

REPORT ON PROCEEDINGS BEFORE

PUBLIC ACCOUNTABILITY COMMITTEE

**APPOINTMENT OF MR JOHN BARILARO AS SENIOR TRADE AND
INVESTMENT COMMISSIONER TO THE AMERICAS**

CORRECTED

At Macquarie Room, Parliament House, Sydney, on Monday 14 November 2022

The Committee met at 9:15.

PRESENT

Ms Cate Faehrmann (Chair)

The Hon. Wes Fang
The Hon. Scott Farlow
The Hon. John Graham
The Hon. Daniel Mookhey
The Hon. Penny Sharpe

PRESENT VIA VIDEOCONFERENCE

The Hon. Peter Poulos

The CHAIR: Welcome to the tenth hearing of the Public Accountability Committee's inquiry into the appointment of Mr John Barilaro as Senior Trade and Investment Commissioner to the Americas. The inquiry is examining the circumstances leading up to the appointment of the various commissioners, including the processes, probity and integrity measures undertaken. I acknowledge the Gadigal people of the Eora nation, who are the traditional custodians of the lands on which we are meeting today. I pay my respect to Elders past and present and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. Today we will be hearing from one witness, Mr Michael Pratt, the former Secretary of NSW Treasury. I thank Mr Pratt for making the time to give evidence to this important inquiry.

Before we commence, I would like to make some brief comments about the procedures for today's hearing. Today's hearing is being broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, the House has authorised the filming, broadcasting and photography of Committee proceedings by representatives of media organisations from any position in the room and by any member of the public from any position in the audience. Any person filming or photographing proceedings must take responsibility for the proper use of that material. This is detailed in the broadcasting resolution, a copy of which is available from the secretariat.

While parliamentary privilege applies to witnesses giving evidence today, it does not apply to what witnesses say outside of their evidence at the hearing. I therefore urge witnesses to be careful about comments you may make to the media or to others after you complete your evidence. All witnesses have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. If witnesses are unable to answer a question today and want more time to respond, they can take a question on notice. Written answers to questions taken on notice are to be provided within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing.

Mr MICHAEL PRATT, Former Secretary, NSW Treasury, sworn and examined

The CHAIR: Would you like to start by making a short opening statement?

MICHAEL PRATT: No, I have no opening statement. I am appearing as a private citizen.

The Hon. DANIEL MOOKHEY: Thank you, Mr Pratt, for taking the time to join with us this morning. It's appreciated very much. At first instance, I should just formally table the tender bundle. I think a copy has been made available to you?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Mr Pratt, you can see in the first few pages of that the written answers that you provided to this Committee, after our request. I just want to firstly say thank you for providing those answers. Is there any further information that you'd like to provide about those matters in addition to what you did on 9 September 2022?

MICHAEL PRATT: Perhaps, Mr Mookhey, I could clarify my responses if that would help the Committee.

The Hon. DANIEL MOOKHEY: It would, Mr Pratt.

MICHAEL PRATT: I must say, from the outset, I was extremely disappointed and annoyed to get your recent letter to me, Chair, which I thought was inflammatory. I wasn't asked to qualify my responses, which Mr Mookhey is now doing. I have had a long career, both in the private and the public sector, where no-one has ever questioned my integrity or my doing the right thing. To get that letter, as a private citizen, from this Committee is completely unacceptable.

The CHAIR: Thank you, Mr Pratt. I think you will also find that we were trying to request that you appear before the Committee. I think this was about the third correspondence that we had with you or, in fact, your lawyer. That was why we outlaid, basically, the reason why we wanted you to appear before this Committee. I think it was appropriate for us to do that. So if we could just continue with the questions rather than question the conduct of this Committee, which is probably not the best way to start.

MICHAEL PRATT: Chair, I was being cooperative. I was overseas. I advised you that my mother was seriously ill and passing away, which she has since done. I just found that behaviour incredible. So I want that on *Hansard* because it is completely unacceptable.

The CHAIR: Okay, you are here now before this Committee, so shall we conduct the questions as opposed to you commencing with questioning the entire proceedings today and whether we should have invited you in the first place. I find that extraordinary.

MICHAEL PRATT: I wasn't questioning that. I was questioning your letter, Chair.

The Hon. WES FANG: Chair, I'm just going to raise a point of order. Mr Pratt has come here of his own volition. I believe he is entitled to make an opening statement.

The Hon. PENNY SHARPE: Which he just declined to do. He could have done this at the beginning.

MICHAEL PRATT: I declined to do because I am now responding to Mr Mookhey's question.

The CHAIR: Order!

The Hon. DANIEL MOOKHEY: I have asked Mr Pratt and, to be fair to Mr Pratt, he is responding. I appreciate that but perhaps, Chair, can I just encourage Mr Pratt to be given the opportunity to clarify his written answers as, I think, he wishes to do?

The CHAIR: Yes. If we could get back on track, Mr Pratt.

MICHAEL PRATT: So, Mr Mookhey, you and I have worked in different modes for quite a long time, and you are well aware that I take my responsibilities seriously. I always have. I have always responded to committees as best I can to give committees information they need. So I would preface my comments with those remarks.

The Hon. DANIEL MOOKHEY: Mr Pratt, I should just say that, in the years of interaction you and I have had, I have always understood that you have taken your responsibilities to parliamentary committees seriously.

MICHAEL PRATT: Thank you. In that context, my responses to the Committee, and particularly to questions one and two, were not meant, in any way, to mislead the Committee but rather to clarify for the Committee what I thought were some uncertain statements in that—particularly the first one, which I read more as a statement, not as a question, so the selection process which led to the selection of Mr Paul Webster as the preferred candidate for the role of the New South Wales Agent General to the UK.

The statement refers to both the selection of Mr Webster and his so-called status as "preferred". Both imply a choice being made to appoint Mr Webster to the role. In fact, one of the meanings of the word "prefer" or "preferred" is "To choose or to make a choice. A decision being made". Even more so, Oxford goes on to say, "Appoint a person to a prestigious position". So it is in that context, when I looked at the meaning of that word, that I responded accordingly because I have no recollection of any final choice being made, or approval given, for Mr Webster in the role.

The process that you read about in the papers that I was sent—thank you—by Jenny West is laying out a process of approval, not final approval. Mr Webster, to the best of my recollection, was never a final choice, was never the preferred candidate, by definition. He was never given a letter of offer et cetera. If you had asked me if he was the leading candidate, or a lead candidate, at that point in time, then, clearly, I would have said yes. But let me remind you of my response in my written evidence about Mr Webster, and I tried, Mr Mookhey, to give you as much information as I could at the time. I said:

Mr Webster was a strong candidate with deep experience in transactional trade and administration, however the selection panel questioned whether Mr Webster was ready to step up to the Agent-General role ...

The selection panel felt that there were gaps around the significant experience required for "executive representation, influencing and stakeholder management". The panel was progressing to test his suitability further with Premier, Deputy Premier and Treasurer. At that point also a new candidate was introduced by the Deputy Premier—Minister for trade at the time—and he was ultimately successful. That is, Mr Cartwright—given a better fit for the role. On question two, that becomes self-evident given the response on question one. So, Mr Mookhey, that's my clarification of why I answered in that way.

The Hon. DANIEL MOOKHEY: Thank you, Mr Pratt. That's appreciated. Can I just start to work through some of the issues that the Committee has heard as well and again just repeat certainly my appreciation for your giving of evidence on these matters given some of the other people are not yet available to shed light on these events. But you say that Mr Cartwright became the preferred candidate or became recommended into the process by the Deputy Premier. I heard that correct?

MICHAEL PRATT: That's correct.

The Hon. DANIEL MOOKHEY: Do you recall when that happened?

MICHAEL PRATT: Mr Mookhey, my challenge is dates, of course, because I have no documentation et cetera, but I could say, directionally, that would have been around February/March.

The Hon. DANIEL MOOKHEY: Just some preliminary things we probably should clear up. You were the secretary of the Treasury from when exactly?

MICHAEL PRATT: I think July 2017—

The Hon. DANIEL MOOKHEY: Until earlier this year.

MICHAEL PRATT: —to February this year.

The Hon. DANIEL MOOKHEY: Great, thank you. In the period from 2019 to 2021, the Treasurer was Dominic Perrottet and the Minister for trade was John Barilaro, both of whom were supported by the Treasury cluster.

MICHAEL PRATT: Yes, that's correct, and Ms Jenny West was the deputy secretary supporting the Deputy Premier in trade.

The Hon. DANIEL MOOKHEY: Yes. So, to the extent to which you were having conversations with John Barilaro about these matters, it's because you were his secretary who supports him in the discharge of his responsibilities as Minister for trade?

MICHAEL PRATT: Technically, that's right. But, in practice, what happened was, because I had broader responsibilities of the portfolio, Ms West was his direct point of contact on trade. Yes.

The Hon. DANIEL MOOKHEY: Yes. Okay. And that arrangement lasted until approximately March 2021. Correct?

MICHAEL PRATT: Yes, that's correct, and then the functions were moved to DPC.

The Hon. DANIEL MOOKHEY: And you make reference to this in your written answers, which you will see on page 2 of the tender bundle, when you say that the processes that led to the creation of Investment NSW took place circa 8 March 2021. You make the point that you were attending budget estimates with Treasurer Perrottet—and I think, to be fair, me as well—when you received an email from Ms Brown enclosing a brief from Ms Brown to Premier Berejiklian. The brief requested the transfer of all Global NSW responsibility to Investment NSW. This included all components of the strategy, people and budget. The brief had been approved by the Premier. You say that whilst you thought the means of communicating the transfer were somewhat unusual—i.e. no prior discussion, no meetings, no phone conversations—you respect the right of the Premier to decide who is the leader of trade. I inferred from that that, until you got that brief while you were probably sitting in this room, you didn't know that such a transfer was imminent.

MICHAEL PRATT: I had absolutely no idea, Mr Mookhey. This had a huge amount of interest at senior levels in government, as I think you're probably well aware. The actual Global NSW strategy was designed and developed in Treasury.

The Hon. DANIEL MOOKHEY: And that work commenced in 2019, didn't it?

MICHAEL PRATT: That's correct.

The Hon. DANIEL MOOKHEY: Because you and I were discussing this in earlier estimates hearings in 2019.

MICHAEL PRATT: Yes. But a lot of it was on hold through COVID. We really had, obviously, other priorities. But the launch of that then, when it was completed, was done by the Premier, Deputy Premier and Treasurer. So they all had a serious interest in this particular strategy. The Deputy Premier was also then appointed the Minister for trade at a point in time through that period. What I was really surprised about is that things were progressing well on track and, normally, if you make an organisational change of that seriousness, the first thing I do is ring you up, Mr Mookhey, and say, "Can we have a conversation?" and let's talk about it. It's not a question of whether you do it or not, but it's how you do it in the right way. So I was sitting in estimates—and that's why I remember the date, because it was 8 March—and I received an email while I was there from Ms Brown with a brief enclosed, signed by the Premier, moving it to DPC. So that did surprise me but, as I said in my written evidence, clearly that's the Premier's prerogative. I understand as the head of State she wanted to be the head of investment and trade, but the process to get to that point wasn't what I would have done.

The Hon. DANIEL MOOKHEY: Just to be clear here, this involved the transfer of quite a serious amount of Treasury function, didn't it?

MICHAEL PRATT: It did—a significant number of people.

The Hon. DANIEL MOOKHEY: Over 100, wasn't it?

MICHAEL PRATT: It was over 100. It was the biggest unit in Treasury.

The Hon. DANIEL MOOKHEY: And it was taken off you, which is the prerogative of the Premier, without necessarily having conversations with you.

MICHAEL PRATT: I've never been concerned about headcount in my career, Mr Mookhey.

The Hon. DANIEL MOOKHEY: No, no. That's true.

MICHAEL PRATT: It's the technical challenge of the job that interests me, not the headcount. But, yes, it was a big slice of budget and a big slice of people coming out of Treasury.

The Hon. DANIEL MOOKHEY: Is it the case that you had obviously no opportunity to input prior to the decision being made, let alone about the process by which it would be effected?

MICHAEL PRATT: I had no involvement before that email—no message.

The Hon. DANIEL MOOKHEY: Did you even know that Investment NSW was being formed?

MICHAEL PRATT: I'm hesitant to say yes or no on that because I really can't recall, but certainly around that time I think there were stories around about Investment NSW doing some work or being brought together. There was nothing around, though, about moving Global NSW into that structure.

The Hon. DANIEL MOOKHEY: Did you consider this a vote of no confidence in the way in which Treasury was developing the Global NSW strategy?

MICHAEL PRATT: Some of my team did, Mr Mookhey. I didn't because I'd been around government long enough to appreciate these things occur, but some of my team certainly were affronted by this.

The Hon. DANIEL MOOKHEY: Did the Treasurer know this was happening?

MICHAEL PRATT: Not to my knowledge. That would need to be a question for him, but I don't think he was aware, no.

The Hon. JOHN GRAHAM: Presumably you raised it with him, though, at that point?

MICHAEL PRATT: Absolutely. Straight after estimates.

The Hon. JOHN GRAHAM: And, when you raised it, did you form the view that he had known about this previously?

MICHAEL PRATT: No, I didn't. No.

The Hon. DANIEL MOOKHEY: Did he share any insight about any conversations he may have had with the Premier before he lost a significant part of the responsibilities of the Treasury?

MICHAEL PRATT: No, he did not.

The Hon. DANIEL MOOKHEY: Okay. So the first time he learnt about it was when you told him?

MICHAEL PRATT: I have to say I suspect it was, but I'm not sure. I'm not definite on that, but I suspect it was, yes.

The Hon. DANIEL MOOKHEY: Equally, did the Minister for trade know?

MICHAEL PRATT: I don't know.

The Hon. DANIEL MOOKHEY: Did you have any conversations with Mr Barilaro about this matter?

MICHAEL PRATT: No, I did not.

The Hon. DANIEL MOOKHEY: Okay. Did that result in Minister Barilaro being transferred to the DPC as well as in terms of his support?

MICHAEL PRATT: Yes, it did. Yes.

The Hon. DANIEL MOOKHEY: So at that point Mr Barilaro ceases to be a Treasury cluster Minister, correct?

MICHAEL PRATT: That's correct.

The Hon. DANIEL MOOKHEY: Mr Pratt, that's very helpful because there are a lot of movements around the administrative arrangements around this period of time—which is important to understand some of the events which take place in February of that year. Let's just return to the question around when Mr Barilaro recommended—did Mr Barilaro recommend to you that Mr Cartwright be a candidate who was considered for the role?

MICHAEL PRATT: Yes, he did.

The Hon. DANIEL MOOKHEY: How did he do that?

MICHAEL PRATT: Look, I don't recall how. It may have been a conversation in a corridor or a phone call. It was probably, more so, through Ms West because that was his direct contact, but the referral for Mr Cartwright definitely came through the Deputy Premier.

The Hon. DANIEL MOOKHEY: Directly through staff or you have no recollection?

MICHAEL PRATT: I'm sorry, Mr Mookhey, I can't recall how. But I can assure you that's exactly how it came through, and I did check that with my fellow colleague Mr Reardon as well. So that was the case, yes.

The Hon. JOHN GRAHAM: When you say you checked with Mr Reardon, do you mean at the time or do you mean subsequently?

MICHAEL PRATT: No, I mean subsequently, Mr Graham. I wanted to make sure that we were both recalling the same events, if you like, and that was his understanding too.

The Hon. JOHN GRAHAM: Understood. Thank you.

The Hon. DANIEL MOOKHEY: Did you ever have a direct conversation with Mr Barilaro about Mr Cartwright's potential candidacy?

MICHAEL PRATT: Not that I can recall, no.

The Hon. DANIEL MOOKHEY: There's a bit of confusion here around all this, and quite a lot turns on it because a lot of Mr Cartwright's expectations are set through these very preliminary conversations that are had. But Ms West, in her written answers to us, says that she believes that either you or Mr Warwick Smith approached Mr Cartwright directly to consider her candidacy. I'll just read to you. I apologise for not providing you the actual thing, but I can provide it after I read it to you. In response to the same question that we asked you, which was the selection process which led to the replacement of Paul Webster as the preferred candidate for the role of agent general with Mr Stephen Cartwright, she goes:

I am aware that Stephen Cartwright had recently resigned from his role at Business NSW and approached one of the members of the recruitment panel directly. I believe this was either Secretary Michael Pratt or Mr Warwick Smith ...

Just to be clear here, Mr Barilaro was the person who raised it with you, not the other way around.

MICHAEL PRATT: No, that's correct.

The Hon. DANIEL MOOKHEY: When Mr Barilaro raised it with you, did he allude to in what context he came to understand Mr Cartwright was interested or could have been interested?

MICHAEL PRATT: I think he may have mentioned that he caught up with Mr Cartwright at some stage and that he thinks Mr Cartwright would have been a very good candidate for the role. I should also say, Mr Mookhey, that I had a coffee with Mr Cartwright at one stage. I can't remember the exact date of that. But he raised it with me himself. He asked me about the Global NSW strategy and what we were doing in trade, and he had some interest in it. So he raised that with me; I didn't raise it with him. But I remember that because he was actually asking me for some career advice because he'd actually finished up in his role at Business NSW.

The Hon. DANIEL MOOKHEY: We'll tease out some of those events, but my colleague might have a question.

The Hon. PENNY SHARPE: His interest in it was really about whether there could be a place for him within that strategy. Is that the way that you took that conversation?

MICHAEL PRATT: Yes. I think he was well aware that we were recruiting for the trade commissioner jobs and saw something like that for him.

The Hon. DANIEL MOOKHEY: When Mr Barilaro mentioned it to you, did you tell him that—I think the word you used—there was a "leading candidate" who had already been settled upon?

MICHAEL PRATT: I can't recall, but I'm sure I would have discussed that at the time because we would have progressed the detail of those files et cetera forward for interviews. So I'm assuming Mr Barilaro would have had that documentation.

The Hon. DANIEL MOOKHEY: Did you at all say to Mr Barilaro that applications had closed and they'd been closed for a long time for this type of role?

MICHAEL PRATT: No.

The Hon. DANIEL MOOKHEY: Did you tell him that the selection panel that had decided upon—I think, again, the term that you used—the "leading candidate" had already met, that there was a draft selection report in place that recommended him and that you had already authorised the commencement of salary negotiations?

MICHAEL PRATT: Well, the latter part of that statement, Mr Mookhey, I would say certainly my own involvement, definitely not. I mean, I don't think we got anywhere near remuneration negotiation. There was still a process to go through, as per the documentation, re interviews. So the situation with Mr Webster—he was by no means confirmed, as I've indicated earlier. And the gaps the committee had with Mr Webster were still evident. So we had not resolved that executive representation stakeholder management. You know, those issues that I raised earlier were still in place and still concerns.

The Hon. DANIEL MOOKHEY: We will explore the extent to which Mr Webster was or wasn't a preferred candidate shortly. But I guess my point is, did you bring to the attention of Mr Barilaro the fact that at least we can agree that the process with Mr Webster was advanced?

MICHAEL PRATT: Look, I can't recall specifically that I said that, no.

The Hon. DANIEL MOOKHEY: Okay. Again, I do invite you, Mr Pratt, to see if there's any better recall around the timing of the conversation with Mr Barilaro—no further recollection that you have other than somewhere February or March?

MICHAEL PRATT: It would have been somewhere mid-late February or early March. I'm sorry, Mr Mookhey. Without reference to diaries and things, I don't know. But that would have been the period.

The Hon. DANIEL MOOKHEY: And do you recall whether or not it was in a meeting, on the phone or email? How was this conversation taking place?

MICHAEL PRATT: No, I don't.

The Hon. DANIEL MOOKHEY: Okay, because there's quite a bit of discrepancy now around some of the evidence that we've heard, so I think we'll have to unpack it a bit. In respect to when this conversation takes place, Dr Broadbent—actually, before we get to that, did you tell Dr Broadbent to consider Mr Barilaro?

MICHAEL PRATT: For New York?

The Hon. DANIEL MOOKHEY: Sorry—Mr Cartwright for the position to the agent general?

MICHAEL PRATT: It's possible I did once we'd admitted him into the process. I mean, we would have gone back through the panel to make sure the panel was comfortable with his entry, and then one of us—although more likely Ms West, because she was the secretariat into the recruiter. It's more likely Ms West that would have done that.

The Hon. DANIEL MOOKHEY: Do you recall telling Dr Broadbent at the meeting of the selection panel for the Japan position that Mr Cartwright was to be considered as a candidate?

MICHAEL PRATT: I don't recall, no.

The Hon. DANIEL MOOKHEY: Is it possible that you did?

MICHAEL PRATT: It's possible that I did. That would have been after he'd already been admitted by the panel, not before—if in fact I did do that. But I don't recall.

The Hon. DANIEL MOOKHEY: Okay. We'll just have to unpack this in a bit of sequence here. Do you mind turning to page 53 of the tender bundle? Do you want to read the highlighted sections?

MICHAEL PRATT: Okay, yes.

The Hon. DANIEL MOOKHEY: Just working through, this is the evidence that Dr Broadbent gave us. You can see that I ask her, effectively, how Mr Cartwright entered it, and she says at the start of the highlighted section:

My understanding is that I received advice that there was to be another candidate considered. I received that advice from the secretary of NSW Treasury at the time, that that candidate was Mr Stephen Cartwright, and we were asked to keep things open so that Mr Cartwright could be considered.

Do you recall giving Dr Broadbent that advice?

MICHAEL PRATT: I don't recall this but, I mean, that's quite possible. This would have been post the introduction of the Deputy Premier of this candidate into the process.

The Hon. DANIEL MOOKHEY: Yes.

MICHAEL PRATT: It would have gone to the panel and then, as a result of that, it's possible then I instructed Ms Broadbent accordingly, yes.

The Hon. DANIEL MOOKHEY: So you do kind of think that it's possible that you instructed Dr Broadbent to keep the process open so Mr Cartwright could be considered?

MICHAEL PRATT: It's possible, yes.

The Hon. DANIEL MOOKHEY: Okay. Just going down, you can see that I pushed Dr Broadbent for some better recollection, and she goes:

It was actually at a meeting that we had. I think we were at one of the other panel meetings.

And then you can see, later on, I ask whether or not it was the Japan panel and she says:

I expect it was at the time.

And you can see that I also established that you were a member of that panel as well. Do you see that bit there?

MICHAEL PRATT: This is down the bottom?

The Hon. DANIEL MOOKHEY: Just in the middle of the highlighted section.

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Okay. So Dr Broadbent said it was at the Japan panel, which was the only time that she was really interacting with you face to face at the time. Does that accord with your recollection or give you any better insight?

MICHAEL PRATT: No. Look, I'm sorry, Mr Mookhey. I really don't recall any of this detail.

The Hon. DANIEL MOOKHEY: Okay. Do you mind just turning to page 59 of the tender bundle?

Again, Mr Pratt, you wouldn't have seen this email at all, whatsoever, but what you can see is that it does actually give us the date of the Japan panel meeting. And you can see here that the Japan panel meeting is confirmed to have taken place on 2 February 2021 and that you were at that meeting with Mr Reardon, Ms Smith and Ms West as well. So in terms of establishing when this conversation may have happened with Mr Barilaro, there's a strong suggestion here that it's happening around 2 February—or at least it has happened before 2 February 2021 because, according to Dr Broadbent, she hears from you that Mr Cartwright should be considered at the Japan panel meeting, which we now establish takes place on 2 February 2021. Is it possible that actually the conversations that you were having with Mr Barilaro were taking place from late January to February as opposed to February to March?

MICHAEL PRATT: Look, I don't know. I can't recall. I don't remember a specific conversation with Mr Barilaro, but it wouldn't have been more than one conversation, in any case, if that did occur.

The Hon. DANIEL MOOKHEY: Okay.

The Hon. JOHN GRAHAM: Dr Broadbent does recall, though, that this came about as the result of a discussion with the then Deputy Premier. If you turn over that page, you'll see that she agrees with your observation then when asked by Mr Mookhey, "How did this happen? How was Stephen Cartwright identified by Mike Pratt?" Dr Broadbent says:

I understand that Stephen Cartwright, as has now been released, had a discussion with the then Deputy Premier.

MICHAEL PRATT: Right. I wasn't a party to that discussion, Mr Graham. I really don't know about it.

The Hon. DANIEL MOOKHEY: Okay. I mean, to be frank, we do need to hear from Mr Barilaro about this, about his version of events as well, in this respect. But as a counterparty to that conversation and in his absence, we do appreciate you being here to help clarify some of these issues here. But this then raises the question about, effectively, the effect of Mr Barilaro's intervention on a process that was already underway. Can you just give me—if it's possible, Mr Pratt—an explanation as to the process that you understood Treasury was following to identify a UK agent general?

MICHAEL PRATT: It was, I guess, what I'd call a pretty standard recruitment process for a recruiter. So, you know, you get the position description well defined—what the requirements are, the capabilities, what the outcomes are you're looking for for the role—and get that well documented. You then get the recruiter to start scanning the market and you go from long list to short list. That's a practice that you'd be well familiar with, and that was the practice undertaken. What was a little unusual about this search was COVID. It started, but then it stopped due to COVID for a significant period of time, and then it restarted. In fact, I think you're probably aware that Mr Webster was identified in the first process but put on hold for the COVID period.

The candidates then went through the interview process—the shortlisted. I think, from memory, in most cases that was two interviews. And then the headhunter, the recruiter, would provide input and then the panel would come to a decision. You then go to reference checking et cetera. So that was the pretty standard process, Mr Mookhey, that we undertook.

The Hon. DANIEL MOOKHEY: And I presume that you, as secretary of the Treasury, who was responsible for re-establishing this position three decades after it was abolished in some controversial circumstances, were mindful of the fact that the recruitment process needed to be conducted fairly?

MICHAEL PRATT: Fairly and, may I say, absolutely free of politics.

The Hon. DANIEL MOOKHEY: And you took that and you ensured that the people who you were asking to lead this for you were aware of that?

MICHAEL PRATT: Absolutely aware of it.

The Hon. DANIEL MOOKHEY: And you understood that, of course, the legitimacy of this position would actually turn on whether or not the person who was chosen was seen to be independent politically and capable of doing the job?

MICHAEL PRATT: And I can't tell you how strong I was on that point, hence why you had the two most senior people in the public sector on the panel in Mr Reardon and myself.

The Hon. DANIEL MOOKHEY: And that was designed to send a signal about how crucial it was to get this right?

MICHAEL PRATT: Correct.

The Hon. DANIEL MOOKHEY: And presumably that's why you kept yourself engaged in the selection of the New York position at various points in time, the UK position and the Japanese position?

MICHAEL PRATT: Yes. Really, I didn't have anything to do much with New York. That was after it moved, really, to DPC. But I was certainly engaged in both Japan and the agent general in the UK, yes.

The Hon. DANIEL MOOKHEY: That's part of the reason you went to an external recruiter to run the process, to create some distance.

MICHAEL PRATT: Yes, that's correct.

The Hon. DANIEL MOOKHEY: And you went to a highly reputable one as well?

MICHAEL PRATT: Yes, that's correct—who's done a lot of work for both State and Federal government. I might just add, one of the reasons why they were appealing is they've done a lot of work for Austrade as well.

The Hon. DANIEL MOOKHEY: You made the point that—regardless of the fact that the process to choose the job had to be run, ideally, by the public service in an apolitical manner—there was huge interest in the rollout of the Global NSW strategy by the senior members of the Government. Is that right?

MICHAEL PRATT: Yes, the role, as you're probably aware, had some unique characteristics to it. The role itself had to be reapproved through the High Commissioner in the UK, George Brandis, at the time, and I think he had to go to the Queen actually to get that approved. Then, on the approval side of the individual, that had to go through Cabinet. So it was a unique role in many ways, given history.

The Hon. DANIEL MOOKHEY: But there was huge interest in the leadership of the Government who, to be fair to them, had taken some risk to pursue this strategy politically—by the Premier, the Deputy Premier and the Treasurer?

MICHAEL PRATT: Mr Mookhey, I guess I would make the observation that when I first got engaged in looking at this we had one person in the UK representing New South Wales. I mean, it was embarrassing. South Australia, Queensland and Victoria had a floor each in Australia House. So it was pretty obvious that something needed to be done. I used to say that South Australia did better in London than they did in Adelaide, because we weren't represented and we would leverage off the Opera House and the bridge for far too long. So there was no question this was necessary, and there was risk in it, but it was an important thing to do for the State.

The Hon. DANIEL MOOKHEY: Presumably, therefore, the Treasurer, the Deputy Premier and the Premier had some interest in this.

MICHAEL PRATT: Definitely, yes.

The Hon. DANIEL MOOKHEY: Given, as you just said, how important it was, effectively, to make sure that this was both above politics and, I believe, seen to be above politics, when the Deputy Premier told you that Stephen Cartwright is a great guy and maybe he should be considered for the role, did you not sort of go that's a pretty naked form of political intervention that totally undermined the work that you were doing as Treasury?

MICHAEL PRATT: If he'd intervened after that, the answer would absolutely be yes. But, if it was me or Jenny West—and, as I have said, I'm not able to recall exactly who—but Mr Barilaro would have been told not to interfere. Once the referral was made, it's up to the panel, and we're prepared to put him through a process.

The Hon. DANIEL MOOKHEY: But for Mr Barilaro's recommendation, he never would have been anywhere near the panel.

MICHAEL PRATT: Well, not unless he came to me separately and asked to be included. He may well have done that had he not gotten Mr Barilaro's—

The Hon. DANIEL MOOKHEY: But had any other candidate approached you directly and asked to enter the race?

MICHAEL PRATT: A couple had and they didn't go through with it, yes.

The Hon. DANIEL MOOKHEY: Separate from the independent process?

MICHAEL PRATT: Senior businesspeople. Not at that time, Mr Mookhey. I'm going back over the period.

The Hon. DANIEL MOOKHEY: Yes, sure, but other people. And you rejected them.

MICHAEL PRATT: Well, I didn't reject them. I said to them, "This is the role. Go away and think about it." And I never heard back from them. I mean, this was a huge role that created a lot of interest.

The Hon. DANIEL MOOKHEY: Again, but for the fact that Mr Barilaro and Mr Cartwright had a conversation, he never would have been considered for the job, correct?

MICHAEL PRATT: If he had approached me directly, I would have thought about putting him in the panel.

The Hon. DANIEL MOOKHEY: But that's not the question I'm asking you, Mr Pratt.

MICHAEL PRATT: Well, what actually occurred—the answer to your question is yes, you're correct.

The Hon. DANIEL MOOKHEY: Because the reason is that at this point applications had well and truly closed some five months before, correct?

MICHAEL PRATT: Well, the process hadn't closed. We hadn't had further applications, but the process—I mean in these big jobs—

The Hon. DANIEL MOOKHEY: In February was anybody else given the opportunity to put their hand up for the job?

MICHAEL PRATT: The process was still open as far as I was concerned, so the headhunter was managing that.

The Hon. DANIEL MOOKHEY: How would someone else be able to get themselves into the process?

MICHAEL PRATT: That was for the headhunter to actually follow up accordingly. I mean, that's why we paid that person.

The Hon. DANIEL MOOKHEY: But Mr Cartwright never went to the headhunter. He went to the Deputy Premier. If your point is that the process was open and people could still go to the headhunter, that's a fair point, but that is not what Mr Cartwright did. Mr Cartwright went to the Deputy Premier.

MICHAEL PRATT: But was it not the Deputy Premier who raised it with Mr Cartwright? I don't think Mr Cartwright raised it with him, did he?

The Hon. DANIEL MOOKHEY: The evidence from Mr Cartwright is that's correct, which kind of raises my point, right? We've got, effectively, the Deputy Premier headhunting his own candidates despite you running, or trying to run, a very independent process.

MICHAEL PRATT: I understand where you're coming from, but my point is that he had a right, as the trade Minister, to recommend someone into the process.

The Hon. DANIEL MOOKHEY: Why do you say that?

MICHAEL PRATT: Because the process wasn't closed.

The Hon. DANIEL MOOKHEY: But, I mean—look, there has been a lot of ambiguity about what role Ministers had or did not have in this process at what points in time, to be frank. But, to be fair, elsewhere in respect to the other positions it has never really been an accepted proposition that Ministers could involve themselves. In fact, when it comes to the Americas position, one Minister got themselves into a lot of trouble after they did. So when you say that he had a right, what gave him that right? Because this was meant to be a process independent of—

The Hon. WES FANG: Point of order—

The Hon. DANIEL MOOKHEY: Sorry, let me just finish the question before you take the point of order.

The CHAIR: A point of order has been taken—

The Hon. WES FANG: No, no, no. The point of order is about the question.

The Hon. DANIEL MOOKHEY: Well, can I finish the question and then you can take the point?

The Hon. WES FANG: Well, I think before—I'm going to take the point of order, if that's okay. The way you phrased that question about—a Minister got himself into quite a bit of trouble. I'll just make the point that there have been reviews, obviously, done on that. And there's been—people have been cleared. So I think that perhaps the way you phrased the question is somewhat subjective, and I'd ask that you be cognisant of that when you're putting the question.

The CHAIR: Wes, through me, please. That isn't a point of order. The member can continue his questioning.

The Hon. DANIEL MOOKHEY: Thank you. Mr Pratt, was there a legal basis for the trade Minister to be able to submit a candidate that you are aware of?

MICHAEL PRATT: Well, the process was still open. I mean, there was no issue about entering someone else into the process. Where I would have had an issue is if Mr Barilaro then interfered in the assessment process and the panel. I would not have stood for that, clearly, but he did not.

The Hon. DANIEL MOOKHEY: I guess the difference that you and I might have on this is that you don't see the fact that Mr Barilaro, of his own volition, approached a candidate and asked them to apply was actually interference.

MICHAEL PRATT: No, I don't. No. Interference once he was in the process I would not have stood for, Mr Mookhey, yes.

The Hon. DANIEL MOOKHEY: Okay. I might ask my colleagues if they have questions.

The Hon. JOHN GRAHAM: Can I just turn back to that entry point into the process and the answer you gave earlier on that? Because, looking at Dr Broadbent's evidence, the entry to the process looks like this 2 February meeting discussing the Tokyo STIC role, and her recollection is that you facilitated the entry to the process. You've said you believe that's not the case—that, in fact, the Deputy Premier had earlier facilitated Stephen Cartwright's entry into the process. What is the basis of your belief?

MICHAEL PRATT: Because I didn't do it unless it was put to me. I mean, I didn't approach Mr Cartwright, Mr Graham. So it was put to me, either through a discussion or through my deputy secretary, Ms West, that Mr Barilaro asked for Mr Cartwright to be entered into the process.

The Hon. JOHN GRAHAM: But do you agree on 2 February—this is when he enters the process, when you then raise it with Dr Broadbent?

MICHAEL PRATT: Look, I don't agree, because I don't—I just can't confirm that date, I'm sorry. But what I am clear of it was the Deputy Premier that asked for him to go into the process.

The Hon. JOHN GRAHAM: Yes, who initiated that. Understood.

MICHAEL PRATT: And that was then referred to the panel to make sure that my colleagues were comfortable with that, and they were.

The Hon. JOHN GRAHAM: Who referred it to the panel?

MICHAEL PRATT: Me, as the chair.

The Hon. JOHN GRAHAM: In this meeting or previously?

MICHAEL PRATT: Look, I don't know what date that meeting was, but it was post Mr Barilaro asking for Mr Cartwright to be entered. It was supported by—

The Hon. JOHN GRAHAM: So did you do that by letter or by email or—

MICHAEL PRATT: It would have been in a panel meeting. It would have been in a discussion.

The Hon. JOHN GRAHAM: So this could have been that referral?

MICHAEL PRATT: It could have been. But, look, as I said, I don't recall the date. And the panel would have confirmed that, and then he entered the process.

The Hon. DANIEL MOOKHEY: Just on that, Mr Pratt, there's no documentation of the panel being given any written notification of a new candidate and there's no evidence of a meeting of the panel for the UK position until 30 March, which—they then only interview Mr Cartwright. So is it possible that it was the Japan position or—

MICHAEL PRATT: Look, I'm trying to help you, Mr Mookhey, but I'm not going to commit to timing when I don't know. I don't recall.

The Hon. DANIEL MOOKHEY: Okay, fair enough. I presume there's no point in you taking that on notice?

MICHAEL PRATT: No.

The Hon. DANIEL MOOKHEY: Okay, fair enough. Returning to the point about Mr Barilaro's intervention, I accept the fact that you and I disagree about whether that's intervention. Did you raise it with the Treasurer? Did you talk to the Treasurer about the fact that Mr Barilaro had now found Mr Cartwright, given Mr Cartwright was a well-known business figure in New South Wales?

MICHAEL PRATT: Look, again, I don't recall. But it's possible I would have because I would, as the secretary, keep the Treasurer abreast of what was going on in different things. This was obviously an important matter. I don't specifically recall a conversation, Mr Mookhey, but it's possible that I did, yes.

The Hon. DANIEL MOOKHEY: Okay. Just in respect to that, the Treasurer was interested, was he not, in the actual selection of the role?

MICHAEL PRATT: Definitely, yes.

The Hon. DANIEL MOOKHEY: In January of that year, he was taking a direct interest in the role, correct?

MICHAEL PRATT: I think he would have been interested throughout this whole period, really.

The Hon. DANIEL MOOKHEY: Can you turn to page 24 of the tender bundle? We'll unpack how this all came about, but to jump to this point of the story—you can see the following, which will show you your endorsement for Mr Webster to progress and be interviewed by the Treasurer, or at least meet with the Treasurer, the Deputy Premier and the Premier. You can see that officials in your department commenced work to arrange that meeting, and you can see, at the bottom of the page, a correspondence from a person in Treasury. In fact, it may have been your executive assistant, correct?

MICHAEL PRATT: That's correct, yes.

The Hon. DANIEL MOOKHEY: You can see your executive assistant on 12 January is telling, I believe, the Treasurer's executive assistant:

Treasury engaged NGS Global to conduct Executive search for the NSW Agent General and the panel has now concluded the interview process and are recommending Mr Paul Webster for review and endorsement by the Treasurer.

You see that they send the resume, the job description and the interview notes, and they ask if the Treasurer is available to meet with Mr Webster. You see that?

MICHAEL PRATT: I do, yes.

The Hon. DANIEL MOOKHEY: I can only presume that you did actually cause your EA to make this request.

MICHAEL PRATT: I would assume so, yes.

The Hon. DANIEL MOOKHEY: We'll get to that, and we will get to the fact that it says that the panel had concluded its process and are recommending Mr Webster for the job, compared to what you told us earlier. But you can see above that the Treasurer's EA responds by going:

Before proceeding to schedule in an 'e-meeting' between the TSR and Mr Paul Webster.

The Treasurer has requested a 'short list' of the other candidates that were interviewed, together with a copy of their resume.

When the info is available, could you please send to me and I'll forward to the Treasurer for his attention.

And you can see also that they cc the then Treasurer's chief of staff as well. Do you see that above?

MICHAEL PRATT: Yes, I do, yes.

The Hon. DANIEL MOOKHEY: If you just turn to page 23, you can see that your EA— actually, quite promptly by government standards certainly—returns the short list to the Treasurer's office.

MICHAEL PRATT: All right.

The Hon. DANIEL MOOKHEY: And effectively meets the Treasurer's request. This is all taking place between 25 and 27 January, which turns out to be a few days before the Japan panel meeting as well. So, in that period of time, did you and the Treasurer have conversations about who was to be the UK agent general?

MICHAEL PRATT: Not that I can recall, no.

The Hon. DANIEL MOOKHEY: Did the Treasurer express to you any opposition to the candidacy of Mr Webster?

MICHAEL PRATT: No, not that I can recall.

The Hon. DANIEL MOOKHEY: Given that Mr Cartwright isn't selected by the panel until 31 March, do you have any explanation as to why the Treasurer never met with Mr Webster?

MICHAEL PRATT: No, not that I can recall.

The Hon. DANIEL MOOKHEY: Do you recall talking to the Treasurer's chief of staff about not proceeding with this meeting?

MICHAEL PRATT: No, I don't.

The Hon. DANIEL MOOKHEY: If you just go up to page 23 you can see that, again, your EA is chasing this meeting as well—actually, to be fair, that might be for the Japan position as well. Do you know whether the Treasurer met with the Japan candidate around this period of time?

MICHAEL PRATT: I don't know, Mr Mookhey, no.

The Hon. DANIEL MOOKHEY: But we can establish that the Treasurer asked for a short list and was given a short list. This was effected through your office, but you don't have any recall other than that.

MICHAEL PRATT: No. Clearly it was sent to the Treasurer's office, but I don't recall any discussion post that, no.

The Hon. DANIEL MOOKHEY: But you do recall that it's possible that you did disclose to the Treasurer that Mr Barilaro had found Mr Cartwright, or at least the potential for Mr Cartwright to fill the job?

MICHAEL PRATT: It's possible, yes.

The Hon. DANIEL MOOKHEY: Do you recall whether the Treasurer said to you anything like "That's a good idea" or "That's a bad idea"?

MICHAEL PRATT: No, I'm sorry, I don't recall.

The Hon. DANIEL MOOKHEY: Did you use that as an opportunity to brief the Treasurer on where the process was up to?

MICHAEL PRATT: I may have done, yes, but again I don't recall.

The Hon. DANIEL MOOKHEY: Did the Treasurer make any reference to any conversations he was having with Mr Cartwright at the time?

MICHAEL PRATT: I don't recall, no.

The Hon. DANIEL MOOKHEY: Did he suggest to you that he had already spoken to the Deputy Premier and the Deputy Premier and him had already had this discussion?

MICHAEL PRATT: I don't recall those conversations, no.

The Hon. WES FANG: Do you remember what was for morning tea? Do you remember your coffee order?

The CHAIR: Order!

The Hon. DANIEL MOOKHEY: Did you have a question, Wes?

The Hon. WES FANG: No. Do you have any questions?

MICHAEL PRATT: I'm trying to help you, Mr Mookhey.

The Hon. DANIEL MOOKHEY: You are, Mr Pratt. You are actually helping.

MICHAEL PRATT: But I really don't recall a lot of those points.

The Hon. JOHN GRAHAM: This is a key government appointment though, Mr Pratt. You're the key official briefing one of the most senior Ministers in the State. Do you have any recollection of whether this was discussed after you sent a short list to the Treasurer's office?

MICHAEL PRATT: No. What I recollect happening, Mr Graham, was material being sent to the Premier, the Treasurer and the Deputy Premier. I don't recall any feedback. I don't know if the three of them met Mr Webster or what that feedback might have been. I don't recall any of that.

The Hon. JOHN GRAHAM: The Treasurer, now the Premier, has been very clear that he was quite interested in this whole process, including these appointments.

MICHAEL PRATT: Yes, he was definitely interested, yes.

The Hon. JOHN GRAHAM: But this just falls into a black hole after this request, to your recollection. You can't recall another discussion, over the months that follow this request for the short list, as you sit here today.

MICHAEL PRATT: No, I can't. The role of the panel was to get the best candidate, obviously, and this was a key job. Sorry, I'll just give you the context a bit more. The panel, as I indicated earlier, had identified gaps in Mr Webster, at the strategic level, not at the operational level, and so that was still in place. Those gaps were still existent. And Mr Cartwright, who met the criteria, entered the process. So the panel were, frankly, not interested in the politics, as you'd expect we wouldn't be. We were interested in getting the right person for the job, and that is what we focused on.

The Hon. JOHN GRAHAM: The question is at what point was the then Treasurer informed of that process, and you have no guidance for us this morning?

MICHAEL PRATT: No, I'm sorry. I don't know

The Hon. DANIEL MOOKHEY: We will unpack some of that as well. But let me just take you to the interactions that you are having with the Deputy Premier at the time, or at least the Treasury was, as well, in parallel to the conversations you were having with the Treasurer's office. Do you mind just turning to page 21 of the tender bundle. We're picking up on some correspondence, and we will get to how this contact between Ms West and Mr Brayford takes place shortly. But you can see that, effectively, in January, Treasury are actioning your instruction to proceed further down the pathway of selecting Mr Webster for the role and that Treasury are contacting various people at this point in time.

We pick up the conversation here when Mr Brayford is going to Ms West following up a whole variety of matters that were seemingly of interest to the Deputy Premier's office, if not the Deputy Premier. You can see here that Mr Brayford is asking Ms West for an update on this:

- Details for the Agent-General appointment—If a candidate has been identified, I would like their details.

Do you see that on the second dot point above the highlighted section?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Do you see below:

- Timelines—the Deputy Premier approved the amended timelines (attached) and kept an eye on things. He was disappointed when Treasury brought the initial delay to his attention, and I fear slippage from the already delayed timeframes is occurring.

Do you see that?

MICHAEL PRATT: I do.

The Hon. DANIEL MOOKHEY: Did the Deputy Premier tell you he was disappointed in Treasury?

MICHAEL PRATT: No, and I don't know why he was disappointed, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Did Ms West alert you to the fact that, apparently, the Deputy Premier's office had an issue with the time lines?

MICHAEL PRATT: I'm aware that there was stress between Ms West and the Deputy Premier's office a number of times. But I don't think Treasury had dragged their heels on this. I think it was on track, so I'm a bit surprised at that comment, frankly.

The Hon. DANIEL MOOKHEY: Yes. But the Deputy Premier never expressed to you concern with the process you were running.

MICHAEL PRATT: No.

The Hon. DANIEL MOOKHEY: He never suggested to you that you've come up with a bad candidate or, in addition to that, your candidate that you've come up with is late?

MICHAEL PRATT: No.

The Hon. DANIEL MOOKHEY: Okay. Let's just go to page 20. You can see down the bottom there, Ms West follows up. Mr Brayford sends this email to Ms West complaining at 3.25 p.m. on a Friday. Ms West is responding on the Monday. You can see that she forwards to your EA and cc's Mr Brayford a request to schedule

a time for the Deputy Premier and Mr Brayford to meet with the proposed candidate for the UK agent general. Then she also alerts Mr Brayford to the fact that he'd be meeting with the Treasurer and George Brandis. Do you see that?

MICHAEL PRATT: Yes, I do.

The Hon. DANIEL MOOKHEY: Then, if you can just see the response, it takes a week before Mr Brayford responds as well, and you can see that they're having a process conversation around organising that meeting.

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Then, if we just turn back to page 19, your EA sends to Mr Brayford and Ms West basically the identical email that she sends the Treasurer's office, on the same day that she sends it to the Treasurer's office, asking for a meeting with the Deputy Premier and enclosing Mr Webster's résumé as well. Do you see that?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: She is doing that the same day that she gets a response. She is doing it with the Treasurer's office. But you can see, this time, the Treasurer's office asks for a short list. Mr Brayford moves to get some times for the Deputy Premier to meet with Mr Webster. Do you see that?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Mr Webster tells us that that meeting with the Deputy Premier never happened at all.

MICHAEL PRATT: Right.

The Hon. DANIEL MOOKHEY: And this is all happening on Monday 25 January. From Monday 25 January onwards, do you recall the Deputy Premier telling you that Mr Webster was inappropriate for the role?

MICHAEL PRATT: No, I don't, no.

The Hon. DANIEL MOOKHEY: Do you recall him expressing any dissatisfaction with the process that you were running?

MICHAEL PRATT: No.

The Hon. DANIEL MOOKHEY: So until this point you had no idea that such a meeting was being scheduled.

MICHAEL PRATT: I didn't know specifically that it was being scheduled, but I would have thought it would have been organised, Mr Mookhey, because that was the process required. And Ms Harrison was incredibly efficient, hence this correspondence.

The Hon. DANIEL MOOKHEY: Fair enough. Hence my point. It looks as though Mr Barilaro unilaterally decides that there is something wrong with Mr Webster, never discusses it with you, and then goes and causes Mr Cartwright to enter the process. That's what it looks like.

The Hon. WES FANG: How does it look like that?

The CHAIR: Order!

The Hon. WES FANG: How?

The Hon. DANIEL MOOKHEY: Mr Fang doesn't understand the sequence here, so let me just take you through it.

The CHAIR: I think it's best to ignore interjections and perhaps best not to make them in the first place.

The Hon. DANIEL MOOKHEY: Sorry if my question was ambiguous but, for Mr Fang's sake, I'll just take you through the narrative of events. From 12 January your office is seeking a meeting with the Treasurer's office and the Deputy Premier's office to introduce them to Mr Webster, whom you have endorsed as a person who can go forward in the process. Around 18 January such work to commence those meetings begins. On 25 January your EA sends to the Treasurer's office and the Deputy Premier's office a request for a meeting. The Treasurer responds by asking for a short list.

The Deputy Premier's office notionally agrees to the meeting with Mr Webster, which we don't understand. But then, sometime between 25 January and either 2 February or 18 February, Mr Barilaro has

intervened and sought Mr Cartwright, or at least expressed to Mr Cartwright the fact that this role is available, and Mr Cartwright then decides to enter the process. Now I'm putting to the witness that that looks as though Mr Barilaro got the list, decided something was wrong with it and then decided to fix the problem himself. Do you have any insight?

The Hon. WES FANG: He didn't get the lists. He only got the CV from—

The CHAIR: Mr Fang, excuse me.

The Hon. WES FANG: I'm saying that the premise is wrong. He didn't get—

The CHAIR: Order! No. Mr Mookhey is asking questions. He is putting it to Mr Pratt.

The Hon. DANIEL MOOKHEY: He got the lists. It was sent to him from the Brayford emails.

The CHAIR: Wes, if you could stop interjecting, please.

The Hon. DANIEL MOOKHEY: At any point, did the Deputy Premier alert you to the fact that he had a problem with the process that you were leading and decided that the candidate that you wanted to progress with was inappropriate for the role?

MICHAEL PRATT: Not that I can recall, Mr Mookhey.

The Hon. DANIEL MOOKHEY: When he nominated Mr Cartwright, or at least drew Mr Cartwright's potential candidacy to your attention, did he make reference to the fact that he had met with Mr Webster or he had any contact with Mr Webster?

MICHAEL PRATT: Not that I remember, because I don't remember any specific feedback on Mr Webster, no.

The Hon. DANIEL MOOKHEY: Given Mr Webster has told us that no such meeting ever happened, did the Deputy Premier ever tell you that he didn't want to meet with Mr Webster?

MICHAEL PRATT: No, not that I can recall.

The Hon. DANIEL MOOKHEY: Okay. Thank you. That clarifies.

MICHAEL PRATT: You'd appreciate these are really questions for the former Deputy Premier.

The Hon. DANIEL MOOKHEY: They are. I do, Mr Pratt.

The Hon. WES FANG: Point of order: Again, I am looking at these emails. It clearly says that Mr Pratt's EA sent to Mr Brayford Paul Webster's CV—

The CHAIR: Mr Fang, what exactly is your point of order based on?

The Hon. WES FANG: It's not the list.

The CHAIR: Is it questioning the—

The Hon. WES FANG: Well, the premise of Mr Mookhey's question was that—

The Hon. JOHN GRAHAM: Can I suggest you deal with this by way of questions at the end?

The Hon. SCOTT FARLOW: It's a question to Mr Mookhey.

The Hon. WES FANG: Yes.

The Hon. PENNY SHARPE: Yes, but you don't get to ask Mr Mookhey questions. That's not in the standing orders.

The Hon. WES FANG: But Mr Mookhey put a wrong premise in the question.

The CHAIR: Mr Fang, it's not a point of order—

The Hon. PENNY SHARPE: That's got nothing to do with the standing orders and the way in which the Committee works.

The Hon. WES FANG: I'm taking a point of order to the question.

The Hon. PENNY SHARPE: On what?

The Hon. WES FANG: It's false. It's a false premise.

The Hon. PENNY SHARPE: That's not in the standing orders.

The CHAIR: Order! Members can ask questions as they see fit to the witnesses, Mr Fang. Just because you disagree with the question, that's not a point of order.

The Hon. WES FANG: It's a false premise. The evidence doesn't point to that.

The CHAIR: Order! Mr Mookhey, you can continue.

The Hon. WES FANG: You just can't do that.

The CHAIR: We'll give you 15 minutes at the end and you can go crazy.

The Hon. WES FANG: I don't go crazy.

The CHAIR: Mr Mookhey?

The Hon. DANIEL MOOKHEY: Thank you, Chair. Mr Pratt, can I ask you, did you have any conversations with the Treasurer's chief of staff about any matter to do with the UK agent general?

MICHAEL PRATT: The answer would be yes. Specifically, they would have been general updates, I suspect, Mr Mookhey, from time to time, like I've talked about with the Treasurer.

The Hon. DANIEL MOOKHEY: Was this in the context of a weekly meeting, emails or just casual catch-ups or interactions?

MICHAEL PRATT: A casual catch-up sort of thing, yes. Undoubtedly that subject would have come up.

The Hon. DANIEL MOOKHEY: And do you recall having any conversations with Mr Black sometime between 25 January and—we'll go to 31 March. Any specific conversations?

MICHAEL PRATT: On this matter, no. I mean, I would have had conversations with him. I spoke to him often. But on this specific matter, no recollection, no.

The Hon. DANIEL MOOKHEY: Okay. And do you recall around 25 March Mr Black soliciting any further information around the shortlisted candidates for the UK role?

MICHAEL PRATT: No, I don't.

The Hon. DANIEL MOOKHEY: Okay. Just before we move off those interactions, do you recall any conversation with the Treasurer in which he discussed—again, I know I asked you this before, but I'm going to ask again. Do you recall any specific conversations with the Treasurer in which he discussed any conversations he was having with Mr Barilaro about Mr Cartwright's potential candidacy and/or remuneration?

MICHAEL PRATT: No, I do not.

The Hon. DANIEL MOOKHEY: None?

MICHAEL PRATT: No.

The Hon. JOHN GRAHAM: Nor with Mr Black or the Treasurer's office?

MICHAEL PRATT: No.

The Hon. DANIEL MOOKHEY: Do you mind turning to page 35 to 37 of the tender bundle? We'll pick it up from page 35. Just down the bottom, you can see that there's a correspondence from Mr Cartwright to Dr Broadbent. Do you see that?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: You've seen this email before, haven't you?

MICHAEL PRATT: Possibly, Mr Mookhey. I'm just scanning it now to see if I recognise it.

The Hon. DANIEL MOOKHEY: It's over page 35 and 36. But if you need to, obviously, have a look at it.

MICHAEL PRATT: I'm not sure if I've seen it, but I'm reading it. I've scanned it, Mr Mookhey. I'm happy to take questions.

The Hon. DANIEL MOOKHEY: Over page 35 and 36?

MICHAEL PRATT: Page 36, yes.

The Hon. DANIEL MOOKHEY: Great. You can see this is an email that—well, if you go from page 36 to 37, you can see the context by which it happens. But, in effect, to cut a long story short, the panel interviews Mr Cartwright on the thirtieth. It's decided that Mr Cartwright is a candidate. I think you instruct Dr Broadbent to immediately—or at least the panel does—let Mr Cartwright know. And you can see Dr Broadbent does that at 9.42 p.m. that day, to which Mr Cartwright replies the next morning at 9.47 a.m. setting out this email, which says—there are a few relevant sections:

When the Deputy Premier first asked me to consider the role back in early Feb, he and I had a very open and frank discussion about my circumstances (i.e I have been on a package of over \$800k for some years and have made financial commitments accordingly) and about his view that the current package on offer was not attracting the right calibre of candidate. Apart from improving the base package ... he indicated (privately of course) that he and the Treasurer had reached an agreement that the cost of suitable family accommodation

—and other matters—

could be taken care of by the NSW Govt outside of the salary package.

He also goes on to talk about school fees, as well as other matters to do with his remuneration. Were you aware that the Deputy Premier was having such conversations with Mr Cartwright?

MICHAEL PRATT: No.

The Hon. DANIEL MOOKHEY: Did he disclose that to you?

MICHAEL PRATT: No, not that I can recall at all. I would recall that specifically, I think, if he did.

The Hon. DANIEL MOOKHEY: When you saw this email, do you recall thinking, "Gee, I should maybe talk to the Treasurer about whether he agrees with all this"?

MICHAEL PRATT: Well, I'm not sure I've actually seen the email, Mr Mookhey, but—

The Hon. DANIEL MOOKHEY: I can take you now then to page 34.

MICHAEL PRATT: I'm happy to comment on it.

The Hon. DANIEL MOOKHEY: We'll stay on page 35; let's just work up. You can see that Dr Broadbent forwards this to Ms West the next day—actually the same day. At 9.47 a.m. Dr Broadbent gets it. Less than an hour later, she forwards it to Ms West. Do you see that?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Then just go forward to page 34. Ms West gets the email at 10.28 a.m. and she has forwarded it to you and Mr Reardon nine minutes later, at 10.37 a.m. Do you see that?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Then you reply an hour later. You say:

Thanks Jenny, please sit down with Stephen and get clarity on his requirements, then draft a package together for us to review. As discussed last night I do not believe his expectations (that I am aware of) are unreasonable in these circumstances but need to package up and look at overall ...

Do you see that?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: So, Mr Pratt, I infer from that that you had seen the email and that you replied to it.

MICHAEL PRATT: Yes, and I would have seen it. That's the case, yes.

The Hon. DANIEL MOOKHEY: Then, in addition to that, you would have had a discussion with Ms West the night before about the salary package.

MICHAEL PRATT: I don't know that I would have, but that is possible.

The Hon. DANIEL MOOKHEY: It says, "As discussed last night".

MICHAEL PRATT: Yes, that's possible, yes.

The Hon. DANIEL MOOKHEY: You also had a view that his salary package was not unreasonable in these circumstances.

MICHAEL PRATT: I might just add that we'd gotten to no detail at that point. The comments that I make here are in the context of understanding an expatriate package where you can go bottom up, base in country

and then load it, or you can go full expat package—in this case, in sterling. My comment saying it's not unreasonable is—I think he was asking for education support and housing support at some point. My comment reflects those. Not specific—

The Hon. DANIEL MOOKHEY: It might be that the package itself wasn't unusual, but you would agree that the process is certainly unusual. You can see on the email that the Deputy Premier is, apparently, according to Mr Cartwright, negotiating directly about what Mr Cartwright should get paid.

MICHAEL PRATT: Well, he shouldn't have been doing that, clearly.

The Hon. JOHN GRAHAM: Including with the Treasurer.

The Hon. DANIEL MOOKHEY: Mr Cartwright is invoking the fact that there is a private agreement, that he and the Treasurer had reached an agreement and that the cost of suitable family accommodation could be taken care of outside of the package.

MICHAEL PRATT: Well, I wasn't a party to that.

The Hon. DANIEL MOOKHEY: Yes. There is no suggestion that you were, Mr Pratt.

MICHAEL PRATT: This goes to my earlier point about interference. This would have gone, I expect, through the normal process. I would have had to have signed off the package offered to Mr Cartwright in due course, which I hadn't seen.

The Hon. JOHN GRAHAM: But you can see the concern here that you're in this email chain that details a private agreement between the Deputy Premier and the Treasurer. You're here, in this email chain, saying the expectations aren't unreasonable. Would it have been reasonable for there to be this private agreement between the Deputy Premier and the Treasurer about this remuneration, in your view?

MICHAEL PRATT: I can't comment, obviously, on what occurred between them both, Mr Graham, but I think you'd appreciate, as the chair of the panel, I would have expected to be leading that discussion and putting that package together.

The Hon. JOHN GRAHAM: I take your answer to say it would not be reasonable for senior Ministers to come to that agreement.

MICHAEL PRATT: Without me present. They may have just been having a discussion about what they thought. I don't know how concrete that would have been, but, at some point, it would have had to have come back to me to put together.

The Hon. DANIEL MOOKHEY: But again, Mr Pratt, it's more than a conversation. The Deputy Premier, according to Mr Cartwright at least, thinks that the current package on offer was not attracting the right calibre of candidate and, apart from improving the base package—you mentioned low fives—he indicated privately, of course, that he and the Treasurer had reached an agreement. That goes a lot further. That's actually quite a stark thing for a person to be saying to a candidate who is not yet even in the race.

MICHAEL PRATT: Mr Mookhey, this is my point. I've had a huge amount of experience in expatriate management. I've been an expat myself three times. I know how these packages work and the structure of this. I think, somewhere in papers, you will find that we talked about a 450 base or thereabouts. My opinion of this package is that it should have been that you keep the base relative to Australian conditions because, at some point, Mr Cartwright might come back to a role here. For example, you don't pay him 800 in base; you pay him a lower amount and then you top up in other benefits. And that would have had to have come to me. It's inappropriate that the Deputy Premier is discussing remuneration because he wouldn't know, frankly.

The Hon. DANIEL MOOKHEY: It is inappropriate, though?

MICHAEL PRATT: It is inappropriate, yes. Well, he can have a discussion but, if he's making commitments to the candidate, that is completely inappropriate.

The Hon. JOHN GRAHAM: This email shows that Mr Cartwright believes a commitment is made. It shows that the Deputy Premier and the Treasurer had reached an agreement that the cost of suitable family accommodation in an inner suburb of London could be taken care of by the New South Wales Government. That's inappropriate, isn't it, Mr Pratt?

MICHAEL PRATT: And that's my point, Mr Graham. It was never discussed with me.

The Hon. JOHN GRAHAM: Looking at it now, it's clearly inappropriate, given the framework you established.

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: When you saw this email, did it register with you that that may have been inappropriate?

MICHAEL PRATT: It probably didn't, in the terms that we're talking about now, because I felt, rightly, that I was in control of the process, and it would have had to have come through me anyway, Mr Mookhey. So I don't think I responded to that, in that context.

The Hon. DANIEL MOOKHEY: But you lose control of the process on 1 April, don't you?

MICHAEL PRATT: Yes, I do. It goes to DPC.

The Hon. DANIEL MOOKHEY: So, the day before you lose control of the process, you're saying that you don't think it's unreasonable. Did you know that you were losing control of the process the next day?

MICHAEL PRATT: Yes, I did because it was 8 March when I got the email, in estimates, as I said earlier, and 1 April was the effective date.

The Hon. DANIEL MOOKHEY: Did you meet with Ms Brown after that to do a handover?

MICHAEL PRATT: Ms West did.

The Hon. DANIEL MOOKHEY: Ms West moved.

MICHAEL PRATT: And then she moved.

The Hon. DANIEL MOOKHEY: But did you ever tell Ms Brown that you thought that these expectations were not unreasonable?

MICHAEL PRATT: Not that I can recall, no. I left that to Ms West.

The Hon. DANIEL MOOKHEY: Because, equally, at the time that this was happening, were you aware of whether or not the job description required the agent general to be reporting to you directly?

MICHAEL PRATT: Yes. This wasn't absolutely set in concrete, but it was certainly the position that I wanted. The reason I wanted that was—because these roles were so important, I wanted to give them the status that they deserved and particularly these two. One, because of UK history. But with Japan—you're probably aware there are many Japanese investors that want to get into New South Wales, and I wanted to make sure I gave Mr Newman the best opportunity to deliver that. So that was the logic behind it, Mr Mookhey. It wouldn't have been forever, but I felt, if you bury these roles in the hierarchy, they're not going to get the job done that we needed.

The Hon. DANIEL MOOKHEY: Did you meet with Mr Cartwright on 19 February?

MICHAEL PRATT: I don't know. I said I had a coffee with him. It may have been around that time.

The Hon. DANIEL MOOKHEY: Mr Cartwright says:

On 19 February 2021 I had a previously postponed a coffee catch-up with Treasury Secretary Mike Pratt to seek his advice on my broader career opportunities. I had served under Mr Pratt on the advisory board of Service NSW for four years and held him in very high regard, so I was seeking his advice on career options that I was considering.

That accords with your recollection.

MICHAEL PRATT: That would be the date then, if Mr Cartwright is saying that, yes.

The Hon. JOHN GRAHAM: It's referred to in this email as well.

The Hon. DANIEL MOOKHEY: To be fair to you, Mr Pratt, I have actually excerpted Mr Cartwright's opening statement and various other points in which he makes reference to you, which are in the tender bundle from page 49 to 52—just the relevant sections of Mr Cartwright's evidence as it effects you. Mr Cartwright says that, during this discussion, he asked you about the UK agent general role and that you gave him some general information about the role. Does that accord with your recollection?

MICHAEL PRATT: Yes, it does, yes.

The Hon. DANIEL MOOKHEY: And that you encouraged him to throw his hat in the ring. Do you recall encouraging him to throw his hat in the ring?

MICHAEL PRATT: It's likely I did, but this would have been in the context of the Deputy Premier suggesting to him that he basically look at the job. So he was probably reaffirming that to me, at which point I would have said, "I'd encourage you to go through the headhunter."

The Hon. JOHN GRAHAM: When you say "reaffirming", were you aware of that on 19 February when you met with him?

MICHAEL PRATT: Look, I can't recall, Mr Graham, but he may well have said that to me, because it would have been the prior two days, right?

The Hon. JOHN GRAHAM: Yes, and his evidence was that he did in fact say that.

MICHAEL PRATT: Right, okay.

The Hon. DANIEL MOOKHEY: Did you tell him that you thought he would be a great candidate?

MICHAEL PRATT: It's highly likely I did, yes.

The Hon. DANIEL MOOKHEY: And was that appropriate?

MICHAEL PRATT: Well, it was a discussion about his career and his options. I don't think it was inappropriate because I certainly wasn't saying, "You have a leg up for the job." I said to him, "You've got to go through the headhunter and the process."

The Hon. DANIEL MOOKHEY: Okay. Did you disclose to the other panel members on 30 March that you'd had this coffee with Mr Cartwright in which you said he would be a great candidate?

MICHAEL PRATT: I'm sure I did, because we discussed his entry into the process.

The Hon. DANIEL MOOKHEY: But you don't think that necessarily constituted a conflict that you had to disclose and put a formal declaration into?

MICHAEL PRATT: Well, I mean, I would have disclosed that I had met with him, I'm sure, Mr Mookhey, but I don't have that detail.

The Hon. DANIEL MOOKHEY: There's no written record of any such disclosure being made. So you are recalling that you think you did?

MICHAEL PRATT: That's correct.

The Hon. DANIEL MOOKHEY: Mr Pratt, the reason I ask you is because one of the key criticisms that was then made of Ms Brown at a later process was that she didn't disclose all contact with candidates in the course of this process with her panel.

MICHAEL PRATT: Right.

The Hon. DANIEL MOOKHEY: And that was a point of criticism that the Public Service Commissioner made to us in reflecting on the process, as well as—to be fair, the Head review identified this as a key concern that had some serious consequences. Hence, I'm asking you as well. It does look as though perhaps you had a meeting with Mr Cartwright. I accept that you may recall that it did, but there's no record of any declaration or any disclosure being made. At this meeting you apparently did say that this person would be a great candidate. Do you think that there was a need for a formal disclosure and a formal declaration?

MICHAEL PRATT: Look, because it's not in the minutes doesn't mean it didn't happen, of course. And Mr Cartwright was known to all three panel members quite well, as you would appreciate.

The Hon. DANIEL MOOKHEY: But I don't believe Mr Reardon had any coffees with Mr Cartwright. And to be fair to Mr Smith, he says to us that the only contact he had with Mr Cartwright was in 2019, which was well before. It seems like you were the only panel member who had this happen. I appreciate that you may recall, but you would also be aware that under the various conflict-of-interest policies and declarations, there is a difference—that there is a requirement every now and then for these formal disclosures.

MICHAEL PRATT: Yes, absolutely, and I'm strong on that, Mr Mookhey. I mean, I—

The Hon. DANIEL MOOKHEY: Do you think, in retrospect, maybe you should have formally declared it?

MICHAEL PRATT: Well, it's highly likely I did but it's not recorded. Because, I mean, if I go back to on what basis did I introduce Mr Cartwright to the panel, then one would be the Barilaro referral. But, secondly, it's highly likely I would have said, "I've just had a coffee with him."

The Hon. DANIEL MOOKHEY: Do you recall telling the panel that Mr Barilaro was the person who caused Mr Cartwright to enter the process?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: And, again, did that create any concern amongst the panel members?

MICHAEL PRATT: None that I can recall, no.

The Hon. DANIEL MOOKHEY: Okay. Did Mr Cartwright disclose to you that he had met with Mr Barilaro the day prior to your coffee and the day prior to that?

MICHAEL PRATT: I can't recall, but it's likely he did, because he was asking me about the role. So it's likely he did mention that.

The Hon. DANIEL MOOKHEY: So Mr Cartwright has two meetings over two consecutive days and then meets with you the next day, over the course of the three days. I can only presume that no other candidate that you were aware of was meeting with Mr Barilaro?

MICHAEL PRATT: Not that I'm aware of, no.

The Hon. DANIEL MOOKHEY: And no other candidate or potential candidate at this point in time was meeting with you?

MICHAEL PRATT: No.

The Hon. DANIEL MOOKHEY: Do you see how perhaps that does look like there's a special process in place for Mr Cartwright, which is outside the standard process?

MICHAEL PRATT: I can see how you might read it that way, Mr Mookhey, but—

The Hon. DANIEL MOOKHEY: Why shouldn't we conclude that there was a special process for Mr Cartwright?

The Hon. WES FANG: Well, he was trying to answer that before you cut him off.

The Hon. DANIEL MOOKHEY: Sorry, Mr Pratt. I didn't mean to cut you off.

MICHAEL PRATT: That's alright. No, that's okay. Well, as I've indicated earlier, he was referred into the process and it was made clear to the DP that he was to have no engagement in the assessment process. And to my knowledge, he absolutely honoured that. I don't—certainly not with me. You'd have to ask Mr Reardon and Mr Smith but, knowing the character of those gentlemen, I suspect that was the same answer.

The Hon. JOHN GRAHAM: Who made it clear to the Deputy Premier that he was to have no input?

MICHAEL PRATT: That would have been Ms West, in her role.

The Hon. JOHN GRAHAM: And when did that occur?

MICHAEL PRATT: That would have been at the point of referral—whatever date that would have been.

The Hon. JOHN GRAHAM: Was that statement made, in part, because of a fear that the Deputy Premier may become involved?

MICHAEL PRATT: I guess the answer is yes, Mr Graham, but it goes to Mr Mookhey's earlier comment that I was determined for these appointments not to be political and that we get the right person for the job.

The Hon. DANIEL MOOKHEY: Is there any other point you would like to make around whether or not we should conclude that there was a special process in place for Mr Cartwright that was caused by the Deputy Premier?

MICHAEL PRATT: I can say, Mr Mookhey, from my perspective, there was no special process. Once he was in the panel assessment, he was treated like anyone else. Whether there was something occurring on the political side, as you'd appreciate, I really don't know. I can't comment on that.

The Hon. DANIEL MOOKHEY: The evidence is that the process was pretty advanced with Mr Webster—almost concluded. That's fair?

MICHAEL PRATT: No. It was certainly down the chain of approvals, but we hadn't satisfied ourselves, as a panel, on the gaps in Mr Webster for the job—which was at that strategic level, which Mr Cartwright clearly had.

The Hon. PENNY SHARPE: The panel isn't meeting a lot, and we don't have any documentation, so I accept that there are discussions within the panel. There's no problem there, but I'm just trying to understand. The documentation shows that meetings were being held and discussions about remuneration and the role with

Mr Webster are there. There is documentation that suggests that you had a conversation with him at one point that had indicated that he was the preferred candidate at that time. What was the committee doing? Were you just waiting for another person to appear? Given you had concerns—you're saying that Mr Cartwright only got in here because of Mr Barilaro. There is a disconnect here about how far that was progressing. But what were the active steps being taken by the panel or the recruiter to fill that gap that you say was in the minds of the panel? Can you take us through that?

MICHAEL PRATT: At the time we had put in process—and I think the Jenny West documentation and the emails referred to with Ms Harrison show that—setting up interviews with the Premier, Deputy Premier and Treasurer. We were waiting for those to take place and then for that discussion. What would have then happened is we would have gathered that feedback from those three interviews back to the panel and had that discussion around whether, in fact, Mr Webster could deal at that stakeholder level—at the strategic level—based on the feedback. We never got that feedback.

The Hon. DANIEL MOOKHEY: But then, rather than pushing for why such feedback wasn't provided—after Mr Barilaro then nominates Mr Cartwright to enter the process—the whole process is then diverted towards assessing Mr Cartwright's candidacy, as opposed to completing the assessment of Mr Webster, according to your version of events.

MICHAEL PRATT: Well, we still two had candidates in play.

The Hon. DANIEL MOOKHEY: But it looks like Mr Webster was taken out without even having a chance to demonstrate his gravitas with the Treasurer, the Deputy Premier or the Premier, and it looks as though you took no steps to make sure that Mr Webster was given that opportunity.

MICHAEL PRATT: As I said earlier, the panel had concerns around his absolute fit for the role, and we found a candidate that fitted that criteria very well. That was our primary responsibility, Mr Mookhey. It was not the politics involved. It was, rather, we now had a candidate who, in our opinion, as a panel, was more than capable of doing this job.

The Hon. DANIEL MOOKHEY: But you authorised Ms West to go forward with Mr Webster. You met with Mr Webster. You also authorised, Mr Pratt, to commence salary negotiations or start looking at remuneration packages et cetera with Mr Webster, didn't you?

MICHAEL PRATT: I did, because at that point in time he was our lead candidate. So, as you would expect, I was not wanting to kill that application at that point, because we didn't have anyone else in the chain.

The Hon. DANIEL MOOKHEY: Okay. Let's just do this relatively quickly. You can see on page 6 of the tender bundle—go to 2 December 2020. You can see this is correspondence from Dr Broadbent to Ms West in which Dr Broadbent says:

The key recommendation is that Paul Webster is the strongest candidate. He has a highly relevant background for the role, the right level of experience, a very good mix of commercial and government experience, and strong networks in the UK and Europe.

You see that?

MICHAEL PRATT: I do.

The Hon. DANIEL MOOKHEY: And then if we go forward to page 5, you can see Ms West forwards it to you and says:

As discussed, please find attached the final recommendation ...

Do you see the words "final recommendation"?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: She says:

I have interviewed Paul Webster who was very strong ...

Do you see that?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Go up the email. You can see Ms West emails you four days later again. It says:

Mike

Further to this email. Paul Webster is now the final preferred candidate.

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: And then you can see that they start to organise a meeting for 7.45 a.m. for 15 minutes on Tuesday 22 December?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: And then, if we were to go to page 16 and page 17—we'll start on page 17. You can see that Dr Broadbent is forwarding Ms West conversations, and she says:

Paul was very pleased with the session with Mike P

—which I think is you—

and Paul understands the time frame. I think hearing from Mike that he was the preferred candidate was great.

So you did tell Mr Webster that he was the preferred candidate, didn't you?

MICHAEL PRATT: Well, I would question that. As I've indicated earlier, I would have said "lead candidate". I would question that terminology.

The Hon. DANIEL MOOKHEY: Okay. Well, you said to him that he was the lead candidate?

MICHAEL PRATT: At the time, yes, he was—23 December.

The Hon. DANIEL MOOKHEY: But you agree that the meeting went well?

MICHAEL PRATT: He was the lead candidate at that point in time.

The Hon. DANIEL MOOKHEY: Well, you dispute whether or not you said "lead" or "preferred", but Dr Broadbent at least—her email is unambiguous. She says "preferred".

MICHAEL PRATT: Well, she wasn't a party to that conversation, I assume, so if that call took place—and I can't verify that it did, but if it did—she wasn't on the line, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Well, she tells us on page 56 of your tender bundle, which is the transcript—I ask her:

At this point in time Mr Pratt, Mr Reardon and Mr Smith had already agreed that Paul Webster was the preferred candidate?

And she goes:

There was a draft panel report to that effect.

It's more than just her saying it. She says she drafted a panel report—which, to be frank, we're still trying to get our hands on as well—so it's more than just "lead candidate". There was a draft panel report that had decided that Mr Webster was the preferred candidate, wasn't there?

The Hon. SCOTT FARLOW: Draft.

The Hon. DANIEL MOOKHEY: Yes, fine—draft.

MICHAEL PRATT: Well, I don't know. But, as I've indicated, at that point he was the lead candidate for this role. And naturally I was progressing it because, other than the concerns I had about him, we had to get that verified.

The Hon. DANIEL MOOKHEY: Well then, if we turn to page 12, you may have had concerns. But on the twenty-second, which, to be fair, is the day before Dr Broadbent is reporting on the fact that Mike is the preferred candidate—sorry, that you've told Mr Webster that he is the preferred candidate. The day before, you authorised Ms West to proceed with Paul. Do you see that on page 12?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: And you say:

After Christmas —

- 1st interview with Treasurer
- Then Premier and Deputy Premier separately in whatever order you can arrange ...

—and that this may all take two months. So when you authorised Ms West to proceed with Paul, did you tell her, "But, by the way, there's this chance we still might be looking for someone else"?

MICHAEL PRATT: It's highly likely she would have been in the panel because she was the secretariat, so she would have been a party to those discussions.

The Hon. DANIEL MOOKHEY: What did you expect her to do, given you're telling her to move ahead with Paul and schedule a first interview with the Treasurer, Premier and Deputy Premier, but on the side, in the event that out of nowhere someone else comes back, the entire process would be upended? How was she meant to action that?

MICHAEL PRATT: Well, at that point she was writing to me saying, "Can we go ahead in the process?" I've given her approval to do that, and that was the interviews that we've already talked about at length, with the Premier, Deputy Premier and Treasurer. He was the lead candidate, so this is absolutely the right thing to do.

The Hon. DANIEL MOOKHEY: If you turn to page 13, you can see that there is another email that you sent to Ms West and cc'd to your PA in which you say:

Thanks Jenny, next step brief to Treasurer and set up interview towards the end of January on his return.

Do you see that?

MICHAEL PRATT: Yes.

The Hon. DANIEL MOOKHEY: Were you having conversations with the Treasurer at the time that Mr Webster—or did you disclose to the Treasurer at any point, sometime between December and February, that a request is going to come to you to meet with a guy called Paul Webster for the agent general role?

MICHAEL PRATT: I can't recall, but it's likely I did, and then I'm asking Ms West here to progress that.

The Hon. DANIEL MOOKHEY: But Dr Broadbent goes on to tell us in her evidence that she actually does commence quite advanced salary negotiations with Mr Webster, and that Mr Webster's expectations are far more in line with the standard package rather than the package that is eventually agreed to with Mr Cartwright. Given that you have authorised Ms West to start looking at a remuneration package, it's clear that it is not the case that Mr Webster was just a lead candidate. You had authorised your officials to take some very serious steps to make sure he becomes the agent general, correct?

MICHAEL PRATT: When we were ready to make an appointment, I wanted to make sure that we had all these basic steps in place. That comment around remuneration indicates more about remuneration structure than a specific offer. That was not about let's put together a base and benefits and whatever. It's the structure of the package, Mr Mookhey, that I was wanting to get underway. To the best of my knowledge—and you'd have to ask Ms West this—I certainly did not authorise Ms Broadbent to start discussing remuneration detail with Mr Webster.

The Hon. DANIEL MOOKHEY: I'll close with this, Mr Pratt. Isn't the better interpretation of events that, as secretary, you caused your department to run a fair and independent process, that led to the selection of Mr Webster as a preferred candidate, Mr Webster's candidacy was killed after Mr Barilaro got himself involved, and then Mr Cartwright walked away with the job?

MICHAEL PRATT: Well, that's you joining the dots in terms of how you see it, Mr Mookhey. From my perspective, I would say we had a thorough process. We looked at Mr Webster's strength and where the gaps were. We then found a candidate that met those gaps and was a very good appointment. What's interesting now—and I'm sure you get the feedback. What I'm hearing in the UK is that Mr Cartwright is doing exceptionally well, and Mr Webster, in fact, has joined as his number two. I have to say to you, Mr Mookhey—

The Hon. DANIEL MOOKHEY: I'm not getting the first feedback. I am getting good feedback about Mr Webster.

MICHAEL PRATT: I'll just make a side comment, but this actually fits the panel's view of both gentlemen. Mr Cartwright is much more strategic, operating at that stakeholder level. Mr Webster is excellent operationally with his trade administration.

The Hon. JOHN GRAHAM: Mr Pratt, can I just put one final question to you about that 19 February Stephen Cartwright meeting. I just want to put it to you again because it wasn't quite clear as we were talking before. Was that the first you had heard of Mr Cartwright's interest in the role, on 19 February?

MICHAEL PRATT: As far as I can recall, yes, Mr Graham.

The CHAIR: That is the end of questions from the Opposition. Are there questions from Government members?

The Hon. SCOTT FARLOW: You outlined both that the panel had "concerns around the absolute fit for the role" of Mr Webster and also that the panel weren't satisfied on the gaps that Mr Webster had, especially at a strategic level—and those that Mr Cartwright had, indeed. Was that something you ever expressed to either the Treasurer, the Deputy Premier or any other member of elected Government?

MICHAEL PRATT: Not that I can recall, no. It was really an internal panel discussion at that level.

The Hon. SCOTT FARLOW: Did the panel ever make a final determination to recommend to Cabinet the appointment of Mr Paul Webster?

MICHAEL PRATT: Not that I'm aware of, no.

The Hon. SCOTT FARLOW: When it comes to the consideration of Mr Cartwright and when Mr Barilaro raised that with you, at that point, did he insist that Mr Cartwright be considered, or was it just offered to you as an option for the panel potentially?

MICHAEL PRATT: I'm sorry, Mr Farlow, I can't remember exactly how that was positioned, but it was certainly the DP that referred him into the process.

The Hon. SCOTT FARLOW: With respect to the pay and conditions of Mr Cartwright, were you ever instructed by the then Treasurer, now Premier, to alter the package that was on offer when it came for remuneration?

MICHAEL PRATT: No, I wasn't. In fact, I had no involvement in Mr Cartwright's package. The panel role ended when we recommended him and Mike Newman for Japan. That was passed to DPC and Investment NSW to then negotiate those details. I think the only interaction I had was, Mr Farlow, at one point I might have asked, "How's it going?", because I was interested in the overall strategy being delivered. But I didn't play any role in the remuneration discussions, no.

The Hon. WES FANG: Thank you for making yourself available today. I know Mr Mookhey took you through the tender bundle and took you to parts of the evidence—I think it was around February—when there was an expectation that the Treasurer and the Deputy Premier would meet with the lead candidate, being Mr Webster. Mr Mookhey put to you that Mr Barilaro had received the list, which I will note was only Mr Webster's CV and not the actual preferred candidates' CVs, as the Treasurer had received—that was a different email—and that there was a question around the way in which the Deputy Premier had engaged with you after that. In relation to Mr Webster, Mr Mookhey put it to you that Mr Barilaro had determined that he wasn't the right candidate for the job; that was the way he phrased one of the questions. But he didn't actually meet with Mr Webster. We established that. Is that your understanding as well?

MICHAEL PRATT: As far as I know because I didn't receive any feedback.

The Hon. WES FANG: Is it reasonable that Mr Mookhey's assumption that Mr Barilaro had determined that Mr Webster was not the right candidate is, perhaps, a determination a bit too far to be made using the evidence because at no time did Mr Barilaro meet with Mr Webster in the capacity where he was the lead candidate?

MICHAEL PRATT: Well, if Mr Barilaro made that determination, obviously it would have needed to be a desktop analysis, not by interview. I don't know, as I said, whether he actually interviewed him or not, but it would have been on the paperwork that we would have sent through.

The Hon. WES FANG: I'll put it to you then that Mr Barilaro didn't meet with Mr Webster. Mr Barilaro didn't determine that Mr Webster was an unsuitable candidate. I'll put it to you—

The Hon. PENNY SHARPE: He just picked another one.

The Hon. WES FANG: Chair, I'll note that there was much mirth when, perhaps, I might have made some interjections. However, the Leader of the Opposition seems to do so.

The CHAIR: Keep going, Mr Fang. It was one interjection. I was waiting to see what happened and it stopped and so did you, but, if you could just continue your line of questioning, we'll be fine.

The Hon. WES FANG: Mr Pratt, I put it to you that Mr Barilaro didn't do any of those things, that Mr Barilaro found a candidate that would meet a lot of the requirements and, knowing that the process hadn't finished, suggested that he undergo the process as well, and that was in order to provide New South Wales with the best strategic person in that role. Would that be another assumption that could be made out of the evidence?

MICHAEL PRATT: Well, it's related to Mr Mookhey's earlier question to me where we chose to both disagree on this point, but the panel's role was to get the best candidate. I had no issue with Mr Barilaro

recommending him into the process, provided he had no role in that process, and to the best of my knowledge he did not.

The Hon. WES FANG: So the panel that interviewed the initial short-listed candidates for the role is the same panel that interviewed Mr Cartwright for the role.

MICHAEL PRATT: That's correct.

The Hon. WES FANG: In that circumstance, those panel members determined that Mr Cartwright was a more suitable candidate than Mr Webster, given the same process of selection.

MICHAEL PRATT: That's correct.

The Hon. WES FANG: In that circumstance, has anybody that you're aware of questioned the make-up of the selection panel or the integrity of the process of that interview and screening that occurred to provide the preferred candidate being Mr Cartwright?

MICHAEL PRATT: Not that I'm aware of, no.

The Hon. WES FANG: In much the same way that Mr Barilaro underwent an independent selection process in order to be provided the STIC Americas role, Mr Cartwright, while he may have been put forward by the Minister at the time, was still required to undergo that same independent selection process and came out as the preferred candidate.

MICHAEL PRATT: That's correct. There was no change in the process, no.

The Hon. WES FANG: There was no political interference?

MICHAEL PRATT: Absolutely none. Well, in respect to me, you'd have to ask Mr Reardon and Mr Smith that but, as I indicated earlier, knowing those gentlemen well, I suspect no.

The Hon. WES FANG: Nobody that you're aware of has put that proposition that there's been any political interference with those gentlemen.

MICHAEL PRATT: No.

The Hon. WES FANG: In relation to Mr Webster, did he sign a contract?

MICHAEL PRATT: No, I don't think any offer was ever made to Mr Webster.

The Hon. WES FANG: A final offer was never made and no contract was signed.

MICHAEL PRATT: In fact, I don't think there was any draft offer at all either.

The Hon. WES FANG: While the process was continuing—that he was initially the lead candidate and there were mechanisms being actioned to continue that selection process—the process was still open. There was a candidate that was put forward that had excellent experience within New South Wales and also wider geopolitical, I guess, business dealings. The process being open, that person was allowed to undertake the same process.

MICHAEL PRATT: That's correct.

The Hon. WES FANG: No preferential treatment was given to that candidate.

MICHAEL PRATT: No.

The Hon. WES FANG: Going to the point that Mr Mookhey made, if a similar candidate, of a similar calibre, had approached you directly, as opposed to having that conversation with the trade Minister—which, being the trade Minister, you can understand there is that stakeholder engagement at that level—would you have provided them the opportunity, as well, to have undergone the whole process as Mr Cartwright did?

MICHAEL PRATT: I would have taken it to the panel, as I did with Mr Cartwright, and discussed it at the panel and then made a decision together on that basis, which is what we did with Mr Cartwright.

The Hon. WES FANG: The premise that's been put forward by the Opposition, that this was the direction of the Deputy Premier and that he was given preferential treatment, is perhaps not supported by the evidence and also fails to acknowledge that there would have been a similar process for a similarly suitable candidate.

MICHAEL PRATT: I could only talk about the process we adopted and, as I've said a number of times, it was not a political involvement at that level.

The Hon. WES FANG: So no other senior suitable candidate actually inquired. That's the only reason why Mr Cartwright was the only person—

The Hon. PENNY SHARPE: Not many people can get a coffee with Mr Pratt.

The CHAIR: Order! Mr Fang will not respond to the interjection.

The Hon. PENNY SHARPE: I apologise.

The Hon. WES FANG: It's purely just the case, isn't it, Mr Pratt, that nobody else had sought the opportunity to actually undergo the whole process as Mr Cartwright did?

MICHAEL PRATT: No, but as I indicated earlier, at an earlier stage of the process there were others that inquired about the role, as would be expected, but didn't progress.

The Hon. WES FANG: I note that the Opposition was, in a roundabout way, being critical of you and perhaps suggested that it was inappropriate for you to meet with stakeholders.

The Hon. PENNY SHARPE: No, none of us are saying that.

The Hon. WES FANG: No, Mr Mookhey actually did use the word "inappropriate" about—

The Hon. PENNY SHARPE: He asked him.

The Hon. WES FANG: Mr Pratt, could you perhaps provide a little bit more context about this because, certainly, I would consider that it's actually part of the role to have that stakeholder engagement, particularly with senior business leaders around the State and, indeed, across the country. Was it unusual for you to do this? Was it outside the norm? Would you consider it inappropriate?

MICHAEL PRATT: No, in fact, I would argue strongly that one of the reasons we got through COVID with the economy intact was the business relationships that I and Treasury had developed with the business sector. Mr Farlow was a part of that, at the time, on a lot of the calls that we did.

The Hon. WES FANG: I'm sure he was a very strong part of it. He's a very good operator.

MICHAEL PRATT: I don't see, to your question, how you could become the secretary of Treasury without having those relationships. It is fundamental to market understanding and government borrowings and a whole range of things. It was not unusual for me to meet any number of these people every week.

The Hon. WES FANG: In circumstances where the Opposition would perhaps suggest that it's inappropriate that you have these stakeholder engagements, would that perhaps draw into question their ability to govern, given that they seem—

The Hon. PENNY SHARPE: Tell us what you really think, Mr Pratt.

The Hon. WES FANG: No, he's a private citizen now. He can provide commentary.

The Hon. PENNY SHARPE: He can provide commentary. Go ahead. We welcome feedback.

The Hon. WES FANG: Is it perhaps a sign that they are just not suitable to govern, given that they have clearly devalued the government-stakeholder relationship, where the secretary can't have a coffee with the leader of Business NSW.

MICHAEL PRATT: I'm clearly not going to comment on that. All I would say is that I've had many interchanges with Mr Mookhey over the years and I respect him highly. He is very diligent in what he does, as are members of Parliament that I have worked with on both sides of the House.

The Hon. WES FANG: If I see you in a diplomatic role in future, Mr Pratt, I won't be surprised.

MICHAEL PRATT: I'm under oath and I'm telling you how I see it.

The CHAIR: With that last question we have come to the end of this session and today's hearing. Thank you, again, Mr Pratt, for agreeing to appear today. No questions were taken on notice.

(The witness withdrew.)

The Committee adjourned at 10:57.