the cost of the breach. In the event that there is a breach, how are the costs associated with that breach borne? Is there some liability with the vendor of this product for meeting the costs associated with the breach? Or do citizens have to pay for this?

Mr VICTOR DOMINELLO: I am happy to defer to Ms Hogan on that.

Ms HOGAN: At this stage, we are in the process of completing the investigation, and I would not be able to make any further comment than that.

The Hon. ANTHONY D'ADAM: In the vendor contracts, is there are not some provision that anticipates this type of event?

Ms HOGAN: I would have to take that on notice or seek comments from my colleague Mr Wells.

Mr WELLS: In relation to contracts with vendors around cybersecurity, I would offer this commentary. First of all, Mr D'Adam, in terms of getting on the ICT suppliers scheme for New South Wales in order to do business with New South Wales Government, you need to pass certain thresholds in terms of demonstrating to us that you have certain security management systems in place. We assess that to get on the schemes to do business with us. Then in terms of your question about the contracts that are established for each arrangement, yes, those contracts have standard clauses that we implement across government as part of the Procure IT services scheme and other things. For this particular instance, I would have to take that on notice. As you said before, it was quite an old system and an old contract. But at the moment, all contracts and all schemes include these standard clauses for vendors to comply with in terms of notifications and security.

The Hon. ANTHONY D'ADAM: Minister, I understand one of the issues in terms of this particular incident is that once the data was extracted using the vulnerability, the attackers were able to execute a clean-up routine to erase the traces of their activity. I want to know: Is it possible that other agencies might be unaware that they have been compromised by this breach?

Mr VICTOR DOMINELLO: I am not going to comment on those issues.

The ACTING CHAIR: Can you give us some confidence, though, Minister? That is a legitimate public question. Can you give us some confidence that other agencies have not been affected?

Mr VICTOR DOMINELLO: Again, I am happy to defer to Ms Hogan.

The ACTING CHAIR: We might return to Ms Hogan in the officials' session, but I will return to my colleague.

The Hon. ANTHONY D'ADAM: Minister, can I turn to the Service NSW breach? Are you able to give us an update on how many people have actually adversely been affected by the breach?

Mr VICTOR DOMINELLO: Yes, I can. In fact, I might defer to Mr Rees, who has got the exact figures in front of him and who is the CEO of Service NSW.

The ACTING CHAIR: Minister, while the officials are doing that, before we move to Service NSW, can I ask about those transport and health breaches. You have given us little information about this. Don't you accept that transparency here about what has happened, the extent of it and who might have been affected is fundamental to public confidence?

Mr VICTOR DOMINELLO: Yes, I do. But I also accept on police advice that this is the subject of a criminal investigation. The investigation is ongoing, and I am not going to do anything that compromises the safety or security of the people of our State.

The ACTING CHAIR: I accept that will be the case for some of these things, but you have given us almost no information about these breaches.

Mr VICTOR DOMINELLO: No, no, that is not fair, Mr Graham. I take this very seriously. This is a highly sophisticated attack, not just on agencies in this Government but around the world. I am telling you now—behind the scenes, we are in a war-type situation with cybercriminals.

The ACTING CHAIR: Will you commit to notifying all of these customers who have been affected? You have not done that for the Service NSW breach, will these customers actually find out?

Mr VICTOR DOMINELLO: You are conflating two issues. Again, we—

The ACTING CHAIR: We will come through this in detail. Will you commit today that if people have been affected, if New South Wales citizens have been affected by this breach, they will be told they have been affected?

Mr VICTOR DOMINELLO: We will adopt the best practice when it comes to identity remediation and the like.

The ACTING CHAIR: I can tell you, as a citizen, best practice is that I find out. Will I find out? Will other citizens find out?

The Hon. SHAYNE MALLARD: Point of order: I know it is going to be difficult rule against yourself—

The ACTING CHAIR: Not at all.

The Hon. SHAYNE MALLARD: —but you have to let the Minister answer the question. You have cut him off twice in sentence. Could you let him answer the question?

The ACTING CHAIR: Thank you for the point of order. Minister, you have the call.

Mr VICTOR DOMINELLO: Thank you, Mr Graham. It would have been better off going to Mr Rees from the outset, but Mr Rees will no doubt give you a thorough briefing in relation to our response in relation to the first incident. We have, I think, shown to be an absolute exemplar when it comes to responding to cyber incidents. There will always be cyber criminals out there; there will always be attacks. It is how we respond—

The ACTING CHAIR: Minister, I am going to stop you there and reiterate—

Mr VICTOR DOMINELLO: I am happy to defer your initial question, which was an appropriate question for the purpose of budget estimates, to Mr Rees to respond.

The ACTING CHAIR: So the question is: Will we tell all these customers who have been affected? Mr Rees?

Mr VICTOR DOMINELLO: No, that was not the question.

The ACTING CHAIR: Okay, if that is not the question we will return to it. Minister, you have avoided the question. Will we tell all of these customers that they have been affected?

Mr VICTOR DOMINELLO: As I said, we will—

The ACTING CHAIR: Can you commit to that?

Mr VICTOR DOMINELLO: —absolutely, that we will adopt best practice when it comes to—

The ACTING CHAIR: Absolutely we will tell them, or absolutely we will adopt best practice, which means we might not?

Mr VICTOR DOMINELLO: We will adopt best practice and we will be guided by the experts. I am not going to be guided by you, Mr Graham.

The ACTING CHAIR: So you will not commit to telling these customers?

Mr VICTOR DOMINELLO: You are being silly. You are really being silly. We are being guided by police experts, by privacy experts, by cyber experts. We will be guided by them in relation to our response. Our response to date has been world leading, and we will continue to do so. We are not going to be guided by politicians trying to get political shots. We have to be guided by experts on this and we will continue to do so. I am happy for Mr Rees to respond to your first question, which was a good question, in relation to our response to date in relation to the incident that occurred last year.

The ACTING CHAIR: We will return to Mr Rees in the official session. I will hand to my colleague, who might have some questions about how you have not informed people after the Service NSW breach.

Mr VICTOR DOMINELLO: I disagree with that.

The Hon. ANTHONY D'ADAM: I am actually going come back to what we were discussing early on. There are two other questions I want to ask.

Mr VICTOR DOMINELLO: But Mr Graham wants you to ask other questions. You had better take your lead from your Chair.

The Hon. ANTHONY D'ADAM: I choose to make my own decisions about what questions I ask.

Mr VICTOR DOMINELLO: I think you are part of the same party, aren't you?

The Hon. ANTHONY D'ADAM: You are here to answer our questions, not interrogate our process.

Mr VICTOR DOMINELLO: I told you, Mr Chair, there were leadership issues happening.

The Hon. ANTHONY D'ADAM: Minister—

Mr VICTOR DOMINELLO: Sorry, I got distracted by you, Chair.

The Hon. ANTHONY D'ADAM: Minister, are you able to advise what other agencies are involved in the investigations? You have mentioned ASIO but is the Federal Police? Are there other Federal agencies involved in these investigations?

Mr VICTOR DOMINELLO: I will defer to Ms Hogan.

Ms HOGAN: We have not mentioned ASIO. The Australian Cyber Security Centre, the ACSC, is who we have been liaising with. I imagine that police have been liaising with their counterparts also.

The Hon. ANTHONY D'ADAM: Right, so no other Federal agency is involved?

Ms HOGAN: I do not think so. I will take it on notice and come back if there are any others.

The Hon. ANTHONY D'ADAM: Can I ask about the nature of the support that you provide to the affected agencies? Cyber Security NSW, what is the nature of the support that has been provided in this instance to those agencies? What does that look like?

Ms HOGAN: I will attempt to answer but Mr Wells might have other commentary to add. When we are made aware of an incident like this, each agency that was impacted in such a way alerts Cyber Security NSW and they coordinate the intelligence across the sector to make sure that everybody is responding appropriately. With Accellion, for example, we knew that different agencies were using the products, so we made sure that everyone was across what was happening. We also advise the ACSC. The ACSC, in return, might provide advice to other intelligence they have about what is going on in Australia in other jurisdictions both for the public and private sector, and indeed around the world. We share that intelligence, as appropriate, to ensure that we respond to these incidents quickly.

The Hon. ANTHONY D'ADAM: Moving back to Service NSW. Mr Rees, you were going to tell us how many people have been adversely affected?

Mr REES: We identified 104,000 customers who were impacted by that cyber breach.

The Hon. ANTHONY D'ADAM: They are impacted. Has there been any assessment made about how many have been adversely affected?

Mr REES: That is as a result of the cyber breach?

The Hon. ANTHONY D'ADAM: Yes.

Mr REES: To the best of our knowledge, we have not seen any examples where somebody has been impacted as a direct result of the cyber breach.

The Hon. ANTHONY D'ADAM: Minister Dominello, to the notification in terms of this particular breach, what is the commitment of the Government in terms of notification?

Mr VICTOR DOMINELLO: Sorry, which breach?

The Hon. ANTHONY D'ADAM: The Service NSW breach.

Mr VICTOR DOMINELLO: Again, we engaged special services outside of the Government as well as marshalling resources inside. We sought advice from the Privacy Commissioner and a whole range of other people, including Malcolm Crompton, who used to be the Commonwealth Privacy Commissioner, as well together with IDCARE. We sought advice from them in relation to notifications.

The Hon. ANTHONY D'ADAM: How many have been notified of that 104,000?

Mr VICTOR DOMINELLO: That detail I will leave to Mr Rees.

Mr REES: We attempted to notify all customers where we were safely able to do so.

The Hon. ANTHONY D'ADAM: And how many of those have you actually notified?

Mr REES: We initiated notifications to all impacted customers where we were safely able to do so.

The Hon. ANTHONY D'ADAM: Everyone has been notified is your evidence, is that right? Everyone who has been affected?

Mr REES: We initiated that notification, so, of course, it relies on somebody receiving that notification. We initiated our notifications through certified registered mail for the privacy and safety of customers. That does rely on customers to accept and sign for that notification.

The Hon. ANTHONY D'ADAM: Minister, earlier on you mentioned best practice. Is there a benchmark for the speed with which you would notify in the event of a breach like this?

Mr VICTOR DOMINELLO: It depends. It is fair to say, Mr D'Adam, that it depends on the nature of the breach and as to when the timing of notifications take place. Again, I can assure you that at all times we took advice from the best experts on this.

The Hon. ANTHONY D'ADAM: Do you envisage that there will be compensation for this breach for individuals who require compensation?

Mr VICTOR DOMINELLO: I am happy to defer to Mr Rees on that. We deal with each issue on a case-by-case basis.

The Hon. ANTHONY D'ADAM: How does that work, Minister?

Mr VICTOR DOMINELLO: It means that if there is a claim for compensation then we will deal with it on—

The Hon. ANTHONY D'ADAM: How might a citizen make a claim for compensation? Is there a process established for this particular breach?

Mr VICTOR DOMINELLO: They would simply notify us through our channels.

The ACTING CHAIR: So you deal with it in 104,000 different ways? You do not have a principle? You do not have a policy about how you might deal with compensation if that issue comes up?

Mr VICTOR DOMINELLO: I will defer to Mr Rees.

The ACTING CHAIR: We will return to Mr Rees in the official session. This is the chance to question you about your views, Minister, on these issues?

Mr VICTOR DOMINELLO: No, you are asking the operational question, Mr Graham. Can I say this: Your question is loaded with a number of assumptions that are just so erroneous it just defies belief. I am happy to take questions, I am happy to answer questions, but when they are technical, operational questions, I will defer, as is my authority, to the chief operational officer of Service NSW. I choose to do that. If you are not happy with that, then that is a matter for you.

The ACTING CHAIR: You are certainly welcome to defer, although we are welcome to move on with our questions.

Mr VICTOR DOMINELLO: Then you can move on. But do not load your questions with some, quite frankly, offensive assumptions.

The Hon. ANTHONY D'ADAM: Minister, is it proposed that there would be some form of compensation scheme or is it just open ended? There are no parameters, is that your evidence around compensation for this particular breach?

Mr VICTOR DOMINELLO: My evidence is clear; it is not a "gotcha moment". I have already said this publicly when interviewed by media on this. As I said, we will deal with it on a case-by-case basis. I have indicated before, both to the media and again to this Committee, it will be on a case-by-case basis.

The Hon. ANTHONY D'ADAM: Is the level of compensation going to be capped?

Mr VICTOR DOMINELLO: Again, we will deal with it on a case-by-case basis. I am happy to defer to Mr Rees in relation to any claim, but to my knowledge there has not been one.

The Hon. ANTHONY D'ADAM: Have you had any discussions with the Treasurer about funding a compensation scheme for this breach?

Mr VICTOR DOMINELLO: Again, to my knowledge there has been no claim.

Mr REES: Can I clarify that the questions are relating to the Service NSW's cyber incident—the 47 email accounts—not the Accellion incident? Is that correct?

The Hon. ANTHONY D'ADAM: This is in relation to the Service NSW breach.

Mr VICTOR DOMINELLO: I thought it was in reference to Accellion. In relation to the Service NSW one, I will defer to Mr Rees.

Mr REES: We have a framework that we have established for how to assess claims for compensation. To date, we have paid \$21,000 worth of compensation claims.

The Hon. ANTHONY D'ADAM: What is involved in the framework? Can you elaborate on that?

Mr REES: It assesses the individual's situation, the risk, the nature of the information that was involved in the breach for that individual and their personal circumstances and the impact that this has in relation to those circumstances.

The Hon. ANTHONY D'ADAM: Minister, I quote from the Auditor-General's report from 2 March 2018:

Cybersecurity incidents can start as simply as an individual opening a fraudulent website or email and unwittingly allowing unauthorised access to IT systems. Awareness training can reduce this risk, but few agencies undertake regular training or keep their staff up-to-date on these and other types of cybersecurity attack.

That was in 2018. The Auditor-General anticipated the exact circumstances that led to the Service NSW breach. You were put on notice. Clearly, the systems were inadequate. Is that your negligence, Minister, in the administration of your own agency?

Mr VICTOR DOMINELLO: The cyber posture continues to evolve, not just in this Government but in all governments—particularly Western governments—around the world.

The Hon. ANTHONY D'ADAM: But this was not a new event; it was clearly identified and anticipated by the Auditor-General and then two years later it occurs in your own agency.

Mr VICTOR DOMINELLO: Again, Mr D'Adam, we are in a position at the moment in 2021 where we are still in a twilight zone between analogue paper-based systems and processes that have been rooted in government for decades, and we are still in that digital transformation stage. We are not there in fully immersed digital products yet. For example, the digital driver licence is an end-to-end digital product and something I am very proud of. It means that it is far more secure and far harder to hack than your paper-based systems. Not just

New South Wales but every government in the nation—indeed, particularly the Western world—needs to lift its game.

The Hon. ANTHONY D'ADAM: Minister, this was a human vulnerability. The Auditor-General recommended a framework for addressing that through training. Was that applied in your agency? Did all staff undertake cybersecurity training?

Mr VICTOR DOMINELLO: I am happy to defer to Mr Rees in relation to the operational aspects of that. I just want to emphasise that New South Wales is, seriously, not just leading the country on cyber; in the Southern Hemisphere we are a stand-out.

The Hon. ANTHONY D'ADAM: Minister, there is limited time. The question is about whether—

Mr VICTOR DOMINELLO: If you want to ask the operational—

The Hon. ANTHONY D'ADAM: —staff in your agency have been trained.

Mr VICTOR DOMINELLO: If you want to ask that operational question of Mr Rees, I am happy for him to answer it.

Mr REES: I am happy to address that. Cybersecurity training is an important part of our training regime in Service NSW. It is mandatory for all staff to undergo cybersecurity training.

The Hon. ANTHONY D'ADAM: When did that become mandatory?

Mr REES: I need to take that on notice.

Mr WELLS: Minister, if I could add that we also put out a circular last year that mandates cybersecurity training for all staff. The secretary put that out across the sector. That is for all staff—for executives, for staff in IT who have special admin privileges. That is mandated across government.

Mr VICTOR DOMINELLO: Thanks, Mr Wells.

The ACTING CHAIR: Thank you. Mr Rees, I want to return to the question about how many people have actually been notified. You have initiated notification by certified registered mail. How many people has that been successful for?

Mr REES: I do not have that information to hand. I will have to take that on notice.

The ACTING CHAIR: Give us some idea. You must have some idea, or is this not something that was of concern?

Mr REES: It is of concern. We have made every attempt we can to safely notify customers, including initiating second attempts to certain customers where we believe their address may have changed recently.

The ACTING CHAIR: Take on notice the specific number, but give us some feel for how many Service NSW customers have not yet been successfully notified. Can you give us any idea?

Mr REES: No, I do not want to guess. I will take on notice the question.

The ACTING CHAIR: Minister, is this not a question that should be at the top of your list of priorities: how many people might have been affected in a breach like that and might not yet know? Their credit cards might still be at risk. Their personal data might be out there on the web and they do not know yet.

Mr VICTOR DOMINELLO: It is an absolute priority, and that is why our response has been gold standard. It is not just me saying that.

The ACTING CHAIR: How many people are in that category as a result of a Service NSW breach?

Mr VICTOR DOMINELLO: Again, in relation to the operational issues of that and the details of that, I will leave that for Mr Rees. He has indicated—

The ACTING CHAIR: How can you not know that, Minister, if it is such a priority?

Mr VICTOR DOMINELLO: No, Mr Rees has indicated he will take the precise number on notice. He has also indicated that he has notified through registered mail all of those affected.

Ms CATE FAEHRMANN: Minister, I want to turn to poker machines, if I can. What is the average monthly spend on poker machines in New South Wales? Do you have that figure?

Mr VICTOR DOMINELLO: Not to hand, but I am happy to take it on notice. Otherwise, Ms Webb would be able to indicate to you this afternoon.

Ms CATE FAEHRMANN: I have a figure in front of me, given by industry stakeholders, that apparently roughly \$200 per month is the average spend. We will go with that. That is what I have been told.

Mr VICTOR DOMINELLO: I am happy to take that.

Ms CATE FAEHRMANN: We will say it is around there.

Mr VICTOR DOMINELLO: Yes.

Ms CATE FAEHRMANN: I want to ask about the maximum preload now, which is \$5,000. Why do we have a maximum preload of \$5,000 on poker machines when the average spend is, say, \$200?

Mr VICTOR DOMINELLO: They were the regulatory settings that were in place at the time.

Ms CATE FAEHRMANN: Can you think of a single case where it would be appropriate to just have \$5,000 on poker machines—every poker machine across the State, people are allowed to put \$5,000 in at a time?

Mr VICTOR DOMINELLO: Again, Ms Faehrmann, that is a matter for individual choice.

Ms CATE FAEHRMANN: You have something called Responsible Gambling.

Mr VICTOR DOMINELLO: Yes.

Ms CATE FAEHRMANN: Do you think it is responsible gambling to allow people to put up to \$5,000 into a poker machine at once?

Mr VICTOR DOMINELLO: If you cannot afford to put \$5,000 in, then that is not very responsible. But if you are James Packer—I am sure he would not worry about \$5,000. I guess it is all relative.

Ms CATE FAEHRMANN: James Packer, or potentially someone who is needing to launder money.

Mr VICTOR DOMINELLO: That would be illegal.

Ms CATE FAEHRMANN: But it is going on.

Mr VICTOR DOMINELLO: According to Patricia Bergin, money laundering is occurring—definitely within the casino context.

Ms CATE FAEHRMANN: Does that concern you?

Mr VICTOR DOMINELLO: Absolutely. It should concern everyone.

Ms CATE FAEHRMANN: But it is not just the casino context. There is a report today in *The Sydney Morning Herald*, in fact, that says there are repeated cases of player behaviour that points to money laundering. In one instance, \$1,485.79 was put into a machine at 2.00 p.m. and the exact amount was taken out three minutes later. It also says that there seemed to be particular areas and particular LGAs that are targeted. What measures are in place at the moment to prevent that type of money laundering? It is going on. This article says that it is going on quite substantially around the State. What protections are there at the moment to prevent this type of money laundering?

Mr VICTOR DOMINELLO: Obviously, there are anti-money laundering provisions that are in place. The primary agency there is Federal agency the Australian Transaction Reports and Analysis Centre [AUSTRAC]. There are reporting requirements in relation to suspicious and irregular activity. The figures you have just read out are disturbing, because it is clearly evidence of suspicious activity and that needs to be reported. One of the findings and the recommendations of Patricia Bergin is that there seems to be a gap in that reporting. One of her recommendations is that we set up a system whereby, in addition to reporting to AUSTRAC, similar reports get fed in essentially real time to a regulator. But these are matters that are currently before the Government for consideration.

Ms CATE FAEHRMANN: Going back to the maximum amount, you said earlier that that is the system that the Government inherited. But in May last year, I understand, you reduced the \$7,500 figure to \$5,000.

Mr VICTOR DOMINELLO: Yes.

Ms CATE FAEHRMANN: Why was that reduced?

Mr VICTOR DOMINELLO: I will take that on notice. I just cannot recall specifically why that was reduced at the time.

Ms CATE FAEHRMANN: Could it have been because you were concerned that \$7,500 was a lot of money for an individual to put into a poker machine at any one time?

Mr VICTOR DOMINELLO: I would not disagree with that.

Ms CATE FAEHRMANN: Again, considering the average is say \$200, surely one of the best ways to stop the money laundering that is going in is to substantially reduce that figure again?

Mr VICTOR DOMINELLO: Again, I would not disagree with you. I have just been informed that it was a commitment in the memorandum of understanding [MOU] with ClubsNSW; that is a reduction from 7,500 to five. I am sorry I did not have that to hand at the time, but that was the trigger for why it was reduced.

Ms CATE FAEHRMANN: A spokesman for ClubsNSW today said obviously they are pushing this digital payment card. They seem to be concerned. They say:

We see no reason why small bowling and golf clubs should be forced to adopt expensive technology that they cannot afford—nor do we see any reason why a person wanting to put \$5 into a poker machine after bingo should be forced into registering for a government-issued card.

In relation to the Government-issued card that you floated, it is not the \$5 into poker machines after bingo that you are worried about, is it?

Mr VICTOR DOMINELLO: No, I am not worried about \$5. But I am worried about the large sums of money that are put in and then, as you indicated, immediately taken out. That is highly suspicious activity.

Ms CATE FAEHRMANN: Are you aware that gambling researcher Charles Livingstone has described money laundering in New South Wales as endemic with gaming machines at 4,000 venues across New South Wales? Is it accurate therefore to describe poker machines as black market ATMs?

Mr VICTOR DOMINELLO: That is a colourful description.

Ms CATE FAEHRMANN: As we know and you know, money laundering is occurring. This is the way that they flush out and clean that money. There is nowhere else for them to do it. Essentially they are black market ATM's, Minister.

Mr VICTOR DOMINELLO: Unfortunately, money launderers use a variety of techniques to wash their money. Obviously, Patricia Bergin uncovered one of the sources, but to suggest that is the only way they launder money through casinos, I think is just not realistic. There are a number of mechanisms in society that they use to do it. Again, it is the modus operandi of organised crime. Organised crime does not go about by going through credit card transactions. They do things in the black market in the cash economy. I have been around the world enough to know that when organised crime is pervasive and gets into institutions, whether it is the institutions of society or of government, we all have something to worry about.

Ms CATE FAEHRMANN: That is right, but you are the Minister who has control over poker machines in this State. That is what you have to worry about as Minister. In terms of addressing what gambling researchers have described as an endemic situation, as in there is a lot of money laundering going on in New South Wales through poker machines, surely reducing the maximum bet from \$5,000 to something that ClubsNSW wants to contribute to, which is still allowing that person to put \$5 into poker machines after bingo—the average amount that people are putting in is actually \$200 a month, surely it is time to negotiate with ClubsNSW and reduce that figure substantially, say maximum bet of \$100? This is poker machines. I cannot stand the things, but apparently lots of people want to go and pop a few dollars in, whatever they do. That is what we hear. If ClubsNSW want to say that their machines are not used for money laundering, do you see a reason why we would not reduce the amount? Or is it just because of the MOU with ClubsNSW and you know they are not going to stand for it?

Mr VICTOR DOMINELLO: There is an MOU with ClubsNSW, and we respect and honour that. Part of the provisions of that MOU was to address the issues caused by problem gambling. I think ClubsNSW and the Australian Hotels Association, to their credit, accept that there are issues. They know that; everyone knows that. How we tackle it is the thing that we need to deal with at the moment.

Ms CATE FAEHRMANN: There are two things here though. These are people who are addicted to poker machines, who have an addiction because the machines are addictive. Then there is the money laundering that is happening with poker machines by organised crime figures. Problem gambling or the issue of people who are addicted to poker machines is separate. I move on to the suggestion by ClubsNSW that a digital card, a digital

wallet if you like, that is optional be introduced. I know, Minister, you have been talking about a compulsory gambling card, potentially. Do you think that an optional card would have any impact on either reducing the harm for people who are addicted to poker machines, or money laundering activities?

Mr VICTOR DOMINELLO: Ms Faehrmann, the reason I am very passionate about digital and technology is that I really believe in my heart it is the fastest way to reduce suffering and improve quality of life. We have seen, particularly in the pandemic, that the people of New South Wales are quick to adopt digital, particularly through the check-in feature. They did that essentially en masse, to keep us all safe. The people of New South Wales should be applauded for that. The last figure we had was something in the order of 130 million check-ins; 96 per cent thumbs up; 4.2 million downloads of the Service NSW app. The people of New South Wales are forward-leaning when it comes to the adoption of technology, when it comes to improving public outcomes, and to be honest, that is inspiring. I do not know of a problem that cannot be solved with a digital solution and I will always be an advocate for that.

Ms CATE FAEHRMANN: With the MOU specifically with ClubsNSW, when does that get renegotiated? How long does that stay in place for?

Mr VICTOR DOMINELLO: Can I take that on notice? I understand it is due for renegotiation. It would be 2022.

Ms CATE FAEHRMANN: Is it before each election?

Mr VICTOR DOMINELLO: I believe so, but can I take it on notice?

Ms CATE FAEHRMANN: Why is ClubsNSW so adamant that it does not want a compulsory government-issued gambling card? Can you share what you believe their concerns are with this Committee?

Mr VICTOR DOMINELLO: I agree. I do not believe it should be government issued at all. Governments are not in the business of gambling. That is a matter for industry. It should be an industry-issued card. That is why, as was reported today, some of them are already on that path. It should be an industry-issued card with appropriate regulatory oversight.

Ms CATE FAEHRMANN: Does that mean that the industry, therefore, has access to all of the data from those individuals who are putting money into poker machines?

Mr VICTOR DOMINELLO: They already do in the sense that if you go into a club right now you normally have a card to get into a club. They already have that architecture in place.

Ms CATE FAEHRMANN: Sure, you have a card to get into a club, but you do not use that same card to put into a machine to track that individual's expenditure.

Mr VICTOR DOMINELLO: No, I accept that.

Ms CATE FAEHRMANN: Do you not think there is a risk that ClubsNSW would use an optional gambling card to track behaviour and potentially then target those individuals to increase their gambling even further and to get more money from them?

Mr VICTOR DOMINELLO: And that is why, Ms Faehrmann, all of this would require the appropriate regulatory oversight, including input from the Office of Responsible Gambling.

Ms CATE FAEHRMANN: But you are not saying that Clubs NSW would not have access to the data. Why would Clubs NSW need to have access to an individual's data on how much they spend on poker machines?

Mr VICTOR DOMINELLO: If it an industry-issued card it would be the clubs that would issue it, and ultimately the data would be theirs. But there would have to be oversight by a government agency.

Ms CATE FAEHRMANN: The modus operandi of the industry, if you like, is to raise money from poker machines. We know that you have had to regulate quite substantially to reduce various incentives and what have you. I do not think there is a good enough reason why the Government would not issue a card.

Mr VICTOR DOMINELLO: I would be very much against a government-issued card.

Ms CATE FAEHRMANN: Why? Transport for NSW Opal Card—

Mr VICTOR DOMINELLO: This is my personal view. All of these things need to be thrashed out before Cabinet and take their appropriate course. From a design perspective I would be against a government-issued card. I just think that is poor design. If industry wishes to have the card then it should be industry issued with government oversight—I think that is a better model.

Ms CATE FAEHRMANN: The issue is that industry does not want to have a compulsory card. They are pushing back on you quite heavily because they do not want a reduced amount of money. They want to still allow people to be able to put that money into machines. They do not want a compulsory card because, we know, that that will be effective, probably in, firstly, allowing people, if they identify as having an addiction to poker machines, to access help. Also, it is going probably put a bit of a stop to those guys who are heading into clubs to throw their \$2,000 into poker machines and wash it in two minutes. Is that not the case?

Mr VICTOR DOMINELLO: I do not think you will find one decent, reasonable person in New South Wales who would not be offended by the notion of people suffering from problem gambling, or money laundering and organised crime and the absolute evil that that is, and how quick it is for that to get a foothold in society. It is something that governments should never turn a blind eye to. That is why I am very much thankful to Patricia Bergin for her work. I might add, it was my agency that kicked the ball rolling in relation to Patricia Bergin. As a result of that, we are now seeing not just commissions of inquiry but royal commissions into this matter and similar topics in Victoria. Even Western Australia has now elevated it from a commission of inquiry to a royal commission. I think we all owe a great deal of debt to Patricia Bergin for the work she has done. She has shone on a light on something that is, in many ways, the thin edge of a very dangerous wedge.

Ms CATE FAEHRMANN: We are dealing with two things. We have people who are addicted to poker machines, some of whom, as we know, can suicide. They get into hundreds and thousands of dollars of debt and sometimes they lose their house and their relationships. It has a huge impact on not only individuals but also families and whole communities. The economic cost of that is quite significant. We have the issue of money laundering. You used the word "evil" in terms of organised crime.

Mr VICTOR DOMINELLO: It is. In the street, people say "money laundering" as if it is something that you clean. Money laundering is what really bad criminals do. We are talking about child pornography, people's liberties being taken away via slave trade and drugs, ice. It is really nasty, pernicious stuff. It makes me very angry.

Ms CATE FAEHRMANN: That is right. I am aware. We have those two things: poker machines causing people to suicide and wrecking communities; and on the other hand we have got \$3,000, \$4,000, \$5,000 being pumped into poker machines every day, and go up to the next club and do it again and do it again, facilitating those awful, evil crimes that you just referred to.

Mr VICTOR DOMINELLO: And they are.

Ms CATE FAEHRMANN: But you are sitting here today saying that you are probably going to leave it up to industry now to regulate—you have a memorandum of understanding with clubs that you cannot reduce the \$5,000—

Mr VICTOR DOMINELLO: No, that is not true.

Ms CATE FAEHRMANN: What steps will your Government take to ensure that money laundering gets out of Clubs NSW?

Mr VICTOR DOMINELLO: Ms Faehrmann that was not a fair characterisation of what I said. I never said I will leave it to industry to regulate. I said "a card that they issue". If this path is pursued, and again it is an "if" because it needs to be discussed after the appropriate mechanisms—

Ms CATE FAEHRMANN: Even then, Minister, it is an "if". That is a problem too. You are sitting here saying that you potentially might not change anything but today we read in the paper that criminals are going in and laundering all this money and people are still killing themselves because of poker machines.

Mr VICTOR DOMINELLO: We are considering Patricia Bergin's report and we will respond in due course.

The ACTING CHAIR: I turn to the issue of bushfire grants, specifically concerns around the establishment of Strike Force Roche investigating some of the fraud in some of the schemes. In your own words, will you tell us how criminals have been able to take advantage of this government recovery scheme?

Mr VICTOR DOMINELLO: Unfortunately, Mr Graham, my understanding is that in any government scheme where you provide money in goodwill to the public, there is always going to be an element who abuse that goodwill. Mr Rees was telling me recently that across the board, across governments of all political colour and across all layers of government, generally about 5 per cent of people abuse the scheme. You can build in statutory declarations and ask people to do the right thing and declare that they are using it for the purpose of the

design of the scheme but ultimately, particularly in relation to matters that are rolled out very quickly because of emergency situations, unfortunately you are going to get an element of society who choose to do the wrong thing.

The ACTING CHAIR: These schemes have been reported as being worth about \$750 million. Is that an accurate figure?

Mr VICTOR DOMINELLO: When you say "these schemes"—

The ACTING CHAIR: The funds were supposed to be allocated for bushfire recovery. Are they the funds that have been targeted—that \$750 million fund in particular.

Mr VICTOR DOMINELLO: For bushfire recovery, and I think we might be at cross-purposes, I have got a figure of \$181 million.

The ACTING CHAIR: What has been the scale of the fraud? How much fraud has taken place on those bushfire recovery grants?

Mr VICTOR DOMINELLO: In relation to the specifics, I will defer to Mr Rees but the broad figure across these types of schemes is around 5 per cent from the modelling.

The ACTING CHAIR: Is this higher or lower than that 5 per cent extent?

Mr REES: For the operational detail I will defer to Mr Rees.

The ACTING CHAIR: Briefly, Mr Rees?

Mr REES: From a Service NSW standpoint we have been responsible for delivering seven grants across bushfires and COVID. The value of those grants to individuals and businesses comes to around about \$1 billion of payments.

Mr VICTOR DOMINELLO: That is right across the suite.

Mr REES: That is not just bushfires; it is COVID as well. It is across that suite. At the moment we are aware of seven convictions in relation to fraud from those programs to a value of \$163,000.

The ACTING CHAIR: Minister, I refer to the private firm which was investigating this failed scheme. It was conducting an audit and that audit has been cut short. Why did that occur?

Mr VICTOR DOMINELLO: I will defer to Mr Rees.

Mr REES: If I can just correct that. The firm I believe you are referring to was engaged by us to provide specialist services as part of understanding and assessing risk, and working with police around any examples of potential fraud. That work was completed. Those responsibilities have been transitioned into the Service NSW team.

The ACTING CHAIR: It is certainly not the view of that firm that the work was completed. You are saying you believe the job that was there to be done was not terminated early, Mr Rees?

Mr REES: A few points of clarification: They were not engaged to perform an audit. They were engaged on our behalf to provide specialist skills. That work is ongoing; that engagement with that particular organisation is complete.

The ACTING CHAIR: Minister, was that decision made at agency level or was that a decision that sat at any point on your desk?

Mr VICTOR DOMINELLO: To my recollection, Mr Graham, that was an operational issue for Service NSW.

The ACTING CHAIR: You did not sign off on the termination of that audit?

Mr VICTOR DOMINELLO: I am happy to take it on notice, but not to my recollection.

The ACTING CHAIR: But you were aware of the fact that these services had been terminated, possibly in the circumstances Mr Rees has suggested?

Mr VICTOR DOMINELLO: Yes—but, again, in broad settings. It was not something that was—it was an operational issue for Mr Rees.

The ACTING CHAIR: Minister, do you have concerns about the scale of the fraud that has been uncovered, particularly in the Lake Macquarie area but possibly across the State, in relation to these funds?

Mr VICTOR DOMINELLO: Yes, Mr Graham, it is a fair question. I am always concerned about fraud. As Ms Faehrmann said, I think you get a sense from my answers that I have a strident view about crime. I got into public life to make sure we do good things, and where I see crime take place, particularly organised crime, I do not like it. When there is fraud, in this case of a civil nature, it is still not right because you are taking money away from people who deserve it, ultimately. That is why with the Dine & Discover vouchers we had more time. I give a shout-out to the Treasurer on this. I am happy to disclose this to you because—

The ACTING CHAIR: I am going to have to stop you soon, Minister, but keep going briefly.

The Hon. SCOTT FARLOW: You don't like getting good news, do you?

Mr VICTOR DOMINELLO: I am sure the Treasurer is enjoying his time in the other room.

The ACTING CHAIR: I am sure he is.

Mr VICTOR DOMINELLO: But let me give him a shout-out. Normally what Treasurers do on the budget day is they will make a series of announcements and then ask Ministers like me to operationalise them. But thankfully the Treasurer had the good sense about a month beforehand to say to me, "We are thinking about rolling out an assistance scheme" along the lines of Dine & Discover. Because he gave me the time I said, "What we can do is rather than doing the standard scheme"—

The ACTING CHAIR: No, I am going to move on.

Mr VICTOR DOMINELLO: —"we do the Dine & Discover, which significantly reduces fraud risk."

The ACTING CHAIR: I appreciate that in relation to that program. I might move on to some of your comments about moving to one digital platform for business regulation. These were comments that were reported in the *Australian Financial Review*. In relation to agencies like SafeWork NSW and NSW Fair Trading you stated:

I think there's 28 different regulators. We will corral them—they can all keep their little hats and fancy uniforms but it will come through one system ...

And once we've done that, we've harmonised the message to the most important person, the customer. They become the centre of the universe again—rather than orbiting around these mongrels, they—

the regulators—

orbit around the citizen.

Minister, I have read that you are one of the good boys of the Cabinet.

Mr VICTOR DOMINELLO: Sorry?

The Hon. JOHN GRAHAM: I have read that you are one of the good boys of the Cabinet—in *The Sunday Telegraph*.

Mr VICTOR DOMINELLO: Don't believe everything you read, Mr Graham.

The ACTING CHAIR: But that is not really the sort of language you would expect from a senior Minister in this Government, is it?

Mr VICTOR DOMINELLO: Absolutely not. That was taken out of context. The context of that was—and that is why the article has been withdrawn and put in the appropriate contextual setting it deserved. I had at the time been approached by, shall I say, businesses that were not happy with the inspectors because the inspectors were doing their jobs. I support the inspectors for doing their job and doing it in a great way. They were the ones that were saying those derisory remarks; all I was doing was saying what these let's call them cowboys out there were saying to me. It was not that I adopted it—far from it. I have been in this cluster for close to six years and my record speaks for itself. I have got nothing but admiration and praise—

The ACTING CHAIR: It was taken out of context—

Mr VICTOR DOMINELLO: Absolutely!

The ACTING CHAIR: The article has been withdrawn. But did you—

Mr VICTOR DOMINELLO: Absolutely taken out of context.

The ACTING CHAIR: Did you use these words: "rather than orbiting around these mongrels, they orbit around the citizen"? Were they your words?

Mr VICTOR DOMINELLO: They were words that were an echo of businesses that do not like inspectors because the businesses are doing the wrong thing. But I am backing inspectors in every day and twice on Sundays. Again, my form on that speaks for itself. They have been—

The ACTING CHAIR: To your credit, Minister, I understand you have apologised directly to some of those staff who were affected, which I think is much to your credit.

Mr VICTOR DOMINELLO: Absolutely. When I read—

The ACTING CHAIR: Can you confirm, though, that that apology happened on Microsoft Teams and that the reason it happened online was that you had offended so many people that to apologise to them in person would have been a breach of your own Government's COVID regulations?

The Hon. SCOTT FARLOW: Oh, come on!

The Hon. SHAYNE MALLARD: That is a stretch!

The ACTING CHAIR: Can you confirm that, Minister?

Mr VICTOR DOMINELLO: Mr Graham, I will just put this into context. I remember waking up in the morning as I do at about 5.00 a.m. or 5.30 a.m. and reading the clips. I read that and I almost had a heart attack. I thought, "This is completely taken out of context." I contacted the journalist straight away and said, "What on earth did you publish?" To the journalist's credit, he withdrew it and contextualised it as it should have been. But I was so upset, personally upset, that the team that I have worked so hard with and respected so much over six years would think that I would even say that. I asked my secretary, Em Hogan, if I could be given the opportunity to apologise to anybody. To this moment, it causes me distress. I have so much admiration for these people—

The ACTING CHAIR: Thank you for those comments, Minister. I will direct a question now to Mr Rees, returning to that Service NSW notification issue. I believe you have given evidence to another committee looking into this issue that 70 per cent to 80 per cent of people had been notified successfully. Can you confirm that you have previously given that evidence, Mr Rees?

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

The ACTING CHAIR: You need to take on notice your previous comments?

Mr REES: I will need to take it on notice so I can go and review my previous comments.

The ACTING CHAIR: Minister, given that the transcript of evidence to that committee shows Mr Rees indicated 70 per cent to 80 per cent of people had been successfully notified, do you accept that to leave 20 per cent or 30 per cent of people whose credit card details and personal details are out there not knowing—they are in the dark—is not good enough? Do you accept that?

Mr VICTOR DOMINELLO: Again, Mr Rees has indicated to you, Mr Graham, that every person that has been impacted has been notified by registered mail and has taken—

The ACTING CHAIR: That is definitely not the evidence. They have attempted, and I accept that. But 20 per cent to 30 per cent do not know. They are in the dark.

Mr VICTOR DOMINELLO: Again, Mr Graham, Mr Rees has indicated to you that every person affected has been notified by registered mail. I can absolutely assure you that we have received advice from the best experts in the land on how to respond to this. I indicated to Service NSW that I wanted our response to be world class. The report I have received back from experts—for example, such as IDCARE, the lead agency when it comes to these issues—has been that the response from Service NSW has been a stand-out and has been world class. Now, we can only do—

The ACTING CHAIR: I will hand to my colleague at this point, Minister.

Mr VICTOR DOMINELLO: —as much as the experts advise us and we followed that expert advice.

The Hon. ANTHONY D'ADAM: Minister, just following on with that, if they have all been notified by registered mail, you will know how many have been successfully notified and how many have not. Are you going to provide that figure to us?

Mr VICTOR DOMINELLO: I think Mr Rees indicated—

Mr REES: We committed previously to take that on notice.

The Hon. ANTHONY D'ADAM: Minister, how much has the Service NSW breach cost to remediate, to investigate? Are you able to provide a figure in terms of the overall cost of the breach, excluding compensation?

Mr VICTOR DOMINELLO: I am happy to; that is an operational issue.

Mr REES: The support is ongoing at the moment. We do not have a final figure for the cost of the breach.

The Hon. ANTHONY D'ADAM: Are you prepared to take on notice the current cost?

Mr REES: Okay.

The Hon. ANTHONY D'ADAM: Are you able to provide details in terms of how many staff, contractors or vendors have been hired to investigate the breach and communicate with customers?

Mr REES: I can take that on notice.

The Hon. ANTHONY D'ADAM: Thank you. Minister, in the subsequent inquiry there was a—

Mr VICTOR DOMINELLO: Sorry, which inquiry are you referring to, Mr D'Adam?

The Hon. ANTHONY D'ADAM: The upper House inquiry.

Mr VICTOR DOMINELLO: Okay.

The Hon. ANTHONY D'ADAM: It was disclosed that there was a gap between the time when the breach was detected and the advice was provided to you as a Minister. The gap, I think—it is not precise. I think Mr Rees is the one who provided the evidence. He said in mid-April they detected the breach and then you were advised on 13 May. Why was there such a significant gap between the time that the agency knew that there had been a breach and you were advised as a Minister?

Mr VICTOR DOMINELLO: I can say that my office was informed early on of a phishing attack. Phishing attacks occur all the time but we were not formally briefed in terms of the scale of it, which is the subject of the questioning, until Tuesday 12 May. And pretty much within 24 hours of that I asked for a number of steps to be undertaken, including I asked for the Auditor-General to conduct a report and a whole lot of other things to take place.

The Hon. ANTHONY D'ADAM: Minister, can I ask about the risk register for Service NSW, which says that they maintain a zero risk appetite in relation to privacy breaches. Can you explain what that actually means in practice?

Mr VICTOR DOMINELLO: That we consider privacy at the forefront of everything we do in terms of design and the like. That is why when we are delivering new products, particularly in digital product service delivery, almost at every meeting we ask ourselves: What are the privacy settings here? How do we ensure that privacy is part of the design of the digital services? It is an aspiration and something that we are absolutely committed to.

The Hon. ANTHONY D'ADAM: Can I ask you about multifactor authentication on Service NSW webmail? Has that been rectified?

Mr VICTOR DOMINELLO: I would go into detail; my understanding is yes, but Mr Rees can give you more detail around that.

Mr REES: Yes. That was implemented in April 2020.

The Hon. ANTHONY D'ADAM: April 2020. So that has been corrected, has it?

Mr REES: It has.

The Hon. ANTHONY D'ADAM: Okay. What about the issue around emailing personal details and data?

Mr REES: So we have commenced changes to remove that practice. That will take some time to implement across all of our processes and all our partner agencies. That work is now underway.

The Hon. ANTHONY D'ADAM: What is involved in that?

Mr REES: There are a number of key elements to it. Following the cyber incident last year, we immediately moved to reduce the amount of information that was held in customer-facing mailboxes. We reduced that by about 93 per cent in the immediate period following the cyber incident. But removing the use of email for

handling information altogether is a complex task. It requires us changing the way that we capture information off customers and the way that we store and share that, both within Service NSW and within partner agencies. We think the ultimate goal here is actually to digitise these processes end to end and remove the need for manual handling altogether. But we have commenced moving to alternate forms of effecting that manual handling in the interim.

The Hon. ANTHONY D'ADAM: So when do you anticipate that that transition to not relying on email at all will occur? What is the expected date for that?

Mr REES: It has already commenced. The discussion with the Audit Office recognised the complexity and the amount of work there, and I think there is a completion target of that of March 22. We believe that we are ahead of that plan as we speak.

The Hon. ANTHONY D'ADAM: Can I ask you about the recommendations of that Audit Office report? There are a number of recommendations that are due on 1 April to be implemented. Are you on track to implement those, Minister?

Mr VICTOR DOMINELLO: Sorry. I thought that was a question to Mr Rees.

Mr REES: Maybe I will answer that question, if that is okay.

Mr VICTOR DOMINELLO: Yes.

Mr REES: We have completed the first of those and we are on track for the remainder that are due in that time.

The Hon. ANTHONY D'ADAM: What about the June deadline? Are you on track for that as well?

Mr REES: We are either on track or ahead of schedule for all of those commitments.

The Hon. ANTHONY D'ADAM: Okay. Thank you. The Auditor-General in their report raised concerns about the adequacy of the executive leadership teams' monitoring of privacy. You are ultimately responsible for the leadership in the organisation. What steps have you taken to correct that failing of the executive leadership for Service NSW?

Mr VICTOR DOMINELLO: Well, again, the very first thing I did was ask for the Auditor-General to conduct a review. That review that you are referring to came at my request because I wanted to have the independent oversight on this issue because it is so fundamental to securing trust, particularly when it comes to digital services. We have a very bold ambition for the people of our State to provide more services online and we have demonstrated that through Service NSW. But it has to be built on trust and privacy is sacrosanct there and we must continue to do so. Ms Hogan, to her eternal credit, has already put in place a number of steps to strengthen that position and I am happy for her to speak to that.

The ACTING CHAIR: We might return to that issue in the officials' briefing. Minister, the thing that I cannot understand with the Service NSW breaches is that you were warned, as my colleague said. This fundamentally came about as a result of staff emailing around. I mean, this is not new technology—email. They are continuing to do so. Why have you not been able to grapple with this? Email has been around in plenty of time. Why have not been able to get on top of this?

Mr VICTOR DOMINELLO: Again, because, Mr Graham, as you would appreciate we are in a digital transformation now. As I tried to indicate before you cut me off, we are in a twilight zone at the moment. We are literally the generation that is transitioning from paper-based systems to digital systems. The problem is that paper base when it interfaces with digital, you get a PDF. Somebody presses yes, that is interesting, and they get access to your PDF, which is essentially a paper document in a digital envelope. That is why I am absolutely fervent about driving digital transformation in New South Wales because the quicker we can move away from, as I call them, paper sandwiches—where we have digital on one end and digital on the other but a PDF is in between that I can click on an email and access—the faster we will reduce risk. How do you do that in terms of—

The ACTING CHAIR: We will hand over to the crossbench. It is crossbench time at this point, Minister.

Ms CATE FAEHRMANN: Thank you, Chair. Minister, back to poker machines. I just want to ask a few questions about the Responsible Gambling Fund. I understand that when pubs and clubs want to apply for more poker machines, they have to undertake a local impact assessment to basically prove that having more gaming machines will have an overall positive impact to the community. I understand that part of that is what they then give to the community. Is that correct?

Mr VICTOR DOMINELLO: That is my understanding, yes.

Ms CATE FAEHRMANN: That is part of that. So what data is used to determine the overall impact of increasing poker machines? How is the overall community benefit worked out?

Mr VICTOR DOMINELLO: If you do not mind, I will defer that to Ms Webb this afternoon in terms of that level of detail.

Ms CATE FAEHRMANN: Okay. So you do not know. I mean, you have got—basically, I suppose the question really is how your department would be looking at what the impact of poker machines is in terms of data. Is that right? Do you have an information?

Mr VICTOR DOMINELLO: Yes. They work through that information, yes.

Ms CATE FAEHRMANN: Okay. But you do not really know that detail to really answer any questions about that?

Mr VICTOR DOMINELLO: Not to the level of detail that you are asking. Again, like, Ministers are not CEOs.

Ms CATE FAEHRMANN: Sure.

Mr VICTOR DOMINELLO: We are not into the operational matters and that is a question—it is an appropriate question but it should be left to Ms Webb and her team.

Ms CATE FAEHRMANN: Okay. All right. I will move on to questions about—let us see if there is anything here. This is around the collection of data, if you like, and it probably is a bit of a policy decision. I understand that the ILGA—I might have talked to you about this in the past—does not provide data in relation to venue by venue. Is that correct?

Mr VICTOR DOMINELLO: Again, I am not confident about that. I do not know whether they can or cannot.

Ms CATE FAEHRMANN: So I hear that they do not provide basically venue by venue—

Mr VICTOR DOMINELLO: When you say "provide", provide to whom?

Ms CATE FAEHRMANN: To the Government publicly to be able to see what is happening.

Mr VICTOR DOMINELLO: Again, that is not—I would have to take that on notice.

Ms CATE FAEHRMANN: All right. They do not is what I hear, and Victoria does. Victoria provides monthly figures, particularly for local government areas [LGAs]. We do not even have that data available.

Mr VICTOR DOMINELLO: Yes, in the sense that we do not have venue specific.

Ms CATE FAEHRMANN: So do we have the requirement for LGA by LGA?

Mr VICTOR DOMINELLO: Again, if I could take that on notice.

Ms CATE FAEHRMANN: Alright. Victoria can do this. Again, stakeholders tell me that New South Wales cannot do that.

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

Ms CATE FAEHRMANN: Okay.

Mr VICTOR DOMINELLO: If we do not, then it is obviously something we should look at from a policy perspective.

Ms CATE FAEHRMANN: Yes, I think transparency in terms of reducing harm and to have as much transparency as possible in terms of what is going on in the clubs in terms of turnover.

Mr VICTOR DOMINELLO: I have been informed—sorry, Ms Faehrmann—that LGA data is released every six months.

Ms CATE FAEHRMANN: Is that on the website?

Mr VICTOR DOMINELLO: Yes, that is to my knowledge. But, again, I will take it on notice.

Ms CATE FAEHRMANN: In relation to club grants, I understand that New South Wales requires 1.85 per cent of the funds over \$1 million to be returned to the community; that is the figure. Victoria requires

6 per cent; the ACT requires 8 per cent. I am just curious as to how the Government got to 1.85 per cent of every million dollars to be invested back in the community to offset harm as though that is the figure and that is enough.

Mr VICTOR DOMINELLO: Obviously that was the subject of the MOU.

Ms CATE FAEHRMANN: So that was the subject of the MOU. It does sound like ClubsNSW potentially got a pretty good deal out of this MOU if it has people able to put \$5,000 into a machine at any one time plus only 1.85 per cent of every million dollars to be put back to the community—where we have ACT as 8 per cent. Why did ClubsNSW get such a good deal when they signed this MOU? Why did they sign it just before an election? In terms of politics, you will have a future government that is bound by that MOU. It does become very political; we have seen what they do in elections.

Mr VICTOR DOMINELLO: I want to say from the outset that I am a big supporter of clubs. They do amazing work and we have seen how they have stood up, particularly in response to bushfires and other areas in community life. But you are not surprised to know that I do not like organised crime, I do not like problem gambling and these are areas that I want to work with the clubs to try to resolve because we should not allow that bad thing to overshadow all the great work that they do and the great contribution they make to community and community life.

Ms CATE FAEHRMANN: On the MOU, does it seem reasonable for your Government to look at getting a better deal for the community, for people who are addicted to poker machines and to prevent money laundering as much as possible through poker machines? Will you commit to getting a better deal out of that MOU next time and to getting an increase in what goes back to the community and get a reduction in the amount that is put through poker machines?

Mr VICTOR DOMINELLO: Obviously, Ms Faehrmann, that is a matter for the Government to negotiate with the clubs prior to the term of the Government expiring. But I can give you this cast-iron commitment that I will continue to work with industry, particularly from my perspective to use technology to see how we can significantly take money laundering and organised crime out of the system and to improve outcomes around problem gambling.

Ms CATE FAEHRMANN: Is it correct to say that your department was actually offered machine-by-machine breakdown in terms of what goes through each machine and in fact your department said it did not want that? It is possible to receive the breakdown.

Mr VICTOR DOMINELLO: I am not aware, but I am happy to take that on notice.

Ms CATE FAEHRMANN: Are you happy to ask questions to your department as to whether that was offered? If it is offered, are you happy to commit to receiving it?

Mr VICTOR DOMINELLO: I am happy to take it on notice, and if it was offered, it would be something that I would absolutely welcome.

Ms CATE FAEHRMANN: Because it would increase your knowledge of what is actually going on, right?

Mr VICTOR DOMINELLO: Absolutely. Again, the reason I have been such a strong advocate for things such as e-planning is that it provides transparency. Once you have transparency, it is easier to identify problems and deal with the problems; or, as I would say in the vernacular, it is far better with transparency to pull out weeds than to round up the lawn. If you have got more information, again subject to privacy, subject to security, then it is the appropriate way to move forward for modern governments.

Ms CATE FAEHRMANN: There is no issue with privacy, obviously, in terms of machines. We are not talking about the privacy of a club; that is individual. There is no issue with privacy. It can be provided machine by machine. Will you commit to finding out how you can get that machine-by-machine data?

Mr VICTOR DOMINELLO: I will take that on notice, but if that was provided, I will want to know why we did not accept it. In my view, it is something we should accept.

Ms CATE FAEHRMANN: Okay, Minister, maybe we will catch up on that in a few weeks after you have made some inquiries.

Mr VICTOR DOMINELLO: It is consistent with everything I have done in life. I just really believe that transparency is key, particularly from a regulator's perspective.

Ms CATE FAEHRMANN: Just going back to the questions around the digital gambling card; whatever that is. We will leave aside some of the things as to whether it is government issued or industry issued. You have said what your preference is. Will you ensure that any digital card or gambling card will not be linked to people's bank account or credit cards?

Mr VICTOR DOMINELLO: Again, I cannot comment on it, Ms Fachrmann, because it is something that needs to be considered by the Government and there is a process that I respect. It has to go to Cabinet, it has to go to party room and then ultimately to our Parliament, if that is the course. As much as I would like to, I am just not—

Ms CATE FAEHRMANN: But do you understand why I am asking the question?

Mr VICTOR DOMINELLO: I do.

Ms CATE FAEHRMANN: Do you understand why it is a risk for people who have an addiction being able to access or bet with their credit card?

Mr VICTOR DOMINELLO: Obviously, any proposal would need to have the imprimatur of the Office of Responsible Gambling. They would need to look at whatever the proposal is. Again, it is not for me to comment on now because it is something that needs to be considered inside the Government.

Ms CATE FAEHRMANN: Yes, but you are the Minister in charge of regulating poker machines.

Mr VICTOR DOMINELLO: Correct.

Ms CATE FAEHRMANN: You have oversight over this. You just said you recognise the issue with linking to credit cards. Surely, then, in the introduction of a potential digital card, you could go in and make a very strong recommendation. It would be you as the Minister putting forward your view that it should not be linked to credit cards.

Mr VICTOR DOMINELLO: If a card were to exist, I cannot see a universe where it would be linked to a credit card. But, again, I cannot comment specifically because it is something that needs to be taken to Cabinet. From a policy design perspective, yes, I could not see that occurring.

Ms CATE FAEHRMANN: No, because it would be a disaster. It would be a disaster for people to be able to bet at poker machines, highly addictive machines, with their credit card.

Mr VICTOR DOMINELLO: From a policy design, I agree with you 100 per cent.

The ACTING CHAIR: We might turn to a couple of other issues. Given we have talked about these data security issues and the significant impact on New South Wales citizens, one of the measures you have taken is to announce the new Bathurst cyber centre. How important is that centre to tackling the sorts of problems we have talked about today?

Mr VICTOR DOMINELLO: It is important, and can I just give some context to it. The reason that came into existence was that I recall in about January last year I had a meeting with Michelle Price from AustCyber and I said to her that in New South Wales we want to lead the Southern Hemisphere when it comes to cybersecurity. I asked her, "What are the things that we can do? Where are the weaknesses at the moment to position us not just as leading in Australia, but leading around the world?" She gave me two examples. She said, "Obviously, you have to do the procurement piece and you have to invest money." We did that through the \$240 million and we are leading the country by a country mile on that.

The second thing she said was we had to harmonise a whole lot of standards, so we set up a cyber harmonisation task force. Again, that is work that, quite frankly, we are leading the nation on because it has not been done before. That report has come back. The third thing to your question, Chair, is that she said, essentially, do not put all of your eggs into the Sydney basket. We need to make sure that we regionalise cyber. I asked the agency to, basically, do a desktop review of the State to see where there were opportunities and the one that stood out immediately was Bathurst because of the university there and we also have Spatial Services there, so we created a hub there in the centre. I am happy for Mr Wells to go into more detail in relation to—

The ACTING CHAIR: I am happy to press Mr Wells on this matter later. How many employees are employed there at the moment?

Mr VICTOR DOMINELLO: From memory, I think there were 20. But I think we doubled that.

Mr WELLS: We started with eight, Minister. We are up to 16 at the moment, but there are plans to continue that expansion.

The ACTING CHAIR: Minister, I might turn to the Park'nPay app, which you have been a strong advocate for. That has caused some industry concerns. You have invested—I think the budget indicated there was \$1½ million invested into developing and trialling this app. Other parking app providers have said that this is not rocket science. The private sector could do this. Why is your office calling around councils advocating for them to adopt this Park'nPay app, rather than let the market rule. People should use whichever app suits their purposes.

Mr VICTOR DOMINELLO: You sound like a libertarian there, Mr Graham.

The ACTING CHAIR: Feel free to agree.

The Hon. SCOTT FARLOW: You should read his maiden speech. It is actually quite good.

Mr VICTOR DOMINELLO: Show me your party membership.

The ACTING CHAIR: Feel free to agree, Minister.

Mr VICTOR DOMINELLO: One of the key roles that I have as Minister for Customer Service—and remember, to our knowledge, around the world, I am the only Minister for Customer Service—is to put people first and to put the design thinking around them. Somebody asked me recently, making sure that we do not ask people to evolve and revolve around government, it is the other way around. One frustration, and there are many frustrations, that people have when it comes to parking is that there is a proliferation of parking apps. For example, if you are living in Parramatta and you are travelling on any other day between Parramatta and the city for whatever reason—courier driving or whatever the case—you would potentially have to download an app for Parramatta council, an app for Ryde council, an app for Canada Bay, an app for Balmain and an app for Sydney.

Then you would have to download an app for Secure Parking and for Wilson Parking and then the Transport app, just for parking. That is an outrageous customer experience. There is no place in the market to bring everyone together. That is where, I believe, government has a leadership role to say to industry and to say to the collective, "What is the bigger view here to put people first?" If you want people to adopt—

The ACTING CHAIR: Minister, I want to be up-front. The Opposition has backed your call to have the QR code, for example, under COVID, to have one app.

Mr VICTOR DOMINELLO: Congratulations.

The ACTING CHAIR: I think that is important. It is a pandemic.

Mr VICTOR DOMINELLO: Well done to the Opposition.

The ACTING CHAIR: Why is it that in this instance, though, you are using this heavy-handed tactic? Is there not a better way to sort this issue out rather than have the Government fund and directly push these other apps out of the way, rather than get them to work together? Why is your office involved in what surely is an operational matter? You have deferred a whole lot of operational matters today. Why is your office calling around to get councils to adopt this?

Mr VICTOR DOMINELLO: We are encouraging councils. Again, our job is to optimise the customer experience. We do not want app graffiti in the sense that there are a thousand apps on your phone. If that is the case, it is not an optimal experience. As you have identified, time and time again, particularly with the QR code, the amount of people that have said to me—and I am sure to you and that is why the Opposition, to their credit, has backed it in—"Thank God you mandated this". That means there is a far more seamless experience. We need to find, Mr Graham, a solution for the poor, suffering people of New South Wales that are just trying to get parking. Navigating umpteen different apps is not the way to do it.

The ACTING CHAIR: Minister, it comes at a cost. Can you confirm that, while the app might be free, councils who sign up to this are required to pay a management fee to the private company who is tied to this app, and it might be significant?

Mr VICTOR DOMINELLO: Which company are you talking about?

The ACTING CHAIR: Duncan Solutions.

Mr VICTOR DOMINELLO: You will have to rephrase the question. I do not quite understand it.

The ACTING CHAIR: Can you confirm councils who sign up to this app and use it in the council area might be required to pay a management fee to manage the data to a private company? Are you aware of that?

Mr VICTOR DOMINELLO: They would be required to do that for any company that provides parking app services.

The ACTING CHAIR: Correct. But the question here is: Is it good value? Councils have got obligations to achieve best value. Your office is calling around telling them to sign up to this app where a private company gets a trailing commission—a significant one. Are you aware of that?

Mr VICTOR DOMINELLO: Mr Graham, we are encouraging councils to do the right thing by the people of our State and to try and come on board. In the same way we have got a harmonised experience in relation to QR check-in, we are trying to design something that we can use to put people first rather than council borders first.

The ACTING CHAIR: The QR check does not cost businesses anything. This app does. Can you confirm that councils might have to pay to have the data managed to this private company?

Mr VICTOR DOMINELLO: Councils have to pay for any app they use. That is a given. That is no "gotcha" there.

The ACTING CHAIR: It might be a significant—that is the end of crossbench time. We will move to Opposition time. Can you confirm it might be a significant amount? It might be \$600,000 for one of these councils.

Mr VICTOR DOMINELLO: Were you just eating into Ms Faehrmann's time, were you? I was enjoying that fireside chat with Ms Faehrmann.

The ACTING CHAIR: Can you confirm—

The Hon. SCOTT FARLOW: Get her back.

Mr VICTOR DOMINELLO: Bring her back. Sorry, Mr Graham.

The ACTING CHAIR: Can you confirm that, Minister? This is not small change. This might be \$600,000 for one of these contracts.

Mr VICTOR DOMINELLO: Again, councils have to pay for apps. There is no surprise there; there is no "gotcha" there. That is obvious. But what I am trying to work towards is making parking a far more seamless experience. We do need to work with the various industry players out there. There is no doubt about that. The ultimate goal would be—

The ACTING CHAIR: You are doing it, Minister, at great cost. Is that not the issue here? Councils should go out to tender for these things. They have to in many other services. Your office is encouraging them to sign up direct with this government app, but the kicker here is a private company is benefiting. That is not going out to tender, in all instances. Is that an appropriate engagement?

Mr VICTOR DOMINELLO: Again, I think you are conflating some issues in there, Mr Graham. The broader vision here is—and we have to work with industry—to have a seamless experience for the people of our State. You talk about cost. The last time I checked, NRMA did a report about the cost of parking and traffic. They said that traffic costs something in the order of \$7 billion a year—call it \$6 billion just to round it down. They said, of that, up to about one-third is because people were looking for parking. The cost to the economy of people driving around and around looking for parking back then was about \$2 billion.

The ACTING CHAIR: I am well aware of that, as the transport shadow Minister.

Mr VICTOR DOMINELLO: You are talking about cost—

The ACTING CHAIR: Will you commit to ensuring that councils are encouraged—whatever they sign up to—to go to tender to ensure the best value for money, whatever parking app they are signing up to?

Mr VICTOR DOMINELLO: I will commit to this right here right now: that I will work with councils, with industry and with my colleagues to make sure that we put the people first so that when it comes to parking in New South Wales, which is a bugbear for pretty much everyone that drives a car, we get a solution that is designed for them. Not designed for a council, not designed for an entity because that does not work. We need a parking solution that is designed for the people, and that has been the problem. Can I give you an example of FuelCheck? FuelCheck—

The ACTING CHAIR: Before you move on to that, can I ask this—

Mr VICTOR DOMINELLO: Because you know I want to talk about FuelCheck, don't you?

The Hon. SCOTT FARLOW: It is great.

The ACTING CHAIR: Is this not a total breach of your Government's competitive neutrality issues?

Mr VICTOR DOMINELLO: No, it is not.

The ACTING CHAIR: You have piled in—

Mr VICTOR DOMINELLO: I reject that completely.

The ACTING CHAIR: —millions of dollars of taxpayers' money into this app—

Mr VICTOR DOMINELLO: I reject that completely.

The ACTING CHAIR: —and your office is personally calling around on this operational matter.

Mr VICTOR DOMINELLO: I just reject that completely. I reject that completely, Mr Graham.

The ACTING CHAIR: You are the innovation king. I would expect you of all Ministers to understand the issue here.

Mr VICTOR DOMINELLO: I reject it completely. I will always do my best to put people first.

The Hon. SHAYNE MALLARD: Hear, hear!

Mr VICTOR DOMINELLO: And if designing a—

The ACTING CHAIR: How much will that cost: giving them a second-rate, costly app?

Mr VICTOR DOMINELLO: It is costing New South Wales \$2 billion a year.

The Hon. SCOTT FARLOW: Point of order: I know—

The ACTING CHAIR: There is a point of order. I will have to stop you.

Mr VICTOR DOMINELLO: It is costing—I bet you want to take this point of order.

The ACTING CHAIR: There is a point of order.

The Hon. SCOTT FARLOW: He needs to seek refuge. Mr Chair, my point of order comes to our poor Hansard staff here, who can obviously not record the transactions between yourself and the Minister.

The Hon. SHAYNE MALLARD: Two parallel debates.

The Hon. SCOTT FARLOW: I would ask that when the Minister is answering that you do not interrupt him.

Mr VICTOR DOMINELLO: And I do want to talk about FuelCheck.

The ACTING CHAIR: I thank you, Mr Farlow, for your timely point of order.

Mr VICTOR DOMINELLO: And thank you for bringing that sensibility to this discourse.

The ACTING CHAIR: Minister, I do want to ask you about this. Firstly, I want to put on record my thanks for the role you played in negotiating the night-time economy bill through the Parliament.

Mr VICTOR DOMINELLO: In this rare moment of reciprocation, can I thank you as well.

The Hon. SHAYNE MALLARD: Get a bucket!

The ACTING CHAIR: I want to ask about whether you are concerned about the state of many of those music venues that might hope to make use of those laws but are facing the JobKeeper cliff at the end of March. Those venues were worried they might close their doors, 85 per cent of them said they might do that. They have been able to stay alive, but this is the moment where they are either going to close their doors or not. They will never get the benefit of those laws that the Parliament has now passed if they shut their doors in the next month. There has been no specific State assistance for them. They are worried about JobKeeper. Are you concerned about the state of those music venues?

Mr VICTOR DOMINELLO: I was concerned even before the pandemic in relation to all the red tape. Honestly, there was that much red tape it looked like a haunted house. To the credit of everyone in the Parliament—the crossbench, Opposition—we all stood up, and what we delivered is not just great reform for New South Wales but industry experts have told me that this is now nation-leading, that is how deep the reform has been. But I accept your point that COVID has come and cast a dark shadow over the economic fortunes of some sectors in particular, and that is why we need to make sure that they are in support. The Treasurer is doing a lot of work to make sure that we bring the economy back into New South Wales. But the first and most important

thing we can do is to keep people safe, which we have done, and therefore keep the economy open, which we are doing.

The ACTING CHAIR: Minister, venues that have been around for years will close in the next week or weeks. We are going to start losing venues as they tell their staff that they are out of—

Mr VICTOR DOMINELLO: But if you are talking about JobKeeper, I cannot comment.

The ACTING CHAIR: There has been no specific State package. Would you commit to talking to the industry and reviewing again this question of State-specific assistance to these venues? Victoria has paid \$30 million to its venues; the number is zero in New South Wales.

Mr VICTOR DOMINELLO: I will talk to the Treasurer about that. But your first question was about JobKeeper, and obviously those are settings for the Federal Government.

The ACTING CHAIR: I agree with that, obviously.

Mr VICTOR DOMINELLO: Can I indicate to you why I am so passionate? A: I love the arts, but I am so passionate about digital because at its heart it is about ensuring that we have creative people in our society. Sure, they may apply themselves to the higher echelons of human activity such as music and performing arts and the like, but also it is that level of creativity that you need in design thinking that then can come in to help us in our transformation. So I am very passionate about this sector and that is why I am grateful for the work that the Parliament did in bringing this reform. But I will raise this with the Treasurer.

The ACTING CHAIR: I appreciate it.

The Hon. ANTHONY D'ADAM: Minister, do you have a personal policy about ministerial messages that get sent to customers or consumers of Service NSW? Do you ever send ministerial messages and communications to customers of Service NSW in your capacity as the Minister?

Mr VICTOR DOMINELLO: I am not understanding the question, to be honest.

The Hon. SHAYNE MALLARD: I never got one.

The Hon. ANTHONY D'ADAM: Sometimes a consumer might get a—

The Hon. SHAYNE MALLARD: Merry Christmas.

The Hon. ANTHONY D'ADAM: —particular service, they have accessed a particular service, and then that gets provided with an accompanying letter from the Minister. Is that something that you have done in the past?

Mr VICTOR DOMINELLO: I imagine. It is not something that occupies the centre of my universe or of my mind.

The Hon. ANTHONY D'ADAM: So you do occasionally submit ministerial messages?

Mr VICTOR DOMINELLO: I do it as required, but it is not my overriding ambition.

The Hon. ANTHONY D'ADAM: When there is good news to be conveyed, Minister.

Mr VICTOR DOMINELLO: My ambition is to provide oversight and to provide the best service delivery in the State. And, quite frankly, through Service NSW and more broadly the department, we are not just leading the nation, we are leading the world when it comes to service delivery, and I am very, very proud of it. That is not to say that there is not room for improvement, there is always room for improvement, but I am so proud of the team.

The Hon. ANTHONY D'ADAM: So when there is good news to be conveyed, you are happy to put your name to it. Is that correct, Minister?

Mr VICTOR DOMINELLO: But equally, when—as you have appropriately said—there are failings in the system such as the cyber incident, I am happy to own that as well. That is why I went out there and said, "Look, I want an independent review of that." But these are the challenges.

The Hon. ANTHONY D'ADAM: Sure.

Mr VICTOR DOMINELLO: As I said, behind the scenes there is a war going on in this area, but my job is to do as much as I can behind the scenes and focus on seamless delivery in the front.

The Hon. ANTHONY D'ADAM: My question is: Did you sign the letter that notified the 104,000 consumers that their data had been compromised—the notification letter?

Mr VICTOR DOMINELLO: No, I do not believe so.

The Hon. ANTHONY D'ADAM: That was not something you put your name to?

Mr VICTOR DOMINELLO: That is an operational issue.

Mr REES: Minister, if I could add, that letter was signed by me.

The Hon. ANTHONY D'ADAM: It was signed by you, Mr Rees?

Mr REES: Yes.

The Hon. ANTHONY D'ADAM: I see. Did that letter contain an apology to those consumers for the breach?

Mr REES: It did.

The Hon. ANTHONY D'ADAM: It did?

Mr REES: From memory, it did.

The Hon. ANTHONY D'ADAM: Minister, did you not think it was appropriate that you should apologise in writing to those customers affected by your failings?

Mr VICTOR DOMINELLO: I have apologised. When I did the—this is honestly really, really, I do not want to say "juvenile" but I will—juvenile questioning because if you really understood it—and I do not want to demean you in this regard, Mr D'Adam, but the reality is when the issue arose last year I was in the media and I apologised. Indeed, even, I think, it was Mr Fordham asked me just recently about it and without demur I apologised within 30 seconds. It is not something that is—it is distressing for people who have been impacted by it, and to score some cheap political point is really silly.

The Hon. ANTHONY D'ADAM: Well, it is about owning mistakes, isn't it, Minister? Do you own your mistakes?

Mr VICTOR DOMINELLO: Again, Mr D'Adam, I apologised back then, I apologise now, but more importantly it is about strengthening our position as a State and for the people of New South Wales. We cannot put ourselves in a shell and go back to the old Labor way of papered movement. We must move forward in the digital age. We are continuing to build our strength more so—much, much more so—than any other State or jurisdiction in the country. And, again, I think we are leading the Southern Hemisphere, and it is not just me who says it. There was a report recently from Intermedium that measures the digital readiness of every State—and indeed government—in the country, and we recently scored, I think, 9.8 out of 10. I think the next best was 9.4 from the Feds, and they said it was actually the Labor States that were laggard.

The Hon. ANTHONY D'ADAM: Minister, I might move on.

Mr VICTOR DOMINELLO: You can talk to me about digital all you like. We have a very, very good message here. Don't ask me; ask the people in New South Wales generally what they think of the service delivery of Service NSW. I can tell you, just on the checking feature alone, that alone we have received over 4 million bits of feedback—over 4 million—with an astonishing 96 per cent thumbs up.

The Hon. ANTHONY D'ADAM: I have limited time, Minister, so I am going to move on.

The Hon. SCOTT FARLOW: You have more time. Cate is not here. It is not that limited.

The Hon. ANTHONY D'ADAM: Can I ask about the content of that notification? Did that notification include details about how you might claim compensation? Were there specifics in that? Was there an invitation to those who were affected in the written communication that was sent by Service NSW to explain how they might access compensation if they had been adversely affected?

Mr REES: With such things, I am happy to submit the template for that letter, if that is helpful.

The Hon. ANTHONY D'ADAM: If you could, that would be appreciated.

Mr REES: From memory, the letter provided people with guidance on a range of options, should they wish to have a review conducted or to lodge a complaint. I cannot recall specifically whether it addresses the question of compensation.

The Hon. ANTHONY D'ADAM: Minister, can I ask you about the promised 10 additional Service NSW branches? Are you able to give us an update on where the construction of those new branches is up to?

Mr VICTOR DOMINELLO: They are on track as we promised throughout the course of the term, and we still have two years to go. But my understanding, Mr Rees, is that they are definitely on track.

Mr REES: Three of them have opened. The next one scheduled is Edmondson Park. We are just working through some supply chain issues caused by COVID. It resulted in a delay to the escalators.

The Hon. ANTHONY D'ADAM: So you have projected opening dates for all the centres?

Mr REES: We will not have open dates for all those centres yet. They are coming online progressively over that period.

Mr VICTOR DOMINELLO: But we are not going to announce them here, if that is what you are asking.

The Hon. ANTHONY D'ADAM: Can I ask why Engadine and Revesby were given priority? Why were those ones chosen to be rolled out first and not, say, Shoalhaven where there is apparently no Service NSW centre in that whole—

Ms HOGAN: There is one in Nowra.

The Hon. ANTHONY D'ADAM: In Nowra?

Ms HOGAN: Yes. It is quite large.

The Hon. ANTHONY D'ADAM: Coming back to my original question about Engadine and Revesby, why were they given priority?

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

The Hon. ANTHONY D'ADAM: Okay. Can I ask about the Auditor-General's report into central agencies? It talks about this "Essential Eight". Are you able to explain what the "Essential Eight" is? Is that a question for Mr Wells?

Ms HOGAN: Yes, a question for Mr Wells.

Mr WELLS: I think the first thing to comment on is the Essential Eight are technical controls related to cybersecurity resilience, which are part of a broader set of mandatory requirements that Cyber Security NSW has mandated across all agencies. The Essential Eight are the technical components of a broader suite of mandatory requirements.

The Hon. ANTHONY D'ADAM: There is a maturity level, isn't there? There are various graduations in terms of compliance with that.

Mr REES: There is.

The Hon. ANTHONY D'ADAM: How many agencies are at maturity level 3 on all Essential Eight mitigation strategies?

Mr WELLS: I wish everyone was at maturity level 3. That is something we are all striving towards. What we do not do, though, is publish individual maturity levels for each agency. We do that very specifically because that information can be used by threat actors to target agencies, and we really want to avoid that for security reasons, obviously.

The Hon. ANTHONY D'ADAM: Sure, I understand that. But are you able to give me an indication of how many are at maturity level 3, without specifying which agency?

Mr WELLS: Sure. No-one is at level 3 yet for this Government and for any government, for that matter, across Australia.

The Hon. ANTHONY D'ADAM: Are there any agencies that sit at maturity level 0?

Mr WELLS: I am not going to go into specifics about agencies and maturity levels for the reasons I talked about.

The Hon. ANTHONY D'ADAM: I am not asking about identifying the agency. I am just asking about the numbers. How many agencies are at maturity level 0?

Mr WELLS: Sure. In general, cybersecurity maturity is low across government, and that is why we have invested a lot of money in uplifting that capability across government. Each agency has built specific plans to lift maturity—not just, as I said, against the Essential Eight, the technical controls, but across a range of controls that relate to how they govern cybersecurity within their agency; how they build awareness, which was your question before; how you practise response to incidents. So it is a range of policy mandates that everyone has built specific plans around to uplift, and that is what the investment last year was targeted to do.

The Hon. ANTHONY D'ADAM: Minister, are you satisfied with that state of affairs, that no agency is at maturity level 3?

Mr VICTOR DOMINELLO: As Mr Wells said, this is an issue right across the Western world. I am satisfied that we are leading the country when it comes to our cyber posture and the record investment that we are putting into it. As I indicated in my response to Mr Graham, it is not just money that we are leading by a country mile on a pro rata basis; it is also the intellectual investment in building our capacity, whether it is the regionalisation of cyber, whether it is the harmonisation of standards. Again, these are things that build our cyber resilience, not just here as a State but around the country. My unshamed ambition is for New South Wales to be the cyber muscle of this country, and that is why we are putting record investment into it. As Mr Wells indicated, we are building that up and we will continue to build that up. I want everyone around the country, if they want the most exciting job in cybersecurity, to come to this State. This is where it is all going to be. We are building up so many precincts, whether it is the aerotropolis or tech central—

The Hon. ANTHONY D'ADAM: Minister, I have limited time. Now that Mr Shoebridge has returned, we do not have as much time as I thought. Can I ask you about the Anglicare data breach?

Mr DAVID SHOEBRIDGE: I did not mean to rain on your parade.

Mr VICTOR DOMINELLO: I would not say that. That is nasty. It is okay if you were to be nasty with me, but you should not be nasty to Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Water off a duck's back.

The Hon. ANTHONY D'ADAM: Minister, are you able to advise us about this Anglicare data breach? How many people have been affected by that specific cyber attack? Are you aware of that?

Mr VICTOR DOMINELLO: I will take that on notice.

Mr DAVID SHOEBRIDGE: Minister, you together with the Attorney have oversight of the Government Information (Public Access) Act [GIPAA]? Is that correct?

Mr VICTOR DOMINELLO: Correct.

Mr DAVID SHOEBRIDGE: Who has responsibility for what bits? Better still, what bits are you responsible for?

Mr VICTOR DOMINELLO: It really is joined up. For example, if there is modification to the Act, then it would require a joint submission of Cabinet.

Mr DAVID SHOEBRIDGE: Is there a proposal to complete a review of the GIPAA scheme in the near future or at some point?

Mr VICTOR DOMINELLO: Obviously there is always the traditional, I think, five-year statutory review, but beyond that—

Mr DAVID SHOEBRIDGE: Alright. Are you aware that a number of agencies now have quite cumbersome procedures for you to put in a GIPAA application, where you have to register an online account, give a significant amount of personal information and register an online credit card in order to access information? Are you aware of that?

Mr VICTOR DOMINELLO: I am aware there are a lot of areas within government that are cumbersome.

Mr DAVID SHOEBRIDGE: I am asking you specifically in your capacity as the Minister co-responsible for the GIPA Act. Are you aware of this growing tendency in government agencies?

Mr VICTOR DOMINELLO: Yes. There is no doubt that there are pain points associated with that.

Mr DAVID SHOEBRIDGE: Are you aware those pain points have gotten worse in the past few years, in fact, under your watch with more government agencies having this cumbersome, complicated, multilevel online application process?

Mr VICTOR DOMINELLO: Yes, I am aware that it is a frustration, Mr Shoebridge. Again, my job is to try to remove as many pain points as I can.

Mr DAVID SHOEBRIDGE: What are you doing about actually removing the pain points? You see, under your watch, it has actually gotten worse.

Mr VICTOR DOMINELLO: No—

Mr DAVID SHOEBRIDGE: These pain points have increased. This new online registration process has happened under your watch.

Mr VICTOR DOMINELLO: If I had a magic wand, I would fix everything right now, but—

Mr DAVID SHOEBRIDGE: What about a ministerial directive?

Mr VICTOR DOMINELLO: Again, that is something that we are looking at. I accept your proposition: It is a pain point.

Mr DAVID SHOEBRIDGE: So what are you doing about it?

Mr VICTOR DOMINELLO: Like everything, I am trying to deal with the huge pain points across government, whether it is trying to deal with parking or trying to deal with QR codes or trying to deal with a whole range of things that we are dealing with at the moment. It is one of the things that we have to get to.

Mr DAVID SHOEBRIDGE: So it is just on a list, deep down on a list? Freedom of information laws are buried down on a list somewhere?

Mr VICTOR DOMINELLO: The reform agenda is still burning bright, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: I am not even asking for you to make things better; I am just asking for you to stop making things worse, which is what is happening. It is a low bar to stop making things worse when it comes to freedom of information laws.

Mr VICTOR DOMINELLO: I actually wake up every day, Mr Shoebridge, to make things better. I have just been informed here that applicants can lodge a GIPAA application via an online portal.

Mr DAVID SHOEBRIDGE: I know.

Ms HOGAN: And that we are seeking to improve that portal.

Mr DAVID SHOEBRIDGE: It is a nightmare. You have to register all your details, you have to put all this privacy information in, you have to put in an online credit card system. Far from making it better, it has made it harder. Do you accept that?

Mr VICTOR DOMINELLO: It needs to be improved.

Mr DAVID SHOEBRIDGE: Sorry, Ms Hogan, you were saying something. Were you saying it is getting better, Ms Hogan?

Ms HOGAN: I am saying that the department is working on improving the online portal at the moment. I do not have a date for when there would be a different version released, but the information I have to hand is that we are working on it.

Mr VICTOR DOMINELLO: I accept it needs to be improved. Can I say this, Mr Shoebridge, there are so many areas within government that need a clean-up; again, that is why my agency came into existence.

Mr DAVID SHOEBRIDGE: Minister, have you read the *Independent Review of icare governance, accountability and culture* report that was handed down in February?

Mr VICTOR DOMINELLO: Is it the most recent one?

Mr DAVID SHOEBRIDGE: Yes.

Mr VICTOR DOMINELLO: No, I have not.

Mr DAVID SHOEBRIDGE: Have you asked for a response from SIRA to McDougall's final report?

Mr VICTOR DOMINELLO: That has not been published yet. McDougall is due out at the end of April.

Mr DAVID SHOEBRIDGE: The February 2021 final report.

Ms DONNELLY: I could clarify—

Mr VICTOR DOMINELLO: Just before you do, McDougall is due end of April.

Mr DAVID SHOEBRIDGE: I am conflating two things. It is the February 2021 final report.

Ms DONNELLY: The report was made available to me just before last weekend. I have read it. My officers are reviewing it. In terms of a response, I will give you a brief response now if you would like?

Mr DAVID SHOEBRIDGE: By all means.

Ms DONNELLY: This is a report that was recommended by SIRA. It does provide insights as to why icare embarked on an ambitious program of change without due regard to risk and without monitoring the results adequately. It also gives insight as to why, as I have commented previously, they were not responsive to the regulator in addressing problems. I think it is good that it has been published and is transparent, and it is good that icare have accepted the report and indicated that they will implement the 76 recommendations. At this point, I have not in detail briefed the Minister, but I am happy to have shared with you my assessment.

Mr DAVID SHOEBRIDGE: Minister, in the hearing on the other side of the building today, the Treasurer said that part of what is required to re-establish confidence in icare is re-establishing the relationship between icare and the regulator, which is SIRA. Do you accept that that relationship needs to be repaired?

Mr VICTOR DOMINELLO: You have had this same line of questioning for the past two years. I have accepted it on both of those occasions, Mr Shoebridge, as I do now, that there is always going to be a tension between the regulator and, in this case, icare.

Mr DAVID SHOEBRIDGE: But do you accept that at different points in the past few years that relationship has effectively broken down into one of antagonism and claim and counterclaim rather than the usual relationship between an agency and a regulator?

Mr VICTOR DOMINELLO: I accept that it was not optimal, but at all times I backed in the work of SIRA. They have done outstanding work and, in many ways, thank God that they were there to keep an eye on things.

Mr DAVID SHOEBRIDGE: What lessons have you taken from those past two years about how SIRA, the entity you are responsible for, should engage with icare? What are the lessons?

Mr VICTOR DOMINELLO: I do not think there is any criticism of SIRA. I think SIRA has done everything as it should have done. It has shone a light and asked the appropriate questions when it should have done, and obviously that has ultimately resulted in change management occurring in icare. In terms of the ultimate lessons, I guess it is premature because we are still waiting on McDougall's report, which is due in the not-too-distant future. I will not say it is due nigh, but it is due in the not too distant future.

Mr DAVID SHOEBRIDGE: One of the key findings in this report was that—

Mr VICTOR DOMINELLO: Which report, Mr Shoebridge?

Mr DAVID SHOEBRIDGE: The February 2021 final report of the independent review.

Mr VICTOR DOMINELLO: I have to read that yet.

Mr DAVID SHOEBRIDGE: One of the key findings of this was that Employers Mutual Limited [EML], which is one of the major players in the scheme, the primary agent under which workers compensation payments are made, was not permitted to participate in tripartite meetings with icare and SIRA on matters that related to EML's own operations. Has that been fixed?

Mr VICTOR DOMINELLO: Again, I have not read the report. Ms Donnelly?

Ms DONNELLY: Yes, it has. I will make it clear that I have taken the approach throughout my whole time at SIRA that if I wanted to speak to anybody about insurance matters to give advice to the Government that I would do that. You are correct that there was a period of time where the agents working for icare appeared to be restricted in being able to engage with SIRA. We are now having meetings with EML and icare together. Yes, that has been fixed.

Mr DAVID SHOEBRIDGE: One of the other key findings was that there was actually no formal documented framework in place to govern how the relationship between icare and SIRA is managed. That is a joint failing of the two entities, not having a formal framework for how the regulatory relationship should operate. Do you accept that is a joint failing, Minister?

Mr VICTOR DOMINELLO: Again, I am happy for Ms Donnelly to respond to that.

Ms DONNELLY: We have an insurer supervision model which applies to all of the insurers that we regulate, and processes for engagement, meetings, notes taken. Obviously, I also have expectations which I am confident in my team of being respectful, of providing data, of seeking comment and having due process. Clearly, the engagement with icare—and I have made comment on it before—the experience that we have had at SIRA is that they had not engaged constructively and responsibly with us in the same way that the 70 or so other insurers that we regulate—public and private sector—do. The steps that we are putting in place now that have been discussed and agreed between myself and Mr Harding, the new CEO, are that we will have a more detailed formal regulator engagement model that we will make visible and will apply through our interactions, and that that will be transparent.

Mr DAVID SHOEBRIDGE: Will that be documented in a formal agreement or framework that will set out a healthy relationship between icare and SIRA? Are you going to formally document that?

Ms DONNELLY: Certainly. That is my understanding of the intention, and I am perfectly happy to do that.

Mr DAVID SHOEBRIDGE: Minister, are you aware of the concerns raised by the Auditor-General that in fact icare was, without adequate documentation and potentially unlawfully, attributing its core running costs to the Nominal Insurer? Are you aware of those concerns?

Mr VICTOR DOMINELLO: I know there were a number of concerns raised by the Auditor-General.

Mr DAVID SHOEBRIDGE: How did that happen and what, if any, oversight does SIRA have of the Nominal Insurer scheme? How did it happen that that went on for potentially years in icare without being picked up by the regulator?

Mr VICTOR DOMINELLO: I cannot speak for icare and their board. In terms of the oversight, I am happy for Ms Donnelly to respond.

Ms DONNELLY: What I can say is that once I had commissioned the compliance and performance review of icare undertaken by Ms Dore, we did extensive public consultation and audits and identified risks. We had an increased number of complaints and public interest disclosures around concerns, and then obviously you know that these issues about potentially inappropriate expenditure out of the fund arose. I currently have an independent firm of forensic accountants auditing the expenditure of icare to see whether it is compliant with the workers comp legislation. Once I receive the findings of that, I will be considering—

Mr DAVID SHOEBRIDGE: But the question I have for you, Ms Donnelly, is that you have a large agency—substantially larger even than the Auditor-General's office. Why did it take the Auditor-General to pick that up? Why was it not picked up by SIRA years before?

Ms DONNELLY: I certainly picked that up and we commenced this process of auditing probably around the same time as the Auditor-General. I do not want to in any way—I cannot really tell you—

Mr DAVID SHOEBRIDGE: But you are the regulator, not the Auditor-General.

Ms DONNELLY: No.

Mr DAVID SHOEBRIDGE: Why did it take the Auditor-General to find something that should have been squarely in the domain of SIRA? We are talking potentially substantial amounts of money being wrongly taken from the workers compensation scheme—the Nominal Insurer scheme—for icare's unrelated running costs. Why does it take the Auditor-General to find that? Why not SIRA?

Ms DONNELLY: We do not have the same oversight as the Auditor-General in terms of auditing accounts. What we do have, though, is the power to go into a forensic audit and investigation where we have got grounds to believe that there is a reasonable likelihood there has been inappropriate use of the funds, which arose last year with matters being raised with ourselves and, I presume, the Auditor-General at the same time.

Mr DAVID SHOEBRIDGE: Minister, we have seen from a series of documents produced to the upper House that gig economy companies—maybe we could describe them as gig businesses—

Mr VICTOR DOMINELLO: That is very good, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: —have, over the past few years, substantially reduced the amount of money they pay into the workers compensation scheme because they have redefined their delivery workers as not being workers under the Act. Are you aware of this?

Mr VICTOR DOMINELLO: Not to that detail, no.

Mr DAVID SHOEBRIDGE: I could give you a series of examples: Uber Eats, Hungry Panda, Deliveroo. In the case of Deliveroo, the workers compensation contributions it contributes to the scheme have gone from at or above \$1 million to under a couple of hundred thousand dollars because it no longer pays any workers compensation premiums to cover its delivery workers. Are you aware of that?

Mr VICTOR DOMINELLO: Not to that extent, no.

Mr DAVID SHOEBRIDGE: Ms Donnelly, are you aware of that pattern?

Ms DONNELLY: Mr Shoebridge, I think it is a bit more complex than that. I am happy to explain.

Mr DAVID SHOEBRIDGE: This afternoon I can tender the documents that show that.

Ms DONNELLY: The application of workers compensation legislation to the food delivery workers and other gig workers, as I know you would be aware, is not clear as to whether or not those workers have an entitlement for workers compensation. That is the reason for the discussion paper that we spoke about earlier this morning. There are two ways of looking at the question that you are asking. One is whether those firms should be paying the premium. They should be paying the correct premium for the workers who are covered by workers compensation legislation. The second point is that if they were to pay more, it does not increase the coverage for those workers if those workers are not entitled. So there is an area of a lack of clarity, but what is certain is that just by paying the premium, it does not give clarity about the coverage.

Mr DAVID SHOEBRIDGE: Minister, three years ago Deliveroo was paying workers compensation premiums as though it had to cover all of its delivery drivers. It was paying the premiums, its business continued and the workers compensation scheme was being properly remunerated. Then, in the past two years, Deliveroo got some legal advice and decided it no longer had to cover the delivery workers. It radically reduced its workers compensation premiums. If we know that Deliveroo can afford it and could pay premiums to cover its delivery workers, why not just fix the law and make clear that it has to and that those workers are covered? Why not just fix it?

Mr VICTOR DOMINELLO: Again, Mr Shoebridge, what we are proposing to do in New South Wales is to lead the country in this area, which requires a spotlight placed upon it.

Mr DAVID SHOEBRIDGE: I could sit down with you this afternoon and draft the one-line amendment that is needed to clarify that these workers are covered. I could do that with you this afternoon and we could have them covered by the end of the week. Why do we not just do that?

Mr VICTOR DOMINELLO: Because I would rather work with industry as well.

Mr DAVID SHOEBRIDGE: You know you could just, by a simple amendment of the Workers Compensation Act—

Mr VICTOR DOMINELLO: As good as you and I work together—and we do work well together, Mr Shoebridge; there is no doubt—

Mr DAVID SHOEBRIDGE: Minister, you know that with a simple amendment of the Workers Compensation Act—

Mr VICTOR DOMINELLO: I know. But, Mr Shoebridge—

Mr DAVID SHOEBRIDGE: —you could cover these workers tomorrow.

Mr VICTOR DOMINELLO: —if everything was as easy as that then you and I could solve the problems of the world this afternoon. But the reality is we did commit to industry consultation. We are the only State doing this, Mr Shoebridge, in terms of the gig economy.

Mr DAVID SHOEBRIDGE: Minister, have you sought advice on amending the Workers Compensation Act to get rid of the ambiguity that Ms Donnelly was talking about? You can get rid of it by expressly providing that they are covered.

Mr VICTOR DOMINELLO: I accept that there is an area that needs reform. We are going to industry very soon in relation to a discussion paper to see what we can do.

Mr DAVID SHOEBRIDGE: Ms Donnelly, have you undertaken any work to identify what, if any, amendments are needed to the workers compensation legislation to rope in these gig workers so they actually are protected?

Ms DONNELLY: Yes. We have been working on a range of options and giving advice to government in preparation for this consultation. Then we will continue to do so once we have had the public consultation.

Mr DAVID SHOEBRIDGE: Have you provided advice on expanding the definition of "deemed worker" to unambiguously cover gig economy workers—particularly the delivery workers?

Ms DONNELLY: Well, Mr Shoebridge, I will provide advice once we have had the consultation publicly. But I have, I think, made comments on the ability to amend schedule 1 in terms of a deemed worker, even with Mr Mookhey's chairing the inquiry around the future of work. So, yes, we are well aware of it.

The Hon. ANTHONY D'ADAM: Minister, we have seen Service NSW staff perform amazingly over the course of the COVID pandemic.

Mr VICTOR DOMINELLO: Thank you for that acknowledgement.

The Hon. ANTHONY D'ADAM: Given that, can you categorically rule out privatising Service NSW?

Mr VICTOR DOMINELLO: I can 100 per cent rule that out. I cannot be more emphatic.

The Hon. SCOTT FARLOW: There goes that line of questioning.

Mr VICTOR DOMINELLO: No, no. Please ask it again, because there is no chance—zero chance—it will happen.

The ACTING CHAIR: Thank you for that answer, Minister.

Mr VICTOR DOMINELLO: Thank you for the question.

The ACTING CHAIR: In your ministerial role as State innovation Minister, you announced funding to upgrade major intersections—

Mr VICTOR DOMINELLO: Sorry, I did not hear the first part, Mr Graham.

The ACTING CHAIR: In your previous ministerial capacity as State innovation Minister, you announced upgrades to major intersections along Epping Road. Were you or your office ever lobbied by Daryl Maguire or Country Garden in relation to this matter?

Mr VICTOR DOMINELLO: No, not to my knowledge—definitely not me.

The ACTING CHAIR: In relation to the Bergin report, did you meet with the author prior to the report being issued, and was the cashless card or money laundering discussed in that meeting?

Mr VICTOR DOMINELLO: No. I never met Patricia Bergin.

The ACTING CHAIR: Thank you.

Mr VICTOR DOMINELLO: Sorry, I withdraw that. I appeared before Justice Bergin when I was a lawyer. She was formidable back then; she remained formidable in the inquiry.

The ACTING CHAIR: I would agree with that.

Mr VICTOR DOMINELLO: As soon as that appointment was made, I knew exactly how that was going to go: She was not going to take any prisoners.

The ACTING CHAIR: In relation to the Crown compensation matter that we talked about earlier, have you received legal advice in relation to the question about whether compensation might be triggered? Is that legal advice, if you have received it, as unequivocal as the view you put to this Committee—

Mr VICTOR DOMINELLO: I will take that on notice.

The ACTING CHAIR: —that it would not be required?

Mr VICTOR DOMINELLO: I will take that on notice.

The ACTING CHAIR: You have taken that full question on notice. Have you received legal advice, or not?

Mr VICTOR DOMINELLO: I will take that on notice.

The ACTING CHAIR: You will take that on notice as well? Thank you.

Mr VICTOR DOMINELLO: It is just that there could be confidentiality and the like, so I do not want to say something here that, again, could prejudice the position.

The ACTING CHAIR: Yes, understood, you have taken that on notice. In relation to the data breaches question, the Privacy Commissioner has been very clear that she would support mandatory notification, that is, if there is a breach it would be mandatory for agencies to notify people. Do you support mandatory notification?

Mr VICTOR DOMINELLO: There is a position that the Government will take on that and the Attorney and I will say something about that very soon.

The ACTING CHAIR: How soon?

Mr VICTOR DOMINELLO: I want to say nigh, but that sounds medieval.

The ACTING CHAIR: It does.

Mr VICTOR DOMINELLO: Very soon.

The ACTING CHAIR: In relation to the Accellion breach, the Premier has indicated that the State is spending literally billions—they are her words—in relation to rebuilding these firewalls. Is that an accurate statement that the Premier has made?

Mr VICTOR DOMINELLO: When you think about we are spending \$2.5 billion a year approximately on IT and over the forward estimates that is circa \$10 billion. Then you have the Digital Restart Fund, which is 1.6 on top, and of that 240 is in relation to just cyber alone. When you roll that up over the forward estimates, I think that is the ballpark.

The ACTING CHAIR: The Premier was much more specific though. She was answering questions about this breach and she tied it to the firewalls. Is that an accurate statement that the Government is spending billions of dollars?

Mr VICTOR DOMINELLO: I think to say that this Government is spending billions over the forward estimates in building our digital resilience is a fair comment.

The ACTING CHAIR: Is that the cost of this breach though?

Mr VICTOR DOMINELLO: No.

The Hon. SHAYNE MALLARD: Good try.

Mr VICTOR DOMINELLO: That answer is not in response to this breach but it is in response to building our digital resilience.

The ACTING CHAIR: We have spoken about the QR code. You are conducting the greatest collection of data on New South Wales citizens in our history. Who they are—

Mr VICTOR DOMINELLO: It is actually—

The Hon. JOHN GRAHAM: I will just finish the question. Minister, this might be helpful.

Mr VICTOR DOMINELLO: Sorry. I respect that. I was rude to interrupt.

The ACTING CHAIR: Who they are, where they are, potentially who they are with, in some circumstances when they are there hour by hour around the clock. Where is that data being stored, that massive database?

Mr VICTOR DOMINELLO: In relation to that, when we designed the mandatory QR code that was designed—again to the previous questions I was asked—about having privacy and security at the heart of the design. We engaged with the Information and Privacy Commission around that and we got the tick of approval there. Regarding data in relation to QR codes, that gets destroyed again—because we designed it with the Privacy Commissioner—after 28 days.

The ACTING CHAIR: Where is it stored in the meantime?

Mr VICTOR DOMINELLO: When you say "where is it stored", it gets—

The ACTING CHAIR: Who is the provider?

Mr VICTOR DOMINELLO: That information is utilised within that 28-day window by the people in Health who are doing the amazing work in terms of contract tracing.

The ACTING CHAIR: I might follow this with the agency but are you able to tell us who the provider is? Who is providing that storage?

Mr VICTOR DOMINELLO: Mr Rees might be able to answer that.

The ACTING CHAIR: We will follow that up in the other session. I want to return to the Crown compensation issue and give you one more chance to answer. Are you personally comfortable with the idea that if the Government takes a regulatory action we might pay a private sector firm 10½ times the impact that regulatory action has on their bottom line?

Mr VICTOR DOMINELLO: Again, it depends on the terms that were negotiated at the time. I was not party to the negotiations, so I do not know what the market appraisals and the like were. But in terms of this particular transaction, based on what Patricia Bergin has found, I feel very, very confident—

The ACTING CHAIR: You were not there at the time, I accept that, but are you comfortable with that principle, 10½ times the cost out of taxpayers' pockets to a private company? Are you comfortable?

Mr VICTOR DOMINELLO: It is such a vague question, Mr Graham, with the greatest respect.

Mr DAVID SHOEBRIDGE: It is pretty clear.

Mr VICTOR DOMINELLO: No, it depends on the circumstances.

The ACTING CHAIR: I am not sure the citizens of New South Wales would feel that way, to be honest, Minister.

Mr VICTOR DOMINELLO: I was not there. I do not know the detail. But I do know this, that the people of New South Wales are in a very strong position when it comes to this particular contract and the strength of our hand vis-a-vis with the regulator.

Mr DAVID SHOEBRIDGE: Minister, the people of New South Wales are subject to a contract that was written by your Government that is going to see an international gambling giant compensated 10½ times over whatever loss they suffer if you take adverse regulatory action against them. How is that protecting the people of New South Wales?

Mr VICTOR DOMINELLO: That is in the event that that term is enforceable, and I do not believe it is.

Mr DAVID SHOEBRIDGE: Why is it not enforceable?

Mr VICTOR DOMINELLO: Mr Shoebridge, come on. I know you are smart and I know you understand contract law.

Mr DAVID SHOEBRIDGE: Do you have advice that it was a penalty provision and not a true compensation provision, therefore unenforceable?

Mr VICTOR DOMINELLO: No, just basically contract law 101. And again, you are smarter than this, I know that. You know that if there is a fundamental breach of any contract, that brings everything into play.

Mr DAVID SHOEBRIDGE: Minister, why did your Government expose the people of New South Wales to pay an international gambling conglomerate compensation that is 10½ times more than whatever loss they suffered? Why did your Government ever agree to that? Is it just the power of people like Packer over your Government?

Mr VICTOR DOMINELLO: If that were the case, why is Bergin, why did this Government—

Mr DAVID SHOEBRIDGE: Because there was a global scandal after you had cut a sweetheart deal with him, that is why. There was a global scandal that followed the sweetheart deal that you did.

Mr VICTOR DOMINELLO: With the greatest respect, there are inquiries and inquiries. We got, in my view, one of the most ferocious inquisitors we had in New South Wales. If we wanted to be soft on this, there is no way in the world I would have signed off on having Patricia Bergin being appointed.

Mr DAVID SHOEBRIDGE: Well, thank goodness for Patricia Bergin. It is just a pity she was not there when you were drafting the contract.

Mr VICTOR DOMINELLO: I was not drafting the contract.

Mr DAVID SHOEBRIDGE: Sorry. Thank goodness for Patricia Bergin. It is a pity she was not there when your Government was drafting the contract that gave a multinational global gambling entity 10½ times the compensation for any loss it suffered. Why did you not have someone with that quality and independence when the contracts were being signed?

Mr VICTOR DOMINELLO: I was not privy to that.

The Hon. SCOTT FARLOW: We went through those questions this morning.

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: But you will not say that it is just plain wrong in principle to have a contractual provision which sees the people of New South Wales radically overcompensate a gambling conglomerate if any regulatory action is taken? You will not say that is wrong?

Mr VICTOR DOMINELLO: Mr Shoebridge, I think in any contract if there is a material alteration to the terms of that contract, as you know, in standard contract law if a material alteration comes into play, then normally compensation is provided. What that figure is, you are saying tenfold, fivefold, threefold, twofold—

Mr DAVID SHOEBRIDGE: In terms of regulatory action, I think none-fold. International gambling conglomerates should not get paid if the people of New South Wales take regulatory action to protect the people of New South Wales from the harm of gambling.

Mr VICTOR DOMINELLO: And that is why Patricia Bergin, and as you said, and I completely agree, thank God for Patricia Bergin—

Mr DAVID SHOEBRIDGE: Indeed.

Mr VICTOR DOMINELLO: And that is why this Government put her in place to do the job she did. As a result of her, and I can say this, as a result of our Government appointing her and the great work she has done, we have now got two royal commissions in Victoria and Western Australia, where quite frankly the source of the problem really is. Crown has not operated one day yet in New South Wales.

Mr DAVID SHOEBRIDGE: Are you going to work with Housing NSW to convert the tower into public housing for the good of the people of New South Wales? Are you going to make that commitment today, Minister?

Mr VICTOR DOMINELLO: You are good. You are good, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: You are not going to make that commitment? Surely that would be the final response to a corrupt multinational gambling entity, to actually convert it to public housing, would it not?

Mr VICTOR DOMINELLO: Actually, I have a different view. I believe in mixed development, and I—

Mr DAVID SHOEBRIDGE: Just half of it public housing, and you can put the other half to—

Mr VICTOR DOMINELLO: I am not the Minister responsible, that is Melinda Pavey. She is doing a great job.

Mr DAVID SHOEBRIDGE: I will take half.

Mr VICTOR DOMINELLO: Take it up with her.

Mr DAVID SHOEBRIDGE: I will take half.

Mr VICTOR DOMINELLO: My view is, because I do like this policy area—I just think the modelling around what they have done in common grounds and the like, I think that is more appropriate. You want salt and pepper, you do not want ghettos.

The Hon. SHAYNE MALLARD: Waterloo.

Mr VICTOR DOMINELLO: Yes, absolutely.

Mr DAVID SHOEBRIDGE: There are plenty of ghettos of wealthy people though, are there not? And that was the current proposal.

The Hon. SHAYNE MALLARD: Woollahra.

Mr VICTOR DOMINELLO: Oh, Mr Shoebridge.

The Hon. SHAYNE MALLARD: Where all the senators live.

Mr DAVID SHOEBRIDGE: It is a great opportunity though, is it not, for public housing now the casino has fallen over?

Mr VICTOR DOMINELLO: Again, you can take that up with Minister Pavey. We have an example of that in my own backyard in Ryde where that is one development that I supported because they have salt and peppered that development. So you have Mission Australia backing it in, you have two-thirds private development, and one-third public and social housing, that is, it is mixed up.

Mr DAVID SHOEBRIDGE: I will take that on the tower. I will be clear. I am happy and I am glad we are of one mind on that.

Mr VICTOR DOMINELLO: But I do support—

Mr DAVID SHOEBRIDGE: No, I get it. I get your position.

Mr VICTOR DOMINELLO: Mr Shoebridge, you will be pleased to know that I do not like any model that enshrines intergenerational disadvantage, and ghettos do that.

Mr DAVID SHOEBRIDGE: To get a sense of how urgent it is to move and provide guaranteed workers compensation for gig delivery drivers, have you got any data? Have you asked SIRA to provide any data on the number of injuries and deaths in this part of the economy?

Mr VICTOR DOMINELLO: They are working that up as part of the consultation moving forward.

Mr DAVID SHOEBRIDGE: What is the current tragic tally?

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

Ms DONNELLY: That we are aware of, and we are working up the data and I am happy to take it on notice more analysis, certainly we are aware of the four fatalities that have occurred over the past recent months. There is also another 184 injuries that we are aware of that have been lodged with icare as potential claims.

Mr DAVID SHOEBRIDGE: In what period, Ms Donnelly, the 184 additional injuries?

Ms DONNELLY: I am just looking at my notes here. I am really happy to take it on notice.

Mr DAVID SHOEBRIDGE: I will ask, if you can, possibly, when we come back this afternoon, provide details of the fatalities and injuries over what time frame, and if you have a breakdown of what company, that would be useful.

Ms DONNELLY: Certainly. If my team is able to do that today, we will do that. Otherwise I will take it on notice.

Mr DAVID SHOEBRIDGE: I have another line of questioning, but I think it would be not fruitful.

The ACTING CHAIR: Thank you Minister Dominello for attending and answering questions.

(The Minister withdrew.)

(Luncheon adjournment)

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

CLINTON GOULD, Chief Financial Officer, Department of Customer Service, sworn and examined

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

ELIZABETH TYDD, NSW Information Commissioner, sworn and examined

SAMANTHA GAVEL, NSW Privacy Commissioner, sworn and examined

PHILIP CRAWFORD, Chairperson, Independent Liquor and Gaming Authority, sworn and examined

ELIZABETH LIVINGSTONE, Chief Executive Officer, Independent Pricing and Regulatory Tribunal, sworn and examined

The ACTING CHAIR: Thanks to all of the officials who are present. We will begin with questions from the Opposition.

The Hon. DANIEL MOOKHEY: Secretary, through you, do you mind if I ask some questions to SIRA?

Ms HOGAN: Directly to Ms Donnelly is fine.

The Hon. DANIEL MOOKHEY: Ms Donnelly, are you in regular contact with icare about repaying injured workers who are underpaid?

Ms DONNELLY: We are, yes. My team, in particular, is meeting with icare.

The Hon. DANIEL MOOKHEY: Just to clear here, so we all are, you do not have the ability to direct icare in any capacity in this matter, do you?

Ms DONNELLY: I do have some ability to direct them. I will not go into the details of that, how strong that capacity is and whether it has been tested in the courts, but we are using it and we have required them to have a remediation plan. We have been giving considerable feedback about that remediation plan. We have not yet settled with one that we are satisfied with.

The Hon. DANIEL MOOKHEY: To unpack that a little, I accept that you have some powers, but yes, you are right. We have gone through this in other forums as to precisely what your powers are so I do not want to repeat that. But you are yet to agree on their plan to remediate. Is that correct?

Ms DONNELLY: We are yet to see a plan that we are satisfied with. Our priority is the remediation of the injured workers who have been underpaid. The progress has been unsatisfactory in terms of the pace. We do recognise that it is complex and they have been doing further investigation to identify the solution and the best approach. They were testing, during the time of the interim CEO, an advertising campaign in order to see if they could illicit larger numbers so that they could go faster. They have reported back to us just last week on that, and it has not had the desired effect from that pilot, so we are again considering the matter. We need to see swifter action.

The Hon. DANIEL MOOKHEY: I am just going to unpack that into the three substantial points that you made. **Firstly, they were in contact with you last week to report the results of their pilot. That is correct?**

Ms DONNELLY: Yes, we received some information last week.

The Hon. DANIEL MOOKHEY: Not any earlier, last week, just to be clear.

Ms DONNELLY: Well, certainly that is when I saw it. I am happy to notice exactly when we received it.

The Hon. DANIEL MOOKHEY: Secondly, you are unsatisfied with the progress that has been made so far. Is that because of the 52,000 people who could be captured by this only 24 have been repaid?

Ms DONNELLY: The information I have is that only 24 people have received remediation payments, that is correct. There has been a process of re-assessing the risk and my understanding is that the latest estimate of the number of people impacted is 23,000.

The Hon. DANIEL MOOKHEY: That is icare's estimate, isn't it?

Ms DONNELLY: Their estimate. I have KordaMentha in icare at the moment auditing around pre-injury average weekly earnings [PIAWE] and this remediation issue. So that will add to our information, but that is its estimate.

The Hon. DANIEL MOOKHEY: At this point have you accepted that that 23,000 estimate is valid for your purposes?

Ms DONNELLY: I think we are still assessing the information that we got last week.

The Hon. DANIEL MOOKHEY: You are yet to make a decision as to whether or not you agree that there is a class of 23,000 people who could potentially have been underpaid?

Ms DONNELLY: I might need to take it on notice and come back to you. I think we are continually assessing the information that we get in this matter.

The Hon. DANIEL MOOKHEY: According to the plan that icare has filed with you, when will the last worker who is owed money be paid what they are owed?

Ms DONNELLY: I am not sure that we have been given a definitive end date.

The Hon. DANIEL MOOKHEY: You would recall we raised this after you made the release publicly to serious credit at last year's budget estimates? Do you recall that?

Ms DONNELLY: I certainly do.

The Hon. DANIEL MOOKHEY: Do you recall your appearances before the Standing Committee on Law and Justice, which I think took place in August last year?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: We are now in March, one year later, and is this wrong for me to conclude that substantially nothing has happened? If you are in a position where you say the regulator is yet to agree on the plan, that is substantially the same position that you were informing us about in August last year. What I want to be very clear about is why should we not conclude, therefore, that nothing substantially has been progressed in this matter if we are still in this scenario where the regulator cannot sign off on icare's plan? Just to be clear, this is not pejorative to the regulator.

Ms DONNELLY: I find the situation concerning, and it is unsatisfactory that it has not progressed more quickly.

The Hon. DANIEL MOOKHEY: It is appalling, isn't it? Twenty four out of 23,000 people repaid within one year is appalling. That is the right way to describe that, is it not?

Ms DONNELLY: They are your words, but it most certainly does not meet community expectations.

The Hon. DANIEL MOOKHEY: I am just going to move on now to the next issue, which is premium filings. Has icare filed its premium for this year?

Ms DONNELLY: Not when I checked last. I do not think so, no.

The Hon. DANIEL MOOKHEY: Have you been in discussions with them about their forthcoming premium filings?

Ms DONNELLY: I have had some discussion at a high level with the new CEO.

The Hon. DANIEL MOOKHEY: The new CEO?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: Mr Harding, just to be clear?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: Presumably that has taken place in the last six weeks?

Ms DONNELLY: That has taken place in the last six weeks. He has only been in the role since the middle of January.

The Hon. DANIEL MOOKHEY: Yes, that is fair.

Ms DONNELLY: But that is at a very high level. I would understand that they are working on their premium filings. Usually it would be sensible to do that after they have received the 31 December liability valuation.

The Hon. DANIEL MOOKHEY: But you have to rule it in April, do you not, or make a decision in April about the premiums for the forthcoming year?

Ms DONNELLY: Actually our rules, as with all the schemes that we regulate, are that an insurer can make a premium filing at any time. The timing is more that it is by convention, and expected in terms of employers, that most employers do renew around 1 July.

The Hon. DANIEL MOOKHEY: Yes, in the financial year.

Ms DONNELLY: But certainly there is a level of autonomy. Icare could decide to put their filing in whenever they wish.

The Hon. DANIEL MOOKHEY: In your discussion with Mr Harding, has he indicated to you that icare is likely to seek an increase in premiums?

Ms DONNELLY: He has not indicated that directly, but certainly the filing that they put in last year, which you might also recall, was seeking an increase and there is a significant and growing gap between their break-even premium and their collection rate. The only reason that there was not an increase last time—because we assessed it as compliant—was that they decided to withdraw that filing because of COVID. I am not entirely sure what his intention is around the timing, but one would think it would be likely that there needs to be a premium increase at some point.

The Hon. DANIEL MOOKHEY: Do you maintain an independent view as to what magnitude of premium increase is required to return to a break-even position?

Ms DONNELLY: Can I answer that in two parts?

The Hon. DANIEL MOOKHEY: You certainly can.

Ms DONNELLY: A straightforward answer would say, look, I am sure that we could assess what the increase would be. But a more important point is that I, as steward of the system, would prefer to see an approach from icare now that avoids sharp premium increases. As much as I would also want to see an avoidance of any reduction of benefits, it is abundantly clear from the Dore review that the problems that are being experienced in the Nominal Insurer now are due to operational changes.

The Hon. DANIEL MOOKHEY: It is the claims management model, is it not?

Ms DONNELLY: It is claims management failure. The remedy should be a steady path of addressing those operational matters rather than having sharp premium increases. It has not been a priority for me to quantify the gap between their current collection rate and break-even premium rate now. I would want to see a trajectory where they plan towards a more sustainable scheme and then reset the premiums.

The Hon. DANIEL MOOKHEY: Sure.

Ms DONNELLY: I would just like to say that obviously I need to see what they come up with and put forward as a filing and assess that on its merits.

The Hon. DANIEL MOOKHEY: Yes, of course, because it is their responsibility to create the filing, not yours.

Ms DONNELLY: Absolutely.

The Hon. DANIEL MOOKHEY: Ms Donnelly, have you seen the accounts as of 31 December 2020?

Ms DONNELLY: I have seen the valuation report. I am across it to some extent; I am still assessing it.

The Hon. DANIEL MOOKHEY: What is the funding ratio that is disclosed in that report for the Nominal Insurer?

Ms DONNELLY: The funding ratio at a 75 per cent probability of sufficiency is 98.1 per cent.

The Hon. DANIEL MOOKHEY: Would you describe that as stable?

Ms DONNELLY: It has been deteriorating for some years.

The Hon. DANIEL MOOKHEY: Are you expecting it to deteriorate further?

Ms DONNELLY: I cannot really speculate on what might happen in the future. What I do want to see is urgent effective action to stabilise it and then remedy the situation so that there is financial viability.

The Hon. DANIEL MOOKHEY: Can I ask for an update as to where we are with the various icare investigations that SIRA is doing?

Ms DONNELLY: We have forensic accounting firm KordaMentha looking at PIAWE. I think I mentioned that.

The Hon. DANIEL MOOKHEY: When is that going to complete?

Ms DONNELLY: It is not too far away. They are through the majority of their audit work but they will need to provide us with a report. We also have another firm, Grant Thornton Australia, doing an audit on the use of the Workers Compensation Insurance Fund and whether or not it is compliant with the legislation.

The Hon. DANIEL MOOKHEY: This follows the Auditor-General's finding that icare has been charging—

Ms DONNELLY: It kind of does. I briefed the NSW Audit Office after the Dore review on the risks there and they obviously have stronger powers than SIRA to be looking through the accounts. But certainly the Auditor-General's finding informed and assisted us to know that we had good grounds to be investigating that matter.

The Hon. DANIEL MOOKHEY: That is the Grant Thornton one?

Ms DONNELLY: Yes. We have just published the results of the last EY Australia claims audit. I have not proceeded with the next audit. I wanted to allow Mr Harding and the new management to make some of the changes and then come in and test whether or not those improvements are evident from the audit.

The Hon. DANIEL MOOKHEY: I did have a chance to have a very small look, but I think you have only published that relatively recently, have you not?

Ms DONNELLY: I did recently, yes.

The Hon. DANIEL MOOKHEY: But my conclusion of that was that it was not a positive result for icare. Is that a fair summation?

Ms DONNELLY: I would sum up that there are some areas where there has been a gradual improvement but not to the standard that we want to see. There are areas such as the triaging performance that are incrementally improving with each audit that we undertake but are not where we want them to be. The other thing that we highlighted is that even for the files reviewed for that audit there are issues with PIAWE calculations. That is not a positive.

The Hon. DANIEL MOOKHEY: Am I right in inferring from that report that the issues with PIAWE that resulted in underpayment of workers may well be continuing?

Ms DONNELLY: Yes, you are right.

The Hon. DANIEL MOOKHEY: It is not like icare has stopped underpaying workers right now; is that a fair summation?

Ms DONNELLY: Not based on the evidence that I have.

The Hon. DANIEL MOOKHEY: On the basis of that evidence, are you able to estimate the amount of current claims that may be prone to further underpayment?

Ms DONNELLY: I might take that on notice. It is just I do not think we have actually finished that assessment.

The Hon. DANIEL MOOKHEY: Okay. But given that the Nominal Insurer deals with 63,000 claims a year, even a 1 per cent error rate results in large levels of underpayment. Do you agree?

Ms DONNELLY: Certainly it is not acceptable. If we have something like a 5 per cent underpayment rate, which I think it may be in that kind of magnitude, it would be of concern.

The Hon. DANIEL MOOKHEY: You are saying that right now 5 per cent of claims that icare is dealing with on a monthly basis are prone to underpayment?

Ms DONNELLY: I do not want you to misinterpret me. I think I was just giving you a ballpark figure and we have not finished our assessment of whether or not that is the magnitude.

The Hon. DANIEL MOOKHEY: On notice, can you give us an indication as to what you think the current error rate might be?

Ms DONNELLY: I am happy to take it on notice. I just gave you the best indication I think I can.

The Hon. DANIEL MOOKHEY: Okay. Sorry, that is your best indication, that you think—

Ms DONNELLY: Based on what I have got. I will validate that and come back on notice.

The Hon. DANIEL MOOKHEY: Given that we have simplified PIAWE since all this happened, why is icare repeating this error? Do you know?

Ms DONNELLY: No, I think that is a very good question. We also undertook assessments about whether or not the same risk was occurring across the workers compensation system more broadly. The findings that we have are that while there are some areas in other insurers that are at a lower rate—to give you an example, I know of one self-insurer that has had one PIAWE error. They detected it themselves within two days of the error being made and repaid the person the same day they found it. That is probably at one end of the extreme. But the self-insurers also administer the employer salary. They understand the industry they are operating in. They have systems that have not undergone a lot of change. Specialised insurers, similarly, work in a niche in terms of industries. They know the awards, they know their industries and they have not had the same amount of high-risk change to the claims operating model.

The Hon. DANIEL MOOKHEY: I was going to ask you where we were up to with SIRA's inspection of the other insurers outside the Nominal Insurer, and I appreciate that you have just given me that update, but can I ask you where we are up to with the Treasury Managed Fund [TMF]?

Ms DONNELLY: So the TMF—we required icare to undertake an audit to see whether there was a level of errors there. They have undertaken an assessment of a small number of claims, so around 50.

The Hon. DANIEL MOOKHEY: Yeah.

Ms DONNELLY: And that indicates that there is an error rate that is concerning there as well. They are working with the Treasury on a remediation and action plan.

The Hon. DANIEL MOOKHEY: Well, rest assured I am about to go and ask them where they are up to on that. I appreciate that as well. But that does not sound like much has changed since September when we were asking them in hearings about where they were up to, given that they asserted at that point that they had done 50. Are you aware of whether they have done anything further since September?

Ms DONNELLY: My team might be. I understand there is a plan that is now with Treasury for approval.

The Hon. DANIEL MOOKHEY: Okay, but you would have no say in that. Your powers with the TMF are weaker than they are with the Nominal Insurer, are they not?

Ms DONNELLY: Certainly I do not have the ability to oppose licence conditions on the Treasury Managed Fund, as you know, and there are other matters where we have undertaken investigations and identified that accountability is also legally quite unclear.

The Hon. DANIEL MOOKHEY: Great. Can I just turn now to the other investigation which you released, which is the Corrections NSW matter?

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: Look, I have read the report. I congratulate you on the work.

Ms DONNELLY: I actually did not release it publicly. I think it was released under a standing order.

The Hon. DANIEL MOOKHEY: It was, well, yes. So anyway, either way, I respect the work that SIRA did in this respect. I know it was a thorough piece of work, but in terms of the findings you conclude that Corrective Services effectively did collude with QBE, at the time icare's scheme agent, to deny claims. Why was not any reference made to the police for criminal investigation?

Ms DONNELLY: We looked at it from the perspective—we did find that there seemed to be a level of coordination between them in order to deny the claims. The concern from our perspective is the management of the claims not being aligned with expectations in workers compensation legislation. Mr Mookhey, I just alluded

to complexities in the legislative arrangements around the Treasury Managed Fund and employers and part of what this investigation has identified to us is that it is a complex legal arrangement in which there may well be obligations and legitimate coordination between organisations that is not well understood.

Just to explain, you have Government employers who in the workers compensation legislation are deemed to be self-insurers, but we do not give them approval to impose conditions. Their self-insurance is not the same as the self-insurance in some ways of licensed insurers and it is managed as part of the Treasury Managed Fund. Treasury's managed fund is managed by the Self Insurance Corporation, which has services provided to it by icare, which hire agents. So there is custom and practice that has evolved over many years and understandings about what is the appropriate behaviour, but also a lack of clarity in law about who should be accountable and who should be giving directions.

The Hon. DANIEL MOOKHEY: I accept your explanation and, to be fair, it is well made.

Ms DONNELLY: Yes.

The Hon. DANIEL MOOKHEY: Equally, just to be clear, I accept also that any government regulator enforcing laws against the Crown brings its own complexities as well in terms of what you are meant to do and how you are meant to handle that—no doubt. But this report makes clear that there was collusion, certainly elements of fraud, both of which may or may not also involve misleading the Industrial Relations Commission under oath, all of which at least would seem on the face of it to be cause enough for a police investigation as to whether the criminal law has been breached. I was wondering did SIRA give any specific advice as to whether or not a referral should be made to police? If not, why not?

Ms DONNELLY: Okay. Look, I think you have used the words there in terms of fraud that my recollection of the investigation is that it did not go that far. It was more about looking at whether or not the claims management was meeting our expectations, which we concluded it was not.

The Hon. DANIEL MOOKHEY: Look, to be fair to you, you were not meant to be investigating fraud.

Ms DONNELLY: That is right.

The Hon. DANIEL MOOKHEY: I accept that.

Ms DONNELLY: Our team did, of course, get advice and I have separately embarked on a course of actions that includes referring matters to other agencies where I think it is appropriate that others look at it.

The ACTING CHAIR: I call the crossbench, Mr David Shoebridge.

Mr DAVID SHOEBRIDGE: Thanks, Mr Chair. Perhaps it is useful to remain on this report for a while. I, like Mr Mookhey, appreciate the work that SIRA has done in producing this report. There were a number of injured workers, though, who had their life materially harmed as a result of the collusion between Corrective Services and icare, were there not?

Ms DONNELLY: There are three workers that I have met with and I agree with you. I am concerned for their wellbeing.

Mr DAVID SHOEBRIDGE: They have had their life materially harmed because of the interaction between Corrective Services and icare. We can agree on that, can we not?

Ms DONNELLY: Yes. I think that is correct. We particularly know that there are certain types of injuries where there needs to be a much better approach to claim management than we saw in those cases and that would have had a harm to their health.

Mr DAVID SHOEBRIDGE: Well, Corrective Services actively manipulated the facts in the case—and I use "facts" in inverted commas—manipulated the facts with the intention of defeating these claims. That is the truth of the matter, is it not?

Ms DONNELLY: Well, I am just going to take some care here, and what I will say is, as you know, because it was released to the Parliament, there is a detailed report—

Mr DAVID SHOEBRIDGE: Yes.

Ms DONNELLY: —which I have not made public but we did share with the different parties. They have given us responses. I need to acknowledge that some of those responses take issue with some of the findings in SIRA's report. But being in a situation where I am unable to, for instance, pursue enforcement action or

prosecution, then to some degree decisions about the facts of what happened are no longer in my court and I am not able to finally ascertain.

Mr DAVID SHOEBRIDGE: Will you seek advice upon whether or not it is appropriate to forward the document you have obtained and any other relevant documents to the police to consider whether or not prosecutions should be brought under part 4AA of the Crimes Act and that includes an array of offences under fraud, including the offence of intentionally causing financial disadvantage?

Ms DONNELLY: I am happy to get that advice.

Mr DAVID SHOEBRIDGE: And will you provide us on notice whether or not such a referral is likely to be made, or has been made?

Ms DONNELLY: Let me take it one step at a time. I will get the advice and then whether or not I provide information will just be processed in terms of is there an overriding public interest against disclosure, which may be the case if something is being referred to another entity like police.

Mr DAVID SHOEBRIDGE: What penalty has Corrective Services paid for its culpable conduct in this regard? What is the penalty it has paid?

Ms DONNELLY: Because the time limits had expired by the time we completed this report, we have not taken enforcement action. We have not issued a civil penalty or any other penalty.

Mr DAVID SHOEBRIDGE: Are the officers in Corrective Services who handled this claim still handling workers compensation claims?

Ms DONNELLY: I do not know the answer to that, I am sorry.

Mr DAVID SHOEBRIDGE: Have you, as the regulator, approached Corrective Services and said, "You have a role in the scheme. This report shows repeated breaches of your role in the scheme. What actions have you taken?"

Ms DONNELLY: I have written to the Corrective Services commissioner and to the Secretary of the Department of Communities and Justice raising—making them aware of these issues and requesting that they consider the implications. Separately, we have stepped up our supervision of workers compensation in Corrections.

Mr DAVID SHOEBRIDGE: So you sent some correspondence to Corrective Services. What did they say in response? What, if any, commitments have they made? Or are we in the situation where the same people who made these appalling set of decisions for these three workers are potentially still there making decisions on other injured Corrective Services officers?

Ms DONNELLY: I just cannot recall, actually, whether that is the case or not, but I am happy to take on notice. I will have to have a look at the responses. I think it is possible.

Mr DAVID SHOEBRIDGE: You see, it has all the appearance of Corrective Services behaving appallingly, trying to minimise their workers compensation payments and liability by being reckless about the harm they cause to injured workers and then having got away scot-free, having paid nothing—having paid not a single fine, not a single penalty, not a single premium increase, not a single disciplinary offence. That looks like what has happened, does it not, Ms Donnelly?

Ms DONNELLY: They are your words.

Mr DAVID SHOEBRIDGE: Tell me how I am wrong.

Ms DONNELLY: Certainly, the conduct that we found would have prompted us to consider enforcement action if the time limit enabled us to. There may well be people there who are still operating within roles where they are administering workers compensation. I cannot confirm that; I would not know their staffing arrangements in detail.

Mr DAVID SHOEBRIDGE: As far as we know, no criminal prosecution, tick; no premium increase, tick; no fine, tick; no disciplinary action, tick. It seems to me that my summary is accurate, and I am giving you the opportunity to explain why it is not.

Ms DONNELLY: What I am saying is that the reason why we did not pursue enforcement action was because the time limits applied. I want to be mindful of the fact that we then undertook the investigation to a level of detail that we thought was appropriate and we have given people a right of reply but that matter of law or fact

about whether they have actually breached any particular legislation or law—whether it is ours or it is about the Crimes Act—has not been determined.

Mr DAVID SHOEBRIDGE: And I accept that it is not your role—

Ms DONNELLY: Yes.

Mr DAVID SHOEBRIDGE: —to determine whether or not a breach of the Crimes Act has occurred, but it may well be your role as a statutory authority if you are deeply concerned about the potential legal consequences and undoubtedly the immoral nature of the actions to refer these kind of materials to police.

Ms DONNELLY: And I have agreed to take advice on that, but I will further say that, once it became clear to SIRA that we were not able to proceed with enforcement, the reason that that report was then finalised in such detail was that we then turned our consideration to what may be the risks to injured workers into the future or in fact currently in that system and what were the things within our powers that we could do to improve that system.

Mr DAVID SHOEBRIDGE: I hear you say that, Ms Donnelly, but one of the key culpable players in this terrible set of circumstances was Corrective Services NSW and they seem to be sailing along with no action at all against them by the regulator and no identifiable change at all.

Ms DONNELLY: They have an intensified level of scrutiny and that enables us to identify if that pattern is repeating and within the statutory time limits. Then there may be other matters in which we would take enforcement action.

Mr DAVID SHOEBRIDGE: Ms Donnelly, you said before the break that you were going to be looking to see whether or not there was some data or figures in relation to injuries in the gig economy.

Ms DONNELLY: I did and the—

Mr DAVID SHOEBRIDGE: Have you been able to obtain that?

Ms DONNELLY: The team are working on that. I think someone might email it to me. I mentioned 188 claims—and the time period was what you were after—of which four of those are fatalities. I am just checking that that is four fatalities. They are for the time period between April 2009 and November 2020, so it is nearly 10½ years.

Mr DAVID SHOEBRIDGE: But there is no real-time data being provided to you about injuries in the gig economy. It is not one of those kind of things that has an alert—

Ms DONNELLY: Where we are monitoring, like section 39?

Mr DAVID SHOEBRIDGE: Yes.

Ms DONNELLY: Not to date. That is certainly something that we can do.

Mr DAVID SHOEBRIDGE: Given that the surge in the industry has really occurred in the last few years—

Ms DONNELLY: Yes.

Mr DAVID SHOEBRIDGE: —a time frame running back to April 2009 really does not give much understanding of what is happening in this space.

Ms DONNELLY: No. I am happy to take on notice that we will have some more analysis; we will get some more data. I take your point.

Ms CATE FAEHRMANN: I just wanted to ask some questions about poker machines. I tried to ask the Minister this morning and he suggested to wait until this afternoon. Ms Webb, I understand there is something called a centralised monitoring system [CMS] for poker machines.

Ms WEBB: That is correct.

Ms CATE FAEHRMANN: What happens when irregularities are detected in poker machines?

Ms WEBB: Through the centralised monitoring system or more generally?

Ms CATE FAEHRMANN: Mm-hmm.

Ms WEBB: We have inspectors and investigators. Depending on the nature of the irregularity, they would consider looking into what had gone on, whether it was something to do with the technical issues with the machine or whether there were some actual payments that were suspicious, and then they determine what sort of action they should take.

Ms CATE FAEHRMANN: Do they go into individual pubs and clubs and ask for the data on each machine? How does that happen?

Ms WEBB: It is a centralised monitoring system so the data actually comes to us. They do not need to go out to find it; they can look in the system.

Ms CATE FAEHRMANN: So you do have data that is machine by machine.

Ms WEBB: Yes, we do.

Ms CATE FAEHRMANN: Did you hear the Minister's answer this morning?

Ms WEBB: I did.

Ms CATE FAEHRMANN: Did you want to clarify that?

Ms WEBB: I looked into it because I heard that and everyone I asked said, "I don't understand what they are asking because we have that information already through the centralised monitoring system."

Ms CATE FAEHRMANN: Okay, you do.

Ms WEBB: I am not sure where it came from that we might have rejected having that. We have always had that data since the CMS has been in place.

Ms CATE FAEHRMANN: What steps are being taken when it is clear, for example, that certain venues are being targeted for money laundering? What happens then?

Ms WEBB: The investigations and inspection team would take a look at it. Obviously money laundering is not our remit; it is for AUSTRAC and New South Wales police. We work very closely with them depending on the circumstance and what else we could find out about the circumstances and who might have been using the machine at the time because there is often CCTV and things like that that we can get some more information from. They would work closely with AUSTRAC and the police.

Ms CATE FAEHRMANN: I suppose I am trying to see if anything further occurs in terms of prevention. That is something that your department would have to look at.

Ms WEBB: Yes. I think if we saw some suspicious activity in a machine and then went and asked the club or the licensed premises for some more information and perhaps for their CCTV footage, they would then know that we were investigating the issue and I assume we would give them some warnings about what had happened. They are also under responsibility to make suspicious transaction reports to AUSTRAC and so if we had some concern that that was not happening, we would talk to them about that.

Ms CATE FAEHRMANN: Were you surprised when you saw the report in the paper today which said that quite a few machines were being used to launder money, in particular LGAs?

Ms WEBB: No, that is what the inspectors and investigators work on so that was the sort of information that they would use.

Ms CATE FAEHRMANN: In the last 12 months or 24 months how many actions have been taken to chase up money laundering via poker machines?

Ms WEBB: I would have to take that on notice. Can I just confirm, AUSTRAC would be the one that would take any legal action against the money laundering, but you are asking me whether Liquor & Gaming NSW has taken some preventive sort of measures and how many times we have done that.

Ms CATE FAEHRMANN: Yes.

Ms WEBB: I will have to take that on notice.

Ms CATE FAEHRMANN: Are you aware of any times?

Ms WEBB: As I mentioned, I think when the inspectors go out to a pub or a club to investigate these sorts of things, they would be doing some preventative work then. We also do a lot of education of clubs and pubs

about their responsibilities, including their money laundering responsibilities. I can give you some data on that but I just do not have it to hand here.

Ms CATE FAEHRMANN: That would be very useful if you could, please. I will move on to a different matter. I understand there is a gaming machine technology working group that Government has—

Ms WEBB: That is correct. Yes.

Ms CATE FAEHRMANN: Who was represented on that working group? Can you tell me?

Ms WEBB: I will just have a quick look. It is representatives from each jurisdiction. I do not know if I have the exact names here.

Ms CATE FAEHRMANN: Do you mean jurisdiction demographically? State, Federal—

Ms WEBB: I mean State and Territory regulators.

Ms CATE FAEHRMANN: So just one representative from government.

Ms WEBB: I would have to take that on notice, exactly. Do you mean one from New South Wales or one from government across Australia?

Ms CATE FAEHRMANN: Yes, from—

Ms WEBB: I will find out for you.

Ms CATE FAEHRMANN: I will move on to the Responsible Gambling Fund and community benefit scheme. I understand that pubs and clubs have to demonstrate community benefit when applying for more poker machines. Is that correct? Is that every application or is that graded?

Ms WEBB: That actually might be a question that Mr Crawford from ILGA might be able to talk to you more about because they would be the decision-maker.

Ms CATE FAEHRMANN: Firstly, the question was: For each poker machine, do pubs and clubs have to establish the community benefit or does it depend on what area they are in and whether it is a more vulnerable area, if you like? What is the process?

Mr CRAWFORD: If they get approved they do have to pay a contribution, which is now assessed at 15 per cent of the profit of one machine for five years. That was brought in, I think, two years ago. We look, firstly, at the social impact—section 3 of the Act—in terms of whether to approve the acquisition of any new poker machines in any particular venue.

Ms CATE FAEHRMANN: Has any application been rejected?

Mr CRAWFORD: Yes, it has. Similarly, with ETAs—extended trading authorisations—where, particularly, I suppose, we are doing a lot of work around the 2.00 a.m. and later applications, we are requiring a lot more stringent evidence around harm minimisation than, probably, was previously the case. That has been our position now for a couple of years.

Ms CATE FAEHRMANN: In relation to the local impact assessments, who checks the accuracy, if you like? How are those local impact assessments—what kind of data is used and how are they assessed in terms of the local impacts of new poker machines in the area?

Mr CRAWFORD: We look at socio-economic factors. We have quite a thorough amount of information that comes to us to make that assessment. Some areas, obviously, are much more disadvantaged than others. We get the in-fact stats on the very poker machines themselves in terms of how profitable they are. We get the crime stats for the particular areas. It is a pretty thorough investigation these days.

Ms CATE FAEHRMANN: With the relation to the grants as well, how are the grants—this is the Responsible Gambling Fund. What is the process for making those grants available to community organisations?

Mr CRAWFORD: That is a matter for clubs. We assess this contribution of the 15 per cent of profit over five years for five years on acquisition of new poker machines that goes to the fund. They do seek some set-off against the contribution they make to the ClubGRANTS scheme. They pretty much control how that is spent in their local areas. They provide details about that.

Ms CATE FAEHRMANN: Do they? How transparent is that process?

Mr CRAWFORD: I do not know the full extent of it, but we have a regular dialogue with ClubsNSW and they keep us informed of how things are being spent in particular areas. I think they would like to have the whole lot of their assessment to go as a set-off against their contribution to the ClubGRANTS scheme, but we did not find that was acceptable.

Ms CATE FAEHRMANN: Remind me, with the Responsible Gambling Fund, how is that funded? Is it through individual poker machines or is it the turnover—

Mr CRAWFORD: If you want to acquire a new machine for your venue then we work out an estimate of what the profit would be on that one machine and they pay 15 per cent of that multiplied by five. So if over a five-year period—

Ms CATE FAEHRMANN: Just over five years.

Mr CRAWFORD: If the machine, in fact, exceeds that expectation then they make a further contribution. If it does not at the end of the five-year period, then there is an adjustment. But roughly speaking, that is how it is calculated. For each new machine that calculation is done.

The Hon. DANIEL MOOKHEY: Again, secretary, I have just a few questions to SIRA if that is possible. Just very quickly, Ms Donnelly, I have been having a look at your dashboard, which, by the way, I congratulate you again for: It is very easy to use. The return-to-work rates of the Nominal Insurer at four weeks since June 2020 have dropped from 68 to 64. Is that correct?

Ms DONNELLY: Certainly, the four-week rate has been declining. My recollection is from about September last year, in particular.

The Hon. DANIEL MOOKHEY: It has dropped by about 4 per cent.

Ms DONNELLY: That looks about right.

The Hon. DANIEL MOOKHEY: Great. The 104 week has dropped from about 89 to 85. Is that about right?

Ms DONNELLY: The latest data I have is that it is 86. If I look at, say, roughly a year ago, that has also declined.

The Hon. DANIEL MOOKHEY: So neither of those are good, are they? That is correct, in layman's terms.

Ms DONNELLY: The trend with return to work continues to be concerning. Just to give you, really, our analysis of it, clearly there was a deterioration over a period of time that led to us having the Dore review and we started raising issues in 2018 about deterioration with return to work. That was stabilising and there were even a few points at which some of those numbers started to improve slightly, which was something we watched very closely. However, it has, more recently, been deteriorating slightly again. That leaves me in a situation where they need to improve return to work as the priority. I am yet to see evidence that would convince me that that has been done effectively. But I have to say that the environment of COVID is one that does make it difficult to interpret the underlying situation because it has exacerbated. I am happy to talk to you a little bit about what we know. We are drilling into the numbers and doing additional analysis.

The Hon. DANIEL MOOKHEY: Could I ask you to provide that on notice just because my time is limited—any additional analysis you have.

Ms DONNELLY: Perfect, sure.

The Hon. DANIEL MOOKHEY: Of course, I do accept your broad point that returning people to work in a recession is more difficult than returning people to work not in a recession.

Ms DONNELLY: It is patchy across different industries and around the times of COVID restrictions. We can see association there.

The Hon. DANIEL MOOKHEY: That is helpful. Just a final question, Ms Donnelly: Has any other insurer or underwriter expressed an interest in entering the New South Wales workers compensation insurance market?

Ms DONNELLY: We have assessments underway and interest in terms of self-insurers, but are you talking about as a specialised insurer or as a general insurer?

The Hon. DANIEL MOOKHEY: General insurer.

Ms DONNELLY: Not in a formal sense.

The Hon. DANIEL MOOKHEY: Have you been in any contact with EML about them entering the scheme?

Ms DONNELLY: I am just hesitating here because I think you have asked me similar questions about CTP where we have new entrants and my policy would be that if that was the case, it may be commercial in confidence and I would have to take some care.

The Hon. DANIEL MOOKHEY: Commercial in confidence for whom? You or for them?

Ms DONNELLY: No, for them. If there is a potential new entrant in a market, we would ordinarily provide information so that they can assess the prospects over a period of time. I would take some care before I signalled to the rest of the market about a potential competitor. So I would like to take it on notice.

The Hon. DANIEL MOOKHEY: Notwithstanding the fact that, in principle, I do not necessarily recognise that that is a valid ground of a commercial-in-confidence claim, but perhaps on notice you might be able to provide us what ever more detail you feel comfortable with and we can leave it there.

Ms DONNELLY: That is right. I will say that, at any time, specialised insurers will be looking for options where they might expand their coverage and parties will ask us for data and we are not sure if it will lead to an application or not.

The Hon. DANIEL MOOKHEY: On notice any additional information you feel comfortable to provide would be welcome.

Ms DONNELLY: Yes. Sure.

The Hon. DANIEL MOOKHEY: Ms Secretary, do you mind if I ask some questions to the Information Commissioner?

Ms HOGAN: Not at all.

The Hon. DANIEL MOOKHEY: Firstly, thank you for taking up my suggestion from last year's estimates to investigate icare's GIPAA compliance. I have read your report and I appreciate that. Do you want to provide us with a very preliminary summary of its findings?

Ms TYDD: My summary of findings is publicly available on the website. For the purposes of this Committee, I am happy to recount that I observed a number of years of failure to comply, that the annual reports of icare indicated that they were implementing measures to ensure compliance with contract reporting requirements, that the Audit and Risk Committee had observed the need to ensure compliance and that as of the date of my investigation that compliance had not been achieved.

The Hon. DANIEL MOOKHEY: Is it wrong to surmise your report as saying that for many years icare was systemically noncompliant with the GIPA Act?

Ms TYDD: I believe that to be quite a correct summary.

The Hon. DANIEL MOOKHEY: Thank you. Is this the first report of its type that you have done on a government agency as a "desktop audit", I think is how you described this?

Ms TYDD: We do a number of desktop audits. Our first proactive audit in looking at contract reporting requirements was actually the universities sector. That was in about 2017. So we had a model to conduct an assessment that we applied in this instance. The audit itself of icare will take the form of two phases.

The Hon. DANIEL MOOKHEY: Yes, I was about to get to that. But I was going to ask you, with respect to the first audit result—which is this report that you published in October 2020—are you aware of any other government agency that has been as systemically noncompliant with the GIPA Act as icare has?

Ms TYDD: There are varying levels of compliance with different aspects of the contract reporting requirements. So, for example, in another agency—and I believe the report was published in January this year, that is Transport for NSW—they self-identified issues in relation to contract reporting requirements given the diversity of the entities within that cluster and some inconsistent practices. We worked with Transport for NSW, where they largely self-reported against items and criteria that we determined to be relevant, and then we conducted a further assessment based on randomly selected contracts to ensure that they were uploaded within the requisite statutory time frame. So that is another agency that has—

The Hon. DANIEL MOOKHEY: Okay, it is not as reassuring as otherwise I would have liked but fair enough, there have been two that are not great but either way. **icare has adopted the position that they are not going to remediate and disclose contracts which took place prior to 2018. Were you aware that that is the policy that they have adopted?**

Ms TYDD: Prior to 2018, are you indicating?

The Hon. DANIEL MOOKHEY: Yes.

Ms TYDD: We have been working with them to ensure that they report as required under the Act within a period of time. We certainly have asked them to prioritise reporting. I am not able to say that we have that knowledge to hand, but I am happy to take that on notice.

The Hon. DANIEL MOOKHEY: Could you?

Ms TYDD: Yes.

The Hon. DANIEL MOOKHEY: Presumably you are not excused from your responsibility to remediate just because of the lapse of time. Is that correct?

Ms TYDD: There is not a provision under the GIPA Act that would provide that defence, if you like.

The Hon. DANIEL MOOKHEY: So to comply with the Act, icare should be disclosing all the contracts it entered into for its first three years in your view. Is that fair?

Ms TYDD: I certainly would take into account the circumstances that are relevant in terms of their systems capability and likewise also their design capability. One of the advantages of proactively mandating contract reporting is that citizens can actually identify the contracts. I would be mindful as a regulator of ensuring that citizens are able to identify contracts in various time frames, and that would go to system design. That is an issue that we will consider under phase two of our audit.

The Hon. DANIEL MOOKHEY: My final question is: When do you expect phase two to complete?

Ms TYDD: We are currently undertaking phase two, and to the best of my knowledge it may be within the next one to two months.

The Hon. DANIEL MOOKHEY: And you presumably will publish the result of your phase two investigation?

Ms TYDD: That is correct.

The Hon. DANIEL MOOKHEY: Is that when you will decide as to whether any further enforcement and/or rectification is required?

Ms TYDD: We will enter into discussions with the agency as to our recommendations. We will quite properly seek their feedback and their operational experience as to the efficacy of our recommendations and we will take that into consideration when we publish our final report, so we will have input from the agency along the way.

The Hon. DANIEL MOOKHEY: Thank you, Commissioner, and thank you again for taking the matter up. Secretary, has the department, separate from its regulator, put in a submission to the McDougall review?

Ms HOGAN: I do not think so.

The Hon. DANIEL MOOKHEY: And so are you relying on SIRA's submission to the McDougall review?

Ms HOGAN: Yes. The office of the secretary is supporting the coordination of that review.

The Hon. DANIEL MOOKHEY: The Treasury is?

Ms HOGAN: No. The office of the secretary for me is supporting the coordination of that review for the department, and my understanding is SIRA has played a role.

Ms DONNELLY: This is a review that has been commissioned as a statutory review by both Ministers, so that is the coordination.

Ms HOGAN: That is why we have got some coordination role in it.

The Hon. ANTHONY D'ADAM: I wanted to get some clarification from Ms Webb about the centralised monitoring system. An article in *The Sydney Morning Herald* today reports that as being a system that is operated by the Independent Liquor & Gaming Authority. Is that correct?

Ms WEBB: I think it is more accurate to say that it is done by Liquor & Gaming NSW. Mr Crawford can—yes, Liquor & Gaming NSW operate it.

The Hon. ANTHONY D'ADAM: *The Sydney Morning Herald* article reported that it takes samples from machines at 50-minute intervals. Why is that?

Ms WEBB: I would have to take on notice that sort of technical detail.

The Hon. ANTHONY D'ADAM: Right, I see. What is the regulatory purpose of that system?

Ms WEBB: Primarily it is for tax revenue, to ensure that the correct amount of tax is being collected from the machines. But, as I have mentioned to Ms Faehrmann, we can also use it for our enforcement and related work.

The Hon. ANTHONY D'ADAM: Can I ask about the analytical capacity supporting that system? How many staff are dedicated to monitoring and analysing the data flow from that system?

Ms WEBB: I will have to take that on notice. We have got some staff who look after the regular checking of the system but, as I mentioned to Ms Faehrmann, should an inspector investigate or have a particular inquiry about a particular machine in a particular location, they can also do some analysis from that data as well.

The Hon. ANTHONY D'ADAM: Are the functions separated to analyse the data on the basis of the tax imperative separate from the money laundering function? Is that analysis done separately or is it concurrently by the same people?

Ms WEBB: I would have to take that on notice, just exactly how it is done.

The Hon. ANTHONY D'ADAM: Can I ask about the data-sharing arrangements with AUSTRAC? How does that work? Is there a formal data-sharing arrangement with AUSTRAC?

Ms WEBB: Yes, we have an MOU with AUSTRAC.

The Hon. ANTHONY D'ADAM: How frequently do you provide the data?

Ms WEBB: I will have to take that on notice.

The Hon. ANTHONY D'ADAM: Do they provide funding to support the money laundering compliance functions that are performed by your agency?

Ms WEBB: Not that I am aware of, no.

The Hon. ANTHONY D'ADAM: There is no financial support from the Commonwealth, even though you are assisting them in discharging their regulatory obligations?

Ms WEBB: Well, if we find something that looks like money laundering, we gather the information together and then we work with AUSTRAC and the police.

The Hon. ANTHONY D'ADAM: Right, okay.

Ms WEBB: But it is relevant to our responsibility to make sure that licensed people are complying with the law.

The Hon. ANTHONY D'ADAM: Are you also able to provide on notice some more details about the various elements of the reporting system, how frequently the reports are produced and what the granular content of those reports looks like?

Ms WEBB: Yes, I will have to take it on notice but I can do that.

The Hon. ANTHONY D'ADAM: Thank you.

The ACTING CHAIR: Ms Webb, could you tell us on notice how many referrals there have been using that system for money laundering from Liquor & Gaming to AUSTRAC and from Liquor & Gaming to police?

Ms WEBB: Yes. Is there a particular time period?

The ACTING CHAIR: Perhaps for the past two financial years.

Ms WEBB: Yes, we will take that on notice.

The ACTING CHAIR: Mr Crawford, there was some questioning this morning about the issues that you have been heavily involved in around the Crown casino. I want to thank you firstly for the way you have dealt with it in public. You have been very up-front in providing advice, and I think that is one of the things that has assisted in giving some public confidence to the response. I first wanted to give you the opportunity to give the Committee an update about where things are up to in your view in this process you are working through.

Mr CRAWFORD: Sure. I am meeting with the Chair of Crown Casino, if not every week, every second week, but certainly speaking to her every week at the moment. The first bit of activity, you might have seen, was to exit quite a few people from the board and from senior management, and that process has pretty much been completed about a week or so ago when Mr Poynton left. We have met with Ms Coonan a few times to go through—we have formally written to her under our contractual obligations, and we are seeking a formal response from Crown by 16 March. Then we have got a shopping list of issues, most of which have been identified by Commissioner Bergin, but I keep a close eye on exactly what is happening. They have started an independent audit. Deloitte has been retained and we are auditing all of their bank accounts to make sure that there is no conduct of the type identified in those two subsidiary accounts. In other words, we are checking to make sure that organised crime has not infiltrated their other bank accounts in any of the States in which they operate.

They are recruiting people. We are going through a probity process with two potential employees, which I have fast-tracked as best I can, and we should have a position on those by later this week, so there is more people there to do the job. We have got a dialogue with them about the supervision levy going forward. That was an issue there was before the commission. We have got a dialogue with them about the cost of the inquiry in terms of a contribution. I think that is going to be quite fruitful. There are quite a few other items that we are trying to, I suppose, bed down as quickly as we can. Time frame, I cannot be certain. The independent audit by Deloitte might take three or four months. I just do not know at the moment. That is critical as they go forward.

The ACTING CHAIR: That report is really the key variable in the time frame.

Mr CRAWFORD: It is. It may well be that we will have—we have not got to this point, but I suspect over the next couple of weeks when we see their formal response, we will get to the point where if we are satisfied with their progress, then what we will be doing is looking at things that might take a bit longer. We can look at maybe irrevocable and forcible undertakings of the type commonly used by ASIC in their regulatory framework, but we have not got to that degree of detail at the moment.

The ACTING CHAIR: You have outlined a number of factors that you are taking into consideration. What do you see as the key hurdle that probably needs to be cleared at this point were operations to commence?

Mr CRAWFORD: Firstly, the removal of the influence of Consolidated Press Holdings [CPH] and Mr Packer. We have a separate dialogue with CPH about the shareholding that Mr Packer—well, CPH still holds of 36 per cent and how we could best accommodate a change in behaviour so that that influence is reduced, if not completely removed.

The ACTING CHAIR: How confident are you at this stage that those operations might commence?

Mr CRAWFORD: Well—

The ACTING CHAIR: Feel free to answer in any way you choose.

Mr CRAWFORD: My personal view is I am very confident because the level of cooperation from Helen Coonan has been first-rate; she gets it. I am not sure everyone did at first, but we are very intent to make sure there is change. If we are not satisfied about that, then we would not find that they are suitable. But she is working very hard and certainly giving me the right answers about areas of concern to us. So I am pretty confident that we will get there, but time frames being what they are, I just cannot give you an estimate of when we will get it completed. This is not an eight-month to two-year process. If it takes that long, it is not going to be worth the journey.

The ACTING CHAIR: Those liquor licences were extended until April. What is the deadline on those and are you expecting to roll those over?

Mr CRAWFORD: I suspect we will have to at some point in time if they are not found suitable by the end of April. That has already been raised with us because they do have a function centre for weddings and things like that, so there is a bit of lack of certainty about if they go forward. We plan to review that once we receive their formal response by 16 March.

The ACTING CHAIR: I asked some questions to the Minister this morning about the compensation arrangements that were previously in the deed. These are the 10½ times compensation for actions, including regulatory actions by the Government.

Mr CRAWFORD: Yes.

The ACTING CHAIR: I intend to ask some further questions of that. I might just ask you, though, if you have any views on particularly where that number came from, given that your predecessor—it was not you; it was your predecessor in July 2014 who was a party to the deed. Can you give us any background as to those compensation arrangements or particularly the size of them, why they are 10½ times?

Mr CRAWFORD: No, I cannot. I am sorry. I have seen the document. I was not around back then.

The ACTING CHAIR: Understood.

Mr CRAWFORD: I sort of get the commercial imperative that if they are going to spend \$2.5 billion in our city that they will want some commercial arrangements, but I do not know how those numbers were struck. I suspect that Treasury had a fairly heavy involvement but not ILGA in that area. But I do not quite understand. First of all, I think those compensation triggers only arise where—if we find them unsuitable, they do not really arise. We still have a pathway as a regulator. It is complex, but we will get there if we need to. But I think they are diluted over time. I think it is only at the early periods where they are at 10½, but I could be wrong on that.

The ACTING CHAIR: We might return to that question. We are moving into crossbench questioning. I will call Cate Faehrmann.

Ms CATE FAEHRMANN: Mr Crawford, I will go back to what I was asking about earlier in relation to the community benefit scheme that we were talking about before in terms of on each poker machine. If it is all operated under ClubsNSW, what are the reporting requirements, if you like, that those funds are being spent and given to organisations that have a good impact on the community?

Mr CRAWFORD: The ClubsNSW grants scheme, we do not supervise that. I am not sure who they report to, to be frank, but we talk to ClubsNSW. They tell us what they are doing in certain areas, but that is not an area we supervise or regulate.

Ms CATE FAEHRMANN: So why was the scheme set up in the first place?

Mr CRAWFORD: That was before my time. I do not know why it was originally set up. Are you talking about the ClubGRANTS scheme?

Ms CATE FAEHRMANN: Yes.

Mr CRAWFORD: I do not know. That was well before my time, I think.

Ms CATE FAEHRMANN: It is regulated, is it—legislated that 15 per cent of profits over five years?

Mr CRAWFORD: That scheme is separate from the ClubGRANTS scheme. They have their own scheme for providing money through their own funding for various community projects all over the State. That is something, as I understand it, clubs themselves supervise. I do not think government has a supervisory role, but I am sure I will be corrected if I am wrong on that. In terms of the revenue we collect, that is a fixed contribution. Prior to the fixing of 15 per cent over five years, there was no statutory amount that had to be paid for the acquisition of a new poker machine. It was a rule of thumb that it was something in the order of 10 per cent of profit for one machine for one year, but the Government brought in amendment to the legislation that required a fixed amount and that is what it was settled on. That amount was ultimately determined by ILGA.

Ms CATE FAEHRMANN: The 15 per cent is in the legislation?

Mr CRAWFORD: Yes, we supervise that.

Ms CATE FAEHRMANN: So the Government felt at some point that they needed to legislate 15 per cent over five years because of the harm, I am assuming, that poker machines cause and trying to ensure that some of the poker machine revenue went back into the community.

Mr CRAWFORD: When we assess an application, we make an assessment—part of our process is to determine how much that is going to be, and as part of the approval process, they have to agree to pay that amount.

Ms CATE FAEHRMANN: Once that happens, there is no transparency around actually how much—who those grants went to, what the application process was?

Mr CRAWFORD: No, no. The money goes into the RGF and that money is governed by the trustees of the RGF.

Ms HOGAN: Ms Faehrmann, I believe Ms Webb might be able to add to this.

Ms WEBB: I might just mention, I think there is maybe a little bit of confusion. That money, as Mr Crawford just said, goes to the Responsible Gambling Fund [RGF]. The Responsible Gambling Fund is administered by the trustees. That is quite distinct from the ClubGRANTS scheme.

Ms CATE FAEHRMANN: Is the ClubGRANTS scheme completely voluntary for the clubs?

Ms WEBB: No.

Ms CATE FAEHRMANN: No.

Ms WEBB: It is also regulated.

Ms CATE FAEHRMANN: Can you tell me how it is regulated?

Ms WEBB: The Minister makes some final decisions in relation to the ClubGRANTS scheme. The various categories are articulated and that is done through Liquor & Gaming NSW.

Ms CATE FAEHRMANN: But how is the ClubGRANTS scheme regulated? What is the regulation around it?

Ms WEBB: There are some clear guidelines about the criteria for grants. There are four different categories. We have a panel for each category. They assess all the applications and make recommendations to the Minister.

Ms CATE FAEHRMANN: So the Minister makes the final decision?

Ms WEBB: That is my understanding of how that scheme works, and that is different from the Responsible Gambling Fund.

Ms CATE FAEHRMANN: The Responsible Gambling Fund, what happens with that money?

Mr CRAWFORD: Trustees manage that in the RGF.

Ms WEBB: Responsible Gambling Fund—it includes the money that Mr Crawford has been talking about, a point of consumption tax revenue, and also a levy on the casinos. Then there are trustees appointed to the fund. They make a determination on what they should spend their money on and make a recommendation to the Minister about that.

Ms CATE FAEHRMANN: So they decide all of that money? Individual clubs, for example, are not able to say, "This grant should go to this"?

Ms WEBB: No, the Responsible Gambling Fund is spent on gambling counselling and support services, not to clubs but through gambling support services, education and awareness programs that the fund itself runs—research, training and partnerships, things like that, and then there is \$2 million that goes to community contributions.

Ms CATE FAEHRMANN: That is reported in an annual report or something, it is that correct?

Ms WEBB: That would be correct. They definitely have a webpage where all that information would be available.

Ms CATE FAEHRMANN: That is the end of my questions.

The ACTING CHAIR: We might return to the Crown compensation issue through you, Ms Hogan, in any way you choose to direct these questions. I will, firstly, return to the question about the legal advice. Has the Minister been given legal advice about this compensation issue?

Ms HOGAN: I will have to take that on notice. I do not know.

The ACTING CHAIR: I am surprised that you are unaware whether the Minister has been given legal advice on an important issue like this. Can I press the question and ask you to consider—

Ms HOGAN: I genuinely do not know. I would have to take it on notice.

The ACTING CHAIR: Are any of the officials who are with you aware of whether the Minister has been given legal advice for what has to be a high-profile issue on the question of whether this compensation issue is live or not?

Ms WEBB: My understanding is that jointly the department and ILGA have obtained various pieces of advice. I just do not know the answer to whether the Minister has been given it. Mr Crawford might know.

Mr CRAWFORD: I think the Minister knows. We have certainly obtained advice on it, absolutely.

The ACTING CHAIR: Has that been the subject of briefings with the Minister that you have had or been the subject of discussions? I might ask you first, Mr Crawford, and then Ms Webb.

Mr CRAWFORD: We have raised it in the context of the findings of the Bergin inquiry. She has given us a road map in the report on making this company suitable or not suitable. At the moment, they are not suitable and it is a question of whether they can get to suitability. As part of that process there is quite a complicated—and this is for us as opposed to the Minister—method. The first part of it was to serve a notice where we require a response to certain specific issues. They are giving us an answer before the sixteenth. Following that, we will meet again and determine whether we serve a notice of concern. The ultimate upshot of this fairly tortured process is that if we still find them unsuitable, then that is it. I am not sure—I did have a period away—the extent to which the Minister is briefed on the absolute detail of that advice.

The ACTING CHAIR: To let you off the hook, I do not think a whole lot hangs on it. It would be irresponsible if the Minister was not offered some information on this.

Mr CRAWFORD: I could tell you that if I was worried he would be worried, and I do not think he is worried. I would make sure I alerted him if I thought there was a big problem.

The ACTING CHAIR: On that point, I might turn back to the agency because the Minister was not worried on that question. He was quite relaxed about the prospect of these compensation clauses coming into any effect in this instance. It would be rare that legal advice was as unequivocal as the Minister was this morning. Ms Webb, the legal advice that you have sought on the operation for these clauses, is it as unequivocal as the Minister gave the assurance this morning—that is, there is almost no way these clauses will come into effect in the current period?

Ms WEBB: It is an ongoing process because, as Mr Crawford said, we are still working through all the issues. There have been various bits of legal advice early about various hypothetical scenarios that could play out. Then, as things progress, we will continue to get more advice and also advise the Minister. I cannot give a yes or no answer.

The ACTING CHAIR: Which I think is probably understandable in the circumstances. Mr Crawford, I might give you the opportunity to answer. Are there scenarios here where those compensation clauses could come into effect?

Ms WEBB: I think if the Government tried to act capriciously and just take the licence away without good cause, obviously there would be a compensation discussion. In these circumstances, which are highly unusual, it is not a matter of concern to me. The findings of the inquiry were incredibly damning and to ultimately be found not to be suitable to hold a licence ultimately gives the regulator the right to, in effect, take certain steps.

The ACTING CHAIR: I accept the advice you are giving that because of that extreme situation these may not come into play. There is a question here about why those clauses, which are incredibly broad—they go at one point, I think it is in clause 4, to really any material negative impact on the assets, liabilities, properties, operating results, operations, reputational prospects of this operator. What activities do you imagine could be captured in that, Ms Hogan or Ms Webb?

Ms HOGAN: I would have to defer to Ms Webb.

Ms WEBB: I cannot really speculate on the detail.

Mr CRAWFORD: I could probably help, Mr Chairman.

Ms WEBB: Mr Crawford might be able to.

Mr CRAWFORD: It is on the record—part of the recommendations of the Bergin inquiry involves the renegotiation of what are known as section 142 agreements. If you read the section 31 review that was done of The Star casino two years ago, the same recommendation was made. I can tell you now that I have commenced a process. I have spoken to the chairs of both casinos with a view to reviewing those documents. I would have to

say that I do not like them stylistically. They are very complicated and they should be a lot easier to read, and everyone agrees on that. The substance of some of them needs to be reviewed. Patricia Bergin, in her report, identified those issues, particularly around those areas where there is any likelihood that the power of the regulator could be impaired in any way. We just need to create a lot more clarity around that.

The ACTING CHAIR: Understood. Do similar compensation arrangements apply to The Star—this 10 ½ times?

Mr CRAWFORD: No, not that I am aware. I have not seen the finance deviance as far as The Star is concerned, but it, of course, has been operating now for nearly 30 years. I do not think so.

The ACTING CHAIR: Mr Hogan? Ms Webb?

Ms HOGAN: I am not aware.

The ACTING CHAIR: And have any of you seen arrangements that are similarly generous in terms of the compensation terms for another government deal with a private entity?

Ms HOGAN: Not that I have seen.

Ms WEBB: Not that I can think of in the course of my career, but I may have.

The ACTING CHAIR: Mr Crawford?

Mr CRAWFORD: Look, no. I do not find the agreements with Crown unusual in a commercial sense because they were putting up and investing a couple of billion dollars in infrastructure in the State. They had certain commercial issues that they wished to protect the benefit of their shareholders, I get that. But I think they are very complicated documents. I have been a lawyer for 40-odd years and I find them very difficult to read without a QC standing beside me.

The ACTING CHAIR: I agree that you could make a case it might not be unusual in a commercial sense but it does seem very unusual in a regulatory sense. This is not the way that government deals with these issues in other areas of government. That is what draws attention to it. You could imagine what would happen if the Environment Protection Authority had to pay 10½ times the compensation every time they issued a fine for pollution.

Mr CRAWFORD: I think it is really around the extreme case where if we had a concern about anyone acting capriciously, to basically take the licence back. I have some views about how we could improve things there. We have started that dialogue now.

The ACTING CHAIR: I welcome that. To your question, Mr Crawford, do we have any information about how long those clauses are in force for? I did not see that they step down over time, but I am not confident of that.

Mr CRAWFORD: I did not check before I came, but I just have a hunch that it did vary over time. It was not forever.

The ACTING CHAIR: Perhaps on notice, I would welcome either of you clarifying that.

Mr CRAWFORD: Yes.

The ACTING CHAIR: Ms Hogan or Ms Webb, I think the Minister indicated this document, this deed, has been public in a low-key way from 2019. The first public discussion that I am aware of about these terms was really from September 18, 2020. That was the subject of a media article. Are you aware of any earlier public discussion of these issues?

Ms HOGAN: I was not the secretary before 2019, so I am not privy to anything that happened prior to that time.

Ms WEBB: I am not aware of anything since Liquor & Gaming joined the portfolio, but it may have been before that time. I do not know.

The ACTING CHAIR: Could you perhaps take on notice in what capacity T.W. Grant signed this as the authorised officer for the State in 2014? Could you give us the capacity of that authorised officer? I will return to the question I was asking this morning and ask you to take on notice who was the Minister who authorised that officer to act.

Ms HOGAN: Can do.

The Hon. ANTHONY D'ADAM: Mr Rees, I want to get some clarification on your comments earlier today. In relation to the transition away from reliance on email, am I correct in understanding that you anticipate that the full transition away from reliance on email will be affected by March 2022, or did I mishear that?

Mr REES: The date that was agreed post that audit for completion of that work was March 2020. That is correct. As I said, the work has commenced.

The Hon. ANTHONY D'ADAM: I have had an opportunity to look at a copy of the correspondence that was sent to those who were affected by the data breach. It does not appear to have any explicit explanation of compensation arrangements. Is it your intention or the agency's intention to provide further information to those affected to explain the availability of compensation?

Mr REES: At this point, no, it is not. I have the copies of those letters to table for the Committee.

The Hon. ANTHONY D'ADAM: If you could table them, that would be—

Mr REES: The letters do outline a range of options for customers who may be dissatisfied or want to pursue different rights available to them in terms of complaint or review. The letters do not, as you have said, outline the specific approach to compensation. As I have said, we have dealt with a number of requests for compensation. We deal with them on a case-by-case basis underpinned by a framework that enables consistency in assessment.

The Hon. ANTHONY D'ADAM: So there is a framework for dealing with compensation?

Mr REES: We have developed a framework to assess those requests, yes.

The Hon. ANTHONY D'ADAM: Is there documentation supporting that framework? If so, can you provide that to the Committee?

Mr REES: I will take that on notice.

The Hon. ANTHONY D'ADAM: Is the decision not to make an explicit reference to the availability of compensation designed to minimise the financial exposure of the department?

Mr REES: I do not think that was the intent of the letters. A couple of things, if I can clarify: The letters are personalised, so each person will get the letter and specific aspects of content in that letter that are particular to their situation—both the impact to their information and the subsequent guidance. The focus of those letters is really to empower people to understand their situation and to take the appropriate course of action that makes sense for their situation.

The Hon. ANTHONY D'ADAM: I think you said earlier that \$21,000 of compensation has been paid out so far. Is that correct?

Mr REES: That is correct.

The Hon. ANTHONY D'ADAM: Are you able to perhaps elaborate on the kind of circumstances that have given rise to that compensation?

Mr REES: There is a number. I think, in my observation, the one that is most common is where someone may have a pre-existing mental health condition and there is an assertion that by being impacted by the cyber incident, it has in some way created additional pressure for that person. That is the most common type, from my observation.

The Hon. ANTHONY D'ADAM: How many instances of compensation? How many individuals, specifically, have been compensated?

Mr REES: I will take the question on notice, rather than delay you whilst I check my notes.

The Hon. ANTHONY D'ADAM: What does IDCARE do?

The ACTING CHAIR: Perhaps if you could answer in the session though, Mr Rees, that would be helpful.

Mr REES: Sure. IDCARE is a not-for-profit organisation that specialises around identity theft and helping people manage risk or impact to their identity.

The Hon. ANTHONY D'ADAM: So you are directing affected people to IDCARE in terms of providing them with assistance?

Mr REES: We provide choice for people. We have a dedicated hypercare team within Service NSW that can support customers. We do also make people aware and make it easy for people to access the, I guess, complementary support services that IDCARE provides.

The Hon. ANTHONY D'ADAM: Is there a contract between Service NSW and IDCARE to provide these services to those who are affected by the breach?

Mr REES: I will need to take that on notice. I am not sure.

The Hon. ANTHONY D'ADAM: If there is a contract, could you provide the value of the contract on notice? Thank you. I will first direct this question to you, Ms Hogan. There was some adverse reportage in October 2020 about the Long Service Corporation.

Ms HOGAN: You can direct that to Ms Webb.

The Hon. ANTHONY D'ADAM: Ms Webb, perhaps you might be able to provide us with some comment on that circumstance.

Ms WEBB: It is actually in Minister Anderson's portfolio, so not for this Committee, I think. I am not quite sure what I should do.

The Hon. ANTHONY D'ADAM: My next line of questioning is about what happened to the whistleblower, which I think does fall within this Committee.

Ms WEBB: I can provide you with some information. I will just point out that it is Minister Anderson, not Minister Dominello, who is responsible for it. As a result of the matters that have been raised, we have made a fair number of internal inquiries. We have not been able to find any substantiation of the issues that were raised, but in an abundance of caution we have engaged PricewaterhouseCoopers to also do an audit of the Long Service, including an audit of its compliance functions. That is underway at the moment.

The Hon. ANTHONY D'ADAM: If it is more appropriately directed to Minister Anderson, I will leave that line of questioning. I will move on to the Service NSW centres, the election commitments. Mr Rees, are you able to update me on each of the centres that are outstanding? I might start with Glenmore Park. Has a site been identified for that service centre?

Mr REES: I cannot recall specifically. I will take that on notice.

The Hon. ANTHONY D'ADAM: Are you able to seek advice and come back to the Committee in the current time frame? I will go on to ask about Edmondson Park-Prestons. Has a site been identified for that facility?

Mr REES: Yes, I believe the site has been identified for Edmondson Park.

The Hon. ANTHONY D'ADAM: Has a lease been signed?

Mr REES: I believe so, but I will take it on notice.

The Hon. ANTHONY D'ADAM: In terms of Merrylands, has a site been identified?

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

The Hon. ANTHONY D'ADAM: Randwick?

Mr REES: I do not have the specifics for the remainder of those sites.

The Hon. ANTHONY D'ADAM: Northmead?

Mr REES: I do not have specifics for any of the remainder of those sites.

The Hon. ANTHONY D'ADAM: That is fine. Schofields as well, if you could provide details on notice of whether a site has been identified and, if a site has been identified, whether a lease has been entered into in relation to that. Can I ask about facilities at Service NSW centres? Is it correct that some of the centres do not have toilet facilities for the staff? Is it correct that at Engadine and Roselands the leases that have been entered into involve premises that do not have specific toilet facilities for the staff?

Mr REES: I am not sure on those two sites. I will need to take that on notice.

The Hon. ANTHONY D'ADAM: Is it correct that in your leasing arrangements, you seek specific properties that do have toilet facilities for the staff?

Mr REES: They would certainly be one of the considerations when we are selecting properties.

The Hon. ANTHONY D'ADAM: Is it mandatory? Is it a deal breaker? If they do not have toilets for the staff, you do not enter into a lease?

The Hon. SHAYNE MALLARD: Vital issues.

The Hon. ANTHONY D'ADAM: It is if you are a member of staff.

The Hon. SHAYNE MALLARD: If it is in a shopping centre, they would go to the shopping centre toilets.

The Hon. ANTHONY D'ADAM: Sometimes those toilets are not adequately maintained, so the staff are adversely affected. I will go on. Can I ask about Service NSW mobile service vans. Are they still running?

Mr REES: They are.

The Hon. ANTHONY D'ADAM: Did Service NSW onshore or outsource or use another government or non-government party in any way to manage or provide the Service NSW 24/7 hotline service?

Mr REES: Could you repeat the question?

The Hon. ANTHONY D'ADAM: Have you outsourced the 24/7 hotline service to a non-government party or another government or private provider? Who provides it? Is it a direct service? I suppose that is a more direct way to put it.

Mr REES: It is a direct service. The majority of contact centre services are provided by Service NSW staff. We do have an external partner in that space that we will use from time to time to augment our capacity.

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

Mr REES: It is an organisation called Datacom.

The Hon. ANTHONY D'ADAM: Are they a domestic organisation?

Mr REES: Certainly any services they provide to us are provided domestically, yes.

The Hon. ANTHONY D'ADAM: There was an announcement there would be an additional 1,000 staff for the 24/7 hotline service. How many did you end up employing?

Mr REES: That 1,000 staff was not specifically to the 24/7 hotline, it was across all aspects of Service NSW. The number employed at any one time moved up and down, of course, but ultimately we employed slightly over 1,000 people at our peak.

The Hon. ANTHONY D'ADAM: Are you able to provide on notice a breakdown of the full-time, part-time and casual numbers for that 1,000 staff?

Mr REES: We can.

The Hon. ANTHONY D'ADAM: What has been the staff turnover rate for Service NSW since the beginning of the pandemic?

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

The Hon. ANTHONY D'ADAM: What has been the average wait time for people to wait until they are connected to a service at Service NSW?

Mr REES: I would need to take that on notice. Do you have a specific service or location or time period for that question?

The Hon. ANTHONY D'ADAM: If they are trying to speak specifically to a staff member, what is the average wait time? It is service specific. I do not have the details in terms of which specific service. What selection criteria was provided to hire staff for the Service NSW hotline? What kind of criteria were you relying on?

Mr REES: We have a range of things we look for in our team. Principally among that is attitude and aptitude. The nature of the business means that we are constantly changing, constantly introducing new services for us, so we need people who can bring exceptional customer service and empathy to our organisation, also people who can learn and adapt along with the changing environment that we operate within.

The Hon. ANTHONY D'ADAM: What quality control strategies did Service NSW adopt to ensure effective and efficient processes? Can you perhaps elaborate on your quality control system?

Mr REES: We provide a very large number of services to customers. We probably need a more specific question to be helpful, I think.

The Hon. ANTHONY D'ADAM: I might move on to issues around government connect.

The ACTING CHAIR: I will jump in with a couple of other questions. Ms Webb, this might be heading in your direction. We were discussing with the Minister the night-time economy changes that went through the Parliament. One of those changes was to remove the conditions on hundreds of venues. More than 650 venues in New South Wales had conditions removed that banned music or banned certain types of music. Since that legislation went through how many complaints has Liquor & Gaming received about noise?

Ms WEBB: I do not think I have got the detail on complaints about noise. I can take that on notice, noting that I understand that complaints about noise may now go more to the local council and the police than Liquor & Gaming. I thought that was part of the idea, to have that issue resolved about different people looking after noise, but I will find out if we have had any.

The ACTING CHAIR: I am certainly just asking for complaints about noise to Liquor & Gaming through that process, just to be very clear. Once that legislation is through those conditions are removed immediately, are they not? There has been no implementation delay in that; they were effective once the bill was in place? That is correct, is it not?

Ms WEBB: That is right. I understand it is on track, yes.

The ACTING CHAIR: You are correct that Liquor & Gaming is just one of the still seven agencies who are regulating noise in this space. That is correct, is it not?

Ms WEBB: That is my understanding, but I can clarify that on notice.

The ACTING CHAIR: At the time those were passed, one of the concerns—including the concerns from Liquor & Gaming—was this would lead to a tsunami of noise complaints, bands starting up close to people's apartments where they had not been, where they had been regulated before. Have you had any anecdotal evidence that this has been a major concern?

Ms WEBB: Not that has come to my attention, but I will check and take that on notice to see whether others have heard anything.

The ACTING CHAIR: It has not been something that has been keeping you awake, concerns about this flooding your desk? That would be welcome. Any information on that would be helpful. Certainly anecdotally, the feedback from the industry is it has led to a number of venues employing people already, particularly in regional New South Wales. I provide that just by way of feedback. Following on from the data breach questions, returning to the questions around the collection of the QR code data that is going on, it is an extraordinary collection of data. We have really never collected this amount of information about our citizens, who they are, where they are, at what time around the clock and potentially who they are with. How many records are we collecting? Can you give us some rough idea of just how big this very important data collection is that has the support of the entire Parliament?

Ms HOGAN: Yes. Mr Rees might have the most up-to-date numbers there.

Mr REES: We tend to see around about two to 2½ million check-ins a day. Each one of those check-ins will tend to create a single record. In total, since the service has been launched we received about 130 million check-ins. We only hold that check-in information for 28 days. There was a question posed to the Minister in the early session around where that information is held. That information is held in Australia. It is held within our virtual instance of Amazon Web Services.

The ACTING CHAIR: Sorry, we just lost you there. If you can speak into the microphone. It is held in?

Mr REES: That check-in data is held within Australia. It is held on Amazon Web Services within a virtual, secure environment that is maintained by Service NSW.

The ACTING CHAIR: Despite the fact that Amazon is not an Australian company, that is held in Australia?

Mr REES: That is right. The actual data centres and the storage are in Australia, that is correct.

The ACTING CHAIR: And that is the case for all of that data?

Mr REES: That is correct.

The ACTING CHAIR: That is 130 million check-ins since the system was up and running. How much data are you holding at any one time over that 28-day period?

Mr REES: I would need to find out what the peak amount that we have held at one time within a 28-day period is. I do not know that off the top of my head.

The ACTING CHAIR: I presume it has not all been one-way traffic. I presume people are more cautious about checking in as they are more worried about COVID. We would possibly have seen waves of adherence to that check-in process, and you would be seeing that through your data. Is that correct?

Mr REES: Yes, through the data we can see the level of check-ins over time and how that is varying geographically or by industry type, that is correct.

The ACTING CHAIR: Can you give us some flavour of that information?

Mr REES: From my last review of that data, it does look like the level of check-ins is remaining fairly steady at that two to 2½ million per day, but I have not reviewed that in several weeks.

The ACTING CHAIR: I presume that people are more cautious about checking in in the city than regions, just because of the risk factor. Is that an accurate summary, or what does the data tell you about that?

Mr REES: I have not seen the data to confirm or not confirm that. I would need to take that on notice.

The ACTING CHAIR: Are you saying you have not seen it, or you do not recall it? I am surprised if this data is available that it would not be put to use with the public health team, and that is incredibly valuable information.

Mr REES: I am just speaking personally on my behalf. I have not looked for those insights or seen that.

The ACTING CHAIR: But that information is obviously flowing into that public health response?

Ms HOGAN: Can I clarify, Mr Graham, are you asking whether people are more concerned about checking in in the city or the regions?

The ACTING CHAIR: No. I am just asking about the trends, the patterns in that COVID check-in data, that really you are seeing at this end that I would hope is being fed in in real-time. I am sure the Minister is hoping this as well. I feel confident that would be the case. I am interested (a) in the trends; and (b) in some assurance that it is being fed in, which I am sure it is.

Ms HOGAN: We are able to break down the data, I guess, by city and regions as to how many check-ins per day in Sydney versus regions, but I do not think we have that to hand.

The ACTING CHAIR: Understood. Perhaps on notice if you could us some sense of those broad things that you are briefing the Government on I think that would be appropriate, but also useful for the Committee, particularly on compliance levels over time. I think there is a public interest in that. I do not think it would be surprising if, as people are more relaxed, as it is with—

Ms HOGAN: So you mean compliance of mandatory venues using QR codes?

The ACTING CHAIR: Yes, or just the total number of check-ins over time, how that is varying and the trends with that?

Ms HOGAN: Yes.

The Hon. ANTHONY D'ADAM: Can I ask about Datacom? Was it awarded a \$14 million contract in July 2020?

Ms HOGAN: I am not actually sure. I would have to take that on notice. I am not actually sure, sorry. I will take it on notice.

The Hon. ANTHONY D'ADAM: You are not sure about a \$14 million contract?

Ms HOGAN: No, we are actually in the process of transitioning off a whole lot of services with Unisys and I thought that was where your questioning was heading. I will have to take that on notice about Datacom.

The Hon. ANTHONY D'ADAM: No. I am going to come to that.

Ms HOGAN: I can come back before the end of the session.

The Hon. ANTHONY D'ADAM: Can I ask you about the status of the Unisys and Infrasy arrangements?

Ms HOGAN: Yes, there were 13 lines of service that were due to come off by December last year. Eleven of those have been completed. There are two outstanding that will be completed by April.

The Hon. ANTHONY D'ADAM: What are the circumstances that lead to the termination of those contracts?

Ms HOGAN: I was not the Secretary at the time, but my understanding is that compared to the contract that was issued, Unisys was underperforming.

The Hon. ANTHONY D'ADAM: Underperforming? What kind of underperformance are we talking about?

Ms HOGAN: There are various performance clauses within contracts that you have to adhere to and my understanding was we worked with them to try to rectify a number of issues that we had seen. We did not see improvements to our satisfaction and the contract was terminated, but it was terminated with the appropriate notice and in line with the contractual arrangements. But it was before my time.

The Hon. ANTHONY D'ADAM: How much did it cost to terminate the contract?

Ms HOGAN: I would have to take that on notice, but I can get you that before the end of the session.

The Hon. ANTHONY D'ADAM: Are these functions being brought back in-house? The Infrasy and Unisys contracts were—

Ms HOGAN: Yes, my colleague Mr Brady, who is not a witness this afternoon but is at the back of the room, is leading that piece of work. Here we go: The maximum fee payable to Unisys as a result of the termination for convenience was approximately \$3 million, but to date we have only been required to pay \$237,000 and that is likely to be the case by June of this year.

The Hon. ANTHONY D'ADAM: How many jobs are likely to be required to be created in order to insource the arrangements that have been undertaken by Unisys and Infrasy?

Ms HOGAN: In answer to the first part of the question, we are looking to insource the majority of those services. I am not sure how many jobs that has led to or will lead to, so I will take that on notice.

The Hon. ANTHONY D'ADAM: I might leave it there. Can I ask about the Auditor-General's report into the integrity of data in Births, Deaths and Marriages?

Ms HOGAN: Yes, but Mr Murphy would be best placed to speak on that issue, so I might move him to the end of that is okay.

The Hon. ANTHONY D'ADAM: I just wanted to ask about the status of the recommendations: How many of the recommendations have been implemented and how many remain to be implemented?

Mr MURPHY: The Auditor-General's report made a long list of recommendations—there were nine recommendations in the report. All of those have now been actioned and I believe all of them were actioned in accordance with the Auditor-General's recommendations actually.

The Hon. ANTHONY D'ADAM: Fully implemented? Okay.

The ACTING CHAIR: I want to turn back to this issue I was asking the Minister about, the Park'nPay app. Ms Hogan, do we know how many people have actually downloaded the app?

Ms HOGAN: I would direct that question to Mr Wells, if that is okay? He is the team leader of the Park'nPay program.

Mr WELLS: As of 14 January we had 45,000 downloads.

The ACTING CHAIR: That is up from 24,000 last September?

Mr WELLS: Yes. I will have to check that exact figure, but that sound about right.

The ACTING CHAIR: How many councils have signed up to this app?

Mr WELLS: Currently we have 10 locations signed up and a number of Transport for NSW owned commuter car parks.

The ACTING CHAIR: On notice, how many of those commuter car parks?

Mr WELLS: Sure, I can get you that. I think there are four, but I will confirm exactly on notice.

The ACTING CHAIR: Thank you for that on notice. How much money has been spent establishing this at the moment? There was a budget line item, although it is some time ago, indicating that it might be \$1.5 million. What is the total amount that has been spent on this app?

Mr WELLS: I will take that on notice to get the exact figure. But I think there were some enhancements to the app over time, but that has pretty much been the original investment has pretty much been what has been spent on the app.

The ACTING CHAIR: The purpose for that investment originally was supposed to be spent trialling the app in The Rocks. How many parking metres are in The Rocks?

Mr WELLS: Correct. I would really have to take that on notice, I am sorry.

The ACTING CHAIR: The view has been put to me that there are 35 parking metres in The Rocks. It does seem like an extraordinary amount of public money to spend per parking metre on that trial. Can you give us any context?

Mr WELLS: Yes, sure. The original pilot was not just The Rocks. There was another area and also Liverpool opted into the pilot as well. So Pyrmont, Darling Harbour, The Rocks and Liverpool council, so those three areas that were part of the pilot process. I would stress, though, that the pilot was about building the capability to expand to other locations, if successful. I think that goes to your questions earlier this morning. It is more an application, as the Minister said, that sits above council-owned and council-determined parking infrastructure. So councils are free to determine who they go to tender for in a parking infrastructure with. That is completely their decision. We do not get involved in that side of things. What the Minister talked about was a customer experience that was seamless across any of those locations, which was the intent.

The ACTING CHAIR: The Minister is clearly enthusiastic about it and it does sound quite useful. I was concerned, though, about this question that is sitting there: If councils sign up what do they have to pay to manage that data, that information, to a private company? Can you tell us the answer to that question? The Minister was not able to.

Mr WELLS: Yes. So that is something that we do not, and the Minister does not, get involved in. That is council's responsibility to determine who they procure parking infrastructure from—meters, other services. What I would really like to differentiate is where the app sits, which is above that infrastructure. It takes data from that infrastructure to provide customers with an experience that is consistent. Its council's decision about which infrastructure partner it will go to market with. What we have built is something that is agnostic of those providers, so whether it is Duncan Solutions, as you referenced this morning, or other providers that does not matter to us. We are taking information and providing that experience.

The ACTING CHAIR: I will have to contradict you there. The Minister's office is heavily involved in this program, contrary to the range of things he suggested that were operational matters, and is hands on with this app. They are calling councils. They are advocating for this product. They are signing councils up to that. You are welcome to respond to that, although I do not expect you to feel obliged to.

Mr WELLS: I think there is a difference that we have got to about where we are playing in terms of the app versus council. I think that was the distinction the Minister was, and I am, trying to make here, so I do disagree with that.

The ACTING CHAIR: But if Port Stephens, for example, signs up to this app they end up paying how much money to this Duncan Solutions?

Mr WELLS: That is something we have no visibility of. That is Port Stephens' decision as to who they go with for their parking infrastructure. That is very different to the app that customers use.

The ACTING CHAIR: You might have no visibility of it, Mr Wells, but why is the Minister's office calling and telling the council to do this?

Mr WELLS: I think that is where we have got a difference in what you are asking. The Minister's office is not advocating for council parking infrastructure. You need to think about them as two quite separate things. The council infrastructure for parking is their decision and something we are not involved in—the Minister made that clear this morning also. We are talking about the Park'nPay app, which sits independent of that infrastructure.

The ACTING CHAIR: Yes, but I understand some of these charges—perhaps all, perhaps some; I would welcome your clarification—go to managing the data that is then associated with the app and associated with the local parking use. That is, the app is free, in the way you are describing, but in order to make use of it in your local council area, a contract is entered into with a private provider. Is that correct or not correct?

Mr WELLS: Councils need parking infrastructure. They decide which parking infrastructure provider they want. They go to market for those services, as I understand. Again, that is my understanding of the way the councils choose those services. The Park'nPay app is independent of that and is free to councils.

The ACTING CHAIR: If you sign up with the government app you can choose any data provider sitting below that. You are under no obligation to go with—

Mr WELLS: Correct.

The ACTING CHAIR: —Duncan Solutions, which has been involved with the Government in developing this. You could go to any other provider?

Mr WELLS: Yes, that is correct. I think in Mosman we use a different provider. Again, we have built the solution agnostic of the parking infrastructure that sits physically in councils.

The ACTING CHAIR: Why do councils not know that? This question has been repeatedly raised. Why are they unaware that they are under no obligation to—they can use this app and feel free to go to tender, to shop around? Why do they not know that? Because they clearly do not.

Mr WELLS: I do think councils know that. It is their decision, in the end.

The ACTING CHAIR: These are significant contracts—the Port Stephens one is worth \$600,000. Do you agree with that?

Mr WELLS: Again, Mr Graham, I have no visibility of councils' engagement of parking infrastructure or who they choose to have that with.

The ACTING CHAIR: When Port Stephens adopted that \$600,000 parking technology contract it was with Duncan Solutions; they did so without going to tender. They used section 55 of the Local Government Act 1993, which allowed them not to go to tender. That section states:

- (i) a contract where, because of extenuating circumstances, remoteness of locality or the unavailability of competitive or reliable tenderers, a council decides by resolution ... that a satisfactory result would not be achieved by inviting tenders ...

Why is the council stepping around the tender process if the app works in the way you are describing, where they can adopt the app and then just go to tender for the parking technology contract?

Mr WELLS: First of all, you would need to put the first question to Port Stephens again. Again, this app can work independent of what they choose. We have no accountability or visibility of what councils do. It is their decision.

The ACTING CHAIR: I appreciate the position you are putting and that is helpful. Certainly I think there is some confusion in council land about that. Do you agree, then, given what you describe, that would be inappropriate if it was corralling through this app to one contract provider of those parking technology contracts?

Mr WELLS: Do I agree—sorry, can you repeat that?

The ACTING CHAIR: Do you agree that it would not be appropriate if it was the case that this government app was tethered to a particular provider on that back end?

Mr WELLS: As I said, from the very outset we set out to build solutions that were agnostic of the underlying infrastructure.

The Hon. ANTHONY D'ADAM: Can I ask about this Anglicare data breach? I understand in September last year there was a data breach in Anglicare. Obviously they are a partner with the Department of Family and Community Services. What role does Cyber Security NSW play in terms of supporting those organisations that sit outside of the public sector but obviously are in a relationship with public sector entities and have some level of data sharing?

Mr WELLS: You are right: This was not a government system. It was a system that Anglicare had in partnership and providing service to the NSW Department of Communities and Justice. Cyber Security NSW worked very closely with Communities and Justice and with Anglicare on intelligence, incident response and how

they recovered from that process. We assisted with referrals to the NSW Police Force and they did that part of the investigation. I must say Communities and Justice acted very swiftly to make sure that no government systems were impacted. Specifically on the role of Cyber Security NSW, as we talked about previously, part of the mandatory requirements of our policy across government is to make sure that agencies undergo risk assessments when they contract with third-party providers which, in this case, was Communities and Justice, as you have said.

The Hon. ANTHONY D'ADAM: What is the nature of the obligations of the contracting agency around supporting or making sure that the third party is actually sufficiently protected from potential cybersecurity vulnerabilities?

Mr WELLS: As we talked about this morning, there are threshold questions in becoming part of the ICT Services Scheme to make sure that those organisations have those protections in place. There are standard clauses and protections in the contracts we sign with any organisation to make sure that, for instance, notifications are made immediately to us so we can act on those vulnerabilities, close things down and protect things. All of those clauses are part of I guess the risk assessment we take for any sort of contract we sign from that perspective.

In terms of the role of Cyber Security NSW in these instances, I think for this specific instance, because it was a single agency we assisted—we assisted Justice and with referrals. If the incident is more significant, the role of Cyber Security NSW becomes more similar to an RFS in a fire situation or an SES in a flood situation. It emergency manages and coordinates the incident. It takes that role in coordinating technical groups to contain incidents, communications groups to staff to customers and just making sure that intel is shared between Federal and State agencies and that decision-makers have the best information available at the time to make those decisions. I am very proud of what Cyber Security NSW has done and the role it has played. I can see real and measurable impact in instances like the one you have mentioned but in others as well, where I have seen that it really has prevented spread or prevented incidents full stop.

The Hon. ANTHONY D'ADAM: I touched on this earlier, in terms of the contract arrangement. Do the contracts specify some level of insurance around liability for damages that might be caused as a result of a cybersecurity breach, like the Accellion breach that we talked about earlier, where a third-party provider obviously causes damage? That is a cost and it has got to be borne by someone. Is the procurement system that you are overseeing mandating that there be insurance or some other provision that shifts that cost burden away from the taxpayers to the third-party provider?

Mr WELLS: It is a good question. I will take on notice the specifics around the cyber component. All these contracts obviously do have provisions indemnifying us against certain issues that come about from providing those services. But I will take on notice the specific cyber dimension, if that is okay.

The Hon. ANTHONY D'ADAM: On a more specific point, Mr Rees, I note that Service NSW uses Salesforce. It is a big player and a major vendor. Are you satisfied that the contract arrangements for Salesforce have those kinds of arrangements in place in the event that there is a breach in Salesforce's data security?

Mr REES: In terms of the contract provisions, Salesforce—we procure Salesforce as part of a broader New South Wales Government agreement. I would need to take on notice the particular provisions in relation to cyber risk.

The Hon. ANTHONY D'ADAM: Okay. Salesforce is a cloud-based application, is it not?

Mr REES: Yes.

The Hon. ANTHONY D'ADAM: Is the data that it holds for Service NSW held in domestically located servers?

Mr REES: I would need to take that question on notice.

The Hon. ANTHONY D'ADAM: Take that on notice, okay. I wanted to ask about these specific Auditor-General's recommendations around the Service NSW breach. One thing in particular was about the recommendation that needed to be met by March 2021 to have identified breaches of privacy handled and how they will be handled by agencies. Has that been completed, that piece of work? This is the requirements that new agreements entered into with client agencies address deficiencies identified in the audit, including that they provide clarity on how identified breaches of privacy will be handled between agencies.

Mr REES: Yes. I think that is for all new partnership agreements from 1 April.

The Hon. ANTHONY D'ADAM: Those details have been completed?

Mr REES: That is being worked through. That recommendation is on track. That is correct.

The Hon. ANTHONY D'ADAM: Is the documentation available to be produced to the Committee?

Mr REES: I do not have the documentation.

The Hon. ANTHONY D'ADAM: In relation to that particular recommendation?

Mr REES: I do not have the documentation available to table today.

The Hon. ANTHONY D'ADAM: No, but on notice you could table it?

Mr REES: The partnership agreements? Yes, I can.

The Hon. ANTHONY D'ADAM: Thank you. Can I ask about the issue of the number of affected people in terms of the Service NSW data breach? The original number was, I think, 180,000 or thereabouts. Is that right?

Mr REES: I believe 186.

The Hon. ANTHONY D'ADAM: So now it is down to 104.

Mr REES: That is correct.

The Hon. ANTHONY D'ADAM: How did you get from 186 to 104? What was that process? What did that involve?

Mr REES: The principal difference between 186 and 104 relates to the data that was exfiltrated. So our assumptions or our estimates of 186,000 were based on early and conservative assumptions. As we continued to work through the analysis and the technical investigation, we were able to confirm through independent review that some of the data that we had feared had been exfiltrated had not. When we adjusted for that, the number of individuals that was impacted as a result reduced by approximately 40 per cent.

The Hon. ANTHONY D'ADAM: Thank you. I am going to ask one more question and then throw to my colleague around the proposal for Working With Children Checks on mobile phones. Is someone able to update us on where that project is up to?

Mr REES: I can speak to that. There is a project underway at the moment to enable specifically the renewal of Working With Children Checks via digital means. At the moment, to renew a Working with Children Check you need to come in and visit Service NSW. The principal driver for that visit is the level of proof of identity that is required at the point of renewal. We are working to enable that same level of proof of identity to be made digitally so that we can enable people to renew those Working with Children Checks in a more convenient way.

The Hon. ANTHONY D'ADAM: So it is just the renewal process, is it? It is not for initial applications? Or both?

Mr REES: I will need to take that on notice. At the moment our focus is principally on renewal, but I will take that on notice.

The Hon. ANTHONY D'ADAM: When do you expect the project to be completed?

Mr REES: I will take that on notice.

The ACTING CHAIR: With my colleagues' cooperation, we might be in a position to release some witnesses. I can indicate who I think we might be able to release, but can you feel free to object if I get too enthusiastic?

The Hon. ANTHONY D'ADAM: Sure.

The ACTING CHAIR: So Ms Donnelly, I think we will not have additional questions for you.

Ms HOGAN: She almost made it.

The Hon. ANTHONY D'ADAM: David Shoebridge has arrived.

The ACTING CHAIR: That is your best entrance ever—best ever.

The Hon. SCOTT FARLOW: You need theme music, David.

Ms HOGAN: That was utopian.

The Hon. SHAYNE MALLARD: Like Darth Vader.

The Hon. ANTHONY D'ADAM: Too slow. Ms Donnelly was almost away.

Mr DAVID SHOEBRIDGE: I have a couple of questions.

The ACTING CHAIR: Mr Shoebridge, do you have questions for any of these witnesses? I will start with Ms Donnelly.

Mr DAVID SHOEBRIDGE: That is a yes.

The ACTING CHAIR: Will you or Mr D'Adam have questions for Ms Tydd?

Mr DAVID SHOEBRIDGE: No.

The ACTING CHAIR: Do you have any more questions for Mr Crawford?

Mr DAVID SHOEBRIDGE: I have some questions on bushfire grants.

The ACTING CHAIR: I do not think that will be relevant.

Ms HOGAN: That is not for Mr Crawford.

The ACTING CHAIR: And Ms Livingstone as well.

Ms HOGAN: IPART.

Mr DAVID SHOEBRIDGE: No.

The ACTING CHAIR: Unless there is an objection, I think we are able to say that Ms Tydd, Mr Crawford and Ms Livingstone, thank you for your assistance today.

The Hon. SHAYNE MALLARD: Mr Mallard and Mr Farlow?

The ACTING CHAIR: Are there any Government questions for these witnesses?

The Hon. SHAYNE MALLARD: We will reserve our right.

The ACTING CHAIR: Thank you for your cooperation. You are welcome to leave. You are also welcome to stay. It is a matter for you.

(Ms Tydd, Mr Crawford and Ms Livingstone withdrew.)

The Hon. ANTHONY D'ADAM: Chair, might I ask where we are up to in terms of time?

The ACTING CHAIR: We are just about to move to Opposition time.

The Hon. SHAYNE MALLARD: We are out of crossbench time.

Mr DAVID SHOEBRIDGE: That is a bit wildly artificial, is it not?

The Hon. ANTHONY D'ADAM: We can allocate 20 minutes, 20 minutes.

The ACTING CHAIR: I think we can handle this issue, Mr Shoebridge, in Opposition time under the circumstances.

Mr DAVID SHOEBRIDGE: Thank you.

The ACTING CHAIR: You have the call.

Mr DAVID SHOEBRIDGE: Ms Donnelly, we just heard from icare about the review they did of potential underpayments in the Treasury Managed Fund. Have they updated you with the outcomes of their review?

Ms DONNELLY: I think there is some detail that we do not have yet. So the latest that I had is that they had a small sample of about 50 claims, as I mentioned, and there certainly was a proportion of those that were underpaid. Whether we can extrapolate it to all of the Treasury Managed Fund, we were waiting to understand from a larger sample of whether or not the errors were systematic right across all the agencies.

Mr DAVID SHOEBRIDGE: Well, they just provided evidence Mr Harding—

Ms DONNELLY: Right.

Mr DAVID SHOEBRIDGE: —that they did a review of 50 claims from large agencies—

Ms DONNELLY: Yes.

Mr DAVID SHOEBRIDGE: —and 50 claims from small- and medium-sized agencies. Does that ring a bell?

Ms DONNELLY: It may be. I thought it was one sample of 50. They may be onto the next stage that they are talking about in further evidence today.

Mr DAVID SHOEBRIDGE: And then they advised that of that sample—I assume there was representative information but anyhow—in 60 per cent of cases there was an overpayment and in 30 per cent of cases there was an underpayment, which, when I checked the numbers showed that they got it right in one in 10 claims. Have they provided you with that level of detail?

Ms DONNELLY: I think that is the first time I have heard that. I am not sure if my team have. Yes, that is the first time we have heard of that.

Mr DAVID SHOEBRIDGE: It was the first I had heard of it too. A review of Treasury Managed Fund claims, which shows the scheme getting it right in only 10 per cent of cases, would ordinarily be something that would raise a red flag, I would have thought.

Ms DONNELLY: Absolutely. I am just finalising terms of reference to undertake a compliance and performance review of the TMF and this just makes it even more urgent.

Mr DAVID SHOEBRIDGE: All right. But I want to be clear, to the best of your knowledge and from the staff you have in the room, icare has not told you at any time prior to this that their review found that they got it right in only 10 per cent of cases.

Ms DONNELLY: Well, for the two of us who are in the room that is new.

Mr DAVID SHOEBRIDGE: Assuming there is meant to be new management and a new team in icare—

Ms DONNELLY: Oh, sorry, I am getting text messages that say that there are some of the team who have been told. Sorry. I want to strike what I just said.

The ACTING CHAIR: Sure, understood.

Mr DAVID SHOEBRIDGE: All right. Maybe what we will do is we will just allow, if you can, some information to be obtained on this because it is a deeply disturbing outcome, if that is the outcome of their first review.

Ms DONNELLY: Yes.

Mr DAVID SHOEBRIDGE: Has icare approached SIRA to adopt an agreed methodology for determining the extent of the underpayment and remediating it?

Ms DONNELLY: My latest understanding is that they have been working with Treasury to agree an approach and then they would come to us.

Mr DAVID SHOEBRIDGE: Has SIRA agreed with icare's approach for remediation so far for the Nominal Insurer underpayments?

Ms DONNELLY: No, as I said earlier, I required them to give us a plan and for each version of that plan we have had questions or wanted changes, so we do not yet feel that we have got a satisfactory plan for the Nominal Insurer.

Mr DAVID SHOEBRIDGE: Has icare informed you about the results of its most recent \$100,000 advertising spend seeking to have claimants come forward for potential underpayment claims?

Ms DONNELLY: We did get an update on that recently. I saw it last week. I think it is dated the last few days of February. The effectiveness of that is very questionable. It has not elicited many people. In fact, I think there is one that has been remediated.

Mr DAVID SHOEBRIDGE: Icare informed the Committee just then that from the \$100,000 spend they had had 20 people reach out to them to have their claims re-determined. Have they told you that their hit rate was one for every \$5,000?

Ms DONNELLY: They have shared with us the numbers and what we are doing is considering whether or not we go back and suggest that they do something different. Certainly one would have thought that writing to your clients would be cheaper than an advertising campaign.

Mr DAVID SHOEBRIDGE: Have you tested them on their proposition that directly communicating with clients would be contrary to the clients' best interests because they do not wish to revisit their workers compensation scheme? That is the reason icare repeatedly gives for not directly communicating with injured workers.

Ms DONNELLY: I would have to say it is difficult to test. In part, the advertising was a test to see whether people spontaneously approached icare to have a review once it was publicised. Certainly there have been times where we have sought to follow up on claimants who were no longer in the system and had something like one in three decide that they did not want to disclose or be in touch with us. I think we needed to understand better whether that was the case or not. But, again, the priority is to remediate for people who have had an underpayment. Another stream of the work that we have been very keen to see followed through is identifying those injured workers who are highest risk and proactively contacting them and assessing those files, so these are the people who may have had the largest underpayment. That had to be done and it could not be left to the person to come forward.

Mr DAVID SHOEBRIDGE: But, as yet, no agreed methodology.

Ms DONNELLY: No, we have received that update from them and we will be going back. We have been doing audits from time to time. Insurers will notify us that they have had an underpayment. There are other insurers who notify their claimants and they should be capable of doing that sensitively. That is their business.

Mr DAVID SHOEBRIDGE: You would have thought that the business of icare would involve communicating with injured workers and they should have the skills and the capacity to communicate with injured workers around potential underpayments.

Ms DONNELLY: It is a requirement.

Mr DAVID SHOEBRIDGE: Is SIRA going to set a deadline for an agreed methodology on this with icare?

Ms DONNELLY: I am exploring what it is in my powers to do. I will say that we have not taken enforcement off the table. We still have the KordaMentha audit, and one of the things that has struck me through this which would be a useful power would be the ability to have an enforceable undertaking in some matters. We do not have that but we are looking at what we can do to bring this to a close and have an effective plan.

Mr DAVID SHOEBRIDGE: Is the problem not that after it was first picked up by icare in early 2019, so far they have managed to repay 24 injured workers?

Ms DONNELLY: It is completely unsatisfactory.

Mr DAVID SHOEBRIDGE: And that is only for the Nominal Insurer. Icare have only now done a review that at least on the initial data suggests they got it wrong for 90 per cent of public sector workers and they have not even commenced a scoping project for that. When will it end?

Ms DONNELLY: I understand they have a plan but we have not seen it. I think it is with Treasury.

Mr DAVID SHOEBRIDGE: Who is responsible for the management of the bushfire grants?

Ms HOGAN: The distribution of them? Service NSW.

Mr REES: Service NSW administered those grants.

Mr DAVID SHOEBRIDGE: When the initial proposal to put in place \$50,000 small business bushfire recovery grants was set in train, what advice did Service NSW give about the integrity measures needed to ensure that those payments only went where they should?

Mr REES: In terms of the specific advice, I would need to take that on notice; it was some time ago. We are responsible for administering those grants; we are not the policy owner of that grant. Certainly, we do, wherever we are in partnership with Treasury or Resilience in that example I believe.

Mr DAVID SHOEBRIDGE: Who set up the IT infrastructure and the portal under which claims were made?

Mr REES: Service NSW.

Mr DAVID SHOEBRIDGE: Were there any communications made with either the Premier or the Premier's office about the integrity measures needed to stack that up to make it work?

Mr REES: I cannot recall. I would need to take that on notice.

Mr DAVID SHOEBRIDGE: Did either the Premier or the Premier's office ever advise Service NSW to rapidly deploy it, notwithstanding concerns that were made about the fraud and integrity measures in the IT architecture?

Mr REES: I would need to take on notice any involvement of the Premier's office in those conversations. Certainly, those grants were deployed quickly. They were deployed to businesses that were being impacted by bushfires and communities that had been impacted by bushfires, and there was an urgency with which those programs were mobilised to get those funds to the intended businesses.

Mr DAVID SHOEBRIDGE: Was there advice from Service NSW that the rapidity with which they were being set up was a fraud and a leakage risk? Did Service NSW provide that advice?

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

Mr DAVID SHOEBRIDGE: You do not recall at all, Mr Rees?

Mr REES: I do not recall those specific conversations. These programs were mobilised about a year ago.

Mr DAVID SHOEBRIDGE: What conversations do you recall about the necessary integrity measures and whether or not they were contained in the bushfire grants?

Mr REES: The delivery of those programs, there was constant conversation around striking the right balance between getting those funds to the individuals and businesses that they were intended for and the inherent risks of administering those programs. Throughout the course of those programs those risk settings were tuned and risk mitigation measures were revised and strengthened.

Mr DAVID SHOEBRIDGE: Was there an audit undertaken of the \$50,000 bushfire grants scheme?

Mr REES: The Audit Office has an audit underway at the moment that is due to table its findings, I think, middle of the year.

Mr DAVID SHOEBRIDGE: No, I am not asking about the Audit Office. Was an audit or integrity review undertaken of the bushfire grants scheme?

Mr REES: When you refer to an "audit", the only audit I am aware of is the audit that is currently in progress. We have a risk management framework that we apply to the administration of grants that has multiple steps and assessment and controls applied to administer those programs.

Mr DAVID SHOEBRIDGE: Was an external entity, consultancy or others engaged to review the integrity measures of the bushfire grants scheme?

Mr REES: We did leverage an external partner in the administration of some of these grants to bring expertise to the assessment of risk.

Mr DAVID SHOEBRIDGE: Was that after the scheme had been established?

Mr REES: I believe that is the case.

Mr DAVID SHOEBRIDGE: And that is because there were major concerns about fraudulent claims being made on the scheme, isn't it, Mr Rees?

Mr REES: One of the inherent risks of administering grants programs is the risk of fraud. That has been a concern since day one. That is correct.

Mr DAVID SHOEBRIDGE: You brought in the external entity because of major concerns about fraudulent claims being made on the bushfire grants scheme, didn't you? That is why they were brought in.

Mr REES: They were brought in to assist us with the administration of those grants and the management and identification of risk through them.

Mr DAVID SHOEBRIDGE: Mr Rees, there were claims, at least, in the hundreds and hundreds of thousands of dollars by just one group of outlaw motorcycle gangs for the scheme, were there not? There were at least \$700,000 of claims coming out of just one outlaw motorcycle club. That was a concern to you, was it not?

Mr REES: Any fraudulent misuse of those programs is a concern to us. We have been managing risks throughout the life of those programs. We did engage specialist support to help manage those risks and to support police in any investigations of fraud.

Mr DAVID SHOEBRIDGE: Who was that?

Mr REES: The external organisation? It's an organisation called Core Integrity.

Mr DAVID SHOEBRIDGE: What was the extent of the fraudulent and inappropriate payment that was identified in the scheme? What was the extent of it?

Mr REES: Currently there are seven convictions that have been made in this space that represent \$163,000 worth of exposure.

Mr DAVID SHOEBRIDGE: I am not asking about convictions, Mr Rees. I am asking about the extent to which there were concerns about the validity, the integrity, of the claims made against the scheme.

Mr REES: I do not know how else to answer the question. The final confirmation of fraud is those convictions. We have been managing risk throughout the life of those programs.

Mr DAVID SHOEBRIDGE: Is that your evidence? That your only concern for fraud in the rolling out of the bushfire grant's \$50,000 small business payments—the extent of your concern is \$163,000.

Mr REES: No. My point was, the only confirmed convictions that we have are relating to the \$163,000.

Mr DAVID SHOEBRIDGE: But you see that was not my question, Mr Rees. Could you answer—

Mr REES: Could you restate your question?

Mr DAVID SHOEBRIDGE: What was the extent, what was the size of the questionable or concerning payments that were made under the scheme? We know that \$163,000—you have convictions for those fraudulent claims. But to what extent do you have concerns about inappropriate or wrongful payments being made?

Mr REES: I would need to take the question on notice.

Mr DAVID SHOEBRIDGE: How much was paid under the scheme?

Mr REES: Specifically the \$50,000 bushfire scheme? The data I have is as of 12 January this year and as at that point, \$52 million had been paid.

Mr DAVID SHOEBRIDGE: And the \$10,000 scheme?

Mr REES: \$181 million.

Mr DAVID SHOEBRIDGE: What was the extent of the concerns about inappropriate payments under the \$181 million, \$10,000 scheme?

Mr REES: In terms of a dollar associated risk factor?

Mr DAVID SHOEBRIDGE: Yes.

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

Mr DAVID SHOEBRIDGE: Have there been any fraud convictions for the \$10,000 scheme?

Mr REES: I do not have the information that says which of those schemes the seven convictions relate to, but I can take that on notice.

Mr DAVID SHOEBRIDGE: What about the \$75,000 primary industry bushfire relief scheme? What was the scale of that scheme?

Mr REES: Sorry, I do not have information on that scheme. I will take that on notice.

Mr DAVID SHOEBRIDGE: Could you also take on notice what, if any, concerns there are and what the quantum is for potential inappropriate payments under that scheme? Mr Rees?

Mr REES: Yes.

Mr DAVID SHOEBRIDGE: Will you provide us on notice any reports from Core Integrity about their review of these bushfire schemes?

Mr REES: I will take that on notice.

Mr DAVID SHOEBRIDGE: Did they review the \$10,000 scheme, the \$50,000 scheme and the \$75,000 scheme?

Mr REES: They were involved in working across a number of those programs, so I will take on notice specifically which ones they were involved in.

Mr DAVID SHOEBRIDGE: Which programs were they involved in?

Mr REES: I will take that on notice.

Mr DAVID SHOEBRIDGE: To what extent have New South Wales police been brought in to review potential fraud claims or inappropriate claims under the bushfire relief schemes?

Mr REES: We have been working with police and have supported their inquiries across a number of those programs.

Mr DAVID SHOEBRIDGE: Does your work with police extend beyond the seven convictions that have currently been obtained?

Mr REES: It does.

Mr DAVID SHOEBRIDGE: How many claims are currently with New South Wales police?

Mr REES: As I understand it, there have been 29 arrests in total, of which there have been seven convictions.

Mr DAVID SHOEBRIDGE: What is the total quantum for the 29 claims associated with the 29 arrests?

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

Mr DAVID SHOEBRIDGE: Can you identify what the total pool of funds that have been the subject of a review by Core Integrity is? You said there is \$52 million for the \$50,000 scheme, \$181 million for the \$10,000 scheme and an uncertain amount for the \$75,000 scheme. But can you identify the pools of funds for each of the schemes in relation to which Core Integrity was brought in to do some fraud and other integrity checks?

Mr REES: I will need to take that on notice. Core Integrity were used to complement the internal team and we have since transitioned this work to the internal team. So I will need to take on notice specifically which parts of that portfolio Core Integrity were involved in.

Mr DAVID SHOEBRIDGE: Which Minister, or Ministers, were provided advice about Core Integrity's findings?

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

Mr DAVID SHOEBRIDGE: Was the Minister for Customer Service provided advice about Core Integrity findings?

Mr REES: Core Integrity were involved over a period of time on a range of aspects of the administration of these grants. I will need to take on notice so I can be very specific about what the briefings were in relation to.

Mr DAVID SHOEBRIDGE: Was the Minister for Police and Emergency Services briefed and was the Treasurer and was the Premier briefed?

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

Mr DAVID SHOEBRIDGE: Do you know—you must know—whether or not a recent briefing has been provided to the Premier about the scale of these potential leakages from the funds? Has a recent briefing been provided to the Premier, Mr Rees?

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

The ACTING CHAIR: I might continue to ask a couple of other questions on this fund. Who made the decision to terminate Core Integrity and the work they were doing?

Mr REES: Core Integrity were not terminated. They were brought in to do a piece of work. The plan was always to transition that work to an internal team ongoing. They brought an initial injection of additional expertise, skills and capacity early in the life cycle of these programs. They were transitioned to internal teams and that contract ran its course.

The ACTING CHAIR: They served out their full contract as they were brought on to—

Mr REES: Yes, I believe so.

The ACTING CHAIR: Thank you. What was the geographical distribution of the offences where you have seen arrests or convictions? Originally these concerns did originate from the Lake Macquarie and Hunter area and, indeed, possibly, by a relationship with outlaw motorcycle gangs.

Mr REES: I think those questions need—

The Hon. JOHN GRAHAM: Of the 29 arrests and seven convictions, are they more widespread across the State or are they mainly centred in the Hunter?

Mr REES: I think those questions would need to be directed to police. We provide information to support their inquiries, but those arrests and convictions are the result of police investigations. I think those questions are best directed to police.

The ACTING CHAIR: Are you saying you do not have that information, Mr Rees, or you do not believe it would be appropriate to provide it?

Mr REES: We have the information that we have provided police to support their investigations, but I think those questions about the nature and the result of those investigations I believe are best directed to New South Wales police.

The ACTING CHAIR: Let me ask you in this order then: How many referrals have you made to police? There have been 29 arrests and seven convictions. How many referrals have you made to police? How many grants have been referred? What is the total value of those grants?

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

Mr DAVID SHOEBRIDGE: You must have some idea of the number. You know that there have been 29 arrests, you must have some data showing—

The Hon. SHAYNE MALLARD: Point of order: He said he would take it on notice. Mr Shoebridge has jumped in on your question, Mr Chair.

The ACTING CHAIR: I am happy he—

The Hon. SHAYNE MALLARD: The witness said he would take it on notice.

The ACTING CHAIR: He has made a very good point.

The Hon. SHAYNE MALLARD: I think that is the answer that has been given.

Mr DAVID SHOEBRIDGE: If we let everything rest at that—

The ACTING CHAIR: Sorry, I am going to have to call you to order, Mr Shoebridge. There is a point of order.

The Hon. SHAYNE MALLARD: The witness said he would take it on notice. He has been cross-examined on that answer.

The ACTING CHAIR: Yes. You are entirely correct. The member is entitled to press the question, though. Even though he is in my time, I would invite him to gently press it one more time.

Mr DAVID SHOEBRIDGE: Thank you. You must have some data, Mr Rees. You would not have come to a budget estimates hearing knowing the concerns about fraudulent claims under this and not have some data about how many matters have been referred to police, Mr Rees.

Mr REES: We have supported police with their inbound inquiries. I do not believe that we have made outbound referrals to police at this point, although there is further investigation going on through our internal capability.

Mr DAVID SHOEBRIDGE: Is that operation Fireant? Or Strike Force Fireant? Is that the police strike force that has been contacting you?

Mr REES: I believe our response is, primarily, in response to Strike Force Raptor and Roche.

The ACTING CHAIR: And Roche, yes.

Mr DAVID SHOEBRIDGE: How many inquiries—

The ACTING CHAIR: Mr Shoebridge, I might invite you to use your own time. I am going to move on to another issue.

Mr DAVID SHOEBRIDGE: I think it is Fireant anyhow.

The ACTING CHAIR: I do want to return, Mr Wells, to the Park'nPay questions that you were providing some helpful answers on. One view that I did want to confirm with you was: Are councils who have to use the government app required in any way to use Duncan Solutions infrastructure if they use Park'nPay?

Mr WELLS: No.

The ACTING CHAIR: Separate to the software questions we were talking about, the fact that Duncan Solutions supplies meters and might do so on a separate contract, there is no tying of those two decisions: the app and the actual parking meters and contracts?

Mr WELLS: That is correct. I can also add that it was nine commuter car parks, to your earlier question.

The ACTING CHAIR: Thank you for that information. Has this app been the subject of probity advice?

Mr WELLS: Yes, we did get probity advice.

The ACTING CHAIR: Did it raise any concerns about either the initial phases of the app or the rollout?

Mr WELLS: No, the report says probity principles were reasonably observed.

The ACTING CHAIR: Mr Rees, we spoke this morning about the number of people who have not been successfully informed as a result of the Service NSW breach. You have had the time over the break to subsequently review your previous evidence. I am inviting you to agree with the fact that you have previously given evidence recently to say that 70 to 80 per cent of people have been notified, so it has not been possible to notify 20 to 30 per cent of people of that earlier breach. Is that correct?

Mr REES: That is right. If I can address those points from this morning, I did review that.

The ACTING CHAIR: Thank you.

Mr REES: That was the guidance we provided. We believe that still to be true. We are looking at a range of measures to enable us to make other attempts to contact that remaining 20 to 30 per cent in a way that is obviously safe and secure and does not expose other customers to fraud. We are also looking at other complementary measures to further reduce risk by placing flags on various systems and databases.

The ACTING CHAIR: So it is not uncomplicated, I think everyone would agree with that, but it is a very big number of people. This might be 30,000 people who are yet to be notified and their details are at risk, given the evidence you have given. Is that correct?

Mr REES: Maybe just to describe it a different way, they are people who we have sent a notification to. They are notifications that have subsequently been returned through to us. There are a number of explanations for why that can occur. One is that we do not have the right address available for that person to make a safe notification. Two is a person has not signed for and received their notification.

The ACTING CHAIR: I want to return to this question about the statement the Premier made. The Premier stated that the "Government is literally investing billions of dollars in building up the firewalls." I listened carefully to the Minister's answer. It is true, the Government is spending billions of dollars on IT infrastructure; it is not true, based on the information the Minister gave, that the Government is spending literally billions of dollars building up the firewalls. Can you give us any information on this matter?

Mr REES: The Service NSW cyber incident did not relate to the breach of systems or firewalls, it related to the compromise of those 47 accounts.

The ACTING CHAIR: To be fair to the Premier, I think she was commenting on the more recent Accellion breach.

Ms HOGAN: She was commenting on the Accellion issue.

Mr REES: That question I think would need to be redirected to Mr Wells.

Ms HOGAN: Yes, sorry.

Mr WELLS: Thanks, Damon.

The ACTING CHAIR: That was very well done.

Mr WELLS: I think the Minister and the Premier were referring to the broad investment we are making across many years in digital infrastructure, legacy systems and cyber protection. So I think that is an accurate representation of what we are spending on IT and digital in general—one element of which is cybersecurity protection, including firewalls.

The ACTING CHAIR: The statement the "Government is literally investing billions of dollars in building up the firewalls"—

Mr WELLS: Again, that investment is part of what we are investing in across the State .

The ACTING CHAIR: But Mr Wells, I would be very concerned if we are spending billions of dollars on the State's firewalls. Is that the case or is it not?

Mr WELLS: Again, we are making investments across everything in digital across many years, one element of which is cybersecurity protections.

The ACTING CHAIR: What proportion of that spending is related to firewalls?

Mr WELLS: I would have to take the specific question on notice about firewalls.

The ACTING CHAIR: I invite you to take that on notice.

The Hon. SHAYNE MALLARD: Stop trying to catch him out.

The ACTING CHAIR: I might ask the Privacy Commissioner to come forward.

Ms HOGAN: Mr Graham, is it okay for Ms Donnelly to go or would you wish for her to remain?

The ACTING CHAIR: I strongly suggest Ms Donnelly should—

Ms HOGAN: Make a run for it?

The ACTING CHAIR: —depart at this point while there are no questions for her.

The Hon. ANTHONY D'ADAM: Quick!

The Hon. SCOTT FARLOW: Before Mr Shoebridge returns, open the door.

The Hon. ANTHONY D'ADAM: He does have another 15 minutes. He may return.

Ms DONNELLY: Chair, thank you, if you are happy.

Ms HOGAN: I can take SIRA questions on notice if he returns.

The ACTING CHAIR: No worries. Privacy Commissioner, I wanted to ask about your 2015 recommendations about mandatory notification for government agencies. If there is a data breach, what notification should be provided? And the fact that we might move from the somewhat voluntary system at the moment to a much more mandatory system, do you want to talk about those recommendations?

Ms GAVEL: Yes, certainly. I should make the point, though, that the 2015 recommendation was before I was the Privacy Commissioner.

The ACTING CHAIR: Yes, correct—understood.

Ms GAVEL: So it was the former Privacy Commissioner.

The ACTING CHAIR: Understood.

Ms GAVEL: But I certainly agree that a mandatory data breach notification scheme for New South Wales agencies would have many benefits in terms of improving capability across agencies, directing attention to the importance of having systems and processes in place to prevent data breaches. It would also give citizens assurance and trust in the government's holding and use of their information because they know that they will be told if there is a breach that might impact on them and their personal information. These are all significant benefits of a mandatory scheme. As you mentioned, I currently have a voluntary scheme and I encourage agencies to report breaches to me. I think it is important to note that the breaches that have received the attention of the media this year were all reported to me via the voluntary scheme. So that scheme, while it is voluntary, is still an important and beneficial scheme for agencies.

The ACTING CHAIR: Yes, and I accept that, although it does leave the question—as you say that—that there might be other breaches that may not have been reported and the public may not be as aware of them as the breaches that have come through that scheme. Is that a fair comment?

Ms GAVEL: That is right. Obviously I am aware of those that are reported to me. But in terms of the significant breaches that we are aware of—for example, Service NSW and the Accellion breach—those have been reported.

The ACTING CHAIR: As you look around the world in other jurisdictions and around the country, that really is where good practice and where good governments in this space are moving: to mandatory notification for agency breaches.

Ms GAVEL: That is right. The European Union brought in a mandatory data breach scheme when it brought in its General Data Protection Regulation in 2018; New Zealand has recently moved—I think in December its legislation came into place; and, of course, we have the Commonwealth Government scheme that has been in place since 2018.

The ACTING CHAIR: And the Minister was upbeat about the prospect—I think he indicated some enthusiasm in this space. Are you hopeful that those recommendations—which, as you have pointed out, have been sitting on the books since 2015—might now finally be acted on?

Ms GAVEL: That is right. I did note in a recent estimates hearing that the Attorney General said he thought the scheme would be legislated this year and then come into operation next year.

The ACTING CHAIR: And you think that time line from your information is still possible?

Ms GAVEL: Yes, that is right. But obviously it is up to the Government to finalise the scheme and announce the timing for it.

The ACTING CHAIR: Yes, understood. Is there anything else you wanted to add on that mandatory notification question while we have you here?

Ms HOGAN: Give it a plug, Sam!

Ms GAVEL: We have seen, of course, the rise of the cybercriminal unfortunately, particularly during COVID. So it is still an important issue and it is certainly one that I would like to see legislated.

The ACTING CHAIR: Thank you for that evidence. Ms Hogan, I might ask similarly what the agency view is on mandatory notification. Is there anything you would like to add on that question? Is this possible? Is it desirable?

Ms HOGAN: I cannot represent what the Government might wish to put in place.

The ACTING CHAIR: I understand that. I am not asking you.

Ms HOGAN: But from my perspective, we work closely with the Privacy Commissioner. I think we are one of the lead agencies in the notifying of any issues. We are certainly happy to see how this unfolds and play our role.

The ACTING CHAIR: Can you give us any other information on the timetables, perhaps any of the hurdles that might need to be cleared before it would be possible for New South Wales to move to a mandatory system?

Ms HOGAN: I think Ms Gavel would be the expert who I would turn to for advice on that question.

The ACTING CHAIR: Sure.

Ms HOGAN: If she thinks it is possible by next year, then I would support her statement in that regard.

The ACTING CHAIR: I might turn to my colleague.

The Hon. ANTHONY D'ADAM: While we have Ms Gavel in the box, I wanted to ask her: The Minister has flagged an interest in introducing facial recognition technology in gaming venues, and I wonder whether your office has been consulted and provided any advice in relation to the proposal.

Ms GAVEL: Sorry. Can I just check which Minister you are referring to?

The Hon. ANTHONY D'ADAM: Minister Dominello.

Ms HOGAN: Minister Dominello.

Ms GAVEL: Minister Dominello? I am not aware of a recent comment on that, but there is work being done in New South Wales and federally, of course, with the identification system that the Commonwealth Government is going to put in place for law enforcement purposes. New South Wales will be part of the scheme

once the legislation for that goes into effect. We have certainly done consultations with the Commonwealth and would continue to consult on that scheme. In terms of what the Minister was saying, is there a particular focus—

The Hon. ANTHONY D'ADAM: In gaming venues.

Ms GAVEL: Right. I am sorry. Yes, I have seen the media on that. That was late last year. Obviously any use of facial recognition raises significant privacy issues. I would certainly expect to be consulted if solutions that required that were part of that legislation, and I am certainly here to be consulted and my colleagues are aware of that. As I understand it at the moment with that legislation, the submissions have been received and are now being considered but there is not a proposal as yet on that issue that I need to be consulted on at this point. But certainly it would raise privacy issues. I would certainly expect to be consulted on that.

The Hon. ANTHONY D'ADAM: Do you have any views about the security implications in terms of data security around facial recognition data?

Ms GAVEL: Again, it is sensitive personal information. If we have that information breached, we cannot change our facial features, for example. So it has to be kept really secure and that means having the right technology, having the right people able to access it or people not able to access it, having the right processes in place, having the right cybersecurity framework in place, having a data breach regime in place as well so that if there is any breach of that information it can be acted on quickly and the breach mitigated and people notified where that needs to occur.

The Hon. ANTHONY D'ADAM: Thank you. I think I might hand back to my colleague.

The ACTING CHAIR: Yes. Ms Gavel, we are grateful for your evidence. You are welcome to leave at this point if you choose. I turn to the question of the Cyber Security Policy for the Government. I understand that this was due to be updated. Where are we up to on this question?

Mr WELLS: Cybersecurity policy or strategy? So the Cyber Security Policy was put in place in August 2019, Mr Graham, and essentially those 25 mandatory requirements—which would include the Essential Eight controls we talked about before—have been in place since August 2019. Clusters have reported against that. Sorry, they were put in place earlier in 2019. They were reported against in August 2019 and again in August 2020. Those are pretty much set. What is in the process of being refreshed is the Cyber Security Strategy for the State, which was first published in 2018, so we are refreshing that. It is drafted and will be with Cabinet for endorsement in April. That is the plan at this stage.

The ACTING CHAIR: Thank you for that. The aim was to have it out a little bit earlier than that. Obviously there has been a fair bit on, but is there any concrete reason for the delay that you would like to draw attention to?

Mr WELLS: There has been a bit on, Mr Graham. The other thing that happened was the Commonwealth also put out a Cyber Security Strategy for the country in the same time period, so we wanted to make sure, firstly, we aligned completely with their strategy and that it was complementary. We also wanted to make sure that from an economic stimulus perspective and from a jobs creation perspective, we really lined this up with Treasury so that the new strategy does not just cover cyber resilience and a lot of what we have covered today; it also includes the economic impact of incidents, how we create jobs. That has been more important than ever in the last year, so we have wanted to make that inclusion as well.

The ACTING CHAIR: One of the most concerning bits of evidence that these committees have heard on the cybersecurity front was related to evidence that the NSW Electoral Commission gave, both about their funding—and I certainly do not expect you to comment on that—but the fact that their funding at the moment is set by Treasury really at levels associated with the 2015 election not the 2023 election, and costs went up in 2019; they are certainly expected to go up again. That is the context. The pressure is this: Obviously those cybersecurity issues around elections have become much more front of mind—in fact, much more pressing—over recent years. Do you have any comment about the specific risks in the electoral context, given your general awareness of the cybersecurity environment we are operating in?

Mr WELLS: What I would say is as part of building uplift plants for every cluster, each cluster—including the small agencies within them—built up plans to invest in building capability, again, for technical control and everything else. So the Electoral Commission would have been part of that process. Is there enough funding for all of that? It is wonderful we have enough investment with that \$240 million to begin that process. That certainly does not cover everything we need to do. So there is more to be done for sure.

The ACTING CHAIR: It would be unfair to ask you to answer on the funding side. I am more interested on the risk side. You are much more aware of that, the risks on the horizon in the cybersecurity space. On the face of it, we should be concerned, shouldn't we, about risks to electoral integrity, given what we know of what is going on in other jurisdictions? Is that a fair comment?

Mr WELLS: I think in general it would be a fair statement to say that the number of threats is increasing. The complexity and the risk associated with those threats is increasing. This is a risk that every organisation—government, non-government and private sector—jointly have to address, so I think it is a fair comment to say that risks are increasing, yes.

The Hon. ANTHONY D'ADAM: It is a pretty significant dataset, though, isn't it, the electoral roll? All the citizens in New South Wales, their date of birth details—very sensitive data. It is probably a fairly high priority in terms of protecting that data, wouldn't you say?

Mr WELLS: Yes, I would agree with that.

The ACTING CHAIR: It is not just the specific information; it is the accuracy of that information as it is rapidly updated. That is really part of its value as an information asset. Is that a fair comment?

Mr WELLS: Sorry. Could you repeat that question?

The ACTING CHAIR: It is not just the sort of data that is in there; it is the accuracy of the data, the fact that it has been recently updated and it is comprehensive across the State. Those are some of the elements that make it a very attractive information asset.

Mr WELLS: Yes, that is correct.

The ACTING CHAIR: In your discussions with other agencies, with some of your national or perhaps international counterparts, is this the subject of increasing concern, not just cybersecurity threats generally but specifically in the electoral context?

Mr WELLS: I would have to take on notice the specific electoral risks and some of the questions you are getting to. But I think in general, again, these are risks that impact all critical systems, all critical infrastructure for government.

The ACTING CHAIR: I certainly do not want you to comment on the funding specifics, but given the increasing cybersecurity threats which are present, we certainly should not be cutting funding to agencies that hold key information assets. Is that a fair comment?

Mr WELLS: Again, investment in cybersecurity is ongoing. It is never done. It is going to be one of the most important investments we make.

The ACTING CHAIR: Alright. Thank you. I have one final area I want to talk to.

The Hon. ANTHONY D'ADAM: I can jump in. I have a few—

The ACTING CHAIR: Yes, I might hand to you just now.

The Hon. ANTHONY D'ADAM: I wanted to ask about the efficiency dividend for the Department of Customer Service [DCS]. Is there an efficiency dividend that applies to Customer Service?

Ms HOGAN: Clinton, do you want to talk to budget?

Mr GOULD: Generally, over the last few years, efficiency dividends have been applied as part of the budget process. But in the last budget process there was not a new efficiency dividend applied.

The Hon. ANTHONY D'ADAM: From the preceding budgets, what is the amount of efficiency dividend required for this financial year?

Mr GOULD: I would have to take that question on notice.

The Hon. ANTHONY D'ADAM: Will the efficiency dividend require staff cuts in order to achieve it?

Mr GOULD: We look at a wide range of options when it comes to efficiency dividends, including procurement. We did rationalise staff in the previous budget process in relationship to senior executive staff, but our current position is, with all the new initiatives the Government has proposed, we are actually increasing staff overall.

The Hon. ANTHONY D'ADAM: So there is not a staff freeze applying the Department of Customer Service?

Ms HOGAN: Is there a staff freeze, did you say?

The Hon. ANTHONY D'ADAM: Yes.

Ms HOGAN: No.

The Hon. ANTHONY D'ADAM: And what about job cuts in the regions? Does that position apply to you that there are no job cuts to be implemented in regional areas? Has that instruction been provided to your agency?

Ms HOGAN: I would have to take the exact details of the most recent policy on notice, but my understanding is that the goal is to actually increase the number of roles in the regions, which we are certainly aiming to play a role in doing. We have just done that with the additional Cyber Security unit in Bathurst. We are starting to advertise roles that can be based from other locations other than here. In terms of reducing staff in the regions, my understanding of the latest policy is that we overall want to keep numbers the same. There could be at some ins and outs in that, depending on which locations you are working to and which part of the cluster, but it is not our intention at this point, no.

The Hon. ANTHONY D'ADAM: I have one more question about Corrimal Service Centre. Have the operating hours of that centre been reduced?

Mr REES: We changed the operating hours of a number of service centres through COVID. We are currently under review around what the appropriate operating hours are moving forward. We are in consultation around some options there.

The Hon. ANTHONY D'ADAM: And was Corrimal one of those?

Mr REES: I expect it would be. I can take it on notice to confirm. We made broad changes to our operating hours across the network through COVID.

The ACTING CHAIR: I might ask about the National Consumer Protection Framework. The Government introduced the Gambling Legislation Amendment (Online and Other Betting) Bill in 2019. One of the objectives was to implement stage one of the New South Wales commitments under the National Consumer Protection Framework for online wagering. It was an outstanding second reading speech delivered by the Hon. Scott Farlow in the Chamber. I recall it fondly.

The Hon. SCOTT FARLOW: It is probably incorporated in *Hansard*.

The ACTING CHAIR: Sadly, the action has not necessarily flowed. It appears that New South Wales is the last jurisdiction to implement these laws—implement the framework. Can you give us an update about why that is the case?

Ms HOGAN: I would ask Ms Webb to comment.

Mr REES: There are a number of questions you had asked me to respond to. I am happy to address a number of those if that is fine.

Ms WEBB: I will take on notice where that is up to. Certainly we will be able to give you some information about that; I just do not have it here.

The ACTING CHAIR: Okay. Mr Rees, any update you can provide would be helpful.

Mr REES: Yes, there are a range of questions that have been asked. The \$21,000 that is being paid as a part of compensation—the question was: How many people does that relate to? The answer is 26. There was a question regarding toilets. Wherever possible we attempt to have toilets on site for standalone facilities. That is the case in almost all places. We do have a small number of arrangements, such as Walgett, where we share those facilities with the local council, as an example. It is more difficult where we are located within a shopping centre. In those examples we attempt to locate ourselves near the facilities in those shopping centres. There was a question on the Edmondson Park lease. We have received the lease agreement for that. It is currently in the process of being worked through approvals at the moment. The question regarding wait times—so the average wait time is six minutes and 33 seconds for service centres, and two minutes and 52 seconds for contact centres.

The ACTING CHAIR: Thank you for those updates. It has covered off a range of the issues we were hoping to get some answers to today. I might ask you in return about the Service NSW app. It was made mandatory

on 1 January. Less than a week later the app crashed as people were trying to use it. That was the subject of a review of the app. Can you give us some details about that review? What was reviewed, where is it up to and has the review concluded?

Mr REES: Just to clarify, what was made mandatory was use of COVID check-in for particular industries. The crash that you are referring to lasted a number of hours. It related to a capacity issue on some of our infrastructure. The root cause of that was a gap in our monitoring and alerting. It failed to identify proactively that that issue was pending. We have since addressed that and put in place additional monitoring and alerting. Through the period of the outage there were other mechanisms for both customers and businesses to digitally sign customers in. We have not seen any repeat of that same incident occurring since then and we have had a range of other changes that have further strengthened the underlying infrastructure that underpins that service.

The ACTING CHAIR: And how many individuals or businesses were affected?

Mr REES: Through that two-hour period?

The ACTING CHAIR: Yes.

Mr REES: I do not know if we have the means to know the answer to that. What we can see is that customers continued to check-in using those other mechanisms through that period of outage.

The ACTING CHAIR: On that note, I propose that we conclude questioning. I offer the Government the chance to utilise its time to ask questions.

The Hon. SCOTT FARLOW: I note that Ms Webb has taken our question on notice, so we will look for that one on notice.

The ACTING CHAIR: Thank you to all the officials, those who are still here and those who have departed. The Committee secretariat will be in touch with the questions that have been taken on notice and any supplementary questions. Thank you for your time.

(The witnesses withdrew.)

The Committee proceeded to deliberate.