

# **PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE**

**Thursday 5 September 2019**

**Examination of proposed expenditure for the portfolio area**

## **PREMIER**

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**The Committee met at 9:30**

## **MEMBERS**

The Hon. Tara Moriarty (Chair)

The Hon. Robert Borsak (Deputy Chair)

Ms Cate Faehrmann

The Hon. Scott Farlow

The Hon. Ben Franklin

The Hon. Taylor Martin

The Hon. Peter Primrose

The Hon. Adam Searle

Mr David Shoebridge

The Hon. Natalie Ward

## **PRESENT**

**The Hon. Gladys Berejiklian, *Premier***

## **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**



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**The CHAIR:** Welcome to the public hearing for the inquiry into the budget estimates 2019-2020. Before I commence, I would like to acknowledge the Gadigal people who are the traditional custodians of this land. I would also like to pay respect to the elders past and present of the Eora nation and extend that respect to other Aboriginals present. I welcome Premier Gladys Berejiklian and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Premier. Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography.

I would also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Premier, 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 or next to you.

Transcripts of this hearing will be available on the web from tomorrow morning. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Premier, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. I also would like to remind Mr Tim Reardon from the Department of Premier and Cabinet that you do not need to be sworn as you have been sworn at an earlier budget estimates hearing. All witnesses, including the Premier, will be questioned in the morning session until 11.30 a.m. and then after the lunch break we will continue with the other witnesses. There is no provision for witnesses to make any opening statements before the Committee commences questioning so we will begin with questions from the Opposition.

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**TIM REARDON**, Secretary, Department of Premier and Cabinet, on former oath

**SIMON DRAPER**, Chief Executive Officer, Infrastructure NSW, affirmed and examined

**The Hon. ADAM SEARLE:** Premier, can you tell us the scope of the contract for the stadium demolition and rebuild with Lendlease? I am not asking for the details. Was it just for demolition or was it for the demolition and the rebuild?

**Ms GLADYS BEREJIKLIAN:** Certainly there has been a lot of public commentary on the issue and I refer you to that but I also say that if your question is in relation to the activities of Lendlease and their relationship to that contract, clearly there was a contract to demolish and construct but there was also a clause in there, as has been stated on the public record—

**The CHAIR:** Premier, are you able to move the microphone?

**Ms GLADYS BEREJIKLIAN:** Sorry, can you hear me now? I will start the answer again. If you are referring to the relationship between the Government and Lendlease at the time, I am happy to reiterate what has already been on the public record, which is that initially the contract was to demolish and construct the Alliance stadium. But there was also a clause in the contract to suggest that if Lendlease did not meet the Government's requirements that the Government had a prerogative to go back to the market.

Mr Searle, it is important to note that we undertook the same process, or a similar process, in relation to the Art Gallery, where we were not pleased with the bid we received; it was not in line with the Government's expectations. We went back out to market with four bidders, including the initial bidder—who rebid at a lower price, I might add—and as a result the Government now has a better price and a better product for the people of New South Wales. As a government it is our prerogative to make sure we get the best deal for our taxpayers, for our customers, for our citizens. We do not shy away from that.

What has been demonstrated from our time in government is that as time has moved on we have become better at managing our relationships with government and non-government entities when it comes to major infrastructure projects. Of course, we also have to take into account what the market is doing. It is the Government's prerogative to make sure that we are looking at what the market conditions are because that often determines the depth of competition. Sometimes the market is hotter than at other times and if the Government has a prerogative and right to exercise its timing on these matters it does. That was certainly the case with the stadium.

**The Hon. ADAM SEARLE:** Just so I understand you correctly, it was a single contract for demolition and construction with Lendlease to do the work but your Government chose to terminate Lendlease's involvement. Is that what happened?

**Ms GLADYS BEREJIKLIAN:** I will ask Simon Draper, who is head of Infrastructure NSW, to follow my initial remarks but I will say this: There was certainly provision in the original contract to give the Government prerogative to go back to the market if Lendlease did not meet the Government's requirements whether in scope, in price or in product. For those reasons we did not feel it met our expectations. Certainly it did not meet our expectations in a whole range of areas, and that is why we chose to go back to the market. It is a similar model that we have gone through with the Art Gallery revitalisation, the Sydney Modern. That has resulted in a great outcome—an outcome which, frankly, exceeded my expectations. I trust the same will occur with the stadia. I might ask Simon, who is head of Infrastructure NSW—Simon is intimately involved in this issue on a weekly basis—to make further comment.

**Mr DRAPER:** Yes, the contract was for the demolition and for early works, all those preliminary works, as well as design documentation and full construction of the stadium. As the Premier outlined, it had a series of prices for different stages, and a mechanism in the contract for Lendlease to finalise the design with us and to provide a guaranteed maximum price for stage two. That mechanism also provided for us to either accept and proceed with that stage two with Lendlease or to reject and terminate the contract after the completion of stage one if we wished. If we decided to terminate after stage one, they received payment only for stage one works. Those arrangements are actually very similar to any standard construction contract. The standard contract we use is GC21, which also has termination clauses for convenience embedded within them. Almost every contract we sign will have similar clauses in it, and under that contract the payments are made only for the works that are done up to that point.

**The Hon. ADAM SEARLE:** What was it about Lendlease's activities or proposals that the Government was dissatisfied with that led it to terminate the contract?

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**Mr DRAPER:** Is that a question for me?

**The Hon. ADAM SEARLE:** I guess it is to the Premier but she can defer to you.

**Ms GLADYS BEREJIKLIAN:** I am happy to let Simon start off.

**Mr DRAPER:** As I just outlined, we had a mechanism to get a guaranteed maximum price for stage two. We had—this is also standard process and in fact in line with all our procurement guidelines—a figure in mind that we thought was an acceptable market range for that stage two. We benchmarked the proposal that we received from Lendlease against that a pre-tender estimate that we had and we decided that we believe that the proposal that they have provided us with was not value for money compared to what we thought we could get in the market.

I should say that this process that we have embarked upon is grindingly normal. In most projects we do have contracts which provide for completing early works. They also provide for what we call early contractor involvement in design works. That it is to ensure that we design our assets in a way that can be effectively built. So everything about that contract is very normal. I understand there is a lot of public interest in the stadiums but if this was a road intersection or a water treatment plant I am sure everyone would think it was very boring.

**The Hon. ADAM SEARLE:** You mentioned a guaranteed maximum price. Is that the \$729 million that has been in the media?

**Mr DRAPER:** No, that is not. That is the total project budget. The guaranteed maximum price is a component of that budget.

**The Hon. ADAM SEARLE:** Is \$729 million still the overall envelope for the project?

**Mr DRAPER:** That is the overall project budget.

**Ms GLADYS BEREJIKLIAN:** Yes.

**The Hon. ADAM SEARLE:** Before the election, Premier, you gave the impression to the community that all the contractual arrangements were pretty much locked down. Why post election did something unexpected happen that caused you to not be happy with Lendlease? Surely your Government would have reached some kind of concluded agreement with Lendlease before you went public and made the public think that this was all completely arranged.

**Ms GLADYS BEREJIKLIAN:** Mr Searle, a few points to that question. Firstly, I refer you to the answer given by Mr Draper. What occurred in this circumstance was not unusual in terms of contract management and government building projects. I make that position clear. Secondly, we always discuss publicly what is occurring at the time. Obviously at the time that was the best information we had. Thirdly, I do not think anybody could blame me or my Government for not being entirely honest on our stadia policy—in fact, you chose to make it the election issue.

**The Hon. ADAM SEARLE:** We are all aware of that.

**Ms GLADYS BEREJIKLIAN:** You chose to make it the sole campaign issue.

**The Hon. ADAM SEARLE:** We might disagree on that; it was not the sole campaign.

**Ms GLADYS BEREJIKLIAN:** That was to your detriment. You chose to make this the issue that you thought the people of New South Wales would choose to support your party on, which is fine, that is your prerogative. I do not think anybody can doubt—whether they support our strategy or not—that we were very up-front and clear with the public with our program. What I have also been very up-front and clear with the public on is that we will always do what we believe is in the public interest. If we believe a project can be better managed during the course of the project, if we believe a contract can be entered into on better grounds for the taxpayers and the citizens, we will do that, because at the end of the day it is not my money, it is the taxpayers' dollars and every dollar we invest we want to get the best value back.

When we are investing in major infrastructure, such as a road, a railway, a school, a hospital, or a stadium that will last decades and we want to ensure that we do the best possible job. I am proud of the way we have managed a number of our projects in this way. As I said on Sunday when we announced the Sydney Modern Project, I am more than happy to cop a bad headline or two if it means getting the better outcome, because that is what our citizens expect from us and that is what we are here to do. I also make the point that when we came to government there had been decades of under-investment in infrastructure. Not much had happened in New South Wales. We did play catch-up.

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Now we are in a position where we have a much better rhythm of delivering projects, making sure taxpayers' dollars are invested wisely but also having direct conversations with the public on all of these projects. In fact, if one looks at the business case summaries we provide publicly, it is so much more than what any other State does. I took immense interest in this issue and looked at what other States do. The public information we provide, the consultation that exists on these major projects is, I believe, pretty much best practice in Australia. We are always looking at ways in which we can improve our project delivery. I am incredibly pleased with how things are going, and I am confident we will get to a great outcome.

**The Hon. ADAM SEARLE:** When did you get the proposal from Lendlease that caused you not to be satisfied with what they were doing?

**Ms GLADYS BEREJIKLIAN:** That would have gone to Infrastructure NSW. I will ask Mr Draper to answer that.

**Mr DRAPER:** During the course of the first half of the year we worked with Lendlease on developing the design for the stadium and when that design reached a certain level Lendlease was required to submit a proposal for a guaranteed maximum price, which they did—I think it was 30 May. It was many, many months after the election. I know you were asking the Premier a moment ago about the election; it was many months after that. We were quite satisfied with the progress that was being made with Lendlease all through that period in terms of the demolition works, their work with us on the design and there is certainly no criticism of Lendlease from us in the way they have approached the project. It is just that different builders see design and construction methodology in different ways, and that is the beauty of competition.

We were quite happy with the way Lendlease was proceeding. When we got the price we worked with them for some time to try to satisfy ourselves as to whether we could proceed into stage two with Lendlease. Ultimately, we made the call based on the advice that we had from our own construction industry experts that we would get better by going back to the market.

**The Hon. ADAM SEARLE:** There is no suggestion that the overall envelope for the project of \$729 million is going to increase?

**Mr DRAPER:** No, there is no suggestion of that.

**Ms GLADYS BEREJIKLIAN:** None whatsoever.

**The Hon. ADAM SEARLE:** And the component that you had allocated for the part of the work that Lendlease was then to do, where are you up to with going back to the market now?

**Mr DRAPER:** I think this has been announced: We have issued re-tender documentation to two bidders, Multiplex and John Holland, two major builders. They are in the process of preparing their bids, which will be due later this year. I will not get too much into that tender process—

**The Hon. ADAM SEARLE:** No, no.

**Mr DRAPER:** —because it is a very confidential process, but it is well underway at present.

**The Hon. ADAM SEARLE:** With the Art Gallery project that also involved Lendlease, why is Lendlease not part of the ongoing conversation?

**Ms GLADYS BEREJIKLIAN:** They actually bid again. They were the initial company the Government was having discussions with, then the Government chose to withdraw that process and re-commence because obviously there is more depth in the market at the time we did that. They then were part of the bid. There were four bidders, I understand, and the successful one we announced on Sunday. They then chose to re-bid and, interestingly, put in, I understand, a lower bid than what they had initially given us. It demonstrates that government does have to pick its timing. Government needs to assess what is happening in the marketplace and we also need to assess what the competition is doing.

That is a learning we have taken from having such a huge infrastructure pipeline. We need to ensure we go to the market at the right time to get a better price and, hand on heart, when one looks at the Art Gallery process it can be seen that we were completely justified in the way we dealt with that project. Now we have a better outcome and have demonstrated our resilience at being able to deal with these types of projects.

**The Hon. ADAM SEARLE:** In relation to the Forestry Corporation, why have you misled the public and your Government is now embarking on potential privatisation of a government entity, when you said before the election that that would not be what you would do?

**Ms GLADYS BEREJIKLIAN:** Well, no. The impression the Labor Party was giving the broader community was that somehow my Government and I had a secret list of all these things we were suddenly going

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to sell off after the election, and that simply was not the case. Mr Searle, you cannot deny that your party was launching a scare campaign to suggest that we had a secret list of things we were suddenly going to dispose of after the election. I was simply making the honest point that there was no such list, that we had no such plans, but we have always said that we will deal with the public honestly and with transparency. If we see an opportunity that we think is in the public interest, we will take that up. That has always been our position.

If you are asking me whether we had any specific plans on anything, the answer is no. If we had, I would have disclosed that publicly. If you are asking me now are we looking at opportunities through the Forestry Corporation, especially in relation to the softwood industry, we are. I also remind you that every other State has divested its interest in softwoods. I am not suggesting that is necessarily the outcome. All that a scoping study does is ascertain from the market and advisers what is the current situation, what is the likely outcome if the Government proceeded down that track. I make very clear that the Government has not made any decision in relation to that issue; we are simply conducting what is called a "scoping study".

We also made the concerted decision, as a government, to indicate to the public that we are undertaking a scoping study. We would rather say that ourselves than have others say that on our behalf. We have been very up-front about that. What we do with these scoping studies is make sure we consider the asset, how it would go if it continued in government hands, how it would go if there were some potential private sector involvement, what that means also for the balance sheet, and what that means in terms of outcomes for the industry. They are all the questions that will be answered in the study. The Government will then consider the advice it receives and make a decision.

**The Hon. ADAM SEARLE:** With respect, Premier, you are just fencing with words. The fact is in the debate you were asked whether your Government had plans for further privatisations and you said no, if you did you would be up-front about it. Your Government is now less than six months old and already you are embarking on a scoping study to potentially privatise a major government trading enterprise. It is just not believable that you had absolutely no idea that you might be doing this should you be re-elected. Why were you not up-front with the community about this?

**Ms GLADYS BEREJIKLIAN:** I was asked directly whether we had any plans, and we did not. There was no scoping study. There was no plan, no secret discussion, no secret documents. At the time that was absolutely the case. We did not have any plans. If we had any plans for major transactions we would have highlighted them to the community. I make this point, Mr Searle, that is in stark contrast to what your Government failed to do back in 2010. You actually sold the gentraders—

**The Hon. ADAM SEARLE:** You are going back a decade now, Premier.

**Ms GLADYS BEREJIKLIAN:** No, no, I am just comparing how we treat the public compared to how you treat the public.

**The Hon. ADAM SEARLE:** You are clutching at straws, Premier, by going back a decade or more.

**Ms GLADYS BEREJIKLIAN:** No, no. Not only did you force the sale of the gentraders without consultation, you also appointed your Labor union mates to the board, in which case some very dignified friends of the Labor Party resigned from their positions because they were so disgusted with the process. In stark contrast, my predecessor, Mike Baird, very courageously—given how contentious electricity long-term leasing had been in New South Wales political history—took that major policy change to the election.

**The Hon. ADAM SEARLE:** Yes, but you did not—that is the point.

**Ms GLADYS BEREJIKLIAN:** But I—

**The Hon. ADAM SEARLE:** But a more truthful response would have been, "We may not have any specific proposals but we're not ruling it out." You did not do that and you gave the community the impression that you, as Premier, would not embark on further privatisation. And that was misleading, wasn't it?

**Ms GLADYS BEREJIKLIAN:** No. The point I made honestly was I was asked, "Do you have any plans?" and the honest and direct response was, "No." But the follow-up is always, as I have said in Parliament, as I have said on the public record, if there is anything that we believe is in the public interest we will pursue that. And again I stress—

**The Hon. ADAM SEARLE:** So we should have looked at the fine print.

**Ms GLADYS BEREJIKLIAN:** Well, you can commentate any way you like. I am simply making the point that in stark contrast your party chooses not to go to the election—and I might also remind you, Mr Searle, that from time to time, not during election campaigns, governments take decisions based on what is in the best interests of the community, so for example—

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**The Hon. ADAM SEARLE:** Yes, but Premier, your Government is less than six months old. You have delivered your first budget of the new term and already you are looking at other opportunities for privatisation.

**Ms GLADYS BEREJIKLIAN:** Certainly—

**The Hon. ADAM SEARLE:** And you were not up-front about that.

**Ms GLADYS BEREJIKLIAN:** —which is what good governments do. And had you asked me back in February or March, "Do you have any plans in relation to Forestry Corporation?" my honest answer would have been, "No," because we did not. They were discussions we have had since the election. And I also remind you, Mr Searle, that from time to time outside of elections governments do undertake important decisions regarding assets which are in the best interests of the community. So whether it is Land and Property Information or Pillar or ports, these are things that do not go to elections.

We all conducted them in the last term of government. They are not necessarily things you take to elections but during the process the public has a chance to have their say. So during the scoping study we would get back the advice. We make a decision based on that advice and, based on that decision, the public will have a say. And that is how you conduct government. If you are suggesting that governments should be hamstrung only by what they have in their plans at the time of an election campaign you are essentially saying governments cannot govern, and that would not be in the—

**The Hon. ADAM SEARLE:** No, I am not saying that, Premier.

**Ms GLADYS BEREJIKLIAN:** You are. Because that would not be in the public's interest.

**The Hon. ADAM SEARLE:** I am making the point that your Government is very new and already you have breached faith with the community.

**Ms GLADYS BEREJIKLIAN:** Well, no. We have actually been up-front. We could have chosen not to announce that we are doing a scoping study.

**Mr DAVID SHOEBRIDGE:** Except that you had an SO 52 in the upper House, which forced your hand. That is why it happened.

**The Hon. ADAM SEARLE:** That is right.

**Ms GLADYS BEREJIKLIAN:** No, we would have announced it anyway, Mr Shoebridge, with all due respect.

**Mr DAVID SHOEBRIDGE:** Let's be clear: the day before that was due to be returned, Premier. All this up-front niceness is not true, is it?

**Ms GLADYS BEREJIKLIAN:** That is for you to commentate. But what I will say is I am extremely pleased with the process and I am looking forward to getting the advice back.

**The Hon. ADAM SEARLE:** How many regional jobs are potentially at risk if you did proceed to sell the softwood plantations?

**Ms GLADYS BEREJIKLIAN:** The irony is, Mr Searle, as you would know, that for every transaction the Government has completed since it came to government in 2011 it has a jobs guarantee as part of that transaction. That is the irony. Jobs are actually safer when you go through this process than when you do not. We have kept good faith and in regional New South Wales notwithstanding how deep the drought is biting—and can I tell you that is the one issue that keeps me awake at night—

*[Interruption]*

Does that mean my time has expired?

**The Hon. ADAM SEARLE:** No, it means my time has expired.

**Mr DAVID SHOEBRIDGE:** You can finish giving the answer.

**Ms GLADYS BEREJIKLIAN:** Oh, okay. Do I eat into the extra time?

**The Hon. BEN FRANKLIN:** You can take as long as you like, Premier.

**Ms GLADYS BEREJIKLIAN:** Okay. Fantastic. Thank you.

**The CHAIR:** You can finish this answer, Premier.

**Mr DAVID SHOEBRIDGE:** Within reason.

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**Ms GLADYS BEREJIKLIAN:** Yes. So notwithstanding the fact that the drought is biting heavily in our State—and if you asked me today, "What issue keeps you awake most at night?", it is the consequences of the drought—regional New South Wales is still creating more jobs than the rest of the regions in Australia. That is in no small part due to the investments we are making in infrastructure but also in our Government's preoccupation with supporting regional communities through a number of methods. I might have an opportunity to discuss that matter further during the estimates hearing.

**The Hon. ROBERT BORSAK:** Premier, welcome.

**Ms GLADYS BEREJIKLIAN:** Thank you.

**The Hon. ROBERT BORSAK:** During the election campaign you stated on numerous occasions that the Shooters, Fishers and Farmers Party was a "dangerous" party. Premier, on what basis do you make this claim, given that your predecessors have been happy to meet with us and negotiate sensible outcomes for the citizens of New South Wales in the past?

**Ms GLADYS BEREJIKLIAN:** Can I say in relation to your lower House members, Mr Borsak, I feel I have a constructive relationship with them. They represent their communities—

**The Hon. ROBERT BORSAK:** Premier, that is not answering the question.

**Ms GLADYS BEREJIKLIAN:** I have only just started.

**The Hon. ROBERT BORSAK:** You did say our party was "dangerous".

**Ms GLADYS BEREJIKLIAN:** Yes.

**The Hon. ROBERT BORSAK:** What were you meaning?

**Ms GLADYS BEREJIKLIAN:** I was meaning because you supported proposals to give 10-year-olds firearms and you—

**The Hon. ROBERT BORSAK:** No, I don't.

**Ms GLADYS BEREJIKLIAN:** You did at the time.

**The Hon. ROBERT BORSAK:** We did not.

**The Hon. BEN FRANKLIN:** Point of order—

**The Hon. ROBERT BORSAK:** We did not—and you know it.

**The Hon. BEN FRANKLIN:** I am sorry, Madam Chair, I do have to call a point of order.

**Ms GLADYS BEREJIKLIAN:** Mr Borsak, you seem like you want to answer the question rather than me.

**The CHAIR:** I will uphold the point of order. The Premier needs to answer the—

**Ms GLADYS BEREJIKLIAN:** You seem like you want to justify your position, but I am being honest.

**The Hon. ROBERT BORSAK:** I do not have to justify anything; I am asking the questions here. You have to justify your position and answer it the way you like.

**Ms GLADYS BEREJIKLIAN:** Exactly—thank you. Thank you very much. I would appreciate you keeping the tone of the questions in a respectful manner too.

**The Hon. ROBERT BORSAK:** Of course I will. I always will.

**Ms GLADYS BEREJIKLIAN:** Thank you.

**The Hon. ROBERT BORSAK:** And I would like to get answers.

**Ms GLADYS BEREJIKLIAN:** Thank you. I do not think it is acceptable to provide 10-year-olds with firearms. You may have changed your position but at the time—

**The Hon. ROBERT BORSAK:** The position has not changed, Premier, and you know it.

**Ms GLADYS BEREJIKLIAN:** No. I am happy during the course of this hearing to provide direct quotes from what your party actually put on the record if I could ask my team to get that.

**The Hon. ROBERT BORSAK:** Please do.

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**Ms GLADYS BEREJIKLIAN:** And can I also say that at certain stages of your party's existence you had also uttered—and you may have since changed your position on that issue as well—about somehow weakening the gun laws introduced by Prime Minister Howard in 1996. They are not positions I support. I do not feel that increasing the use of firearms in society is a positive move. I note that you have since broadened the scope of what your party is called, but the Shooters Party's main principles were to increase the use of firearms, to increase the use and accessibility of firearms. That is not something I support. It is not something I believe mainstream people in New South Wales support. And for those reasons I did not feel that your party—

**The Hon. ROBERT BORSAK:** So "dangerous" is the right expression?

**Ms GLADYS BEREJIKLIAN:** Well, certainly. Do you support—

**The Hon. ROBERT BORSAK:** "Dangerous" is the right expression?

**Ms GLADYS BEREJIKLIAN:** Are you denying—

**The Hon. ROBERT BORSAK:** Anyhow, I will move on.

**Ms GLADYS BEREJIKLIAN:** Right.

**The Hon. ROBERT BORSAK:** As a Centre Right conservative party, are we just too radical to work with?

**Ms GLADYS BEREJIKLIAN:** I want to stress again, Mr Borsak, that I have a very constructive relationship with your three colleagues in the lower House. They are doing the best for their electorates, and I am more than happy to—in fact, I have been asked questions by them in the Chamber and given them respectful answers because they represent communities, especially Barwon and Murray, who are most heavily impacted by the drought. It does not bother me—

**The Hon. ROBERT BORSAK:** I will get to that pretty soon.

**Ms GLADYS BEREJIKLIAN:** Yes, I am sure. But the point I want to make is I regard myself as having a very constructive relationship with your three colleagues in the lower House. They are extremely respectful to me. I would like to think I am respectful to them. Because what is important to me is making sure our Government delivers for people who need it the most. And certainly we know the drought is biting hard in Barwon and Murray, in particular.

**The Hon. ROBERT BORSAK:** It certainly is. I agree with that.

**Ms GLADYS BEREJIKLIAN:** And I will continue—

**The Hon. ROBERT BORSAK:** And I am looking forward to you doing some stuff about that, Premier.

**Ms GLADYS BEREJIKLIAN:** And I will continue to work hard with your colleagues in the lower House. In fact, as I said, I regard my relationship with them as respectful, I regard my relationship with them as more than cordial and I am always happy to respond to their representations and respond to their questions but also provide support to their communities. That remains the case. It does not bother me how people vote. If communities need support, if communities require my representations, of course I will give that notwithstanding what party they belong to.

**The Hon. ROBERT BORSAK:** Thank you, Premier, for not answering the question. Premier, why does the Coalition Government identify more with green Left than a party that represents rural farmers and communities?

**Mr DAVID SHOEBRIDGE:** Well, I am going to take a point of order there.

**Ms GLADYS BEREJIKLIAN:** Yes. I do not want anything to do with him and he does not want anything to do with me.

**Mr DAVID SHOEBRIDGE:** It is totally untrue.

**Ms GLADYS BEREJIKLIAN:** Mr Shoebridge, we agree on that point.

**The Hon. NATALIE WARD:** How is this to do with the budget? How is it a budget estimates question?

**The Hon. ROBERT BORSAK:** This has everything to do with the budget. Just follow the questioning.

**Ms GLADYS BEREJIKLIAN:** I do not understand the nature of your question. Could you please provide a more specific question because that is just a throwaway statement? I think one thing that Mr Shoebridge and I—

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**The Hon. ROBERT BORSAK:** Well, Premier, you did a deal with Alex Greenwich. He is green and Left, isn't he?

**Mr DAVID SHOEBRIDGE:** He is not green.

**Ms GLADYS BEREJIKLIAN:** Can I mention a few things. Your line of questioning is based on untruths. There is no formal arrangement with anybody in the Parliament apart from, of course, our strong Coalition in government. Anything else that you are suggesting is based on nothing but conjecture. If you have a specific direct question on any of my Government's policies—

**The Hon. ROBERT BORSAK:** I will get to it, Premier.

**Ms GLADYS BEREJIKLIAN:** Fantastic. Great.

**The Hon. ROBERT BORSAK:** Thank you. Premier. There is a protest—

**Ms GLADYS BEREJIKLIAN:** And it would be great if you actually asked me a question about the budget.

**The Hon. ROBERT BORSAK:** Thank you, Premier. Now we will talk about water and dams.

**Ms GLADYS BEREJIKLIAN:** Great.

**The Hon. ROBERT BORSAK:** Premier, there is a protest rally down in Tocumwal today against the Murray-Darling Basin Plan, calling for a halt to the plan—an event I would have attended today if I was not here at these hearings. The Shooters, Fishers and Farmers Party has been calling for and campaigned on a suspension of the plan and a full, independent and proper review of its effects on farmers and rural communities. Does your Government support a New South Wales royal commission into the Murray-Darling Basin Plan?

**Ms GLADYS BEREJIKLIAN:** This was a subject of the last Council of Australian Governments meeting we had in Cairns. The point I made—which was accepted by, in particular, South Australia—was that each State had to pull its weight in relation to the plan. I conveyed to my colleagues, the Prime Minister and the other States the dire consequences of the drought that was felt in New South Wales. There is no doubt that the underlying principles of the plan are solid. However, we do need to consider drought-impacted communities and what it means for them. I was very pleased at that COAG meeting, after providing representations on behalf of New South Wales, to sign an agreement to accelerate infrastructure which has positive impacts within the Murray-Darling Basin Plan and allows a number of those projects as part of that plan to come forward. This will not only support water storage capacity, but also support jobs in the immediate time frame.

Please know that the concerns shared by you and your members are shared by us in terms of the effect of the plan as it relates to the drought. Of course, we are always reviewing information that comes from the plan. We are reviewing information that is subject to the consequences of the plan. I have had the opportunity on a number of occasions to visit—

**The Hon. ROBERT BORSAK:** Thank you, Premier. I will take that as a no.

**The Hon. NATALIE WARD:** Wow.

**The Hon. ROBERT BORSAK:** The question was simple. Premier, we have a water crisis on our hands. How is it that your Government has allowed a situation where many of our farmers along the Murray-Darling and Barwon rivers are on 0 per cent water allocation while farming communities in South Australia have up to 100 per cent allocation?

**Ms GLADYS BEREJIKLIAN:** The point I made at COAG—which was accepted by all of our colleagues including South Australia—was that each State has to pull its weight in relation to the plan. Certainly New South Wales is pulling its weight in more than enough ways. The South Australian Premier gave me assurances that they were similarly going to ramp up their obligations according to the plan. But can I also say, Mr Borsak—

**The Hon. ROBERT BORSAK:** Premier, can you tell me what those obligations are under the plan for South Australia, if they are on 100 per cent allocation?

**Ms GLADYS BEREJIKLIAN:** Certainly. For example, South Australia has opportunities, I believe, to accelerate the use of its desal plant and other mechanisms. We have encouraged that State to do that so that its reliance on water is reduced. Mr Borsak, I also make this point: Were it not for the water infrastructure investment we have made in the past three years, a lot of towns now on level five and six water restrictions would not have had any water supply whatsoever. I just want to reiterate a very stark visit I took to Walgett and Coonabarabran last year, country towns on level five and level six water restrictions. I think at the time Coonabarabran was on

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level five. Had it not been for the 11 bores that we had built in the last 18 months prior to that time, that town would have had virtually no water today. Similarly, I remember at the time how much criticism we faced for building the Broken Hill pipeline, which gets water from the Murray to Broken Hill—a town of tens of thousands of people.

We got so much criticism at the time. I remember I was Treasurer when we signed the deal for that project. It was a big decision; it was a half a billion dollar investment. But now, looking back on that time, it was an investment well worth it. We have an abundance of funds we are investing in water infrastructure projects across the State, but I also do not want to let the opportunity go by to suggest that we have actually already invested a substantial amount into local infrastructure. Some communities have written to me and my ministerial colleagues about other things they would like to see in their local area and we are certainly responding to that.

I certainly want to ensure that the public appreciates that at every opportunity those investment decisions we took in the past are now bearing some fruit for our farming communities and towns—because the impacts of the drought are much beyond the farm gate now. We know that some towns which never, ever had to rely on bore water before now are having to rely on different sources of water. We appreciate the challenges that brings to the communities—especially ones like Walgett—which were on level six restrictions. I am happy to give further detail on those projects and the emphasis that we place on supporting water infrastructure across the State.

**Mr DAVID SHOEBRIDGE:** Premier, you understand and believe in the science behind climate change, is that right?

**Ms GLADYS BEREJIKLIAN:** My Government has a Climate Change Fund so it would be a bit weird if we did not believe in climate change, yes.

**Mr DAVID SHOEBRIDGE:** I am asking you, Premier.

**Ms GLADYS BEREJIKLIAN:** Well, yes. I am a Premier of—

**Mr DAVID SHOEBRIDGE:** There are a lot of climate sceptics in your party who you have to stare down, who do not believe in climate change, so I am asking you if you believe in climate change.

**Ms GLADYS BEREJIKLIAN:** The short answer is yes. We have a Climate Change Fund which obviously a number of Ministers have input into. I also want to stress that the Treasurer and I took a very strong interest in this fund a couple of years ago to make sure that it was actually going towards projects and programs that reduce emissions and that actually get a return to the taxpayer—it is a substantial amount of money. It is a \$1.4 billion Climate Change Fund. I am proud of our record on that and other matters because we have a very practical approach to dealing with these matters and I believe our record speaks for itself. If you would like me to comment more specifically on any part of that—

**Mr DAVID SHOEBRIDGE:** I would. Premier, you say you have a proud record, but State greenhouse gas emissions have gone up every year under your Government. At best, you have an aspirational goal for net zero emissions by 2050. What does an "aspirational goal" mean, and why isn't it a concrete and real goal?

**Ms GLADYS BEREJIKLIAN:** Obviously we do have the net zero emissions policy by 2050. The Minister for Energy and Environment has been tasked with ensuring that we have specific plans to get to that target.

**Mr DAVID SHOEBRIDGE:** But what does "aspirational" mean? Does that mean you can miss it?

**Ms GLADYS BEREJIKLIAN:** I am happy for you to delete the word "aspirational". That is our target and it is right in line with the Paris Agreement.

**Mr DAVID SHOEBRIDGE:** It is not my policy. Right at the top of it, it says, "Aspirational Objectives." It is yours. Do you now wish you had deleted "aspirational", and it is an actual objective?

**Ms GLADYS BEREJIKLIAN:** No, I am happy to call it aspirational, and I will give you other examples, Mr Shoebridge. We have a number of Premier's Priorities with set targets. If you always set yourself a target that is easy to reach, that is not really setting a target. So we make sure that we always—

**Mr DAVID SHOEBRIDGE:** But if you set an aspirational target, it is not a target either, is it? It is just a general amorphous goal that you are not bound to.

**Ms GLADYS BEREJIKLIAN:** You can call it whatever you like, but our policy is there.

**Mr DAVID SHOEBRIDGE:** I will call it aspirational.

**Ms GLADYS BEREJIKLIAN:** That is fine. You can call it what you like.

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**Mr DAVID SHOEBRIDGE:** So why not call it an actual goal?

**Ms GLADYS BEREJIKLIAN:** I am very pleased with what we have in place to deal with issues concerning the environment. That is where you and I will always disagree and I am happy to disagree with you.

**Mr DAVID SHOEBRIDGE:** All right. What is your goal not for 31 years' time in the future? What is your goal for carbon emissions 10 years into the future? Do you have a goal?

**Ms GLADYS BEREJIKLIAN:** Reiterating the point I made earlier the environment Minister, Minister Kean, has now been tasked with giving our State interim targets to reach. We have our target of 2050, but we also now have a process in place to identify interim targets, for want of a better word, to make sure we reach that. I will also stress some of the things that we are doing. Through the Climate Change Fund we are supporting small businesses to acquire or procure equipment which has fewer emissions than they currently use, we support households in procuring necessary household products with lower emissions and we support communities that want to generate their own power and contribute to the grid. These are all things which reduce emissions.

We also have offsets. Did you know, for example, that the Sydney Metro Northwest had to offset its carbon emissions? I think we supported a program somewhere in regional New South Wales to offset that. You can say what you like. We will just have to agree to disagree. I believe our policies are sound; you do not. That is fine.

**Mr DAVID SHOEBRIDGE:** Premier, in an \$84 billion budget there was less than \$200 million specifically targeted to address climate change. That is treating a crisis as though it is a minor inconvenience. You are not investing and you do not have goals. How do you explain such a tiny expenditure on climate change?

**Ms GLADYS BEREJIKLIAN:** How did you get that \$200 million?

**Mr DAVID SHOEBRIDGE:** That is combining the various energy efficiencies and other climate change initiatives that you announced in your budget.

**Ms GLADYS BEREJIKLIAN:** No, budget announcements are on top of base funding. If you actually look at what we are spending in relation to energy efficiency, to supporting communities, to supporting households, to supporting the Climate Change Fund, it is well in excess of the figure you provide.

**Mr DAVID SHOEBRIDGE:** Why don't you give me the figure, Premier?

**Ms GLADYS BEREJIKLIAN:** Certainly. I can tell you in relation to the environment—

**Mr DAVID SHOEBRIDGE:** No, I am talking about climate change.

**Ms GLADYS BEREJIKLIAN:** I have already told you that our Climate Change Fund is \$1.4 billion.

**Mr DAVID SHOEBRIDGE:** Yes, which you do not spend in a year. You spend that over a decade.

**Ms GLADYS BEREJIKLIAN:** No, we spend that over the forward estimates. The \$1.4 billion, if I am not mistaken, is over a four-year period. In fact, we certainly have a number of initiatives also including our Return and Earn scheme, our Waste Less, Recycle More program, our biodiversity programs, our Koala Strategy, our—

**Mr DAVID SHOEBRIDGE:** But I asked you about climate change.

**Ms GLADYS BEREJIKLIAN:** But don't you think all these things support reducing emissions and supporting the environment and climate change initiatives?

**Mr DAVID SHOEBRIDGE:** Premier, you do not have a target for the next 10 years. You do not have a target for the next 20 years. You are spending a fraction of the budget on climate change and it is an urgent crisis. Your Government is failing in leadership on this, is it not?

**Ms GLADYS BEREJIKLIAN:** I am happy to disagree with you on that point. Let it be noted by Mr Borsak that The Greens and the Liberal-Nationals Government disagree. Let it be noted and highlighted.

**Mr DAVID SHOEBRIDGE:** I am sure you would love to cosy up to the Shooters on climate change, Premier, but I doubt that plays well on mainstream New South Wales.

**The Hon. ROBERT BORSAK:** Point of order: The Premier has never cosied up to our party.

**Ms GLADYS BEREJIKLIAN:** I endorse that.

**Mr DAVID SHOEBRIDGE:** Do you accept that there is a climate change crisis coming for New South Wales—that if we do not address global emissions and New South Wales does not do its part mean temperatures across New South Wales are likely to rise by three degrees or more by 2060-2079?

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**Ms GLADYS BEREJIKLIAN:** Firstly, I acknowledge it is an issue, I acknowledge it is—

**Mr DAVID SHOEBRIDGE:** An issue?

**Ms GLADYS BEREJIKLIAN:** —an important issue.

**The Hon. NATALIE WARD:** Let her answer, Mr Shoebridge.

**Ms GLADYS BEREJIKLIAN:** I acknowledge it is an issue, it is an important issue. We will both disagree on words used around that issue. You use the word "crisis". I do not use that word because I believe New South Wales has very balanced and appropriate policies regarding managing challenges of climate change. I also believe we have very good policies regarding sustainability. It is no surprise that we are the State where the largest renewable projects are actually being invested in. We have billions of dollars of renewable projects in the pipeline because industry is choosing to invest in New South Wales. I am very pleased with the progress we are making because it is balanced.

Your party does not agree with that, which is fine. That is your position. My responsibility as the Leader of the Government is to make sure that it has a balanced approach which maintains and addresses the challenges of climate change, ensures it keeps downward pressure on households when it comes to sourcing and providing energy, but also that it maintains its resilience as a State that has a balanced approach to these issues.

**Mr DAVID SHOEBRIDGE:** Premier, whether it is your lockout policy or aggressive policing, it is no fun being young in New South Wales under your leadership, is it?

**The Hon. ROBERT BORSAK:** No fun being old either.

**Ms GLADYS BEREJIKLIAN:** We have lots of activities. Have you not read our booklets? We have lots of things we can provide you.

**Mr DAVID SHOEBRIDGE:** It is kind of no fun in New South Wales generally because you are the leader of the fun police, aren't you?

**Ms GLADYS BEREJIKLIAN:** I would argue if you asked tourists or people in New South Wales where they want to spend most of their time I suspect it is in New South Wales. But if you want to ask me any specific questions on lockout policies or anything else I would be pleased to address them. You are making a general statement to paint the Government up in a particular way, which I disagree with. But I am pleased to answer any specific questions you might have on any of those policies.

**Mr DAVID SHOEBRIDGE:** Your police Minister and the police commissioner think that it is perfectly fine that strip searches under your Government have increased fivefold in a decade. Do you think it is fine that strip searches have increased fivefold under your Government's leadership in the last decade?

**Ms GLADYS BEREJIKLIAN:** I listened to the commentary regarding the responses to these matters given by the police Minister and the police commissioner. Can I say up-front, I have absolute confidence that the police commissioner's oversight of this issue is in the public's interest and is in accordance with what is accepted policy. One of the most difficult challenges any government faces is where do you draw the line in ensuring public safety. There will always be debate around that issue. It is always an issue about where does someone's individual rights stop and where does the community safety issue start. That is always going to be an issue of contention.

I believe my Government has the right balance in those matters. I believe the police commissioner is doing an outstanding job in these matters. I say to anybody, if you have a personal experience or a personal case study you want to share, not anonymous ones but ones where people want to come forward and speak to senior officers of the NSW Police Force or anybody else, that should occur. Because if there are ever opportunities in this or any other matter to improve practices or to consider policy obviously, I am sure, the relevant authorities are open to it. But if you asked me—

**Mr DAVID SHOEBRIDGE:** Premier, what do you say to Crystal Smithers? You asked about individual cases. What do you say to Crystal Smithers, a 21-year-old woman from New South Wales who has been stripsearched six times at festivals? She says:

I was made to take my clothes off completely, squat and told I'd have to take my tampon out if they believed I have concealed something inside me.

What do you say to her, who had no drugs found upon her? You asked for a case; there is one.

**Ms GLADYS BEREJIKLIAN:** I am sorry that I do not know the individual circumstances to that case but I would assume and I hope that she has raised those matters with the police and I would expect—

**Mr DAVID SHOEBRIDGE:** She goes back to the people who stripsearched her? What do you say?

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**Ms GLADYS BEREJIKLIAN:** I would say if she has not already put her case forward to the police to investigate that matter I hope that she would.

**Mr DAVID SHOEBRIDGE:** Will you take it on personally?

**The CHAIR:** It is the Opposition's time now for questions.

**The Hon. ADAM SEARLE:** Premier, do you stand by your Government's target of cutting 2,000 to 3,000 public sector jobs in the light of the economic information on the front page of the paper today?

**Ms GLADYS BEREJIKLIAN:** Are you referring to machinery of government changes? What are you referring to?

**The Hon. ADAM SEARLE:** On 18 June the Treasurer said, "We are looking to the tune of 2,000 to 3,000 cuts." He is talking about job cuts there. He is referring to them as "efficiencies", but they are people with families, currently with jobs. Is it still your Government's policy to cut those positions, particularly in the light of the economic slowdown reported in today's media?

**Ms GLADYS BEREJIKLIAN:** I will just put into context, Mr Searle, that New South Wales has the nation's lowest unemployment rate at 4.4 per cent. We have the nation's largest jobs growth rate. In fact, our Government's infrastructure program has meant its jobs growth and unemployment figures have never been so strong since records started being kept. Our infrastructure program is creating literally tens of thousands of jobs in the non-government sector. The size of the public service is in excess of 400,000 people in New South Wales. I would suggest the attrition rates would far exceed the 2,000 or 3,000 that you are speaking of. I will actually ask the Secretary to speak on that matter as well.

**Mr REARDON:** Thanks, Premier. As we discussed last week, Mr Searle, the turnover rate in the New South Wales public service of 400,000 people is around 8 per cent to 10 per cent across the board, so there is always churn in our system. As the Premier just mentioned, the attrition rate within the public service will always add some contribution to expenses and expense savings. The public service in New South Wales has been subject to expense savings and expense savings growth since 2011-12 and onwards.

**The Hon. ADAM SEARLE:** But it is now 3 per cent. That is much higher than it has been.

**Mr REARDON:** Sorry, could you repeat your question?

**The Hon. ADAM SEARLE:** The efficiencies which are required are in the order of 3 per cent, aren't they?

**Mr REARDON:** I am happy to go back and look at all of the efficiencies but we have had efficiency savings requirements over the years and we have always responded to the Government's requirements in a disciplined way in implementing those savings and we are doing no different now. The Government has put in election commitments for us to make savings. On 18 June it put out more in the New South Wales budget when it was announced about further savings across senior service, consultants, contractors and some other areas. We are just getting on with implementing that now. In terms of the scale of that, I will only repeat what the Premier said: The churn rate is about 8 per cent to 10 per cent in the New South Wales public service, over about 400,000 people.

There is a free movement of people moving in from the private sector to the public sector, from the public sector to the private sector, and we welcome that. The richness in the public service now, skills and capability wise—particularly in terms of the infrastructure pipeline and a couple of the projects that we responded to previously—is far different than it was eight or nine years ago. It is a very capable public service now and we do see a lot more permeability between the private and public sectors than we probably ever have before.

**The Hon. ADAM SEARLE:** But whether it is through what you call "churn" or whether it is through cuts—for example, recently proposed by Essential Energy—that is still taking local jobs out of local economies. That is local pay packets that prop up local businesses. However you achieve those reductions, that is still going to have an effect, isn't it?

**Ms GLADYS BEREJIKLIAN:** Mr Searle, can I also say that that is one of the Government's policies in relation to the public service but another one of the Government's policies, which is why the surplus in this year's budget was not as large as previous years, was because it has committed to literally thousands and thousands of extra frontline services—so 5,000 extra teachers, around 5,000 extra nurses, midwives and other health professionals, 1,500 extra police officers and 750 extra paramedics. If you are actually looking at the overall numbers of the public service, they will grow over the next four years but they will grow in frontline services in communities where the community needs them. It is no secret that the number of schools and hospitals we are building requires extra teachers, nurses and midwives, which is exactly what we are doing.

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The community wants to see a greater frontline presence from the people who serve them, the public service. I want to take this opportunity to thank the public service, in particular our frontline workers who face the communities every day. But the whole aim of managing a good budget, a good public service, is to reduce activity that is not direct with the public where possible so that we can increase by a much greater magnitude, which is what we are doing. If you look at the number of public servants that we are employing—again, nurses, teachers, midwives, police officers and paramedics—that far exceeds the number to which you refer to.

In fact, we have costed those extra frontline positions in the budget. As I said, the main reason for that is that we costed those in the forward estimates. We are proud of that. We are a government that increases our frontline public service. Whether it is having to have extra bus drivers because we have increased bus services or extra train drivers because we have increased train services, over the next four years and beyond you will notice a huge increase in the number of frontline public servants because of the great work we are doing. You do need to make sure you are disciplined in the back office. You do need to make sure where the public needs positions to be and, frankly, that is on the front line. It is in our hospitals, it is in our classrooms, it is in our police stations, on the beat, and it is in ambulances with paramedics. We look forward to the opportunity to deliver on our election commitments when it comes to frontline services. I want to thank everybody in the public service.

As my two colleagues sitting on either side of me know, we take great pride in having the best public service in the nation. In fact, I commend the senior public servants with me and their colleagues because we take a lot of time and energy to ensure not only that our public servants are providing great service to the community but also that those workers are feeling empowered to do their jobs well. I commend the Public Service Commissioner, Emma Hogan, who works closely with my secretary, Tim Reardon, to deliver the Government's objectives. One of my Premier's Priorities is to ensure that we have a world-class public service and to ensure that we have greater diversity in our public service. It is something that we take so seriously that it is a Premier's priority. We will continue to do that. I am happy for you to continue your scare campaigns and whatever else but—

**The Hon. ADAM SEARLE:** Just on that, you were talking about—

**Ms GLADYS BEREJIKLIAN:** Your scare campaign.

**The Hon. ADAM SEARLE:** No, you were talking about increasing frontline services. You mentioned your election commitments on nurses and teachers. Your commitment was for 5,000 extra nurses and midwives. According to the Parliamentary Budget Office [PBO] costing, that is a lie. It is only 893 extra nurses and 48 extra midwives. The 5,000 figure you proposed is mostly delivered through existing recruitment already proposed in the budget. So when you said, "5,000 nurses and midwives", that was a lie to the community. It was less than 1,000. That is the case, is it not? Those are the PBO figures, based on your election promise.

**Ms GLADYS BEREJIKLIAN:** No. If you are asking me how many extra nurses will be in the system at the end of the next four years there will be 5,000 extra nurses.

**The Hon. ADAM SEARLE:** But it is not a new 5,000 increase over what was already proposed. Premier, you are fencing with words and you are misleading the community.

**Ms GLADYS BEREJIKLIAN:** Then why did your party back in my announcement within an hour?

**The Hon. ADAM SEARLE:** Because we were proposing a much greater investment in nurses.

**Ms GLADYS BEREJIKLIAN:** I remember the day. We were at Nepean Hospital announcing progress on the investment we had made there. I was surrounded by nurses and midwives who were ecstatic about our policy. And within an hour of it you supported it.

**The Hon. ADAM SEARLE:** Premier, I am asking the questions.

**The Hon. BEN FRANKLIN:** The Premier is answering the question.

**The Hon. ADAM SEARLE:** She is not; she is fencing with the question.

**The Hon. NATALIE WARD:** That is wrong. Let her answer.

**Ms GLADYS BEREJIKLIAN:** It could have been within two hours—I stand corrected on the time frame. But on the same day your party came out backing in our position, saying, "We support the Government's position about this." And why wouldn't you?

**The Hon. ADAM SEARLE:** Because we were proposing an extra investment.

**Ms GLADYS BEREJIKLIAN:** No.

**The Hon. ADAM SEARLE:** You were not proposing an extra investment.

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**Ms GLADYS BEREJIKLIAN:** But if you are asking what we have accounted for in our budget in terms of how many extra nurses, we have accounted for employing an additional 5,000. That is a fact.

**The Hon. ADAM SEARLE:** It is misleading.

**Ms GLADYS BEREJIKLIAN:** You can call it what you like. It is a fact.

**The Hon. ADAM SEARLE:** It is less than 1,000 extra positions over what was already budgeted for at the time you made your commitment. That is the case, is it not?

**Ms GLADYS BEREJIKLIAN:** No, the case is—

**The Hon. ADAM SEARLE:** Can you give a straight answer, Premier?

**Ms GLADYS BEREJIKLIAN:** No, if the public asks me, "Premier, how many extra nurses will come online in our hospital system in the next four years", with my hand on my heart I will say, "You are getting an extra 5,000 nurses and midwives over the next four years." That is a fact. That is what is in the budget papers.

**The Hon. ADAM SEARLE:** We will move on to your commitment for an extra 4,600 teachers for New South Wales. The PBO costed that promise as nil because you were not promising a single teacher more than was already budgeted for. That was also misleading.

**Ms GLADYS BEREJIKLIAN:** Shock, horror—the Government has budgeted for 4,600 extra teachers.

**The Hon. ADAM SEARLE:** Before the election you were trying to give the impression that your Government was making an additional investment in public service over and above what the community was already going to get. You were lying to the community, were you not?

**Ms GLADYS BEREJIKLIAN:** Absolutely not. And, again—

**The Hon. ADAM SEARLE:** Why did the PBO cost that promise as having zero budget? It was because it was an illusionary promise, was it not?

**Ms GLADYS BEREJIKLIAN:** That is a matter for the PBO.

**The Hon. ADAM SEARLE:** Are you saying that the PBO got the costing wrong?

**Ms GLADYS BEREJIKLIAN:** No, what I am saying is that if the public asks any one of my colleagues or me how many extra teachers are going to be in the system over the next years, we will say, "4,600 and they are budgeted for." There is nothing wrong with highlighting to the community how many extra teachers are coming into the system over the next four years. I remind you that you actually closed down schools and reduced the contribution in education. Frankly, what you provided in education infrastructure was an embarrassment.

**The Hon. ADAM SEARLE:** Premier, if you are going back more than nine budgets and three—

**Ms GLADYS BEREJIKLIAN:** I know you are very embarrassed about your record.

**The Hon. ADAM SEARLE:** Premier, that is a desperate measure from a Premier who has just been re-elected.

**Mr DAVID SHOEBRIDGE:** It is about the current budget.

**Ms GLADYS BEREJIKLIAN:** Yes, sure. I am happy to answer questions but—

**The Hon. ADAM SEARLE:** I am asking about proposed expenditure.

**Ms GLADYS BEREJIKLIAN:** Just to confirm, the budget and the forward estimates have accounted for 4,600 extra teachers, 5,000 extra nurses and midwives, 1,500 extra police officers and 750 extra paramedics. I cannot remember off the top of my head the number of extra frontline transport workers. These are all numbers that are real. They are in the budget papers. We have already put them in the forwards. The public knows with confidence that, yes, these positions are fully funded.

**The Hon. ADAM SEARLE:** But Premier, you are giving a misleading impression. Before the election you were suggesting that the community was getting something more, which is just not the case.

**Ms GLADYS BEREJIKLIAN:** They are. The community is getting—I cannot be more clear than this—and receiving an extra 5,000 nurses and midwives over the next four years, less the couple of months since 1 July. They are receiving an extra 4,600 teachers, which are much needed, given that we are building 190 new schools and upgrading 190 new schools. Given that we are building and upgrading over 100 new hospitals, that is why we need more nurses and midwives, in addition to increasing resources for our existing hospitals. And we are providing 1,500 extra police officers in the forward estimates. We are providing 750 extra paramedics. In fact,

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the head of the union stood next to us when the Minister for Health and Medical Research and I made that announcement, which was unprecedented. I am incredibly proud of the fact that, because of our strong fiscal management, we have reduced our back-office cost and we are multiplying the frontline services to our community.

I also want to add a comment about the significant contribution we are making to frontline services such as Service NSW. I want to put on the record that that organisation has been supporting our citizens. We are investing heavily in Service NSW frontline workers, who are providing over 70 programs to support cost-of-living initiatives for our citizens. You can commentate all you like, but I am incredibly proud of the frontline services we are improving and increasing. We know that it is not the bricks and mortar of the hospital or school classroom that matters; it is what happens inside those buildings.

Of course, the work environment makes a difference to staff and to citizens using those services. But we also appreciate that you need motivated and enthusiastic staff who are proud to work in the New South Wales public health or education system. We take that seriously. I am incredibly proud of those initiatives and I am incredibly proud of the dollars we put away. In fact, we have made a concerted decision to support our frontline workers, in particular, and to increase their presence. I will always be up-front about that.

**The Hon. PETER PRIMROSE:** Premier, I would like to ask you a couple of questions relating to the issues around additional and extra staff. I would like to go to the PBO election policy costing for your policy Y072, Help Mature Aged Workers Get Back into the Workforce. I note that this proposal relates to 30,000 free TAFE qualifications for mature age workers who have been made unemployed. Can you tell me how many more people you are hoping will take up a TAFE course based on this free qualification scheme?

**Ms GLADYS BEREJIKLIAN:** I am pleased with all those announcements we have made because learning should be a lifelong journey. What we are seeing in the digital age is that it is not just young people who are seeking new opportunities to reskill or upskill, but also people of all ages. In fact, the Ministers responsible, especially the Minister for Skills and Tertiary Education, have it as one of their targets to support lifelong learning, and not only for young people. In addition to the policy we announced, we also have, as you know, 100,000 free apprenticeship courses. One of my proudest days in relation to apprenticeships was when I met some workers on the north-west—

**The Hon. PETER PRIMROSE:** Thank you, Premier.

**Ms GLADYS BEREJIKLIAN:** I just want to give the example. She was in her 40s.

**The Hon. PETER PRIMROSE:** But I would like you, if you would—

**Ms GLADYS BEREJIKLIAN:** No, I just want to give the example.

**The Hon. PETER PRIMROSE:** Would you give me an answer to my question? I am running out of time for this question.

**Ms GLADYS BEREJIKLIAN:** Certainly. I just want to give the example that she was in her 40s and was learning to be an electrician in her 40s and working on the metro project. So they are the examples that I love. In relation to what the take-up has been of that specific opportunity, I will take that on notice because I am not sure of the figures.

**Mr REARDON:** I would take it on notice.

**Ms GLADYS BEREJIKLIAN:** We can either get you the answer during the course of these hearings; but I could not tell you exactly what the take-up rate has been.

**The Hon. PETER PRIMROSE:** I appreciate that, because if you go on and look at the PBO's election costing of your policy, it says:

The program does not increase demand for enrolments under the Smart and Skilled/Targeted Priorities caps (and have implications for funding availability). As the policy is targeted to a relatively small cohort of mature aged, unemployed individuals, the PBO consider this assumption to be reasonable.

So we have got an extra—or another—30,000 free qualifications, and yet the PBO confirms not a single increase in demand. I do not know how that works.

**Ms GLADYS BEREJIKLIAN:** I will have to take that on board, but I would suggest this: If you are a government that is serious about lifelong learning, are you suggesting we should not be supporting programs for more mature people to get back into the workforce?

**The Hon. ADAM SEARLE:** I think he is suggesting it is an illusory promise, Premier.

**UNCORRECTED**

**Ms GLADYS BEREJIKLIAN:** I think what he is suggesting is he is questioning—because if the PBO makes a question about demand, that is its prerogative. What I would say is, with an ageing population, even though—and I make this point very clearly—we have the lowest unemployment in the nation and we have the highest jobs growth, I know that many people are worried about job security.

**The Hon. PETER PRIMROSE:** Premier, I am suggesting that this is a mirage. I am offering you the opportunity to explain what is the use of a policy to increase training in schools when, according to the Parliamentary Budget Office, not one single extra person will take up training based on your policy. Please explain to me.

**Ms GLADYS BEREJIKLIAN:** Certainly. I do not believe that to be the case, but I do not understand why the Labor Party would criticise us for potentially having 30,000 people take up—

**The Hon. PETER PRIMROSE:** Premier, it is not a criticism.

**Ms GLADYS BEREJIKLIAN:** No, it is.

**The Hon. PETER PRIMROSE:** It is a question. I am giving you the opportunity to answer it.

**Ms GLADYS BEREJIKLIAN:** Thank you. I will answer it by saying that I am more than happy to take that on notice, but I would find it extremely disappointing if, for example, a body like the PBO, whose primary focus is to cost promises, says there is no demand for something. We can choose not to take that advice. What we say to all of our citizens is it does not matter how old you are, if you want to study at TAFE and reskill yourself and have the chance to get back into the workforce, nothing makes me feel happier—

**The Hon. PETER PRIMROSE:** That is a total misrepresentation of what the PBO has said.

**Ms GLADYS BEREJIKLIAN:** It is exactly what you are asking.

**The Hon. PETER PRIMROSE:** They are saying you have 100,000 free TAFE and vocational education and training qualifications that you are giving out and yet, on the assumptions that your party gave, not a single extra person will take up a course based on the assumptions you have given to the PBO. They are your assumptions.

**The Hon. NATALIE WARD:** How is this a budget question? How is this anything to do with budget estimates?

**The Hon. PETER PRIMROSE:** It is the Parliamentary Budget Office.

**The CHAIR:** The question is fine. Please let the Premier answer it.

**Ms GLADYS BEREJIKLIAN:** Can I just make sure Hansard records this—

**Mr DAVID SHOEBRIDGE:** They record everything.

**Ms GLADYS BEREJIKLIAN:** —that the Labor Party is not comfortable with the fact that we are providing 30,000 opportunities for older people to reskill—

**The Hon. ROBERT BORSAK:** Premier, I am sure Hansard can hear you.

**Ms GLADYS BEREJIKLIAN:** No, I am just making the point.

**The Hon. ROBERT BORSAK:** You are just taking up time.

**Mr DAVID SHOEBRIDGE:** They are the most professional team in the room.

**Ms GLADYS BEREJIKLIAN:** And I respect them deeply, but I am just making the point that the question you are asking seems to be skewed in its motivation.

**The Hon. PETER PRIMROSE:** Can Hansard also record that you are unable to answer the question? Mr Reardon has not been able to answer the question.

**Ms GLADYS BEREJIKLIAN:** I will ask him to answer the question.

**The Hon. PETER PRIMROSE:** None of the bureaucrats have been able to answer the question. Your way of answering it is to attack me for asking you a question and giving you an opportunity to respond.

**Ms GLADYS BEREJIKLIAN:** Mr Primrose, as you might note, very early on in my answer I said I was happy to take it on notice because I did not know what the take-up rate was of that program. But I am certainly questioning why—just because somebody says there is no demand for something does not mean governments should not open opportunities for older people to reskill.

**UNCORRECTED**

**The Hon. PETER PRIMROSE:** It is your assumptions that are incorrect, are they not?

**Ms GLADYS BEREJIKLIAN:** No, my assumption is that there is a demand for older people to want to have access to free courses so they can improve their skills. Nothing makes me feel happier than when I go to a Service NSW centre and meet people in their 60s who have retrained, got back into the marketplace and are helping fellow citizens provide public services.

**The Hon. PETER PRIMROSE:** You are the Premier who has just advised us that "extra" does not mean "additional".

**Ms GLADYS BEREJIKLIAN:** I do not even understand what you are saying, but I will pass it on to Mr Reardon.

**The Hon. PETER PRIMROSE:** Let's go back to the nurses.

**Ms GLADYS BEREJIKLIAN:** I will pass it on to my secretary to answer that question.

**Mr REARDON:** In terms of the take-up rate, we said we would take that on notice. But in terms of more broadly during the election campaign, we are duty-bound to provide everything to the Parliamentary Budget Office. I believe we have done that on all election policies for both the Government and the Opposition. My colleague the Treasury secretary provided a fairly extensive answer on these matters last Thursday at budget estimates.

**The Hon. ROBERT BORSAK:** Premier, I want to raise the two commercial agreements—and I know we have talked a bit about this in the Labor Party questioning already—your Government had with Lendlease in relation to the Art Gallery and the Sydney Football Stadium redevelopment. Is it correct to say that there was a normal tender process for the redevelopment of the Art Gallery and that Lendlease tendered for the redevelopment of the Art Gallery?

**Ms GLADYS BEREJIKLIAN:** I will repeat what I said previously, just to give you complete comfort in relation to how the Government has dealt with this matter. We believed there was not sufficient heat in the market at that time. We had a prerogative to go back to the market, and we did. Lendlease was originally in the initial discussions; it then chose to rebid. It was one of four bidders who put in a new bid for the Art Gallery. There was a very competitive process. Having four bids is pretty good in these times; obviously depth had increased in the market. The Government evaluated those four bids and there was a successful tenderer announced on Sunday. I believe a great outcome was achieved for taxpayers and for citizens, and also for the gallery and the future of the State's cultural heritage, for that matter. I will again refer to Mr Draper if there is anything additional he wants to add to what I have already said.

**Mr DRAPER:** The Art Gallery has been through two rounds for tenders. The first tender was assessed during the early months of this year. We went back to the market. We got four very active bidders in that process.

**The Hon. ROBERT BORSAK:** Who was in the first round of tenderers?

**Mr DRAPER:** The first round of tenderers included Lendlease, Built Obayashi Joint Venture and Probuild. So there were three tenderers in the first round.

**The Hon. ROBERT BORSAK:** Is it true to say that at least the Lendlease tender was too expensive and beyond the budget allocated by your Government?

**Mr DRAPER:** Lendlease submitted a tender. I think it is very clear that the fact that we went back to the market suggests that we were not happy with or were not willing to accept the price that was proposed by Lendlease in that round. The tender evaluation process for that round never actually finished. We never completed a tender evaluation.

**The Hon. ROBERT BORSAK:** Because the tenders that came in were too high and outside the envelope of what you wanted?

**Mr DRAPER:** That is quite right. As the Premier said earlier, it would be contrary to the public interest for us to take forward tenders that are not consistent with our assessment of the market cost of developing those assets.

**The Hon. ROBERT BORSAK:** That is fine.

**Mr DRAPER:** So we took a decision at the steering committee for that project to propose to the Government that we go back to the market and retender. We had four tenderers in the process, including Lendlease. They were all very capable builders. We were happy with the tenders from all of those builders. We would have been happy with, really, any of them but the Government announced last weekend that we have

**UNCORRECTED**

selected Richard Crookes Constructions. It has submitted a very competitive tender. It is a very reputable builder. We are already working with it on the Walsh Bay redevelopment and we are looking forward to starting work.

**The Hon. ROBERT BORSAK:** So you went back to the drawing board and came up with a better concept that perhaps was lower in cost?

**Ms GLADYS BEREJIKLIAN:** No, the scope has not changed. Can I be clear, Mr Borsak: The scope has not changed at all. What we got was a better price. As you know, the design was subject to a world competition, from memory, so we had people locally and internationally design what Sydney Modern would look like. The scope was pretty well defined and that has not changed at all. We simply got a better price.

**The Hon. ROBERT BORSAK:** You would agree that this was a normal tender and contract process that you went through—first and second times?

**Mr DRAPER:** Yes, the tender process was—we followed all the procedures that we would normally follow. It was undertaken with great probity. The result was excellent in the end and we are very happy to have proceeded with Richard Crookes Constructions.

**The Hon. ROBERT BORSAK:** Premier, I want to take you now to the Sydney Football Stadium.

**Ms GLADYS BEREJIKLIAN:** Mr Borsak, if you are okay Mr Reardon wanted to make a comment on Sydney Modern.

**Mr REARDON:** We were asked questions on Sydney Modern late last week, prior to Sunday's announcement. I just wanted to close out the fact that we were asked to take on notice how many expressions of interest and requests for tender we had in that first round. That was commercial in confidence at the time and until Sunday's announcement, where I made the comment that the Government is close to taking a position on Sydney Modern and will announce it when it sees fit. It announced it on Sunday. During our estimates hearing late last week clearly the contract close-out process was underway and therefore I was duty bound not to provide any more information on that until it was announced. I just wanted to clarify that. It was a question from Mr Shoebridge.

**The Hon. ROBERT BORSAK:** Thank you, Mr Reardon. Premier, would you agree that the demolition and the rebuilding of a perfectly functioning stadium evoked a strong negative reaction from the citizens of New South Wales, particularly those in rural and regional New South Wales?

**Ms GLADYS BEREJIKLIAN:** Mr Borsak, as I responded to Mr Searle, this was a commitment we took to the election. I want to state on the record that in terms of our infrastructure contribution to rural and regional New South Wales I do not believe any other government in our State's history has upgraded or built so many brand new hospitals, roads or water infrastructure. Please know that when it comes to our rural and regional communities, our infrastructure spend is supporting jobs in many of these communities.

I appreciate that not everybody agrees with every policy we announce, but it is something we took to the election and it is something we committed to do. Mr Borsak, if you do not mind, you asked me where you had made the comment about 10-year-olds having guns. I now have a quote from *The Land* newspaper on 6 August 2017, "Mr Donato's colleague in the NSW Legislative Council, Mr Robert Borsak, has been quoted as saying, 'the Shooters, Fishers and Farmers Party would be happy to see minors permits for firearms use to be reduced from 12 years of age to 10 years'." I just wanted to say that you have said that publicly, in relation to your policy position.

**The Hon. ROBERT BORSAK:** Minors' permits, yes. Thank you.

**Ms GLADYS BEREJIKLIAN:** That is giving 10-year-olds guns, and that is why—

**The Hon. ROBERT BORSAK:** Is it true that Lendlease—

**Ms GLADYS BEREJIKLIAN:** With all due respect—

**The CHAIR:** Premier, you have made your point. We have to move on.

**Ms GLADYS BEREJIKLIAN:** I just want to make the point—

**The Hon. ROBERT BORSAK:** Minors' permits are not giving children firearms, and you know that very well.

**Ms GLADYS BEREJIKLIAN:** No, I do not, actually. A minor's permit means giving a 10-year-old a gun, which I think is dangerous.

**The Hon. ROBERT BORSAK:** They are permits, not licences, and she very well knows that—and so do the people in the bush know it, Premier.

**UNCORRECTED**

**Ms GLADYS BEREJIKLIAN:** No, in fact they do not.

**The Hon. ROBERT BORSAK:** Only the people who live in the bubble of Sydney do not know that. It did not work for you, Premier.

**Ms GLADYS BEREJIKLIAN:** Can I say that I talk to a lot of people in the bush and they are not comfortable with having minors' permits for 10-year-olds.

**The Hon. ROBERT BORSAK:** They are not comfortable with the sort of nonsense that you pump out during an election campaign.

**Ms GLADYS BEREJIKLIAN:** I have made my point.

**The Hon. ROBERT BORSAK:** Is it true that Lendlease tendered and won the contract? How many other companies tendered for the contract?

**Ms GLADYS BEREJIKLIAN:** In relation to which, I am sorry?

**The Hon. ROBERT BORSAK:** I am talking about the stadium.

**Ms GLADYS BEREJIKLIAN:** We have answered those questions already, but I am happy to—

**The Hon. ROBERT BORSAK:** You might run over it again for me, please.

**Ms GLADYS BEREJIKLIAN:** Certainly. I am happy to spend time going over an answer I have already given. In relation to the Sydney Football Stadium, we were initially in contract, obviously for the early works and demolition of the Sydney Football Stadium. Lendlease was then able to put in a bid for the construction of the stadium. The Government had a prerogative to accept or not accept that. Given circumstances of the Government's criteria and what Lendlease offered it, the Government felt it could get a better deal, and that is why it has gone back to the market. Mr Draper, is there anything you want to add on that point?

**Mr DRAPER:** If you would not mind clarifying the question, what were you specifically asking about?

**The Hon. ROBERT BORSAK:** The question is: Is it true that Lendlease tendered and won the contract for the demolition and the building of the Sydney Football Stadium?

**Mr DRAPER:** As I said earlier, Lendlease won the contract—a two-stage contract—which included demolition, early works, excavation, piling, design, documentation and construction for the Sydney Football Stadium. Lendlease is still undertaking the stage one works, and will be doing so for many more months. In the meantime, we are retendering the stage two works, as we were entitled to do under the original contract.

**The Hon. ROBERT BORSAK:** Premier, what was the total cost of the demolition of the stadium? Maybe Mr Draper has that.

**Ms GLADYS BEREJIKLIAN:** Yes, I will ask Mr Draper to answer.

**Mr DRAPER:** Stage one of the contract is just under \$40 million.

**Mr DAVID SHOEBRIDGE:** Is that the total payments to Lendlease to date?

**Mr DRAPER:** No, we would not have paid them that much because, as I said a moment ago, the works are ongoing.

**The Hon. ROBERT BORSAK:** Premier, did the contract contain a clause that whoever won the contract to demolish had the first option to bid for reconstruction of the site?

**Ms GLADYS BEREJIKLIAN:** Given these are detailed contract questions I will ask Mr Draper to answer.

**Mr DRAPER:** Sorry, I am not sure if I understand your question. Are you saying—

**The Hon. ROBERT BORSAK:** The question is simple, Mr Draper. Did the contract contain a clause that whoever won the contract to demolish had the first option to bid for reconstruction of the stadium?

**Mr DRAPER:** No, that is not correct. As I said a moment ago, it was a single contract. It was a contract to undertake stage one works, which included demolition and early works. The second stage contract was—

**The Hon. ROBERT BORSAK:** I am not saying there were two contracts. I said, did it have a clause in it that gave them a first right of—

**Mr DRAPER:** No, it did not.

**The Hon. ROBERT BORSAK:** It did not?

**UNCORRECTED**

**Mr DRAPER:** I am explaining it to you. It was a contract for all of the works, including construction. It had a mechanism in it for providing a guaranteed maximum price for the stage two works. So the assumption built into the contract—the default position—was that Lendlease would complete all of the works, including stage two works, subject to us being satisfied with the price that was provided for stage two works. As it turned out, we were not satisfied with that, and we decided to take stage two back for a retender process, which we are currently doing, with two very capable builders while the stage one works continue with Lendlease.

**Ms GLADYS BEREJIKLIAN:** It is a public contract. You can read it on the website.

**The Hon. ROBERT BORSAK:** Mr Draper, is it true that they are locked out of that process now?

**Mr DRAPER:** There are only two tenderers participating in that tender at the moment. It is Multiplex and John Holland Constructions.

**Ms GLADYS BEREJIKLIAN:** Mr Borsak, can I say that Lendlease does a lot with the Government. It is a very reputable organisation. I want to commend it for what it does in New South Wales. I also say, as a general statement, that the Government will always work hard to get the best value for our taxpayers. I say that in full knowledge that all of the organisations that have been mentioned today publicly by name are reputable, very worthy organisations, which the Government looks forward to continuing to work with into the future.

**The Hon. ROBERT BORSAK:** I fully support your statement, Premier.

**Ms GLADYS BEREJIKLIAN:** Thank you.

**Mr DAVID SHOEBRIDGE:** Premier, in your answer about strip searches you referenced an anonymous complaint. You are not seeking to attack the credibility of the young woman who gave her evidence to the Coroner's Court subject to a non-publication order, are you?

**Ms GLADYS BEREJIKLIAN:** Not at all. I simply make the point that whenever I have raised sensitive matters with the NSW Police Force, I—and members of the public—have always had a very good hearing. I simply say to anybody: If you have a concern about something that has happened to you or someone you know, please go forward to the relevant authorities.

**Mr DAVID SHOEBRIDGE:** That woman gave evidence of being traumatised by what happened to her at the hands of the New South Wales police under your leadership. She said that the New South Wales police threatened that the strip search would be nice and slow if she did not volunteer drugs that she did not have on her. Are you saying that she should have gone to the New South Wales police—the people who she says effectively assaulted her—for a review?

**Ms GLADYS BEREJIKLIAN:** Mr Shoebridge, I am not saying that at all. What I am saying is I am sure—I do not know the circumstances of that case and I do not know whether that individual's details have been passed on to the NSW Police Force—

**Mr DAVID SHOEBRIDGE:** The police were represented at the coronial hearing.

**Ms GLADYS BEREJIKLIAN:** But one thing I can say with confidence is that if the Police Force had been given those concerns and the details of the person they would have followed up with those concerns.

**Mr DAVID SHOEBRIDGE:** Premier, the commissioner was represented at the coronial hearings. The name of the woman was known to the Coroner and was known to legal representatives. It was subject to a non-publication order, yet the commissioner had made no inquiries about the circumstances. You say that the police would investigate. They did not. They were in denial. In fact, the commissioner attacked the credibility of that young woman. What do you say to that?

**Ms GLADYS BEREJIKLIAN:** Mr Shoebridge, I can only speak from my experience. When I had a parent approach me about a particular thing they were concerned with, the police commissioner was only too happy to meet with the parent. So I am just saying that I felt that that parent and I got a very positive reception because of the concerns that were raised. All I am saying is that in my personal experience when concerns have been raised by individuals or their families, the police commissioner and his senior officers have been only too pleased to deal with those cases. I can only go by—

**Mr DAVID SHOEBRIDGE:** The commissioner attacked that young woman—attacked her credibility. That is quite the opposite of what you are suggesting. Will you review the case of Crystal Smithers—the young woman who was stripsearched six times and told to cough and squat, and asked to remove her tampon in a strip search? Will you seek a review of Crystal Smithers' case?

**Ms GLADYS BEREJIKLIAN:** Mr Shoebridge, that is a matter for police, and given, as you suggest, the police have those details, I have full confidence that the NSW Police Force would look into all those issues.

**UNCORRECTED**

Again, I can only speak from personal experience, but when a parent approached me with a concern, I agreed to meet with that parent. I then asked the commissioner whether he would ensure that he or someone senior from the force met with the parent, and that occurred. So I am only going by my own personal experience to say, firstly, that I take these issues extremely seriously, to the extent that I have met with a concerned parent. I also want to stress that I found the response by the police to be very reassuring. I do not have details about specific circumstances. What I can tell you is that in my personal experience on these matters—

**Mr DAVID SHOEBRIDGE:** You have said that three times in this answer now, Premier. Saying it a fourth time will not help.

**Ms GLADYS BEREJIKLIAN:** You have asked me the same question five times.

**Mr DAVID SHOEBRIDGE:** I have not. Will you seek a direction to be given to New South Wales police to prohibit them directing people they are stripsearching to cough and squat, or to remove a tampon? Will you seek that direction being given to New South Wales police?

**Ms GLADYS BEREJIKLIAN:** Mr Shoebridge—

**Mr DAVID SHOEBRIDGE:** Are you comfortable with that?

**Ms GLADYS BEREJIKLIAN:** I have confidence that the police in New South Wales do a very demanding job to the best of their ability under all circumstances.

**Mr DAVID SHOEBRIDGE:** Is this a no? You will not seek that direction?

**The Hon. BEN FRANKLIN:** Let her finish the answer, David.

**Ms GLADYS BEREJIKLIAN:** It is a—

**Mr DAVID SHOEBRIDGE:** Well answer the question.

**Ms GLADYS BEREJIKLIAN:** I also stress that the Law Enforcement Conduct Commission [LECC], as you know, is undertaking a review of this matter as we speak. If there are any outstanding issues, that will be determined by the LECC.

**Mr DAVID SHOEBRIDGE:** You know that the LECC in its most recent annual report said that your Government had not given it sufficient funding to do its job properly, that it could not investigate the matters that it wants to investigate. Will you commit to increasing funding to the LECC?

**Ms GLADYS BEREJIKLIAN:** As you know, that independent body now sits within my cluster, so I am happy to ask the secretary to answer that question. But I say this: Firstly—

**The Hon. ROBERT BORSAK:** Premier, the whole government is in your cluster.

**Ms GLADYS BEREJIKLIAN:** I am sorry?

**The Hon. ROBERT BORSAK:** The whole government is your cluster.

**Ms GLADYS BEREJIKLIAN:** No, that is not correct.

**Mr DAVID SHOEBRIDGE:** Premier, will you increase the funding—

**The Hon. ROBERT BORSAK:** The whole government: You govern the State.

**The Hon. BEN FRANKLIN:** Point of order!

**The CHAIR:** Order!

**The Hon. ROBERT BORSAK:** You cannot hide behind clusters.

**The CHAIR:** Order! The Premier—

**The Hon. BEN FRANKLIN:** The Premier has been asked a specific question, Madam Chair. I ask that you direct that she be allowed to answer.

**The CHAIR:** Yes.

**Ms GLADYS BEREJIKLIAN:** Thank you. Can I say, in relation to the first point, I have full confidence in the NSW Police Force. Secondly, the LECC—

**Mr DAVID SHOEBRIDGE:** And that is your answer to Crystal Smithers—

**Ms GLADYS BEREJIKLIAN:** No.

**UNCORRECTED**

**Mr DAVID SHOEBRIDGE:** —that you have full confidence in the NSW Police Force? That is your answer.

**Ms GLADYS BEREJIKLIAN:** The LECC is investigating these matters as we speak. And on your question of funding, I will ask the secretary to address those issues.

**Mr REARDON:** In terms of funding of the independent integrity agencies within our cluster—

**Mr DAVID SHOEBRIDGE:** I asked about the LECC.

**Mr REARDON:** I understand. In terms of the Law Enforcement Conduct Commission, amongst others—the Electoral Commission and the Independent Commission Against Corruption—they all come through the Appropriation Bill every year. Their budget submissions are put forward and they have been funded for this year, and—

**Mr DAVID SHOEBRIDGE:** Mr Reardon, that cannot be your answer.

**Mr REARDON:** It is my answer.

**Mr DAVID SHOEBRIDGE:** That it is subject to a budget bill.

**Mr REARDON:** Sorry, I was completing my answer.

**Mr DAVID SHOEBRIDGE:** I know there is a budget bill.

**Mr REARDON:** Would you like me to finish the answer?

**Mr DAVID SHOEBRIDGE:** Yes.

**Mr REARDON:** They come through the Appropriation Bill. I then allocate, as the other cluster secretaries do, budgets as we see fit for where we have discretion with departments, the core department, but the independent integrity agencies do receive their funding direct. Where those independent integrity agencies want to have a discussion about any pressures that they see in terms of their labour, or their accommodation, they do have ongoing discussions back within the cluster. That is the power of having a cluster process, and those discussions go on throughout the year actually.

**Mr DAVID SHOEBRIDGE:** They need additional funding to do their job. They have said it in the annual report. Premier, will you increase the funding for the police oversight body?

**Ms GLADYS BEREJIKLIAN:** As the secretary said, funding for those independent oversight bodies—or integrity bodies, as we call them—is a matter for the secretary and I will ask him to add anything further.

**Mr REARDON:** It would not be the first time that the integrity agencies have indicated that they would need more resources. That is an ongoing discussion. In fact, that is a normal position of many of the smaller agencies across government. Where we have a cluster, we basically have the appropriations that have been provided at the start of the year. During the year we monitor fairly closely with each of the integrity agencies, and indeed within our cluster, any of the cultural institutions and the other smaller agencies within our cluster. We work within what we have been provided and, where we might need to move resources around, we do that and we take that on a case-by-case basis. I do not know the specific circumstances of the Law Enforcement Conduct Commission and what they put in their annual report. It would not surprise me if they indicated they needed extra resources, but, as I said, they would not be the only integrity agency with that comment.

**Mr DAVID SHOEBRIDGE:** Premier, we have been watching ICAC do valuable work in the last few weeks, you would agree?

**Ms GLADYS BEREJIKLIAN:** Undoubtedly.

**Mr DAVID SHOEBRIDGE:** So why did you cut ICAC's budget by more than 10 per cent in this budget? Why did you strip almost \$3 million out of ICAC?

**Ms GLADYS BEREJIKLIAN:** Can I say that is certainly not the case. In fact—

**Mr DAVID SHOEBRIDGE:** I have got the budget papers here. It says 10.3 per cent reduction in the budget.

**Ms GLADYS BEREJIKLIAN:** No. I will ask the secretary to comment further, given the previous response. But I will say this: Under my premiership, baseline funding for ICAC has increased substantially—as it should, frankly.

**Mr DAVID SHOEBRIDGE:** It has the lowest headcount on record, less than 100 staff. It does not have the funds or the staff to do its job properly.

**UNCORRECTED**

**Ms GLADYS BEREJIKLIAN:** However, I stress that, under my premiership, the baseline funding for ICAC has increased substantially. I will ask the secretary to comment, as he is responsible for funding those bodies. I also note that from time to time when ICAC or other integrity bodies come to government for supplementary funding, on a number of occasions we have provided that funding. We should not always know what that is for, but when they have come to us with a request we have assessed that request. I stress that, under my premiership, the baseline funding has increased. I ask the secretary to add to that.

**Mr REARDON:** The 2019-20 budget for the Independent Commission Against Corruption over the forward estimates is \$104 million. We have had a practice over the years, as I have said about the integrity agencies, where they need to come to us seeking supplementation we have provided that supplementation, and 2019-20 is no different. In fact, we started those discussions probably very soon after the budget was handed down.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, ICAC's budget in 2019-20 is \$25.8 million. That is almost \$5 million less in real terms than it was in 2015. It is \$5 million less in real terms—almost 20 per cent less in real terms—than it was in 2015. Why are you starving ICAC?

**Mr REARDON:** We are not starving ICAC. I did not know if that was a statement or a question.

**Mr DAVID SHOEBRIDGE:** It is a question. Why are you starving ICAC?

**Mr REARDON:** We are not starving ICAC.

**Mr DAVID SHOEBRIDGE:** It is your decision as secretary to direct the funding—

**Mr REARDON:** No. I will go back through it again if I need to. The Appropriation Bill sets down the \$104 million to ICAC as an independent integrity agency and their independence is without question. As the Premier said, the scope of their work and what they do is a matter for ICAC and we completely respect that. In terms of their funding, then they have an appropriation of \$104 million over the forward estimates. They have sought supplementation, as have other integrity agencies, during the year.

**Mr DAVID SHOEBRIDGE:** They have to come begging. Is that the rule?

**Mr REARDON:** No.

**The Hon. NATALIE WARD:** Why did not Labor disclose its Aldi bags before the election?

**Mr REARDON:** Can I finish that answer?

**The CHAIR:** Mr Reardon can finish the answer.

**The Hon. NATALIE WARD:** Speaking of disclosure.

**Mr REARDON:** They do not come begging. Integrity agencies—and there is all up, as I indicated the other day, about 19 agencies within our cluster—we work with each of them. We try to have a disciplined approach about how we work with each of them on their finances, on their funding, on their budget and their expenditure during the year. We have sought to try to normalise that process as much as possible because we do want them funded appropriately, we do want them to be able to get on with their jobs. We, as secretaries, need to make decisions to allocate and potentially reallocate through the year, and that is what we do.

**The Hon. ADAM SEARLE:** Have you been to Menindee? And when do you intend to go?

**Ms GLADYS BEREJIKLIAN:** Can I make something extremely clear? I am incredibly proud of the time—

**The Hon. ADAM SEARLE:** Can you answer a question directly?

**Ms GLADYS BEREJIKLIAN:** Yes, certainly.

**The Hon. ADAM SEARLE:** Could you please do so?

**Ms GLADYS BEREJIKLIAN:** I am proud to say that I have attended more rural and regional communities than I would suggest a Premier has in a very long time. I have not been to Menindee. As you know, my Deputy Premier has, a number of—

**The Hon. ADAM SEARLE:** Do you plan to go?

**Ms GLADYS BEREJIKLIAN:** —Ministers have. It is not currently in my plans. But I say this, Mr Searle, there are towns with thousands of people doing it tough right across rural and regional New South Wales and I am trying to meet with all of them as much as I can. In fact, one of the first things I did post the election was visit some of those regional communities that were hurting. I would love to be able to say that I have

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been to every single township with a couple of hundred people, but I cannot claim that. What I can claim is that every opportunity I have had I have spent talking to people in the bush, listening to their concerns, listening to their pain.

Often, as you know, someone in my position hears things that others do not hear, sees things that others do not see, and that is part of the responsibility of being a leader. That is why I make a point of ensuring that I am speaking to people directly. I also make this point, that we appreciate how much communities are hurting with the drought at the moment. We appreciate how severe the drought is. We are also making contributions to support our communities. In fact, to date, the allocation we have made from the budget to support our rural and regional communities just for drought assistance itself is around \$1.8 billion. That does not include the infrastructure we are building in our communities. It does not include the other programs we have in place. So to suggest that because I have not been to a town does not suggest at all that I do not appreciate, understand or work hard on a daily basis to support our communities.

**The Hon. ADAM SEARLE:** Just on that, when was your Government's response to the Natural Resources Commissioner's report due?

**Ms GLADYS BEREJIKLIAN:** I understand we have not received a final report yet. There is a draft report the Government has received. What is normal practice is for the Government to receive a final report and then depending on the nature of the report we will consider that and then respond accordingly. But my understanding, unless I am mistaken, is that the Government has received a draft report.

**Mr REARDON:** Yes. I have no further information.

**Ms GLADYS BEREJIKLIAN:** The Government, I understand it, has received a draft report, but the final one has not yet been received.

**The Hon. ADAM SEARLE:** Do you have a time to receive the final report?

**Ms GLADYS BEREJIKLIAN:** I do not and it would be inappropriate for me to intervene.

**The Hon. ADAM SEARLE:** I was not suggesting you would intervene; I was just wondering if you knew when—

**Ms GLADYS BEREJIKLIAN:** I do not know. Others might know, but I do not. All I know is that there has been a draft report received. I do not know when the final one is. I am sure others do, but I cannot say that I do.

**The Hon. PETER PRIMROSE:** Thank you, Premier. Can you tell us why the Government is moving to de-gazette Murray Valley National Park?

**Ms GLADYS BEREJIKLIAN:** Well, it is not.

**The Hon. ADAM SEARLE:** The Deputy Premier seems to think you are.

**Ms GLADYS BEREJIKLIAN:** As you would know, first of all Nathan Rees made that a park back in 2010, from memory—October 2010; I could be mistaken on the month, but it was around 2009 or 2010.

**The Hon. ROBERT BORSAK:** Yes, he wrecked the jobs at that time; he wrecked the industry at that time in that electorate.

**Ms GLADYS BEREJIKLIAN:** Yes. And that was a decision that we inherited, as you would well know. I have actually walked through the area in question and I have spoken to people in the industry. I have spoken to locals.

**Mr DAVID SHOEBRIDGE:** It is beautiful.

**Ms GLADYS BEREJIKLIAN:** I have actually walked through that area. I do not know how many people from the Opposition have done that.

**Mr DAVID SHOEBRIDGE:** I have walked and paddled through it. It is beautiful.

**Ms GLADYS BEREJIKLIAN:** Yes, I am sure you have and Mr Borsak probably has. I have not paddled—I am not comfortable in the water, but anyway. I am more comfortable on dry land.

**Mr DAVID SHOEBRIDGE:** You go downstream, Premier.

**Ms GLADYS BEREJIKLIAN:** Can I place on the record I am much more comfortable on dry land, but in any event I have walked through there and spoken to concerned community members. As you would know, the Government has a thinning program there that is subject to a pilot or a study done in conjunction with the

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Commonwealth. That thinning program continues. From memory it has a life for another five or six years, if I am not mistaken. That is the Government's policy and that is what we are continuing to do. Of course other members have a view on that, including the local member, who raised a matter in Parliament, and others have different views. But the Government's position is that it has an existing thinning program there that has been in place for some years and it will still be in place for some years further. But I also note that there has been some support given to the industry as well in terms of transition in the past.

**The Hon. PETER PRIMROSE:** Premier, can I then give you the opportunity, if I may, given what you have just said and given the concerns that have been expressed by a number of community groups about the comment by the Deputy Premier, to just rule out any suggestion that the Murray Valley National Park will be de-gazetted?

**Ms GLADYS BEREJIKLIAN:** If you are asking me whether that is Government policy, it is not Government policy. But obviously members—

**The Hon. PETER PRIMROSE:** Will you say going forward, will you just rule it out here?

**Ms GLADYS BEREJIKLIAN:** Well, it is not our policy. Our policy remains continuing with the thinning program that exists there. That is our position. I cannot be more definitive than that.

**The Hon. PETER PRIMROSE:** There is one way to be a bit more precise and I will ask one more time: Can you simply rule out any suggestion that in the term of your Government Murray Valley National Park will be de-gazetted?

**Ms GLADYS BEREJIKLIAN:** Well, it is certainly not Government policy and it is not in our plans to do that.

**The Hon. ADAM SEARLE:** Premier, your Deputy Premier indicated this July that he thought the ban on nuclear energy should be lifted and in these budget estimates your own party deputy, the Treasurer, also said nuclear power should be revisited. What is your position?

**Ms GLADYS BEREJIKLIAN:** Mr Searle, I have absolutely no issue whatsoever with the community and, in fact, my colleagues having a debate about nuclear. As you know, it is currently illegal at both a Commonwealth level and a State level to supply, source and run nuclear energy. I myself do not think it is viable only because the market indicates that to have a viable entity would take at least a decade to get any return, so there is simply no appetite from the market to invest in that type of energy. But if people want to have a conversation about it I think that is entirely appropriate. We know that technology and the debate we had decades ago is certainly not the debate we have now. In fact, whilst some would argue that climate change is an issue that affects young people today, in my time it was the prospect of nuclear war. Society has moved on from that, but certainly that was the biggest fear I had as a teenager—the prospect of nuclear war. We know that time has moved on and technology has moved on.

Many nations, in fact, run very successful nuclear power plants, but if you look at the market in New South Wales and Australia all my understanding is that there is just no appetite. Even if you had changed the laws, there is no appetite. But I do not think it should prevent us from having a conversation. I do not think it should prevent us from revisiting something, given technology has moved on, given time has moved on. And when is it a crime to have a public conversation about issues that are a bit different from what exists now? I actually think it is healthy. I actually want to commend my colleagues for having a position. I actually want to commend them for having the courage to talk about something that others do not have the courage to talk about, because—

**The Hon. ADAM SEARLE:** Shouldn't your Government be focused on viable solutions to the looming energy problem rather than flying kites and things that are not affordable?

**Ms GLADYS BEREJIKLIAN:** Can I say, Mr Searle, and I am happy to go into detail, I am incredibly proud of my Government's record on our energy resilience. In fact, I note that last summer Victoria had to borrow from New South Wales in terms of the energy grid and the summer before that South Australia had to. Those two States moved far too quickly to renewable, I believe, in an irresponsible manner. It is no surprise that out of the mainland States New South Wales has the lowest prices in electricity and other utilities because we have worked hard to make our position strong and resilient.

**The Hon. ADAM SEARLE:** Just on that, your Deputy Premier said in a publication for his National Party that nuclear power was "probably the cheapest cost to the average Australian household". In fact, current nuclear technology would actually produce the most expensive form of electricity.

**Mr DAVID SHOEBRIDGE:** By a factor of five.

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**The Hon. ADAM SEARLE:** Senior members of your Government are busy talking up non-solutions to the energy problem and neither your Government nor the Government in Canberra is actually putting solutions in place to provide the next generation of the State's energy supply. Why won't you and your Ministers focus on actual solutions rather than talking about nuclear power, which you have said you do not think is viable?

**Ms GLADYS BEREJIKLIAN:** Well, firstly, it is completely legitimate—in fact, I would encourage robust discussion of all options for energy moving forward. I think that is what a good government should do. A good government should explore all options because there is debate and conjecture on a whole range of energy sources. I actually encourage my colleagues to be well informed and to debate—and to have the courage to raise conversations that would have been taboo subjects 20 years ago.

**The Hon. ADAM SEARLE:** Premier, it does not take courage to talk about a solution that you think is not viable, that is expensive, that has problems for storing waste, when there are more viable solutions that are available. Why is your Government not turning its mind—

**The Hon. NATALIE WARD:** Where is this in the budget paper?

**Ms GLADYS BEREJIKLIAN:** That is okay, but, Mr Searle, can I focus then on what the Government is doing, given that is the basis of your question?

**The Hon. ADAM SEARLE:** What is your Government actually doing about energy supply?

**Ms GLADYS BEREJIKLIAN:** Fantastic. Well, firstly, as you know we have a number of programs in place. We have billions of dollars of projects in the pipeline to be supported. We have a major proposal before government about a major gas project. We have provided accessibility for the Port of Kembla to also import gas. We have invested in interconnectors with South Australia and are obviously looking at other opportunities with interconnectors with other States. We are investing in baseload supplies of energy in addition to ensuring there is investment in newer types of energy. I am proud of the balanced approach New South Wales has, because it is putting downward pressure on households. But we are also not embarrassed to say—in fact, quite the opposite—that we rely on traditional forms of energy in New South Wales because frankly the technology does not exist to provide baseload peak services to households and businesses. The technology just does not exist.

**Mr DAVID SHOEBRIDGE:** Yes, it does.

**Ms GLADYS BEREJIKLIAN:** It does not exist for peak times—it does not.

**Mr DAVID SHOEBRIDGE:** Yes, it does.

**The Hon. ROBERT BORSAK:** The world's biggest battery.

**Ms GLADYS BEREJIKLIAN:** But having said that, our State is attracting the most investment of any State in relation to renewables. We are well placed to deal with our current energy needs. Our plans are solid. In fact, I would argue our plans are more solid than any other State. The biggest challenge we have is that while I take full responsibility for what my Government does in relation to current and future energy supplies, I cannot take responsibility for the other States. That is why New South Wales has been so vocal on this issue. Because if the other States do not pull their weight our citizens end up subsidising the other States, which is what happened last summer and the summer before that.

Last summer we had to subsidise Victorian citizens. The summer before that we had to subsidise South Australian citizens. That is why I take pride in the fact that New South Wales is the most resilient State in relation to energy. It is because we are pragmatic, we are balanced and not only do we support traditional forms of energy but we also allow investment in renewables if and when the technology arises to provide better base-load support—which currently it does not. We are incredibly proud of that. I say to the other States, "Lift your game, be more responsible, be more pragmatic and be more resilient so that New South Wales citizens do not have to subsidise you."

**The Hon. PETER PRIMROSE:** Premier, I note that the Coalition partners, the NSW Nationals, have accepted that the deal you struck when you privatised Port Botany and the Port of Newcastle actually sold out the Hunter. I of course refer to the NSW Nationals conference decision.

**Ms GLADYS BEREJIKLIAN:** Those are not "colleagues".

**The Hon. PETER PRIMROSE:** Sorry?

**Ms GLADYS BEREJIKLIAN:** I think you mistakenly said "colleagues" and now are referring to the conference. I was not sure what the source of your information was.

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**The Hon. PETER PRIMROSE:** I presume The Nationals and the Liberal Party are colleagues. Is there a disagreement?

**Ms GLADYS BEREJIKLIAN:** No, no. You spoke about The Nationals party conference. I am assuming you mean the party organisation. I just want to clarify what your question was about.

**The Hon. PETER PRIMROSE:** I presumed the Liberal Party and The Nationals were in coalition. Is that not correct?

**The Hon. NATALIE WARD:** They are different things, Peter.

**Ms GLADYS BEREJIKLIAN:** No, 100 per cent. My point is you are quoting from The Nationals' conference. I just want to be clear as to whether you are quoting—

**The Hon. BEN FRANKLIN:** That is not important.

**The Hon. ADAM SEARLE:** That is not important? Ben, are you saying The Nationals' party conference is not important?

**The Hon. NATALIE WARD:** She is just asking for clarification about where you are quoting from.

**The Hon. BEN FRANKLIN:** Point of order—

**The Hon. ADAM SEARLE:** Tell 'em, Ben, come clean.

**The Hon. ROBERT BORSAK:** Come clean, Ben.

**The CHAIR:** Order! Members will be quiet. There is a point of order and we are going to deal with that first.

**The Hon. BEN FRANKLIN:** Point of order: I understand that there is very broad latitude given to budget estimates discussions with the individual Ministers and the Premier but surely this goes beyond the scope of the budget. We are talking about a resolution of an entirely different political party to the Premier's, which has—

**The Hon. ROBERT BORSAK:** Listen to the rest of the question and you will find out.

**The Hon. BEN FRANKLIN:** At an annual conference? It has nothing to do with the budget.

**The CHAIR:** I do not uphold the point of order because we have not finished the question. I would ask that the question be finished and then that the Premier be able to answer the question in silence.

**The Hon. NATALIE WARD:** To the point of order—

**The Hon. ADAM SEARLE:** The Chair has already ruled.

**The Hon. ROBERT BORSAK:** The Chair has ruled. That is it.

**The Hon. NATALIE WARD:** Then I take another point of order. Rule 4.2 states:

Questions must be relevant to the matter that has been referred to a committee for inquiry and report. In the case of the Budget Estimates inquiry, this refers to the estimates of expenditure from the Consolidated Fund and other matters covered by the budget papers.

**The CHAIR:** I refer to my previous ruling, which is that we have not heard the question. Let us hear the question and then if you want to take a point of order you can.

**The Hon. NATALIE WARD:** May I speak, Chair? I think the Premier wanted clarification as to the document being quoted.

**The CHAIR:** I have ruled. We need to hear the question. If you would like to take another point of order after we have heard the question you are welcome to. At the moment I have made a ruling.

**The Hon. NATALIE WARD:** I have taken that one.

**The CHAIR:** Mr Primrose?

**The Hon. PETER PRIMROSE:** I accept, Premier, that there is a disagreement between you about whether the Liberals and The Nationals are in Coalition and that is—

**The Hon. NATALIE WARD:** That was not her evidence.

**The Hon. BEN FRANKLIN:** That is not what the Premier said at all.

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**Ms GLADYS BEREJIKLIAN:** Can I stress on the record that the Deputy Premier and I pride ourselves on having the strongest Coalition in the nation. We are incredibly proud of that and will continue that into eternity.

**The Hon. NATALIE WARD:** They have clearly run out of questions.

**The Hon. PETER PRIMROSE:** I have lots of questions here.

**The Hon. NATALIE WARD:** Then ask one about the budget.

**The Hon. PETER PRIMROSE:** My question relates to whether you have had discussions with your Deputy Premier, given his public statements, in relation to the removal of the cap on the number of containers and the State government fee payable on container exports?

**Ms GLADYS BEREJIKLIAN:** I do not disclose private conversations I have had with colleagues but I will make this point publicly: You would need to triple container movements at the Port of Newcastle before any penalties came into play. So I say to those communities that want to increase their container movements at the point, there is capacity to triple that under the current arrangements. I also stress that our Government has invested more in ports, intermodals and airports than any other government in the history of the State. It is no secret that when we defined our port strategy the Port of Newcastle was our primary coal port.

Having said that, and I stand to be corrected, from the last report I read you would need to triple existing container movements before any financial impediments came into place. Therefore I say to the community, please continue to produce, please continue to do what you are doing. What I love about Newcastle and the Hunter is that because of our Government's investment, notwithstanding how that area votes, we are investing record amounts in that region and the diversity of the economy and the economic growth in that region are unprecedented. It used to be a one company town and now it has a diverse economy specialising in many service industries in addition to those traditional industries. Unless I am mistaken, there would need to be a significant increase in the number of containers moving to and from that port before any type of financial impediment was struck.

**The Hon. PETER PRIMROSE:** Will you table that report, Premier?

**Ms GLADYS BEREJIKLIAN:** It has been on the public record. It is not a report.

**The Hon. PETER PRIMROSE:** Can you provide a copy?

**Ms GLADYS BEREJIKLIAN:** It was information provided on the public record but I am happy to take on board any further updates on that.

**The Hon. ADAM SEARLE:** Premier, I want to take you back to your plans for privatisation of State forests. Before the election you said fairly clearly, I think, that your Government has no plans. In the index in relation to the order for papers in relation to the "potential sale or lease of plantation forests in New South Wales", at item (b) 5 there are two documents both in the nature of legal advice providing advice on the scope of proposed land title and valuation. That is dated 6 March 2019 and then there is another document in the same category dated 15 February 2019—both pre-election. From the index it looks like your Government sought and received advice on the privatisation of plantation forests. So do you stand by your evidence to this Committee or were you misleading us?

**The Hon. NATALIE WARD:** Point of order—

**Ms GLADYS BEREJIKLIAN:** No, no, I am happy to answer the question.

**The Hon. NATALIE WARD:** Point of order: This is clearly outside the scope—

**The Hon. PETER PRIMROSE:** The Premier is happy to answer the question.

**Mr DAVID SHOEBRIDGE:** It is 100 per cent inside the scope.

**Ms GLADYS BEREJIKLIAN:** I am absolutely happy to answer that question. I cannot account for what information is sought by the public service or by other entities but I can account for what are Government decisions. The Government did not decide to enter a scoping study on that issue or did not have the notion to do that until after the election.

**The Hon. ADAM SEARLE:** So the Forestry Corporation which obtained these advices is not part of your Government?

**Ms GLADYS BEREJIKLIAN:** The Forestry Corporation, as you know, is a State-owned corporation which acts—

**The Hon. ADAM SEARLE:** Yes, it is a part of government.

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**Ms GLADYS BEREJIKLIAN:** Hang on, they have an independent board. They are independent of Government to the extent that we cannot tell them what to do unless we formally intervene. An independent entity has taken it upon itself to seek information. If you are saying that is a Government decision, either you are misleading this Committee or you do not understand how government works.

**The Hon. ADAM SEARLE:** No, you said there were no plans in Government to privatise before the election.

**Ms GLADYS BEREJIKLIAN:** Correct.

**The Hon. ADAM SEARLE:** And it seems that at least part of your Government was exploring that issue.

**Ms GLADYS BEREJIKLIAN:** No, I am sorry, you are wrong on this.

**The Hon. NATALIE WARD:** No, long bow, Adam.

**Ms GLADYS BEREJIKLIAN:** Mr Searle, you are doing either of one of two things. You are either misleading this Committee or you do not know what you are talking about. If an independent body seeks information on something that is not a Government decision.

**The Hon. ADAM SEARLE:** Are you saying no-one in Government knew that they were obtaining that advice?

**Ms GLADYS BEREJIKLIAN:** I would not know. In fact, part of that advice would have been undertaken under the caretaker period. The dates you mentioned, we were in caretaker period.

**The Hon. ADAM SEARLE:** Yes, it is curious that they were getting advice on privatisation during caretaker, isn't it?

**Ms GLADYS BEREJIKLIAN:** No. That is their absolute entitlement.

**The Hon. ADAM SEARLE:** Is it?

**The Hon. ROBERT BORSAK:** Thank you, Premier.

**Ms GLADYS BEREJIKLIAN:** I cannot speak for the other State-owned corporations and what advice they have received but that is a matter for them. Just because a body independent of the Government's day-to-day operations seeks advice—

**Mr DAVID SHOEBRIDGE:** It is not independent.

**Ms GLADYS BEREJIKLIAN:** —does not make it a Government decision. Quite the contrary. As I have explained, the Government did not take the decision to proceed with that scoping study until after the election.

**The Hon. ROBERT BORSAK:** I take you back to the Sydney Football Stadium development again. I have been in the building industry for a very long time. I am just trying to get my head around this whole process that was going on there. I find it difficult to believe that a company like Lendlease would enter into a commercial arrangement with the Government to demolish a stadium but then subsequently be locked out of the bidding process for its reconstruction because its bid was too high. Premier, on what basis was Lendlease's bid to rebuild a normal and proper process or was it on some drawings that were hatched up in the last minute?

**Ms GLADYS BEREJIKLIAN:** Mr Borsak, we have answered a number of questions on this topic but I have nothing further to add to my previous responses. I will ask Mr Draper, as head of Infrastructure NSW, whether he has anything to add in addition to our previous responses.

**Mr DRAPER:** As I described earlier, it is very, very normal for us to enter into arrangements with builders and other contractors to develop design prior to entering into a construction period. That is the process that was undertaken with Lendlease. Lendlease worked with COX Architecture and our other advisers to develop the design for the Sydney Football Stadium construction over the period after they were appointed up until the point at which they were asked to price that design and submit a proposal for a guaranteed maximum price.

**The Hon. ROBERT BORSAK:** Was it a normal process? Did they have the normal detailed drawings that are required to properly price and bid, or was it just a concept?

**Mr DRAPER:** As I described a moment ago, they were involved in the design development with COX Architecture. The basis on which they submit a pricing bid was the design in which they participated.

**The Hon. ROBERT BORSAK:** Premier, is it true that this was not a normal process?

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**Ms GLADYS BEREJIKLIAN:** No. My secretary has indicated he wants to respond to that and I will allow him.

**The Hon. ROBERT BORSAK:** Let me finish the question first, please. Unlike the Art Gallery tender process—which I agree with you was a proper process—I believe that this was a rushed political decision to get the issue of stadiums out of the news during the election campaign.

**Ms GLADYS BEREJIKLIAN:** I do not think that statement would be accurate in the minds of others, but I will ask my secretary to respond to that.

**The Hon. ROBERT BORSAK:** It might be accurate in the minds of Lendlease.

**Mr REARDON:** Thanks, Premier. We have a \$93 billion capital program now over the next four years. Over the last eight or nine years the build-up of capability within the State, within the public service, about how we procure has increased quite a bit. The contracting arrangements and the procurement arrangements that we undertake now are far more sophisticated than they have ever been before. Basically, we have most procurement methodologies that are known around the globe underway here at the moment—whether they are public-private partnerships, alliance contracting, construct owning, design and construct [D&C] or early contractor involvement; there are a range. When you say "normal contracts", there are many, many forms of contracting we undertake now.

Mr Draper indicated some of the normal procurement steps we undertake in a contract that allows for different stages and phases to be put into a contract, but we have a range of methods we put into the market now—far more than we have ever done before. We would say that early contractor involvement, D&C and construct only are all fairly normal now. In terms of Lendlease's involvement, I just want to reiterate the comments the Premier and Mr Draper made. Even after that project has gone to a re-tendering process, we have all had fairly senior discussions with Lendlease to ensure that how we took the next step was well understood. It is an organisation that does a lot of work within the State of New South Wales and is working on live tenders and contracts as we speak right now. It was a very, very normal process that we undertook as far as I am concerned, but over the years we have got more and more sophisticated with our procurement regimes.

**The Hon. ROBERT BORSAK:** Mr Reardon, thank you very much for that detailed answer. Are you saying that it was not asked to price simply on a concept and therefore, when it could not properly price it, it was ruled out?

**Mr REARDON:** No, but I am happy to hand over to Mr Draper to go through again what steps were undertaken.

**Mr DAVID SHOEBRIDGE:** There was no development application [DA]; there was no design.

**The Hon. ROBERT BORSAK:** There was no design; there was no DA. It was a concept, wasn't it?

**Mr DRAPER:** Lendlease priced on a design, which it helped to develop with COX Architecture.

**The Hon. ROBERT BORSAK:** That is right, and it came up with a price that was too high, based on that design, didn't it?

**Mr DRAPER:** You asked the question before whether that is a normal process. It is absolutely a normal process.

**The Hon. ROBERT BORSAK:** It came up with a price that pushed it out of the envelope and it was therefore excluded.

**Mr DRAPER:** In fact, the early—

**Ms GLADYS BEREJIKLIAN:** It is a normal process. No, can I just say, with all due respect, sometimes organisations—not just this organisation—that want to participate in government activities want to maximise the return they are going to receive. That is a normal part of doing business. Every company that bids with us wants to do it—

**The Hon. ROBERT BORSAK:** Premier, this was not a normal process.

**Ms GLADYS BEREJIKLIAN:** It was a normal process, but what I am suggesting is—

**The Hon. ROBERT BORSAK:** It was not a normal process and now it has been excluded.

**Ms GLADYS BEREJIKLIAN:** Mr Borsak, what I am suggesting to you is, whilst the Government wants to get the best price, so does the private sector.

**The Hon. ROBERT BORSAK:** The Government should always get the best price. I agree with you.

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**Ms GLADYS BEREJIKLIAN:** Thank you. You are agreeing with me and agreeing with our strategy.

**The Hon. ROBERT BORSAK:** I agree with the best price but I do not believe in this particular circumstance—I think politics got in the road during the campaign, very much so.

**Ms CATE FAEHRMANN:** Good morning, Premier. Have you ever asked the Chief Medical Officer for advice on pill testing?

**Ms GLADYS BEREJIKLIAN:** In fact, I appointed her to an expert panel with the police commissioner and I cannot remember, there were three or four—yes, sorry, the head of Independent Liquor & Gaming Authority [ILGA]. We appointed someone from ILGA, the police commissioner and also the Chief Medical Officer in New South Wales to provide advice to government on the horrific circumstances facing many families with the deaths of young people at music festivals. There is an ongoing process and of course we take advice—

**Ms CATE FAEHRMANN:** Minister, excuse me, the question was—

**Ms GLADYS BEREJIKLIAN:** Premier.

**Ms CATE FAEHRMANN:** Sorry. Premier, the question was: Have you asked the Chief Medical Officer for advice on pill testing? Your response was to point me to an expert panel that she was appointed to where, in fact, you ruled out them looking at pill testing. The question is: Have you ever asked the Chief Medical Officer specifically for advice regarding pill testing?

**Ms GLADYS BEREJIKLIAN:** There are ongoing inquiries and ongoing opportunities—

**Ms CATE FAEHRMANN:** Yes or no, Premier.

**Ms GLADYS BEREJIKLIAN:** Hang on. There are ongoing opportunities for the Chief Medical Officer to make her views known on this and many other issues. I ask all of our experts. Without putting words into the mouths of my public service colleagues here, my stance with all advice I receive is: Make it as robust as possible, make it as strong as possible and then it is up to government as to how it deals with that advice. Can I also make this point, Ms Faehrmann: You and I will disagree on pill testing.

**Ms CATE FAEHRMANN:** Premier, where is the advice that you have received about pill testing?

**Ms GLADYS BEREJIKLIAN:** That is the problem; there is no conclusive evidence. Can I state on the record, you have a view, I have a view; they are extremely different.

**Ms CATE FAEHRMANN:** Premier, I have a view based on evidence because I have seen a lot of the reports. For example, I have seen the Groovin the Moo and The Loop report, where they made young people discard their drugs that had contained very, very dangerous substances. This happened again in Canberra. The question is: Who has provided you with advice in regard to pill testing? Has it been NSW Health?

**Ms GLADYS BEREJIKLIAN:** Ms Faehrmann, correct me if I am wrong, your view is that it is okay for young people to take substances like MDMA. My view is it is not. It is an illegal substance that can kill. Even if a pill is so-called "pure" it does not mean that it will not kill you.

**Ms CATE FAEHRMANN:** Premier, are you aware of how many people take illegal drugs in New South Wales?

**Ms GLADYS BEREJIKLIAN:** Certainly we get reports from police and other authorities about the level of drug taking at music festivals and other venues, which is a concern for government. It is a big concern. However, one thing that the debate has allowed to happen, which I want to encourage, is young people having conversations about these issues. But to give the false assurance that taking a pill with pure MDMA will not kill you is incorrect. Regrettably, I do not want to cause further distress to families who have lost young people recently. I cannot imagine what they would be going through—I just cannot. I do not want to cause further distress to them. But, as you know, the Coroner is looking at these issues. Preliminary advice which has been on the public record is that pure MDMA is what has killed too many young people in the past, unfortunately.

No amount of pill testing will protect young people from the pure drug. The pure drug is lethal. You do not know whether it is lethal for your body or my body because we are different, but giving young people a false assurance that it is okay to take a pure illegal drug is something I do not stand for. You stand for that, that is fine. I do not. We will agree to disagree.

**Ms CATE FAEHRMANN:** Premier, what I stand for is ensuring that people who do take drugs can do so safely. Once they are in the festival how do you stop them from taking—

**Ms GLADYS BEREJIKLIAN:** Can I make this very clear, and it is where you and I differ: There is no safe way of taking illegal drugs. I will never, ever support that.

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**Ms CATE FAEHRMANN:** Where is that advice coming from? Is that advice from NSW Health or the Chief Medical Officer, if you did not get advice on pill testing?

**Ms GLADYS BEREJIKLIAN:** It is a proven fact that people die from taking MDMA and people die from taking illegal substances. You might think it is okay to give people false assurances about the lethality of those illegal drugs. I do not believe in that and my Government does not believe in that. What I want to do is protect lives. I also want to have better conversations with young people. They are crying out for more information. They want to understand what is happening. Whether it is Health or Education, a number of agencies across government are working together to see how we can better provide information to young people. I will never ever support anything that gives the false impression that it is safe to take illegal drugs. It is not. That is an issue on which The Greens and the Government will differ. Let's agree to disagree.

**Mr DAVID SHOEBRIDGE:** Let's try to make it safer.

**Ms GLADYS BEREJIKLIAN:** There is no safe way to take illegal drugs.

**The Hon. NATALIE WARD:** People have died.

**Mr DAVID SHOEBRIDGE:** Let's try to make it safer. You are not interested in that.

**Ms GLADYS BEREJIKLIAN:** I am interested in saving lives. For someone in my position, community safety is a huge priority. Keeping people alive, safe and healthy, whilst still able to enjoy activities, is a priority for my Government. But I will not say, as you say, that it is safe to take illegal drugs, because it is not.

**Ms CATE FAEHRMANN:** Premier, can I confirm that over the time of the very unfortunate summer that we had you never approached NSW Health or the Chief Medical Officer to ask for their advice on pill testing?

**Ms GLADYS BEREJIKLIAN:** No, that is incorrect. The Coroner currently has an inquiry. They are not bound around what they report. The Coroner—

**Ms CATE FAEHRMANN:** Premier, it is about you, not the current inquest. This is before the inquest.

**Ms GLADYS BEREJIKLIAN:** Exactly. You and I are elected representatives and we are not experts in this area. I would rely on the advice of experts. Again, I do not want to cause any distress to the families whose loved ones are the subject of these coronial inquiries, but a coronial inquiry is currently taking place in relation to this matter. All of our officials know that at any time they are free to provide the Government with advice.

**Ms CATE FAEHRMANN:** This goes beyond the coronial inquest. There were months and months, from September right through until possibly March or April, when deaths were occurring and people were asking you about the issue. During all of that time—let's forget about the coronial inquest—did you approach NSW Health or the Chief Medical Officer to ask them for advice on pill testing?

**Ms GLADYS BEREJIKLIAN:** I do not know what putting together an expert panel—

**Ms CATE FAEHRMANN:** Yes or no, Premier?

**Ms GLADYS BEREJIKLIAN:** No, no. The expert panel—

**Ms CATE FAEHRMANN:** You asked them not to look at pill testing. You directed them not to look at pill testing.

**Ms GLADYS BEREJIKLIAN:** No, I directed the expert panel to give the Government urgent and immediate advice on how to save lives at music festivals.

**Ms CATE FAEHRMANN:** They were directed not to look at pill testing, were they not?

**Ms GLADYS BEREJIKLIAN:** They were not directed. They were directed to provide immediate advice to Government on how we could keep young people safe.

**Ms CATE FAEHRMANN:** So they could have looked at pill testing?

**Ms GLADYS BEREJIKLIAN:** They could have put anything to me that they felt was appropriate. We had an immediate crisis on our hands where too many young people were turning up to music festivals and not coming out alive. That is what it is at the heart. If you were in my position you would do what you believe—

**Ms CATE FAEHRMANN:** Premier, you have said that there is no evidence before you regarding pill testing but you have never asked for it.

**Ms GLADYS BEREJIKLIAN:** That is incorrect. There is a number of inquiries on at the moment. There is a number of opportunities for any professional to provide the Government advice. My job is to keep

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young people alive and safe and to prevent the distress that too many families have experienced in New South Wales.

**Ms CATE FAEHRMANN:** I do not think that is working very well.

**The CHAIR:** Thank you, Premier. We have finished this morning's session and your time for questioning has now concluded. I thank you for your time this morning.

**Ms GLADYS BEREJIKLIAN:** I thank all the Committee members. I appreciate their patience and wish them all the best for their future deliberations.

**The CHAIR:** We will resume with the rest of the witnesses at 2.00 p.m. Thank you very much.

**(The Premier withdrew.)**

**(Luncheon adjournment)**

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**JOHN SCHMIDT**, NSW Electoral Commissioner, NSW Electoral Commission, affirmed and examined

**AMY BROWN**, Deputy Secretary, Strategy and Delivery, Department of Premier and Cabinet, sworn and examined

**MICHAEL BARNES**, Ombudsman, NSW Ombudsman, affirmed and examined

**PAUL MILLER**, Deputy Ombudsman, NSW Ombudsman, affirmed and examined

**TIM REARDON**, Secretary, Department of Premier and Cabinet, on former oath

**SIMON DRAPER**, Chief Executive Officer, Infrastructure NSW, on former affirmation

**The CHAIR:** Welcome back. I welcome all the new witnesses. This session goes from 2.00 p.m. to 5.00 p.m. As per a resolution moved this morning, the time will be allocated in rolling 20 minute blocks between the Opposition and the crossbench. The crossbench members will get 10 minutes each of the 20 minutes, subject to any more of them appearing this afternoon. We will start with the Opposition.

**The Hon. PETER PRIMROSE:** I have a question for Mr Reardon. On average, how long does it take to fill a vacancy in the Department of Premier and Cabinet [DPC] from the day the position is opened until the day the successful applicant commences? Is there any statistical detail on that?

**Mr REARDON:** Each cluster and department keeps records of recruitment activities. It depends on the level. It goes from my role down, including band 4, the secretary level; band 3, the deputy secretary level; band 2, the executive director level; band 1, the director level; and then the levels below that. We seek to minimise that recruitment time as much as possible. I can get advice during the hearing on some of those times. Whether it is a single number or there is a range of numbers, every cluster seeks to respond as fast as it can. Each year in the People Matter Employee Survey that is an issue that is raised. We are all very focused on trying to minimise the time it takes to recruit an individual into the public service. We ask about that in the New South Wales public service survey because it is part of their employee experience with us. Just the same as we do customer satisfaction, we try to treat our people as well as we can on the way in and we try to induct them as well as we can.

That is their first touchpoint with us, apart from the time that they see an advertisement, either on social media or online or written in a newspaper. That is the time and moment of truth where they choose to join the public service to make a difference. Therefore, from that point forward, it is incumbent upon us to make that process as streamlined as we can. We do not always get that right but we try to minimise the days—and I will try to get some information for you, as I said—between when they first see that advert, through to a long list of recruitment applicants, down to a short list and an interview and through to when they get a contract put in front of them.

**The Hon. PETER PRIMROSE:** Have you noticed any differences between recruitment in metropolitan areas for a metropolitan vacancy and regional areas?

**Mr REARDON:** Could you clarify further about the difference? I will make a couple of broad comments to try to help. Do you mean the amount of people who might respond to a request for a recruitment activity and advertising for recruitment, or do you mean the speed of doing that? I am not sure.

**The Hon. PETER PRIMROSE:** I am again referring to the length of time that it would take to fill a vacancy. Does it take longer in a regional area or is it the same as would be the case in a metropolitan area? Again, I know I am talking about averages. But have you noticed that there is any particular regional trend?

**Mr REARDON:** Personally, I have not. But I would say that in terms of the amount of people who might apply for a job, there might actually be more people who apply in a regional setting when it is a really attractive role in a smaller regional community or country town. It can be a very, very attractive job and we might get a lot of applicants and move quite fast. Equally, in an urban area we may have a job where there is close to full employment in certain areas and we might struggle to get an attractive list of people. It could be the other way round with regional and urban recruitments. That is in the control of the people who show up. The first thing we have control of is when we advertise for the role. That time frame should be on us, including the position description et cetera.

The amount of people who respond—either through us trying to solicit people to respond and/or people seeing the advert and applying—is not in our control as much. It is up to an individual to apply. After they apply it is back in our control and we should try to normalise that across the State as much as possible. I think from the human resources perspective in the Premier and Cabinet cluster—certainly within the department—there should

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not be any difference in those things. The same people are doing the same tasks under our chief people officer for the department. Therefore the experience should be the same, if not very similar.

The only comment I would make is that with the cluster changes we have made—going from 10 clusters down to eight—we have a lot of agencies that have left our cluster and others that have joined our cluster. They have had slightly different cultural experiences around recruitment with where they have come from. We need to now normalise that. We will work very hard. We are just getting the People Matter Employee Survey engagement scores back through now to see what is on people's minds and what they want us to focus on. If recruitment remains an issue that we need to focus on, particularly around reducing the days it takes to recruit, then that is what we will do.

**The Hon. PETER PRIMROSE:** Will you take on notice if there is any particular regional areas where there are concerns around the length of time and if there is a significant variation from the mean?

**Mr REARDON:** First, I will advise what is available on the public record and furnish you with a copy. There is the *State of the NSW Public Sector Report* that we put out annually about all 400,000 of us as employees. Some of that goes to the time to recruit being an issue. In terms of the recording of the time to recruit for the department, as I said, I will try to furnish you with what I can, even during the hearing if possible.

**The Hon. PETER PRIMROSE:** One of the concerns—and I have no evidence for this—in some regional communities is that there are extended recruitment time frames and that that is being used as part of the fulfilment of the 3 per cent efficiency dividend. I do not know—I do not have any evidence—but I would ask that maybe you could look at possibly addressing that concern either now or just through the information you can provide.

**Mr REARDON:** Nor do I, in terms of evidence of what you have just raised there. Ours would be if we have a job advertised and it is a job that is required in a town, we fill it and that is what we should do. But as I said, for Premier and Cabinet—either the department and/or our cluster—I will try and provide you with it.

**The Hon. PETER PRIMROSE:** I appreciate that. Thank you.

**The Hon. ADAM SEARLE:** Mr Schmidt, I see the Electoral Commission's budget for the current year is well down on the previous year. That is because it is not an election year, but the next year there are local government elections. What plans are in place to make sure that the Electoral Commission is properly and adequately resourced for that task?

**Mr SCHMIDT:** There are a couple of elements to that question; I can work my way through them. With the local government elections, of course I know the Committee is aware that the Independent Pricing and Regulatory Tribunal [IPART] has concluded its review and that is with the Government. I do not know what the findings of the review are and I await the review's recommendations and the Government's response to that. At the moment, under the system as it exists the broad statement would be that the costs of running those elections by the commission are fully recoverable from the councils for those councils we provide that service to. If nothing were to change, we would go out to those councils with estimates about the cost of running it and we would recover the costs from them. So to the extent that there is money to be raised to cover the cost of the election, that is how it is done.

More generally, yes, as you point out, the budget reduces this financial year because the State general election was on last year. Just on that, I am pleased to advise that I think we received approximately \$82 million, which was the cost of running the election. So that was a good outcome there—a significant increase, of course, from 2015 of almost \$30 million. Elections continue to grow in expense. The third part of your question goes to the overall funding for the organisation, and I have some concerns there. There are two elements which underpin those concerns. One, I think there is an issue with the budgeting process for small agencies. Under the current budgetary process, government has moved to cluster arrangements and that is fine. Small integrity agencies, of course, must stay outside and maintain their independence—and the reasons for that are obvious.

The budget process itself, though, tends to be geared for the much larger sums and demands and needs of those organisations. To give you an example, they will be putting up a budget for the coming financial year. You may recall the local government investigatory function was transferred to the commission in the lead-up to the 2017 second tranche of local government elections. At that point, there was no funding when the legislation went through. The Department of Premier and Cabinet, I am grateful to say, gave me a grant to cover the election and for this financial year I received funding for seven positions. That funding expires 30 June in the lead-up to the local government elections. That is a challenge, obviously, because I will find the outcome of the budget process in April for people who do not have certainty of tenure, and they are the very people who I will want on the ground when it comes to the local government election.

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In a larger agency in a big cluster, you would have the capacity to move funds around to perhaps make that shortfall not so apparent to the incumbents of those positions. I will be doing everything I can, of course, to ensure that I maintain those people because they are vital to carrying out our functions. The other element is I have now been in this position for just over three years. When I came on board it struck me—and this has been borne out by subsequent external reviews that I have commissioned—that there is a structural weakness in the way the commission is funded. We have traditionally been funded as an events organisation, so you have massive spikes and then years where it falls away. That was okay—I do not believe it was okay—but that reflected when the commission basically did elections and elections were a different nature—

**The Hon. ADAM SEARLE:** It reflects past experience.

**Mr SCHMIDT:** Past experience. Of course, the functions of the commission have expanded dramatically: funding and disclosure, the administration of public funding, the enforcement compliance which goes with that, the lobbyists, a range of other functions as well. The complexity and expectations of the community as to what they will get from an election experience and the integrity have changed too. In the most recent State general election we employed casual employees at the Electoral Commission. We had 24,000 of those and many thousands of other people doing the counting of the ballot papers. So we have a core nucleus of people who have to, in a sense, inoculate those people with the expertise. I have, I think, approximately 40—I could be wrong—people in the elections branch. It might be smaller than that. If I can look to my colleagues—about 40.

Those 40 people are the elections experts. If something goes wrong, if an electoral district manager falls over—and it does happen—one of those people have to go in. We have one less person in head office who can then provide the backup for all the functions and all the activities that are going there. When we have an election, it is all hands to the pump within the organisation. We have some key resources in information services. We have our compliance people, who obviously continue their jobs and do more. We have people from the finance area, people from the communications area, people from the legal area who go out and assist with the running of the elections, and we build up a certain expertise in-house.

What I did when I came in was, first off, I commissioned in late 2016 a review by PricewaterhouseCoopers about the funding model. Its report came back and said, "It is fragile. There is a genuine risk with the way you are funded. You have a certain number of core people under the labour expenses cap and you have all these other people coming in and out with uncertainty for shorter or longer periods of time." So I put up a budget bid based on that; I was unsuccessful. Then the Auditor-General put out a report looking at certain agencies and the use of contingent labour and basically said contingent labour is not a good use of funding. It is not efficient; does not get the most bang for your buck.

**The Hon. ADAM SEARLE:** It is also more expensive over the medium to long term.

**Mr SCHMIDT:** It is much more expensive. I also then got Bendelta, an organisation, to look at workforce strategy for me. If you will bear with me, there is just one paragraph of the executive summary of the report that they then gave me which I think summarises this. It states:

The staffing profile of the commission is characterised by fragility—fragility that drives inefficiencies in salaries and wages spent, in work and initiative discontinuities, in hiring and engagement processes and in the lack of investment and training and upskilling. This fragility presents a risk management issue for the commission and calls into question the sustainability of the organisation over the longer term.

**The Hon. ADAM SEARLE:** That is pretty heavy stuff.

**Mr SCHMIDT:** Yes. So I put up another funding request.

**Mr DAVID SHOEBRIDGE:** Are you going to table that document, Mr Schmidt?

**Mr SCHMIDT:** I am quite happy to.

**Mr DAVID SHOEBRIDGE:** Please do.

**Mr SCHMIDT:** I was unsuccessful. In addition to the other stresses and strains—I know you have been talking about this in some of the other committees—are the efficiency dividends.

**The Hon. ADAM SEARLE:** Are you subject to the efficiency dividends?

**Mr SCHMIDT:** I am subject to an efficiency dividend.

**The Hon. ADAM SEARLE:** You are subject to the full 3 per cent?

**Mr SCHMIDT:** I do not know percentage-wise. My budget consists of two components. Protected funding is more than 50 per cent. The bulk of that is funding for political parties and public funding; that is fine. Elections are considered protected funding and whatever. Then I have the general operating expenditure. I will

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get the actual figures. A couple of weeks ago I was advised that—much earlier in the piece, with the first round of efficiency dividends, we had been advised of a saving for next year of \$1.6 million—we have now got an additional saving of \$1.2 million, which works out at being \$2.879 million, which I will need to find. At 30 June next year, I need to have that sorted out so I can go into the new financial year.

How do I apply that? The advice I received when I was advised of the cut was that the expectation was that it would be primarily put towards salaried positions. If I applied that amount to my labour expense capped resources, that would be a reduction of that funding at 16.3 per cent. If I applied it to my other operating—electricity, rent—26.7 per cent. The total cost for the agency of those efficiency dividends is 10.1 per cent.

**The Hon. ADAM SEARLE:** That is a pretty big cut to your operating expenses.

**Mr SCHMIDT:** It is a big cut. So I have significant stresses and strains in my funding model.

**The Hon. ADAM SEARLE:** Dare I ask: What is the solution?

**Mr SCHMIDT:** There is a solution. I will be doing a report to the Parliament—to the Joint Standing Committee on Electoral Matters [JSCEM]—as I am required to do after each election. One of the things I will look at is funding. I am going to float this idea. It is a matter for the committee and, if it goes any further, the Parliament. In Victoria the Electoral Commission there has a direct appropriation for its operations. I can refer people to the provision. I brought it along today in case it came up. Section 181 of the Electoral Act 2002, in Victoria, says:

- (2) Except as otherwise provided ... the money required for the administration of this Act ... is to be paid out of the Consolidated Fund, which is by virtue of this section appropriated to the necessary extent.

The Electoral Commissioner then reports to the Joint Standing Committee on Electoral Matters in Victoria in relation to those moneys and how they have expended it. I know a number of agencies would like a provision like that, but certainly I will raise that as a possibility and then leave it to the good graces of the committee and Parliament if they think that is a worthwhile exercise to pursue.

**The Hon. ADAM SEARLE:** In relation to the seven positions in the local government investigations unit, they would be necessary not just in the lead-up to the local council elections but certainly afterwards in terms of any potential fallout—

**Mr SCHMIDT:** Well, that is—

**The Hon. ADAM SEARLE:** —from investigations of complaints.

**Mr SCHMIDT:** I am sorry. I was interrupting you. Enforcement does not stop just because an election event happens.

**The Hon. ADAM SEARLE:** No.

**Mr SCHMIDT:** So we have a small group of people anyway. Those people are now integrated into the funding and disclosures area and then compliance. We have an ongoing range of matters that can take years to bring to fruition. You cannot just switch the tap on and off when it comes to investigations. We have major election events in the normal cycle every two years anyway. The local government elections are equally—actually I would say more—complex than State general elections for a number of reasons, and then you have the State general election. In between you have a myriad of by-elections. Then you have the funding and disclosure issues and following up on matters which arise in respect of breaches or alleged breaches of those matters. So they are not short of work.

**The Hon. ADAM SEARLE:** What are the consequences of not addressing those issues that you have just outlined for the integrity of the processes that you have to oversee?

**Mr SCHMIDT:** I will talk about the bigger picture of the cuts, not the specificity—I think it speaks for itself—of the compliance area. It will cost more in the longer term if I do not have that core of people—and it needs to be more than that core of people. The funding bids that went up did not just ask for money—there was an element of that—but a certain degree of that money was to convert some of the protected election funding money and spend it over the two- or four-year period so that people could be employed on a permanent basis on a net nil cost. But there were some additional resources sought.

The more you reduce the core capability of the organisation not only does the risk profile increase, but the cost of running the elections will increase because you will have to engage more people for longer periods of time with more training to ensure that they can do their jobs. I have enough feedback from members and people who participate in elections about the calibre, sometimes, of the experience that they have when participating in elections. That will worsen. As I said before, the core capability of the organisation gets eroded.

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I have a huge problem with overtime and accrued leave. The hours that my core staff worked during the election raised for me significant workplace health and safety [WHS] issues. I will not be allowing that to happen again because these people are the crucial people who have to be around. So, if we have count centres operating for 12 or 18 hours a day some of core staff have to be out there operating. They went above and beyond the call of duty. I am incredibly proud of the people who work for me. The people of New South Wales can be justifiably proud, and take faith, in the commission staff who run their elections for them. I am concerned that, cut by cut, little by little, that capacity will be whittled away.

**The Hon. ADAM SEARLE:** I will come back to that.

**Mr DAVID SHOEBRIDGE:** Mr Schmidt, starting where you left off, one of the recommendations that was released in the draft report from IPART on local government elections was that there should be a competitive neutrality between the Electoral Commission and private electoral providers. It would seem, on the understanding that there will be therefore more competition from private providers, that more local councils will end up arbitraging between your services and private providers. Would that produce further uncertainty going forward about the scope of your work in local council elections? What kind of impact would that have?

**Mr SCHMIDT:** This will come to a head, obviously, in the very near future when the report is released and the Government response is there. My general response is that of course it is a competitive market, and people do not necessarily realise this. I address a number of these issues in the submissions I put into the IPART inquiry. I encourage people to read those as background. I do not have to run local government elections. I am a service provider. My mantra is that electors at local government elections are entitled to the same degree of service and integrity as you would expect of a State general election. I do not think that this unreasonable. So I will go out to councils with costings which I believe will deliver that outcome. If a council does not want to pick it up I will not run their election. I will not put the commission in that position.

**Mr DAVID SHOEBRIDGE:** Doesn't that run the risk, going forward, of councils getting lower quality, low-cost private providers, and having an impact upon the integrity of the overall election mode?

**Mr SCHMIDT:** I cannot comment on the impact and the integrity. I just cannot comment on what the other providers do, but I can see your argument.

**Mr DAVID SHOEBRIDGE:** In terms of your being able to plan your workforce going forward, if more and more of the local council elections are contestable, and it is uncertain how many you will get in any given electoral cycle, how do you plan for that in terms of staffing? What does that do for your ongoing planning?

**Mr SCHMIDT:** It is a little bit more complex than that. There are two elements of the cost structure for running elections for local government. One is what I will call the core funding. These are the base costs which the commission has to run, no matter what. The challenge is if it were the case that more and more councils would go to some other provider then that core cost would go up for the remainder, because it would be spread amongst a smaller pool of people. When it comes to the staffing of the organisation it is no different from what we have now. Those people who are engaged under local government funding are additional people who are brought in for that purpose. The challenge is if you do not have your core existing staff to assist those people in carrying out those functions you might have to employ more, which puts the cost up for councils and also raises the risk profile of the exercise. It is a vicious cycle.

**Mr DAVID SHOEBRIDGE:** It becomes a non-virtuous circle.

**Mr SCHMIDT:** That would be a good way of putting it.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, when key independent statutory bodies like the Electoral Commission or ICAC come and approach you with budget bids, do you treat their budget bids any differently to the way you treat budget bids from other non-independent statutory bodies?

**Mr REARDON:** In what way do you mean "differently"?

**Mr DAVID SHOEBRIDGE:** Do you give them greater credence? Do you understand that independent statutory bodies provide a different, and indeed critical, part of the bureaucracy?

**Mr REARDON:** There are quite literally hundreds of agencies that provide critical parts of the public service to the eight million people of the State, but I will come to your question—

**Mr DAVID SHOEBRIDGE:** I will put it differently—fundamental integrity. They are fundamental, frontline protectors of integrity in the system. Here I would put ICAC, the Electoral Commission, the Auditor-General, the Law Enforcement Conduct Commission and the Ombudsman. These fundamental independent statutory bodies ensure some degree of integrity. Do you treat their budget demands any differently to, say, a demand from the broader administrative services in Premier and Cabinet?

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**Mr REARDON:** Sure. I will make a few comments. One is that there are 400,000 people out there who are very concerned about the accountability of service delivery and the integrity of what they do for eight million people across the State. Those 400,000 employees have those same values. That is the first thing I would say. In terms of how they are treated, they certainly are treated differently. The Appropriations Bill treats the special offices—the integrity agencies—slightly differently than broader classes.

**Mr DAVID SHOEBRIDGE:** They are given a distinct line item. But I am not asking about giving a line item in the budget; I am asking about their budget demands—the bids that they put to you. Do you say that this has come from one of these core integrity agencies; I am going to take it more seriously and I am going to run a different ruler over it because it has come from, say, the Electoral Commission or ICAC?

**Mr REARDON:** I have heard your question, and I am responding to your question. You keep asking me another question, so I will respond to your question.

**Mr DAVID SHOEBRIDGE:** Please do, Mr Reardon.

**Mr REARDON:** The first is they are treated differently. In the Appropriation Bill the special officers, the integrity agencies—which are the Judicial Commission, the Office of the Director of Public Prosecutions, the Children's Guardian, the Independent Commission Against Corruption, the Independent Pricing and Regulatory Tribunal, the Law Enforcement Conduct Commission, the Electoral Commission, the Ombudsman's office and the Public Service Commission—are treated differently, as per the Appropriation Bill. They are treated differently. There are eight clusters and then they specifically call out these, and they also specifically call out the Legislature as well. They are treated slightly differently as integrity agencies. To your question on the way into the budget process, as you know—and we have talked about before—we do have clusters.

We have eight clusters and the integrity agencies—a group of them—are in the Premier and Cabinet cluster. There are also independent agencies and commissions and regulators in most of the clusters. In the main, whilst they are independent of their job and their objective is protected by them, that is their job. My view is—and taking this view in terms of Premier and Cabinet as secretary—I am here to assist them all I can in terms of both budget and budget bidding and also people. That is something that we all have in common about our people and the mood of the workforce, participating in People Matter Employee Surveys et cetera; we should be treated the same. People are people across the public service.

For budgets and budget bids, certainly my view has been to try to let me know what is on their mind at the most senior level, at commissioner level. The Electoral Commissioner, in terms of all of the points he has raised about his budget and his budget bids are not surprises to me because he communicates them to me effectively and I appreciate that. In the past year in the lead-up to the State general election, certainly we were very clear on what his specific requirements were. I believe his budget last year was something like \$162 million because it was a State general election year, and we went through a whole range of the provisions that he would require that were specific to him. For example, his staffing requirements had grown quite a bit since 2015, not necessarily in number, a little bit of population, but because his work health and safety requirements and his duties under that were more stringent and therefore he had to have more people because he could not have them working the hours that they may have done in the past.

He had iVote, to get certain extra provisions with his expectation of the forecast growth of the iVote. We supported him through the budget bidding process at a senior level, probably far more than ever before had occurred. No, we do not get everything we request; we do not. But it is my job, and I take the view, as secretary, that I am there to support them. After that, their independence is, as I said, absolutely protected on the scope of their work, their objectives and their job. We get an appropriation directly out of this House towards those independent agencies and special officers, and that appropriation then goes to the agency.

**Mr DAVID SHOEBRIDGE:** Mr Reardon—

**Mr REARDON:** If I could just complete?

**Mr DAVID SHOEBRIDGE:** Yes.

**Mr REARDON:** After that, where they still have issues during the year, we monitor like we do everyone else in the cluster, and try to assist as best we can during the year as well.

**Mr DAVID SHOEBRIDGE:** But if there is no independence on funding, which is crucial to be able to do the kind of oversight work—and, in terms of the Electoral Commission, having sufficient staff to run an audit, say of my party, The Greens party, or to run an audit of the Opposition or, crucially, to run an audit of the Liberal Party or the Coalition, who are your political masters—

**The Hon. NATALIE WARD:** They do it regularly. Sorry. They are diligent.

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**Mr DAVID SHOEBRIDGE:** To have the independence to do that, they need independent funding, do they not? Yet you are the one who holds all the purse strings and you do not seem to treat their funding requests any differently to, say, a funding request from the Office of Local Government.

**Mr REARDON:** As you might imagine, I disagree with your point—particularly your last one. In terms of being the Secretary of the Department of Premier and Cabinet, it is an honour and a privilege to do the job, but I reject your comment about political masters. I serve the community—

**Mr DAVID SHOEBRIDGE:** At the pleasure of the Premier.

**Mr REARDON:** Yes, I do indeed.

**Mr DAVID SHOEBRIDGE:** And she can sack you if she chooses.

**Mr REARDON:** Any time.

**The Hon. NATALIE WARD:** Is this a budget question?

**Mr REARDON:** Any time.

**The Hon. NATALIE WARD:** Is this a budget question or is this a personal attack? This is a personal attack.

**The Hon. ADAM SEARLE:** We are discussing the budget of the Electoral Commission.

**Mr DAVID SHOEBRIDGE:** For those agencies—

**The CHAIR:** Order!

**Mr DAVID SHOEBRIDGE:** —that can cause political harm to the Premier and her party, there needs to be greater protection for their funding, which you do not give them.

**Mr REARDON:** Chair, can I again respond to that to complete?

**The CHAIR:** Yes, you can finish the answer and then move on.

**Mr REARDON:** I think even your last question I need to respond to as well. You are making a comment about how we may provide funding to independent agencies. I will repeat: The Appropriation Bill directly out of this House provides funding to the integrity agencies. On the way in, I probably provide them with more support than ever before in terms of their budget bids. I make them make me very aware of what they are. I do not have to; I could sit back and say, "You are on your own" in terms of how they put forward their bids to Treasury and come through this House and appropriated directly to them. There is a committee that oversees that and they can make their position clear here.

In terms of my control of them, no, I disagree with the very premise that you raise. In fact, the comments that the Electoral Commissioner raised about another jurisdiction, we have very much similar circumstances in terms of appropriations direct from Parliament to those integrity agencies. I would like that absolute clarity that they can get on with their independence of their job. My view about what they do as to their scope, I do not want to know what they are doing. They are independent for a reason. Their integrity is utmost, as you pointed out. My view is the more clarity and crispness we can have in their budget, the better. But when an appropriation comes out of this House to them, they have a budget for the year.

I have an allocation across the entire cluster of \$2.7 billion. I have a whole range of efficiency savings that I need to meet and I try to allocate as best I can, including where I need to, to assist some of the integrity agencies if they believe that during the year they have an issue with something. My door is always open. I meet with them on a quarterly basis as a group as well so they do feel like they have a cluster they can come back into.

**The Hon. ROBERT BORSAK:** To you, Mr Schmidt, I have sat on the Joint Standing Committee on Electoral Matters for eight years and I continue to do that in this term. I have a particular interest in iVote. How committed are you to the iVote system?

**Mr SCHMIDT:** I am happy to answer the question, but one procedural bit of guidance—and this is so I do not overstep any mark or step on toes—when the Joint Standing Committee on Electoral Matters has a specific reference from the Parliament on the State general election, and I know a number of people here at this table are in fact members of the committee, is it okay for me to canvass those same issues in this forum as in that committee?

**The Hon. ROBERT BORSAK:** Of course.

**The CHAIR:** You can.

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**Mr SCHMIDT:** I am committed to iVote. I am not arguing for an expansion of iVote. iVote serves a purpose for a particular tranche of electors. iVote was originally introduced for blind, low-vision or disabled electors. Of course, we can understand the benefits, and it has proven to be the case. We have great support from the various—

**The Hon. ROBERT BORSAK:** And that is the evidence that we have had in the past

**Mr SCHMIDT:** Yes. Then we have the failing of overseas postal voting. I have got the statistics here, I could pull them out if you like. Of the tens of thousands of postal packs which were sent overseas at the last State general election, only a small proportion of those were received back in time to be admitted to the count. Then there are people outside the State on the day, who make up the bulk of people who actually use iVote. For that group of electors who it currently serves, I believe it serves a valuable function for people who might otherwise be disenfranchised.

**The Hon. ROBERT BORSAK:** That is right. Am I right in hearing what you said: You are not necessarily committed to a full rollout of it right across the board?

**Mr SCHMIDT:** Absolutely. The interesting question will come—and I flag this because of IPART's review and whatever—under the local government legislation, this is an issue we will have to address so I put it out in the arena now so when we come to the joint standing committee we might be able to have some more discussions about it. Councils after the next local government elections will be able to seek approval to move to full postal vote, universal postal voting, elections. That is fine. We do not have to have attendance voting. In fact, a number of jurisdictions in Australia for local government do have full postal voting. The question becomes now as to whether you need to use iVote in tandem with that, because there will be a significant number of electors who may be disadvantaged.

That then leads to the further question: If you use iVote for universal postal vote elections at the local government elections, do you also then cover it for in-person voting elections, which those councils who do not use universal postal voting continue to use. They are interesting questions and ones which we will have to address at a certain point.

**The Hon. ROBERT BORSAK:** Yes, and I agree. It is the potential for rolling it out to general elections that worries me. I do not care whether it is iVote but that is the one that has been used for years and years by your department. In light of recent overseas hacking events—and we have seen a lot of that; it has chewed up a lot of news time in the United States, especially supposed Russian hacking of the presidential election for Trump a few years ago and also some activities of the Chinese we are told, from time to time—all these reports have certainly got to give you some pause in relation to the technologies they are using. And the iVote technology is quite old now, as far as I understand it.

**Mr SCHMIDT:** We refreshed the system completely in the lead-up to the last general election so it is more state of the art than the version which was used in 2015. And to give you some comfort, we have worked very closely with the national intelligence agencies during the entire election, who monitored our systems for any signs of intrusion or attacks. I am happy to say that we have been given a clean bill of health. User experience problems which arose during the course of it were all down to normal IT technical problems—nothing malicious from overseas. Having said that, we have to be alive to the fact that it is a potential risk.

**The Hon. ROBERT BORSAK:** Yes. There were risks and there were problems that were highlighted, especially for remote voters using mobile devices during the last election. I think even during the 2015 election there were issues around all of that, which I think at the end of the day were not fully addressed.

**Mr REARDON:** Mr Borsak, could I add to the Electoral Commissioner's comments?

**The Hon. ROBERT BORSAK:** Yes, sure, Mr Reardon.

**Mr REARDON:** In terms of cyber incidents, we are vigilant on cyber incidents across the entire public service all of the time. In terms of information and communications technology [ICT] specific to the Electoral Commission and iVote and the upgrades that were provided for the State general election, I just wanted to commend the Electoral Commissioner. They did a fantastic job. They had a lot of risk to manage. There was a lot of media, as you pointed out, about international interference and the potential of it in certain elections. There was a Victorian, a Commonwealth and a New South Wales election all within a six-month period so there were concerns. The Electoral Commissioner here very proactively dealt with national security agencies on that—that was his business, on iVote—but did a very, very good job in seeing that through.

**The Hon. ROBERT BORSAK:** Thank you, Mr Reardon. I take your point. There are a lot of issues around the technology challenges involved with all of that. Being an old accountant from way back, I still have not had an answer yet to see what the adequacy of the audit trail in that system is. I know we questioned your

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predecessor in relation to that but we never actually did, at least as far as I was concerned, get a detailed answer on what the audit trail is that party officials could be happy with at the time the votes are lodged and afterwards.

**Mr SCHMIDT:** You have raised a very interesting point. You may be aware that arising out of one of the JSCEM recommendations after the 2015 election and the use of iVote was that there be a review of its use. We engaged Roger Wilkins, who had the benefit of a number of experts who did that review. One of his recommendations—and I fully support it—was to take steps to try to improve the capacity for scrutiny of the iVote process.

**The Hon. ROBERT BORSAK:** Yes, that is it.

**Mr SCHMIDT:** Unfortunately—

**The Hon. ROBERT BORSAK:** The old commissioner explained it to us. He said it was a black box. My view is that is simply not good enough—

**Mr SCHMIDT:** And I agree.

**The Hon. ROBERT BORSAK:** —because you cannot say to a political party, "Trust me. I'm from a government agency. Everything's fine." Not that I distrust you, or even Mr Reardon; I trust you wholly. But the reality is political parties have to be able to satisfy themselves.

**Mr SCHMIDT:** So, Mr Borsak, what we did in the lead-up to the election was we held an information session to which we invited all the parties to take them through how the new iVote system works and invited them to attend as scrutineers on election night if they wished to. No party representatives put their hand up as scrutineers. One of the participants—I did not ask the question—as they left was asked, "Why don't you want to come along?" and they gave the answer along the lines of what you have just said, "Because we trust the Electoral Commission to do it properly." When we did the decryption ceremony we did have some representatives of parties in the room, but it is an ongoing challenge: How do you make that system—

**The Hon. ROBERT BORSAK:** Well, how do you make it simple enough for ordinary people who are not versed in—

**Mr DAVID SHOEBRIDGE:** How do you do a decryption ceremony? It sounds kind of interesting.

**Mr SCHMIDT:** The trouble is, unfortunately, it is people looking at a screen with people pushing buttons on a laptop and figures appear and do not appear or take longer than they expected. It is similar to the count for the upper House, where you sit down in that room at Portside and a few positions come up first and then you wait and you wait, and 90 minutes later the last couple appear on the screen. I am happy to engage with the JSCEM—

**The Hon. ROBERT BORSAK:** But that is algorithmic and it can be duplicated, so therefore it is scientific. But the actual votes as they are cast cannot be duplicated on an online, real time, live iVote system.

**Mr SCHMIDT:** I am happy to engage with the JSCEM about further discussions on this because it is an important issue. Transparency is vital to keep faith in the integrity of the system.

**The Hon. ROBERT BORSAK:** Thank you.

**The Hon. ADAM SEARLE:** Mr Schmidt, in your earlier comments in relation to the integrity of the processes that you have charge of and the funding arrangements you flagged two issues I would like to explore. You talked about the significant work health and safety issues impacting your staff. I would like you to expand upon what those are and give us a flavour of those challenges. The second thing you mentioned was what you described as the risk profile, which I understood to be risk to the integrity of the electoral process itself. Could you explore those two things?

**Mr SCHMIDT:** Okay. WHS is quite straightforward. It comes down to simply the hours that the staff put in during that election period. And it is not just the 23 March; it is not the two weeks pre-poll. It starts months before. What was unusual about this particular election, in setting the scene for fatigue and other risks, was because of the split local government elections. Normally you have had a break period in between the 2015 election and then you would have had the local government elections in 2016 and then you would have the State general election in 2019. Some of my staff—this predates me—had been basically working on elections; that small cohort of valiant people—

**The Hon. ADAM SEARLE:** That is the 40.

**Mr SCHMIDT:** Well, the entire staff—there is more than 40; 112 LECC and a number of other contractors and people—for four years doing elections. So there is an existing problem there. And so we greatly

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increased—I am told, compared to what we did in previous years—training for staff. We had experts come in from outside to do reviews about our WHS. We had exercises done. We did a mock court case where people would have to give evidence as supervisors about how would you explain a situation. The example happened to be a staff member works very long hours, drives home, has a microsleep and crashes. I did not speak to the person personally but one of my officers, I am told, at one point said, "Oh, I did drive home the other night and I found I was having microsleeps." I heard about this after election. That is the very thing we must avoid. And because people are so dedicated they do not necessarily put their hand up. So we need to be able to put in structures.

One of the changes we made for this election—and there was some criticism in the media at the time—was the initial count on election night for the small parties in the upper House. There was a little bit of coverage of that. Of course, that is not the real count. That is just the indicative count which is done on election night. I made a conscious decision not to do that on the election night for not just my staff—the core staff. Remember we have got these thousands of other people—members of the community, who have other jobs and other lives—who come in and take on the mantle of an electoral official for that function. I wanted to do as much as I could to get them out the door of the polling place because they come in early in the morning on election day. They may have been working on pre-poll. The doors close at 6.00 p.m. and then they have to do the count. So they concentrated on the Legislative Assembly [LA] initial count and then the Legislative Council [LC] was put off to the next day. So that was one of the steps that I took.

In the count centres, to finalise the LA count—and it was pushed out by one night—people worked what I now consider in retrospect excessive hours to get to that target. I should have extended it. It was extended by one day. I think some of my IT people worked 30 hours straight to be able to monitor the systems and do appropriate checks at appropriate places as the data was being entered. That will not happen again. So one of the things I might have to do is for future general elections I will extend the time in which the count is conducted because WHS must come first. I am not going to sacrifice lives for the benefit of a quick result. That is the flavour of WHS. Then you talked about the risk profile. Elections are an art and a science. We have our legislation but you need to have those core people who understand the mechanics of it.

I came in fresh. I dealt with this in my days in Cabinet Office, legal branch and then as the last head of Cabinet Office before it merged with Premier and Cabinet. I have been involved in elections for many years, but you cannot beat being on the ground and being deeply involved in it. Unless you have that core amount of knowledge to fix—issues come up. It is a fascinating experience. The phones are ringing hot. Issues are coming up in polling places, parties are raising issues and workers are raising issues, and they have to be resolved as quickly as possible so that the smooth operation of the election can be achieved. If you do not have that, things can start to go wrong. Things can start to go wrong with the people supervising the count, which might call the election into question.

Back to iVote again, there are very specialised skills in the Cabinet office iVote area. I have had to let go a number of the people who worked on the iVote project because I did not receive continuing funding for those people. I still have a core number of people there. That is a challenge. It is just a statement of fact. So if you have areas where the core capability is decreased, there is a risk of failure, a risk of something going wrong and the worst outcome—besides the risk that we talked about with WHS and personal injury—of course is that the outcome of the election is called into question and we have to do it again and the integrity of the Electoral Commissioner or the commission is called into doubt as well.

**The Hon. ADAM SEARLE:** I think that is pretty comprehensive. Thank you, commissioner. I move now to questions to the Ombudsman. Thank you for coming, sir.

**Mr BARNES:** Happy to be here.

**The Hon. ADAM SEARLE:** You recently wrote a fairly comprehensive note back to the Clerk of the Legislative Council in response to a call for papers.

**Mr BARNES:** Yes.

**The Hon. ADAM SEARLE:** I understand there are limitations on what you can say, and obviously if we reach those limits you will express that limit. I will ask the questions and you give the answers you wish to.

**Mr BARNES:** Thank you.

**The Hon. ADAM SEARLE:** The investigation into SafeWork that your office is currently conducting, that has been ongoing now for 18 or 19 months; is that correct?

**Mr BARNES:** February last year is when it commenced.

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**The Hon. ADAM SEARLE:** And I know in that letter you have set out a number of steps that you have taken. Do you have an indicative sense or time frame as to when that investigation may be complete?

**Mr BARNES:** Yes, and the preliminary conclusions of the investigators have gone to the subject agencies for their comment. When those comments are received, the investigators will express their views about how what they have written should be changed or not changed. It will then come to me for settling. The timeline for that is in the next month or so. I expect to receive a draft for consideration.

**The Hon. ADAM SEARLE:** Again not holding you to these time frames but just trying to get a sense, based on past work of the office do you have a sense of how long it will take you to go the next stage or to complete the work from your perspective?

**Mr BARNES:** As you say, that very much depends on what comes back and how I respond to the recommendations of the investigators. Based on past experience, I would anticipate finalising the report before the end of the year.

**The Hon. ADAM SEARLE:** Okay. Is the length of time that the investigation has taken to date usual for an investigation of its size and complexity? Or has it taken a bit longer than usual?

**Mr BARNES:** It is hard to categorise a "usual" investigation. In this case over that period four separate sets of allegations have come forward that have required us to issue new notices of investigation. As I say, it started in February last year. In July last year we got some more information that required us to reissue notices. That happened again in March this year and in May this year. Each time that happens, we have to go to the agencies that might have information relevant to the allegations we need to resolve, gather information from them, if necessary conduct private hearings or sworn interviews, gather and analyse all the documents that the agencies produce and then consider where we stand. So if we just dealt with the matters that came to us on 14 February last year it would be very long that we are still investigating it now. But as we have received and had to respond to further information in July last year, March this year and May this year, it is not particularly protracted from my perspective.

**The Hon. ADAM SEARLE:** Okay. I see in Budget Paper No. 3 it looks as if the budget allocation to the Office of the Ombudsman has actually decreased by about 3 per cent. Is that a correct reading of the budget paper?

**Mr BARNES:** Yes. That is how I read it.

**The Hon. ADAM SEARLE:** So you have less money in the current financial year to conduct your functions than the office had in the previous year?

**Mr BARNES:** That is correct.

**The Hon. ADAM SEARLE:** Can you tell us whether that reduction has impacted this particular investigation or the discharge of your duties more generally?

**Mr BARNES:** I certainly could not say that it has impacted this investigation. It would be more likely that the impact would be felt by the office declining to commence new investigations.

**The Hon. ADAM SEARLE:** Okay. But that would still be a significant impact on the functions of the office, not being able to do as much in terms of new work? So the first complaint was received on 30 January 2018, and that is a complaint about the conduct of SafeWork. Can you tell us the source of the complaint?

**Mr BARNES:** I cannot.

**The Hon. ADAM SEARLE:** You cannot?

**Mr BARNES:** Sorry, I do not think I should.

**The Hon. ADAM SEARLE:** No, no. That is okay. I am not going to press you on these matters.

**Mr BARNES:** Thank you.

**The Hon. ADAM SEARLE:** I will just ask them and you answer them as you see fit. So then you indicated that on 14 February you served the notice of investigation on SafeWork and then in July you served a further notice of investigation on SafeWork, expanding the investigation. That is because you indicated you got a second round of allegations, information?

**Mr BARNES:** That is right. Further information was provided.

**The Hon. ADAM SEARLE:** Without identifying the source of those allegations, was it the same source or was it a different source?

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**Mr BARNES:** I could not answer that. I am not declining to; I am not able to answer that one.

**The Hon. ADAM SEARLE:** Okay. That is fair enough. So then we go to August. You have conducted hearings and interviews with witnesses in relation to the investigation. Were all of those persons you have spoken with inside the subject agency or were they a mixture of people in the agency and people outside of the agency?

**Mr BARNES:** Certainly people within the agency were interviewed under oath. I can check that. I do not think there would be any difficulty answering that question in an honest tone.

**The Hon. ADAM SEARLE:** If you could take that on notice and come back?

**Mr BARNES:** Yes, certainly.

**The Hon. ADAM SEARLE:** Okay. And then in August again you conducted more interviews. Again, I would like to know if it was a mixture of people at SafeWork and people outside of SafeWork.

**Mr BARNES:** Certainly.

**The Hon. ADAM SEARLE:** Then in March of this year you served further notices of investigation on SafeWork, again expanding the terms of reference. It seems, looking through the letter, that it is not just that there are new allegations, but it sounds like the scope of the investigation is broadening significantly. Would that be a fair impression to get?

**Mr BARNES:** I think it is fair to say that there are allegations in relation to different premises that have come up at different times.

**The Hon. ADAM SEARLE:** Right. Is the nature of the allegations the same? The same essential complaint?

**Mr BARNES:** No, they are varied.

**The Hon. ADAM SEARLE:** Okay. So you have now done all the investigations, you have spoken to the people you feel you need to and your investigators have compiled material that is now with the subject agency. Again, without holding you to any particular timeline, is it a reasonable expectation that your office might complete the work on this matter in the next three months?

**Mr BARNES:** Certainly. If it goes to plan the way an investigation normally would, we expect the responses to the draft have gone out within the next couple of weeks. I believe the investigators and the legal officers will have regard to those responses and consider whether they should vary what they have written to come to me. I will then consider that and finalise the matter promptly.

**The Hon. ADAM SEARLE:** Okay. Is the nature of that complaint that somehow the work of SafeWork itself has been compromised, in terms of the enforcement work it does?

**Mr BARNES:** I would need to, first, satisfy myself as to whether that is an accurate description and, secondly, satisfy myself whether it is appropriate that that be put on the public record. So I will come back to you in relation to that.

**The Hon. ADAM SEARLE:** Okay. Given the sensitivities around an existing investigation I will not press you further, but if you could take those things on notice and come back to us with what you can—or what you feel you can—I will consider whether that is satisfactory and I might come back to you on it.

**Mr BARNES:** Thank you.

**The Hon. PETER PRIMROSE:** Maybe if I could just ask Mr Schmidt for a comment, please. One of the things we expect that may occur at the next round of local council elections in New South Wales is the application of local government election expenditure caps. Have you considered any models for that and how that may impact on the operation of the Electoral Commission?

**Mr SCHMIDT:** No, I have not. I have had no consideration of that issue.

**The Hon. PETER PRIMROSE:** You have not been asked to do any modelling?

**Mr SCHMIDT:** No.

**The Hon. ADAM SEARLE:** Mr Reardon, you will remember in the conversation we had during the estimates dealing with Minister Harwin I asked you some questions about investigations into workplace bullying. Do you remember me asking you those questions?

**Mr REARDON:** You will have to remind me. I do recall us having some questions and answers on it but you might be more specific.

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**The Hon. ADAM SEARLE:** Essentially that there was an allegation of bullying against a senior Landcom employee but the investigation was curtailed because the person left that employment. We had a discussion about what the responsibilities were of the public sector more broadly when that happens. Can I just ask you this question: Given that the UrbanGrowth NSW Development Corporation [UGDC] has been abolished, its staff were transferred to Infrastructure NSW, is that correct, Mr Draper or Mr Reardon?

**Mr REARDON:** Yes, the functions have been transferred. I will talk about staff if you like but you might want to finalise your question.

**The Hon. ADAM SEARLE:** I might provide to you and to Mr Draper this bundle of documents. I am happy to provide a copy to the Chair. Just to tell you where the document came from, it came from the non-privileged bundle of material provided by Landcom and UGDC, now Infrastructure NSW, to the Legislative Council in response to an order for papers under Standing Order 52. There are a couple of emails which you can read and there is a letter from the then chief executive officer Mr Mann back to the managing director and CEO of Landcom, Mr Brogden. The original letter from Mr Brogden to Mr Mann is the subject—

**The Hon. NATALIE WARD:** Relevant to the budget how?

**The Hon. ADAM SEARLE:** It is relevant to employment in the public sector. We have already canvassed these issues.

**The Hon. NATALIE WARD:** Are we getting there?

**The CHAIR:** Order! You cannot have a conversation across the hearing, please.

**The Hon. ADAM SEARLE:** Just for context, the original letter is the subject of a privilege claim so I will not go into that, but I think the issues are fairly well canvassed in the response.

**Mr REARDON:** Firstly, can I just ask a question to you, Chair? Privileged and non-privileged documents that come through an order for papers under Standing Order 52, can we just get clarity on that? I believe we had a question this morning and I cannot remember whether it was a privileged or a non-privileged document that Mr Searle referred to. I am assuming in this Committee that non-privileged can be but privileged cannot be, is that correct?

**The Hon. ADAM SEARLE:** Yes, that is correct. I am not going to transgress on that.

**Mr DAVID SHOEBRIDGE:** Nor can you in your answers unless you choose to waive the privilege.

**The Hon. ADAM SEARLE:** That is right. I am just asking you to focus on the letter.

**Mr REARDON:** I understand. Whether we focus on the letter—

**The CHAIR:** You want to confirm that these are not privileged documents?

**Mr REARDON:** I thought there was a reference made this morning as well to privileged or non-privileged, I cannot recall. I just wanted to get clarity for all witnesses on that.

**The CHAIR:** As we have said, non-privileged documents can be discussed.

**Mr REARDON:** The one this morning was not privileged as well, that is the question I was just asking.

**The CHAIR:** I cannot remember what we dealt with this morning so I think it is—

**Mr REARDON:** You raised one.

**The Hon. ADAM SEARLE:** I cannot remember right now.

**Mr REARDON:** The reason I am raising it is because all orders for papers under Standing Order 52 as they come through the public service, the attestations are made by the secretaries through their clusters into privileged and non-privileged boxes and then they are brought to me as the head of the public service to sign into this House. It was my understanding, the advice I received was that non-privileged are in a certain category, privileged are in another category and referencing privileged could not be undertaken. You have made clear on non-privileged.

**The CHAIR:** Yes, that is correct.

**Mr REARDON:** I was not sure whether both categories had been discussed today. That is what I was asking.

**The Hon. ADAM SEARLE:** You would need the transcript. We do not have the transcript yet. But I am only asking you to turn to this document, which I can tell you is not privileged.

**UNCORRECTED**

**Mr DAVID SHOEBRIDGE:** Just for the sake of the record, the index of privileged documents is not necessarily a privileged document.

**The Hon. ADAM SEARLE:** Yes, that is right.

**Mr DAVID SHOEBRIDGE:** The index of privileged documents, which was referenced—I think that is what you are talking about, Mr Reardon—the description of documents in an index of privileged documents is not itself a privileged document.

**Mr REARDON:** Okay, thanks for that.

**The CHAIR:** Correct.

**The Hon. ADAM SEARLE:** I do not know what knowledge Mr Draper has of these issues but could I ask you just to briefly read the letter and to just indicate whether you have any knowledge about where this matter ended up?

**Mr REARDON:** Can I just make one comment before we do?

**The Hon. ADAM SEARLE:** Yes, you can.

**Mr REARDON:** When you asked me the same questions about individual specifics on Friday we indicated that we would not go into individual specifics on a person's employment. I responded to you in a generic sense about—you asked about the movement of a person from one agency to another, if I recall—the checks and balances if they have any conduct issue as you questioned.

**The Hon. ADAM SEARLE:** I guess what I am just trying to understand is what is the standard practice across the public service or whether there is in fact a standard practice?

**Mr REARDON:** I will repeat what I said on Friday. The person who is exiting an organisation and entering another organisation, whether that is another part of the New South Wales public service, another public service or the private sector, the due diligence requirements on where that person is being recruited into should be undertaken by that agency and certainly referenced back to the prior agency. In my experience that is done and I have personal experience that that is done. I also indicated that there are certain checks on the exit of people, particularly at a senior level, that matters should be closed out before exit is complete. I do not believe that may be uniform across the public service. I can only speak from my own experience on some of that.

**The Hon. ADAM SEARLE:** Just pausing there, it is highly desirable for the chief executive in the outgoing agency, as you said, to close out any investigations or matters that are underway?

**Mr REARDON:** Your term is "highly desirable". My point is simply about the due diligence on referee checking and any other due diligence for recruitment activity. In my experience it has been fairly thorough. That is my experience.

**The Hon. ADAM SEARLE:** But what is the obligation—

**The CHAIR:** We are in crossbench time.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, what if any transparency is there on the exchange between you and your department and the various independent statutory bodies in terms of their budget bids—the budget bids they make and the ones that are rejected? Is there any transparency? Can we look anywhere on the public record and find what budget bids have been refused by you that have come from that list of independent statutory bodies that you referenced earlier?

**Mr REARDON:** At the most broad level, budget bids by their very nature are heading towards capital decisions and they are heading towards an expenditure decision. Therefore, by their very nature they are in that process and then the confidentiality of that process is where they are. That is the first point I would make. The second would be those integrity agencies, from what I can understand, have for a long period of time put their budget bids towards Treasury, as everyone else does. As I indicated to you, as a cluster secretary, my view and what my experience was in prior circumstances in Transport is you seek to assist agencies within your cluster as best you can. Your coining of a phrase of "rejected by me", I would respond by saying no, that is not necessarily correct in terms of their budget bids. You have half-yearly for 2021 coming up soon, you then have the budget for 2021 in the first half of next year. I seek to actually understand what pressures they are under, what their—

**Mr DAVID SHOEBRIDGE:** Mr Reardon, my question was about transparency and you have not addressed transparency. Are you getting there?

**Mr REARDON:** Yes. If I could use the example of the Electoral Commissioner, because it is a useful one. The budget bids for last year—I think I indicated the budget bid for 2018-2019 was about \$162 million—it

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was an election year, specific requirements for iVote strengthening, for extra staff for the election that I spoke about before. They were very clear. I seek to advocate on their behalf for those because they are in my cluster, so they can somewhat go it alone directly into Treasury, appropriation bill into this House and then back to them. I seek to assist them with understanding what their scope changes are in a year in advance so, for no surprises, I can assist. The local government election is a good example of that right now and Mr Schmidt has spoken at length about his year ahead. That will be his—

**Mr DAVID SHOEBRIDGE:** Madame Chair, I have taken a point of order on the witness' answer. The witness is required to be "directly relevant" under our rules. This is not directly relevant to my question about transparency. I ask you to bring the witness to order and to be directly relevant to my question.

**The CHAIR:** I will uphold the point of order. You have to be directly relevant. There is a little bit of leeway but you do need to be directly relevant to the question.

**Mr DAVID SHOEBRIDGE:** The question was on transparency, Mr Reardon.

**Mr REARDON:** I am giving you the answer about transparency right now.

**Mr DAVID SHOEBRIDGE:** I have not heard a single word about transparency. I have heard about what you see, what you have heard, but you have not said a single word on transparency. The Chair has brought you to order. Could you please answer the question on transparency?

**Mr REARDON:** You will need to clarify what you mean by transparency then. Between the independent integrity agencies and I, I am describing the process we go through.

**Mr DAVID SHOEBRIDGE:** Who sees that in the public domain? Who in the Parliament or the public domain sees any of that? How is it transparent?

**Mr REARDON:** In terms of the Appropriation Bill, I am assuming you all see it.

**Mr DAVID SHOEBRIDGE:** We see the final outcome and the bits of the budget that you have approved or allowed. We do not see what has not been approved. We do not see what the budget bids were. There is no transparency on it, is there, Mr Reardon?

**Mr REARDON:** As I indicated, the budget bids are subject to heading towards Cabinet decision-making. That is the regime they are under.

**Mr DAVID SHOEBRIDGE:** You are saying that it is acceptable for all of the budget bids of these independent statutory bodies to be covered by a cloak of Cabinet in confidence?

**Mr REARDON:** You asked me to express an opinion or accept or otherwise a statement. I do not. I follow the process we are given. That is what I do.

**Mr DAVID SHOEBRIDGE:** I did not know until today that Mr Schmidt's agency made the proposition that they needed to add 23 roles to the payroll establishment—10 converted from roles filled by contractors and 13 new roles. That was considered the minimum critical to ensure that the NSW Electoral Commission meets the anticipated growth in an evolution of remit. When it put that bid to you and you rejected it, why did you reject it?

**Mr REARDON:** I respond by rejecting your comment of "rejection". I do not know what the document you have in front of you is and I will have to take a long time to read it if you want me to. I am happy to do that and take the Committee's time to read it. But what I was doing, which is directly relevant to your question, was talking about the IPART process for local government elections. The Electoral Commission puts forward a bid for local government elections and says, "This is what we think we require in terms of scope." The quantity of dollars they expect is a very open process through the Independent Pricing and Regulatory Tribunal for that scope of work. The Electoral Commission says, "Here is what we think the costs will be—

**Mr DAVID SHOEBRIDGE:** Mr Reardon, you are not responding to my question, which was about that particular request. You are not being directly relevant.

**Mr REARDON:** Are you asking about that specific request, or how the process works?

**Mr DAVID SHOEBRIDGE:** I am asking about that request. What happened to that request and why did you reject it?

**Mr REARDON:** I have no idea about the document in front of you. It has been tabled here but I have not sighted it. I may have in the past; I do not know.

**UNCORRECTED**

**Mr DAVID SHOEBRIDGE:** What were the budget bids for each of the independent statutory bodies that they gave to you for the current budget? What were their requests and how did they compare with what they eventually got?

**Mr REARDON:** I can take on notice anything I can take on notice. But I have to say that the response to that will be that their bids do go towards a Cabinet process, as is the case for every other agency.

**Mr DAVID SHOEBRIDGE:** I have asked my question. I do not expect you to have the figures in your head anyhow. Are you saying that you are going to take it on notice and respond? You are likely to say that it is Cabinet in confidence.

**Mr REARDON:** I am managing your expectation of what the response will be.

**Mr DAVID SHOEBRIDGE:** I have very low expectations, Mr Reardon. It is okay; you do not need to manage them. I anticipate that you will say that it is Cabinet in confidence. Is that right?

**Mr REARDON:** I have responded.

**The CHAIR:** Just to clarify, are you taking that on notice?

**Mr REARDON:** I will take it on notice. Can I have the opportunity to complete what I was raising about the transparency of—

**Mr DAVID SHOEBRIDGE:** If it is directly relevant to my question, which was about the 23 new roles to the payroll establishment requested by Mr Schmidt.

**Mr REARDON:** If you are going to ask me about a document that I have not sighted, I will struggle.

**The Hon. SCOTT FARLOW:** Point of order: Mr Shoebridge did ask that as another question. But Mr Shoebridge asked a question about the transparent process, how this Committee would be able to see that transparent process and if anyone else was able to see that transparent process. I think it is reasonable for the secretary to be able to answer that question.

**Mr DAVID SHOEBRIDGE:** The witness cannot choose, at a later point, to come back and backfill on previous answers. I wish to move on.

**The CHAIR:** We have had a couple of questions since that question. I understand that Mr Reardon wants to go back to it, but Mr Shoebridge does have the ability to move on to further questions.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, if you wish to give any further detail on that on notice, please feel free to.

**Mr SCHMIDT:** Mr Shoebridge, if I could just clarify, I am not sure that those are the figures that went into the ultimate budget bid. That is another issue that become apparent through the process that you have talked about.

**Mr DAVID SHOEBRIDGE:** Thank you, Mr Schmidt. Mr Draper, is it true that the Sydney Football Stadium was demolished before a development application was granted to replace it?

**Mr DRAPER:** The development application process for the Sydney Football Stadium is in two parts. The first stage application was for demolition and concept. That was completed prior to the commencement of works. It was before my time, but I believe that went through some judicial review processes and a Court of Appeal hearing prior to that taking effect. The stage one planning consent was provided before the stage one works commenced. The stage two planning process is currently underway. That is going through an environmental impact statement exhibition period at the moment. We would expect a determination to be made one way or another later this year, prior to stage two works commencing. We would regard that as a fairly standard way of approaching construction works of this nature, both in a contractual sense and in a planning sense.

**Mr DAVID SHOEBRIDGE:** What is the budget for the project?

**Mr DRAPER:** It is \$729 million.

**Mr DAVID SHOEBRIDGE:** And \$40 million has been expended on the demolition?

**Mr DRAPER:** No, what I said was there is the stage one works, which is more than demolition. But it is around that figure. I do not want to be too precise, given that we have a tender process underway for stage two.

**Mr DAVID SHOEBRIDGE:** By all means, give a more accurate figure on notice if you wish.

**Mr DRAPER:** I would rather not for the reason that there is a tender underway. I do not want to be too specific.

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**Mr DAVID SHOEBRIDGE:** I understand the commercial elements. Has the design for the stadium been completed?

**Mr DRAPER:** A design competition was run prior to the stage one process. That was the basis for the concept design that was approved for stage one. During the course of the stage one works—as I described earlier in response to a question by the Deputy Chair of the Committee—we worked with COX Architecture and Lendlease, as the contractor, to develop the design.

**Mr DAVID SHOEBRIDGE:** At the time the budget of \$729 million was set, was the concept design in place or was the budget set before the concept design?

**Mr DRAPER:** I will check and come back to you, if I can, during the course of the hearing. But I believe that the concept design was developed after the original budget was developed. I will confirm that later on.

**Mr DAVID SHOEBRIDGE:** A concept design is a very high-level and broad structure. It does not have any of the detailed engineering or construction methodology. It is very high level.

**Mr DRAPER:** Yes. It really refers to the bulk, the height and the facades—the things that most people experience from outside the facility.

**Mr DAVID SHOEBRIDGE:** How could you possibly put an accurate figure—and \$729 million sounds like a relatively precise figure—on the demolition and construction of an entirely new stadium if, at best, you have a very high-level envelop? You do not have any of the detailed engineering. You do not have any of the detailed construction works. You do not have any of the construction methodologies. How do you price a stadium at \$729 million without any of that detail?

**Mr DRAPER:** The process of developing a cost basis proceeds through a number of experts by developing a concept design. That gives us the dimensions, the elements and the types of materials that are likely to be used in the stadium. That is then broken up in costable elements and quantities, including the amount of concrete that is required for the bowl, the roof structure and the steel. All of those components are quite estimable before a design is developed. A quantity surveyor will not only develop a bill of quantities but also put market rates against each of those things. They will attribute preliminaries to a contract that would be laid over the top of those quantities. There are builders' margins, escalation factors, contingencies and client costs, which include project management, the cost of the design team, consultants, the planning process and authority fees.

**Mr DAVID SHOEBRIDGE:** Mr Draper, no expert is going to give you a hard and fast figure, or anything like a hard and fast figure, for a project as complicated as a stadium. We have seen the cost of stadium constructions blow out twofold or threefold recently in the UK—the stadium was done by Lendlease, even. No quantity surveyor is going to give you a hard and fast figure. Are you saying that a quantity surveyor came back and said, "That is the cost for the stadium, which has not been designed or approved and for which I have none of the relevant drawings"? Are you saying that is what you got?

**Mr DRAPER:** It is a fairly standard process to engage quantity surveyors to provide cost estimates early in the process. They will do that. At the beginning of a process they will generally allow a relatively large contingency for the very reasons that you describe. As a project progresses towards completion of design and then through construction, the allowance for contingency reduces because obviously you have resolved a number of the unknowns during that period. But at the beginning of a process the estimate that a quantity surveyor will provide will include a significant contingency, and that was the case in the case of the Sydney Football Stadium. In the case of other stadiums we have recently built we have a similar process. Bankwest Stadium, which was completed earlier this year, we developed a budget for that very early on as well and that project actually came in under the original budget by a significant sum, which has given us some leeway to use that money for other purposes.

**Mr DAVID SHOEBRIDGE:** But is it right that in this case Lendlease came to you midway through the project and said, "Either we are going to greatly reduce your expectations in what you get for a stadium or it is going to cost more than \$729 million"? Is that what you were confronted by?

**Mr DRAPER:** As I described this morning, there was a procedure and a mechanism set out in the contract for the design to be developed during the course of the stage one works, with Lendlease working with ourselves as the client and with COX Architecture to develop the design. That design was brought to a certain point and this is, again, a fairly standard way of approaching these things. I am happy to go through that in greater detail later if you would like. They brought that design to a level that allowed them to provide a cost and that was the mechanism that the contractor is required to submit a guaranteed maximum price for the stadium build. They did that in May this year. We considered that and reviewed that proposed guaranteed maximum price with our

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consultants, our advisers and with Lendlease over a period and concluded that we believed that we would get better value for money going back to a re-tender process.

**Mr DAVID SHOEBRIDGE:** Did that guaranteed maximum price fit within the \$729 million budget envelope?

**Mr DRAPER:** I think it is fairly clear that we considered the price too high. It was above our construction budget and that was why we decided to go back for re-tender on the basis of the advice we have from all of our advisers who work in the industry and who are constantly testing market rates, testing the design, looking at the quantities involved, looking at the market rates for margins, for preliminaries. All of the advice we had and still have is that the stadium can be delivered within the \$729 million budget.

**Mr DAVID SHOEBRIDGE:** Mr Draper, my question is quite different to what your answer provided. My question was simple: Was that guaranteed maximum price that Lendlease proposed within the \$729 million envelope of the project?

**Mr DRAPER:** I think I answered fairly clearly. But to go back, and I will try and be clear again—

**Mr DAVID SHOEBRIDGE:** There is a good way of answering this: Yes or no?

**Mr DRAPER:** I do not think that evidence would help the Committee.

**Mr DAVID SHOEBRIDGE:** It would help me.

**Mr DRAPER:** The reason that I say that is because the price that Lendlease is providing is not the \$729 million figure. They are bidding against a component of that. I have already said that the—

**Mr DAVID SHOEBRIDGE:** Would it allow for the project to be finished within the \$729 million bid?

**Mr DRAPER:** I will just finish though. The element of the project which we had allowed for the stage two construction, their price was above that amount, yes.

**Mr DAVID SHOEBRIDGE:** By how much? Was it a small margin? Was it 10 per cent, 20 per cent? Rather than give a dollar figure, which may impact upon commercial-in-confidence, was it 10 per cent above, 20 per cent above, 30 per cent above, double?

**Mr DRAPER:** I can understand why you want to go there; I just cannot at the moment with the processes we have got going on put those numbers on the table. I have got two builders out there. It would be contrary to the public interest to put a number out there that they can start to use to calculate their own bids.

**Mr DAVID SHOEBRIDGE:** But we can say this: You demolished the stadium, levelled the ground, and then your preferred contractor came and told you that they would not rebuild it for the budget that you had established. We can comfortably say that is what happened.

**Mr DRAPER:** It was always anticipated within the contract and, as I said earlier, this is a very normal methodology that gets used. We would describe it as an early contractor involvement-style approach. It was always anticipated that we may receive a price proposal from Lendlease which was unacceptable to us and that we would exercise our rights under the contract to go back to the market. The risk, perhaps, that you are alluding to—and I consider it a very remote risk—is that if there is nobody else in the country who wants to build this stadium then that would be a problem. But as I have already outlined to the Committee we have two very capable, very reputable builders who are currently engaged in a competitive process to win the rights to build the stadium.

**The Hon. ROBERT BORSAK:** But, Mr Draper, because of that process now and the envelope that the Premier has committed you and the Government to, are you not actually setting yourself up for an over-budget quote from both companies?

**Mr DRAPER:** No, I do not think so at all.

**The Hon. ROBERT BORSAK:** Why is that?

**Mr DRAPER:** I would like you to ask me the question. What do you mean? Why would you say that was the case?

**Mr DAVID SHOEBRIDGE:** Mr Draper, I will put a proposition to you. Once you have demolished the stadium you are over a barrel because there are only a limited number of contractors who will rebuild it and between them they can squeeze you for the contract price. There is literally at the moment two contractors willing to even touch the project and they have got you over a barrel, a barrel created by the Government because it demolished the stadium before it did its homework.

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**Mr DRAPER:** First of all, we have invited two builders to build the stadium. That is not the same as there being two builders who would be willing to build—

**Mr DAVID SHOEBRIDGE:** If there were more in the market you would invite them.

**Mr DRAPER:** As I say, there are only two that we have invited. That is not only two who are willing to build the stadium. We have had other builders who threw their hat in the ring in the process. We decided that the best approach was to go with two builders. In terms of having us over a barrel, if you or anyone else believes that those two builders are going to engage in collusive behaviour, then that is really, frankly, something against the law. I think it is unlikely; we deal with those sort of risks all the time.

**The Hon. ROBERT BORSAK:** No-one is suggesting that, Mr Draper.

**Mr DAVID SHOEBRIDGE:** They will just be smart operators.

**The Hon. ROBERT BORSAK:** That is not the inference at all. When the marketplace knows how much you have got to spend—

**Mr DRAPER:** Being held over a barrel by two contractors sounds like a collusion.

**The CHAIR:** Order!

**The Hon. ROBERT BORSAK:** You do not have any cards to play.

**Mr DRAPER:** I accept that we have two bidders competing with each other.

**The Hon. ADAM SEARLE:** Mr Reardon, when did you become aware that Revenue NSW had referred a data breach relating to the leaking of driving records relating to Michael Daley and 191 other people?

**Mr REARDON:** Can you say what period you are talking about?

**The Hon. ADAM SEARLE:** When did you first become aware that the data breach had occurred?

**Mr REARDON:** I want to know if I am going to respond to the correct thing. Are we talking 10 years ago? What are you talking about?

**The Hon. ADAM SEARLE:** We know the data breach occurred in the State election. You remember that?

**Mr REARDON:** I do and now I will answer you—which is, I think, through the media.

**The Hon. ADAM SEARLE:** When did you become aware that Revenue NSW had referred that data breach to the Privacy Commissioner?

**Mr REARDON:** I would not know if I became aware of that for some considerable period of time. It was not something that was, frankly, top of my pile at the time.

**The Hon. ADAM SEARLE:** I am happy for you to take that on notice.

**Mr REARDON:** Okay. I am not sure if I am going to be able to clarify when.

**The Hon. ADAM SEARLE:** When you became aware, what action did you take in relation to that matter?

**Mr REARDON:** I do not believe I took any action in relation to this matter.

**The Hon. ADAM SEARLE:** Did you speak to any person about that matter?

**Mr REARDON:** I could not recall.

**The Hon. ADAM SEARLE:** What is the process that agencies should take in informing the Department of Premier and Cabinet about matters like data breaches? Is there any protocol in place?

**Mr REARDON:** Right now with the Customer Service cluster establishment, even broader, probably more cyber, as I mentioned before, we are getting better and better at protocols to deal with those incidents; there is a lot more escalation that is a lot quicker. Cyber obviously attacks the integrity of a whole range of our potential databases, so we try to move as swiftly as we can. They are not one-offs; there are multiple of those that we need to manage. I will not go into too much more detail, for I hope obvious reasons, but we have good protocols emerging across the public service in New South Wales than probably ever before around ICT and digital. So they are emerging. The Customer Service cluster is providing a lot of leadership in that area.

**The Hon. ADAM SEARLE:** But this was not a hacking instance. Information was supplied to the Minister's office. The Minister's office said they had destroyed it. Somehow it got into the hands of the media.

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And it did not just involve a member of Parliament, it dealt with the private records of 191 private citizens. You would regard that as a pretty serious matter, would you not?

**Mr REARDON:** I am not here to speculate on what I think is a serious matter.

**The Hon. ADAM SEARLE:** Okay, but what processes are currently in place? What obligations are there on agencies where there have been those data breaches to inform DPC, or indeed the people whose data has been breached?

**Mr REARDON:** I think people in their clusters can undertake investigations on matters where they believe there has been a data breach, or some other document has made it into the public domain that should not have made it into the public domain. Within clusters and agencies, leadership has the capability and the accountability to investigate as they see fit within the cluster.

**The Hon. ADAM SEARLE:** But, Mr Reardon, you are the head of the public service. This is not limited to this instance. A couple of years ago, for example, there was quite a notorious case of private health records of public servants being leaked through the medium of contractors working in the health department. There was another incidence of health records being dumped into a public place. This is not limited to one agency or part of the public service. Shouldn't people whose data has been breached in this way be notified by the relevant agency?

**Mr REARDON:** I think I understand. Do you mean to the centre of government? I will respond to it like this.

**The Hon. ADAM SEARLE:** You are saying that it is the responsibility, essentially, of the clusters. Where does the accountability sit? Shouldn't there be a system-wide accountability?

**Mr REARDON:** I think I responded in terms of cyber and general digital protocols.

**The Hon. PETER PRIMROSE:** Can I ask—

**Mr REARDON:** I was explaining; I was just waiting. Cyber and digital protocols are with that Customer Service cluster, so that would be the roll-up. In terms of being aware of every breach, I am not aware of every train driver that shows up to work every morning. I am of the understanding the transport secretary and the head of Sydney Trains will ensure that. There are accountability frameworks in place across the public service, including for data breaches for people to be held to account to do their jobs within clusters.

**The Hon. PETER PRIMROSE:** If DPC is not advised when there are serious breaches, as has been outlined by my colleague, how can you protect systemic problems?

**Mr REARDON:** You will have to be more specific. Do you mean in terms of data breaches?

**The Hon. PETER PRIMROSE:** That is what I thought I was referring to. Yes.

**Mr REARDON:** Okay.

**The Hon. PETER PRIMROSE:** How do you determine if there are systemic problems if a central agency is not advised?

**Mr REARDON:** A central agency. I just indicated out Customer Service cluster is taking up a far stronger lead in cyber, digital and ICT security across the board in terms of our data. So we have a Data Analytics Centre and a whole range of other things we have put into the Customer Service cluster under the leadership of that secretary, Glenn King. Cyber protocols are getting stronger and stronger. Our linkages to the broader security agencies are getting stronger in this area. We are all learning a lot at a very fast pace with the growth of digital and technology. That is really the central place for that. In terms of the seriousness of data breaches, I can assure you that that cluster is taking a fairly strong lead.

In terms of actual individual clusters themselves, we actually have an attestation process, like we have a financial attestation process for that. But within each cluster, and certainly within ours, we try to train our people as much as possible on data ICT and cybersecurity. With that we basically say the ICT and the use of the ICT itself is sort of 20 per cent to 30 per cent of the issue. The other 70 per cent is about human behaviour—about password protection, about making sure that they are updated all the time—how you actually work with the technology. So about 70 per cent human behaviour and about 30 per cent the technology. We try to drive that training across our people as much as we can.

**The Hon. PETER PRIMROSE:** I take your point about—I think you referred to it—train drivers being late.

**Mr REARDON:** No, whether they show up or not. The chief executive of Sydney Trains would have accountability for that. If they thought there was an issue it would roll up into the transport secretary and if they

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believed the issue was serious enough they would advise me. Day to day there are 400,000 people, and every activity across the New South Wales public service. I was asked a question about what I do and do not know at any particular time—I know what I know based on the accountability chains we have within the public service.

**The Hon. PETER PRIMROSE:** Who is accountable, then, to you for providing information on what my colleague clearly indicated was a serious breach of privacy?

**Mr REARDON:** On the investigation, an investigation into certain matters would remain within that cluster. If there was a systemic issue, as I said, that Customer Service cluster is now picking up that lead far more strongly than ever, not necessarily about this matter; just about broader digital ICT technology and cyber responses and hardening our assets as much as possible. That is who has accountability now.

**The Hon. PETER PRIMROSE:** If they identified a systemic problem, would they inform you?

**Mr REARDON:** Yes. They would in terms of a systemic problem but they would not just inform me. The central agencies in the New South Wales Government are Premier and Cabinet—yes, I am the head of the public service, but the central agencies then also cover Treasury and that Customer Service cluster really. We treat them as central. We actually share some corporate services and some back-end ICT platforms for efficiency reasons. Certainly we work together very closely and strongly. I have the lead on a whole range of matters, including the public service itself with Public Service Commissioner Emma Hogan and Cabinet and all of those processes.

Obviously the Treasury cluster has the lead on economic blueprinting for the State of New South Wales and the budget, of course, and the Customer Service cluster has what it says it is. That is a very strong lead on customer satisfaction, a very strong lead on business satisfaction and what we are doing to ensure we do not have a regulatory burden and ensuring we actually get both the public service but the broader economy who we serve, and the eight million people of the State better digital and better ICT services and how we provide those to the community. That Customer Service cluster is doing a lot of work at a fast pace right now to pin us together as much as possible.

**The Hon. ADAM SEARLE:** Mr Reardon, how are the Premier's Priorities determined and how do they relate to the State outcomes? Are they developed using the same process or does the Premier choose the priorities?

**Mr REARDON:** I will start simply about where we are in this term of government. When we were first provided with our cluster structures on 2 April the Government indicated fairly soon after that five areas of focus. They were, again, continuation of a strong economy, jobs and jobs security, and future jobs for the State of New South Wales and its citizens to tackle more forcefully intergenerational disadvantage. Thirdly, to provide good education no matter what part of the State you live in or your circumstances. Fourthly, to provide better connected places and great neighbourhoods, and, fifthly, to continue with the work on great customer service for the people of this State.

They were the five areas of focus. I would somewhat say that the State outcomes are driven within those five areas of focus for this term of government, Mr Searle. After that the Premier's Priorities—and there are 14 of them—which were announced a little while ago, are developed. They are what they say they are—the Premier's priorities. So the Premier will advise us where she is thinking. We will assist with definition. We will assist with descriptors. We will assist with data sources to ensure that cluster agencies can say that they can actually respond with data. Most importantly, the targets are something that we will iterate at the public service level between Premier and Cabinet, Treasury and the agency involved—the cluster involved. It could be Health or Education. But the final determinant on targets is very much a stretch target for us, as they should be.

We sign up for that. We understand what challenges we will have with delivering on those Premier's Priorities, but at the end of the day—I indicated this, I think, on Friday at the hearing as well—they are very much about business unusual. They are very much about disrupting how we would normally go about things—about getting a scope of work and a budget and more resources. We try to work across clusters to help each other to deliver on those Premier's Priorities. I trust that gives you some feel of how we establish them.

**The Hon. ADAM SEARLE:** Yes, it does. In relation to one of the priorities—making housing more affordable—the target is said to be to deliver 61,000 housing completions on average per year. The information on the website says that there have been over 65,000 housing completions in New South Wales over the 12 months to June 2018. But the press release put out by the planning department in October last year talks about having 42,000-odd new homes built during the 12 months to August 2018. Can you reconcile those two figures?

**Mr REARDON:** I can take it on notice. I just do not have the three figures. The one thing I will say—just to clarify—is that the Premier's Priorities for 2015 to 2019 were tracked throughout, right up to the State election. We continued to track them afterwards. There are 14 across lifting education standards, keeping children

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safe, breaking the cycle of disadvantage, improving the health system, better environments, a world-class public service and better customer service, of course. You will note in that I did not talk about the housing approvals number. Some of them are becoming business as usual back into a cluster. That is one of them. We will continue to track that with Planning, Industry and Environment but I will come back to you on the reconciliation of any numbers. I have the app for the Premier's Priorities and the website with me. If I can get any information during the hearing I will come back to you.

**The Hon. ADAM SEARLE:** What I want to suggest is that the housing completions target in the Premier's priority does not take into account demolitions; it is not a net addition to the housing stock measurement. In fact, when you look at the Australian Bureau of Statistics [ABS] about net increases in housing stock, for the year ending June 2016 the net increase in housing in New South Wales was 3,028, the year to June 2017 it is 3,086, and the year to June 2018 it is 3,142. Those are net increases in housing stock when you look at completions and you factor in demolition. The Premier's priority of 61,000 completions is, at best, an incomplete measurement. It is misleading in the sense that it does nothing about housing affordability and it does not even show the true picture about an increase in housing stock. It is simply a misleading indicator, is it not?

**Mr REARDON:** I will deal with the last bit. No, it is not. But I will not drift into policy of housing affordability; it is not my place to do so.

**The Hon. ADAM SEARLE:** Just before you do that, the priority is making housing more affordable. All it is measuring is completions, but it does not actually even measure net additions to stock.

**Mr REARDON:** All I was saying is I am not going to comment or have an opinion on those things.

**The Hon. ADAM SEARLE:** But it is about making houses more affordable in New South Wales, is it not?

**Mr REARDON:** I will just go to the input to indicate.

**The Hon. ADAM SEARLE:** You give the answer.

**Mr REARDON:** We pool together our data sources. We use that. We are very transparent about those. They sit on websites. They got reported on endlessly during 2015 to 2019. I think you have a data source. I do not know how it intersects, how it might be used. I am happy to take that on notice about the ABS. I do not know that. But we do have more and more robust, and probably faster-moving, datasets than some others now. Again, I do not know what the reporting periods are for the information you have in front of you. If you want to furnish any information to me, I am happy to take it on notice.

**The Hon. ADAM SEARLE:** I am happy for you to do that. Looking at ABS data on housing occupancy and costs, housing costs as a proportion of income show that owner-occupied affordability has improved but renting has become more expensive. Can you make any comment as to why that is not factored into your making housing more affordable measures?

**Mr REARDON:** Mr Searle, could I ask you to repeat the question? I apologise. I was talking to my colleague for a moment and she may be able to respond.

**The Hon. ADAM SEARLE:** The ABS data indicates that owner-occupied affordability may have improved but renting has become more expensive. Why are those measures not included in your making housing more affordable metrics?

**Mr REARDON:** I am happy to respond to it. I think that the broadest comment I will make is that it will drift into an area that I do not have the expertise on in terms of the movement of the property market around both property purchases, the decrease in property prices over the last couple of years, the media commentary about the slow emergence and increases in property prices now, what it has meant for rents during that period. All of those factors and how they intersect are beyond my area of expertise, and I can only take on notice if you have a specific question about those.

**Ms BROWN:** I am happy to add a few words, if that is okay, Mr Searle?

**The Hon. ADAM SEARLE:** Of course, please.

**Ms BROWN:** Yes, I agree that the housing market is an extremely complex area. I would start with the proposition that an improvement and an increase in supply is going to make positive improvements across the entire housing continuum, including for owner-occupiers and indeed renters. That is essentially what is behind the Premier's priority of 2015. I would say in the 12 months up to September 2018, 74,000 new homes were completed. Supply was definitely heading in the right direction, and I think you referred to the point that affordability for owner-occupiers has improved. I would also add a couple of things on that though. There is the

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stamp duty for first home buyers, which goes to the same point, and lender's mortgage insurance relief, which also goes to that point. On the complementary side of demand, we are also talking about owner-investors and potentially cooling that demand a bit to improve affordability.

We had a foreign investor surcharge that doubled from 4 per cent to 8 per cent on stamp duty. Again, a first home buyers grant. We do acknowledge though that things are pretty tough for renters and the Greater Sydney Commission's regional plans include an inclusionary zoning target of between 5 per cent and 10 per cent depending on viability and the specifics of various local government areas. But I think that is an acknowledgement that it is not just about making things more affordable for owners but making it more affordable for renters as well and, as mechanisms come into place to bring that 5 per cent to 10 per cent to life, I would expect to see more improvements in the rental affordability market.

**The Hon. ADAM SEARLE:** Housing affordability overall for both renting and owning has become more unaffordable for the bottom two quintiles of income, and more affordable for only those on higher incomes. What you are seeing in that information is a greater inequality in housing affordability. Again, increasing supply by itself does not do anything for housing affordability. There might be more homes being built, but investors and the relatively wealthy appear to be snapping them up and people at the bottom two quintiles of our society, in particular, are not getting a look in. How does the Premier's priority of making homes more affordable deal with that particular problem?

**Mr REARDON:** As the deputy secretary indicated, there are a lot of factors that move around within the property sector. As I said, I do not wish to comment further and say that we do not have the expertise in some of those areas about the broader macro property movements. The Premier's priority is the most simple and focused target we can make. That is why they are Premier's Priorities; this is the philosophy across all of them. Yes, there are multiple issues at play with anything. There are multiple issues at play in the health system, in domestic violence reoffending, in recidivism or in self-harm. They are all very, very difficult targets, but you cannot boil the ocean. You have to specify what your target is. If our target under that one is to actually get more housing approvals in the public service, that is what we try to do. I know it is one input to a broader picture, but we try to bring some focus to them so we can actually at least drive at that specific priority.

**The Hon. ADAM SEARLE:** I will come back to that.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, it is unclear to me—and to many I think—whether or not the Premier has responsibility for the Waterloo public housing redevelopment. Do you know where that lies?

**Mr REARDON:** It is in the Planning, Industry and Environment cluster.

**Mr DAVID SHOEBRIDGE:** In terms of housing, maintenance and transfer requests, again that seems to have separated. Previously it was all within Family and Community Services. Where does that lie now?

**Mr REARDON:** The property portfolios, in the main, have been consolidated within the Planning, Industry and Environment cluster. The only exceptions to that are the two that we have abolished, being UrbanGrowth and the Barangaroo Delivery Authority. Those tasks have landed largely with Infrastructure NSW now, those functions. If there were any residual functions out of those that are property related, they could land with the Planning, Industry and Environment cluster. Just to finalise the split that you asked, the actual land and housing property is in the Planning, Industry and Environment; the actual systemic delivery of services within those are in the Stronger Communities cluster.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, were you part of the think tank that came up with that division? I will put to you why. There have been very real concerns that splitting the responsibilities for the people inside public housing and then for the maintenance of public housing into two different departments is going to create ongoing problems with issues falling between the cracks. Were you part of the discussions in the redesign that split the two?

**Mr REARDON:** Across the board, 10 clusters down to eight, doing some blueprinting around that. During a lead-in to a new term of government of course we undertake work on that. That is our job as the central agency, whatever that might look like. We just wanted to get simplification in certain areas, streamlining in certain areas. Those positions do not need to be taken by the political level. It is up to them about what they might accept. But my experience has been that too many times you come out the other side of an election and there is not clarity. Ministerial portfolios get set out and the public service then can sometimes waste one year, 18 months or two years wheel spinning on some things. This time we have come out fairly fast so, yes, I was certainly involved in that, down to the next levels of detail within a cluster and some of the splits across clusters somewhat. But Ministers at the end of the day work with the Premier about administration orders and it is her prerogative alone to actually set where they land.

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**Mr DAVID SHOEBRIDGE:** Mr Reardon, for the record, I was not critiquing the concept of doing the redesign early.

**Mr REARDON:** No, I was just being clear—

**Mr DAVID SHOEBRIDGE:** The timing of doing the redesign makes sense, doing it early in the electoral cycle. But it has created these concerns.

**Mr REARDON:** Understood. Sorry, my point was about leading into an election it is incumbent upon us as the public service to at least have the ideas ready. After the election the prerogative is with the Premier to deliver on this.

**Mr DAVID SHOEBRIDGE:** Correct. Mr Reardon, for more than 12 months now there has been a commitment from the Government to reform the Public Interest Disclosures Act. Where are those reforms up to? Can you provide us with any advice about whether or not there will be public consultation as part of that review or do we expect some legislative reform at some point?

**Mr REARDON:** Mr Shoebridge, I have a note on that. If you can give me a moment I will see if I can locate it.

**Mr DAVID SHOEBRIDGE:** I am happy.

**Mr REARDON:** Because I would like to specifically update you. I can come back to it if you like.

**Mr DAVID SHOEBRIDGE:** I am happy for you to find it, Mr Reardon.

**Mr REARDON:** On the public interest disclosures reforms, Premier and Cabinet is working closely with the public interest disclosures steering committee, which includes the Ombudsman and the Independent Commission Against Corruption, on implementing the reforms recommended by both the Committee on the Ombudsman, the Law Enforcement Conduct Commission and the Crime Commission in its October 2017 review of the Public Interest Disclosures Act 1994 and the Committee on the Independent Commission Against Corruption in its November 2017 report on protections for voluntary disclosures made to the ICAC.

As indicated in the Government's responses to those reports tabled in April 2018, the Government is committed to ensuring that those whistleblowers receive appropriate protections into the future and remove inconsistencies between the protections that apply to people making voluntary disclosures. For us, it is up to the Government obviously about how it takes it forward but a bill is being drafted to implement the Ombudsman's committee's recommendations to address the problems identified in accordance with the principles of making it simpler for public officials to make public interest disclosures, improve protections and remedies for those who suffer detrimental action and continuing to protect the reputation of individuals against defamation and discourage public disclosure of confidential information.

The steering committee is being closely consulted during the development of the bill. The bill represents the first substantial rewrite of that Act since its commencement in 1994. Just to close it out, there is a number of complex issues that need to be worked through including some differences between those two reports in ensuring consistency between the public interest disclosure regime and the investigations and complaints handling processes of investigative agencies, considering the impact of recent Commonwealth amendments to the Corporations Act for the protection of whistleblowers and identifying best practice in other Australian jurisdictions. We are committed to taking the time to resolve those issues in consultation with those affected agencies to get it right. That is where we are up to on that at the moment.

**Mr DAVID SHOEBRIDGE:** Who is on the steering committee? You referenced a steering committee.

**Mr REARDON:** I will take that on notice. I do not know. If I can provide it to you pretty quickly I will.

**Mr DAVID SHOEBRIDGE:** I appreciate that. My initial question was about the Public Interest Disclosures [PID] Act but I think in your answer you said that the response that is coming is also going to consider proper protections for the voluntary provision of information to the ICAC as well, a uniform response; is that right?

**Mr REARDON:** Yes.

**Mr DAVID SHOEBRIDGE:** And again you may wish to take this on notice. Can you give an indicative time frame for when that bill will be presented and whether or not there will be a draft disclosure bill or that kind of consultation process? Because I think there is a broad array of public concern about adequacy of protections for whistleblowers at the moment.

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**Mr REARDON:** Maybe on behalf of the public service having public interest disclosures, when we have something like this, this precedes my time, but in terms of having things around like this over multiple years, my general view of the world is we get on and do them as fast as we can.

**Mr DAVID SHOEBRIDGE:** Yes. We do not want the next secretary to inherit them.

**Mr REARDON:** Exactly right. In terms of bills I can put things to government and they can deal with them as they see fit. In terms of drafting bills and getting it right, we will move it as fast as we can. A general principle is when we are asked to do something like this we have a couple of different reports, we have to reconcile some differences. We will move them as fast as we can, Mr Shoebridge.

**Mr BARNES:** Mr Shoebridge, I can inform you that the membership of the PID steering committee is set out in section 6A of the PID Act. They are all listed under that Act.

**Mr DAVID SHOEBRIDGE:** Thank you, Mr Barnes. Has the transfer of certain of your functions to the Children's Guardian been effected or are you waiting for the statutory reform?

**Mr BARNES:** It cannot be effected until the legislation is amended.

**Mr DAVID SHOEBRIDGE:** Have you reviewed the report by Mark Tedeschi, QC, in relation to the Employee Performance and Conduct Directorate [EPAC]?

**Mr BARNES:** I have skimmed it. I could not say that I have studied it.

**Mr DAVID SHOEBRIDGE:** The Ombudsman gave at least three what I think are called class-in-kind determinations for the NSW Department of Education so as they would internally address their own reportable conduct regime; is that right?

**Mr BARNES:** That is correct.

**Mr DAVID SHOEBRIDGE:** I assume on each of those occasions the Ombudsman did an investigation about the procedures and the resources in place primarily within EPAC to address reportable conduct matters within the department.

**Mr BARNES:** Each of them were settled before I was Ombudsman so I could not really speak for my predecessors, but I imagine they did something to satisfy themselves that it was appropriate to leave those class-in-kind matters with the agencies.

**Mr DAVID SHOEBRIDGE:** I think as recently as two years ago there was a review done and some 440 cases were reviewed by the Ombudsman's office and then the class-in-kind determination was renewed.

**Mr BARNES:** That is certainly possible. That is before my time.

**Mr DAVID SHOEBRIDGE:** That is what Mr Tedeschi says. Mr Barnes, Mr Tedeschi's review of the EPAC's dealing with reportable conduct was scathing of EPAC, scathing of the resourcing, scathing of the processes. How is it that the Ombudsman's office continued to give the department class-in-kind determinations, given all of the inadequacies that Mr Tedeschi has identified?

**Mr BARNES:** I did not read the report as scathing. I read it as making some recommendations for improvement. Obviously the class-in-kind arrangements that were settled by my predecessors were entered into because they were satisfied that the matters dealt with under those agreements could be adequately dealt with by the agencies.

**Mr DAVID SHOEBRIDGE:** Well, yes, that was the conclusion by the Ombudsman. But the very first recommendation and finding of Mr Tedeschi is this:

We are of the view that EPAC continues to be seriously under-resourced in terms of the number of investigators.

How is it that your office's review of EPAC gave them a clean bill of health and gave them a class-in-kind determination when we now know that they are seriously under-resourced in terms of the number of investigators?

**Mr BARNES:** I do not know that we have ever done a review of EPAC. My predecessor made an assessment that particular types of matters could be adequately dealt with by other agencies, including EPAC.

**Mr DAVID SHOEBRIDGE:** But we now know they have not been adequately dealt with by EPAC by Mr Tedeschi's review, which found that EPAC—the Department of Education's principal response for reportable conduct—was "seriously under-resourced in terms of the number of investigators". What kind of reviews did your office do before granting the class in kind exemption to the department?

**Mr BARNES:** I cannot say. I was not there. But I can inquire into that, if you like.

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**Mr DAVID SHOEBRIDGE:** Don't you believe, sitting there now with this information I am providing to you—it appears perhaps for the first time—that it is troubling that three class in kind determinations were granted by the Ombudsman to the Department of Education? And we now see the concerns raised by Mr Tedeschi.

**Mr BARNES:** I would need to know what raised Mr Tedeschi's concerns. It might be that some matters are being dealt with better than others. I do not know, really, what the basis of his concerns were.

**Mr DAVID SHOEBRIDGE:** I will read to you again from Mr Tedeschi's report, which I would urge you to read in detail, Mr Barnes, given you still have responsibility for it.

**Mr BARNES:** Presumably, the function is going to transfer to the Office of the Children's Guardian if the legislation currently before the House goes forward.

**Mr DAVID SHOEBRIDGE:** Sorry, so you have still got responsibility for this reportable conduct regime, correct?

**Mr BARNES:** That is correct.

**Mr DAVID SHOEBRIDGE:** A scathing report has been delivered about one of the key agencies that your agency has given a get-out-of-jail-free card for on reportable conduct, and you have not even read the report? Mr Barnes, how does this happen?

**Mr BARNES:** I would not call it a "get-out-of-jail-free card", Mr Tedeschi.

**Mr DAVID SHOEBRIDGE:** Mr Shoebridge.

**Mr BARNES:** Sorry, Mr Shoebridge. The legislation provides that the Ombudsman can enter into class in kind agreements with agencies. That is what my predecessors did in relation to some class in kind reportable conduct.

**Mr DAVID SHOEBRIDGE:** Yes. And you gave a class in kind ruling to the Department of Education, which means that child abuse allegations—we are talking very serious things here—are dealt with internally and do not come to the Ombudsman's office. That is the effect of a class in kind determination, is it not?

**Mr BARNES:** That is correct.

**Mr DAVID SHOEBRIDGE:** Mr Tedeschi has now delivered a report that says there are woefully inadequate procedures within the department for addressing child abuse allegations, amongst other things, and you have not even read Mr Tedeschi's report. How does this happen, Mr Barnes?

**Mr BARNES:** I will explain it to you. The more serious matters do come to us and have always come to us. So we get to see anything more serious and we review each of those. We satisfy ourselves that the department is dealing adequately with those.

**Mr DAVID SHOEBRIDGE:** But Mr Tedeschi has looked at the operations for things that do not get sent to you—

**Mr BARNES:** The more minor matters.

**Mr DAVID SHOEBRIDGE:** I will read you something else from Mr Tedeschi:

The current category of "Local Management (LM) complaints" received by EPAC at the intake stage should be abolished. In lieu of this category, these matters previously categorised as LM matters should be assessed by the intake process identified in chapter 6 ...

What he is saying is that the categorisation for minor matters being operated by the department has been inappropriate and it has allowed quite serious matters to not be adequately investigated. And that is what you have signed off on.

**Mr BARNES:** No, I do not believe that the matters that are dealt with locally are reportable conduct. I believe they are other types of matters.

**Mr DAVID SHOEBRIDGE:** Mr Barnes, I will put this proposition to you: There are few things that are more serious in terms of government oversight than ensuring that matters involving the abuse of children are properly reviewed and properly dealt with. Do you agree with that?

**Mr BARNES:** I do.

**Mr DAVID SHOEBRIDGE:** One of your current statutory tasks is to oversee the reportable conduct provisions, which include sexual abuse reporting in the New South Wales Department of Education and in public schools, correct?

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**Mr BARNES:** Correct.

**Mr DAVID SHOEBRIDGE:** There has been a scathing review, delivered by an independent and highly regarded reviewer, of that arrangement in the Department of Education and you have not even read the review. That, Mr Barnes, I put to you, is you not doing your job.

**Mr BARNES:** I do not accept that. We receive all of the reports of reportable conduct that are not covered by the class in kind agreements. Obviously, they are the more serious matters and we review each of those and satisfy ourselves that they are being appropriately dealt with.

**Mr DAVID SHOEBRIDGE:** Mr Barnes, you are not sure when these functions will be handed over to the Children's Guardian, are you?

**Mr BARNES:** No.

**Mr DAVID SHOEBRIDGE:** I assume you will have a handover agreement with the Children's Guardian?

**Mr BARNES:** Yes.

**Mr DAVID SHOEBRIDGE:** And I assume that it would be useful for the Children's Guardian to know what the current issues are in that area—correct?

**Mr BARNES:** Yes.

**Mr DAVID SHOEBRIDGE:** How can you give that handover to the Children's Guardian until you have read Mr Tedeschi's report?

**Mr BARNES:** Because we deal with the Department of Education every day. We receive hundreds and hundreds of reports from the department and we review the way in which they are dealt. We have, with respect, better insight into the way the department operates than Mr Tedeschi does.

**Mr DAVID SHOEBRIDGE:** What Mr Tedeschi has recommended is that the class in kind determination be reviewed. Are you reviewing it?

**Mr BARNES:** No, he did not recommend that, so far as I am aware. He recommended that the way matters are dealt with in the local areas be reviewed.

**Mr DAVID SHOEBRIDGE:** Mr Barnes, I am astounded that, given your responsibility for the reportable conduct regime, you have not got at least a senior officer in your agency to read the report and provide a series of conclusions to you. Have you done that?

**Mr BARNES:** No.

**Mr DAVID SHOEBRIDGE:** Can you explain why you have not?

**Mr BARNES:** Because it is a report to the education department about its internal processes.

**Mr DAVID SHOEBRIDGE:** The ones that you have signed off on in a class in kind arrangement so that you do not have to see all those reportable conduct matters.

**Mr BARNES:** I do not accept that it is about that. It is about the way the department deals with matters.

**Mr DAVID SHOEBRIDGE:** Mr Schmidt, going forward if there are going to be significant changes—and there likely will be—to the disclosure regime, the donations regime and the compliance regime for local government, I assume you are going to need additional resources?

**Mr SCHMIDT:** I think that is a reasonable assumption.

**Mr DAVID SHOEBRIDGE:** There has been quite a series of discussions, at least at a political party level, about reforming local government disclosure regimes and election regimes before the upcoming September 2020 local government elections. Have you had meetings with the Special Minister of State about those changes?

**Mr SCHMIDT:** No, I have had no discussions. I met with the Special Minister of State on one occasion—just a meet and greet. But I have not had discussions on that part.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, it may be your responsibility to ensure people are in the loop on this. I do not know.

**Mr REARDON:** On what in particular?

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**Mr DAVID SHOEBRIDGE:** In terms of ensuring that there is adequate notice given to the Electoral Commission about pending changes to local government funding and election regimes so that the Electoral Commission can ramp up—or ramp down, but I assume it will be ramp up—to deal with additional duties?

**Mr REARDON:** Mr Shoebridge, I was attempting to respond to you on what resources might be required for the local government elections. You called a point of order to say that it was not directly relevant.

**Mr DAVID SHOEBRIDGE:** That is because it was not.

**Mr REARDON:** So if I could actually repeat what I was saying—no, you asked me a broader question?

**Mr DAVID SHOEBRIDGE:** I would ask you not to repeat anything, Mr Reardon, but if you want to address the question—

**Mr REARDON:** No, I was trying to finish the question.

**Mr DAVID SHOEBRIDGE:** Yes.

**Mr REARDON:** Just on changes to law et cetera—I am not across those matters, just to be clear—but in terms of the local government elections, IPART were given a reference to consider the funding requirements to run those local government elections, including the pricing that goes along with those. The Electoral Commission has put its submission into that process as to what it believes its funding will be. The transparency of that process is a good thing. It makes it very clear what bid the commission is after in terms of budget for the year, if not the two years ahead, and it will be responded to by IPART. There is a report that has been provided back including both on costs and on whether that is borne by councils or whether it is a combination of councils and other sources. That will be considered by government. That is a very transparent process on that additional scope of work for the Electoral Commission, which is the point I was trying to make previously.

**Mr DAVID SHOEBRIDGE:** We can argue about transparency about a process to which there is no public visibility at a later point, but that sounds to me like a process with no public visibility. It also is not quite the issue I was asking about, Mr Reardon. I was asking about the changes to the law which will put fresh and additional reporting obligations, and the resourcing impact of that on the Electoral Commission.

**Mr REARDON:** I think I made my comment. I am not aware of the change to law. I can take it on notice, but I am just not aware.

**Mr DAVID SHOEBRIDGE:** I would appreciate that.

**The Hon. ADAM SEARLE:** Mr Reardon, we were discussing housing affordability. Just to be clear, I think it was your evidence and that of Ms Brown that obviously the market is complex, there are a number of moving parts in relation to housing affordability. Would you accept that simply a number of completions per year does not, without more, do much for housing affordability?

**Mr REARDON:** You are asking me to speculate on policy. The point I made was discipline within the public service at Premier's Priorities means we get very focused on a target and we try to achieve that target. The broader matters about the economics of the property market, its impact, the ups and downs of prices, including in the rental market, the investment market and home ownership market, is probably a reason why we have Premier's Priorities because they avoid public servants using broader excuses for why they can or cannot achieve certain things. We being focused on delivering on a certain target and making that fairly unambiguous is why we do have those Premier's Priorities, to describe the way they are.

**The Hon. ADAM SEARLE:** Yes, but just for clarity, is the Premier's Priority here making housing more affordable or is the priority the number of completions?

**Mr REARDON:** Under the banner of "Making housing more affordable" there has to be a means to an end. The end point is obviously the policy position you are talking about. Within that, the priority itself that the public service has to deliver on is the housing approvals.

**The Hon. PETER PRIMROSE:** Mr Reardon, how much do you need to save this financial year in your cluster to meet the Treasurer's required efficiency dividend of 3 per cent?

**Mr REARDON:** I will go through our budget in a few parts. One, we have a \$2.7 billion budget for the cluster. It is around four outcome areas for our cluster. If you will just give me one moment. The breakdown of that \$2.7 billion is Effective and Coordinated Government is \$805 million; Accountable and Responsible Government, including the independent agencies, is \$295 million; Empowering Aboriginal Communities is \$47.5 million; and Excellence in Arts, Culture and Heritage is \$698 million. That is our cluster into outcome areas. At the 2019 election, parties brought forward what the election commitments were for savings within the public service. We are implementing those and they have already been embedded in the numbers I have just talked about.

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We also had further savings announced on the 18 June 2019 budget for the 2019-20 year and the specific additional savings were put in there. We now have a certain number that we need to save across the board. In terms of allocating out those savings, the department itself is trying to bear the bulk of that. Infrastructure NSW has been allocated some of those savings. For the integrity agencies for the 2019-20 budget additional requirement, we have kept that away from them so they do not have to actually bear that. But we are allocating that out as we see fit in terms of the places that can best bear that. It is not easy. We are streamlining across the board in terms of people, in terms of ceasing to do certain activities. As you would expect, we have allocated that out, as I said, to those specific areas and we are getting on with it.

**The Hon. PETER PRIMROSE:** Mr Reardon, you mentioned in June a "certain number". Can you tell me what that certain number was?

**Mr REARDON:** Out of the 18 June 2019 budget?

**The Hon. PETER PRIMROSE:** Yes.

**Mr REARDON:** I will take it on notice.

**The Hon. PETER PRIMROSE:** I understand from the budget papers that about 77 per cent of the projected savings will come from, "Other reform savings and offset measures". Can you indicate what some of those more significant measures would be?

**Mr REARDON:** For mine, in terms of the public service, the 10 clusters down to eight clusters is a streamlining in and of itself. I used an example on Friday which I will repeat now. Before this term of Government my department had six deputy secretaries. We are now down to three deputy secretaries, for example. In terms of bringing certain areas together, under the outcome of Excellence in Arts, Culture and Heritage, I think there were three deputy secretaries and a chief executive and they have been replaced with just one Deputy Secretary of Community Engagement. It is that type of streamlining at the senior service levels.

There are further savings in consultants and contractors; there are further savings in information and communications technology [ICT] and digital where we have streamlined how we have approached that across the entire public service under the Customer Service cluster that I talked about. There are a range of areas where we are trying to ensure that we reduce and remove a lot of our discretionary spend so we are just very, very focused on core business.

**The Hon. ADAM SEARLE:** Mr Reardon, are you ever routinely informed of breaches of privacy that are referred to the Privacy Commissioner?

**Mr REARDON:** No, I am not. Unless they relate to my cluster, but no.

**The Hon. ADAM SEARLE:** I think it is your evidence that there is no systemic approach put in place to make sure that you as the head of the central agency are informed of serious data breaches occurring elsewhere?

**Mr REARDON:** To the very point you raise about the Information and Privacy Commission, being an independent agency, certainly references all investigations undertaken by that commission, which does sit in the Customer Service cluster itself as an independent integrity agency as well. Certainly they are somewhat the whole-of-government approach to how we deal with systemic ICT, digital cyber matters.

**The Hon. ADAM SEARLE:** The referral in relation to the data breach we have been discussing in relation to Mr Daley and the 191 private citizens occurred in November 2018. Did you know of the breach back then?

**Mr REARDON:** I cannot recall. As I said to you, my awareness of it was through the media, not through another source, to the best of my knowledge.

**The Hon. ADAM SEARLE:** To the best of your knowledge, have you ever had a conversation with the Premier about this matter?

**Mr REARDON:** Not that I could recall I have had a discussion about this matter.

**The Hon. ADAM SEARLE:** Did the Privacy Commissioner ever inform you about the investigation?

**Mr REARDON:** No, not that I can recall.

**The Hon. ADAM SEARLE:** Have House notes been prepared by your agency for the Premier to use in Parliament about the matter?

**Mr REARDON:** I would have to take it on notice. Again I am not aware but I will take it on notice just so I can give you a yes or no.

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**The Hon. ADAM SEARLE:** When you come back to us can you indicate if you did prepare those notes when that had happened?

**Mr REARDON:** If I can.

**The Hon. NATALIE WARD:** And to what part of the budget this relates.

**The Hon. ADAM SEARLE:** Mr Reardon, I want to talk about driving public sector diversity, a matter which we discussed a bit in Mr Harwin's estimates, and I want to discuss in particular the gender pay gap in the public sector. Looking at the published data in May 2017, the gender pay gap in the public sector was 14.82 per cent. It went down to 13.7 per cent in May 2018 but as of May 2019 it has gone up to 14.6 per cent. Disturbingly, in the *State of the NSW Public Sector Report 2018*, I think at page 19, it says:

We have seen the gender pay gap increase from \$252 in 2017 to \$949 in 2018. This was the first widening of the gap since 2015 and relates to changes to the gender balance in lower paid roles, with fewer male than female employees in these positions.

What steps is the Government taking to address the pay gap in the public sector?

**Mr REARDON:** I think the first thing to say, and we talked about it last Friday, is that the *State of the NSW Public Sector Report* publishes that data about what 400,000 people have in terms of all of their engagement activity, including gender balance, including diversity, including pay disparities and the gender pay gap. That is the first thing. The second thing is that clusters—I made the comment on Friday that my role in terms of consistency and parity of pay means that I have direct influence over secretaries obviously. As was gazetted just last Friday, we have cleaned up a fair bit of that at the secretaries' level and made that consistent across the board. Not just about gender, there is a lot more consistency across everyone, but certainly across male and female. They are the roles that I can get involved in directly. As the head of the public service, you try and set the tone from the top. They are the types of things we are doing.

I also indicated last Friday that, apart from talking about the need to have policies and guidelines and principles in place, there is nothing like walking the walk. The time you walk the walk is in band 4 recruitment, my level, and band 3, band 2 and band 1—so deputy secretary, CEOs, executive directors and directors. Since I saw you last Friday I have had further opportunity. Every opportunity you have in your recruitment activity—that means me signing the contract for senior service—you bear in mind exactly what you are about to do in terms of the gender pay gap. Secretaries can do something directly about it right then and there.

What I said to you last Friday was that normally in negotiations with an unconscious bias—or even a conscience bias, for that matter—a male will walk into the room to be recruited and they will say, "He has come in from the outside world, whether it is the private sector or somewhere else, and he seems like he's pretty good and therefore he should start in the mid range or upper range of a band of remuneration." A lot of the time when a female is considered or has that discussion they are happy, and indeed appreciative, to be put in the bottom range and just have the job. That has to stop. It is incumbent upon secretaries and senior leadership within the public service—because we are the largest employer in the country—to do something about it then and there in the moment of truth. We have the power to influence it at that level. Yes, lots more needs to be done through every category. We have a very large public service. About 60 per cent of our workforce is female—

**The Hon. ADAM SEARLE:** It is 65 per cent.

**Mr REARDON:** And, of course, it is skewed and the lower levels have far more females, with less as we get into the senior leadership roles. We are just hitting 40 per cent for women in leadership roles across the public service. As I said on Friday, that is hundreds and hundreds of extra women who have come into the workforce. We are getting there on that. But as we get there on that we need to reduce the pay equity gap as fast we can. We get an opportunity to do that every time we recruit. We recruit fairly well in terms of bringing more women into the organisations, but when they get there we have got a second step, which is to ensure that their remuneration start point does not have to deal with that unconscious bias. We need to ensure we treat people completely fairly.

**The Hon. ADAM SEARLE:** I get that and I appreciate all the things you said. But the gap has deteriorated very significantly in the past two years, from \$252 to nearly \$1,000. That is a significant deterioration. Would you accept that?

**Mr REARDON:** I am well aware of the number. The Public Service Commissioner and I, leading up to the release of the *State of the NSW Public Sector Report* late last year, made quite a significant speech about the report. The reason we did that is because if we do not bring that to life with regard to the largest workforce in the country, who will? We want to talk about those things. When we get them wrong it is incumbent upon leadership to do something about it. We saw that statistic. Clearly we are not happy about that statistic. We need to keep turning it around.

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**The Hon. ADAM SEARLE:** Also, disturbingly, the representation of people with disability within the New South Wales public sector has reached a new low of only 2½ per cent in 2018. In January 2018 the Public Service Commission and the former Department of Family and Community Services released *Jobs for people with disability: A plan for the NSW public sector*, to set a target of 5.6 per cent by 2027. A new low of 2½ per cent is pretty disturbing. What do you attribute that to?

**Mr REARDON:** In this area, compared with New South Wales—because we have put a fair bit of emphasis on it as well—the public services around the nation appear to have lower rates of people with disability employed within the public service than in the private sector.

**The Hon. ADAM SEARLE:** It is about 18 per cent overall, is it not?

**Mr REARDON:** It depends how you measure it. The amount of people with a disability—the number that you quoted—is about what people would say in the broader community. The employment numbers in the private sector may not be that high, but I think we may have quoted something in the state of the sector report. The bottom line is that we are well below. It is something the public service commissioners around the country have discussed. We are all low and we need to do something about it. The Premier's priority has now expanded to have a world-class public service with a gender balance of 50-50 for women in leadership by the middle of the next decade. I think we will get there. In fact, my cluster is there and my department was well above that, as were a few others.

We continue to report on the Aboriginal target, and we are doing pretty well with it. We had to double the number from 57 to 114 from 2015 to 2025. We are up to close to 90 Aboriginal people in senior leadership roles within the New South Wales public service. The Premier has specifically asked the Public Service Commissioner to add the people with disability target and to basically double it to the Premier's priority target. It gets the focus. We all want to do something about it. We all want a lot more people with disability with the New South Wales public service. We need to do a lot around recruitment. How we put our marketing out about our recruitment obviously needs to change because we are not attracting enough people with disability. We have lots and lots of jobs where people with disability will thrive.

The starting point is to start measuring it in this term of government, and we will be held to account. Yes, the former Family and Community Services cluster brought that forward to the Secretaries Board. We immediately signed up. The drifting of that in terms of its decrease is disturbing. We should be an employer of choice for people with disability. Without a doubt, we have amazing jobs across the board. We have amazing frontline jobs and other roles where people with disability would thrive. We will probably have a significant focus on that. The Public Service Commissioner would not have it any other way than to have a significant focus on that for the next four years.

**The Hon. ADAM SEARLE:** I appreciate all of that but I still do not think you have given an answer to the question about why the employment of people with disability has reached an all-time low in the New South Wales public sector.

**Mr REARDON:** All I have indicated to you is that that phenomenon is national in terms of the public services. I really do not know why.

**The Hon. ADAM SEARLE:** Are you doing any research to try to understand what has happened?

**Mr REARDON:** I will take that on notice. I think the Public Service Commissioner is. But we want to do more than research; I would rather focus on the direct action on how we recruit with the research. That direct action is around how we recruit, how we advertise and how we market ourselves, because there is absolutely no reason that number should not be very, very high.

**The Hon. ADAM SEARLE:** I agree. Ethnic diversity in the public sector has also declined recently, hasn't it?

**Mr REARDON:** I do not know. You have the state of the sector report with you. I would have to refer to it.

**The Hon. ADAM SEARLE:** I am happy for you to take the question on notice and come back with—

**Mr REARDON:** Just so we are clear—

**The Hon. ADAM SEARLE:** I will put it on notice. I will write it out for you.

**Mr REARDON:** I will provide you only what is in the state of the sector report. That is all I can say in terms of what our current statistics are. It is the broadest data we have. If you want me to respond to anything more detailed I will take it on notice.

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**The Hon. ADAM SEARLE:** But the data is very important and instructive. It tells us what the problem is. What I am really interested to know is what you, as the head of the public service, propose be done to take that direct action with each of the things we have been talking about. With the gender pay gap, other than employing more women in senior roles—which does not seem to have been the cause of the particular problem—you do not seem to have pointed to any other solution. Again, you do not seem to have an understanding—or at least not one that you are prepared to share with us—of why the employment of people with disability in the public sector has declined. I am really interested to understand whether you understand the causes of the problems and what the solutions therefore might be. If you do not know the causes, how can you develop the solutions?

**Mr REARDON:** In terms of the People Matter Employee Survey engagement survey that we undertake, I will give you an example from our department and cluster. We focus on two or three things a year. We focus on them firmly. In the last few years we have focused on flexibility and diversity inclusion. Diversity inclusion in our cluster as a focal point has continued to increase. People in the Department of Premier and Cabinet, in particular, believe that diversity inclusion is fairly strong. They believe that flexibility within the cluster is fairly strong. When we focus our attention and measure, we get results. As with the Premier's priority around the measurement of how many people with disability join our cluster, I can assure you that we will put considerable focus—both in my cluster and every other cluster at secretary level—into that issue.

With regard to specific interventions, we will do some research to understand why people with disability do or do not join the New South Wales public service. We have gotten better and better with our data sources over the years. To give you an example of that, the customer satisfaction results that we continue to measure for ourselves across the board have improved quite a bit. We would like them to continue to improve because we like satisfied customers. We measure ourselves not just against ourselves but also against airlines, energy retailers and banks—you name it. We go fairly well in comparison to those. When it comes to focusing attention on our people—if it means people with disability or, more broadly, diversity of the racial or any other diversity of our cohort—we will put the time and effort into that to ensure we get it right. I am not going to sit here now and give you a couple of off-hand solutions to basically—

**The Hon. ADAM SEARLE:** I am happy for you to take it on notice and give us a direct answer on these things. Mr Reardon, one of the Premier's Priorities 2015-2019 targets included increasing the number of Aboriginal people in senior leadership roles. What initiatives is your cluster undertaking to achieve the goal and how much money has the Government allocated to reaching the goal in the 2019-20 budget?

**Mr REARDON:** Just to repeat, the goal was to take the numbers of Aboriginal leadership from 57 to 114, I think by 2025—it might be 2023, but I will seek clarification on that. I think the number is around 87. It is just under 90 now, so we are tracking in the right direction. Specific initiatives within my cluster: One of the wonderful things in our cluster now is Aboriginal policy and Aboriginal Affairs has joined our cluster. It does mean that there are a lot more Aboriginal leaders within the place. That is not to meet the target; that is because we liked them in the centre for all the things we talked about last Friday in terms of a mix across culture, heritage and those areas. We deep dive on this cluster by cluster about initiatives they undertake. What we are trying to do is share a lot more of our learnings about why Aboriginal leadership will or will not join certain clusters.

We are trying to look at the pipeline of younger Aboriginal people: where they come in, where they will move around, even down to where there are defined roles for people with Aboriginal background. I do not want them in defined roles; we just want them in mainstream roles so they can climb. In terms of leadership, we are tracking reasonably well against that target. In terms of the level of effort that goes into that with human resources within each cluster, some specific funds would go towards it, I am sure. I would not know the specific amounts within each cluster; it is up to each of us to have a target. All I can tell you is we cascade the number—that is 114—across us all and we all go and deliver against our own target. How we actually achieve that is somewhat up to ourselves, including the resources that get applied against it. But we are trying to share more of our learnings because some do it better than others.

**The Hon. ADAM SEARLE:** Madam Chair, I think for my part and also, I think, Mr Shoebridge's, we have no further questions for the Electoral Commissioner, the Ombudsman or the Deputy Ombudsman.

**The Hon. ROBERT BORSAK:** I do.

**The Hon. ADAM SEARLE:** That is fine. I am just making a full declaration, that is all.

**Mr REARDON:** It was 2025 for that target for the Aboriginal leadership, just to be clear.

**Mr DRAPER:** Sorry, Chair. I am not sure what the appropriate time to do this is but I offered earlier to provide some more information to Mr Shoebridge. I am happy to do that now or wait and do that later on. That was in relation to the sequences of the costing of the—

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**The CHAIR:** It is Mr Borsak's time now, so we will come back to it.

**The Hon. ROBERT BORSAK:** Mr Schmidt, your commission administers the administrative funding arrangements for parliamentary funding of Parliament to parties and individuals?

**Mr SCHMIDT:** The public funding? Yes, that is correct.

**The Hon. ROBERT BORSAK:** Can you outline the size of the organisation that does all of that?

**Mr SCHMIDT:** Just bear with me while I get some figures. While I am doing that, I might just clarify. When I talked about the seven positions for local government investigations earlier, that has comprised two investigators, two senior investigators, one auditor, one manager of audit and one director. So they are not all investigators but they are all involved in that process.

**The Hon. ROBERT BORSAK:** While you are looking, that whole process of funding and auditing and accountability is necessary, of course, but it seems to be very paper based—

**Mr SCHMIDT:** Yes.

**The Hon. ROBERT BORSAK:** —and very labour intensive. Can you also walk me through how you see—if you do see—that being streamlined in the future?

**Mr SCHMIDT:** Absolutely. I have got the figures first, so I will deal with those. The funding and disclosure part of the organisation—we combined the legal area with it recently, so it is now funding, disclosure, compliance and general counsel. We have a total of 40 staff or positions or people. Of that, Legal comprises eight. There is Funding and Disclosure of five people and Compliance is 15 and then the Client Experience and Regulatory Services—which would be the engagement with the parties, lobbyist register or whatever—is another 12 people. To your point, yes, definitely the future has to be a much more streamlined and digital approach. We had received funding from the Government to move to a better system prior to the last election. The Government commitments to introduce before the election the online disclosure of donations in the pre-election period, we were asked to give that priority. That was done and hopefully people found that useful in the lead-up to the election. We are now going back to the process of developing a funding and disclosure online system.

**The Hon. ROBERT BORSAK:** That disclosure before the election, that is an ongoing requirement now for every election?

**Mr SCHMIDT:** Yes. I think we have just gone out to market in respect of seeking interest in relation to the broader online experience. We get literally tonnes of paper—

**The Hon. ROBERT BORSAK:** That was the question I was going to ask you. I know how hard it is for our small party and the amount of paper we generate. You must be getting pallet loads of paper from the major parties.

**Mr SCHMIDT:** Yes and one of the challenges—

**The Hon. ROBERT BORSAK:** How do you cope with that?

**Mr SCHMIDT:** At different points in the lodgement process—because there are those, as you are aware, different periods of reporting dates—we will bring in temporary staff to data enter or process. One of the challenges the organisation faces is because of the cyclical nature of elections there are windows of opportunity to do—and this is a major IT project—those projects. If we miss those, then it pushes things out. But that particular project is in train at the moment.

**The Hon. ROBERT BORSAK:** What is the dollar value of that particular function in your budget for this year and ongoing years? For the administration of the admin funding arrangements?

**Mr SCHMIDT:** So \$6.4 million for the capital build of the actual new system, but the administration of the existing funding arrangements—we will get you a figure.

**The Hon. ROBERT BORSAK:** Maybe if you could take it on notice.

**Mr SCHMIDT:** We will take it on notice.

**The Hon. ROBERT BORSAK:** Break it down by staff costs, capital expenditure on new systems and so on. When do you expect to bring a new system online? Have you got a timetable for that?

**Mr SCHMIDT:** On notice, if you could.

**The Hon. ROBERT BORSAK:** Thank you.

**Mr DAVID SHOEBRIDGE:** My party would welcome less paperwork, I can tell you that.

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**Mr SCHMIDT:** One of the great benefits is helping with accuracy because people are led through the system. It guides people.

**Mr DAVID SHOEBRIDGE:** Indeed, and timely records storage and things. Mr Draper?

**Mr DRAPER:** Earlier on I offered to expand on my answer to your question about how we managed to get a costing sufficient to form a budget before the design competition. The sequence of events was that the project was announced in November 2017 and following that announcement a concept and reference design was developed. That was able to be costed sufficiently to inform the strategic business case, which goes through a Gate 1 assurance process overseen by Treasury. Then it was further refined to produce a final business case in March 2018, and that also went through an assurance process overseen by Treasury.

It was a sufficiently developed costing and reference design to commence planning in May 2018, using that concept design, and to issue a request for tender in July 2018. During that period we had just also released a 10-point commitment to the construction industry, which goes through construction procurement methodology. I will come back to that in a moment. The design competition, which was a requirement of the stage one planning process under the City of Sydney requirements, was finalised in October 2018. The participants in that design competition were given that reference design to incorporate into their process.

**Mr DAVID SHOEBRIDGE:** But that was post facto the budget, Mr Draper, was it not?

**Mr DRAPER:** As I was saying, the initial budget has gone through a series of assurance processes and then that design competition was finalised two months prior to the awarding of the contract or the finalisation of the planning determination. At that point there was a Gate 3 and then a Gate 4 assurance process to check that the budget as it was going forward and the procurement method that we were applying would be deliverable within that budget. It went through a series of developments, based off a reference design, then incorporating the outcomes of the design competition and through three or four assurance steps overseen by Treasury to ensure that the concept of reference design and then the design competition inputs were consistent with the budget that had been developed and refined over that process. As I said earlier, the amount of contingency allowed in each of those stages is refined to reflect that a level of certainty and design development had happened.

I mentioned a moment ago that during that period Infrastructure NSW, with the Premier, had released a 10-point commitment to the construction industry. That is very worthwhile looking at—it is on our website—because that goes into procure methods and, in particular, refers to the early contractor involvement style procurement that we utilised for the Sydney Football Stadium. In fact, that 10-point commitment was informed by discussions with the construction industry, and that is something that they seek from us—to be involved earlier in that process, both prior to and then during the design development process. There are a number of options presented. In fact, earlier this year we produced—

**Mr DAVID SHOEBRIDGE:** Mr Draper, I am more than happy, if you have a general discursive response about procurement, to put that on notice but unless it is directly relevant to the \$729 million budget for the Sydney Football Stadium we might move on.

**Mr DRAPER:** I think I have addressed that.

**Mr DAVID SHOEBRIDGE:** Mr Riordan, when it comes to the Premier's diary that is published, the most recent published diary has the Premier only having 16 scheduled meetings that meeting the definition for disclosure in the period from 1 April to 30 June 2019. That is one scheduled meeting about every four business days. I assume that is only a tiny fraction of the number of meetings the Premier has. I am curious how it is that somebody like the Premier only has 16 meetings to disclose in the course of a three-month period. I am not suggesting that she has breached her requirements. I am just wondering if the requirement is that it is only related to your portfolio means that when the Premier is meeting on matters outside her portfolio areas they do not have to be disclosed.

**Mr REARDON:** On the DPC website, as you would be aware, we record Government Information (Public Access) Act requests and what we are required to in terms of travel, diaries et cetera, but specifically in terms of the Premier's diary I suggest you may have asked that this morning.

**Mr DAVID SHOEBRIDGE:** I am sorry; it was simply a lack of time. I am asking you this. I assume that the department gives the Premier advice about what needs to be disclosed and what does not need to be disclosed. The requirement for disclosure is "where a matter may be considered by the Minister, whether formally or informally, in his or her role as portfolio Minister or as a member of Cabinet". So I am wondering if matters that fall outside the formal scope of the Premier's portfolios, but may relate to other Ministers' portfolios—whether or not those meetings are also disclosed.

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**Mr REARDON:** I can take on notice the provisions and the criteria et cetera, but I would only repeat my answer about the Premier.

**Mr DAVID SHOEBRIDGE:** I have no reason to suggest that the Premier has not complied with her obligations but I have to say that I found it surprising, when I was going through, that there were only 16 meetings in a three-month period disclosed. That is the context in which I ask the question. There may be a structural reason as to why those things are not disclosed.

**Mr REARDON:** I do not have that.

**Mr DAVID SHOEBRIDGE:** In terms of the Ministers' diaries, they are incredibly hard to search. There is a series of PDFs over three-month periods. There is no online searchable database. For proper disclosure, a searchable online database is far preferable. Are there moves afoot to have a searchable database for ministerial diaries?

**Mr REARDON:** All I can say is that the regime that we have in place, that has been there, I think—

**Mr DAVID SHOEBRIDGE:** Since 2011.

**Mr REARDON:** Those things that are in scope are meetings scheduled to take place with a person. The things that do not require disclosure include meetings with Ministers, members of staff, parliamentarians or government officials, meetings that are strictly personal—

**Mr DAVID SHOEBRIDGE:** I have read the memorandum.

**Mr REARDON:** In terms of the form that we place them on there, I have nothing in front of me, and it has not been brought to my attention by the relevant officer in my organisation that there is any issue of how that information is disclosed. You are making a comment about what you think, but I have nothing—

**Mr DAVID SHOEBRIDGE:** It may have been fit for purpose in 2011, but I am saying to you now that eight years of individual PDFs in three-month cycles is now a next-to-impossible database to search.

**Mr REARDON:** I have nothing in front of me to make a change. You are giving an opinion about what you think it should be.

**Mr DAVID SHOEBRIDGE:** I am. I am asking you whether or not there have been any efforts to make it an effective online searchable database.

**Mr REARDON:** I am unaware. It has not been brought to my attention.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, I think I said to you—or to the Premier—earlier that the LECC annual report, the most recent one published, identified a significant shortfall in funding. Did the LECC come to you in the budget process and seek additional funds?

**Mr REARDON:** Me personally, no. My comments—I will just repeat them from this morning—are that at the broadest outset, and I think it has been reinforced, is that independent integrity agencies robustly put their positions forward when they need to go through a budget process and talk about the appropriations bills. I certainly do not believe LECC has met with me; they may have met with my agency. We try to reach out and see all of the agencies. From memory, LECC has joined us post the machinery of government changes so it may not be unusual that they have not.

**Mr DAVID SHOEBRIDGE:** I will ask the broader question. Did LECC come to your department with a bid for greater funding?

**Mr REARDON:** They may have. The nature of those discussions I do not know, Mr Shoebridge. My staff would meet with the agencies. Our chief financial officer would meet with the agencies, as would our chief people officer. The nature of bids et cetera, I am unaware.

**Mr DAVID SHOEBRIDGE:** Would you be able to find it out by discussions with officials and take the question on notice?

**Mr REARDON:** I can certainly find it out. What I can provide you with, I will remind—

**Mr DAVID SHOEBRIDGE:** We do not need to go back to that earlier discussion. Mr Reardon, what policy is in place to ensure that government advertising does not get displayed on sites with offensive content?

**Mr REARDON:** The advertising guidelines are in place that apply to government agencies to ensure that it is appropriate, it is non-political and it does not have matters that clearly the community would not find acceptable. Those guidelines have been in place for some time. I have personally used those guidelines to ensure it said what we could or could not advertise on things like public transport services over the years. More broadly,

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the implementation of those guidelines sits squarely with the Customer Service cluster, so we do have a lot more consistency across the board in terms of how we go about advertising campaigns and the distribution channels of those advertising campaigns. They are the guidance, and that is where it is implemented—through that Customer Service cluster.

**Mr DAVID SHOEBRIDGE:** Mr Reardon, how is it that only a matter of weeks ago there was New South Wales Government advertising on the transgender attack site on *The Australian* newspaper's website that is headed, "Gender"?

**Mr REARDON:** You asked me the exact same questions last Friday, and I just did not have knowledge of that. I can be frank: I have not had time to go and get myself across it since last Friday. I will take it on notice to come back to you, but I am just not across it.

**Mr DAVID SHOEBRIDGE:** I will take your earlier notice as the existing notice and I will not ask you to repeat it in this process.

**The CHAIR:** I should just say that we are in the final portion of this session, so the time will be split unless we have Opposition questions.

**Mr DAVID SHOEBRIDGE:** I am happy. Let's give the Opposition 10 useful minutes, rather than five here and two there.

**The Hon. ADAM SEARLE:** I do not know whether it will be useful.

**Mr DAVID SHOEBRIDGE:** Ten minutes. I will not characterise it.

**The Hon. ADAM SEARLE:** Mr Reardon, in the last few minutes, correspondence, I think from the Department of Premier and Cabinet, has been forwarded to the Clerk of the upper House in relation to the upper House's call for papers. On 8 August there was a call for papers, which included a call for a review conducted into Landcom, then known as UrbanGrowth, by Jim Betts. As I read the indexes, that document was not produced in the original call for papers. Again, just having a look at the index of documents now produced to the upper House, that document still has not been produced by Infrastructure NSW or the Department of Premier and Cabinet or any of the bodies to whom the call for papers was directed. Can you explain?

**Mr REARDON:** I have no idea of the document you are talking about, firstly. I will make a comment that in terms of the amount of standing orders that we have provided feedback on over the last couple of months it has been quite significant. We are trying to deal with those as efficiently as we can. It is taking up hundreds and hundreds and hundreds and hundreds of hours of many people. I think the number of boxes of documents, both privileged and non-privileged, is significant. We are trying to move those as fast as possible because it is part of our job to do so. Even the ones you may be talking about, I do not know, there could be others but I am trying to transact them as fast as possible so they are brought back within time frames. Those time frames are quite tight for the volume of work that people have to go through to bring back. But I could not right here specifically talk about one document for one standing order—

**The Hon. ADAM SEARLE:** It has not been withheld deliberately?

**Mr REARDON:** I cannot answer that. I do not know. People do their due diligence. I have indicated previously on the standing orders, people are attesting those in the chain of command—

**The Hon. ADAM SEARLE:** They are.

**Mr REARDON:** —by sight or the chain of command before I attest on behalf of the public service. People are working very, very diligently through a lot of standing orders, a significant volume of standing orders.

**The Hon. ADAM SEARLE:** Let us cut to the chase. Can I ask you to find out what has happened to that particular—

**Mr REARDON:** I do not know the document you are speaking of, genuinely I do not. If you could—

**The Hon. ADAM SEARLE:** It is not a blame game. I am just asking if you will take it on notice.

**Mr REARDON:** You were asking me something too specific. I have just indicated to you that we are dealing as the public service with a very large quantity of standing orders as I understand it, compared to the amount of standing orders that would normally come through.

**The Hon. ADAM SEARLE:** That is true.

**Mr REARDON:** Just after an election, going through machinery of government changes and one or two other matters that we have to get along with. They are taking up a lot of time. We are trying to transact them as

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fast as we can. I believe we are transacting them fairly fast but they are a significant chunk of work. There are hundreds of boxes there to go through, and the amount of documents in the privileged and non-privileged categories is significant. We have to satisfy ourselves what we are signing off. I have to satisfy myself what we are signing off. But right now there are far too many matters that I might have in my mind to be very specific on one document that you are referring to.

**The Hon. ADAM SEARLE:** Mr Reardon, I am trying to make your job easier. I am going to invite you to take on notice and then give us an explanation about why that document, the one I have specified, has not been returned?

**Mr REARDON:** Could you repeat the document?

**The Hon. ADAM SEARLE:** It is the review of UrbanGrowth conducted by Jim Betts in 2016 or 2017. It is paragraph (g) of the call for papers, I think on 8 August. I do not believe it has been returned. Certainly I do not see it in the indexes.

**Mr REARDON:** I will take on notice what you have just said.

**The Hon. ADAM SEARLE:** And I am happy to be wrong.

**Mr REARDON:** That is fine, but also I will respond to that, as I am required to do in terms of the standing orders first, Standing Order 52.

**Mr DAVID SHOEBRIDGE:** There is one additional question, Mr Reardon. I think you have responsibility for the Special Commissions of Inquiry Act, it falls within the Premier?

**Mr REARDON:** I will have to seek clarification on that.

**Mr DAVID SHOEBRIDGE:** I am fairly sure you do because it is highlighted here in front of me. Volume four of Margaret Cuneen's report delivered in 2014 entitled the *Special Commission of Inquiry into matters relating to the police investigation of certain child sexual abuse allegations in the Catholic Diocese of Maitland-Newcastle* has not yet been publicly released, apparently due to confidential material that may have prejudiced, at the time, current criminal proceedings. Given all of those criminal proceedings are now concluded, when will we see volume four of the Cuneen report published? I assume you will want to take that on notice.

**Mr REARDON:** No, I will not. I would like to respond to it. As I indicated to you about public interest disclosures, as I have just indicated about Standing Order 52s, we have a job to try to get these things dealt with as swiftly as we can. I will just give you a response. It will be a fulsome response if you give me a moment. On 30 May 2014 Special Commissioner Margaret Cuneen, SC, issued her report on the *Special Commission of Inquiry into matters relating to the police investigation of certain child sexual abuse allegations in the Catholic Diocese of Maitland-Newcastle*. After the inquiry the Department of Premier and Cabinet became responsible for the inquiry's records under the State Records Act.

The Special Commissions of Inquiry Act allows for a recommendation to be made in relation to publication of the whole or any part of a report as the commissioner thinks proper. The Department of Premier and Cabinet published volumes one to three of the report on the recommendation of the commissioner in 2014. The commissioner directed that publication of volume four be deferred until any relevant criminal proceedings had been determined, as you just pointed out, Mr Shoebridge.

The department has closely considered whether the conditions for the publication of volume four have been met and whether there are any legal impediments to publication of that material. The department absolutely acknowledges that there is a public interest in the release of the report, particularly for survivors of child sexual abuse. The department has been communicating with representatives of victims in relation to the release of the report and we wanted to make certain we could release it. We are now satisfied that the conditions have been met and therefore volume four will be released imminently.

**Mr DAVID SHOEBRIDGE:** Thank you. Can I indicate for the record that that will provide significant comfort for a number of survivors who have been waiting for the publication. I appreciate your response.

**Mr REARDON:** If there is nothing else I do today, I am glad I could do that.

**The Hon. ADAM SEARLE:** Mr Reardon, returning to the issue of standing orders and the logistics associated with them, I think it was not the last report but the report before by the Hon. Keith Mason, QC, who is the independent arbiter of these matters for the upper House, that given the number of recurring issues he foreshadowed or suggested that a roundtable discussion involving the Department of Premier and Cabinet, Presiding Officers of the upper House and possibly some of the usual suspects involved in the causation of Standing Order 52 orders being made occur to try to iron out some of the procedural issues that keep coming up.

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**The Hon. ROBERT BORSAK:** There has only been 52 in the last four weeks.

**The Hon. NATALIE WARD:** And this relates to the budget how?

**The Hon. ROBERT BORSAK:** It does.

**The Hon. ADAM SEARLE:** Mr Reardon was talking about the use of resources in responding to the Standing Order 52 calls for papers. Is that conversation or roundtable something that DPC would happily or otherwise engage in?

**Mr REARDON:** I am not aware of the recommendation. Right now we are responding to Standing Order 52s, so we are in a bit of virtuous circle on that. We are responding to them as quickly as we can and as efficiently as we can. I have got no advice in front of me about that recommendation.

**The Hon. ADAM SEARLE:** Could I ask you to take that on notice and maybe come back to us?

**Mr REARDON:** I will take on notice that I will go and review that recommendation and see what it has to say. I will do that.

**The Hon. ADAM SEARLE:** Once you have read that, would you then respond to the Committee about your willingness to have DPC participate in such a roundtable?

**Mr REARDON:** I will review it first.

**The Hon. ADAM SEARLE:** But you will give it some response?

**Mr REARDON:** I will review it first.

**The Hon. ADAM SEARLE:** Madam Chair, could I get a better response? I think I am entitled to an answer.

**The CHAIR:** The witness has given his response.

**Mr REARDON:** I thought I was responding.

**The Hon. ADAM SEARLE:** You said you would review it.

**Mr REARDON:** I will review it. I do not know what it says. You are asking me about a document I have just indicated—

**The Hon. ADAM SEARLE:** I am not asking you to tell us what course of action you will adopt, I am just saying you will come back to us once you have reviewed it.

**Mr REARDON:** Sure, in terms of taking it on notice though.

**The CHAIR:** You will need to provide a response, even if it is not necessarily the one that is sought.

**The Hon. ADAM SEARLE:** That is right. Thank you. Mr Reardon, how many Aboriginal public servants who completed the New South Wales Department of Premier and Cabinet's Aboriginal Career and Leadership Development Program have been promoted to permanent—as permanent as they get—State Emergency Service positions?

**Mr REARDON:** You might be referring to the Aboriginal leadership program through the Public Service Commission?

**The Hon. ADAM SEARLE:** Yes.

**Mr REARDON:** I believe there have been 10 cohorts go through that program. I have been to the graduation of a few of those programs. They are significant leaders and continually surprise in terms of their style of leadership. I am often saying in the last few years that I am learning more about leadership off Indigenous leaders than the other way around. They have a unique form of leadership and they enrich the New South Wales public service through diversity inclusion like few others. How many have actually moved around is something that I started a conversation with in Premier and Cabinet just last year because there are amazing people coming through that program and it is incumbent upon the leadership to reach out and communicate with those folks.

We actually brought in a system where we caught up with a lot of that leadership to try to take the mystique out of central agency work for them. We recruited one leader into our place off that program from a completely different frontline background to our organisation. I will take on notice how many have actually had mobility and how many have taken on more senior leadership projects. And we will respond as fulsomely as we can to that because that is a program I am very, very committed to, as is Emma Hogan.

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**The Hon. ADAM SEARLE:** Madam Chair, with your indulgence could I just ask one last question of Mr Reardon, which I am happy for him to take on notice?

**The CHAIR:** Quickly.

**The Hon. NATALIE WARD:** As long as it is not under Standing Order 52 and it is relevant to the budget.

**Mr DAVID SHOEBRIDGE:** It is really with Mr Reardon's indulgence.

**The Hon. ADAM SEARLE:** You know what, we can come back at six o'clock and do that—happy to do that, Natalie.

**The Hon. NATALIE WARD:** Do not threaten me, Adam.

**The CHAIR:** Ask the question.

**The Hon. ADAM SEARLE:** Mr Reardon, how many Aboriginal persons were displaced when the senior officer grade in the public service was deleted? I am happy for you to take that on notice.

**Mr REARDON:** Just so I am clear with what I am taking on notice, when the Government Sector Employment Act was enacted and again at the 2013 level or later?

**The Hon. ADAM SEARLE:** At the 2013 level, but also any subsequent information you have. Thank you.

**Mr REARDON:** I will take it on notice.

**The Hon. ADAM SEARLE:** Thank you.

**The CHAIR:** Thank you very much, everybody. This session of the hearing is concluded.

**(The witnesses withdrew.)**

**The Committee proceeded to deliberate.**