

REPORT ON PROCEEDINGS BEFORE

PUBLIC ACCOUNTABILITY COMMITTEE

**INQUIRY INTO BUDGET PROCESS FOR INDEPENDENT
OVERSIGHT BODIES AND THE PARLIAMENT OF NEW SOUTH
WALES**

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At Macquarie Room, Sydney, on Friday 13 December 2019

The Committee met at 13:00

PRESENT

Mr David Shoebridge (Chair)

The Hon. Scott Farlow

The Hon. John Graham

The Hon. Trevor Khan

The Hon. Matthew Mason-Cox

The Hon. Peter Primrose

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The CHAIR: Welcome to the second hearing of the Public Accountability Committee's inquiry into the budget process for independent oversight bodies and the Parliament of New South Wales. This inquiry is examining the budget process for how the quantum of funding for the key independent oversight bodies is determined and the transparency of that process. Before I commence, I acknowledge the Gadigal people, who are the traditional custodians of this land, and I pay this Committee's respects to elders past, present and emerging of the Eora nation and extend that respect to other Aboriginal persons present. Today is the second of two hearings we plan to hold for this inquiry. We will hear today from the secretaries of the NSW Treasury and the Department of Premier and Cabinet.

Before we commence I will make some brief comments about the procedures for today's hearing. Today's hearing is open to the public and is being broadcast live by the Parliament's website—at least, we hope so. A transcript of today's hearing will be placed on the Committee's website when it becomes available. 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 remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing and so I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence, as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretary.

All witnesses have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. Copies are available in the room. 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 by 24 January 2020. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. To aid the audibility of this hearing, may I remind both Committee members and witnesses to speak into the long microphones. The room is fitted with induction loops compatible with hearing aid systems that have telecoil receivers. In addition, several seats have been reserved near the loudspeakers for persons in the public gallery who have hearing difficulties. Finally, could everybody please turn their mobile phones either off or to silent for the duration of the hearing.

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TIM REARDON, Secretary, Department of Premier and Cabinet, sworn and examined

MIKE PRATT, Secretary, Treasury, sworn and examined

The CHAIR: I welcome our first witnesses. A couple of days ago we received the Government's submission, so thank you for that. We have read and digested that. Did either or both of you wish to make a brief opening statement?

Mr REARDON: No.

Mr PRATT: No.

The Hon. JOHN GRAHAM: Thank you both for appearing. I think we were keen to talk particularly to both of you for two reasons. Firstly, this obviously has been the subject of some discussion at budget estimates hearings in the lead-up to this Committee, and some of the evidence that has been given at budget estimates hearings has been contested. We want to put those issues to you and give you the chance to speak to that contested evidence. Secondly, the Committee is clearly considering making recommendations that may change what the arrangements are; where that travels after that is, then, a separate question. But obviously we wanted to receive any views or advice on those issues before we made a recommendation, given they really deal with the pretty significant arrangements within government.

I might turn first to the evidence and some of the submissions that have contested that. Mr Reardon, in the first instance, this was in relation to some of the evidence you gave on 5 September 2019 to Portfolio Committee No. 1 – Premier and Finance, where the ICAC submission indicates it does not agree with the view you put.

The Hon. TREVOR KHAN: Can you refer him to the page?

The Hon. JOHN GRAHAM: I am referring to page 23. Your evidence was this:

We get an appropriation directly out of this House towards those independent agencies and special officers, and that appropriation then goes to the agency.

The ICAC has put the view that:

This is not entirely accurate, as some funds may be withheld by the DPC and/or NSW Treasury as part of the savings measures imposed across Government, where they were not removed as part of the budget processes prior to the appropriation bill being drafted.

I was going to offer you the chance to speak to that. There is clearly some confusion there and I offer you the chance to put new views to the Committee or to correct the record.

Mr REARDON: Thanks, Mr Graham. Before I do, you are reading out some evidence from me; I do not know the context to the question that was asked before that et cetera.

The Hon. JOHN GRAHAM: Understood.

Mr REARDON: I would not mind a bit of context.

The Hon. SCOTT FARLOW: Are you able to hand it up to the witness?

The Hon. JOHN GRAHAM: I think probably the best I can do is to hand it up. I am quoting from the ICAC submission. I am not sure you have seen that.

Mr REARDON: I have not.

The CHAIR: That is a submission that I assumed the Government response was responding to.

The Hon. TREVOR KHAN: I am happy to give Mr Reardon mine.

Mr REARDON: Is that the submission or is that the actual transcript?

The Hon. SCOTT FARLOW: No, this is the ICAC submission.

The CHAIR: It is the transcript, is it not?

The Hon. SCOTT FARLOW: What the Hon. Trevor Khan has is the submission from ICAC.

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The Hon. TREVOR KHAN: Yes. I do not have the transcript but least I can—so everyone knows what it says.

The Hon. JOHN GRAHAM: Yes, I think that would be helpful.

The Hon. SCOTT FARLOW: Mr Reardon, can I clarify: You are seeking the transcript from budget estimates?

Mr REARDON: Yes, I am.

The CHAIR: There were, from memory, a series of questions directed to how independent oversight agencies were funded.

The Hon. TREVOR KHAN: The transcript is being provided now.

The CHAIR: Page 24 of the Hansard of 5 September 2019.

Mr REARDON: I cannot actually find the exact reference, but I get the general context.

The Hon. JOHN GRAHAM: This has been the subject of confusion. A number of agencies—but ICAC has put it formally in their submission—have come and said that, in fact, rather than get an appropriation directly that goes to the agency, some of that is on occasion withheld. They have indicated that often these are not large amounts of money, but they are concerned here both with the principle and the practice. Your evidence suggests that should not have been the case. In the first instance, I am looking to clarify that.

Mr REARDON: I think I understand your question, Mr Graham. I think you are reading too much into it. Basically, what I am saying is the appropriation bill—and it is actually published—and the Government's documentation in the budget papers simply says that the integrity agencies are treated slightly differently where they are appropriated funds. Whilst they are part of the Premier and Cabinet cluster, they are appropriated funds in a separate section of the appropriations bills. That was a point I was making. I think I may have added the fact that things like efficiency savings will be applied in a cluster, and then we apply that as we need to. For the integrity agencies for 2019-2020, none have been applied.

The Hon. JOHN GRAHAM: Understood, and they have been clear about that. But that will apply in future years.

Mr REARDON: That is what we have absolutely put to them. But certainly I have not done that for 2019-20, quite frankly, so they can start bedding in arrangements. I am happy to answer any other questions about the quantum and the cumulative nature of any savings. As I said, I think you may have read too much into that. I was simply saying that the appropriations bill has a separate section in the budget papers for those agencies.

The Hon. JOHN GRAHAM: I am certainly not reading too much into it. This is the ICAC's evidence. I am offering you the chance to clarify it, as you have.

The CHAIR: I think part of what ICAC is pointing to is what you said. You said, "and that appropriation then goes to the agency". So they are reliant upon your words. You are saying that, going forward, there will be circumstances where, notwithstanding there being a line item in the budget, you reserve the right to provide less funding based upon efficiency dividends.

Mr REARDON: Not "reserve the right"; I would not use that language.

The CHAIR: Use your language.

Mr REARDON: I think I actually covered it off on that day, as well in other areas of this, that the application of efficiency savings both prior and now are matters of government policy. Therefore, if there is an election commitment from either side or if there is, then, future efficiency savings, that our government policy—on 18 June 2019 the Treasury did announce further efficiency savings, so certainly they are applied.

The Hon. JOHN GRAHAM: One of the questions that has arisen subsequently that we have yet to be able to answer through this Committee process, although a number of witnesses have taken it on notice, is what is the legal basis on which money might be withheld from one of these agencies after the Parliament has appropriated a certain amount to them?

Mr REARDON: The legal basis I would have to take on notice, to be quite frank. My colleague may have a comment. But the policy basis of application of across-government efficiency savings—I do what others

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do. I get the flexibility to apply that in certain areas. Other areas have to take cuts to not apply that to the integrity agencies, but that is a decision I took for 2019-20.

The CHAIR: But policy cannot conflict with the law. If the Parliament has passed an appropriation bill with a set amount to ICAC, on what basis do you say government policy can override that and reduce the amount that you give to ICAC?

Mr REARDON: I am not saying it is overriding it. I am simply saying I have applied the Government's policy on efficiency dividends.

The Hon. PETER PRIMROSE: What you are saying is that you have taken action without knowledge of the legal reason that you are empowered to do that.

The Hon. TREVOR KHAN: No, he has not taken action.

The CHAIR: You say you may do it in the future. We are trying to understand on what basis you say you can do it in the future, or you have the capacity to do it in the future, if it conflicts with the appropriation bill—a legally binding provision, I would have thought, passed by the Parliament. On what basis do you say you can do that, Mr Reardon?

Mr REARDON: I am applying government policy, as I said. I am happy to take on notice anything else you have asked me on that.

The Hon. JOHN GRAHAM: The specific question is this: Is applying that government policy lawful in the circumstance you are describing? There is a question mark that has been put to this Committee about whether it is lawful.

The CHAIR: I think you suggested Mr Pratt may assist. Now is the opportunity.

Mr PRATT: I do not have a lot more to add on the legal aspect of that. As I understand it, the appropriation is the maximum amount appropriated to an agency more broadly—not just talking about these particular agencies. That, then, becomes the policy of government in terms of any further cost efficiency that they wish to apply to that going forward. As you are well aware, more broadly across government that has been the case: Government has made decisions around applying those efficiency dividends. The legal piece—I agree with my colleague that we would need to take that on notice and come back on that.

The CHAIR: Could you also perhaps address your conclusion there that it is a maximum amount rather than a legal entitlement for these statutory oversight bodies? On what basis do you say it is a maximum amount, which would seem to allow a discretion to reduce it to zero if that is the provision? On what basis do you say it is a maximum amount rather than an entitlement for these statutory bodies?

Mr PRATT: It is an opportunity for government to apply what we have done in this case: efficiency dividends. We do that through control of the labour expense caps and through capital investment caps, and those have been applied in this budget post appropriation. As you are well aware, I am sure, if you read the budget papers, we have applied efficiency dividends through this budget process, which then reduce the amount available that is appropriated to an agency.

The CHAIR: Where a government department is headed up by a Minister and the Minister agrees with that policy setting, that might be one thing. But we have an independent statutory body for which the Parliament has set aside a set funding entitlement; it would seem to be a very different matter. Have you considered the different potential legal or policy matters for an independent statutory agency as opposed to a government department?

Mr PRATT: As I have said, we would need to take that on legal notice. I do not have an answer to that.

Mr REARDON: The only thing I would add is that the appropriations bill would pick up efficiency savings from the past, obviously, embedded in it and future appropriations would pick up future savings.

The CHAIR: I think that is acknowledged in the paragraph that follows that in ICAC's submission.

Mr REARDON: I have not looked at it.

The Hon. JOHN GRAHAM: Mr Pratt, would you mind taking on notice what is the quantum, for the agencies this Committee is examining, of the post-appropriation reductions?

The Hon. TREVOR KHAN: I think you have to spell out which of them are.

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The Hon. JOHN GRAHAM: No, it is in the terms of reference. For the agencies in the terms of reference, I am asking what is the quantum, on notice—

The CHAIR: If any.

The Hon. JOHN GRAHAM: —we have just been told there are some—of the post-appropriation reductions.

Mr PRATT: For these agencies?

The Hon. JOHN GRAHAM: For these agencies. I will say, for your background, they have suggested these are not the largest amounts of money that they are concerned about. Much of that has been dealt with pre-appropriation. But if you could take on notice the scale of the post-appropriation funding.

Mr PRATT: Yes.

Mr REARDON: Could I possibly assist with that, Mr Graham? I think for context on that, the scale of appropriation across the forward estimates for all the other agencies that we are talking about in macro—what they actually are allocated—I think is north of \$900 million for all of them. So it is a significant amount of the allocation of the Premier and Cabinet cluster. The amount of efficiency savings that have not been applied in 2019-20 is, for want of a better technical term, minuscule—that have not been applied. So they are a significant allocation within our cluster. That is the first point: as I said, over \$900 million over the forward estimates for these agencies that you are examining. But we have not applied a very small amount, so we have provided that to them. The cumulative number—and I saw some media on that over the past few days. It is not clear to me whether the integrity agencies have looked at the cumulative number over a long period: over a ten-year period or a four-year period. But, indeed, the numbers I looked at, I could not reconcile what they meant.

The Hon. JOHN GRAHAM: I invite you to examine, particularly, the ICAC's submission, which is quite explicit in detail on that.

The CHAIR: I think all four agencies have set out what they understand the cuts to be over the budget cycle. The Ombudsman's submission does it in detail, the electoral commission's submission does it in detail, the Law Enforcement Conduct Commission does it in detail and the ICAC's submission does it in detail. In fact, for at least three of those four, they have a table setting out what they understand the cuts to be in the future. If you can test any of them or you have a different position, I invite you to explain it now; and if you cannot now, do it on notice.

Mr REARDON: Yes, thanks, Mr Shoebridge. I have just not had time to look at the submissions, to be frank with you. The only comment I would make is we have provided letters from myself to the agencies, so if they have replicated those we would—

The Hon. JOHN GRAHAM: The Government's submission does not contest any of those figures so far. If there was any contest, we would certainly want to know before we, then, deliver.

Mr REARDON: If the question is just purely to accuracy, that this is the numbers that we provided in tables and if they have been reflected—

The CHAIR: I think we can say that unless you can test them, we are going to assume they are right.

Mr PRATT: We will come back, Mr Graham. Can I just make the observation that whether you are one of these agencies or more broadly, there is always efficiency to be gained. As a Treasury responsibility, we are rightly responsible for the veracity of taxpayer money.

The Hon. JOHN GRAHAM: Can I ask you this, then—

Mr PRATT: And the value in that—

The Hon. TREVOR KHAN: Can he just finish?

The Hon. JOHN GRAHAM: I accept the point he is making.

The Hon. SCOTT FARLOW: He has not made the point yet. Let him finish.

The CHAIR: Mr Graham, we will let Mr Pratt finish.

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Mr PRATT: My point simply is that it is appropriate in Treasury for us to give the Government advice on the efficiency of that spend and the value back to the taxpayer. So whether you are an independent agency in this group or more broadly, that is a discipline that every agency should apply.

The Hon. JOHN GRAHAM: I think you are being too modest. It is important that Treasury is doing that. What distinguishes these agencies, though—and this is the evidence they have put to us and this is where the Chair was heading—is that in each of these roles, in principle, they have said they do have an issue, as oversight bodies or as the Parliament, with the way that they are, in principle, in conflict with the priorities of the Executive and that what the Government's priorities are and what the Executive's priorities are might differ from these bodies' priorities, given they oversight the Executive.

The Hon. SHAYNE MALLARD: As prescribed by Parliament.

The Hon. JOHN GRAHAM: Yes, entirely. Do you accept, in principle, that that is potentially a real conflict?

Mr REARDON: They sit within my cluster, so I would not mind starting with the response. For our cluster, Budget Paper No. 3 will outline our outcomes and deliverables for the Government, which are effective and coordinated government; accountable and responsible government; empowering Aboriginal communities; and excellence in arts, culture and heritage. The integrity agencies sit within the accountable and responsible government and, like everyone else, part of their job is to ensure that we are all accountable and responsible government and that they themselves are accountable and responsible government as well. I can understand the integrity agencies taking a view on where they sit, and some have raised with me about that because I have basically said, "This is our outcomes structure in our business plan for the Government that we work for." Being integrity agencies that are within my cluster—they could be in another cluster—they are treated within that realm.

There are a lot of other independent small agencies across New South Wales Government and, indeed, in other jurisdictions as well, and they all have their own special roles to play. They all have slight differences. A lot do raise the fact that they are different for a certain reason and need to be treated differently for a certain reason. That is a pretty long list. You are here looking at these integrity agencies in particular, who are making a case for where they sit. That is their view. My view in terms of delivering and being accountable for my cluster—I have to put them somewhere and they are in accountable and responsible government. Their view may be different, as you have pointed out, but that is how I see it.

The CHAIR: To a person, they have said that they do not believe they should be in a cluster for those very reasons: that, in fact, being placed in a cluster puts them under that kind of broader policy and political direction that you have just described, Mr Reardon, and that is contrary to their independent statutory charter. To a body, they have said it is inappropriate to be in the cluster for the very reasons that you have just articulated.

Mr REARDON: Mr Shoebridge, could I respond to that? Firstly, you just used language of policy direction; that is not correct. They are independent integrity agencies. They do the job that they are set out to do under law. The main thing that we try to assist them with—and I am happy to go into budget setting et cetera as well—is, one, on budget. There are two levels to budget and how they deal with budget. As independent agencies, they submit into Prime—and we have put that in our submission. They look to put their budget bid forward. I, at the end of the day, am a cluster secretary and I am there to assist them to try and achieve their budget outcomes. They do not always achieve their budget outcomes, but we seek to put forward their budget bids robustly. Electoral Commissioner—I certainly have tried to understand the things that he has needed over the past 12 to 18 months with the State general election amongst the local government election.

We put them forward as robustly as we can. They probably have not had that previously, but I have certainly taken a point to say, "You need to belong in the cluster; therefore I want to assist you with your budget bids. A lot of the time I cannot know anything about your work," which is only appropriate because of the specific and unique roles that they play. Secondly, on people and people engagement and people management, executive leadership and some of those things we have put in our submission, just to help out—they are public servants, at the end of the day. We have 407,000 public servants and therefore they should have the same people engagement and the same executive leadership support as anyone else. They are the two areas. I have made that clear to them over the past couple of years. Policy direction—no, we do not.

The Hon. PETER PRIMROSE: Can I ask a question in relation to your response? It is not us raising the issue about the possible influence of Executive government in terms of the policy and direction of these integrity agencies. It is actually the integrity agencies who have raised this concern. How do you respond to the

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concerns that have been raised by agencies such as the ICAC about the current lack of having control over their budget bids? How do you respond to them when they say that is interfering with precisely their role as integrity agencies? It is the ICAC raising that.

Mr PRATT: Could I answer that question, Chair?

The CHAIR: We will start with you, Mr Pratt.

Mr PRATT: Let me just explain the budget process. I think that might help you, Mr Primrose, with both your questions. In a normal pre-election year, agencies put through a bidding process into Treasury and that goes through a rigorous process of assessment. This year, because of the election, what we did with every cluster was to say, "You can put five bids in through the process." That was largely because we had a lot of election commitments that needed to be met. But we said to the integrity agencies, "Separate to the cluster, you have the opportunity to put one bid in through the process." That process can either go through, in this case, Department of Premier and Cabinet or it can go direct to Treasury.

Some of the agencies chose to come direct to us, so Department of Premier and Cabinet had no involvement in that process at that point. Those bids were worked through with a Treasury analyst directly with the agency and we made clear to those agencies what our Treasury assessment and what our advice would be to government. In some cases we did not agree fully with the funding they were seeking and we said why, but the agencies were well aware of what our advice was before that went to government for deliberation. Once that deliberation has been made, those outcomes get entered back into the Prime, which is the financial system, and that information is then made available back to the agency.

The CHAIR: You say the agencies were well aware of what your advice was.

Mr PRATT: Yes.

The CHAIR: Can you explain how that advice was provided to the agencies? That does not sit comfortably with the evidence we got yesterday. Perhaps it is because I am misunderstanding what you mean by "the agencies were well aware".

Mr PRATT: The first thing that the Treasury analysts do is work with the agency to fully understand their bid. If I want them to give advice, I want them to understand the context. In the case of ICAC, clearly there is a lot of information that is not shared, as appropriate.

The CHAIR: This is before they upload their final bids in February onto Prime? Is this a process that predates that?

Mr PRATT: It predates that.

The Hon. PETER PRIMROSE: Can I read out—

The CHAIR: Mr Pratt was partway through explaining that.

The Hon. PETER PRIMROSE: Then I would like to read out something from their submission.

Mr PRATT: That analyst discussion is held with the agency and fed back—not in writing, because it would be inappropriate to do that given that it has not gone to government. It is a verbal feedback on what we agree with or what we do not agree with. So the agency is well aware of our Treasury advice.

The CHAIR: That is before they upload it onto Prime. I assume that the agencies largely take on board your various concerns and they put their final bids up.

The Hon. TREVOR KHAN: I do not want to be critical, but you say "assume". Is that right?

Mr PRATT: Yes, it is an important point. The agency bid does not change. It is not our prerogative to change their bid. Their bid still goes forward to Cabinet but with our advice, some of which we may support.

The CHAIR: Alright, they may or may not take up your advice.

Mr PRATT: That is correct, yes.

The Hon. SCOTT FARLOW: They know your advice before it goes up?

Mr PRATT: They know our advice, yes.

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Mr REARDON: They may seek the support of their secretary in their cluster to assist them with areas where they are still contesting as well.

The CHAIR: But it is not in writing and it is an informal exchange with analysts. Is that what you have put to us?

Mr REARDON: That is correct.

The CHAIR: Then they either take on board that informal exchange with analysts or they do not, and they put their final bid in.

Mr PRATT: Yes.

The CHAIR: That goes up in February but there is no further feedback until May, when the budget decisions are available to be viewed by the agencies on Prime and there is a detailed Expenditure Review Committee [ERC] process.

Mr PRATT: That is correct, and so that is the deliberation period of government to look at the whole expenditure.

The CHAIR: So it is before they put their bid in that you are talking about some feedback.

Mr PRATT: Yes. More than some; it is an active engagement between Treasury and the agency.

The Hon. PETER PRIMROSE: I think the Chair has covered it, but the section I was going to read out was from page 20 of the ICAC's submission covering precisely those points and the fact that that is of great concern to them.

Mr PRATT: I just add if you go back over two years ago, this was an issue that I found in Treasury where we were not working actively with the agencies. Hence we set up this account management model where we have this degree of interaction, and that is the purpose of it.

The Hon. JOHN GRAHAM: I might put to you the two issues that have been raised by the agency, and then I am interested in your view, Mr Pratt. One is that, in fact, a number of them have turned up and said they have not had that verbal feedback for whatever reason. You have said it should be provided; a number of them have said it has not.

The Hon. SCOTT FARLOW: I do not know if that is the case. A lot of them had glowing feedback of their analyst. It was a problem as it got uploaded to Prime.

The Hon. JOHN GRAHAM: Yes, but they did not know what the final recommendation was from Treasury. That is probably the better way to put it.

The CHAIR: I think there are two different points.

The Hon. JOHN GRAHAM: I am about to make the second point, before you jump in from the chair. The second point is that these are small agencies. They are often dealing with a junior analyst. When it works its way through the Treasury process, they certainly do not know what the final recommendation is. Both those points would seem to be falling over.

The CHAIR: They do not know what it is based on. They do not know the decision—why their bid got refused when they thought they had the support of Treasury and the analyst in the first place.

The Hon. JOHN GRAHAM: Or often what the final Treasury recommendation is that will sit in front of the ERC.

The Hon. TREVOR KHAN: I reckon there are a lot of Ministers who have had the same issue.

The Hon. JOHN GRAHAM: That may well be the case.

Mr PRATT: I have tested this back with my team. I guess one of the points I would make is do not be misled by the title "junior analyst". These are very capable people who make these assessments. They have a director sitting over that. That director's responsibility is to sign these things off, so it is actually overviewed by a second view. They would say—and there is evidence to support this in some documentation—that they have those discussions in detail and they make the agencies aware of the Treasury view. As you can appreciate, that Treasury view is not always welcome. But the deliberations, then, of government are the deliberations of government and neither Mr Reardon nor I are often a party to that.

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The Hon. JOHN GRAHAM: Are you confident, with these agencies that we are talking about—these oversight agencies—that that should have happened and, indeed, your expectation is it would have happened?

Mr PRATT: That is correct, yes.

The Hon. PETER PRIMROSE: In terms of these integrity agencies, the ICAC, which is the major institution we have for examining and rooting out corruption in the public sector, on page 21 says:

The budget-setting process is covered by the cloak of secrecy surrounding the NSW Treasury and ERC process.

Do you believe that is an accurate statement?

Mr PRATT: No, I do not.

The Hon. PETER PRIMROSE: Can you respond to that, please?

Mr PRATT: I think I have already, but to reiterate—

The Hon. PETER PRIMROSE: ICAC is wrong, basically?

Mr PRATT: To reiterate, Treasury has an account management process. Each agency is assigned an analyst. It is their role to fully understand the needs of those agencies and to work with them and to communicate either support or no support for particular bids. We do that on a regular basis.

The Hon. PETER PRIMROSE: Why do you think that the ICAC, as echoed by the other agencies, believe that not to be the case and that there is a cloak of secrecy, to quote them?

Mr PRATT: Perhaps they do not fully understand the process, Mr Primrose, because when that advice is given by Treasury and by my colleague Mr Reardon, it is really the deliberation of government from there. If they see that as a black box, to the comment earlier by the Hon. Trevor Khan, then that is the Government's deliberation.

The Hon. PETER PRIMROSE: Can I just finish my—

Mr PRATT: Can I finish answering your question?

The Hon. PETER PRIMROSE: I will allow you to finish and then I will ask the following.

Mr PRATT: So it is out of Treasury's hands at that point and DPC. It is really up to government, and that is that period that the Chair referred to earlier where government needs to look at the whole expenditure of \$80-plus billion and make decisions about appropriation.

The Hon. PETER PRIMROSE: Basically it is down to a misunderstanding that the Independent Commission Against Corruption and the other agencies do not understand the process. Is that your evidence?

Mr PRATT: I cannot comment on that; I cannot speak for the other agencies. I am responding on what actually happens.

The Hon. PETER PRIMROSE: I am responding to only the evidence that we received in the submission and I am asking you to put that. For example, if the three commissioners of the ICAC invited the secretary of the department to come and meet with them there would be no problems with that occurring, would there?

Mr REARDON: Is that to me?

The Hon. PETER PRIMROSE: Yes.

Mr REARDON: I am happy to answer that. If I just take a step back for a moment. You just made a comment about black box et cetera. I would only echo Mr Pratt's comments: that is not the case. I can tell you from robust conversations that I have had with people like the Electoral Commissioner to know what they needed leading up to the election, to know what they need for local government. Whether they receive it or not we can talk about separately, but what their position is, they want Treasury to know at the analyst level. So that goes through and can go into Prime, but they also want me to know, and I have encouraged them to do so because for where I can influence at my level on what they require and how they require it I can at least put the position for them to government. So we do that and then it goes through an ERC process and a result is given. It may not always be what they want, but that is where it lands, and I will not repeat what Mr Pratt has said.

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In terms of the Independent Commission Against Corruption, I certainly met with the commissioner and the CEO over the last few years. It has been varied in terms of interaction. I indicated before about wanting people to feel like they were part of a family in terms of the cluster and to try and help with budget bids. They have taken various approaches to that. They do put a lot of correspondence to myself, and their submission bears that out a little bit, I think. A couple of years ago they also had a reasonable increase in their budget, I think in the 2018-19 financial year; that was given and that was to give them the resources that they needed. I think what their budget bid was—and I thought at the time they received that in full—probably very soon after that I received yet another letter asking me for supplementation and grant funding and it was probably then that I thought the sustainability of how we go about that needed some work. So I am glad that is being looked at in that regard.

But in terms of your specific question about who I meet and when I meet them, I meet with many people a lot of the time. When I have had requests to meet and lots of correspondence flowing at the same time, I will engage in the budget process, as Mr Pratt said, in the first half of a financial year leading into November, the half year through to February, with those who wish to engage in the budget process, without a doubt. ICAC in particular have wanted a review of their funding model over various forms over a period of time. They have also said, "We think grant funding out of a Premier and Cabinet cluster is a reasonable thing." When you say black box, that is a black box back to me; they are always a surprise when I receive a letter that basically says, "I need supplementation." I need to stop doing other functions to fund that.

The Hon. PETER PRIMROSE: "Black box" is not my term. Your family in their submission has put that the budget setting process is covered by a cloak of secrecy.

Mr REARDON: I heard that, Mr Primrose.

The Hon. PETER PRIMROSE: Not a black box.

Mr REARDON: But in terms of how that process flows, I engage with the cluster. I have said it before at budget estimates, Create NSW, cultural institutions, Aboriginal affairs, employee relations, the Greater Sydney Commission, Infrastructure NSW, the Public Service Commission go through a process; we come out the other end—Parliamentary Counsel, the same thing—and they have their budget allocated, including some savings, and they get along with their year.

The Hon. PETER PRIMROSE: I will just ask one thing more on this line of questioning. Please, all I am doing is just quoting from their submission here—these are not my allegations. "In July 2019"—this is page 32—"the Commission invited the Secretary DPC to attend a meeting at the Commission with all of its executive directors and the three Commissioners. That invitation was extended as a means of providing him with relevant information", blah, blah, blah. "To date, the Secretary DPC has not taken up that invitation."

Mr REARDON: That is correct.

The Hon. PETER PRIMROSE: It would seem to me, would it not be unreasonable to say that that would have been an opportunity to correct concerns about cloaks of secrecy?

Mr REARDON: I think I have outlined my engagement. My engagement with ICAC has been many and varied over a period of time. As I indicated to you, catching up with people face to face is what I like to do. As the head of the Public Service I catch up with a lot of people all the time.

The Hon. JOHN GRAHAM: Do you intend to take up this invitation though?

Mr REARDON: I will move on to where we have taken it to. We have said to them for some time we are going to undertake a review in terms of the financial management and practices within the integrity agencies. I told them that some time ago. We are underway with that with the Auditor-General.

The Hon. PETER PRIMROSE: Are you going to meet with them?

Mr REARDON: I will meet with them at the appropriate times, absolutely.

The Hon. PETER PRIMROSE: But they have invited—

Mr REARDON: Would you like a quid pro quo discussion on this, Mr Primrose?

The Hon. PETER PRIMROSE: Yes, I am happy to have one. They have simply invited you to a meeting and they said they have not even received a response, in July.

Mr REARDON: I have responded to a lot of correspondence from my colleagues in the ICAC.

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The CHAIR: Mr Reardon, we are going to go to the Hon. Trevor Khan in a second, but can I suggest this: If you are going to advance their budget bids in the budget process and you have said that you do not and, for some good policy reasons, you cannot fully understand the work they are doing, but if you are going to meaningfully advance—because it is ICAC they have work that obviously they would not allow—

The Hon. TREVOR KHAN: It is not a question of understanding. That is not the word—

The CHAIR: I will start again. If you are going to advance their budget bids to the best of your ability in the budget process, meeting with them, going to their office, taking them up on their offer and understanding what they do from their perspective is surely essential to that. Will you do it before you go and advance the next budget bid in the budget process?

Mr REARDON: Mr Shoebridge, how I go about collecting information to advance the next budget is a matter for me.

The CHAIR: I am asking you whether or not you will take up the public offer made by ICAC.

Mr REARDON: Sorry, Mr Shoebridge, I am responding to you as someone who runs a cluster as a secretary. How I go about collecting the information for budget bids, including for integrity agencies, is a matter for me.

The Hon. PETER PRIMROSE: Well, do not call it a family then if that is what—

Mr REARDON: Sorry, Mr Primrose, they are part of the DPC family, and with any grouping—the same as where I have been before—how people wish to engage is up to themselves. I will engage them but I will know what the context is for their budget bids on an annual basis.

The CHAIR: That is sounding a bit like a threat, Mr Reardon, to the agency, to parts of your family. It is sounding like you are saying if they are going to continue on this way you will treat them differently.

Mr REARDON: Mr Shoebridge, I am trying to answer your question.

The Hon. TREVOR KHAN: David, are we going to get something worthwhile out of this or are you going to engage in a toing and froing? It really will not add anything productive to this.

The CHAIR: I am happy for you to ask some questions, but I think we have had a response.

Mr REARDON: Could I round out that answer? Therefore, the Auditor-General has been asked to look at this, to review exactly what I wanted to be looked at. We are talking, I think, today about budget bids and budget preparation, then budget allocation and then budget management. Budget management and transparency and financial management is what we need out of all of our cluster agencies—that is across the government—and that is why I want the Auditor-General to look at what they are looking at, and the Government has agreed to that. When we get the results of that we will see where we are.

The Hon. TREVOR KHAN: Mr Reardon, I will tell you the one area of concern that arose for me in yesterday's evidence—I know you have not had an opportunity of seeing the transcript. It seemed to me that ICAC, putting aside what I take as some of the peripheral issues that have been discussed so far, with ICAC the nature of its work is quite different from the other agencies, although obviously the Electoral Commission has its own unique circumstances, but certainly if you look at the Law Enforcement Conduct Commission and if you look at the Ombudsman's office there is a large amount of continuous work that is itsy-bitsy work essentially that is reasonably and ongoingly predictable, it seemed to me in terms of their evidence yesterday.

ICAC falls into a different category. There is obviously a baseload of work and investigation that is undertaken, but it seems to me there are peaks of work, particularly relating to major investigations that go on from time to time. Indeed, as I would understand the evidence, and indeed my limited observations over the 12 years has been that that has required supplemental funding from government when a number of those major investigations are undertaken. What, in a sense, concerns me is, and I invite you to comment, on an organisation which is to be independent in its investigations, that system of supplemental funding with respect to investigations that may be investigating government itself is potentially problematic.

I am not suggesting governments of either persuasion, in my 12 years, have used that problematic circumstance, as I used yesterday but I could go to, for instance, Vanuatu as an example of a country or a State where they have strangled the organisation by refusal of funding. What I see as this problem is there is a base

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budget with supplemental funding to do the hard stuff and invite you as to whether that is an appropriate funding model?

Mr REARDON: Thanks for the question, Mr Khan. I respond as you laid it out. I think in my mind I treat the integrity bodies sort of somewhat collective as in their business is their business. One audits us, one looks at law enforcement conduct, one looks at corruption prevention and so on. So I somewhat see their independence and what their work and their content is as their business and try to treat them similarly. You would have views about whether you think the Independent Commission Against Corruption is a little more so in some of that.

The Hon. TREVOR KHAN: No, I am not saying that.

Mr REARDON: I actually just treat them collectively like that as a discipline; I try to do that as a discipline because whilst I may engage with the Auditor-General at certain levels and the Electoral Commission, at the end of the day they have a very independent thing that they have to do in government and I want that discipline to be clear from my role down that that is how they are treated.

The Hon. TREVOR KHAN: I was not suggesting that you treat them in any other way.

Mr REARDON: No, I understand.

The Hon. TREVOR KHAN: I am not suggesting any impropriety on your part or anyone else's.

Mr REARDON: I was not expecting you were; mine was more that I could make an argument about how they are all sort of the same in that regard. They are integrity agencies; that name means something. In terms of supplemental funding, whether it was ICAC or someone else, I have issue with that as well, probably from a different perspective. Mine is from the public service, which is the ad hoc and surprising nature of requests that just bubble up. I have spoken to some of them about their back casting of what they have requested over the years, their forecasting and what they think might be coming up. Sometimes they will say they do not know but I have just said, "My guidance would be you could do your best on where you have been in the past and asked us for supplemental funding multiple times to give you some clear steer of what the appropriate target budget would be", and to make it clear what that budget is is a matter for government.

What level that is is only my business to acquit it and make sure that the actual agency has that funding. The key for me then is during the year they get on with their business, having done the back casting, the forecasting and everything else, and managed their organisation. To a bit more of a nuance point that I think you are raising, me actually providing them with supplemental funding and having to go through my mind about: I have to stop activity over here, something the Government has asked me for, to fund something here in a surprising and short-term fashion, whilst not large, but it comes from any discretion that we might have, where I might have something else that is really important to government as well and I just cannot fund it because I am funding one of the integrity agencies. That is the first bit.

The second more difficult bit is: I actually do not want to be in the position to have to make calls about whether I can or cannot give them more ad hoc supplementary funding—one, for detail and work that I have no idea what they are going to do, which is appropriate, but, two, the level, amount, the efficiency, the spend, et cetera, I have got no idea on as well, so I know the integrity agencies would be here and they would talk to what they can do and what they need for money, what they need to do for efficiency savings or job losses. An alternative to that is that with all of the funding we currently have with the integrity agencies of \$900 million-plus over the forward estimates, is that being remitted in as efficient manner as possible or can we do more with what we currently have? I do not know any of that.

The Hon. SCOTT FARLOW: That is why you have the Auditor-General.

Mr PRATT: Mr Khan, could I make a comment as well?

The Hon. TREVOR KHAN: Sure.

Mr PRATT: Because I think it is an interesting question. I would come at it from the other way and say: What should the right budget for ICAC be? Should it be \$50 million or should it be \$10 million? I guess the struggle with this is by definition their financial requirements will ebb and flow depending on investigations.

The CHAIR: Correct.

The Hon. TREVOR KHAN: Indeed.

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Mr PRATT: So no matter what this Committee comes up with, that is still a question on the table that needs to come to grips with.

The CHAIR: Well, ICAC has put a particular proposal, which would have been of assistance if you had had the chance to read the ICAC's submission because they had a proposal—

Mr PRATT: Well, I had a half-year budget to deliver yesterday, Mr Shoebridge.

The CHAIR: I understand, but they acknowledged the problem that I think you acknowledge in part, Mr Reardon, about grant funding and coming for discretionary funding. Their proposal is that there be effectively a float and then an agreed protocol, which would allow them to access funding up and down under an agreed protocol rather than these individual ad hoc discretionary applications. That seems a very sensible and principled way forward. What do you make of that proposal?

Mr REARDON: I will respond first. In terms of being in a cluster, that is exactly what does occur now. It is just done, as you have just pointed out, in an ad hoc and sort of surprising manner when it comes along. The ICAC, just so you are clear—they may have put in submission; I have not had time to go through it or their evidence, et cetera—but they have raised that previously. I am happy for us to consider that in any way. That is why we have asked for a review about what their financial management practices are—what they back cast for, what they have forecast for so you know what the float might be in the main. Where the float sits, it currently sits with me and I do not actually have a float but I just have to beg from other places. You put the point to me at budget estimates about them coming to me and begging. I have to actually stop activity from elsewhere to do it.

Where that is, where there is volatility in what they do, you try and normalise volatility like anything else—how many patients come into an emergency department, how many people get on the train—you have to forecast based on 10 years of back casting and forecasting. Getting that right and having some discretion, which is what they are after, I think, is what the Committee should be looking at absolutely; where that sits and what the amount is—the same as Mr Pratt, I am agnostic on the amount. I do not know what the right amount is because I do not know what their business is. All I know is that they come each year and ask for a bit more.

The Hon. JOHN GRAHAM: I put some pretty alarming evidence about where the forward estimates leave them. Do you accept that there is in practice a potential problem here for some of these agencies and I highlight too that each of them has had their own story, one, the ICAC, saying, "Look, we made public inquiries, we almost could not conduct them." They will come under pressure in the future. Or the Electoral Commission saying, "We may have to make redundant and not have 138 of 237 staff following the 2020 local government elections". Do you accept in practice, on the forward estimates these agencies are getting, there is a problem here?

Mr REARDON: I took on notice about the tables of expense savings that we put to them and what they said. I do not accept the numbers you have just put to me in terms of jobs and all that type of stuff because I do not have it.

The Hon. JOHN GRAHAM: Understood. So in not accepting that have you been in dialogue with these agencies; they are part of your cluster. In practice they have put strong evidence that they have a practical problem dealing with the forward estimates they have been given. Is that your view or are you comfortable with the forward estimates?

Mr REARDON: I think I can only talk to the thin labour expense savings and the first year that we have not actually passed on to them; the actual remainder, so that is at the margin. The rest of their funding, what ICAC would have, which is over the forward of something like \$104 million and the rest, I actually do not know because I do not know what their work practices are.

The Hon. JOHN GRAHAM: So you are confident about the first 12 months—

Mr REARDON: No, no, no. What I am saying to you is I know that I have not applied an efficiency saving in the first 12 months and I know what those numbers are because they are just a straightforward calculation. What they do for 99 per cent of their task, I do not know. I do not know how they financially manage their work because I am not allowed to know, so that is my answer.

The Hon. SCOTT FARLOW: Effectively, the Auditor-General's report is getting to part of that, is it not?

Mr REARDON: Correct.

The Hon. SCOTT FARLOW: And that is part of why that work has been commissioned?

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Mr REARDON: That is exactly right. So go through it, budget preparation—we are talking a bit today—budget allocation, again we are talking to some of it. The financial management and what they do with 99 per cent of their budget—I know about the 1 per cent and 2 per cent of efficiency savings, but the bulk of how they manage their budget, just the normal practices of a professional agency is what the Auditor-General is having a look at.

The Hon. SCOTT FARLOW: Reading between the lines, you expressed some frustration before in terms of ICAC receiving a relatively large increase in 2018-19, I think you mentioned, and then that was followed up straightaway by a request for additional supplementation?

Mr REARDON: Since I have arrived in my role I think I inherited one before I even started and they have been pretty regular.

The Hon. SCOTT FARLOW: In terms of looking at ICAC's budget and I think the annual report or it might have been in their submission there was an underspend for four of seven years in terms of their budget allocation or their actual compared to their budget estimate. Why is that occurring? It seems to go back to your point before about back casting and forecasting and being able to sort of accurately predict some of the activity with the ebbs and flows that Mr Khan mentioned?

Mr REARDON: I could not explain the underspend because I do not know the nature of the expenditure within the jobs that they are doing. That is a difficulty, without a doubt, but having underspends observed, they are what they are and Treasury takes a view on that but these agencies, if they have underspent, they are difficult. They are smaller agencies. Things happen. One thing happens during the year and they can have an underspend or indeed an overspend but if at the end of the year after probably fairly inefficiently going through some ad hoc requests for supplementation et cetera and then finally providing it and then to have an underspend is probably a bit of a frustrating end for a year.

The Hon. TREVOR KHAN: My impression with ICAC, particularly since we went through the amendments to the Independent Commission Against Corruption Act, is that the potentiality for overspend in fact is greater now than it was before because under the old model we had one commissioner and depending upon how active that commissioner was in public hearings, which is one of the prime areas for significant expenditure, you could get variations. We have now got three commissioners with the potentiality of more than one hearing being undertaken at the moment. I am somewhat sympathetic to the proposition—the Government and the Parliament having adopted a three-commissioner model with the capacity of three commissioners being capable of hearing—that they should actually be capable of doing that.

Some of the evidence yesterday was that in order to fit within the budget, rather than having two hearings at once, obviously on different matters, the Chief Commissioner has had to, in a sense, throttle it back to only pursuing one hearing at a time. Now that may or may not be a problem, depending on how time critical the investigation is. I do not have the answers but it seems to me that, particularly with ICAC, there is some inherent dynamism in the very nature of that organisation which is not as predictable as the number of patients you are going to get into Tamworth Base Hospital in any particular month or year?

Mr REARDON: Point taken in terms of volatility but at the end of the day you have to have some estimate of what that volatility will be. No matter where you might sit a supplementary amount of funding anywhere in government you will have to have a view on that at some stage.

The Hon. TREVOR KHAN: I suppose I understand the position of a departmental secretary would be different from, say, a Chief Commissioner in terms of their expectations as to how they do it.

The CHAIR: Or you could be talking in roughly the same area but what you are suggesting, I think, Mr Reardon, might be is that you have got core funding based upon we know how much it costs to run the office; we know how much the regular number of complaints are. That aspect is probably predictable for ICAC but in terms of public hearings, a matter under investigation it may become apparent you need a public hearing. That is inherently unpredictable but in order to fund that unpredictability you need what I would describe as a float. How much that float is, is an area of contest, but the context of having a float and an agreed protocol to access it, there is probably not a lot of dispute about that?

Mr REARDON: I do not think there actually is a lot of dispute about the fact that there is this volatility and it gets funded somehow. It just happens to come out of that Premier and Cabinet cluster budget at this point in time. That is what occurs.

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Mr PRATT: Mr Reardon has a de facto float now, Chair.

The CHAIR: But what is missing—and I think this is the problem—is the acknowledgement that the oversight agencies are not just another agency and should not just be treated as the same as others; that there may be and there should be discrete and separate set of protocols and considerations when you are funding core oversight bodies like ICAC?

Mr PRATT: To some extent I agree with you but ICAC is quite unique, for the point that Mr Khan makes. I would debate some of the others.

The Hon. TREVOR KHAN: And so would, for instance, Commissioner Adams. He had an entirely different view.

The Hon. JOHN GRAHAM: Can we just get a view about which of those? This is something that the Committee is grappling with—are these all the same—

The Hon. TREVOR KHAN: Yes. We are not in agreement; we can certainly say that.

The CHAIR: We can agree on that.

The Hon. JOHN GRAHAM: There is clearly a spectrum here. Do you have a view on that?

Mr PRATT: Mr Reardon will talk to that, but let me give you just a couple of examples for me. The Electoral Commission clearly will have a spike with elections but other than that it should be a fairly predictable budget. The parliamentary budget should be a predictable budget and in these budgets I would argue quite strongly there is room for ongoing efficiency and that is not being looked at.

The CHAIR: Could I suggest to you, though, regardless of efficiencies or the like, these are institutions that require a sufficient level of funding to ensure there is integrity in government and Parliament would be an example. The thought that the parliamentary budget goes through the same endless efficiency rounds as does a standard agency seems to ignore the fact that without the Parliament working, the rest of the institution of the State of New South Wales is in peril, so it is very different.

Mr PRATT: Mr Shoebridge, it is far from me to deny the workings of Parliament, but let me say to you: for example, I have just sat through five estimates hearings. I have seen the tea and coffee trolley come in with fresh scones and cream—

The CHAIR: You are kidding. You are not seriously putting forward that the cost of scones is the issue in the parliamentary budget; that cannot be your position, Mr Pratt?

Mr PRATT: Let me finish.

The CHAIR: That is ridiculous.

Mr PRATT: The last time I saw a tea and coffee trolley was 1985 when I suggested to my team they go and buy their own coffee. Now that is a little example—

The CHAIR: That is your point.

Mr PRATT: It is a little example of disciplined expense management—right. There would be many more and the point I am making is: There are always efficiencies to be gained.

The CHAIR: I find your reference to tea and scones in the context of a heritage building that is facing a \$100 million structural deficit slightly embarrassing on your part, Mr Pratt? Is that really your example?

Mr PRATT: Do you think that is the best use of taxpayer money? Why can't you get your own coffee?

The Hon. TREVOR KHAN: Point of order: David, this is not your opportunity to have a shot at any witnesses. You have referred to the protocol that was established. There is a requirement for courtesy under that protocol. This can be productive or it can simply be a hectoring session.

The CHAIR: I think we will pass over to the Opposition.

The Hon. JOHN GRAHAM: Thank you, Chair. I want to return to the point I made at the start. I did not get an answer because we moved on. Mr Reardon, you have referred, I think quite openly, to some of the tensions as you are allocating within your cluster between these oversight agencies and the priorities of government—

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Mr REARDON: I am sorry, Mr Graham, I have to clarify: There would be tensions across every cluster in every agency. There is nothing new. It is something different with the rest of the cluster and the integrity agencies—that would not be correct.

The Hon. JOHN GRAHAM: This is the difference: You are the key individual who drives the Executive's agenda in the State. You are probably the two key individuals, possibly, but certainly in your role, Mr Reardon, you are the key individual driving the Executive agenda. These are the key agencies overseeing that Executive agenda but at some point when it comes to a bid for supplementary funding from the ICAC, a late bid, an unexpected bid where they are trying to oversight corruption in the State, you have to choose to stop a key priority of the Government or to fund that. In principle, do you see that as a conflict? You have said it is difficult as you do that, I think. I think that is the evidence you have put, but I am interested: Do you see that as an in-principle conflict?

Mr REARDON: I find it as a tension; I would not say a core conflict. As I said, in the budget paper, having those four outcome areas—have accountable and responsible government—to your point, across all of government, but it does apply to the varying integrity agencies we are talking about as well.

The Hon. JOHN GRAHAM: It is within your outcomes but it is a real tension in your cluster, is it?

Mr REARDON: Well, clearly so because when you do not have oversight of outcomes, deliverables—I remind you again, there is over \$900 million worth of money. We can talk about the efficiency savings. They are a minuscule component of that, but you are talking about over \$900 million worth of funding allocated to these bodies to deliver on things. Some of those things we know about; many we just do not. The efficient use of those funds at that level requires a lot of scrutiny. To Mr Shoebridge's point about when a specific operation is undertaken, yes, in the round ICAC might say we have a surge or whatever, but even with that, that has probably occurred over multiple years. There is some estimating that can be done about that and probably could be done better. I go back to the same point: Over \$900 million worth of funding here and that scrutiny, not just the efficiency savings, should be where the attention is.

The Hon. SCOTT FARLOW: I have one last question. Yesterday we were told by the Parliament that they were forwarded cash on a fortnightly basis. This might be to you, Mr Pratt. How are the independent agencies forwarded their funding? If that different from other agencies?

Mr PRATT: In the main—I will check on this, Mr Farlow—as I understand it, following appropriation, that grant is then made to the agency so they should have full funding.

The CHAIR: We have hit our concluded end. Thank you both for your attendance today and for the evidence. We look forward to the answers on notice by 24 January.

Mr REARDON: Thank you.

Mr PRATT: Thank you, Chair.

(The witnesses withdrew.)

The Committee adjourned at 13:58.