

PORTFOLIO COMMITTEE NO. 6 - TRANSPORT AND CUSTOMER SERVICE

Wednesday, 27 October 2021

Examination of proposed expenditure for the portfolio area

CUSTOMER SERVICE AND DIGITAL

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The Committee met at 9.30 a.m.

MEMBERS

Ms Abigail Boyd (Chair)

The Hon. Mark Banasiak (Deputy Chair)

Ms Cate Faehrmann

The Hon. Wes Fang

The Hon. Scott Farlow

Mr Justin Field

The Hon. John Graham

The Hon. Shayne Mallard

The Hon. Daniel Mookhey

The Hon. Adam Searle

Mr David Shoebridge

PRESENT

Mr Victor Dominello, *Minister for Customer Service, and Minister for Digital*

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**

CORRECTED

The CHAIR: Welcome to the public hearing for the inquiry into Budget Estimates 2021-2022. Before I commence I would like to acknowledge the Gadigal people, the traditional custodians of the land on which we are meeting here today in Sydney. 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 and any who may be watching today.

I welcome Minister Victor Dominello and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolios of Customer Service and Digital. Before we commence, I would like to make some brief comments about the procedures for today's hearing. Today's proceedings are being broadcast live from Parliament's website, and a transcript will be placed on the Committee's website once it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings.

All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution passed by the House in 2018. There may be some questions that a witness could answer only if they have more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take these questions on notice and provide an answer within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. In terms of the audibility of the hearing today, we have witnesses in person and via videoconference. Can I ask Committee members to clearly identify who questions are directed to and ask that everyone speaking remotely please state their name when they begin speaking. Could everyone please mute their microphones when they are not speaking. Could everyone please silence their mobile phones for the duration of the hearing.

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EMMA HOGAN, Secretary, Department of Customer Service, affirmed and examined

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

ADAM DENT, Chief Executive Officer, State Insurance Regulatory Authority, Department of Customer Service, before the Committee via videoconference, affirmed and examined

STEPHEN BRADY, Chief Operating Officer, Department of Customer Service, before the Committee via videoconference, sworn and examined

WILLIAM MURPHY, Deputy Secretary, Delivery and Transformation, Department of Customer Service, before the Committee via videoconference, affirmed and examined

GREG WELLS, Deputy Secretary, Digital NSW, Department of Customer Service, before the Committee via videoconference, sworn and examined

ROSE WEBB, Deputy Secretary, Better Regulation Division, Department of Customer Service, before the Committee via videoconference, affirmed and examined

ELIZABETH TYDD, NSW Information Commissioner, before the Committee via videoconference, sworn and examined

SAMANTHA GAVEL, NSW Privacy Commissioner, before the Committee via videoconference, sworn and examined

PHILIP CRAWFORD, Chairperson, Independent Liquor & Gaming Authority, before the Committee via videoconference, sworn and examined

LIZ LIVINGSTONE, Chief Executive Officer, Independent Pricing and Regulatory Tribunal, before the Committee via videoconference, sworn and examined

The CHAIR: Thank you very much to all of you. Today's hearing will be conducted from 9.30 a.m. to 12.45 p.m. with the Minister and departmental witnesses, with questions from the Opposition and crossbench members only. If required, an additional 15 minutes is allocated at the end of session for Government questions. Just a reminder that we will have a COVID-safe break from 11.00 a.m. to 11.15 a.m. If I interrupt your questions at that time, that is why. As there is no provision for any witness to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. ADAM SEARLE: Thank you, Ms Boyd. Welcome, Minister.

Mr VICTOR DOMINELLO: Thanks, Mr Searle.

The Hon. ADAM SEARLE: During the earlier round of budget estimates, earlier this year, the Electoral Commission gave some disturbing evidence about the lack of preparedness of the Electoral Commission to meet the cybersecurity standards put in place by the Government. In answer to questions taken on notice, your department, or you, said the following:

On 6 September, the business case of NSW Electoral Commission was undergoing assurance and review by an independent panel as part of DRF requirements.

How much additional funding has been sought by the Electoral Commission through this process?

Mr VICTOR DOMINELLO: I do not have the specific number, but Ms Hogan might.

Ms HOGAN: Mr Wells would be best to answer that.

Mr WELLS: Thanks, Mr Searle. We are currently working with the Electoral Commission on that business case. The total requested—I am getting a terrible echo, but I will try and continue. The total requested was \$122 million, but we are working with the Electoral Commission on the assurance of that business case and [inaudible] critical recommendations that need to be addressed. We are also working with the Electoral Commission on approval for a [inaudible] business case which will allow them to get started much faster.

The Hon. ADAM SEARLE: That was going to be my next question. Noting that local government elections are less than six weeks away and the State may be facing up to five State by-elections in the near future, when will the Electoral Commission actually get its hands on the additional resources?

Mr WELLS: That is dependent on their progress, Mr Searle, through the [inaudible] process. I would also say that [inaudible] Cyber Security NSW provides a range of support to the Electoral Commission in terms

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of monitoring vulnerabilities, uplifting capability and a range of support provided already. It is not just dependent on this [inaudible]

The Hon. ADAM SEARLE: Can you tell me the date the submission from the Electoral Commission was received?

Mr WELLS: I will grab that on notice [inaudible].

The Hon. ADAM SEARLE: Thank you. When do you anticipate the assurance and review process will be finalised?

Mr WELLS: That really does depend on the Electoral Commission's actioning of those critical recommendations as part of the assurance process. That is a process that all agencies go through. It is part of getting business cases approved.

The Hon. ADAM SEARLE: Can you tell me who comprises the independent panel and how they are chosen in this process.

Mr WELLS: Yes. We have a range. I do not know if there is anything that any—is everyone else getting that terrible echo?

Ms HOGAN: Everybody on the line but not everybody in here.

Mr WELLS: Okay. Mr Searle, the panel is chosen from a—sorry. Members are chosen from a panel of experts that [inaudible] information and communications technology [ICT] assurance arrangements [inaudible]. So they are assessing that [inaudible] at the Electoral Commission at the moment.

The Hon. ADAM SEARLE: Do you have any assessment or rough time horizon by which the process may be finalised?

Mr WELLS: I do not have a rough time horizon, but, as I said, we are [inaudible] progress through that process at the moment [inaudible].

The Hon. ADAM SEARLE: Are those independent panel members outside the public sector? Are they from the private sector and brought in because of their expertise? Or are they public sector employees?

Mr WELLS: Generally, Mr Searle, there is a mix of our ICT assurance team as well as independent experts. It is generally a mix of people.

The Hon. ADAM SEARLE: I think we have taken that as far as we can. Minister—

Mr DAVID SHOEBRIDGE: Is it going to be done before 4 December?

The Hon. ADAM SEARLE: That is a very good question, yes. But I do not think the witness can tell us the time. Can you assure us that the funding will be received by the Electoral Commission in time for it to make the December local government elections cybersecurity safe?

Mr WELLS: I think, as I said before, Mr Searle, it depends on a range of—first of all, we are doing a lot to get the Electoral Commission ready for local elections and in general. Even if the funding for the business case was received, it is a process of improvement that will be implemented over weeks, months and years.

The Hon. ADAM SEARLE: Minister, I might just return to you. Given the, in my words, alarming evidence given by the Electoral Commissioner earlier this year about his agency's complete lack of preparedness on the cybersecurity front, it does not sound like this issue is being attended to by the Government you are a part of with any degree of alarm or urgency. Can you give this Committee and the community any kind of comfort about this matter being addressed in time for the local government elections?

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

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asset, it is invested wisely and in an integrated way. Otherwise, we are going to create a worse problem, not a better solution.

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.

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—

The Hon. ADAM SEARLE: I would like you to take on notice, if you could, why it has taken seven months—

Mr VICTOR DOMINELLO: Yes, we will take it on notice.

The Hon. ADAM SEARLE: —we still do not even have a funding decision from Government.

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

The Hon. JOHN GRAHAM: Minister, I just wanted to ask about the—

Mr VICTOR DOMINELLO: Mr Graham, good morning.

The Hon. JOHN GRAHAM: How are you? I just wanted to ask about the QR check-ins. How many QR check-ins are we seeing, say, each week at the moment, as people are moving round New South Wales?

Mr VICTOR DOMINELLO: Each week? I know we are about to hit the billion mark of total check-ins. Mr Rees, do you know? I could tell you on my phone.

Mr REES: Currently approximately 10 million per day.

The Hon. JOHN GRAHAM: I imagine that tracking those numbers is a key indication about actual compliance with this. You would be quite interested in how those numbers are tracking over time.

Mr VICTOR DOMINELLO: Yes. Even before the Delta outbreak, Mr Graham, we could see that—it is not a criticism. When people are in a false sense of security because they see no infection rates, people just drop their guard.

The Hon. JOHN GRAHAM: Yes. It is a leading indicator.

Mr VICTOR DOMINELLO: You are right. It is an early indicator.

The Hon. JOHN GRAHAM: One of the views you have put is that you have said you thought QR codes should be retired once we get to the 90 per cent mark. You had quite an interesting reason for it, I thought, which was about community trust about government. You said, "I think QR codes should be retired once we get to the 90 per cent mark, subject to health advice."

Mr VICTOR DOMINELLO: Yes. It was approximate.

The Hon. JOHN GRAHAM: How are plans going for that? Is that still your plan?

Mr VICTOR DOMINELLO: Again, at the time I expressed them, those were my views because I believe that governments have responsibility to turn on systems like this during situations like a pandemic. But, arguably, they have an even greater responsibility to turn them off when it is appropriate to do so. Again, we will be guided by health advice, but my strong view is that as soon as we get the signal from Health we should be retiring them. Hopefully we will never need them again, but who knows. There could be another strain coming out of Africa or some other country that has poor vaccination rates because the world has not done its job of vaccinating every country yet, or there could be high-risk settings. But it was just an opinion I raised at the time because I really believe that, when it comes to trust in digital service delivery, it is paramount, particularly in the twenty-first century.

The Hon. JOHN GRAHAM: Turning to the COVID-safe app and the COVID-safe alerts which you have promoted in the past and which have been in the news this morning, when did that case alert practice commence? The story in the paper today suggests at the end of September. Was it 30 September?

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Mr VICTOR DOMINELLO: Mr Rees?

Mr REES: Yes, there have been a couple of steps. We have had the history of your check-ins in the app for some time. Late September—I cannot remember if it was the thirtieth but it was late September—we added, based on the data that was published on nsw.gov, an indication of where a venue had experienced a COVID positive case. What we did earlier this week greatly enhanced that feature so that it looks at, when there is a COVID positive case, who are the individuals that are there within the 24-hour period following and it updates your history to show you that. And then on Friday we will add the missing piece which is the push notification to proactively draw attention to the change.

The Hon. JOHN GRAHAM: When did that first change occur that you just referred to? About a week ago? When was that switched on?

Mr REES: The enhanced level of updates I think took place earlier this week.

The Hon. JOHN GRAHAM: And what will you move to this Friday?

Mr REES: On Friday customers who opt in to receive them will get a push notification indicating that something in their history has changed and that they should go and check.

The Hon. JOHN GRAHAM: So it will no longer be buried in the history. You are unlikely to see that. You will actually be alerted to it in a more comprehensive way.

Mr REES: Pleasantly, we have seen I think over 580,000 people actually check the history so it is giving some value but I certainly agree the push notification is the important additional piece that we need.

The Hon. JOHN GRAHAM: But they may be different to the 700,000 alerts that have gone out. There is no guarantee that the people checking their history will be the ones getting the alerts. Is that correct?

Mr REES: I think that number refers to the people that have checked the history where there is a notification and then the push notifications we hope to add on Friday, which will be the additional piece that is needed there to draw as much attention as possible.

The Hon. JOHN GRAHAM: Those case alerts—to whom are they sent? Is it only if you are regarded as a close contact or what is the criteria for when they are sent to you? When I get a push notification on Friday, how am I selected? What is the criteria?

Mr REES: I believe the current methodology that has been agreed with Health is, if there has been a confirmed visit to a venue by someone who is COVID positive, if you have visited that venue within the 24 hours following, then that would appear on your history and from Friday you would get the notification asking you to check your history.

The Hon. JOHN GRAHAM: So I might be a close contact or I might be a casual contact, depending on the health assessment that subsequently happens about that venue, but in any case I will get an alert.

Mr REES: That is right, but this mechanism I do not believe distinguishes.

The Hon. JOHN GRAHAM: Correct. Okay.

Ms HOGAN: Can I just add there, Mr Graham, that the message will be one that suggests that you need to monitor for symptoms and if they arise to get tested. It is not that you need to isolate or you have been considered this type of contact. It is just simply a courtesy alert to let you know you may have been in a venue with a positive.

The Hon. JOHN GRAHAM: Yes, and the material is clear about that. Minister, the industry experts have been reasonably scathing about this capacity. One of them said that this had been better developed a year ago. Another said that it is almost useless without that push notification. What response have you got to those experts?

Mr VICTOR DOMINELLO: This agency has got through so much work and obviously a lot of this has to be driven in collaboration with Health. It is not just something that is coming out of this agency, so we need information from Health. Both Service NSW and Health have been literally working around the clock for the past year. So you are right. I agree. In a perfect world you would pick this product off the shelf and deliver it from the sky but the reality is that it had to be built and it had to be prioritised. No other State has it and no other State has the capacity of Service NSW or the app.

The Hon. JOHN GRAHAM: Minister, as you know the Opposition has been quite supportive of this app being rolled out.

Mr VICTOR DOMINELLO: Yes, I know.

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The Hon. JOHN GRAHAM: We have been on the record about that. But this point—that this would have been better a year ago—seems like a fair one.

The Hon. SCOTT FARLOW: So would flying cars.

Mr VICTOR DOMINELLO: I do not disagree with you, Mr Graham. It would have been. But we had border passes a year ago when there was an outbreak in Victoria and then we had all these other things. It has been non-stop and we have to prioritise the resources based, again, on Health recommendations as to what is most important to them. Theoretically, I do not disagree with you but practically it is about priorities and the poor teams have been working around the clock—not just our team but Health as well.

The Hon. JOHN GRAHAM: Minister, one of the things I do not understand is how this interacts with your view that we might move away from QR codes. We will hit 90 per cent in New South Wales around mid-November. This capacity is only just coming online. Does that not mean that we will be getting push alerts for the next two weeks but after that, if we have turned off the QR codes—if we have retired them—this capacity becomes relatively ineffective.

Mr VICTOR DOMINELLO: Again, I think from memory I said something to the effect that if it is 90 per cent or 95 per cent, or whatever the figure was—that is, a high figure as recommended by Health and again I am not the epidemiologist—and if Health says we have saturation at 96 per cent or whatever the figure is, I do not know, and at 96 per cent we know that we are not going to get any more people vaccinated at that point, then you will see, I can almost guarantee, London to a brick, particularly if the case numbers come down to zero as we saw pre-Delta, that compliance will wane again.

The Hon. JOHN GRAHAM: You were more specific than that. I will tell you what you said. "I think QR codes should be retired once we get to the 90 per cent mark." That is in two weeks' time. This capacity has only just come online. I am interested in how those two things interact. Do we not get two weeks of notifications and then this is over.

The Hon. SHAYNE MALLARD: Let the Minister answer the question.

The CHAIR: Order!

The Hon. WES FANG: It is not a chance for a speech, John.

The CHAIR: Order!

The Hon. ADAM SEARLE: I think the Minister can handle it.

Mr VICTOR DOMINELLO: I am trying to contextualise what I said and I think I said in the body of that, "subject to Health advice".

The Hon. JOHN GRAHAM: Yes, to be fair you did.

Mr VICTOR DOMINELLO: Back then Ms Chant was saying 90 per cent and then she subsequently said we might get to 95 per cent. So again, we are subject to Health advice as to what saturation point is. Once we get to saturation point I still think that there will be a place for QR codes in high-risk settings—that is my personal view—such as nursing homes and retirement villages.

The Hon. JOHN GRAHAM: But for the ordinary citizen going about their day, it might be voluntary or it might be retired altogether. In any case, in your view compliance will probably drop off.

Mr VICTOR DOMINELLO: This is my personal view. I think that, if we get to a point where there is no infection in the community and we have high vaccination rates—that is, 95 per cent or whatever the figure is from Health—and the community goes back to an understandable default position of very low compliance then from a behavioural insights point of view and a trust point of view it is better to say to the community, "There is no material risk here in low-risk environments. Therefore, you do not have to do it. But in the event that there is a spike in numbers in March, April or May you can turn it back on."

The Hon. JOHN GRAHAM: So we hit that number in two weeks' time, that 90 per cent. At the same time Health is talking about scaling down contact tracing which might make this more important. Does that not make it concerning to retire the QR codes if there is less contact tracing if this capacity has only just come online—well, it is not online yet.

Mr VICTOR DOMINELLO: Again, Mr Graham, this is my view.

The Hon. JOHN GRAHAM: Yes, I am interested in your view as the responsible Minister.

Mr VICTOR DOMINELLO: I know you are. I am glad you are asking for it.

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Mr DAVID SHOEBRIDGE: It is beautiful to watch.

Mr VICTOR DOMINELLO: My humble opinion is that we solved the medical science issue pretty much in the first six months of the pandemic. People worked out what you need to do and in fact started to develop new vaccines. Since then it has been a behavioural science issue of how we actually guide the population in getting vaccinated, in making sure there is compliance until we get to those saturation numbers. So my view—and again it is my view—is that if there are low-risk settings in the community and health advice, then I think it is absolutely the right thing to do to retire the QR codes. That way, if you do need to turn them back on again because there is hypothetically an escalation or because hypothetically there is a new risk that we did not foresee, then the community will trust us and say, "Yes, this is a proportionate government. They only do things as is required, not because they just love forcing us to do things."

The CHAIR: Thank you. Opposition time has expired. Mr Shoebridge?

Mr DAVID SHOEBRIDGE: Minister, nice to see you.

Mr VICTOR DOMINELLO: Great to see you, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: It is lovely to see the extended team you brought.

The Hon. SCOTT FARLOW: It is a love-in this morning.

Mr DAVID SHOEBRIDGE: There is a lot of love in this room so let's get straight into it.

Mr VICTOR DOMINELLO: Until he asks the questions.

Mr DAVID SHOEBRIDGE: Minister, you must have been very distressed to see the State Insurance Regulatory Authority [SIRA] saying there was a red-level warning, a sort of major warning, about the decline in return to work rates in the workers compensation scheme. That must have caused you sleepless nights.

Mr VICTOR DOMINELLO: I think Mr Dent answered that by saying that he disagreed with that assessment, and it was an error that it was published without the appropriate checks and balances.

Mr DAVID SHOEBRIDGE: So you are fine with the return to work rates in the workers compensation system?

Mr VICTOR DOMINELLO: Again, I back in Mr Dent and, moreover, I back in the experts who have trawled through the system. There is, however, Mr Shoebridge—I hasten to add before you throw a missile—always improvements that must be made. McDougall says that.

Mr DAVID SHOEBRIDGE: That is the understatement of the year, is it not? Do you know what the return to work rate is now at four weeks after injury?

Mr VICTOR DOMINELLO: Not precisely, no.

The Hon. DANIEL MOOKHEY: I do.

Mr DAVID SHOEBRIDGE: Ms Hogan, do you know what it is?

Ms HOGAN: I am not sure. Mr Dent has got—

Mr DAVID SHOEBRIDGE: Mr Dent, do you know what it is?

Mr DENT: As published on June 2021?

Mr DAVID SHOEBRIDGE: Now.

Mr DENT: As at now. You are referring to that dashboard.

The Hon. SCOTT FARLOW: Do you want to answer instead? We should have had a guessing game.

The Hon. SHAYNE MALLARD: Mr Mookhey knows the number.

Mr DAVID SHOEBRIDGE: It was 63 yesterday. I am trying to find out what it is today.

Mr DENT: So July 2021, the system four-week performance was at 64 per cent.

Mr DAVID SHOEBRIDGE: Yes, but the rate you advised The Herald on only last week was 63 per cent, so I am asking you what the current rate is, Mr Dent.

Mr DENT: Sixty-three per cent is the rate for the Nominal Insurer at July 2021. [inaudible] performance is at 64.

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Mr DAVID SHOEBRIDGE: Yes, so it is at 63 per cent. How would you describe that as a performance measure?

Mr DENT: At four weeks it is not ideal. The target is around 70 per cent for icare, so there is no question about the fact that is not a perfect outcome.

Mr DAVID SHOEBRIDGE: Do you know what the rate was as recently as December 2017, Mr Dent?

Mr DENT: I do not have the December 2017 rate to hand, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: What if I was to tell you it was 76 per cent? It was 76 per cent return to work rates in December 2017. We are now at 63 per cent for the Nominal Insurer. That is a dramatic failure, is it not, in just the past three years?

Mr DENT: No-one is arguing that a single worker returning to work late is a good thing at all.

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.

Mr DAVID SHOEBRIDGE: Minister, what do you say about the system being regulated by SIRA, which has seen a collapse in return to work rates from 76 per cent at the end of 2017 down to 63 per cent now? As the Minister responsible for SIRA, what do you say about that performance?

Mr VICTOR DOMINELLO: It is definitely not good enough, and we need to do better. There is no doubt about that. I accept that, but that is why we asked for that root-and-branch review by McDougall. That was done, and we accelerated the five-year review too to encapsulate everything. It is not like we have hidden away from it. We understand there are problems and we are trying to deal with it.

Mr DAVID SHOEBRIDGE: You say it is not like you are hiding away from it. You deleted the report from the SIRA's website. I cannot think of a better description of hiding it.

Mr VICTOR DOMINELLO: No, I personally did not.

Mr DAVID SHOEBRIDGE: Your Government deleted the report—

Mr VICTOR DOMINELLO: No, no. Mr Dent—

Mr DAVID SHOEBRIDGE: You put it up, you said, "There's a problem here." When it was picked up by the media, you deleted it. That is hiding it.

Mr VICTOR DOMINELLO: No. Mr Dent indicated that he did not agree with the report. You can ask him in terms of the details of it. There is a whole lot of material that—as you would appreciate, Mr Shoebridge, government is a big beast, and there is a whole lot of material that goes through the various echelons, but there are checks and balances.

Mr DAVID SHOEBRIDGE: Why don't I ask Mr Dent?

Mr VICTOR DOMINELLO: Yes.

Mr DAVID SHOEBRIDGE: Mr Dent, the conclusion that the return to work rate had collapsed to 59 per cent that was published on your website, who authored that report? How did that come to be on the website?

Mr DENT: That dashboard, Mr Shoebridge, was authored internally by our compliance and performance review team. They used a different metric than the one we publish on the rest of our website. There are two ways to look at return to work rates, the first being the 12-month rolling average that we publish transparently on our open data portal. The alternative way of looking at it is a three-month rolling average from the date of the injury, which is what that report was based on. My concern with that report being published is that while that number is correct if you were looking at the 12-month rolling average you might have otherwise seen and then you see that number, which reflects a shorter period of time, you might confuse that the numbers looked worse than they were. So they were both accurate using the methodology used to calculate, but where we did not publish sufficient nuance to explain that, that report becomes one that might look alarming. That was the reason—[disorder].

Mr DAVID SHOEBRIDGE: So it was accurate, it was true, but it was alarming, so that is why you deleted it.

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Mr DENT: No, not at all. That is not why it was deleted, Mr Shoebridge. It was inconsistent with the methodology we used to publish other information and, further, the risk measures that were published in that report did not have, I think, sufficient robustness in how we described how we arrived at that conclusion.

The Hon. SHAYNE MALLARD: Very logical.

Mr DAVID SHOEBRIDGE: Going back to the four-week return to work rates, Minister, you say you have had the McDougall report, that there is reform. I assume that things would be going in the right direction over the past 12 months.

Mr VICTOR DOMINELLO: Sorry, Mr Shoebridge, what was that?

Mr DAVID SHOEBRIDGE: I am assuming that you have put in place measures, as a government, to make sure this has been turned around over the past 12 months. You would be expecting to see some improvement, given the work you have done over the past 12 months. Would that be the expectation?

Mr VICTOR DOMINELLO: You would hope there is always improvement, yes. That is a fair assumption.

Mr DAVID SHOEBRIDGE: So, what if I was to tell you that the four-week return to work rate at the end of last year—let us pick a date, let us pick August of last year. The four-week return to work rate at August last year was 69 per cent. It has got worse. It is now at 63 per cent. You say that you have got this under control.

Mr VICTOR DOMINELLO: But when was—

Mr DAVID SHOEBRIDGE: It has got dramatically worse. It has fallen by 10 per cent effectively.

Mr VICTOR DOMINELLO: Yes, and that is why we asked McDougall to do the root-and-branch review. As you know, sometimes things get worse before they get better. Mr Dent will be able to tell you how far into the adoption of recommendations from McDougall that we are into.

Mr DAVID SHOEBRIDGE: Mr Dent, how much worse is it going to get? The Minister has told us it is going to get worse before it gets better—

Mr VICTOR DOMINELLO: No, Mr Shoebridge, I did not say that.

The Hon. WES FANG: Point of order—

Mr VICTOR DOMINELLO: I did not say that, in fairness.

The CHAIR: There is a point of order.

Mr VICTOR DOMINELLO: I said sometimes, as you know, things get worse. I did not say in this particular case.

Mr DAVID SHOEBRIDGE: In light of the Minister's answer that sometimes things get worse before they get better, Mr Dent, is it going to continue to deteriorate? It has deteriorated every month this year that it has been reported. Are return to work rates going to continue to get worse before they get better?

Mr DENT: Mr Shoebridge, I cannot necessarily predict that, short to say there are two things worth noting: one, of course, the impact of COVID on people being able to be at work, noting it has had an impact and it has complicated return to work, particularly at the four-week rate. The detail around that, some of which I will leave for icare. So there is no doubt there is an impact there. Further, though, I have made really clear my view is I would expect icare to be working in a way that would mitigate any further reduction in return to work rates. We do not want them to get any worse at all. I do not accept that they should, save for the fact that, obviously, COVID has had a huge impact over the course of this year. I do not think that can be ignored. The work now underway, both in terms of icare's improvement plan and other work we are doing with employers, is all targeted at trying to improve that. So I do not necessarily think it is going to get worse, but some of those factors are obviously out of our control as a regulator.

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.

Mr DAVID SHOEBRIDGE: You must have looked at it because the report that was published and deleted, which was accurate but not nuanced, indicated that that there was a high risk to customers in the scheme due to the poor performance results. So you must have done some costing, Mr Dent. Have you?

CORRECTED

Mr DENT: Mr Shoebridge, that is the level of robustness I would have wanted to see before I authorised that report to be published. I did not have the opportunity to do that, which is why I withdrew the report.

Mr DAVID SHOEBRIDGE: But have you done it since? Those numbers are alarming to me, but it is not my full-time job to look after the scheme. It must be extremely alarming to you because it is your full-time job.

Mr DENT: Absolutely, and I have asked the team to provide that insight. That report was published on 10 October; I have asked for that work to be done.

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.

Mr DAVID SHOEBRIDGE: How many workers have not been returned to work who would have been returned to work had the return-to-work rates not collapsed in the past 12 months?

The Hon. WES FANG: I believe you have already asked that question, Mr Shoebridge.

The Hon. SHAYNE MALLARD: Two times.

The Hon. WES FANG: And that was taken on notice.

Mr DAVID SHOEBRIDGE: Mr Dent?

The CHAIR: Order!

Mr DENT: Mr Shoebridge, you did ask that question and I agreed to take it on notice.

Mr DAVID SHOEBRIDGE: Minister, the cost to the scheme of COVID is difficult to estimate. Would that be a fair estimation?

Mr VICTOR DOMINELLO: Yes, I think that is fair.

Mr DAVID SHOEBRIDGE: Because the costings that were provided to you, as I understand it, by SIRA about the presumptive legislation that went in last year were said to be anywhere between \$2,923 million and \$8,626 million—so between \$2.9 billion and \$8.6 billion for the presumptive legislation that went through last year. Do you remember getting those figures?

Mr VICTOR DOMINELLO: Broadly, yes.

Mr DAVID SHOEBRIDGE: Do you know what the actual cost was in the first 12 months?

Mr VICTOR DOMINELLO: No, I do not know.

Mr DAVID SHOEBRIDGE: Mr Dent?

Mr DENT: The total payments?

Mr DAVID SHOEBRIDGE: Yes, under the presumptive legislation.

Mr DENT: Those initial estimates—you are right. That was around \$8.6 billion as the upper estimate by the actuaries. Of course, so little was known about COVID, about vaccines and about the impact at that point in time. The total COVID-related claims as at 31 August are \$7.8 million, with an expected gross cost being \$15.6 million.

Mr DAVID SHOEBRIDGE: So the estimate was \$8.6 billion—

Mr DENT: The upper estimate, yes.

Mr DAVID SHOEBRIDGE: —and the amount paid was \$7.8 million. So only out by a factor of 1,000.

Mr DENT: With a total cost of \$15.6 million. That is correct.

Mr DAVID SHOEBRIDGE: Minister, what do you make of actuarial assumptions that are out by a factor of 1,000? Not two, not five, but 1,000.

Mr VICTOR DOMINELLO: I have seen that many reports and modelling by Health—not just in New South Wales but all around the world—in relation to the pandemic. The experts who try to do the modelling do their best with the best assumptions they can make. But as you know, Mr Shoebridge, as a seasoned counsel, it is only as good as the assumptions you make.

CORRECTED

Mr DAVID SHOEBRIDGE: Minister, to be quite frank, I have never seen an estimate that is out by a factor of 1,000 before that has had the support of the Government.

Mr VICTOR DOMINELLO: But you have never lived in a pandemic situation before. You are not that old, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Minister, have you had other actuarial assessments from SIRA that have been out by factor of 1,000, or even close to it? It is just incomprehensible.

Mr VICTOR DOMINELLO: Are you talking about the pandemic?

Mr DAVID SHOEBRIDGE: At any time.

Mr VICTOR DOMINELLO: That is such a broad question. I have seen—

Mr DAVID SHOEBRIDGE: Ever in your entire life.

Mr VICTOR DOMINELLO: Ever in my entire life have I ever seen estimates out by 1,000?

Mr DAVID SHOEBRIDGE: Or does it only happen in workers comp?

Mr VICTOR DOMINELLO: I think there is a peculiarity in relation to workers comp and personal injury that I have experienced over the years where the actuaries tend to be either hyper-conservative or hyper-aggressive. There seem to be very large swings.

Mr DAVID SHOEBRIDGE: Mr Dent, the previous assessment was somewhere between \$2.9 billion and \$8.6 billion, and it ended up being \$7.6 million. What is the current estimate for COVID-related claims? I am just going to then work out what 1,000 times that is.

Mr DENT: The scenario currently used for the impact of COVID at this stage, after we open up the economy, is \$638 million. That is based on 80 per cent vaccination take-up of those over 16, which was the modelling used by the Doherty Institute. The actuaries have had to extrapolate from the Doherty modelling to those numbers. We already know that in New South Wales the rate for vaccination take-up is greater than 80 per cent at 12-plus, so that means there is a degree of sensitivity that you can sensibly apply to that \$638 million.

Mr DAVID SHOEBRIDGE: So given that it is out by a factor of 1,000, it could be anywhere between \$600,000 and \$63 billion. Is that what your actuaries are telling you now?

Mr DENT: Well, I am not an actuary, Mr Shoebridge. What they are telling me is they think at an 80 per cent vaccination rate of a population over 16, extrapolated from the Doherty modelling, the number would be around \$638 million.

Mr DAVID SHOEBRIDGE: Minister, you have seen the previous actuarial assessments. Is it the same actuary that is providing this assessment of \$638 million?

Mr VICTOR DOMINELLO: I do not know if it is the same actuary.

Mr DAVID SHOEBRIDGE: Mr Dent, is it the same actuary?

Mr DENT: It is the same actuary—Ernst & Young.

Mr DAVID SHOEBRIDGE: Minister, do you have any confidence at all in that figure, given that they were out by factor of 1,000 last time?

Mr VICTOR DOMINELLO: Again, they are experts. We need to look at the assumptions that were made at the time. Even the Doherty modelling—

Mr DAVID SHOEBRIDGE: You could blindfold yourself and throw a dart at a pin board and you would be more accurate.

The Hon. WES FANG: Point of order—

The CHAIR: Order! Mr Shoebridge's time has expired.

Mr DAVID SHOEBRIDGE: That is a big dart board.

The CHAIR: I will hear the point of order, since it has been taken.

The Hon. WES FANG: The Minister is trying to provide a very detailed and sensible answer—

The Hon. DANIEL MOOKHEY: No, he is not.

CORRECTED

The Hon. WES FANG: Now I am going to take two points of order, as I did yesterday.

The Hon. ADAM SEARLE: Do not respond to interjections, Wes.

The CHAIR: Order!

The Hon. WES FANG: The first point of order is that the Minister is trying to provide a reasonable, sensible answer and Mr Shoebridge constantly interjecting and providing commentary on that is not helpful for the rest of the Committee. The second point of order is that the Hon. Daniel Mookhey should know better than to try to interject when I am trying to take a point of order. I ask that he be called to order.

The CHAIR: On the first point of order, if we could try to keep the question/answer going in a nice way, that would be good. On the second point of order, if members could not interject during a point of order being taken, that would be very helpful. Mr Banasiak now has five minutes.

The Hon. MARK BANASIAK: Minister, just picking up on answers given to Labor's questioning about the QR code check-ins, you said 10 million check-ins per day.

Mr VICTOR DOMINELLO: That is what Mr Rees said—approximately.

The Hon. MARK BANASIAK: Is that considered a high level of compliance? How are you measuring the level of compliance?

Mr VICTOR DOMINELLO: Against—I am not quite following.

The Hon. MARK BANASIAK: How are you comparing those 10 million check-ins against people who pretend to check in and just wave their phone across the code? How are you measuring it against the people who use the well-known fake website? How are you measuring that 10 million to say that that is high-level compliance?

Mr VICTOR DOMINELLO: Yes, it is a great question. Fortunately, in this case—because we have never done this before, obviously; we only introduced the QR system when Alpha broke out—because we have a baseline from Alpha, we can see how we are faring against that. Mr Rees can correct me if I am wrong, but my understanding is that there are more QR check-ins now under this wave of Delta than there were with Alpha.

Mr REES: Yes, that is right. To your question, it is hard to—there is not a lot of data that would indicate or give us a view of what complete compliance would look like. Certainly, the level of check-in activity that we have at the moment is materially higher than we have seen at any other point in the pandemic and is consistent at that 10 million, which we are seeing sustained over a period of time.

The Hon. MARK BANASIAK: Are you attributing that uptake in check-ins to the fact that you have now attached the vaccination passport to the process and businesses are more mindful of having to check the vaccination passport component rather than the QR check-in itself?

Mr REES: I think a couple of things. It is just speculation but, certainly anecdotally, we can see very strong compliance and practices across industry at the moment. What we are seeing is about two million customers have chosen to put their vaccination certificate on the Service NSW app, and we have had over 30 million check-ins done by those customers since they added the certificates. So we are seeing that it is an adopted part of the experience and it is making that experience more seamless and quick and easy for those customers who have elected to adopt it.

The Hon. MARK BANASIAK: Can I go to the issue of Service NSW accounts and, more particularly, the issue of duplicate Service NSW accounts where people have set up an account which has then incurred an error and then they have been instructed by you to set up a new one under a different email account, and then there has been this issue where no-one can actually deactivate the problematic, original account. How many reported instances do we have of that across the State?

Mr REES: There are two pieces there. You can create multiple accounts to start with. As the level of assurance on those accounts increases in line with what you are trying to do, then we force uniqueness on those accounts. But for very low-value, low-risk transactions, we do provide that flexibility for customers. We are seeing some reports of customers' accounts being locked. We are looking at whether there are any aspects of that experience that we can fix or improve. We are aware that, at the moment, if you go into our service centres and you need your account unlocked the experience can take longer than desired. At the moment, our service centres will ring through to our contact centre to facilitate that unlocking. Over the next week or so, we are going to pilot having service centre staff have the systems and the accesses that they need to unlock customer accounts on the spot. If that is successful and if we are comfortable that we can do that in a way that is appropriate from a privacy perspective and a risk perspective, then we will make that change across the network.

CORRECTED

The Hon. MARK BANASIAK: I will just read you one of many pieces of correspondence I have got on this issue:

I installed the app ASAP but was never able to scan the QR code. I contacted Service NSW and was told there was a problem, "lots of accounts have this issue". They issued me a second account using a different email. Then I was able to scan in with this second account, however I was not able to link my driver licence, Dine & Discover vouchers, as it said it was already linked to the first account. I went in and tried to deactivate that first account, could not do it, went to Service NSW and they said they could not deactivate that second account.

This is not just one person telling me this; it is multiple. So it is not a case of purposely setting up duplicate accounts. This is a person who has tried to do the right thing and is, essentially, now caught in the situation where the Service NSW app is useless.

Mr REES: We certainly are hearing that feedback from a small percentage of our customers and we are very much focused on it. If there is any friction in that experience, our goal will be to take that out as quickly as we can.

Mr VICTOR DOMINELLO: Can I just add to that, Mr Banasiak. I understand what you are saying. If there is any individual person that has a problem, please refer them to us so that we can see what we can do. Based on the data, at the moment 7.39 million customers are using the Service NSW app for check-ins. But that obviously includes visitors from interstate, for example. As Mr Rees said, we do not require them to have the same level of assurance as somebody, for example, in New South Wales who wants to get access to Dine & Discover vouchers where we are giving taxpayer money to people that live in New South Wales. In every other State and Territory, to the best of my knowledge, it is more of the—how shall I phrase it—garden variety, where you are not required to provide that level of assurance. That is why the Service NSW one in New South Wales stands really above every other app in the country.

The CHAIR: The Opposition. Mr Graham?

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.

The Hon. JOHN GRAHAM: I will turn to Mr Crawford in a minute. Just one more question to you, Minister, and then I might put those issues to Mr Crawford. One of the recommendations of that royal commission is that a special manager be appointed for the period, I think, of two years—

Mr VICTOR DOMINELLO: Yes.

The Hon. JOHN GRAHAM: —to work with a public company, with Crown.

Mr VICTOR DOMINELLO: Yes.

The Hon. JOHN GRAHAM: Is that one of the considerations that the Government might look at in New South Wales, or is that off the table?

Mr VICTOR DOMINELLO: Again, it is probably best initially directed to Mr Crawford. We will receive advice, but the report is literally less than 40 hours old.

The Hon. JOHN GRAHAM: Mr Crawford, we might turn to you on those three issues. Could you give us any background on your view or any information you think would be useful to the public?

Mr CRAWFORD: I do not have any view at the moment on the Finkelstein findings. I am to spend all afternoon today going through it. I did not have a chance yesterday. From the snaps I have seen, I think it is clear

CORRECTED

that a lot of the heavy lifting regarding Crown's conduct was done by Bergin. Although, I think the Finkelstein inquiry was something like three times as big in terms of volume and documents and issues they looked at. But, yes, we will spend the next [inaudible]. I have a meeting with the Crown board this evening at 6.30, so there will be interesting debates. I will be introduced to the new chairman elect, Mr Switkowski, this evening and I will have a very active and ongoing dialogue with him at the moment.

The Hon. JOHN GRAHAM: Mr Crawford, any view on what this means for the timing of a decision for Crown, from your point of view?

Mr CRAWFORD: I do not think the Finkelstein findings have much influence at all. We have got our own agenda. We have Kroll appointed as the independent monitor and, until they are satisfied on a number of issues, Crown will not be getting the go-ahead to open their gaming operations in New South Wales.

The Hon. JOHN GRAHAM: Thank you for those answers. Minister, I might turn to an issue I raised with you the last time you appeared at estimates, which was about the Crown compensation clauses which became public around 18 September 2020. That is when they first came to public attention. They are the 10½ times compensation clauses for any action the Government takes. When I asked you about it and whether you could give any background, you were clear that this had happened early in the Government, in February 2012. You said:

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.

I asked if you were aware of any other deeds or arrangements where 10½ times the compensation was being offered. The transcript continues:

Mr VICTOR DOMINELLO: No, I am not aware of specifics ...

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

Mr VICTOR DOMINELLO: I am not aware.

Minister, is there anything you want to add to that evidence you gave last time?

Mr VICTOR DOMINELLO: Other than, I think I also said, Mr Graham, that I do not think those clauses will stand up in light of Bergin's findings, and I maintain my view again. I practised litigation for 15 years, so take it with a pinch of salt, but that is my strong view based on the findings of Bergin. But, again, I have nothing further to add.

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—

The Hon. JOHN GRAHAM: Let me ask you this, Minister. The other thing you declined to do was defend the terms of compensation last time. You were not particularly keen to defend that. Given you signed this deed—

Mr VICTOR DOMINELLO: To defend it or offend it?

CORRECTED

The Hon. JOHN GRAHAM: To defend the terms of the deed, the 10½ times compensation. Given you signed this deed, it seems like quite extraordinary compensation. It is not available to other ordinary businesses. If the State comes along and takes your house you are compensated for the value of your house. If a business is impacted, say, by the metro—many businesses are experiencing that—they will not have these provisions. Will you defend these compensation terms as being reasonable?

Mr VICTOR DOMINELLO: Again, I need to have a look at the arrangement. I need to have a look at—wait a second. Before—

The Hon. JOHN GRAHAM: Are you saying you did not look at the arrangement when you signed it on 29 May 2020?

The Hon. WES FANG: Point of order—

The Hon. JOHN GRAHAM: Minister, you signed these into effect.

The CHAIR: Order! I will hear the point of order.

The Hon. WES FANG: The Hon. John Graham, after quite a lengthy introduction to the question, finally asked a question. The Minister was attempting to answer the question and the Hon. John Graham started to intercede with what I would best describe as a rant. That is not how estimates are run. The Hon. John Graham should know better. I ask you again to call him to order.

The CHAIR: Thank you, Mr Fang. Mr Graham, if we could proceed in a way that allows the Minister to answer the question that would be appreciated.

The Hon. JOHN GRAHAM: Thank you, Chair. Minister, you signed these compensation provisions into law.

Mr VICTOR DOMINELLO: Yes.

The Hon. JOHN GRAHAM: I am surprised you need to think about it. When you signed them, why did you believe they were defensible?

Mr VICTOR DOMINELLO: Because, Mr Graham, I am not Eddie Obeid or Ian Macdonald. I do not sign things without advice or contrary to advice. What we do on our side is rely on advice. In this case, it was Treasury—

The Hon. JOHN GRAHAM: Why will you not defend these?

Mr VICTOR DOMINELLO: Listen. If you want the theatre, sure. We can have a stoush and we can do a dance if you want. But I am just trying to give you the answer.

The Hon. JOHN GRAHAM: It is not theatre—

Mr VICTOR DOMINELLO: It is when you keep interjecting.

The Hon. JOHN GRAHAM: It is a serious question.

Mr VICTOR DOMINELLO: Yes, I know. But you are such a nice guy. You do not have to descend to this.

The Hon. DANIEL MOOKHEY: Greetings, Minister. Good to see you. How are you?

Mr VICTOR DOMINELLO: Mr Mookhey. Were you the one who interjected before who said you knew the answer?

The Hon. DANIEL MOOKHEY: I did. If you wish to refer any of my questions to me to answer, just let me know, Minister. I am happy to answer the questions on your behalf.

Mr VICTOR DOMINELLO: You are one of those pesky students at the front of the class that always puts their hand up.

The Hon. DANIEL MOOKHEY: Thank you. Minister, firstly, it is good to see you.

Mr VICTOR DOMINELLO: Yes. Likewise, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Minister, do you mind if I just direct some questions to Mr Dent? Of course, you can reserve your right to intervene at any time.

Mr VICTOR DOMINELLO: Yes. Thank you, Mr Mookhey.

CORRECTED

The Hon. DANIEL MOOKHEY: That is fine. Firstly, Mr Dent, congratulations on your selection as the new CEO of the State Insurance Regulatory Authority [SIRA]. Mr Dent, have you received the Nominal Insurer [NI] liability valuation as of 30 June 2021 from icare?

Mr DENT: No. We are expecting to receive it fairly shortly.

The Hon. DANIEL MOOKHEY: Why have you not received it?

Mr DENT: I cannot answer that. I know that takes some time to come to us. We normally expect it in October. It is still October. I am told it will arrive to us shortly.

The Hon. DANIEL MOOKHEY: Therefore I presume that you have not issued any advice to Minister Dominello or Premier Perrottet's office or, for that matter, then Treasurer Perrottet's office on the results of the NI liability valuation as of that date.

Mr DENT: That is correct.

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.

The Hon. DANIEL MOOKHEY: The last available funding ratio we have is a nominal liability valuation as of 31 December 2020. Correct?

Mr DENT: That is correct.

The Hon. DANIEL MOOKHEY: I now formally table the documents which I have tabled anyway. I believe, Mr Dent, that they have been emailed to you and a copy has been available to you, Minister. These are publicly available documents. They are the last two available NI valuations. Mr Dent, do you have these documents by any chance?

Mr DENT: I do have them emailed to me, yes.

The Hon. DANIEL MOOKHEY: Great. Thank you. Can you turn your attention to tender 001, which is the last available NI valuation as of 31 December 2020? Do you see that?

Mr DENT: Give me a moment. Where are you referring, Mr Mookhey?

The Hon. DANIEL MOOKHEY: That is okay. I am just making sure that you have the document that is called tender 001, which is formally called Nominal Insurer liability valuation as of 31 December 2020. Do you have that?

CORRECTED

Mr DENT: I have that PDF in front of me, yes.

The Hon. DANIEL MOOKHEY: Great. Thank you. You have the next one too, which is tender 002, which is the same valuation but for the period ending 30 June 2020. You see that?

Mr DENT: That is correct, yes.

The Hon. DANIEL MOOKHEY: You see that, between these two valuations, it shows that the funding ratio deteriorated from 98.5 per cent to 98 per cent, which I think is on pages 4 and 5. Are you prepared to take my word that that is what that document says?

Mr DENT: I am, at this point, Mr Mookhey. I have no reason not to.

The Hon. DANIEL MOOKHEY: Thank you. We are not really comparing apples and apples. Icare changed its accounting assumptions between those two reports. That is correct, is it not?

Mr DENT: The assumptions, I believe, have been changed to meet the recommendations of the McDougall report, which then reflects the Australian Prudential Regulation Authority [APRA] probability of accuracy of 75 per cent. So it is difficult to compare them directly.

The Hon. DANIEL MOOKHEY: When you say, Mr Dent, that it was made to reflect the McDougall recommendations, I have all of them. I cannot see a single recommendation in which it makes that comment. Which one are you referring to?

Mr DENT: There was a comment, I think—I cannot remember the exact recommendation now, Mr Mookhey—reflecting the use of an economic funding ratio rather than an accounting funding ratio. The—

The Hon. DANIEL MOOKHEY: No. That is a separate matter. I am asking you about the accounting ratio. The change of assumptions for the calculation of the accounting ratio is what I am asking you about. It is the case, is it not, that from the point that icare originated, icare has always reported its results using an 80 per cent probability of sufficiency and a 15.6 per cent risk margin, which I am sure the nerds here would appreciate. That is correct, is it not?

Mr DENT: I believe so. I take your word for it, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Yes. But now icare is reporting it on a 75 per cent probability of accuracy and an 11.7 per cent risk margin. That is correct?

Mr DENT: That is correct.

The Hon. DANIEL MOOKHEY: Yes. But is it not the case that, as a result of this change in accounting assumptions, the scheme's deficit would have been \$1 billion if it was still reported in the usual way, as opposed to the deficit, which is now \$382 million? That is correct?

Mr DENT: I will take your word for that, Mr Mookhey.

The Hon. DANIEL MOOKHEY: So the change of accounting assumptions that icare decided resulted in it effectively getting a \$618 million boost to its bottom line. Is that fair?

Mr DENT: Again, without sitting there with a calculator myself, that sounds correct.

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?

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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.

The Hon. DANIEL MOOKHEY: Regardless, Minister, even with icare's more generous change the scheme is going backwards. Do you accept that?

Mr VICTOR DOMINELLO: Yes.

The Hon. DANIEL MOOKHEY: Mr Shoebridge covered some of this, so I will not repeat it.

Mr VICTOR DOMINELLO: He did.

The Hon. DANIEL MOOKHEY: Do you accept that this is predominantly as a result of falling return-to-work rates?

Mr VICTOR DOMINELLO: Yes.

The Hon. DANIEL MOOKHEY: I just want to pick up on one of the points you made, Mr Dent, to Mr Shoebridge. You said that this fall in return-to-work rates was attributable to COVID. What did you mean by that?

Mr DENT: Not entirely attributable, Mr Mookhey. I think that is probably an overstatement. The impact of COVID has complicated the ability for people to return to work. Icare have advised me that that is a factor that is currently at play and I would suggest that that does not sound totally unreasonable. With 3½ months of stay-at-home orders, that would certainly impact it. That said, I do not accept that that is the only reason why return to work is slipping. We are seeing that over a much longer period of time and we are seeing it in other jurisdictions. So there are a range of factors at play both in terms of employers and their obligations and insurers; however, it would be difficult to pretend that COVID was not a contributing factor at the present moment.

The Hon. DANIEL MOOKHEY: I accept that that might be the reason that has been given to you, Mr Dent, so do not take this necessarily as a criticism of SIRA. The problem I have with that is that this report, tender 001, the last available valuation report, says that icare was basically too conservative in estimating the impact of COVID and that they released \$76 million—they decreased the outstanding liability by \$76 million because COVID had far less of an impact than they thought. Were icare being again a little too conservative when it came to that assumption that this was COVID related?

Mr DENT: I do not think I could answer that with certainty at the moment. Just for clarity, I am absolutely clear that falling return-to-work rates are not something SIRA is happy with at all. Just for the purposes of clarity, we are not happy about it at all and we are expecting icare to do their bit to improve.

The Hon. DANIEL MOOKHEY: To be fair, Mr Dent, if you were to suggest that you were happy with it, you would probably get more questions. I accept your point that you are not happy with it. The issue is that the decline in return-to-work rates with the NI, between 66 per cent as of 12 December 2020 and 63 per cent as of July 2021, did not cover at all the impact of lockdown. Is that fair?

Mr DENT: I agree.

The Hon. DANIEL MOOKHEY: So we can assume that with the lockdown those numbers are going to sharply deteriorate. Is that a fair assumption?

Mr DENT: I would expect that so.

The Hon. DANIEL MOOKHEY: Fair enough. Equally, at the same time self-insurers were at 70 per cent in December 2020 and they are still at 70 per cent in July 2021. That is what your dashboard says. Does that accord with your memory?

Mr DENT: That is correct and there is no doubt that the NI does not perform as well as self- and specialised insurers when you look at those numbers.

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The Hon. DANIEL MOOKHEY: That is true and that has been true for a while. The problem is that their deterioration relative to self-insurers is getting worse. Is that fair?

Mr DENT: That is fair.

The Hon. DANIEL MOOKHEY: Thank you.

The CHAIR: Minister, I wanted to ask you about an issue that my office has received quite a bit of complaints about from people who have suppressed ABNs. This is something that we have been dealing with for the past three months. We have used every avenue we can think of, including trying to ask questions in the Chamber, which I believe you may be aware of. These people have spent over three months trying to access the micro grants program with their suppressed ABNs. We were told that this was fixed a couple of weeks ago but now we are being told that actually it is not, and that these people are still being asked for personal details in order to get their micro grants application. Are you able to cast any light on that or tell us what is going on?

Mr VICTOR DOMINELLO: Mr Rees will be able to—

The Hon. SHAYNE MALLARD: What does suppressed mean?

The CHAIR: A suppressed ABN is, for example, if you are a victim of domestic violence and you do not want to your personal details out there for everyone to see.

Mr REES: Yes. Thank you for the question. We have a manual process in place to help customers with suppressed ABNs to apply for micro grants programs. At the moment we have had five customers complete that process but certainly any customers who have a suppressed ABN and who are still struggling, we would ask them to reach out to us and we will help those customers to get the grant and ensure that is back paid appropriately to the start of the impact.

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.

The CHAIR: Thank you. If you could treat that as a priority, it would be very much appreciated because it is causing a significant amount of distress to these people. I just wanted to quickly ask you about the mining subsidence board—sorry, I have forgotten the exact name of it. Is that your responsibility, Minister Dominello, or is that under Minister Anderson? I know they are a department and agency of the Customer Service department.

Ms HOGAN: Ms Webb is on the line and she can respond to any questions you have.

The CHAIR: Thank you, that would be very useful.

Ms WEBB: I can confirm that it is Minister Anderson's portfolio, so that is a question for this afternoon.

The CHAIR: Okay, great.

Ms HOGAN: Ms Webb is appearing again this afternoon.

The CHAIR: Excellent, I will take that up with you then.

Ms CATE FAEHRMANN: Minister, do you believe that your Government's gambling harm minimisation policies are effective and resulting in a reduction in gambling?

Mr VICTOR DOMINELLO: I think there is always more to do; there is no doubt about that.

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Ms CATE FAEHRMANN: Are you aware that tax revenue from poker machines increased by 38 per cent from \$1.3 billion in 2019-20 to \$1.8 billion in 2020-21?

Mr VICTOR DOMINELLO: Not precise figures but I knew there was a significant increase.

Ms CATE FAEHRMANN: That probably suggests that if poker machine revenue is increasing, gambling harm is also increasing. Would you agree?

Mr VICTOR DOMINELLO: I think it is a fair assumption that if revenues are increasing, unless there is a strong mitigant, the harm would increase.

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.

Ms CATE FAEHRMANN: That would be good. Would that indicate, therefore, that your Government assumes that any measures that it is taking to reduce gambling harms from poker machines will not work and in fact will be counterproductive if you are assuming that over a four-year period the gambling tax revenue will increase by 62 per cent from poker machines in pubs and clubs?

Mr VICTOR DOMINELLO: Again, not necessarily, but it is a fair assumption that unless there are strong mitigants in play, if there is going to be an increase in revenue there will be an increased exposure at the lower end to people at home. I do not cavil with that proposition.

Ms CATE FAEHRMANN: Does it concern you that there is a 62 per cent increase in poker machine gambling factored into the State budget if in fact we know that there is a certain percentage of people who are gambling, who are in fact—as you know, it is wrecking lives and essentially kind of killing some people.

Mr VICTOR DOMINELLO: It is deeply concerning that there is significant harm caused to certain people who have a gambling addiction. There is no doubt about that. However, let me add, gambling is not unlawful, so if people have the resources and they have got the personal control and the wherewithal to gamble, that is their call because that is lawful in our country. However, we need to absolutely take steps to ensure that those who are at risk of harm are protected. That is why I have been advocating for the cashless trial. But for COVID, that would have commenced already in Newcastle West.

Ms CATE FAEHRMANN: Do you know whether there has been a similar—I do not know whether there has been. This is a genuine request for information. There was the sharp increase in gambling of 19 per cent after the 2020 lockdown, compared to the same month in 2019. Do you know whether we are seeing a similar uptick in gambling since we reopened in October? Do you have that information?

Mr VICTOR DOMINELLO: No, but somebody else—

Ms HOGAN: Ms Webb may.

Mr VICTOR DOMINELLO: Yes, Ms Webb may know,

Ms WEBB: I think we are not in the position of having any official figures so far, but anecdotally the inspectors have been out and about in the past few weeks and we have seen quite an uptick in gambling activity. So the anecdotal information would suggest similar to last time.

Ms CATE FAEHRMANN: Okay, I go back to the 62 per cent increase in gambling tax revenue over the forward estimates that the State budget is assuming is going to come in. A recent report—in fact it was released this week by Gambling Research Australia—found that the incidence of gambling has actually fallen from two-thirds of Australians to just over half, but the incidence of problem gambling has doubled. Does that suggest that your Government's projections of this revenue is actually based on a growing cohort of problem gamblers? Would that not suggest that that is what you are risking?

Mr VICTOR DOMINELLO: Again, I accept the proposition that there is a real issue in the community in relation to problem gambling. It is not a micro percentage. There is a real cohort of people whose lives have been devastated. It is not just their lives. I remember watching a Sky News report where Graham Richardson said it happened to his family. He could not go on holidays because his dad wasted all the money on pokies. A number

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of the other commentators said the same thing. I was blown away at how broad the impact was. I know that both sides of politics—all sides of politics—have to do more in this space. There is no doubt in my mind about that. I really believe, and that is why Justice Bergin called it, that cashless gaming, because it provides oversight, will go a long way to fixing the twin evils of problem gambling and money laundering.

Ms CATE FAEHRMANN: Minister, do you see yourself—you are the Minister to reduce gambling harm in New South Wales.

Mr VICTOR DOMINELLO: I have got a responsibility for that, yes.

Ms CATE FAEHRMANN: You are talking about this gambling card that is yet to be introduced. I know you are working hard on it, but at the same time the State budget is assuming that gambling tax revenue from pubs and clubs will increase by 62 per cent over the forward estimates. How are you justifying that as the Minister to reduce gambling harm, that the State budget is relying so much on an increase in people using poker machines when the research is showing that there is an increasing number of people who are having problems with that? You know what that means. That means, as you have just said, wrecked lives, people not being able to pay their mortgages, wrecked relationships.

The Hon. WES FANG: Is there a question, Cate?

Ms CATE FAEHRMANN: I have already posed the question, Wes.

The Hon. SHAYNE MALLARD: We hope the Treasury is wrong.

Ms CATE FAEHRMANN: What?

The Hon. SHAYNE MALLARD: We hope the Treasury gets it wrong, and that gambling is not that bad.

Ms CATE FAEHRMANN: I do not think I directed my question to you, Mr Shayne Mallard. To the Minister—

Mr VICTOR DOMINELLO: Sorry, what was the question?

Ms CATE FAEHRMANN: How do you justify, as the Minister responsible for reducing gambling harm, that there is such an increase in projections of the use of poker machines over the forward estimates?

Mr VICTOR DOMINELLO: Again, Ms Faehrmann, I did not introduce poker machines. You can ask Mr Carr about that, but the reality is gambling is lawful. That is fine and that is great. For people who enjoy a punt, that is good, but for those who struggle with it and for whom it causes really deep problems, that is deeply disturbing, and there are things we have to do. As you know, the projections are anywhere between—you hear some people say it is only one per cent; some people say it is 10 per cent for gamblers. Whatever the figure is, it is not insignificant.

Ms CATE FAEHRMANN: Especially if you consider half of all Australians will gamble at some point.

Mr VICTOR DOMINELLO: I accept the proposition and I am not walking away from it at all, not by any stretch. That is why I have been advocating for a cashless solution because that way you have more visibility and therefore can help those who put their hand up and are seeking help. If people are in the shadows, it is very hard to help them, but if people say, "Look, I need some assistance", and that is why—to the credit of Newcastle West, they put their hand up and said they want to be part of the trial. Again, it would have already been underway but for the COVID restrictions, but hopefully we can start them again soon.

Ms CATE FAEHRMANN: Let us get to the progress on that then. You are talking about trials. Also I am particularly interested in the exposure draft of the gambling harm minimisation bill that you had. Where is all that up to? When can we expect to see that come to Parliament?

Mr VICTOR DOMINELLO: It is not too far away, Ms Faehrmann. We were waiting to see, in fairness, what was going to happen in Victoria, and we have seen that now. Again, based on what Justice Bergin said, we do not want to have three different systems because that is just going to force people on the border of New South Wales to go to Victoria or vice versa. That is not a good outcome as well. So, yes, it is not far away. I cannot say any more than that.

Ms CATE FAEHRMANN: That is good. With the Victorian royal commission's recommendations around things like implementing pre-commitment on a card, implementing time limits—for example, no player can play for more than 12 hours in a 24-hour period, which to be honest, completely shocked me when I heard or thought of somebody going in and sitting down and playing a poker machine for 12 or more hours, and things like if they gamble for 12 hours they must then take a 24-hour break. Those are some of the recommendations from

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the Victorian royal commission into Crown. Are they the type of recommendations that you are saying you will also implement so that we have this across-the-board national scheme? Is that correct?

Mr VICTOR DOMINELLO: No, I am saying that we need to, obviously, read the report. The ink is literally drying on that report, and it is something that we would need to take into account. Obviously, we got great advice from Mr Crawford that would feed into that, and the Office of Responsible Gambling would feed into that, but, yes, there is no doubt—the Western Australian commission is more about the regulator whereas we always knew that Victoria was looking at more aligned to Bergin. That is why I wanted to hold off until I saw that.

The CHAIR: Mr Justin Field has five minutes.

Mr JUSTIN FIELD: Good to see you today, Minister.

Mr VICTOR DOMINELLO: Likewise.

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.

Mr JUSTIN FIELD: If you could that would be great.

Mr VICTOR DOMINELLO: We learnt a lot from those Labor years of what not to do.

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.

Mr JUSTIN FIELD: No worries. Can I just confirm that the CMS is also connected to the poker machines at the Star Casino?

Mr VICTOR DOMINELLO: That is my understanding.

Mr JUSTIN FIELD: Ms Webb, it looked like you might have wanted to add something there.

Ms WEBB: I just wanted to clarify that they have a similar system but is not actually the CMS. It works in a similar way, just to make that clear.

Mr JUSTIN FIELD: That is good to know. Is this enhanced analytical methodology to identify suspicious transactions also in operation for this similar CMS system with the Star Casino's poker machines?

Ms WEBB: I can answer that, Minister. Yes we have got the same analytics team working on both.

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Mr JUSTIN FIELD: Okay. Minister, when you took the proposal to allow the Star Casino to lease an extra 1,500 poker machines to Cabinet, were you aware that there had been allegations of \$175 million being potentially laundered through the poker machines at the Star Casino by one player, some of those transactions being as late as 2020.

Mr VICTOR DOMINELLO: Absolutely not.

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.

Mr JUSTIN FIELD: Okay. This is for Ms Webb, but also potentially for Mr Crawford. Were you aware of any allegations or concerns about money laundering through the poker machines at the Star Casino since the start of 2020?

Mr CRAWFORD: In answer to your last question, the system that the Star have in place is called SYNKROS. It is a slightly different and more modern technology than CMS but it operates in a very similar way.

Mr JUSTIN FIELD: And to the first point of that question, were you or the department aware of any allegations relating to money laundering through poker machines at the Star Casino since the start of 2020?

Mr CRAWFORD: We did not have any evidence of that, no. But we have been working with the Star for some months now. The SYNKROS system is relatively new and making sure that it hooked up to our system—we had access to it through some Federal [audio malfunction]. I raised that with the Star probably six months ago. We have had a program in place to get access and they worked cooperatively with us. It is quite complex but we are up and running and we have retained resources to properly analyse the material coming through.

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.

The CHAIR: As per the resolution of the House, we will now have a 15-minute COVID-safe break and will be back at 11.15 a.m.

(Short adjournment)

The Hon. DANIEL MOOKHEY: Minister, let us resume our conversation about the state of the State's workers compensation scheme. To you or to Mr Dent, however you wish, but you agree that the deterioration—I think we agreed earlier that it was alarming. Do you agree with that?

Mr DENT: I think that is reasonable.

The Hon. DANIEL MOOKHEY: You agree it is alarming, yes?

Mr DENT: Yes, there is nothing good come from a return-to-work rate that is declining, absolutely.

The Hon. DANIEL MOOKHEY: Are you worried that the deterioration of the return-to-work rates is putting pressure on the financial sustainability of the scheme?

Mr DENT: Yes, it is a significant contributor to the financial sustainability of the scheme.

The Hon. DANIEL MOOKHEY: Would you type that as a red alert warning?

Mr DENT: The challenge, Mr Mookhey, particularly as to how we have described things as "red alerts", is that the criteria for those are not yet clear to me and I do not think they are as objective and transparent as I would like them to be.

The Hon. DANIEL MOOKHEY: Sure.

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Mr DENT: But certainly, if I was going to pick a colour it would probably be red. The issue with the scheme sustainability and our risk ratings is there are multiple factors we consider and our report published but two of those, both of which are significant concerns.

The Hon. DANIEL MOOKHEY: Good. So what are you doing about it?

Mr DENT: First of all, it is probably worth acknowledging I do not prudentially regulate icare. That is a current challenge, as was acknowledged by Mr McDougall.

The Hon. DANIEL MOOKHEY: No one does, actually.

Mr DENT: That is absolutely correct. That is a matter for Government and the McDougall report provided I think a clear way forward about extending SIRA's powers to allow us to have more capacity to do that. What are we doing about it? We are working as constructively as possible with icare on their claims management processes. That is complex. I understand that it will take a long time to unravel the situation they are in. As I made clear before, I do not think getting bad before it gets better is good enough outcome. I think it is already bad. There is no doubt about that. We are also working with employers actively. There is a responsibility for employers to do work on return to work as well. We are seeing in other jurisdictions—and in case you ask I do not have them to hand at the moment; we are trying to get it—a general decline in return-to-work rates across other jurisdictions. I am not suggesting in any way they are as dramatic but there is a broader trend that we need to be concerned with so I think there is work to be done for both insurers, employers and at a scheme level.

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.

The Hon. DANIEL MOOKHEY: Thank you very much. Mr Dent, how did your review of this icare's NI FY21 Business Plan go?

Mr DENT: We have just recently provided icare with feedback. Ernst & Young [EY] provided us the pressure testing that McDougall recommended also be done and Cumpston Sarjeant did so on behalf of Treasury. I understand that both were reasonably in agreement with each other and we have now gone back to icare with a series of recommendations for their business plan to be updated so that work is underway presently.

The Hon. DANIEL MOOKHEY: In what respect was their business plan deficient enough for you to have to make recommendations for them to rectify?

Mr DENT: I am operating off memory because I have not had time to turn to the right page. There were areas where we expected more information to be made available in the business plan to justify a range of the assumptions that are in there. Off the top of my head, that is certainly one of the areas that we have asked for clarity on, and I think again that was something that was supported by both EY and Cumpston Sarjeant. So I think it was more about strengthening the position in that business plan so that it better articulated how they arrived at a number of the conclusions they have.

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.

The Hon. DANIEL MOOKHEY: But this is a business plan for financial year 2020-21. I am not even sure it is for financial year 2020-21.

Mr DENT: It would be for 2022.

The Hon. DANIEL MOOKHEY: It is for the coming year, right? That is not the one?

Mr DENT: Yes. That is correct. The request was for it to be pressure tested, from McDougall. The business plan arrived a couple of months ago. That work has now been undertaken by both Ernst & Young [EY]

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for State Insurance Regulatory Authority [SIRA] and Cumpston Sarjeant for Treasury. We have now gone back and we expect the business plan to be finalised very, very shortly.

The Hon. DANIEL MOOKHEY: Is it icare's discretion as to whether or not it accepts your recommendations?

Mr DENT: It is icare's business plan. That is a matter for the icare board.

The Hon. DANIEL MOOKHEY: Okay. I will take it up with them then. Minister, you said in August that you will be bringing in legislation to implement the McDougall recommendations. When are we going to be seeing this legislation?

Mr VICTOR DOMINELLO: I am hoping by the end of this session.

The Hon. DANIEL MOOKHEY: Great. Thank you. Mr Dent, SIRA has only provided four weeks' consultation for aspects of the McDougall recommendations. I am talking about commutations, thresholds and medical expenses. Why are we only adopting such a limited time frame?

Mr DENT: The aim, of course, was to have legislation introduced in this session. So that, obviously, did not provide us an extraordinarily long time line. That said, the public consultation is not the only consultation we will be able to undertake and we will certainly take views for as long as we can while developing the advice to Government on potential measures. So the public consultation is just one part of an overall process of developing that position.

The Hon. DANIEL MOOKHEY: Well, I have had numerous stakeholders tell me that they need more time, so you probably should give them some more time.

Mr DENT: I would welcome them to provide that advice to me, Mr Mookhey, and we will certainly provide that.

The Hon. DANIEL MOOKHEY: I am sure the ones that are watching may well be emailing you soon, Mr Dent.

Mr DENT: I look forward to receiving it.

The Hon. DANIEL MOOKHEY: I am sure. Can you update us? Where are you up to on your investigation into collusion between icare, Corrections and QBE?

Mr DENT: That investigation has recently commenced. The terms of reference have just been, I understand, signed off. If they have not been signed off, they are about to be, so—

The Hon. DANIEL MOOKHEY: Recently commenced the investigation or prosecution?

Mr DENT: Well, the second round. So there is a second round of investigation that was recommended. I understand, from the work undertaken by my predecessor, there was to be a further, detailed investigation of claims management for the Treasury Managed Fund [TMF] as it related to Corrections.

The Hon. DANIEL MOOKHEY: Corrections said that it is not an employer and your predecessor disagreed with that. Corrections therefore said that, as a result of it not being an employer, it is free to collude. That was basically the substance of its position. Do you disagree with that?

Mr DENT: I disagree that anyone should be free to collude with anybody, to be honest. Section 211B of the Act provides for government employers to be treated as self-insurers. There is ambiguity about what that means. My predecessor took the view, that I obviously prefer, that a government agency is an employer. We have, from Corrections, had advice. They do not agree with that position and there is legal advice from the Crown solicitor that also, in a sense, describes that there is ambiguity. So one of the things we would be asking the Government to consider going forward, after the McDougall recommendations, is some clarity around who a government employer is and who represents the Crown in relation to workers compensation.

The Hon. DANIEL MOOKHEY: Sure. Minister, one of the questions that has arisen as a result of the COVID impact on the workers compensation scheme—which I am sure you are across—is the fear that specialist insurers and self-insurers have about what the impact will be on them and whether or not the recovery mechanisms that are provided in legislation will be used. So what is SIRA doing to ensure that the cost of claims is being equally distributed across all scheme participants?

Mr VICTOR DOMINELLO: Yes, we are currently looking at that situation. I will have more to say shortly on that, Mr Mookhey.

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The Hon. DANIEL MOOKHEY: When you say "currently looking into that", do you mean SIRA is currently providing you advice on that matter?

Mr VICTOR DOMINELLO: Yes. SIRA is—

The Hon. DANIEL MOOKHEY: When you say you will be doing it shortly—

Mr VICTOR DOMINELLO: —constantly giving us advice in relation to this issue which, quite frankly, was spawned about 18 months ago when the pandemic hit.

The Hon. DANIEL MOOKHEY: Indeed.

Mr VICTOR DOMINELLO: Mr Shoebridge, to his credit, has been prosecuting the case. But it is a challenge for every jurisdiction, not just New South Wales.

The Hon. DANIEL MOOKHEY: Yes. Again, I am not criticising. It is more a case of, given the premium filings are about to go out for a lot of these specialist insurers—

Mr VICTOR DOMINELLO: Yes, I know. We are, literally, monitoring the situation and hopefully I will have more to say very soon.

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.

The Hon. DANIEL MOOKHEY: Has it indicated to you a desire to increase premiums by more than 2.9 per cent in the next year?

Mr DENT: Not formally, no.

The Hon. DANIEL MOOKHEY: Informally?

Mr DENT: No, not to me.

The Hon. DANIEL MOOKHEY: To your team or to SIRA?

Mr DENT: Not that I am aware.

The Hon. DANIEL MOOKHEY: But you would expect, given the financial pressures of the scheme, it is more likely than not that premiums will rise than reduce?

Mr DENT: I certainly do not expect them to reduce.

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.

The Hon. DANIEL MOOKHEY: I think the last available figures we had it was about 6,000. Do we know how many were exited in the past year?

Mr DENT: I am just looking for that. I am not sure I have that to hand. I can try to get an update on that before we finish today.

The Hon. DANIEL MOOKHEY: Thank you. Equally, do you know how many workers have lost access to medical benefits under section 59?

Mr DENT: No, I do not.

The Hon. DANIEL MOOKHEY: Are you getting reports—

Mr DENT: I can get an update on that for you. That information is available to SIRA, so I will endeavour to follow that up for you.

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

CORRECTED

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.

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.

The Hon. DANIEL MOOKHEY: Minister, we have had six deaths in New South Wales. There is one widow that I have spoken to, who currently resides in Indonesia, who is six months into a dispute with Chubb, because that is the only available process. Even if she was to succeed in that, at best she can access \$150,000. There is another widow that I am talking to who is currently in China. The same scenario applies. Do you agree with me that this is unacceptable that a person can die at work in New South Wales and their families find themselves facing destitution and in a battle with a global multinational in order to get any form of assistance?

Mr VICTOR DOMINELLO: Yes, of course, it is not good at all. Of course it is not. And that is why the Perrottet-Toole Government was the first one out there to say we are going to try to consult with the industry. No other—

The Hon. DANIEL MOOKHEY: That is not true. I am happy to fact check you on that one—

Mr VICTOR DOMINELLO: Please. Yes, why not.

The Hon. DANIEL MOOKHEY: —given that the Victorian Government has been on this for two years.

Mr VICTOR DOMINELLO: Have they?

The Hon. DANIEL MOOKHEY: But I am not going to disagree with you about the desire to introduce one in New South Wales, Minister. What I am asking you is: Given you agree with me that this is unacceptable—

Mr VICTOR DOMINELLO: Yes. Look, and that is why we—

The Hon. DANIEL MOOKHEY: —when are going to see action on this?

Mr VICTOR DOMINELLO: And that is why we are consulting with industry. We do not want to go out there and do something that is contrary to best practice, so we are consulting with industry to work out what is the best way forward. I need to revise an answer I gave before in relation to the "McDougall legislation". I said by the end of this—

The Hon. DANIEL MOOKHEY: This session.

Mr VICTOR DOMINELLO: Yes. I have just been informed it is probably next year now.

The Hon. DANIEL MOOKHEY: So it is going to be close to a year from the appointment of McDougall before the Government brings in any legislation. Is that correct?

Mr VICTOR DOMINELLO: Yes.

CORRECTED

The Hon. DANIEL MOOKHEY: In the meantime, in that year since, the scheme has deteriorated even further. Do you agree?

Mr VICTOR DOMINELLO: Yes.

The Hon. DANIEL MOOKHEY: So why then the delay?

Mr VICTOR DOMINELLO: Well, for starters, we have not sat for a number of the days. There was thing called—

The Hon. DANIEL MOOKHEY: Well, you are the one who made the release in August saying that the legislation is coming, Minister.

The Hon. WES FANG: Point of order, Chair.

Mr VICTOR DOMINELLO: Yes, but Mr Mookhey, you know we were not sitting—

The CHAIR: Apologies, Minister. A point of order has been taken. Go ahead.

The Hon. WES FANG: I accept the robust questioning, but there comes a point when the Minister needs to be allowed to finish his answer before Mr Mookhey—

The CHAIR: I think I have heard enough. For the purposes of Hansard I ask members not to talk over one another. Thank you, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Let me rephrase the question to the Minister and he can provide a direct response. Minister, you are the one who announced on 26 August or thereabouts that you would be introducing legislation. You did that in the middle of the lockdown period, well and truly aware of the fact that the House was not sitting. So what is the reason for the delay?

Mr VICTOR DOMINELLO: There are a whole lot of other items on the agenda, Mr Mookhey. It is not just us; it is Parliamentary Counsel. There are a whole lot of other things that we need to get into position. It is not just me snapping my fingers and hey presto, as you would appreciate. You have been in this place for a long time. We are moving as fast as we can, but this thing called Delta has had a significant impact on so many things, including getting legislation through the door.

The Hon. DANIEL MOOKHEY: Minister, can I ask a question through you to the IPART representative?

Mr VICTOR DOMINELLO: Yes, please do.

The Hon. DANIEL MOOKHEY: To the person from IPART who is here, IPART is responsible for applying a floor and ceiling tests to the regulated asset base that is controlled by the Transport Asset Holding Entity. Is that correct?

Ms LIVINGSTONE: I would clarify that. We are responsible for administering the Rail Access Undertaking and that undertaking provides for a floor and ceiling tests. Two parties can agree prices between the floor-and-ceiling test.

The Hon. DANIEL MOOKHEY: When will IPART be completing its first floor and ceiling tests for the regulated asset base of the Transport Asset Holding Entity [TAHE]?

Ms LIVINGSTONE: The Transport Asset Holding Entity has inherited the agreements from RailCorp and also has new access agreements with Sydney Trains and NSW Trains. Each year it is required, by 30 October, to give us a report on the previous financial year of compliance with the floor and ceiling tests. So we would expect the first reports for Sydney Trains and NSW Trains access agreements to be provided to us by the end of October next year.

The Hon. DANIEL MOOKHEY: How long will it take you to then apply the tests? When will you be issuing the draft determination under that process?

Ms LIVINGSTONE: Just to clarify, we do not make a determination. We just assess whether TAHE has complied with its obligations and it has not, for example, overcharged and exceeded the ceiling test. It normally does not take us that long. To be frank, historically RailCorp usually provided its annual compliance report late. We are hopeful that TAHE will provide it by the end of October next year. Once we have it, it is not, depending if they provide us with information—

The Hon. DANIEL MOOKHEY: It is October next year, not October this year.

CORRECTED

Ms LIVINGSTONE: For the prior financial year, because the access agreements have only applied from 1 July. They have only just come into play.

The Hon. ADAM SEARLE: Minister, there seems to be a backlog in Service NSW resuming the provision of licence testing and rider testing. I have had a couple of constituency matters referred to me by the member for Maitland. She has got a constituent who is a teenager. He needs his licence for his employment and he cannot even book a test. He has just been told, "You've got to keep coming." He has a letter from his employer, saying he needs his licence. Service NSW's advice is, "We can only give you a test if you are about to be sacked, and we would have to verify that with HR." That seems to be a fairly extreme situation. She has other examples. In fact, I have a family member who cannot book a test, even in person, at our local service centres. They are simply not taking bookings, even in person. What are you doing to make sure that this backlog is being reduced at a reasonable time frame?

Mr VICTOR DOMINELLO: I was asked this the other day, Mr Searle, in question time. About 17,000 tests in regional New South Wales are the subject of the backlog. As I said in question time, I unreservedly apologise; it is not good. But as you would understand, and any reasonable person would understand, it is because of the pandemic and the restrictions around it. When you are sitting in a car, it is a high-risk environment. My understanding is that Service NSW are now working their way through the backlog. There is also a challenge in relation to hiring driver testers during the period. So we are getting on top of that. Mr Searle, if I can just ask, my understanding—and Mr Rees will correct me if I am wrong—is that they prioritised people that needed it for work.

The Hon. ADAM SEARLE: That is good. How is that prioritisation being implemented?

Mr VICTOR DOMINELLO: I will ask Mr Rees to answer that, but that was my understanding.

Mr REES: I am happy to answer that. We do, unfortunately, have this backlog. As the Minister has flagged, we are in the process of hiring 100 extra driver testers to help us get through, plus the [inaudible]. We have not enabled the customers to book directly the driver tests. We are giving priority to—

The Hon. SHAYNE MALLARD: Point of order—

Mr REES: —customers that needed tests in order to maintain their existing [disorder].

The Hon. SHAYNE MALLARD: I am afraid I am having trouble hearing it. I think Hansard will be too.

The CHAIR: Order! Is there any way that we can improve the quality of that audio? Can I just check with Hansard if there is a problem?

The Hon. SHAYNE MALLARD: The Parliament House free wi-fi is pretty bad.

Mr REES: Is it helpful if I—

The CHAIR: Perhaps if you could turn your video off. That might help.

Ms HOGAN: Maybe lean a bit closer in to the mic, Mr Rees.

The CHAIR: Thank you, Mr Rees.

Mr REES: Is that any better?

The CHAIR: If you could repeat your last answer, that would be very useful. Then we will move to the crossbench.

Mr REES: Just to build on the Minister's comments, we do, unfortunately, have this backlog. We are in the process of hiring extra driver testers and extra trainers to help us [inaudible] and deliver those driver tests [inaudible] due to COVID, also to make driver tests available for [inaudible]. We have not yet re-enabled customers to directly book those, because we are giving priority, firstly, to those drivers that need a test in order to maintain their licence [inaudible] some of our [inaudible] drivers. We are then giving priority to those tests that were booked but needed to be cancelled during restrictions. To the example that was provided earlier, we do have a hardship assessment process on a case-by-case basis [inaudible] and other examples where [inaudible] somebody to [inaudible] get their driver test. The example that was with the [inaudible] depending on that licence [inaudible] type of [inaudible] that hardship test.

The CHAIR: It is still incredibly difficult to hear you, Mr Rees, but I think we will move on and see if we can maybe fix that before the next Opposition round comes back.

CORRECTED

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.

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 have new licences with new numbers issued?

Ms HOGAN: Yes; take it on notice.

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 it altogether, we continue to work with partners and will be into the agreed time line of next year.

The CHAIR: We have organised for Mr Rees to come down to replace Mr Dent. Apologies, but that seems to be the best way that we can manage this.

Mr VICTOR DOMINELLO: He was just getting used to this. I ordered one of those muffins for him.

The Hon. MARK BANASIAK: While we are waiting for Mr Rees, I might just direct my questions to you, Ms Hogan.

Ms HOGAN: That is fine.

The Hon. MARK BANASIAK: I think picking up on his answer, he was talking about a new system. I know there was an article by *iNews* around 19 October that talks about you going to new system in terms of sharing personal information. It talks about using Microsoft products including SharePoint.

Ms HOGAN: Yes.

The Hon. MARK BANASIAK: Given that SharePoint is an upgrade of Microsoft OneDrive and essentially email permissions-based, how confident are you that that will be any better than sharing directly over email?

CORRECTED

Ms HOGAN: I am not aware of the precise technical details. Mr Rees might have some more information on that, or Mr Wells might understand the product better. We certainly would not be moving to a new product unless we had full confidence in its security.

The Hon. MARK BANASIAK: The article said that you had essentially evaluated it against other options. Are you aware that SharePoint has over 149 known vulnerabilities? How does that stack up against the other five or six options that you looked at?

Ms HOGAN: I am not aware specifically of 149 vulnerabilities, but it would be almost impossible for any system to never have any vulnerabilities. Again, Mr Wells might like to comment further, but any system or organisation that we engage with—part of the requirement is that they would have regular vulnerability and cyber checks, and would keep us informed of those incidents. That would not be unique to SharePoint as a supplier; it would be with all suppliers. Mr Wells, did you want to add anything to that?

Mr WELLS: It is a good point that there are always vulnerabilities in software. I think the figure we had last year in terms of exposures was in the order 10,000 across the systems that we deal with. The key point is that you always seek to improve and keep those systems up to date. Mr Rees will be better to speak to the systems in detail.

The Hon. SCOTT FARLOW: And here he is!

Ms HOGAN: We were just asked about the system that we are putting in place for the storage of data. There was an article in *iNews* that related to the selection of Microsoft Teams or SharePoint. Given that it is publicly reported that they have 149 known vulnerabilities, how did that compare to the other vehicles that we may have chosen? I have suggested that all organisations would have some level of vulnerability; it is about how they are managed, how they are reported to us, how the patching is in play and how we recover.

Mr REES: Yes, that is right. Mr Wells may have covered this, but the first thing I would say is that vulnerabilities change over time so at any point in time the landscape is going to look different. It was very important for us that the system we put in place was not just technically secure but designed in a way that minimised the chance for our team to actually make mistakes in its use. A lot of the risk is not just the technical storage of the information and the transmission, but the way it is handled as part of our business processes. So a combination of the Microsoft technologies was used to give us that right combination of technical security and secure information handling. I get the impression that I did not come through very clearly, so just quickly to flag if you did not catch it: We have currently deployed this into 74 of our service centres for 200 of our transactions. We will have another 34 service centres implemented by 11 November, and we would have implemented it across our front line for all the relevant transactions by the end of January.

The Hon. MARK BANASIAK: The report said that by June 2021 customers should have the choice to use multi-factor authentication. Is that in place? If users are not seeing that or being prompted with that option, are they able to contact you and address the problem?

Mr REES: Multi-factor authentication is in place for staff across 95 per cent of our systems. That recommendation refers to multi-factor authentication for our customers. That is unfortunately not yet in place. There is some fairly significant work that needs to be done before we can enable that for customers. We expect to enable that for our customers hopefully in the first half of next year.

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.

The Hon. MARK BANASIAK: Sure, that is fine. I am assuming the six-month pilot that was done by your agency used dummy data and not live, real data.

Mr REES: Yes.

The Hon. MARK BANASIAK: Thank you.

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.

CORRECTED

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.

Ms CATE FAEHRMANN: I have heard from gambling alliance experts who work in this field that New South Wales does not in fact undertake the same research. As Minister, will you commit to ensure that New South Wales does undertake research in relation to the social costs of gambling and release that publicly?

Mr VICTOR DOMINELLO: I am definitely happy to work with the Office of Responsible Gambling. It is a fair question, so I have no problem with it. I will work with the Office of Responsible Gambling to see what can be done. It is a fair research point.

Ms CATE FAEHRMANN: That is right. It is almost like a cost-benefit analysis, if you like, that is undertaken on a range of different things that the government does.

Mr VICTOR DOMINELLO: It is a fair research one.

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.

Ms CATE FAEHRMANN: Thank you. Down to local impact assessments for poker machines. Talk me through that process in terms of local impact assessment. Who checks the accuracy of local impact assessments that are written for applications for further gaming machines?

Mr CRAWFORD: Members of the department of Liquor & Gaming, in the licensing department.

Ms CATE FAEHRMANN: What is the process of them checking the accuracy, though? What process do they undergo?

Mr CRAWFORD: They work with the applicant. It is a pretty thorough process. There is a case officer assigned. They deal with the application. They work with the applicant on the material that has been submitted. They check it through. There is, where necessary, a vigorous dialogue with the applicant about any pieces of concern.

CORRECTED

Ms CATE FAEHRMANN: I understand with these applications as well there is a payment. Is that correct?

Mr CRAWFORD: There is an application fee.

Ms CATE FAEHRMANN: The application fee. There is a payment that only goes for five years instead of the lifetime of the machine as well. Are you aware of what payment that is?

Mr CRAWFORD: That is a contribution to the Responsible Gambling Fund [RGF]. The last couple of years, the Government—I will just turn off my video. I am getting terrible reflux. Just a sec. Okay.

Mr VICTOR DOMINELLO: That is an interesting term of art.

Ms CATE FAEHRMANN: That is some powerful computer.

Mr VICTOR DOMINELLO: Very visceral.

Mr CRAWFORD: Just to brighten up the morning. What happens now is that—the legislation was changed about two or three years ago, where, if a venue acquires a new poker machine, for each new poker machine, they pay to the RGF an amount calculated to represent 15 per cent of profits on each machine acquired, for the next five years.

Ms CATE FAEHRMANN: Thank you. That is a very good explanation. Is there a reason that it just stops at five years, though—15 per cent of profits for five years and that is it? Is there a reason it does not continue for the lifetime of the machine? Is that something to do with government policy, Minister?

Mr VICTOR DOMINELLO: No, but I am happy for Mr Crawford to elaborate.

Mr CRAWFORD: Prior to 2018 there was a contribution made. It was not legislated at all. It worked out roughly 10 per cent of one year's profit on a machine. A review was carried out. We consulted with industry. There was a negotiation on percentages and how long. I think the life of most machines is around five years. We came to a landing with industry. They pay that amount.

Ms CATE FAEHRMANN: Thank you. In relation to grants from the Responsible Gambling Fund, how are they made available to community organisations? How are community organisations notified and alerted to those available grants?

Mr CRAWFORD: You are starting to get out of my pay grade, but my understanding is that the submissions are made for consideration by the board or the trustees of the RGF from all over New South Wales and allocations are made as and where there is a need and the applications are substantiated.

Ms CATE FAEHRMANN: Who chooses the grants? How is that done in terms of successful applicants?

Mr CRAWFORD: There is a board of trustees of the RGF. The applications are made. There is a board of trustees in the RGF. They consider the various applications, competing applications consistent with their budget allocations. They make those allocations.

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?

CORRECTED

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.

Ms CATE FAEHRMANN: Thank you.

The CHAIR: Back to the Opposition.

The Hon. ADAM SEARLE: Thank you, Minister. You put a figure of 17,000 backlogged tests, I think, for driver licences in the regions.

Mr VICTOR DOMINELLO: Yes.

The Hon. ADAM SEARLE: Do you have a figure for Greater Sydney?

Mr VICTOR DOMINELLO: Mr Rees might. He is here now.

Mr REES: It is still moving, but we think, at its peak, that backlog could be in the vicinity of 100,000 to 120,000 driver tests that did not take place through that period that potentially need to be done.

The Hon. ADAM SEARLE: Minister, can you provide us with an estimated time horizon by which you think that backlog will be addressed?

Mr REES: I think it is an operational question. We expect that we will be working through that backlog for much of next year and balancing the demand for making up those tests that did not take place with customers that need to get tested for the first time.

The Hon. ADAM SEARLE: So it could take up to 12 months.

Mr REES: It could. It is a significant volume of driver tests, a significant percentage of our annual volume. We are, as I mentioned—I am not sure if I came through clearly—hiring additional driver testers and additional trainers to drive—

The Hon. ADAM SEARLE: An extra 100, I think you said.

Mr REES: Yes. We are hiring 50 testers to replace some attrition that we have experienced and then an additional 50 to lift our total number of driver testers above where it was pre-pandemic.

The Hon. ADAM SEARLE: For people who need a test and a licence for their employment, whether it is young apprentices or trainee nurses about to enter the workforce, for example, or what have you, how can those people make sure that they get tested in time to take up their employment or that they do not lose their jobs?

Mr REES: Yes, absolutely. I am not sure if I came across okay. At the moment we have not provided the ability for people to book tests themselves at this point.

The Hon. ADAM SEARLE: I noticed.

Mr REES: We are prioritising customers that need a test in order to retain their licence, which impacts some of our older demographic.

The Hon. ADAM SEARLE: The older citizens, for example.

Mr REES: That is right. We are then prioritising people that had tests booked that needed to be cancelled due to restrictions. Separate to that, we have a hardship mechanism that can look at case-by-case examples where there is an urgent need for people to be tested, for the examples like you have given.

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?

CORRECTED

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.

The Hon. JOHN GRAHAM: Minister, I might turn to business support, some of those arrangements. As of 25 October, so two days ago, there were still 3,462 JobSaver applications waiting to be processed. What is the delay in processing those applications?

Mr VICTOR DOMINELLO: I will let Mr Rees do the detail, but it depends, of course, on when they put their application in. But the overwhelming bulk of the applications have now been processed. Again, I will let Mr Rees provide the detail in relation to it.

Mr REES: It is really a factor of two things. One is we are still seeing a continuous flow of new applications for JobSaver, so a portion of those applications you are referring to will have only come in that day or the days prior. The second major variable there is where we need additional information from customers' initial interaction, so that can result in the application process taking a more extended period of time. Where a customer applies and we have everything required as part of that initial application, those applications are being assessed and, where appropriate, approved in a number of days.

The Hon. JOHN GRAHAM: Minister, it is a similar story with the COVID-19 micro-business grant. Some 7,761 applications are awaiting processing. I presume it is a similar dynamic.

Mr VICTOR DOMINELLO: Yes, definitely.

The Hon. JOHN GRAHAM: Do you regard that as acceptable?

Mr REES: If I could maybe clarify there, micro grants and business grants and JobSaver are assessed slightly differently. The vast majority of those numbers that you are referring to, Mr Graham, will be waiting on customers to confirm that they wish to proceed with their application.

The Hon. JOHN GRAHAM: Thank you. My question to the Minister was: Do you believe these delays are acceptable?

Mr VICTOR DOMINELLO: In an ideal world there are no delays, but we have got to balance it against making sure that we have the right settings to ensure that we are giving taxpayer money where it is due and make sure there is appropriate accountability around it. So, ideally, no delays, but if we need to ask legitimate questions then I do not think people would be too critical of that either.

The Hon. JOHN GRAHAM: In relation to the COVID-19 business grant program, that program is now closed. There are roughly 1,432 businesses waiting for their applications to be processed. New applications, in this case, will not be a problem; it is closed. Again, what is the delay in those applications?

Mr REES: Those will be applications where we are waiting on further information from customers.

The Hon. JOHN GRAHAM: Alright, thank you.

Mr VICTOR DOMINELLO: I will give you an example, Mr Graham. For example, somebody could put in an application. Hypothetically, they could have a registered business address in Victoria but they may be operating on this side of the Murray. Automatically, that would flag, "You're a Victorian business. Why do you need money from New South Wales taxpayers?" Then they would have to say, "No, actually this is historic. We've moved across." Things like that. They are not standard—

The Hon. JOHN GRAHAM: When restrictions were extended to regional areas, particularly including the Hunter, on 5 August, why was the small business grant not extended to support those businesses with the financial shock? They got the lockdown; they did not get the support.

Mr REES: The business grant was tied to a period, not a geographical impact.

CORRECTED

The Hon. JOHN GRAHAM: With respect, Mr Rees, this is a policy decision I am asking the Minister about. I understand the operational point you are making. Minister, this policy decision of the Government—

Mr VICTOR DOMINELLO: And Treasury set the policy.

The Hon. JOHN GRAHAM: Why did they get the lockdown but not the support?

Mr VICTOR DOMINELLO: Again, Treasury set the policy.

The Hon. JOHN GRAHAM: So not your fault, the Treasurer's fault. This is the Government's decision.

Mr VICTOR DOMINELLO: It is not a question of—

The Hon. WES FANG: Point of order: Mr Graham is doing exactly what he did last time, which is ask a question and when the Minister starts to answer the question Mr Graham intercedes and starts to provide the answer that he believes he should be giving.

The Hon. ADAM SEARLE: It was a follow-up question.

The Hon. WES FANG: That is not how estimates is to work. Mr Graham needs to ask the question and then allow the Minister to provide his response.

The CHAIR: A certain amount of give and take and to-and-fro is allowed. I do not think in that instance there was much talking over each other, but I ask members to be aware of that.

Mr REES: Mr Graham, if it is helpful, I can try to provide the guidance you are after because we have worked very closely.

The Hon. JOHN GRAHAM: I am asking about government policy decisions. Mr Rees, I do not think that would be useful.

Mr REES: But I think there is a misunderstanding of the policies being quoted. So the business grant you refer to was open for businesses, no matter where they were in New South Wales, that were impacted by restrictions for a defined time period. That included regional businesses. So whilst regional New South Wales was not in lockdown at that point in time, there were regional businesses that were impacted by the city lockdown.

The Hon. JOHN GRAHAM: Yes, understood. Mr Rees, I am only moving on because I have a short amount of time and I have quite a lot of questions that I want to put to the Minister.

Mr VICTOR DOMINELLO: You have a lot of sugar in that muffin.

The Hon. JOHN GRAHAM: Yes, exactly.

Mr VICTOR DOMINELLO: You want to burn through it.

The Hon. JOHN GRAHAM: Again, feel free to deflect this to the Treasurer, the now Premier.

The Hon. WES FANG: That contains an argument before you have even got to a question.

The Hon. JOHN GRAHAM: I want to ask about the small business grants alleviating cash flow constraints. There was a cut-off date of 17 July put on for those suffering a decline in turnover. Those cash flow constraints, as you know, extended well past that date. Why was that cut-off date in place?

The Hon. SCOTT FARLOW: Because there were other programs.

Mr VICTOR DOMINELLO: Again, the policy settings were guided by Treasury. We implement them and we work with them on it, but that is a matter that really should be directed to Treasury. I do not have the modelling that they would have.

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?

Mr VICTOR DOMINELLO: I am happy to take that on notice, unless Mr Rees knows the answer.

Mr REES: I am not quite sure of the change that is being referred to.

The Hon. JOHN GRAHAM: This matter has been raised with the Minister, I understand, in correspondence. I am just recalling what I looked through.

CORRECTED

Mr REES: When did you send the letter, Mr Graham?

The Hon. JOHN GRAHAM: It was a letter from our shadow Minister.

The Hon. SCOTT FARLOW: Which one?

Mr VICTOR DOMINELLO: When was it sent?

The Hon. JOHN GRAHAM: I could not recall in the short time we have got, but I would be happy to provide it to you.

Mr VICTOR DOMINELLO: Yes, if you do that, I am happy to respond.

The Hon. JOHN GRAHAM: Okay, if you could provide us an answer on that. Those businesses were obviously cut off by that decision, so the question is: Who made that decision?

Mr VICTOR DOMINELLO: Yes, I am happy to—again, this should not be a gotcha moment. We are trying to provide information.

The Hon. JOHN GRAHAM: Yes, I appreciate it.

Mr VICTOR DOMINELLO: If you give me the information, we will try to answer it.

The Hon. JOHN GRAHAM: Mr Rees, earlier this year you advised an upper House online inquiry about the amount of grants that was at risk from fraudulent payout and the amount for recovery. At that stage, those figures were \$16.23 million with \$40,350 to be recovered. Could you update those figures as of today?

Mr REES: At this point we believe suspected fraud sits at \$27.3 million paid. The amount recovered following conviction I believe is unchanged. What has increased between our last session and now is the level of police referrals and the corresponding convictions.

The Hon. JOHN GRAHAM: Could you give us that figure?

Mr REES: Police referrals have increased. We had 1,503 referrals that had taken place in the parliamentary inquiry; 800 of those had been inbound, 703 outbound. We now have made—this is application numbers, by the way—in response to inbound requests, 938 referrals to police; and initiated by Service NSW, 1,225 outbound referrals to police.

The Hon. JOHN GRAHAM: What is the dollar value?

Mr REES: I am trying to add some numbers as we go. The total value across both of those—so for inbound requests, \$3.5 million paid and there is also \$6.6 million of unpaid, so, suspected—

The Hon. JOHN GRAHAM: Do you want to add those numbers and come back to me? I will give you a moment to do that rather than do it on the fly. But as I understand the evidence, you have said fraudulent grants are up from \$16.23 million, as you told us last time, to \$27.3 million?

Mr REES: Correct.

The Hon. JOHN GRAHAM: Money recovered remains at just \$40,350. Is that correct?

Mr REES: Sorry, there has been a \$10,000 increase there.

The Hon. JOHN GRAHAM: Okay. So approximately \$50,000 has been recovered of that \$27 million?

Mr REES: That is correct. That is as a result of the convictions. There is a broader level that is being recovered outside of that.

The Hon. JOHN GRAHAM: I understand. Minister, I might turn to the Park'nPay app. I know you are a strong advocate, so I will not ask you to repeat your vigorous advocacy for this project.

Mr VICTOR DOMINELLO: I just love open data, Mr Graham.

The Hon. JOHN GRAHAM: Has any council adopted the Park'nPay app without entering into an agreement with Duncan Solutions to provide the payment gateway?

Mr VICTOR DOMINELLO: I know that a number of councils had—I think we are up to 11 councils that have got the Park'nPay app.

The Hon. JOHN GRAHAM: It is a specific question. Has anyone done it without adopting Duncan Solutions?

Mr VICTOR DOMINELLO: I am not aware. I will ask Mr Wells.

CORRECTED

Ms HOGAN: Mr Wells will have the answer.

Mr WELLS: Thanks, Mr Graham. There are at least three infrastructure providers—Smarter Parking in Mosman; [audio malfunction] on the Central Coast; and Chargefox, who did the electronic charging stations across New South Wales—that are all providing that information into the Park'nPay.

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?

Mr WELLS: Yes. Mosman would be an example of that, Mr Graham, with Smarter City Solutions.

The Hon. JOHN GRAHAM: We are having a bit of trouble hearing you. Perhaps you could take on notice which councils have done that?

Mr WELLS: Yes. Mosman, but I will take that on notice.

The Hon. JOHN GRAHAM: Minister, how much has the Government spent on advertising the Park'nPay app?

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

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?

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—

The Hon. JOHN GRAHAM: Minister, I know you are an advocate. It is a very specific question. You have taken it on notice.

Mr VICTOR DOMINELLO: But I am giving you an answer.

The Hon. WES FANG: No, he did not actually take that component of the question on notice.

Mr VICTOR DOMINELLO: I am giving you an answer. Because you asked the question—

The Hon. JOHN GRAHAM: That was not the question.

Mr VICTOR DOMINELLO: —I am giving you an answer that the cost of traffic back then was about \$7 billion a year. I estimate it is probably closer to \$9 billion these days, and one-third of that traffic—one-third, Mr Graham—was because people were circling around looking for a parking spot.

The Hon. JOHN GRAHAM: Minister, you are welcome back at Transport estimates, but you have taken on notice how much it cost.

The Hon. SCOTT FARLOW: This is great information.

The Hon. JOHN GRAHAM: I want to know from you how much it cost.

Mr VICTOR DOMINELLO: My job, Mr Graham, is to advocate for public interest, not vested interest.

The Hon. JOHN GRAHAM: You have recently written to all New South Wales mayors urging them to adopt the Park'nPay app.

Mr VICTOR DOMINELLO: Absolutely. I am proud of it.

The Hon. JOHN GRAHAM: How much revenue would that generate, if it was adopted across the board, for Duncan Solutions?

Mr VICTOR DOMINELLO: I have no idea.

The Hon. JOHN GRAHAM: One industry estimate is \$5 million a year, in addition to whatever else they are being—

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.

The Hon. JOHN GRAHAM: I think you were offering to take that question on notice.

Mr VICTOR DOMINELLO: I am actually telling you—yes, I will find out.

The Hon. JOHN GRAHAM: Thank you.

CORRECTED

Mr VICTOR DOMINELLO: But my job is not to look after vested interests, Mr Graham. We need to understand that there are a whole lot of industries, a whole lot of sectors, that support the reform that I have been agitating for.

The Hon. JOHN GRAHAM: Minister, I will turn to outdoor dining.

Mr VICTOR DOMINELLO: What about live music?

The Hon. SCOTT FARLOW: What about the disco balls?

The Hon. JOHN GRAHAM: You were hoping to be the king of alfresco. Almost all of that has happened—

Mr VICTOR DOMINELLO: Hoping?

The Hon. JOHN GRAHAM: —in the city centre. How many—

Mr VICTOR DOMINELLO: I think the then Treasurer and now Premier commended me.

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.

The Hon. JOHN GRAHAM: The figure at 30 June 2021 was 311.

Mr VICTOR DOMINELLO: I do not know what the current figure is.

The Hon. JOHN GRAHAM: Of those, 303 were in the City of Sydney area. Almost none of them were outside of the City of Sydney. Despite the fact that we are in a pandemic, seven of them were outside the City of Sydney.

Mr VICTOR DOMINELLO: I went to one.

The Hon. JOHN GRAHAM: Why are you applying this solution just to the CBD and not across the board?

Mr VICTOR DOMINELLO: No, that is not right.

The Hon. JOHN GRAHAM: Well, that was the case on 30 June.

Mr VICTOR DOMINELLO: Well, I went to one in Parramatta—

The Hon. JOHN GRAHAM: Yes, one. Okay, six to go.

Mr VICTOR DOMINELLO: Alright, well, there was a lockdown period, so just forgive me for not visiting every one. But the point is it was—

The Hon. JOHN GRAHAM: This is unsafe, not to apply it elsewhere. Why is it only happening in the CBD?

The Hon. WES FANG: Point of order—

Mr VICTOR DOMINELLO: But, Mr Graham, we went out to councils and we said, "If you want to participate in this, please let us know." It is not like we were—

The Hon. JOHN GRAHAM: And it has not worked. Do you concede that? It now has to go much further.

Mr VICTOR DOMINELLO: I accept and I have been agitating for councils to come on board to support it and that is why we have put money towards it in terms of further funding.

The Hon. JOHN GRAHAM: It is happening in one council area.

Mr VICTOR DOMINELLO: Sorry?

The Hon. JOHN GRAHAM: It is happening in one council area. That is really where it is happening. You hoped to be the king of alfresco, you are barely the mayor.

CORRECTED

Mr VICTOR DOMINELLO: No, I do not hope. I was anointed. I was anointed by the Premier.

The Hon. SCOTT FARLOW: The emperor of alfresco.

Mr VICTOR DOMINELLO: I was anointed by the Premier. I do not hope.

The Hon. ADAM SEARLE: Minister, during the last round of budget estimates I posed a number of questions to Ms Hogan and there were not substantive answers given in response. I will just raise one with you. My question was:

Can you find out and tell us on notice when those two agencies—

Health and Transport—

reported to Cyber Security NSW the Accellion data breaches and when they in turn became aware of their own internal breaches?

Ms Hogan said, "Yes, I can." On notice, the answer was, "Please refer to the response to question 11 in supplementary questions." That is where I asked when Health and Transport notified Cyber Security NSW. So the answer is go to the health Minister, go to the transport Minister. Minister, you are the Minister for cyber security in New South Wales. Your agency must know when it was notified. Why did Ms Hogan fail to tell the Parliament, in response to a question, that information and can you tell us when Cyber Security NSW was notified?

Mr VICTOR DOMINELLO: I am happy to defer to Ms Hogan, given that she is sitting right next to me.

The Hon. ADAM SEARLE: I am happy too. But I would like an explanation as to why she did not provide the information to the Parliament that she had said she would.

Mr VICTOR DOMINELLO: There could be a myriad of reasons. I am not going to put words—

The Hon. ADAM SEARLE: Well, Ms Hogan can give us the answer then.

Mr VICTOR DOMINELLO: I am not going to put words in her mouth and it is silly for me to do so. There are a myriad of reasons, including—

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. 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.

CORRECTED

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

The Hon. ADAM SEARLE: Okay. The third area was in relation to the \$180 million. There was \$240 million allocated to upgrade data—

Ms HOGAN: Upgrade cyber, yes.

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 million, 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.

The Hon. ADAM SEARLE: Okay, that would be very good. In relation to I think the cybersecurity inquiry, Minister, the first recommendation was to enhance the mandate given to cybersecurity New South Wales to ensure compliance. In answer to questions on notice it was said that a governance risk and compliance team was established in February 2021 and they are developing an audit capability to provide additional validation and assurance of maturity reporting. Is that the implementation of recommendation 1 of the cybersecurity inquiry report or are there additional steps that the Government will take to implement recommendation 1?

Ms HOGAN: Mr Wells, can you respond to that?

Mr WELLS: Yes. Mr Searle, that is one of a number of components that will strengthen policy and our mandate. Maturity insurance or governance risk is one of them. Investment insurance is another that we have just talked about and involvement in purchasing avoidance. The governance function we already have in terms of reporting to the securities board of DaPCO. So there is a range of functions that have already been put in place.

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.

CORRECTED

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 about gambling losses after midnight is that the Productivity Commission's review into the gambling industry has said that there would be significant benefits from requiring hotels and clubs to shut down their gaming rooms no later than 2.00 a.m. That is because of the strong evidence that higher risk gamblers represent a much greater share of those people playing late at night. Obviously, the influence of alcohol is a big factor. Are you aware of that?

Mr VICTOR DOMINELLO: No, I am not aware of that.

Ms CATE FAEHRMANN: Would you commit to having a look at that evidence and—

Mr VICTOR DOMINELLO: Definitely, if you can refer me to the report.

Ms CATE FAEHRMANN: I will do that. I turn now to the community consultation requirements around ClubGRANTS. As I understand it, ClubGRANTS can issue grants in category one. They are called category one grants. They are for projects that contribute to the welfare and broader social fabric of the local community. Local committees are required in all LGAs where the total pool of category one grant funding from all clubs participating in ClubGRANTS is \$30,000 or more and as part of that requirement the NSW Council of Social Service [NCOSS] or an affiliate—which is designated in legislation—has to be a member of those local committees. However, research has found from NCOSS that 30 per cent of the required LGAs do not appear to have a local committee. Is there a reason for that?

Mr VICTOR DOMINELLO: No, I am not aware of the reason for that but I am happy to find out. I was aware that NCOSS raised those concerns.

Ms CATE FAEHRMANN: So we have in legislation that those local committees basically need to be in place. Firstly, there are no local committees in what appears to be 30 per cent of LGAs, but of the 47 LGAs that have a local committee it seems that more than half of those do not have an NCOSS representative. Does that concern you?

Mr VICTOR DOMINELLO: Yes, of course. I had a discussion with NCOSS at the time. It would have been desirable if it remained as a representative. I have a high regard for NCOSS but it chose not to. We need to work our way through to find out why those local committees are not there.

Ms CATE FAEHRMANN: Sorry, to be clear, are you saying it was a decision of NCOSS not to be on those committees?

Mr VICTOR DOMINELLO: My understanding is that it decided not to be there.

Ms CATE FAEHRMANN: Plus its representatives as well?

Mr VICTOR DOMINELLO: That was my understanding. I hope I am not misrepresenting its position but that was my understanding.

Ms CATE FAEHRMANN: So how long ago was that when you found out?

Mr VICTOR DOMINELLO: You are stretching my memory. Everything has been a bit of a haze for the past six months or two years, to be honest.

Ms CATE FAEHRMANN: It has. I agree.

Mr VICTOR DOMINELLO: About two or three months ago. And as you know category one and two is run by ClubsNSW. That has been the case since 1998.

Ms CATE FAEHRMANN: That is right. The legislation requires that there be a representative from NCOSS or a similar organisation representing social services and community organisations and those views—

CORRECTED

social equality, if you like. What are you doing to ensure that those views are indeed represented on those committees?

Mr VICTOR DOMINELLO: Yes, again I will look at that issue. Because I remember having the discussion with NCOSS and, as I said, I get on well with it. I was upset that it was not going to be part of the process moving forward but I can understand its position. I will reach out to ClubsNSW and see what the issues are there. But this is a scheme that has been set up by the Labor Government since 1998 and, as you know, there are definitely areas for improvement there—no doubt about it.

Ms CATE FAEHRMANN: I understand as well that one of the reasons this is an issue is that those clubs can claim dollar-for-dollar tax rebates on poker machine profits over \$1 million when they make grants to eligible community projects. I understand that there is a mechanism to check whether in fact they have indeed made it to eligible community projects and that it is all in compliance—this is under the gaming machine tax. It also prohibits Liquor & Gaming NSW from allowing a tax rebate if it is satisfied, based on the advice of local committees, that the club has not complied with the guidelines. But 30 per cent of clubs do not appear to have a local committee, so how can you be satisfied that these rebates are in fact genuine and that they are complying when they apply for those rebates?

Mr VICTOR DOMINELLO: I am getting advice on this issue right now, so I will keep you posted.

Ms CATE FAEHRMANN: Okay, thank you.

Mr JUSTIN FIELD: Minister, if it is okay I might turn quickly to Mr Crawford. Mr Crawford, I know that there is now an inquiry underway by Adam Bell into The Star. Have you asked for a clarification from The Star about the allegations in *The Sydney Morning Herald* that \$175 million was put through poker machines at The Star by one individual, who was later arrested by police on suspected drug trafficking charges?

Mr CRAWFORD: No, we have not. That is a matter for the Bell inquiry.

Mr JUSTIN FIELD: I understand that, but the media reporting suggests that this information comes from internal Star documentation. The poker machines are still operating at The Star, are they not?

Mr CRAWFORD: That is correct. I think they have opened up again post-COVID, yes.

Mr JUSTIN FIELD: What confidence do you have that The Star has put in place practices to prevent money laundering through their poker machines in the time between now and that inquiry reporting back and the Government being able to consider any implications. Is this not high risk?

Mr CRAWFORD: That is exactly covered in the terms of reference we have given to Mr Bell. That is what he is looking at, so obviously there will be consequences for The Star if he finds against them and their systems are not adequate.

Mr JUSTIN FIELD: It does not take much to do the sums and realise how much money could be put through those machines between now and potentially March, April or May next year when the inquiry reports back. The evidence is quite clear: It says internal documents suggest that The Star was well aware of this information—in fact, lavished access, meals, entertainment and accommodation on this individual. It was only stopped because of the arrest by police. You have not asked any questions about what other evidence they have right now that might enable you to act?

Mr CRAWFORD: The reality is we had commenced a process to appoint Mr Bell several months before it was announced. We went through an exhaustive procurement process, and well before these allegations were made we wanted to commence our inquiry. It has been five years since there was an inquiry under section 31 into The Star. We felt that with the learnings we had from the Bergin inquiry it was appropriate that we bring on an inquiry as quickly as possible, which we did. Subsequent to that, these matters have gone into the public domain but we were already onto them, wanting to know what their anti-money laundering systems are, whether they are adequate for purpose and what steps they are taking to ensure that organised crime does not infiltrate their business.

Mr JUSTIN FIELD: Minister, are you comfortable with the fact that the allegations are that The Star knew this was happening and they are operating these poker machines now and will continue to do so until such time as Mr Bell reports? Is that acceptable?

Mr VICTOR DOMINELLO: I have every confidence in Mr Crawford. He has demonstrated time and again that he is not scared to make the big calls, particularly as we have seen with Crown. I will be guided by Mr Crawford. As he has already indicated, he has the appropriate mechanisms in place with Adam Bell being appointed before the allegations were aired. I will be guided by Mr Crawford; I back him 100 per cent.

CORRECTED

Mr JUSTIN FIELD: Let us talk about some other allegations. Troy Stolz, who I am sure you are familiar with, was an employee of ClubsNSW and as a whistleblower raised information in the public realm—and through information provided to the Commonwealth Parliament—that as many as 95 per cent of clubs in New South Wales were not complying with their obligations under anti-money-laundering and counterterrorism laws. Have you sought any advice as to whether or not those allegations are true?

Mr VICTOR DOMINELLO: In relation to the 95 per cent?

Mr JUSTIN FIELD: Yes.

Mr VICTOR DOMINELLO: They are allegations—were they raised in his Federal Court proceedings?

Mr JUSTIN FIELD: No, they were raised in Federal Parliament because the information, I understand, was given to independent Andrew Wilkie. They have subsequently been published in the media, and this was information that came directly from board papers of ClubsNSW. Have you sought any advice as to whether or not that is true?

Mr VICTOR DOMINELLO: Not specifically, but I know it is an issue of concern. That is why the issue was agitated in relation to poker machines in the Bergin inquiry. That is why I put forward a solution in relation to cashless gaming.

Mr JUSTIN FIELD: I understand. Mr Crawford, have you sought any advice or asked for a "please explain" from ClubsNSW as to whether or not that allegation by Mr Stolz is accurate?

Mr CRAWFORD: Not specifically about Mr Stolz, but I think, Mr Field, you can assume that the two big things in ILGA's focus at the moment are money laundering in pubs and clubs and also harm minimisation measures.

Mr JUSTIN FIELD: You can see the connection I am drawing, Minister, right? We have the Bergin inquiry into Crown, which does not even operate a casino in New South Wales yet—a substantial investigation with huge findings. We now have a substantial investigation into The Star and it has been extended, given the recent allegations. Mr Stolz's allegations that 95 per cent of clubs in New South Wales are not complying with their obligations under anti-money-laundering and counterterrorism laws were made at the start of 2020 and there was not anywhere near the same reaction from the Government, the regulator or ILGA. I am trying to understand why the difference.

Mr VICTOR DOMINELLO: I think, in fairness, Mr Crawford did indicate in his most recent answer that ILGA is taking this matter very seriously. What transpired with Bergin is that in many ways she shone light on an area that was in the dark for a long, long time. It is a credit to Mr Crawford and the team that they put that inquiry in place because if it was not for New South Wales, I have no doubt that the Victorian inquiry would not have got underway, and I have no doubt that the Western Australia inquiry—so, credit where it is due. But I agree that there certainly is more to do in this space.

Mr JUSTIN FIELD: I just want to put on record credit where it is due: I think the public should be very grateful to Mr Crawford and ILGA for putting those inquiries in place.

Mr VICTOR DOMINELLO: Agreed.

Mr JUSTIN FIELD: We have been well informed by the Bergin inquiry, and I am sure the Bell inquiry will be very useful for us considering the regulatory framework in New South Wales. I wonder if you think the community would benefit—employees and members of clubs in New South Wales, the police and others—if we had a similar level of inquiry into the links between money laundering and poker machines in pubs and clubs in New South Wales as well.

Mr VICTOR DOMINELLO: As is always appropriate, ILGA—and the "I" in ILGA is independent—provide advice and it is always appropriate for the Government pay careful consideration to that advice.

Mr JUSTIN FIELD: I would like to go to that because the casino Act is quite different from the Act that applies to clubs and pubs in New South Wales. Mr Crawford, do you have sufficient powers under the legislation affecting pubs and clubs to implement a similar inquiry to what you have done for the casino in New South Wales and the proposed Barangaroo casino?

Mr CRAWFORD: Under section 205 of the Gaming Machines Act, I think the Minister on submission can request us to carry out an inquiry. All I can say to you, Mr Field, is that the things you are touching on are very much a work in progress with ILGA at the moment.

Mr JUSTIN FIELD: Okay, thank you.

CORRECTED

The Hon. JOHN GRAHAM: Minister, it has been 343 days since the Liquor Amendment—

Mr VICTOR DOMINELLO: Sorry?

The Hon. JOHN GRAHAM: It has been 343 days.

Mr VICTOR DOMINELLO: Since when? Since the last question!

The Hon. JOHN GRAHAM: Since the Liquor Amendment (Night-time Economy) Act 2020 passed the Parliament. Thank you for your vigorous work on that.

Mr VICTOR DOMINELLO: No, I want to thank you, Mr Graham. It was a kumbaya moment between us.

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.

The Hon. ADAM SEARLE: Minister, in relation to supplementary questions—I think it was answer 11—your agency said:

Where an incident involves a possible criminal offence, Cyber Security NSW or the impacted agency refers the incident to NSW Police Force for further investigation.

How is the assessment of whether an incident involves a possible criminal offence carried out by your agency?

Mr VICTOR DOMINELLO: Ms Hogan, do you want to answer that?

Ms HOGAN: It is sort of a broad question. It would depend. But if Mr Wells is able to comment.

The Hon. ADAM SEARLE: Mr Wells, are you with us?

Mr WELLS: Yes. Can you hear me?

The Hon. ADAM SEARLE: Yes.

Mr WELLS: Wherever we are obviously aware that data has been breached or taken or wherever there is any malicious intent from malware or ransomware, anything to that extent, we would refer that to police. We have a very close working relationship with Cybercrime.

The Hon. ADAM SEARLE: Who carries out the assessment? What skills, experience and qualification do they have?

Mr WELLS: Mr Searle, we make that notification very early on with New South Wales police and work together with them. We do not wait to do a lot of assessment before we refer that. That is an immediate referral. We work closely with them.

The Hon. ADAM SEARLE: I have got some other questions, but the sound is a bit indifferent. I might put them on notice.

Mr VICTOR DOMINELLO: If you do not mind.

The Hon. ADAM SEARLE: But I have got some other questions for you, Minister, in relation to the data-sharing application, I think, Service NSW is using. I think this was in relation to the data breach. You have investigated—

Mr VICTOR DOMINELLO: The data-sharing application?

The Hon. ADAM SEARLE: Is it not the case that you now have a secure data transfer application so that, instead of using email to share customers' data, you are using—

Mr VICTOR DOMINELLO: Yes.

Ms HOGAN: This is what we were talking about before. Yes.

The Hon. ADAM SEARLE: We discussed that, I think, at the last estimates briefly. Did the Government go out to tender in terms of providing that service or is it an in-house function?

Mr REES: To the best of my knowledge, no, we did not go out to tender. We already had a number of the platforms in use and available within the department. We chose to build on top of those platforms to meet our particular business needs, using internal capability.

The Hon. ADAM SEARLE: So you did not have to secure any private sector involvement to carry out this function?

CORRECTED

Mr REES: Not to my knowledge, no.¹

The Hon. ADAM SEARLE: I understand the function has only been rolled out to about half the Service NSW centres in New South Wales. Is that correct? Can you provide a time frame for rolling it out completely?

Mr REES: As of right now, we are in 74 centres and covering about 200 business processes. By 11 November we will add an extra 34 service centres. We will be done across all our service centres and all relevant business processes by the end of January.

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.

The Hon. JOHN GRAHAM: Thank you.

The Hon. ADAM SEARLE: How much time do we have, Madam Chair?

The CHAIR: We have got about two minutes.

The Hon. ADAM SEARLE: Two minutes.

Mr VICTOR DOMINELLO: You do not have to use it.

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].

The Hon. ADAM SEARLE: I am just referring to the language of the response given by the department here. What are cyber events as distinct from cyber incidents? I assume these are sort of technical terms.

Mr WELLS: Yes. We have a tiering there, Mr Searle. We talk about events as things that are happening all the time across the sector. Incidents is where there has been a breach of information or there has been an impact to systems or something that is relatively significant but contained to a cluster. A significant incident, then, the next level up, is across clusters. The level above that is a crisis, which we, thankfully, have not had at this point.

The Hon. ADAM SEARLE: I could go on, but I think time does not permit.

The CHAIR: It is time. Can I just check if the Government members have any burning questions.

The Hon. SCOTT FARLOW: No. The Minister has done wonderfully well. I do not think we need to use our time.

The CHAIR: Thank you, Mr Dominello, for attending the hearing. Thank you very much to government officers for your attendance today and taking time out to come and help us with our questions. The Committee

¹ In correspondence to the committee dated 17 November 2021 Mr Damon Rees, Chief Executive Officer, Service NSW clarified his answer to "Service NSW has procured a number of hours of support from one vendor, constituting time from two specialists to provide SharePoint and PowerApps development expertise".

CORRECTED

secretariat will be in touch in the near future in relation to any supplementary questions and questions taken on notice. That concludes this hearing for today.

Mr VICTOR DOMINELLO: Thank you, Madam Chair. Can I thank you and the Committee members for another robust discussion.

(The witnesses withdrew.)

The Committee proceeded to deliberate.