

SPECIAL MINISTER OF STATE

Answers to Supplementary Questions

- 1 In requiring public servants to administer a grants scheme devised solely for the purpose of assisting the election of Labor candidates at the 2023 NSW election, why have you abandoned the principles of NSW Public Service independence and political impartiality?**

The principles have not been abandoned. See the evidence of the Secretary, The Cabinet Office and the Secretary, Premier's Department at the Premier's Budget Estimates on Wednesday 26 February 2025.
- 2 In terms of the efficiency of public sector administration, whereby a political grants scheme has required extensive Public Service staff hours and probity expenses to give it greater credibility and propriety, do you acknowledge that, per dollar of grants allocated, this is the most inefficient scheme in NSW government history? If not, which grants scheme has been less efficient and more costly in its administration than the LSCA?**

No.
- 3 Do you take responsibility, Minister, for creating this grant scheme in Opposition? If not you, who is responsible?**

The Local Small Commitments program was a publicly costed commitment of the Labor Opposition.
- 4 Who were the members of the Shadow ERC who authorised the grants scheme and when was the final decision to do so made?**

The Shadow ERC is made up of some members of the Shadow Cabinet.
- 5 Did the Shadow ERC subsequently authorise each grant proposal in each electorate? What are the details?**

Details of the election promise approved by Shadow ERC are found in the Parliamentary Budget Office costings forms.
- 6 When did you first advise the ALP Head Office of the scheme, who did you speak to and what explanation did you give for why such a grants program had been established by the Labor Opposition in the election campaign?**

Please refer to the inquiry transcript of 28 March 2025.
- 7 Which ALP candidates did you speak to personally about their grants allocations a) before the 2023 election day and b) after the election? What are the details?**

Please refer to the attestations on each of the relevant LSCA approval briefs for interactions with stakeholders.

- 8 **Other than the funds allocated for the new kitchen at 40 Botany Road Alexandria (or Redfern) via the involvement of the Member for Sydney, what other instances are there in LSCA of public money going to capital/construction works the value of which are realised by a private property owner, in this case Mr Maksimovich of Fernari Pty Ltd?**

I am advised by the LSCA Program Office that it is usual for a grantee that is a community organisation to have premises leased from a private property owner. This does not conflict with the LSCA Guidelines. The Guidelines outline the requirement for applicants to provide evidence of landowner's consent for capital works projects. I am advised this grantee provided this evidence.

- 9 **Are you aware that on social media in January/February 2022 Will2Live advertised its new "commercial grade kitchen facilities" at 40 Botany Road, so why was a new kitchen needed just two years later in the grant allocations for the seat of Sydney?**

The detailed merit assessment for this project is found in the document titled Local Small Commitments Allocation Grant Program - Tranche 25 - project eligibility waiver and funding recommendation which was publicly released in November 2024. I am advised the application for this grantee met the requirements of the LSCA Program.

- 10 **Are you aware that Mr Brent Dean Maksimovich was a Board member of Will2Live at the time the grant application was submitted and accordingly, what probity checks and reports were delivered on him, his companies and his involvement with the grant recipient? Why was the grant approved given that Mr Maksimovich only dropped off the Will2Live Board to avoid the perception and reality of a conflict of pecuniary benefit?**

The detailed merit assessment for this project is found in the document titled Local Small Commitments Allocation Grant Program - Tranche 25 - project eligibility waiver and funding recommendation which was publicly released in November 2024. The probity advice for this project reads:

As the project will be delivered on leased premises, the LSCA PO requested advice from the probity advisor regarding a potential pecuniary benefit obtained by the building owner and former WILL2LIVE Board member.

In summary, the advice recommends that any funding decisions include the following considerations:

o inclusion of a special funding condition for a lease greater than 3 years so that WILL2LIVE receive a longer benefit of the grant funded kitchen fit out,

o clarification of the building owner's current role in the governance of WILL2LIVE.

In response, the following additional information was provided to the LSCA PO:

A copy of the current lease showing an expiry date of 30 September 2026

A letter from the landowner confirming he supports the project and intends to enter a further lease for an extended period

- An email from WILL2LIVE confirming the building owner is no longer on the WILL2LIVE Board

The LSCA Executive Director has considered this probity advice and has recommended the following special funding condition: Provide an official lease document of a lease greater than 3 years beyond 30 September 2026.

- 11 **What communications did you or your staff have with a) the Premier or his staff or b) the Member for Sydney or his staff regarding the changes to the Sydney electorate allocations after the 2023 election? What are the details?**
Please refer to the attestation and published approval briefs.

- 12 **As a vital matter of probity, what checks have been undertaken regarding donations provided by Mr Maksimovich or any of the owners or principals of Fenari Pty Ltd and Maksim Potential Building Services to a) Alex Greenwich's election campaign, particularly his major fundraising event on 27 October 2022 at the NSW Parliament House; and b) the Australian Labor Party?**

The detailed merit assessment for this project is found in the document titled Local Small Commitments Allocation Grant Program - Tranche 25 - project eligibility waiver and funding recommendation which was publicly released in November 2024.

Donations must be publicly declared, but do not form part of the LSCA criteria or assessment.

- 13 **Who wrote the hand-written notes onto the document, 1 December 2023, 9.57am, email from Alison Morgan to Damian O'Connor in your office, Date of Creation 12 February 2024?**

I was not the author of the notes or of this document.

- 14 **Why was George Psihoyios identified as the Author of Image for the document in (13) above?**

I was not the author of the notes or of this document.

- 15 **What action did the Minister and/or his office take in response to the 30 November 2023, 22.57, email from Alison Morgan to Damian O'Connor re Update on Sydney Electorate projects?**

I became aware that there was a question as to whether the Sydney electorate commitments were election commitments. I asked the office to clarify. Once I was assured the commitments were accurate, I assessed and approve the relevant briefs.

- 16 **What checks and reassessment did the Minister personally order when the Will2Live grant was being upgraded from \$10,000 to \$100,000, shifting from food delivery services to a building capital upgrade outside the seat of Sydney?**

The detailed merit assessment for this project is found in the document titled Local Small Commitments Allocation Grant Program - Tranche 25 - project eligibility waiver and funding recommendation which was publicly released in November 2024.

I assessed the project on the basis of the brief provided. I have been advised by the LSCA Program Office that the grant was never assessed at \$10,000. It was assessed at the value of \$100,000 after the LSCA Program Office received the corrections to the nomination list.

- 17 **What role did a) Skye Tito, b) Paul Mills and c) Damain O'Connor play in the change of funding in (16) above?**

I was advised by the LSCA Program Office that corrections to the list were submitted by the Premier's Office.

- 18 **What knowledge and/or involvement did the Minister or his office have in the allocation of Premier's Discretionary Funds, \$135,000 in total, to top-up the Sydney electorate LSCA grants, in compensating for the reallocations?**

I do not administer the fund. I did not have a role in the decision.

- 19 **Who is funding the remainder of the \$600,000 Will2Live upgrade at 40 Botany Road?**

I am advised that the LSCA application was for a component of the overall project, with the remainder to be provided as a co-contribution from the applicant organisation.

- 20 **Why was the \$100,000 grant to Will2Live assessed as 'ineligible' in the Tranche 25 LSCA Assessment? Who changed it to grant eligibility?**
The detailed merit assessment for this project is found in the document titled Local Small Commitments Allocation Grant Program - Tranche 25 - project eligibility waiver and funding recommendation which was publicly released in November 2024. On page 2 of the brief it reads:
- The LSCA Program Office has identified one key consideration to consider a waiver of the above project eligibility criterion for this project:*
- o Although the premises in which the commercial kitchen is to be fitted out is located in the Newtown electorate, vulnerable people located in the electorate of Sydney will be the sole beneficiaries of this project.*
- 21 **Why does the Government believe that "100% of the project's beneficiaries will be located in the Sydney electorate"? How is it impossible that needy people and the homeless in the Newtown electorate will not be beneficiaries of a service located in the Newtown electorate?**
I am advised by the LSCA PO that the organisation's application form included the following information: *The funded project will directly and exclusively distribute food relief from the WILL2LIVE food truck at locations in the Sydney electorate. The principal location is the corner of Eddy Avenue and Pitt Street, Sydney.*
- This information was considered in the assessment of the project and informed the recommendation to me that I should approve the project as outlined in the Tranche 25 brief.
- 22 **What is the current status of each of the four projects and grant funding in Tranche 7 in the electorate of Sydney?**
Homelessness NSW – project in delivery
- St Vincent' De Paul Society (Matthew Talbot Hostel) – project complete and fully acquitted
- Wayside Chapel – project complete and fully acquitted
- St John's Community Services - this project was not funded through the LSCA program.
- 23 **How can a brief (for Tranche 7) be cancelled? What exactly does that mean?**
I am advised by the LSCA Program Office that as the brief had not been approved by me, and the details of some projects had been corrected, the

approval process was cancelled by the Premier's Department and the brief was withdrawn.

- 24 **As the responsible Minister, do you believe in relation to the handling of Tranche 7, the laws of State Records and archives have been followed? What legal advice has the Minister taken on this matter?**

I am advised by the LSCA Program Office that all electronic documentation regarding Tranche 7 remains on Premier's Department records systems, in accordance with State Records Act requirements

- 25 **On 12 January 2024, Ann Lewis, the LSCA Senior Program Officer emailed Kate Meagher to say, "At this stage we have completed 271 submissions, this includes Tranche 7 (4 projects) which is still sitting with the Minister". What happened to Tranche 7 after this point? Minister, what did you and your office do with it?**

I am advised by the LSCA Program Office that as the brief had not been approved by me, and the details of some projects had been corrected, so the approval process was cancelled by the Premier's Department and the brief was withdrawn.

- 26 **In the 2023 election campaign were you aware of the group Asian Women at Work (AWAW) providing campaign assistance to the ALP in the seat of Oatley?**

Please see transcript of Ms Ambihaipahar's inquiry appearance in relation to any campaign assistance from members associated with the group.

- 27 **What discussions did any members of the AWAW group have with you, or to your knowledge, other participants in the ALP campaign, about their funding needs in providing their service? What are the details?**

I had no discussions with the group regarding funding.

- 28 **What discussions did you have with the ALP candidate for Oatley or her campaign team about the funding needs of AWAW?**

None

- 29 **Did you at any time suggest to the ALP candidate in Oatley that the AWAW could receive LSCA funding?**

No

- 30 **Why did you approve LSCA funding of \$50,000 for the AWAW when clearly this was a reward for assisting the ALP campaign?**

I reject the assertion. This grant was subject to an independent merit process by the Premier's Department and was recommended for funding on that basis.

31 **Normally when a party develops a new policy they launch it and seek maximum MSM and social media coverage. What did Labor do in this regard for the LSCA? What are the details?**

The Local Small Commitments Allocation was a publicly costed election commitment of the Labor Opposition. It was published prior to the election.

32 **So too, local ALP candidates would normally seek publicity in their electorates, announcing the program and seeking applications for grants through local and social media. Are you aware of any Labor candidate who did this in the lead up to the 2023 election? What are the details?**

See answer to question 31.

33 **What instructions did a) Labor Head Office and b) the then Opposition frontbench give to Labor's 93 candidates regarding i) publicity for the new LSCA program, ii) inviting grant applications and iii) contacting possible funding recipients directly in their electorates?**

This is a question for the Labor Party.

34 **The Member for Balmain gave evidence to the Committee that she only found out by accident the existence of the LSCA, that there had been no public promotion of it by the ALP? Why was Labor trying to hide the program from the media and broader public attention, instead of the usual practice of promoting the new policy initiatives of the parliamentary party?**

The premise of this question is flawed.

35 **Who was the contact point in the Parliamentary team for any questions concerning the Local Small Commitments Allocation prior to the election, given the Hon. Bob Nanva MLC has identified you as the best person to answer this question?**

The Local Small Commitments program was a publicly costed commitment of the Labor Opposition.

36 **Ms Alison Morgan, in response to a question taken on notice, states a blatant "No" in response to the question "Were all Labor candidates and members of parliament required to fill out a conflict of interest declaration / form?" Why was a conflict of interest review not conducted for all 93 electorates?**

a) Why weren't all candidates required to complete a conflict of interest declaration?

See the transcript of my evidence to the inquiry on March 28 2025: *My recollection... is that I was very open to doing conflict of interest checks right across the program. I was given advice by the agencies that that would be very*

burdensome and I was discouraged from doing so. I insisted on making sure that wherever there were instances—if there had been a conflict of interest declared earlier, if there had been public issues raised, if there were councillors involved—that a conflict of interest process should unfold, so I overrode that agency advice to say this isn't really necessary.

- 37 **Can the public be entirely confident that there exists no conflicts of interests among the 76 seats where candidates were not required to complete a conflict of interest review? a) Are you certain there exists no conflicts of interests among the 76 seats where candidates were not required to complete a conflict of interest review – yes or no?**

This program has a rigorous conflict of interest process in place.

See the evidence of the Secretary, The Cabinet Office and the Secretary, Premier's Department at the Premier's Budget Estimates on Wednesday 26 February 2025 for a further discussion of the approach applied.

- 38 **Did you ever speak to the Hon. Bob Nanva MLC or Mr Dominic Ofner about this scheme following the election? a) (IF SO) What did you discuss in those conversations?**

See transcript of my evidence on March 25 2025.

- 39 **Are you happy to affirm to this committee that you have no reservations whatsoever as to the integrity of the scheme you were asked to help administer?**

The Local Small Commitments Allocation program is administered in accordance with the Grants Guidelines.

- 40 **Is spending \$1.2 million dollars to administer a \$40 million program a good use of taxpayer money?**

The expenditure on integrity measures for this program is a good use of taxpayer money.

- 41 **In relation to the brief you signed on 26 August 2024 approving the payment of \$100,000 to Will2Live, and noting the brief specifically states that to be eligible projects must "Have 7 been nominated as an election commitment prior to the March 2023 election", and that the funding allocated to this project had been varied from \$10,000 on the 28 July 2023 masterlist to \$100,000 on 1 February 2024 on the initiative of the Premier's Office, on what basis did you conclude that the election commitment for this project had been \$100,000?**

On the basis of the written brief to me, which is publicly available.

- 42 **At the hearing there was an exchange between you and Mr Latham as follows:**

The Hon. MARK LATHAM: Are you aware that Will2Live is renovating its kitchen at 40 Botany Road, Alexandria, which is outside the electorate of Sydney? **The Hon. JOHN GRAHAM:** No, I was not aware of that. **The Hon. MARK LATHAM:** Are you aware that the property is owned by a company? **The Hon. JOHN GRAHAM:** Sorry, I was not aware of that. I can't guarantee all the fine detail that's come to the office, but I wasn't personally aware of that. Noting that the brief you signed on 26 August 2024 approving payment of \$100,000 to Will2Live explicitly states that the funding was "to fit-out a commercial-grade kitchen in their leased premises at 40 Botany Road, Alexandria; explained that the premises was located outside the Sydney electorate and therefore required you to approve the waiving of the eligibility criterion that the location of a project must be within the electorate boundary if funding was to be approved; and included specific probity advice relating to the benefits accruing to the owner of the building leased by Will2Live, why did you tell the Committee that you were unaware of these three matters all of which were explicitly references in a brief you signed?

a) Did you not read the brief before signing it? Will you now correct the record?

I took details in relation to this grant on notice in the hearing. This exchange relates to matters outlined in the Tranche 25 brief, which I reviewed and approved. The brief is publicly available. I have publicly released all the approved briefs which have come to me as Special Minister of State. As these briefs show, there were over 600 projects approved under the LSCA program and this Tranche is dated 26th August 2024.

43 Did you or your office have any contact with Alex Greenwich in relation to the allocation of LSCA funds for the Sydney electorate? a) If so, when and what was the nature of the communication on each such occasion?

Any interaction I had with Mr Greenwich on this matter that was material to my decision would be recorded in the attestation forms in the brief.

44 Funding from the Premier's Discretionary Fund has been given to three projects in the Sydney electorate to make up for funding initially offered for these projects in August 2023 but subsequently withdrawn after the Premier's office changed the allocations on 1 February 2024. What was your involvement in deciding to make the withdrawn offers of funding from this source?

I do not administer the fund. I did not have a role in the decision.

45 Document PD_00000955 in the non-privileged documents provided by the Premier's Department to the House in response to the recent order for papers is a letter dated 23 October 2023 from Alison Morgan to Wayside

Chapel stating that “the Special Minister of State has approved funding for your project submitted through the Local Small Commitments Allocation (LSCA) Program” and specifying the project details as \$100,000 for Wayside Chapel Pathways Program. When did you approve this funding? a) When did you decide to withdraw your approval of this funding? b) Why did it take until 12 April 2024 before you signed a new brief approving just \$50,000 of funding for the Wayside Chapel Pathways Program?

I have received advice from the LSCA Program Office that the above correspondence (dated 23 October 2023) provided under the Standing Order 52 was a draft only. This draft letter was never sent to the grantee. Following advice from the Premier’s Office that corrections were required to the projects nominated in the Sydney electorate, this project was approved via Tranche 16 for \$50,000.

- 46 **Document PD_000001182, in the non-privileged documents provided by the Premier’s Department to the House in response to the recent order for papers, is an email chain between Alison Morgan of the LSCA Program Office and Cherie Burton of the Premier’s Office. In an email dated 21 October 2023, and headed “COI Process for LSCA”, Ms Morgan states “Hi Cherie, in our meeting yesterday you confirmed that you had consulted with Alex Greenwich, independent MP about the organisations in his electorate to be nominated to fulfill the Government's commitment to allocate LSCA funding to homelessness services. We will need to include Alex Greenwich in our COI process. Can you please confirm for me any other local MPs who are not Government MPs and were involved in the nomination of organisations for the LSCA process.” Did the LSCA Program Office include the Member for Sydney in its Conflict of Interest Process?**

I am advised by the LSCA Program Office: No

- 47 **Did you consider any potential conflicts of interest involving the Member for Sydney before approving any LSCA projects for the Sydney Electorate?**

I made the decision on the brief that was before me, which is publicly available.