



Premier & Cabinet

2013-500196

Mr Stewart Smith
Director
General Purpose Standing Committee No. 1
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Mr Smith

I refer to my appearance, and that of the General Counsel of the Department of Premier and Cabinet, Mr Paul Miller, on 1 November 2013 before the General Purpose Standing Committee No.1 for the purpose of giving further evidence in relation to the 2013-14 Budget Estimates.

Please find enclosed responses to questions taken on notice at the Estimates hearing and Supplementary Questions on Notice. Soft copies of these responses have also been forwarded to budget.estimated@parliament.nsw.gov.au.

Should you have any further inquiries, please contact Matt Monahan, Director, Briefings and Correspondence Unit, Department of Premier and Cabinet on 9228 3771.

Yours sincerely

Chris Eccles
Director General

26 NOV 2013

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QUESTIONS TAKEN ON NOTICE AT HEARING 1 NOVEMBER 2013

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QUESTION

The Hon. LUKE FOLEY: If we turn to the November 2010 Independent Commission Against Corruption report, "Investigation into corruption risks involved in lobbying" there were 17 recommendations. Has the Department of Premier and Cabinet provided advice to the Premier or to the Cabinet on each, some or all of those recommendations?

Mr ECCLES: I do not have a direct recollection of whether the advice has been formally provided to the Premier.

The Hon. LUKE FOLEY: Would you take that question on notice?

Mr ECCLES: Indeed.

The Hon. LUKE FOLEY: Two of the recommendations were enacted very early in the life of this Government via the 2011 Act that banned success fees and provided for a cooling-off period. Was any consideration given to the other 15 recommendations?

Mr ECCLES: That is an extension of your previous question.

The Hon. LUKE FOLEY: You will get back to us on that?

Mr ECCLES: Indeed.

ANSWER:

Yes.

On 21 November 2013, the Premier tabled the Government's response to the Commission's October 2013 Report, *Reducing the opportunities and incentives for corruption in the State's management of coal resources*. In relation to lobbying, the Government's response states:

"The Government has introduced a number of reforms to strengthen the regulation of lobbyists, including banning success fees and preventing officeholders in political parties from lobbying government officials. The Government will review the recommendations contained in the Commission's November 2010 publication and consider what additional recommendations should be adopted."

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QUESTION
<p>Mr ECCLES: They have a requirement now to declare significant pecuniary interests to me at the moment.</p> <p>CHAIR: What level does that go down to?</p> <p>Mr ECCLES: I am not sure as to how far down amongst the ministerial staff.</p> <p>CHAIR: Will you take that on notice?</p> <p>Mr ECCLES: Indeed.</p>
ANSWER:
<p>All Ministers' staff are required to disclose potential conflicts of interest, including pecuniary interests, to the Director General of the Department of Premier and Cabinet, pursuant to the Department's Code of Conduct.</p>

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QUESTION

Dr JOHN KAYE: Just to refresh your memory again: You told us, quite helpfully, that that position was either occupied by yourself or by your nominee. Did your nominee sit on such a panel?

Mr ECCLES: I do not have that information before me.

Dr JOHN KAYE: What a shame. Would you take that on notice? Just to be absolutely clear, the question is very direct: A yes or no answer: Did your nominee sit on that panel?

Mr ECCLES: You will have a yes or no response.

Dr JOHN KAYE: I really appreciate that, Mr Eccles. You are taking that on notice?

Mr ECCLES: I am taking that on notice.

ANSWER:

Chum Darvall was interviewed by the Board Assessment Committee on 20 October 2011. DPC's representative at that meeting was Peter Duncan (then Deputy Director General, Government Group). Mr Darvall was also the subject of a desktop assessment of candidates by the Board Assessment Committee on 16 December 2011. DPC was not represented at that meeting.

Nick di Girolamo was interviewed by the Board Assessment Committee on 15 March 2012. DPC's representative at that meeting was Simon Smith (then Deputy Director General, Delivery and Implementation Group).

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QUESTION

Dr JOHN KAYE: I guess the question I want to get an answer to, which has taken me now the best part of three months to get, is: Did the panel sit with respect to Mr Darvall and Mr di Girolamo? To be absolutely clear: It is the panel that was set up under Mr Gaetjens' memo, which was signed off publicly by the Treasurer when he spoke in September 2011 to the Institute of Company Directors. Did that panel—

Mr ECCLES: A panel met, but for the complete avoidance of doubt, if the question is the membership of that panel, I do not have that answer.

Dr JOHN KAYE: Will you take that on notice?

Mr ECCLES: I will take that on notice.

ANSWER:

See previous response.

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QUESTION

Dr JOHN KAYE: So appointments would be made for which the panel would not be convened? Well, we know that to be so in the case of Mr Massy-Greene. Does Mr Gaetjens's memo or any of the materials of which you are aware give guidance that would explain why the panel was not convened for Mr Massy-Greene but putatively was for Mr Darvall and Mr di Girolamo?

Mr ECCLES: I do not have the memorandum before me.

Dr JOHN KAYE: Could you take that on notice?

Mr ECCLES: What particularly am I taking on notice?

Dr JOHN KAYE: You are taking on notice what documents or policies specify the circumstances in which the panel is convened and not convened.

Mr ECCLES: I am very happy to get the documents and policies and provide them to the Committee.

ANSWER:

The relevant policies are as set out in a July 2011 letter from the former Acting Secretary to the Treasury, Michael Lambert, to all then Chairs of SOC Boards. In particular, the letter provides that:

“Board vacancies are to be filled through a selection panel, chaired by a representative of Department of Premier and Cabinet. The panel will also include the Chair of the relevant SOC board, a member from Treasury as the representative of the Shareholding Ministers, and an independent member selected on the basis of board experience. For the selection of a Chair, the independent member should have experience as a board Chair.

The panel will draw upon the names provided by the [SOC Board's] Nominations Committee, the Treasury database and any names provided by the Shareholding Ministers, interview shortlisted candidates and make a recommendation to the Shareholding Ministers. In the event that the Shareholding Ministers do not support the recommendations they may request that the panel provides a further nominee or nominees.”

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QUESTION
<p>Mr ECCLES: I was going to say if I could be helpful I could try to find that answer for you.</p> <p>Dr JOHN KAYE: If you could.</p> <p>Mr ECCLES: I am very happy to. We are central agency brothers.</p> <p>CHAIR: Perhaps you could look in the file and just see who sent the last memo convening the panel.</p> <p>Mr ECCLES: Sure.</p>
<p>ANSWER:</p> <p>Meeting dates for the Board Assessment Committee are set at the beginning of the year. Relevant paperwork, including CVs of candidates, is circulated ahead of each meeting.</p>

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QUESTION
<p>Dr JOHN KAYE: Which officer in the party were they sent to?</p> <p>Mr MILLER: I am not sure. I do know that one letter was addressed to our Chair. I am not sure where the individual addressees came from. I assume from the information provided on the Electoral Commission's website about each registered political party.</p> <p>Dr JOHN KAYE: Was it a registered officer? Can you get back to us?</p> <p>Mr MILLER: I will get back to you.</p>
ANSWER:
<p>The letters were sent to the first registered officer for each political party as listed on the Electoral Commission's website.</p>

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SUPPLEMENTARY QUESTIONS

QUESTION
<p>1. In the hearing Mr Eccles mentioned (p. 20) the existence of a periodic meeting between himself, the Secretary of Treasury and the Director General of Education and Communities 'as part of the governance to support Smart and Skilled'. Could you please provide the following information:</p> <ul style="list-style-type: none">a. Please expand on the expression 'governance' and the way in which the periodic meeting supports Smart and Skilled.b. Who initiated this periodic meeting?c. What are its terms of reference?d. Does it have directive powers or does it play only an advisory role to DEC?e. Please provide the dates on which it has met.f. Please provide an outline of the advice or decisions it has made.g. When was the periodic meeting first made aware of the decision to delay the implementation of 'Smart and Skilled'?h. Did the periodic meeting recommend a delay to the implementation at any stage?i. Has the periodic meeting provided feedback, commentary, instructions or other output on the IPART review into "Pricing VET under Smart and Skilled"?<ul style="list-style-type: none">i. If so, please provide the issues on which advice and other output was provided, to whom it was provided and what the output was.
<p>ANSWER:</p> <p>Mr Eccles, the Secretary of Treasury and the Director General of Education and Communities met on these dates: 4 July 2012, 26 July 2012, 31 August 2012, 5 October 2012, 2 May 2013, 15 August 2013 and 14 October 2013.</p> <p>Mr Eccles initiated the meeting, as appropriate in his role overseeing significant government reforms. It convened to ensure forward momentum and to progress the reform. The meeting did not provide input or output on the IPART review, nor did it recommend a delay to the implementation of Smart and Skilled.</p>

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QUESTION
2. In relation to the Unsolicited proposal for a Casino at Barangaroo, please provide: a. What progress has been made on Stage 3 of the process? b. What issues have been resolved in Stage 3 and what issues remain to be resolved?
ANSWER: a. Stage 3 has been completed. b. Details of matters resolved and remaining to be resolved are presented at http://www.nsw.gov.au/unsolicitedproposals