

Inquiry into the integrity, efficacy, and value for money of the Local Small Commitments Allocation process

Hearing: 27 June 2025

QUESTIONS TAKEN ON NOTICE

Question on Notice 1

The CHAIR: One of the other alarming findings in this report is that some of the summarised merit assessment criteria don't fully reflect the legislative purpose of the fund from which these amounts were paid and that there is a risk that the Minister was not provided with sufficient guidance to reach the required state of satisfaction that amounts paid promote the purpose of the fund.

KATE MEAGHER: I might let Ms Morgan answer that.

ALISON MORGAN: We disagree with that.

The CHAIR: You disagree with the Auditor-General.

ALISON MORGAN: We do respectfully disagree. Section 12 of the Act lists a number of purposes, and they're very broad purposes. Again, we turned our mind to this significantly very early in the piece when decisions were made about how and where this grant program would be funded from and whether or not the CSFF was appropriate. It was considered by us, it was considered by Treasury and it was approved that we use that. We are confident that it certainly aligns with significant sections of the purpose of the Act.

The CHAIR: Did you get legal advice?

ALISON MORGAN: Did we get legal advice? I'd have to take that on notice. I can't answer that for you. But, as you'll see in the letter, in our response to the audit from the department, we've called out where we think that this very clearly aligns with the purpose for the CSFF.

Answer:

The Premier's Department considers that the merit assessment criteria in the Local Small Commitments Allocation (LSCA) Guidelines aligns with the purpose of the Community Services and Facilities Fund (CSFF), as set out in section 12 of the NSW Generations Funds Act 2018.

Any legal advice received by the Premier's Department is the subject of legal professional privilege.

Question on Notice 2

The Hon. MARK LATHAM: Ms Morgan, if I can take you to the tranche 25 document and your recommendation that the eligibility criteria that the project be delivered in the electorate for which funding was allocated be waived, because the Sydney electorate is the only beneficiary of the Will2Live food relief program. On the Will2Live website today, they have five outlets for the distribution of their food, two in the electorate of

Newtown, two in the electorate of Balmain, one in the electorate of Heffron and none in the electorate of Sydney. What do we now do about an organisation that clearly has given you misleading advice about its intentions and clearly doesn't qualify in any respect? Because the \$100,000 is not servicing the Sydney electorate; it's servicing three other seats.

ALISON MORGAN: I'd have to take that on notice.

Answer:

The application for this project provided satisfactory information that the project would deliver benefits to the intended beneficiaries in the Sydney electorate, by "*directly and exclusively distribut(ing) food relief from the Will2Live food truck at locations in the Sydney Electorate*".

When assessing eligibility for this project in accordance with the LSCA Guidelines, the LSCA Program Office verified that the principal location of food distribution was in the Sydney Electorate.

Will2Live also provides services to vulnerable people outside of the Sydney electorate. This is not inconsistent with the LSCA Program Guidelines.

Question on Notice 3

The Hon. MARK LATHAM: For these questions I declare an interest, Chair, with regard to Damien Quinnell and Jacob Nicholls, with whom a decade ago I was a part share owner in some racehorses. I take the witnesses to page 12 of the audit report, regarding the grant to the Camden Musical Society initiated by the now member for Camden, Sally Quinnell. It states she made a declaration of interest that she was a foundation member of the organisation, the Camden Musical Society, which has received \$75,000, was formerly a member of the organisation, has a family member who has been playing in one of their productions and became a patron of the organisation as an MP. Would the witnesses expect that in that declaration, there should have been a clear declaration by Sally Quinnell that, according to today's ASIC records, she has a company called Bandemonium, which provides music training and encouragement, operating out of her home in what's known as the Camden suburb of Ellis Lane?

ALISON MORGAN: I'd have to take that on notice. There's a lot of information in that question, Mr Latham. I'd have to go back and compare what was originally declared to us and what advice we provided to the independent probity advisers.

Answer:

The LSCA Program Office expects that all Candidates included in the LSCA Program Office's conflict of interest review have made their declaration in good faith and to the best of their knowledge.

Question on Notice 4

The Hon. MARK LATHAM: In terms of probity, given that the commitment was made to the Camden Musical Society in March 2023 and the program office initiated the grant application on 21 July, should Ms Quinnell have declared that she was still a secretary of this music company operating out of her home in Camden called Bandemonium up to the date of 26 August 2023? That is still after the grant application was initiated.

ALISON MORGAN: I can't comment on that without having all the documentation in front of me. I would need to confer with the independent probity advisers.

The Hon. MARK LATHAM: Can you find out when she made her declaration to the probity adviser?

ALISON MORGAN: I can.

The Hon. MARK LATHAM: That would've been before the grant was initiated to the organisation, obviously.

ALISON MORGAN: I can't confirm that.

The Hon. MARK LATHAM: That would be the normal practice?

ALISON MORGAN: Some projects had already been approved for funding before we were requested by the Special Minister of State to undertake the review of conflicts of interest.

The Hon. MARK LATHAM: If you can take that on notice and find out when she signed.

ALISON MORGAN: We can do that.

The Hon. MARK LATHAM: And, as much as possible, provide us with a copy of the probity declaration she made. It's summarised here. The Auditor-General has obviously seen it, so it would be helpful for the Committee.

ALISON MORGAN: I'd have to check whether they've already been — I think they've already been tabled, along with the 25,000 other pages we've tabled. I'll confirm that for you.

Answer:

The conflict of interest (COI) declaration was received from the Member for Camden on 1 November 2023, with additional clarifications received on 10 November 2023.

Details of the declarations made by the Member for Camden were provided under the Order for Papers returned to the House in January 2025.

Question on Notice 5

The Hon. MARK LATHAM: Among the 25,000 pages, I wasn't able to find that. But if you can assist, that would be useful for me and the Committee, I'm sure. Also in terms of probity, given that a close personal friend of the Quinnells, Jacob Nicholls, is now the director and operator of the company, should that have been declared?

ALISON MORGAN: Again, I'll have to take that on notice. I don't know enough about the circumstances to understand.

The Hon. MARK LATHAM: Given that Mr Nicholls has an address in Bowral but the contact details for ASIC — and, I assume, other organisations — for Bandemonium is a post office box in Camden, the home town of the Quinnells, should that have been declared right up to this point?

ALISON MORGAN: I'd have to take that on notice. Without any documentation to understand what was or was not declared at the time, I can't comment.

Answer:

Please see response to Question on Notice 3.

Question on Notice 6

The Hon. MARK LATHAM: What's the legal standing of declarations — given that it clearly appears that if you're seeking money for a musical organisation in Camden and you're running a musical company, you'd think this is a valid declaration, as per the questions I've asked. What's the legal standing of the declaration Ms Quinnell signed?

ALISON MORGAN: Well, I'm not a lawyer. I can't comment on that.

The Hon. MARK LATHAM: Is it according to the code of conduct in the Legislative Assembly, where they have some standards and some severe penalties for members who sign false declarations?

ALISON MORGAN: Certainly members of Parliament who are involved in any grant program for any reason are still subject to the code of conduct that covers them, definitely. But I couldn't make a comment about the legal standing of a declaration.

The Hon. MARK LATHAM: But if you can take that on notice and look at this material.

ALISON MORGAN: Yes, I can take that on notice.

Answer:

The Premier's Department is unable to provide legal advice to the Member.

Question on Notice 7

The Hon. MARK BUTTIGIEG: The question is whether or not you're aware of any Premier's Discretionary Fund grants under the former Government where it made announcements prior to the change of government that hadn't yet been processed for your department. In other words, there's a promise made before gaining government and your department hadn't processed them yet.

KATE MEAGHER: I will have to take that on notice, I'm sorry. I can't recall.

The Hon. MARK BUTTIGIEG: What about any PDF grants under the former Government where grants were announced during the caretaker period but, again, where the department hadn't processed those?

KATE MEAGHER: I will take that on notice as well, apologies.

Answer:

The Premier's Department was not asked to assess any Premier's Discretionary Fund grants during the caretaker period for the 2023 State election. The Department does not manage any announcements made by Members of Parliament.

Question on Notice 8

The Hon. SARAH MITCHELL: Just on the same brief, the Wayside Chapel — it says I think on the second page that they were going to get joint funding, a co-contribution from

both the LSCA and the PDF. Were there any other projects out of all of the hundreds of projects that got joint funding from both LSCA and the PDF, or was this the only one?

ALISON MORGAN: I'd have to take that on notice, but I don't think so. But I will take it on notice.

Answer:

Two projects have received funding from both the LSCA and the Premier's Discretionary Fund (PDF). The organisations are in the Sydney electorate and details of these projects were provided to the House in response to an Order for Papers.

The organisations that received grant funding from both programs were:

1. Parish of St Canice
2. Wayside Chapel

Question on Notice 9

The Hon. MARK LATHAM: I seek to table the ASIC printout about Bandemonium, the company operating out of the Quinnell family home in Camden, with the redaction of their exact address for privacy reasons.

The CHAIR: Thank you.

The Hon. MARK LATHAM: I'll provide a copy to the witnesses as well at the end of their evidence. Regarding tranche 11, the Minister has signed off here officially and twice dated it 1 February 2023. That can't be right, can it?

KATE MEAGHER: It must be a mistake.

ALISON MORGAN: Yes, it must be an error. I'm not sure. I'd have to check that. I'll take it on notice for you.

Answer:

The 2023 date signed by the Minister on the Tranche 11 attestation was an error.

The Minister signed the Tranche 11 brief with the date '2/2/2024', which aligns with the timing of the LSCA Program Office receiving the signed brief.