

Customer Service Portfolio

Wednesday 27 October 2021

Responses to Questions taken on Notice

Question
<p>The Hon. ADAM SEARLE: Can you tell me the date the submission from the Electoral Commission was received?</p> <p>Mr WELLS: I will grab that on notice [inaudible].</p>
<p>ANSWER</p> <p>We are aware that the Electoral Commission consulted with Treasury in late 2020 through the NPP budget process for FY2021/2022 and the NSW Electoral Commission was advised to seek funding through the Digital Restart Fund (DRF) Cyber Security allocation.</p> <p>On 16 July 2021, the NSW Electoral Commission provided an updated business case to Cyber Security NSW.</p> <p>On 12 August 2021, a review planning meeting between the NSW Electoral Commission project sponsor and Department of Customer Service was held.</p> <p>On 18 August 2021, Cyber Security NSW met with ICT Assurance Review Panel for the Gate 2 Interview.</p> <p>On 23 August 2021, the Cyber Security NSW assessment was completed, and ICT Assurance Framework Gate 2 Review Report drafted.</p> <p>On 3 September 2021, the ICT Assurance team provided the final ICT Assurance report to the NSW Electoral Commission project sponsor noting that critical recommendations remained outstanding..</p>
<p>Mr VICTOR DOMINELLO: Absolutely. The fact that we have Cyber Security NSW shows the degree of importance and urgency we place on this issue. Because we know that being the most digitally advanced State, we have an obligation to make sure it not just provides great services but it is also trusted in the sense that it is private and secure. Cyber goes a long way to that. Can I also say, Mr Searle, forget my assessment; there is an Intermedium report that gets published every year. New South Wales for the last five years, to the best of my recollection, is number one. On the Cyber Readiness Report, I think, in 2020, we were number two. We got a score, I think, of 9.3 out of 10, only second to the Feds. Just in terms of money, we are putting \$1.6 billion into Digital Restart phase one. Phase two was another half a billion. And \$240 million of that in phase one was for cyber. Of phase two, I think it was about \$75 million. So the suggestion that the Government is not taking this seriously could not be further from the truth. We realise how important it is. I appreciate your questions. But at the same time we have got to make sure that when we are investing, whether it is in cyber or any other digital asset, it is invested wisely and in an integrated way. Otherwise, we are going to create a worse problem, not a better solution.</p> <p>The Hon. ADAM SEARLE: That may be so, but it has now been, I think, seven months since the Electoral Commissioner's evidence. If you are seeking \$22 million in a \$90-plus billion budget, it does not seem like a lot of money. This is not the first time the Electoral Commissioner has given evidence to parliamentary inquiries about what appears to be the sort of systematic underfunding of his agency. A lack of cybersecurity around the integrity of our electoral system—in seven months the Government has not been able to even allocate the money. It seems to me to be a pretty poor process.</p> <p>Mr VICTOR DOMINELLO: There is no doubt—as you appropriately asked, there is a series of questions that need to be answered between the commission and the agency. But, again, there is a rigorous assessment process and assurance process. I am not saying it is the commission's fault. Maybe they are complying and ticking every box. I do not know. But maybe they are not. But—</p> <p>The Hon. ADAM SEARLE: I would like you to take on notice, if you could, why it has taken seven months—</p> <p>Mr VICTOR DOMINELLO: Yes, we will take it on notice.</p> <p>The Hon. ADAM SEARLE: —we still do not even have a funding decision from Government.</p>

Mr VICTOR DOMINELLO: Yes. We will take it on notice. It is a fair question.

ANSWER

The NSW Electoral Commission business case has progressed through the Digital Restart Fund (DRF) process since 16 July 2021 for consideration as part of the \$500 million in additional funding for the DRF included in the FY21-22 budget. All business cases are required to go through an ICT Assurance process so project risks and issues can be identified early and proactively addressed. Left unaddressed, these risks and issues could jeopardise the successful delivery of the cyber security uplift project. The assurance process is an independent process, and the DRF cannot consider projects with outstanding critical findings. The assurance process resulted in critical recommendations for the NSW Electoral Commission to address and was rated low confidence. The NSW Electoral Commission has been provided with advice and support from Cyber Security NSW and ICT assurance on their proposal.

The NSW Electoral Commission are developing a revised business case in response to this advice. ICT Assurance have also provided a resource to assist them with this (independent of the ICT Assurance review process). The revised business case is expected to be completed in late November / early December for consideration and approval in early 2022, subject to confirmation of Delivery and Performance Committee of Cabinet (DaPCo) meeting dates. Consistent with the support Cyber Security NSW provided the Electoral Commission for the Upper Hunter by-election in May 2021, specific support will be provided in the lead up to, and day of, the NSW Local Government elections to be held on Saturday, 4 December 2021.

Mr DAVID SHOEBRIDGE: Mr Dent, can you give us an understanding of how many workers that represents in a given year—a collapse from 76 per cent return to work after four weeks down to 63 per cent now? How many does that mean? Is it 10,000, 20,000, 30,000?

Mr DENT: I would have to take that number on notice.

ANSWER

SIRA believes Mr David Shoebridge was referring to the return to work rate as at 30 June 2020 which was 77 per cent. If return to work performance had held at 77 per cent, from 1 July 2020 to 30 June 2021 an additional 6,287 workers would have returned to work, at the four week measure. SIRA data indicates that the four week return to work rate is predictive of future recovery outcomes.

Mr DAVID SHOEBRIDGE: How much has the collapse in return-to-work rates cost the scheme this year? What has been the cost of it? You must have a handle on that.

Mr DENT: I do not have that to hand, Mr Shoebridge. I would be happy to take that number on notice.

ANSWER

SIRA has commissioned actuarial advice from Ernst & Young (EY) that has not arrived at time of responding.

Mr DAVID SHOEBRIDGE: What has been the cost to the scheme of the collapse in the return-to-work rates?

Mr DENT: As I said, Mr Shoebridge, I will take that on notice. I do not have that to hand.

ANSWER

SIRA has commissioned actuarial advice from Ernst & Young (EY) that has not arrived at time of responding.

The Hon. JOHN GRAHAM: Minister, I might turn to this issue. The eight-month royal commission in Victoria into Crown concluded its findings yesterday. What implications does that now have for Crown in Sydney?

Mr VICTOR DOMINELLO: Obviously, they are serious findings and, in many ways, reinforce what Justice Bergin concluded when she handed down her report. We are looking at that and, obviously, we will be guided by the Independent Liquor and Gaming Authority [ILGA] in terms of whether there are further things that we need to do following those recommendations and, I hasten to add, whatever comes out of Western Australia as well, to make sure that we get to a consistent position across the country. As you might recall, Mr Graham, one of the torments of Justice Bergin was that there were so many different systems doing their own thing. We can go out and lead the field, but then if Victoria do

something and then Western Australia do something and we are not coordinating with Australian Transaction Reports and Analysis Centre [AUSTRAC]—

The Hon. JOHN GRAHAM: So what does that mean for when Crown might start operating in New South Wales?

Mr VICTOR DOMINELLO: Again, my understanding is, I think it was towards—I will take that on notice. Sorry, Mr Crawford is on the line.

ANSWER

The Independent Liquor and Gaming Authority (ILGA) has not yet determined that Crown is suitable to operate its casino licence, which means an opening date has not yet been proposed.

The Hon. JOHN GRAHAM: Minister, I also asked you, "Can you give us any other examples where this applies?" You answered, "Not to my knowledge, no", and then you took that on notice. Minister, you signed off on the State Star Financial Deed in May last year that includes the same 10½ times compensation principles for The Star. I asked you directly about The Star and you had no knowledge of it then. You signed this deed.

Mr VICTOR DOMINELLO: The deed was—I will take that on notice. But that deed—was that the first deed?

The Hon. JOHN GRAHAM: This is on 29 May 2020, the deed you signed off. Your signature is here on the deed. It contains the same provisions that Crown has. If the Government takes any action, Star, in this case, gets 10½ times the compensation for any earnings lost.

Mr VICTOR DOMINELLO: I will take that on notice.

The Hon. JOHN GRAHAM: You took it on notice last time. In fact, you said you knew of no other examples. The year before, you had signed off an agreement.

Mr VICTOR DOMINELLO: Yes. I will take it on notice. As I said, there are, obviously, two players in the market. Mr Crawford might be able to shed more light on this. Obviously, there are two players in the market. You would think that the arrangements would be similar. But, again, in relation to your primary question, given Bergin's findings, I cannot find—

The Hon. JOHN GRAHAM: My primary question last time was, "Does Star have the same compensation?" You said you had no idea, "nothing to do with me". You signed the deed.

Mr VICTOR DOMINELLO: Again, I will take that on notice. But I am happy for Mr Crawford to shed some light on it. I am not trying to—

ANSWER

Please refer to the response to the [Question taken on Notice](#) arising from the 8 March 2021 Budget Estimates hearing where it is stated that the State Star Financial Agreement contains a compensation clause.

The compensation provisions in the State Star Financial Deed, a publicly available document, are narrower in scope than the State Crown Financial Deed. While the Deed entitles the Star to claim 10.5x compensation from the State, such a claim can only be made in a relatively narrow set of circumstances, primarily relating to the exclusive operation of electronic gaming machines at The Star and changes to taxation arrangements in relation to The Star. No compensation triggers in the State Star Financial Deed fetter the Independent Liquor and Gaming Authority's regulatory powers.

The Hon. DANIEL MOOKHEY: When the Premier last week said to the lower House the funding ratio was 99 per cent, did that information come from SIRA?

Mr DENT: Not if it was based on the report that I have not received, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Great. Minister Dominello, did your office provide that advice to the Premier's office?

Mr VICTOR DOMINELLO: I will take that on notice.

The Hon. DANIEL MOOKHEY: Thank you very much. Mr Dent, can you advise what the underwriting result for the Nominal Insurer was for the financial year 2021?

Mr DENT: That would be in the report I have not yet received, I assume.

The Hon. DANIEL MOOKHEY: No, it would not. The nominal liability valuation does not contain that; the annual report does. Have you received icare's annual report?

Mr DENT: I have not got that to hand, Mr Mookhey.

The Hon. DANIEL MOOKHEY: You are telling me you do not have the underwriting result. With respect, Mr Dent, your predecessor had this information. Has it not been received by you? Or you have not got it to hand?

Mr DENT: I will follow that up. If it has been received, it is not currently to hand.

The Hon. DANIEL MOOKHEY: So you are in no position of being able to advise us either what the net result was?

Mr DENT: I will come back to you later if I can.

The Hon. DANIEL MOOKHEY: I presume you do not know—

Mr DENT: At this stage we do not have that.

ANSWER

There is no record of information pertaining to the NI funding ratio being provided by Minister Dominello's office to the Premiers Office.

The Hon. DANIEL MOOKHEY: Did SIRA give its permission to icare to change its accounting assumptions?

Mr DENT: That is not something SIRA directs icare on.

The Hon. DANIEL MOOKHEY: Were you advised?

Mr DENT: It would have been before my time. That change occurred, Mr Mookhey, before my appointment. I cannot speak for whether my predecessor was advised.

The Hon. DANIEL MOOKHEY: Can you take that on notice as to whether or not icare gave SIRA any notice that it was intending to change its accounting assumptions?

Mr DENT: I am happy to take that on notice.

The Hon. DANIEL MOOKHEY: I will be kind to you, Mr Dent. Do you mind also taking on notice what specific recommendation you say from McDougall gave it the right to change how it calculates the funding ratio using the accounting assumptions?

Mr DENT: I will, and I will note that if recommendation 42 is not the correct one I will apologise to you again, Mr Mookhey. I note that APRA uses a 75 per cent probability of accuracy as a standard and that may have been the case, rather than McDougall.

The Hon. DANIEL MOOKHEY: I am aware, but the reason I am asking you is because I have listened to three icare CFOs and CEOs explain to me the virtues of an 80 per cent probability of adequacy—how they swear that that is the one we should be using. Then all of a sudden it has changed and has resulted in them having a net benefit of \$618 million. I am a bit cynical, forgive me. Minister, were you advised that icare was changing its accounting assumptions?

Mr VICTOR DOMINELLO: Not to my knowledge, but I can take it on notice.

ANSWER

icare notified SIRA of the change in its accounting funding ratio to 75 per cent probability of adequacy on 29 September 2020. icare has also used this 75 per cent standard in a number of earlier capital management and financial reports.

Recommendation 42 of the McDougall report, states that, 'icare should consider the explicit use of an Economic Funding Ratio for the purposes of assessing the NI's capital management needs including the assessment of premium rates, and planning for the NI's long term financial sustainability. icare should report publicly on the financial health of the NI scheme using the new measure(s), at least annually'.

The CHAIR: That is comforting to know that it will be back paid. I have a constituent email from 20 October—so not very long ago; last Wednesday—saying that when they tried to apply through that manual workaround process, they were asked for their address and that a PO Box was not acceptable. Then they were told that they would need to go and show their ID at their local Service NSW and also told that the people with whom they would be sharing their ID would not necessarily understand that a suppressed ABN came with a certain degree of privacy. Clearly that is unacceptable and not a workaround for people with suppressed ABNs.

Mr REES: Because of the suppressed ABN, those customers are not going to be able to apply through the digital process. We are going to need that additional step of visiting the service centre as part of proving identity, but we will certainly look at whether that is asking for information that it should not be and whether it is doing everything we need to do to protect the privacy of those impacted individuals.

The CHAIR: Thank you, because this information is very concerning for those people who have very real privacy concerns. I also understand that there is a suppressed ABN department within the ATO. Has there been any interaction between Service NSW and the suppressed ABN department instead? Because that would be a really easy way to verify those suppressed ABNs.

Mr REES: I would need to take that on notice. I am not sure.

ANSWER

Service NSW digital products integrate with public and private Australian Business Register (ABR) application programming interfaces (API's). The ABR responds with a suppressed indicator if the ABN is suppressed. The Australian Taxation Office operates the ABR website and APIs.

The API is currently being used by Service NSW on the COVID19 business grant to enable customers with suppressed ABNs to apply for grants in a secure and private way. The solution is currently being rolled out across other grant programs as well. The solution was developed in a secure way to ensure that the business details of vulnerable customers are not released to individuals that may claim to be a contact or associate of the business entity.

As an interim solution, Service NSW developed a non-digital solution to allow customers with suppressed ABNs to submit their applications.

Ms CATE FAEHRMANN: I wanted to go to the budget papers. From 2019-20 to 2024-25 you assume—or the State budget assumes—that gambling tax revenue from pubs and clubs will in fact increase by 62 per cent to \$2.19 billion. Are you aware of that?

Mr VICTOR DOMINELLO: Yes, broad figures.

Ms CATE FAEHRMANN: Was that an assumption that you made as Minister, your department, the Treasurer—who did that assumption come from?

Mr VICTOR DOMINELLO: I think it came from Treasury. It definitely was not me; I do not make these figures up. I think it came from Treasury. I can take that on notice and provide it.

ANSWER

NSW Treasury prepares revenue forecasts for the Budget.

Mr JUSTIN FIELD: I want to pick up from where Mr Graham was going earlier. The compensation agreement with The Star that you signed in 2020—I think you were cut off at the end of your last answer. Did you indicate that you had Treasury advice that you were relying on?

Mr VICTOR DOMINELLO: Yes.

Mr JUSTIN FIELD: It was coming from Treasury?

Mr VICTOR DOMINELLO: Yes, absolutely. I do not sign off on these things. I sign off but I am not in—

Mr JUSTIN FIELD: I am sure you got advice. I am just confirming it was Treasury advice.

Mr VICTOR DOMINELLO: Absolutely.

Mr JUSTIN FIELD: Not from your department—Treasury advice.

Mr VICTOR DOMINELLO: That is the best of my recollection.

Mr JUSTIN FIELD: Is that advice available publicly?

Mr VICTOR DOMINELLO: I am not sure. I can take that on notice.

ANSWER

A Steering Committee comprising representatives from Department of Premier & Cabinet, NSW Treasury, and the Department of Customer Service (Liquor & Gaming NSW) oversaw the negotiations with The Star in relation to a suite of new commercial agreements to replace previous agreements which were due to expire. This included a new Duty and Responsible Gambling Levy Agreement and State Star Financial Deed. The Steering Committee provided advice to the Treasurer and Minister in respect to the agreements.

In addition, the Government's legal advisors on this matter, Piper Alderman, provided advice to the Minister prior to execution of the agreements.

Mr JUSTIN FIELD: I would like to talk a bit about how the Centralised Monitoring System [CMS] is working. I have been asking some questions of you in the Parliament as well as on notice about the CMS, the algorithm and this new methodology for identifying suspicious transactions. In answers last week in Parliament, Minister Tudehope made clear that from the start of 2020, Liquor & Gaming had enhanced its analytical methodology to identify suspicious transactions in electronic gaming machines. That has led to some being identified and you are engaging with the authorities on that. Can you give me an indication about how many suspicious transactions the system has identified?

Mr VICTOR DOMINELLO: No, I cannot. I am happy to take that on notice.

Mr JUSTIN FIELD: That would be great. I am not sure if Ms Webb or yourself can indicate how many referrals have been made to policing authorities?

Mr VICTOR DOMINELLO: Again, if you do not mind I will take that on notice.

ANSWER

A number of Suspicious Transactions are currently being investigated. Details about these matters will be made public in due course.

Mr JUSTIN FIELD: Ms Webb, do you know if the CMS system had identified any suspicious transactions at the Star since the start of 2020?

Ms WEBB: I think I will have to take that on notice. It was not the CMS system, just to clarify, but we will check whether the other system had found anything.

Mr JUSTIN FIELD: What is the system called, just so I can be more accurate?

Ms WEBB: Sorry, I would have to take that on notice also. I am sorry, I am just not across the detail. I just know it is a different system.

ANSWER

SYNKROS is a system owned and managed by The Star internally. Liquor & Gaming NSW does not have access to the system and cannot monitor it. Liquor & Gaming NSW is currently working with The Star to gain access to the system. Once the IT infrastructure is finalised, Liquor & Gaming NSW will be able to interrogate the data remotely.

Mr JUSTIN FIELD: I just wanted to clarify, Mr Crawford, because I am about to lose time. You said it was relatively new. When did SYNKROS start?

Mr CRAWFORD: I do not know the exact date.

Mr JUSTIN FIELD: I will put that on notice.

Mr CRAWFORD: Yes, put me on notice.

ANSWER

The Star has been using Konami's Casino Management System (KCMS) since 2008. KCMS was later rebranded to SYNKROS.

The Hon. DANIEL MOOKHEY: I accept this. I accept that you are taking those actions but the McDougall report reinforced the findings of the Dore report, which has already commenced. The Dore report had 21 points of an action plan that was meant to turn it around—before it did not—and then we got the McDougall report. But you are still responsible for applying that 21-point action plan. On notice, could we get an update from you as to where that is up to?

Mr DENT: Yes, you can.

ANSWER

The 21-Point action plan was developed at a point in time in response to Independent Compliance and Performance Review of the Nominal Insurer. SIRA publishes updates on the progress of the 21-Point action plan on the website. The latest update was published on 23 August and can be viewed here <https://www.sira.nsw.gov.au/fraud-and-regulation/review-of-the-nominal-insurer/Response-and-actions/21-point-action-plan-update-as-at-23-august-2021>

The McDougall Review was significantly broader in scope, including a five-year statutory review of the State Insurance and Care Governance Act 2015. The Review delivered a suite of recommendations that together provide a robust roadmap for addressing the issues and challenges facing the workers compensation system.

The Government has announced it would introduce legislation to strengthen governance, regulation and clarify agency roles. Work is already well underway on the 35 recommendations that could be implemented operationally.

SIRA is developing a refreshed action plan that will monitor progress against outstanding actions for icare in the 21-Point action plan and McDougall Review.

The Hon. DANIEL MOOKHEY: When does that business plan say icare will return to its target funding ratio of above 110 per cent?

Mr DENT: I do not have that to hand. I would have to take that on notice.

The Hon. DANIEL MOOKHEY: When does that business plan say that icare's underwriting result will be positive?

Mr DENT: I do not have that. I would have to take that on notice. When the business plan is finalised, I would be able to answer those questions with certainty.

ANSWER

The Nominal Insurer 2021/22 Business Plan extrapolates the predicted funding ratios through to FY2025 where the Accounting Funding Ratio is predicted to be 98 per cent, while the Insurance Ratio is predicted to be 115 per cent.

The Nominal Insurer Business Plan does not provide a plan or prediction for a positive underwriting result.

The Hon. DANIEL MOOKHEY: Thank you. Mr Dent, has icare started having discussions with SIRA about next year's premiums?

Mr DENT: I would have to take that on notice. I assume so. The supervision team is constantly meeting with icare to discuss those things. I understand we did not reject their more recent filing for a 2.9 per cent increase. I assume those discussions are ongoing.

ANSWER

icare has commenced conversations with SIRA about 2022/23 premiums. SIRA expects to receive icare's premium filing by the end of March 2022.

The Hon. DANIEL MOOKHEY: To you, Minister, or to SIRA: How many people have been exited from the scheme under section 39?

Mr VICTOR DOMINELLO: I do not have that available.

Mr DENT: I would need to take that on notice, Mr Mookhey.

ANSWER

As at 30 September 2021, 8,085 workers have had weekly payments ceased under section 39.

The Hon. DANIEL MOOKHEY: Are you getting notifications of workers who are threatening self-harm as a result of termination?

Mr DENT: I have not seen any personally, but that is not to suggest that those notifications would not be made available. I expect that they would be.

The Hon. DANIEL MOOKHEY: Can you get some information on that too?

Mr DENT: I can endeavour to do that for you.

ANSWER

SIRA receives high-risk notifications from insurers about workers affected by section 39. Upon receiving a notification of self-harm, the scheme agent will undertake a review of the risks associated with the worker and formulate appropriate mitigation strategies (e.g., provision of psychological support, notification to relevant parties, welfare checks, and the like). icare's sensitive claims team is then required to review the claim and determine if actions undertaken and proposed by the agent are appropriate. icare then notifies SIRA (within 24 hours), who undertakes a further review to determine that appropriate actions are being undertaken and seek further assurances as required. SIRA seeks subsequent reporting from icare on these matters. The same process, expectations and timeframes apply for reporting cases directly from self and specialised insurers to SIRA.

The Hon. DANIEL MOOKHEY: Thank you. Minister, you said that you will be establishing a formal workers compensation scheme for workers in the gig economy. When will we be seeing that?

Mr VICTOR DOMINELLO: I said, from memory, Mr Mookhey, that we would go and consult with the industry in relation to what we can do and what is best practice. I am just trying to remember where we are up to on that, Mr Mookhey. I will take it on notice.

The Hon. DANIEL MOOKHEY: Well, I think you actually went on the Wendy Harmer and Robbie Buck ABC Radio program and said that you would be introducing one and then you will be consulting, as a part of its design. So are we still intending to introduce anything in this space or not?

Mr DENT: Mr Mookhey, we have done the consultation and, obviously, as you can imagine, there were several divided opinions.

The Hon. DANIEL MOOKHEY: I am shocked.

Mr DENT: But we have provided advice to the Government now to consider the range of options.

The Hon. DANIEL MOOKHEY: So if the advice has been provided to you, the question is: As a matter of policy is the Government intending to introduce some form of a scheme?

Mr VICTOR DOMINELLO: I will take that on notice because, again, I was trying to remember where we are up to.

ANSWER

SIRA launched a consultation paper "*Injury insurance arrangements for food deliver riders in the gig economy*" on 29 April 2021, seeking stakeholder feedback. Submissions closed on 28 May 2021.

Submissions can be viewed on the SIRA website at <https://www.sira.nsw.gov.au/consultations/cost-sharing-mechanism-workers-compensation-regulation>

Government is considering the advice provided by SIRA on this matter.

The Hon. MARK BANASIAK: Just to close the loop on this duplicate accounts question. Minister, I appreciate you said that these people should contact Service NSW, but they have and been told numerous times that you do not have an ability to deactivate duplicate accounts. Perhaps on notice, can you find out whether that is actually the case because these people have been left hanging since July with an app that they want to use but cannot use.

Mr VICTOR DOMINELLO: Yes, I am more than happy to. If you can give me the details offline, I am more than happy to follow it up.

ANSWER

Customers currently have multiple ways to deactivate duplicate or unused accounts. They can do this for themselves via the MyServiceNSW personal dashboard. To do this they will need to correctly login via the Service NSW website and navigate to “Manage account” >> “Settings” >> “Deactivate Account”. Once confirming they agree to proceed, their account will be deactivated, preventing them from accessing it.

We know that there are cases where customers find it difficult to login to their old accounts or no longer have access to them. To assist these customers, we have empowered our Contact Centre staff to deactivate customer accounts via a digital tool. Customers need to provide their relevant email address and identify themselves correctly to the agent to proceed with this task over the phone. We also continue to investigate further opportunities to expand this capability to our Service Centres.

It should be noted that if, for any reason, customers want to reactivate their account, they will need to do this through the Contact Centre.

A very recent change that has been implemented to better serve our customers, is the enhancement to unlink a customer’s services from partner agencies when deactivating their account. Previously, while the account was deactivated, the services they added to that account remained linked to the agency. Recent requirements from agencies to only allow one account to be linked to a service e.g. Digital Renewal Notices was blocking customers from accessing services straight away and was causing friction. This change now removes that pain point.

The Hon. MARK BANASIAK: Sure. I am following up on some questions that I had last estimates about the cybersecurity attacks. Of the 186,000 affected customers, how many of them were firearms licence holders? Given that you do provide supplementary services to the Firearms Registry, how many of them were impacted? Perhaps take it on notice.

Ms HOGAN: I am not sure we would have that level of detail. We would have to take that on notice.

The Hon. MARK BANASIAK: Perhaps on notice, how many were affected and how many actually had to get new licences with new numbers issued?

Ms HOGAN: Yes; take it on notice

ANSWER

69, 11 of which related to new licences.

The Hon. MARK BANASIAK: Turning to the audit report that was done on those attacks, I am trying to get a sense of how far down the recommendations you are in terms of improving how you handle this information. One of the ones that was significantly urgent was:

2. review the need to store scanned copies of personal information and, if still required, implement a more secure method of storing this information and regular deletion of material.

Where are we up to with that? Are we still storing scanned copies of personal information and how regularly are we deleting material?

Ms HOGAN: I will allow Mr Rees to try to answer that question. If he cannot I will elaborate for him, if you like. Mr Rees, can you hear me?

Mr REES: Yes, I can. Two parts to the response. The first, as we have flagged before [inaudible] we automatically purge the [inaudible] after a period. That is [inaudible] 92 per cent according to email [inaudible] customer service staff. The key recommendation that was referred to [inaudible], we are meeting [inaudible] introduction of a new system, Shift. That gives a secure alternative to emails transferring sensitive information in Service NSW and our partner agencies. As of right now, Shift has been deployed to 74 of our service centres and now replaces the use of over 200 transactions. And we will roll that out to a further 34 service centres by 11 November to complete the adoption shift across the organisation [inaudible].

Ms HOGAN: End of January. Did you get that?

The Hon. MARK BANASIAK: Yes.

Ms HOGAN: We can provide a more detailed response on notice if you like but, effectively, we have it underway. We have done some piloting and we have significantly reduced the amount of email that is stored. In terms of eliminating

ANSWER

Service NSW has reduced the amount of personal information held in Service Centre email boxes following the March 2020 cyber-attack and data breach by 92%. Our policy is now to automatically remove from all storage locations known transaction-related scanned customer information after 60 days (down from 6 months). Mailboxes are configured to purge this information after 5 days.

The introduction of Service NSW's new SharePoint Information File Transfer (SHIFT) entirely removes the need to scan and locally store information for Service Centre staff. SHIFT has been deployed to 74 Service NSW service centres for over 200 transactions and it is on track to be rolled out to all service centres by the end of January 2022.

The Hon. MARK BANASIAK: Perhaps on notice—I think you were coming down in the lift when I asked this—how does the SharePoint option compare to the other four or five options? How does it measure against those in terms of vulnerabilities and performance?

Mr REES: It may be easier to respond to that one on notice, if that is helpful for time.

ANSWER

We chose to build on top of existing platforms available within Service NSW and DCS to meet our particular business needs. The Microsoft suite of applications form part of the managed information technology ecosystem across the NSW Government, with regular updates and security patches released to remediate cybersecurity issues and vulnerabilities.

Using existing platforms has allowed Service NSW to leverage in-house expertise, minimise service delivery interruptions for customers and staff, and align with our evolving recordkeeping needs.

Core features of the Office 365 suite create multiple layers of additional security protection, including custom access controls verified by partner agencies and multi-factor authentication (MFA).

Ms CATE FAEHRMANN: Minister, I will go back to poker machines. Are you aware of the research that has been conducted in Victoria by the Victorian Responsible Gambling Foundation into the social costs associated with gambling in Victoria in financial terms?

Mr VICTOR DOMINELLO: No, not specifically.

Ms CATE FAEHRMANN: It was published in November 2017. It is called *The social cost of gambling to Victoria* and it looks at the costs to society and the budget for low-risk, moderate-risk and high-risk gamblers. They found that in 2014-15 the costs of gambling in Victoria were \$7 billion—and I will get to what we talked about in the budget before. So this was \$2.2 billion dollars for family and relationship problems, \$1.6 billion for emotional and psychological issues, \$1.3 billion for financial losses, and it goes on—\$600 million for lost productivity and other work-related costs, for example. That is a cost of \$7.1 billion. We referred previously to the forward estimates—the 62 per cent increase in projections of income from poker machine losses. Has the New South Wales Government done any work to determine the social costs of gambling in New South Wales, similar to what Victoria has done?

Mr VICTOR DOMINELLO: It would be the Office of Responsible Gambling. I am sure they must have undertaken some work, but I will take that on notice to see where it is up to.

Ms CATE FAEHRMANN: I am not sure whether they have.

Mr VICTOR DOMINELLO: I will take it on notice.

ANSWER

The Office has recently published the Responsible Gambling Fund (RGF) research agenda 2021-2024 which outlines research priorities and was developed in consultation with a broad range of stakeholders.

One of the themes is measuring and understanding gambling prevalence and harm, which will assist the Office to better to understand the impact of gambling on individuals and communities, to inform responses through harm minimisation programs, policies, and regulation.

Ms CATE FAEHRMANN: Thank you. I want to go to transparency in relation to poker machines. We know that Liquor & Gaming NSW provides quarterly data on gaming machine losses to some individuals and organisations. I understand it does not publish that quarterly data online. Is there a reason that New South Wales continues to not publish that data?

Mr VICTOR DOMINELLO: I may defer to Mr Crawford, if that is okay?

Mr CRAWFORD: I am not aware of the background of that process, so will have to take that one on notice.

Ms CATE FAEHRMANN: What I do have in front of me, actually, is an email. It is a request from the Alliance for Gambling Reform, to Liquor & Gaming, which is requesting that this data be provided or published. The response in fact states that New South Wales does not allow the publication of venue-specific gaming financial information because of State-based taxation administration laws. Is somebody aware of that? Is it Mr Crawford?

Mr CRAWFORD: I am aware that that arrangement has been in place for many years, but I will have to find out the history of that for you. But it has been that way for a very long time, as I understand it.

Mr VICTOR DOMINELLO: I think Ms Webb may know.

Ms WEBB: No. I was actually going to say the same as Mr Crawford, that that is my understanding. It is a legislative prohibition that stops us publishing more detailed information.

Ms CATE FAEHRMANN: So you will provide on notice what exactly that legislative restriction is?

Ms WEBB: How it works. Yes, we can explain how it works.

ANSWER

Individual gaming venue data is available to the NSW Government. However, it is not able to be publicly released as per legislative restrictions in the *Taxation Administration Act 1996* and the *Gaming Machines Act 2001*.

Ms CATE FAEHRMANN: The board of the Responsible Gambling Fund has all of the applications before them and makes those decisions. Is that what you are saying, Mr Crawford?

Mr CRAWFORD: Yes. They have got a group at the department of Liquor & Gaming NSW. They manage the business of the trustees of the RGF. They, basically, distribute any material they [inaudible] the applications. They assess them. They work with stakeholders. Then they present papers to the board meetings of the trustees.

Ms CATE FAEHRMANN: Is there a public list of the grants given?

Mr CRAWFORD: I do not know the answer to that, but I will take that on notice.

Ms CATE FAEHRMANN: Minister, I do not believe that the Office of Responsible Gambling does keep a public list of grants. Given the incredible controversy at the moment, at both a State and Federal level, around grants that your Government is dishing out, do you not think that that should be a public list?

Mr VICTOR DOMINELLO: I will definitely take it on notice. I will take it on notice, Ms Faehrmann.

Ms CATE FAEHRMANN: Do you have any concern, hearing that there is, potentially, a lot of grants being handed out by the board and there may be a lack of transparency in relation to those grants?

Mr VICTOR DOMINELLO: Again, from first principles, it should be made transparent. But that is why I will take it on notice. I want to speak to them to understand the rationale behind it. If there is no plausible explanation, then it should be published. There is no doubt about it.

ANSWER

The Community Benefit Fund payment scheme is managed by the Office of Responsible Gambling on behalf of the Responsible Gambling Fund (RGF).

When a gaming machine entitlement increase application is approved for a particular venue, the venue must make community benefit payments to the RGF. The payments are calculated and fixed. The RGF then distributes those funds to organisations in the venue's local community. Organisations must be a not-for-profit or registered charity that supports the social wellbeing of the local community.

To distribute the funds, the Office forms a community contribution panel to determine what organisations would benefit and make recommendations to the Minister. Community contribution panels consist of a local community representative (a Local Government or Health representative), responsible gambling experts (a GambleAware counselling service), a departmental representative and an RGF Trustee. All community organisations in an area are assessed against criteria, including the organisation's service model, ability to use the funds on gambling harm minimisation, health and/or social related services for the local community.

Payments are often tied to specific project outcomes, like responsible gambling education or services directed towards gamblers.

Community organisations interested in funding can register their interest on the website, at the link below.

All grants given since the inception of this program in 2018 are published at:

<https://www.gambleaware.nsw.gov.au/resources-and-education/funding-to-prevent-gambling-harm/community-benefit-payment-program>

The Hon. ADAM SEARLE: Just taking those two examples: I have my daughter, who is going to be a nurse next year, but she needs her licence because she is going, hopefully, to the country, and then you have Ms Aitchison's constituent, who is a 17-year-old apprentice who absolutely must have his licence in order to be able to attend work and drive work vehicles. What can they do?

The Hon. JOHN GRAHAM: Or he will be sacked.

The Hon. ADAM SEARLE: Or he will be sacked. What can these people do?

Mr REES: We have a mechanism to assess those requests, and we will prioritise those bookings for those.

The Hon. ADAM SEARLE: How do people find out about this? Because I have been to a Service NSW centre on behalf of my daughter, and I was not given that information about any hardship provisions. I made it very clear my daughter needed it for her employment, and the answer was, "Well, you just have to keep coming back." So how do people know about these hardship mechanisms?

The Hon. MARK BANASIAK: They don't watch budget estimates.

The Hon. SCOTT FARLOW: They are all tuned in now.

The Hon. ADAM SEARLE: Apart from watching budget estimates, yes. Mr Rees?

Mr REES: I will take that on notice. I am not aware of the specific mechanisms we have used to communicate that process.

The Hon. ADAM SEARLE: How do we find out about those mechanisms? Do we just ask at Service NSW for the hardship provisions?

Mr REES: We will take it on notice. We will re-look at our communication plan and if there are opportunities to improve that to ensure that the awareness is there, we will address that.

ANSWER

Customers who require a driver licence for hardship reasons or are required to undertake a test to maintain their current licence should discuss the exceptional circumstances of their situation with their local Service Centre Manager who can arrange a priority test where appropriate. This process has been communicated to Service NSW Service Centre staff and customers.

The Hon. JOHN GRAHAM: In late August, as you know, the Government was preparing to make changes to the eligibility criteria for small businesses and micro-business grants along with the JobSaver program that would have broadened eligibility. I think that is one way to characterise it. Service NSW employees received an internal memo so they could then advise businesses, but the changes never happened. Who made that decision that the changes would not proceed?

<p>Mr VICTOR DOMINELLO: I am happy to take that on notice, unless Mr Rees knows the answer.</p>
<p>ANSWER</p> <p>NSW Treasury determines the grants guidelines including eligibility criteria as the owner of this policy. Therefore, this question should be redirected to the Treasurer.</p>
<p>The Hon. JOHN GRAHAM: I understand that there are a range of providers. The question is specific. Has any council adopted the app but not gone with Duncan Solutions?</p> <p>Mr WELLS: Yes. Mosman would be an example of that, Mr Graham, with Smarter City Solutions.</p> <p>The Hon. JOHN GRAHAM: We are having a bit of trouble hearing you. Perhaps you could take on notice which councils have done that?</p> <p>Mr WELLS: Yes. Mosman, but I will take that on notice.</p>
<p>ANSWER</p> <p>Park'nPay has been developed in-house by the Department of Customer Service and can integrate with any data source and parking infrastructure a Council chooses. Burwood, Willoughby and Hunters Hill do not have Duncan meters but have all adopted the Park'nPay app.</p> <p>Park'nPay can also incorporate real time parking availability independent of how Councils implement sensor technology – Smart Parking in Mosman and frogparking in the Central Coast are 2 examples of this.</p> <p>Additionally, Park'nPay has recently partnered with Chargefox to provide EV charging station location and availability across NSW and Parkhound to surface over 18,000 driveway rentals across NSW.</p>
<p>The Hon. JOHN GRAHAM: Minister, how much has the Government spent on advertising the Park'nPay app?</p> <p>Mr VICTOR DOMINELLO: I will take that on notice. I am not sure.</p>
<p>ANSWER</p> <p>The total spend excluding GST is \$102,923.64</p>
<p>The Hon. JOHN GRAHAM: To date, what has been the cost of the development and maintenance of the Park'nPay app to the New South Wales taxpayer?</p> <p>Mr VICTOR DOMINELLO: Again, I will take that on notice. But I know that the last time there was a report from NRMA a few years ago, they said that the cost of traffic congestion was about—you know, traffic costs—</p>
<p>ANSWER</p> <p>Since financial year 2018/19 through to 31 October 2021, a total of \$3.1 million has been spent on the Park'nPay program.</p>
<p>The Hon. JOHN GRAHAM: How much revenue would that generate, if it was adopted across the board, for Duncan Solutions?</p> <p>Mr VICTOR DOMINELLO: I have no idea.</p> <p>The Hon. JOHN GRAHAM: One industry estimate is \$5 million a year, in addition to whatever else they are being—</p> <p>Mr VICTOR DOMINELLO: I do not know, Mr Graham. I will leave that to Mr Wells. But, again, this is a platform where we are trying to obtain information for the public good.</p> <p>The Hon. JOHN GRAHAM: I think you were offering to take that question on notice.</p> <p>Mr VICTOR DOMINELLO: I am actually telling you—yes, I will find out.</p>
<p>ANSWER</p>

DCS is not involved in the contractual arrangements between Councils and their selected suppliers and therefore cannot provide this information.

The Hon. JOHN GRAHAM: How many venues are now operating in the trials of outdoor dining across the State?

Mr VICTOR DOMINELLO: How many—sorry, I did not hear that.

The Hon. JOHN GRAHAM: How many venues are now using outdoor dining under the trials?

Mr VICTOR DOMINELLO: I do not have the latest figure.

Ms HOGAN: We will take it on notice.

ANSWER

Venues approved to operate in the Alfresco Dining Trial by location as at 29 October 2021.	
Location	Number of venues operating in the Alfresco Dining Trial
Byron Shire Council	1
Camden Council	1
City of Sydney Council/Place Management	177
Inner West Council	2
Narrabri Council	3
Northern Beaches Council	19
Parramatta Council	9
Randwick City Council	10
Wollongong Council	2
Woollahra	1
TOTAL VENUES	225

The Hon. ADAM SEARLE: Can you give me a substantive answer to that question? When was Cyber Security NSW notified of those breaches by those two agencies?

Mr VICTOR DOMINELLO: Ms Hogan will be able to.

The Hon. ADAM SEARLE: Ms Hogan?

Ms HOGAN: You might recall, Mr Searle, that at the last estimates I was doing my best on cyber but did not have Mr Wells with me as the leader of that area. I have brought him today.

The Hon. ADAM SEARLE: Yes, but you took it on notice and you still did not answer the question. If you could now, that would be great.

Ms HOGAN: Mr Wells may have the answer to that question now.

The Hon. ADAM SEARLE: Mr Wells?

Mr WELLS: Thank you. We were notified on 13 January by Health.

The Hon. ADAM SEARLE: Okay. And, Transport?

Mr WELLS: Yes, that was the 20th. I will just confirm that as we are going through these questions.

The Hon. ADAM SEARLE: Thank you. Alright, so you can answer that on notice.

ANSWER

The Ministry of Health notified Cyber Security NSW of a potential breach on 13 January 2021. Health was undertaking an investigation at the time of notification to confirm the cause of breach.

Transport for NSW notified Cyber Security NSW of a confirmed breach on 21 January 2021.

The Hon. ADAM SEARLE: Thank you. Alright, so you can answer that on notice. Minister, I also asked which departments were the subject of the 205 data security breaches reported to the Privacy Commissioner in 2020-21. That was taken on notice and no answer at all given. I think the Privacy Commissioner is with us. Could she provide a breakdown of which agencies were the subject of the 205 data security breaches?

Ms HOGAN: Ms Gavel?

The Hon. ADAM SEARLE: I am happy for it to be taken on notice. But if an answer is forthcoming—

Mr VICTOR DOMINELLO: The Privacy Commissioner is here.

Ms GAVEL: I am happy to take that on notice. I do not have those figures here with me today.

The Hon. ADAM SEARLE: If you could provide a breakdown, that would be very useful, Ms Gavel.

Ms GAVEL: Yes, I will see what information we can provide.

ANSWER

The Privacy Commissioner has responded directly to the Committee.

The Hon. ADAM SEARLE: Cyber security, yes. And \$180 million was for the various clusters. I asked how much had been allocated to the clusters and what was the money being spent on. The answer given on notice was:

At the end of July 2021, ERC and DaPCO have approved funding for each cluster to enable them to uplift their cyber security maturity.

I am sure that is accurate, as far as it goes. My question, both at the previous estimates and now, is how much has been allocated to each cluster and what are they intending or what have they spent the money on?

Ms HOGAN: Mr Wells, do you have that to hand?

Mr WELLS: All that funding is based on cyber uplift plans that each agency has developed. So for the \$180 billion, that is all commenced. Every cluster has started their programs that are based on a risk assessment that they make about their own cybersecurity. So all of that has commenced and to date \$50 million of that has been spent and those programs are in progress.

The Hon. ADAM SEARLE: Okay, and can you give a breakdown of how much was allocated to each cluster, or is it just a global amount?

Mr WELLS: We could take that on notice.

The Hon. ADAM SEARLE: If you could that would be—

Mr WELLS: Yes, we could take that on notice and provide that rather than list through each one now.

ANSWER

Digital Restart Fund breakdown for Cyber Uplift from the \$240m allocation as of 30 September 2021:

	<u>Notional Allocation</u>
DCS	\$30.0 M
NSW Police	\$23.0 M
Education	\$43.0 M
Health	\$18.0 M
Transport	\$27.0 M
DPIE	\$20.0 M
DPC	\$10.0 M
Treasury	\$3.0 M
Whole of Government	\$60.0 M
Contingency	\$6.0 M
	<u>\$240.0 M</u>

To be allocated pending business case approval
DRF \$1.6B Cyber Reservation

Cyber uplift projects funded through the Digital Restart Fund assist agencies with improving their maturity against the NSW Cyber Security Policy and also reducing key cyber risks. Projects will vary based on the individual needs, risks and uplift plans of agencies and clusters. This may include deploying new capabilities and/or improving existing tools and processes to enable alignment to higher maturity levels against the Australian Cyber Security Centre's "Essential Eight" technical controls, and the 25 mandatory requirements in the NSW Cyber Security Policy. For example, improving patching capabilities, extending rollout of multi-factor authentication, governance and risk controls or enhancing incident response across a Department. These projects are also supported by project staff including specialist resources to assist with the effective implementation and improvement of the identified security capabilities.

Ms CATE FAEHRMANN: I want to go back to the publishing of data relating to poker machines. I understand that Liquor & Gaming publishes half-yearly data on poker machine turnover and losses. Is that correct? Mr Crawford or Ms Webb?

Mr VICTOR DOMINELLO: Can I correct a previous answer in relation to the publishing of the grants? I have been informed that it is in fact being published.

Ms CATE FAEHRMANN: Do you have further details on how that is published?

Mr VICTOR DOMINELLO: I am happy to provide details offline if you want but I have been informed they are being published.

Ms CATE FAEHRMANN: Going back to the publishing of the poker machine turnover and losses data, I understand that Liquor & Gaming publishes that half yearly. Is that correct?

Ms WEBB: That is my understanding that we currently do but I can check that on notice for you.

Ms CATE FAEHRMANN: Okay. I understand that some people when they request it, such as journalists and stakeholders, can get access to quarterly data as well. I am just wondering why the office of Liquor & Gaming does not publish the data quarterly and it only publishes it six monthly.

Ms WEBB: I have previously taken on notice that we would explain the legislative underpinning of what we can publish and who we can publish to, so I can certainly add that information in as well to our answer on notice.

Ms CATE FAEHRMANN: I think that publication in relation to legislation that you say restricts you from publishing it is around venue-by-venue data not in relation to quarterly versus six-monthly.

Ms WEBB: I think I will have to take it all on notice rather than guess. We will definitely answer all that detail in our answer on notice.

Ms CATE FAEHRMANN: Okay. I am also wondering whether the office collects data on losses after midnight. Ms Webb, are you aware whether that happens?

Ms WEBB: I do not know if we specifically break it down that way. Mr Crawford might know but otherwise we will take that on notice.

Mr CRAWFORD: From time to time we might request specific data from a particular venue but generally I am not sure that that is correct. I will take that on notice.

Ms CATE FAEHRMANN: Minister, the reason I am asking

ANSWER

Liquor & Gaming NSW publishes six monthly gaming machine reports in September and March on its website. The gaming machine report by Local Government Area (LGA) provides details for each LGA on the number of hotel and registered club gaming venues; net profit; tax and number of electronic gaming machines operating. If there are less than five venues in an LGA, the LGA is combined with a neighbouring LGA to ensure individual venues cannot be identified. Liquor & Gaming NSW does not publish turnover data. Quarterly gaming data is available upon request. The Liquor & Gaming NSW website provides information about how to request quarterly data.

Liquor and Gaming NSW does not routinely report on electronic gaming machine data for time of day, including after midnight. The data requested is not routinely made available.

The Hon. JOHN GRAHAM: How many special entertainment precincts have been established?

Mr VICTOR DOMINELLO: I am not sure; I will have to take it on notice.

ANSWER

No Special Entertainment Precincts have been established. It is in the hands of local authorities to propose the use of these new provisions. The NSW Government is working closely with the Inner West Council to progress a proposal to establish a Special Entertainment Precinct on Enmore Road.

To assist local authorities that wish to establish these precincts, we are working on guidelines with support from experts in industry and councils.

The Hon. JOHN GRAHAM: Mr Rees, apologies for jumping round. Could you tell us how many driving tests are conducted on an ordinary basis in an ordinary calendar year without COVID?

Mr REES: Ballpark, in a year, we could do a couple of hundred thousand tests a year. But let me respond on notice with more accurate data if that is helpful.

ANSWER

Approximately 295,000 tests were conducted in 2019.

The Hon. ADAM SEARLE: Perhaps at the risk of straining the sound, I might have to ask this question, then. In response to questions taken on notice, I think, at page 13, Minister, your agency said:

Agencies are also required by the NSW Cyber Security Policy to report intelligence relating to cyber-events that may not result in cyber incidents. This also allows Cyber Security NSW to engage other stakeholders such as the Australian Cyber Security Centre and NSW Police Force.

Can you tell the Committee what kind and volume of intelligence has been reported by agencies to Cyber Security NSW in that last financial year, 2020-2021, and how much since 1 July this year?

Mr VICTOR DOMINELLO: I cannot comment on the volume. Obviously, there would be only a certain amount of material that we would be prepared to disclose, given the—

The Hon. ADAM SEARLE: Are you sure? I am just asking about the volume and the kinds at a high level.

Mr VICTOR DOMINELLO: Yes. I do not know if Mr Wells is in a position.

Mr WELLS: I will take that on notice and see what we can provide. It would be fair to say, though, Mr Searle, that it is increasing significantly in terms of volume, in terms of [audio malfunction].

ANSWER

Cyber Security NSW has multiple channels and intelligence collection methodologies to support whole-of-government intelligence and response functions. This includes data reported by agencies which is used by Cyber Security NSW to support the development of whole-of-Government cyber intelligence products. Examples of data can include Indicators of Compromise (IoCs) such as (but not limited to) IP addresses, URLs or signatures of malicious content.

As of 8 November 2021, Cyber Security NSW had disseminated 298 products in 2021 for agencies to support their cyber security operations.