

REPORT ON PROCEEDINGS BEFORE

PUBLIC ACCOUNTABILITY AND WORKS COMMITTEE

**INQUIRY INTO INTEGRITY, EFFICACY, AND VALUE FOR MONEY
OF THE LOCAL SMALL COMMITMENTS ALLOCATION PROCESS**

UNCORRECTED

At Jubilee Room, Parliament House, Sydney, on Friday 28 March 2025

The Committee met at 11:15.

PRESENT

Ms Abigail Boyd (Chair)
The Hon. Mark Buttigieg
The Hon. Dr Sarah Kaine
The Hon. Mark Latham
The Hon. Sarah Mitchell
The Hon. Peter Primrose
The Hon. Chris Rath (Deputy Chair)

The CHAIR: Welcome to the third hearing of the Committee's inquiry into the integrity, efficacy and value for money of the Local Small Commitments Allocation process. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects 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 or watching us online.

My name is Abigail Boyd and I am the Chair of this Committee. I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures.

The Hon. BOB NANVA, Member of the Legislative Council, before the Committee

Mr DOMINIC OFNER, General Secretary, NSW Labor, sworn and examined

The CHAIR: Would either of you like to make a short opening statement?

The Hon. BOB NANVA: I sincerely thank the Committee for the invitation to talk to this inquiry. I am in something of a unique position, given that I'm a member of the Legislative Council, but I am appearing here because of my former role as general secretary of NSW Labor and my involvement in the 2023 State election campaign. In that sense, I intend to be candid and frank in my comments today, while respecting the constructive working relationships with other members of the Committee. I want to say up front that as campaign director I was focused on delivering the overall campaign. It is important to understand the nature of my role as the head of the administrative branch of the party and the delineation of roles between the administrative and parliamentary parties. Essentially, I was directly responsible for the campaign strategy and framework, voter persuasion, operations and logistics, fundraising and budgeting, and regulatory and compliance matters. Policy matters, including local commitments, rightly fell within the remit of the parliamentary party. Nevertheless, I will do my best to answer your questions and to discuss some of the issues that this Committee has brought forward.

DOMINIC OFNER: Thank you, Chair, and thank you to the Committee for the invitation to appear this morning. I'm very happy to assist in whatever way I can with the questions that you wish to ask. I do want to acknowledge at the outset that I appreciate that your questions and interest in this inquiry and this matter is in no way a reflection on the organisations and the projects that ultimately form part of the then Labor Opposition's election commitments and the subsequent program to implement those commitments. I do also think it is important to note, though, that it is a longstanding feature of election campaigns that political parties will make commitments and, if successfully elected or re-elected, will go about implementing those commitments with the advice and assistance of the public service.

In terms of my role in the party, I became the assistant general secretary, one of two assistant secretaries, in May 2020. I became the acting general secretary on 28 April 2023 after Bob resigned from that position in anticipation of getting elected to this Parliament. I was elected general secretary on 5 May 2023 by the Administrative Committee. Bob has flagged the structure of the campaign itself but I also want to make one thing clear about the post-election period, and that is that the NSW Labor Party head office has not been involved or had any role in the implementation of these local commitments. And for the avoidance of doubt, I have never provided a list of these local commitments to anyone in the Government. I'm also very confident that no staff member of the party office has ever provided such a list, because any such communication, engagement or request would have had to be done through me, and that has never happened.

The CHAIR: Thank you, that's very useful. Thank you also for acknowledging that we are not inquiring into the merits of the particular project. We will commence with questions from the Opposition.

The Hon. CHRIS RATH: Thank you for appearing today, Mr Nanva and Mr Ofner. I'm sure it's not a busy day at all for you, Mr Ofner! I suppose to both of you: During the election campaign, was it the Leader of the Opposition's office or was it Labor Party head office that was signing off on individual projects that were put forward by candidates?

The Hon. BOB NANVA: The process was abundantly clear. The assessment and approval processes with respect to the nominated projects from the campaigns or the candidates was a matter for the parliamentary party. There were communications that were sent to candidates that outlined the process, the eligibility criteria, the process itself and the fact that the shadow ERC would approve or reject proposals that were nominated by candidates. So that was a matter for the parliamentary party.

The Hon. SARAH MITCHELL: When you said a list, comms were sent to candidates outlining that, did that come from the Opposition leader's office, or from head office?

The Hon. BOB NANVA: No, so it's unremarkable for communications and the interface between candidates and the parliamentary party to be the organisational wing.

The Hon. SARAH MITCHELL: Yes, I just wanted to be clear.

The Hon. BOB NANVA: But we sent campaign bulletins to candidates and campaign teams advising them of the policy commitment and the process, and that the shadow ERC would assess and approve or reject proposals that are put to them.

The Hon. SARAH MITCHELL: It came from the parliamentary wing, and you effectively were the middlemen doing the admin to let the candidates know this was the process.

The Hon. BOB NANVA: Correct.

The Hon. CHRIS RATH: Mr Ofner, would you be able to provide to this Committee the communications that went out to those candidates, with what the process was and the nomination process?

DOMINIC OFNER: Very happy to check the records from that time and I'll take that on notice.

The Hon. CHRIS RATH: Who came up with the local small commitments scheme?

The Hon. BOB NANVA: The delineation between roles, as I've described in my opening statement, with respect to the development of policy, being the architect of the policy, implementing the policy, ensuring it was costed, putting it through the PBO processes, they are all matters for the parliamentary party. The organisational wing, of which I was the campaign director at the time of the election, was really focused on research and advertising, strategy development, frameworks and fundraising. All those matters that I've outlined in my opening statement were matters for the organisational wing. So the development of the small commitment policy and commitment was a matter for the parliamentary party, not something that we had involvement in.

The Hon. CHRIS RATH: Who specifically were you dealing with at the time? Parliamentary parties—there's a lot of people, there's lots of members of Parliament and staffers. Who was coordinating the local small commitments process that you were dealing with during the campaign, from the parliamentary party?

The Hon. BOB NANVA: As part of the communications that the party office sent out, as part of its usual interface with candidates, there was the eligibility criteria, there was the process that was described that the shadow ERC would ultimately determine whether or not they were approved or rejected, there was also an application form that was part of the communication. The application form, I wasn't across the minutiae of who, what, when and where with respect to the backend of the applications, but all the applications would go to the shadow ministry, the parliamentary party. They would be assessed at that point. They would be approved or rejected at that point. The backend of those processes were not matters that we were across or had visibility of.

The Hon. SARAH MITCHELL: When you say the parliamentary party, with respect to my colleague's point, that's a lot of members of Parliament. Was it the leader's office? You weren't talking to every MP about it, so who were the contact points, in terms of which members?

The Hon. BOB NANVA: Mrs Mitchell, I genuinely did not and don't have visibility over where the nominations would go to get assessed and approved or rejected through the parliamentary processes. I wasn't part of the process. I wasn't involved in it. I didn't have oversight over it. I'd suggest the Minister of State could probably answer that question, but it's not something that I was across.

The Hon. SARAH MITCHELL: There are documents that we got through the call for papers, to give you an example, where Josh Wright, who was a senior adviser in the office of the Opposition leader, sent the member for Lismore an email about updated approvals. Did you deal with Josh Wright?

The Hon. BOB NANVA: No, I didn't deal directly with—

The Hon. SARAH MITCHELL: But he was working for the now Premier. He was in the Opposition leader's office.

The Hon. BOB NANVA: He was he was working for the then leader.

The Hon. SARAH MITCHELL: Who is Chris Minns, the now Premier.

The Hon. BOB NANVA: Yes.

The Hon. SARAH MITCHELL: So there was obviously involvement with the leader's office in relation to this program.

The Hon. BOB NANVA: No. In terms of—

The Hon. SARAH MITCHELL: But that's what this document shows.

The CHAIR: Order! If we could allow the witness to answer.

The Hon. SARAH MITCHELL: Sorry.

The Hon. BOB NANVA: I'm aware, and it is consistent with my recollection, that Mr Wright communicated approvals to candidates once they went through whatever assessment and approval process the parliamentary party went through. What I'm saying, Mrs Mitchell, is I don't have visibility of what was involved in those processes. The who, what, when and where of those processes is not something I've got visibility over, but Mr Wright communicating approvals to candidates is consistent with my recollection of what occurred.

The Hon. SARAH MITCHELL: It's not unusual that a leader's office would be involved in the policy development for—

The Hon. BOB NANVA: No, or in election commitments.

The Hon. SARAH MITCHELL: Exactly. So there was obviously involvement with the leader's office. That's just what we're trying to clarify.

The Hon. CHRIS RATH: You can't recall who the contact person was when you talk about the parliamentary party? On a day-to-day basis, who was Labor Party head office dealing with? Who was the contact person? You weren't contacting all 40 Labor MPs or whatever every time that you were talking to the parliamentary party about local small commitments. Who was the contact person if it wasn't Josh Wright?

The Hon. BOB NANVA: Mr Rath, are you talking with respect to this policy commitment specifically?

The Hon. CHRIS RATH: Yes. On all matters to do with the local small commitments program, who was the contact person in the Opposition at the time?

The Hon. BOB NANVA: Mr Rath, it won't surprise you that I wasn't involved in the minutiae of—

The Hon. CHRIS RATH: Do you know who was?

The Hon. BOB NANVA: I'll answer the question. I wasn't involved in the minutiae of this small commitment process or this policy. It wasn't a priority for me. I had much bigger priorities that I was contending with. It wasn't a priority for my campaign team and it wasn't a priority for my campaign office. Frankly, my priority, and my campaign team's priority, was prosecuting the issues that we researched that were drivers of voter intent, to be very frank about it. The minutiae of this policy program and this process were not matters for us. To the extent that questions might get raised by candidates seeking further clarity, further explanation—"How does the process work? Who do I talk to?"—it would have been my expectation that campaign staff, who were the interface between the candidates and the parliamentary party, would probably field those questions and try and address them. If they couldn't, they would presumably deal with the leader's office to seek clarification. But I'm not across any of those details. I'm not aware of them. This program was simply not a priority for my office or my campaign.

The Hon. CHRIS RATH: I understand that. I assume if you're a candidate, you have a contact person at Labor Party head office—a field officer or battleground coordinator or whatever term you use internally. Were they the people who would have been liaising with the Opposition leader's office on individual projects, rather than you as the general secretary, which I assume meant you had too much on your plate to deal with individual projects?

The Hon. BOB NANVA: To be very clear, if there was any liaising, I was not across it. But it would be my expectation that campaign staff would provide that interface between the parliamentary party and the candidates. I just want to be abundantly clear on this: No campaign staff would have been involved in any way, shape or form with the nominations of projects, with the assessment of those projects and certainly not with the approval of those projects. If it was to seek clarification, to address any questions that candidates may have had, certainly that would have been my expectation that they were the immediate interface, but it wouldn't have been more substantive than that.

The Hon. SARAH MITCHELL: Mr Ofner, perhaps you could take on notice—and I appreciate what you said, Mr Nanva, about it being a busy time—whether there are any records of who communicated from the parliamentary team into headquarters at that campaign level? If you could provide that back on notice, that would be great. I just want to move now to conflicts of interest in the declaration process in relation to that pre the election. We understand post-election there's been work done, and we'll ask Minister Graham about that. But we did ask a couple of the Labor candidates who appeared before the Committee on Monday about whether there was a conflict of interest process. My recollection is that one of the candidates said that there was, through Labor. The other three said that there was not. And we also were told by Kate Meagher at an estimates hearing that pre-election conflicts were managed by the Labor Party. We asked and she said, "That's right. That's correct." Did you have a pre-election process for those candidates by the Labor Party that was managed through your head office?

The Hon. BOB NANVA: Part of the process that was communicated through our bulletins to the candidates was the nomination form, as I've already explained. The nomination form had a declaration of conflict—

The Hon. SARAH MITCHELL: For specific projects?

The Hon. BOB NANVA: As you nominate your projects, there is a conflict of interest declaration as part of the nomination form.

The Hon. SARAH MITCHELL: But that nomination form was sent back to the leader's office or the parliamentary party?

The Hon. BOB NANVA: To the parliamentary party and—

The Hon. SARAH MITCHELL: To the leader's office, though? I'm your candidate in X seat, and I fill that form out. Where do I then send it back to?

The Hon. BOB NANVA: I would have to take that on notice, Mrs Mitchell. I genuinely don't know the back end.

The Hon. SARAH MITCHELL: Do you know, Mr Ofner? Do you remember?

DOMINIC OFNER: The specifics of who in the staffing pool of the parliamentary party? I'd have to take that on notice. But it certainly aligns with my recollection that there were staff in the leader's office who were, essentially, managing the forms as such, which would have included the information in response to the criteria and, included in that, any conflict of interest declarations.

The Hon. SARAH MITCHELL: If you could provide on notice who they were that it went back to. I mean, again, I appreciate if it didn't go back to your offices, but it would be good to know where they were sent to.

The Hon. CHRIS RATH: And maybe a copy of the nomination form as well, if you could provide that to us on notice.

The Hon. SARAH MITCHELL: Just to pick up on your earlier point when you gave your opening statement, Mr Ofner, that post-election there's been no communication from Labor Party head office with anyone in government, there's been no conversations with any of the people in the Premier's Department who were administering this program, no exchange of information that you're aware of?

DOMINIC OFNER: Certainly never any discussions with anyone in the Premier's Department—discussions about the implementation and the role in terms of the implementation with anyone, staff in the Government, no. To give an example of anything—my knowledge of this matter, the only specific example I can recall is receiving an inquiry from the volunteer branch official in a local branch about the commitments, and I referred him to the staff member in the relevant duty MLC office. I have no idea what happened with that conversation.

The Hon. SARAH MITCHELL: I just want to move now to what we call the source of truth document that, again, the Premier's Department staff have referred to in estimates when we've asked about this, and I think when we had Ms Morgan here before the Committee as well. They said that the source of truth that they are then rolling out this program is based on the list that was provided by the Premier's office. When we had Cherie Burton from the Premier's office here on Monday, she said that it was provided to her not long after starting with the Premier in April, and that it would have come from the campaign. She didn't really say who that was in terms of the campaign. She couldn't remember. She thought she had a hard copy document but couldn't remember who gave it to her or where it came from. Mr Nanva, I realise it was a bit of an overlapping time for you, going from one role to the other, but did you provide that list to Cherie Burton? Did it come from Labor Party head office?

The Hon. BOB NANVA: Mrs Mitchell, I assure you, I'm intrigued by the list. I've never seen the list.

The Hon. CHRIS RATH: So the campaign, when Ms Burton says "the campaign", it's not Labor Party head office? The document didn't come from Labor Party head office?

The Hon. BOB NANVA: I mean, at the time, Mr Rath, the campaign would stretch from a rank and file member handing out in a seat to the leader of the parliamentary Labor Party. We were all in the campaign. My expectation would be that when nominations for projects were submitted, then assessed, then approved by the shadow ERC, as per the process, at that point in time those commitments, as they became, would be tracked and consolidated. I just think that would be a logical thing to have had happen, but certainly at no point was the campaign in party office, the campaign staff or the campaign officials compiling a list of projects that were coming through, or nominated, and approving them.

The Hon. CHRIS RATH: That was the parliamentary part?

The Hon. BOB NANVA: We didn't have any visibility over that. But I would assume that at the point of approval, which was the shadow ERC, that's where they're getting compiled and consolidated so that they can be delivered in government.

The Hon. SARAH MITCHELL: Mr Ofner, for clarity, have you seen the list? Were you involved in giving that to Ms Burton? Are you aware of the list?

DOMINIC OFNER: I haven't seen the list. In my opening statement, I think I made it pretty clear.

The Hon. SARAH MITCHELL: To pick up on your point there, Mr Nanva, about how the campaign can be everyone from handing out how-to-votes on the street to someone like yourself, and now Mr Ofner in that role—I think it's quite an extraordinary situation where you've obviously got close to \$40 million of taxpayer money that is an election commitment, but from your evidence, it really was not something that your head office was involved in. It's all been done by the parliamentary party. Presumably back then, the only allocation that you get in opposition, as we know, is through the leader's office for staffing. Is it your evidence that your expectation is that that work was done by the parliamentary team, assisted by the staff in the leader's office, pre-election?

The Hon. BOB NANVA: Genuinely, I wasn't involved in the process and I cannot give an accurate or honest response to that question. I just don't know who was involved in the assessments and the approvals, how those assessment and approvals were being made and how they were being tracked and consolidated. I genuinely don't have the answer to that.

The Hon. SARAH MITCHELL: When Ms Burton says "the campaign", and I appreciate you can't speak for her, you don't know what she's referring to? I'm sure it's not some Labor Party intern sitting at the front desk at head office compiling this, but it's a very vague description of where information has come from.

The Hon. BOB NANVA: I can't speak for Ms Burton, but the evidence I've given—it's a matter for the Committee to determine this—is not inconsistent with what Ms Burton has said. The campaign extended from the bottom of the rank and file to the parliamentary party—

The Hon. SARAH MITCHELL: And the Opposition leader at that time, the now Premier.

The Hon. BOB NANVA: In terms of the source-of-truth document and where it would have been compiled and tracked, I would expect, logically, the point of inflection would be at the point of approval by the shadow ERC, as per the documented process that was described to candidates.

The Hon. SARAH MITCHELL: The source of truth document was never in your office, never compiled by anyone in your team? No involvement?

The Hon. BOB NANVA: No.

The Hon. CHRIS RATH: On the source-of-truth document there's a column that says "organiser/person notified of approval". My understanding is it includes people as the contact person, the organiser, like Paul Mills and Rhys Patton. Weren't they working in Labor head office at the time of the campaign?

The Hon. BOB NANVA: They were campaign staff, correct. They were presumably advised of approvals, because they are the interface between the candidates and the parliamentary party. I don't think it's particularly—

The Hon. SARAH MITCHELL: But they would have had information that's part of that list if they were the ones contacting people, so the list had to somehow be in your office.

DOMINIC OFNER: Just because an organiser was always a member of the ALP campaign team and was notified, does not mean that means that they were given the entire list. I think there's a pretty important difference in—

The Hon. SARAH MITCHELL: Some parts of it, because they have to know what they're contacting, people.

DOMINIC OFNER: But that's not the source of truth that's been referred to.

The Hon. SARAH MITCHELL: But it came from that document.

DOMINIC OFNER: It is an important difference, with respect.

The CHAIR: Thank you for your evidence so far. It's actually really helpful. I find the way that different parties work, particularly around a campaign, quite opaque, so it's quite useful to then understand. It makes perfect sense to me, what you're saying, in terms of the policies being organised by the then Opposition party, or parliamentary party, and then your role in the campaign team within head office was more about the sharing of information with candidates. Is that how you would describe it?

The Hon. BOB NANVA: It was one of the roles. We were certainly a conduit between the parliamentary party and the candidates. You can imagine if there are questions that arise from stakeholders, we're not going to

distribute the phone numbers of all our shadow Ministers to all our candidates to get answers. We were certainly a conduit. That was one of our functions. It's not the main function, but it was certainly one of them.

The CHAIR: Who was your main contact? When I've worked on campaigns within our party, the parliamentary leader's office has got all the policies and is doing things, and there are normally one or two people from the leader's office who we are then dealing with from a campaign perspective. Who was your point of contact?

The Hon. BOB NANVA: In the parliamentary party?

The CHAIR: Yes.

The Hon. BOB NANVA: There wasn't one point of contact because there are varying matters that might arise that might involve different shadow Ministers. I wouldn't describe it as there being one point of contact.

The CHAIR: But did they organise themselves in that parliamentary party during the campaign period in a way where they had somebody who was responsible for helping with those policy developments and then liaising with head office?

The Hon. BOB NANVA: There was certainly a policy unit that we coordinated with.

The CHAIR: So there were a bunch of people who were working within—

DOMINIC OFNER: In the day-to-day operations of the campaign, Bob Nanva was campaign director and I was one of the deputy campaign directors. The point of contact that we would have been having with the leader's office at our level would have been—from memory, the chief of staff would have been the main point of contact in terms of what we were focused on: the research—

The CHAIR: Who was the chief of staff, then?

DOMINIC OFNER: James Cullen. Our engagement was very much to the matters that Bob went through in terms of research, the messaging of the central campaign and the advertising. To the extent that it had anything to do with policy, it would have been about statewide policy announcements as opposed to, frankly, local commitments that just weren't a priority in terms of our priorities for the campaign.

The CHAIR: Understood. So that outgoing communication—the one or two bulletins that were being sent from head office to the all of the candidates and their campaign teams—you said that there was at least one communication that explained that people had to fill out a nomination form et cetera. To your knowledge, was a nomination form a mandatory aspect of the allocation? Did people have to have put in a nomination form in order for this to have been recorded as one of the pre-election allocations?

The Hon. BOB NANVA: I believe it was. There needed to be a means of communication to the candidates—to the parliamentary party—to assess and approve it, so I imagine it would have been.

The CHAIR: So you would imagine, then, that somewhere—if things have operated as you would anticipate that they have—there would be a folder of nomination forms. That would be a good way to crosscheck this mysterious list against.

The Hon. BOB NANVA: Perhaps, Ms Boyd, but I didn't have visibility of the back end of the process. I just genuinely don't know the answer to that.

The CHAIR: On the nomination form, to your recollection, did it state the contact details of who the money was being given to or was proposed to be given to?

The Hon. BOB NANVA: I can't recall. I'm happy to take that on notice to see what record I've got. I'll take that on notice.

The CHAIR: If you could provide on notice a copy of what that form looked like, that would be really useful. One of the common things that I've seen in campaigns after an election is all of the compliance clean-up stuff that has to happen. There are emails and bulletins sent out by head office for that kind of thing. Are you aware whether candidates were told, if they hadn't already returned nomination forms for things that they did before the election, that they needed to do that? Was there any further communications after the election in relation to this program?

The Hon. BOB NANVA: Not that I recall, in my short period after the election.

DOMINIC OFNER: No, I can't recall, sorry.

The CHAIR: Coming back to the generation of where this list came from, I note that my colleagues have already asked about—Cherie Burton was talking about it coming from "the campaign". By listening to your

evidence, it would appear that perhaps it's a reasonable assumption to make that she was talking about those people within the parliamentary party who had been working on campaign things, rather than the head office wing. Is that correct? Is that your understanding?

The Hon. BOB NANVA: That would be my understanding, but I can't speak—

The CHAIR: There was a privilege claim over some of the documents that Mr Tudehope asked for in relation to this program for the SO 52. As part of the submission from the Premier's Department, it noted that that submission in support of privilege states that the department was not involved in the collation of the spreadsheet. If the Premier's Department is not involved and head office is not involved, is that another way of saying that it's "the campaign"? Again, apologies for just not understanding how this works, but my understanding then is that there was a campaign team within the Premier's Department, when they weren't the Premier's Department but were in fact the Opposition leader. I think I'm answering my own question, but is that correct, then, that the list would have had to have then come from staff working for the Premier before he was the Premier, in that capacity? I'm just trying to piece this together, because it's confusing to work out where this list came from.

The Hon. BOB NANVA: I might seek clarification of your question, Ms Boyd. I'll go back to the evidence I've already given. My expectation would just be that the list gets compiled and tracked at the point of approval in the shadow ERC process. That's where I just would anticipate—

The CHAIR: Help me out, then. So after the election, where would that information then reside?

DOMINIC OFNER: I would imagine it resides with a list of all of the commitments that the parties made. There's the local commitments that form under this particular program, there were a whole lot of commitments that were made during the election—new schools that would be built, hospitals that would be upgraded, roads that would be built.

The CHAIR: So where is that? If I was to ask for evidence of all of those commitments, who would that now sit with? Where's the evidence sitting?

The Hon. BOB NANVA: I genuinely wish I could answer that, Ms Boyd, because it would mean I'm a member of the Executive. I'm not a member of the Executive and I'm not part of the transition to government. I genuinely don't know the answer to that question. Perhaps if I were a member of the Executive, I probably could have answered it, but I can't.

The CHAIR: From a head office compliance perspective, do you not want to keep records of those things? Would that not be something that you would ordinarily sort of scoop up as part of the evidence, should you ever need it for the Electoral Commission, or for any other purposes?

The Hon. BOB NANVA: I might answer that in two parts. Firstly, I'm not arrogant enough to say that this process was absolutely perfect and it couldn't be improved. If there are improvements to make, I'm sure the Auditor-General is looking into it and they'll have suggestions, and this Committee will have suggestions, so I've got the humility to accept that perhaps things can be done differently and improved. But what I would say in respect to this program, and this commitment process, was that it was quite unique in that it did have probity checks. Even if they weren't perfect, it did at least try to facilitate them. It did look into propriety. It levelled the playing field with respect to the rolling out of the grants. It may not be perfect, but it was far from imperfect.

The CHAIR: With respect, sorry, you're not answering my question at all there. The question was where do you think those documents reside? Wouldn't you expect to have kept them, from a compliance perspective, within the Labor Party head office? Where does that sit?

DOMINIC OFNER: If I could just make an observation. You raised an issue of—I can't remember the exact word—compliance and probity. I actually think the structural separation, in terms of policy decision-making and the process of developing policy, approving policy, the costings of those policies, being very much the remit of the parliamentary party, structurally separated from the organisational decision-making campaigning processes of the party office, actually gets to an important point in terms of probity and having that structural separation. I think it would actually be quite inappropriate for unelected party officials to be maintaining matters of public policy. That should be very much the remit of the parliamentary party. You've got a witness from the parliamentary party coming up next. That might be more appropriate to ask him than the faceless men of the Labor Party.

The CHAIR: I just want to know where the records are. That's all.

DOMINIC OFNER: And if we knew where they were, we would want to help. We really would. With respect to all of you, I've got a few other things to be doing right now, and I wish I would be able to help given some other electoral commitments that I've got right now.

The Hon. MARK LATHAM: Thank you to the witnesses for your attendance, particularly Mr Ofner in relation to your responsibilities on the day in which a national election campaign has been called. Do you mind if I call you Dominic?

DOMINIC OFNER: That's not a problem.

The Hon. MARK LATHAM: Dominic, when did you first hear of this proposal for the local commitments?

DOMINIC OFNER: The exact date, I can't remember exactly when. I imagine it would have been late January/early February when John Graham let me know that the parliamentary party had developed this local commitment process.

The Hon. MARK LATHAM: What did John say about it?

DOMINIC OFNER: The exact words I can't remember, but what I understood was that the parliamentary party developed this local commitment process. The \$400,000 figure that was mentioned—I can't remember whether he mentioned the \$400,000, but that there would be equity across seats. I suppose what he was asking was, basically, knowing that we had that campaign bulletin service, for that information to be distributed.

The Hon. MARK LATHAM: You would have been aware in the previous term of Parliament that John Graham, Daniel Mookhey and so forth campaigned heavily against National Party pork-barrelling in particular—the infamous nickname of Pork Barilaro. Did John say at that time this scheme had been developed as a way of allocating funds to local electorates during the campaign but—you mentioned equity—a distribution across the State rather than concentrating on key Labor marginal seats?

DOMINIC OFNER: Whether they were the exact words, that was definitely the impression he—

The Hon. MARK LATHAM: I paraphrased there, basically.

DOMINIC OFNER: This was about making sure that the pork-barrelling that had happened in that term of government did not happen in that election.

The Hon. MARK LATHAM: In answering, "Why do it this way?", that was essentially the framework that he presented to you.

DOMINIC OFNER: That's correct, yes.

The Hon. MARK LATHAM: How did you respond?

DOMINIC OFNER: My response, and this was very much drawn from my experience in the 2022 Federal campaign, was that I thought it was important that there was a degree of—more than just a degree, that there was quite a bit of rigour and that there were proper assessment processes in terms of the commitment requests that were being put forward. That was very much the campaign political advice that I provided John at the time.

The Hon. MARK LATHAM: What do you mean by that, precisely?

DOMINIC OFNER: For instance, that the organisations had to be proper, legitimate organisations. That the projects that were being put forward had to be—and this was, again, an example that I recall using. If it was, say, a council project, it had to be a project that was in the works of that particular council, part of the master plan or something like that, so the costings and the budget for that project were real and had actually been prepared by an organisation.

The Hon. MARK LATHAM: Right, but in January or February of an election campaign, isn't it also very likely you said to him, "That sounds good, John. That's going to really help our candidates out in the field to win votes."

DOMINIC OFNER: No.

The Hon. MARK LATHAM: Because why are you allocating money to projects, \$400,000? I know Labor head office is a wonderful, altruistic organisation dedicated to the betterment of mankind, but in the white heat of an election campaign, Dominic, obviously you've said, "Well, this is going to be a useful campaign tool."

DOMINIC OFNER: I didn't actually say that.

The Hon. MARK LATHAM: No?

DOMINIC OFNER: No.

The Hon. MARK LATHAM: Did you think it was a useful campaign tool or completely a waste of taxpayers' money, from your perspective?

DOMINIC OFNER: No, my thought was in terms of what I thought was important from a campaign perspective, which was my focus. John may have had a public policy interest in his role as a politician but, as Bob has said, our role and our interest was making sure that our campaign was talking about the things that were—

The Hon. MARK LATHAM: No, but on this program, you're not talking about stamp duty policy or something. You're talking about candidates in the field making commitments to local groups to win votes. That's the reality of politics, isn't it?

The Hon. BOB NANVA: Mr Latham—can I call you Mark?

The Hon. MARK LATHAM: Yes, by all means. That's what my family call me.

The Hon. BOB NANVA: Mark, these local small commitments programs and proposals and policies can provide something of an administrative tension with the party office and the candidates. What I mean by that is my priority—and I know Dom's priority as a party official—is to make sure all our candidates are consistent with their message and on the messages that we know were working, based on our research and all the quantitative and qualitative research that we had available to us. But as a realist, I know that our local candidates and campaign teams want to do more for their communities, want to assist with these worthy local groups, none of which—I don't think the Committee is saying any of them were unworthy, so there's a tension there between us as party officials and candidates wanting to do more for their communities.

The Hon. MARK LATHAM: For those of us who've seen election campaigns, Bob, that's hifalutin rhetoric, but the reality is candidates want to win and campaign managers want to win votes.

The Hon. BOB NANVA: Mark, I will also say that given the scandals of the previous grant programs that have existed, there is a high level of cynicism within the electorate for any political party or candidate standing on the street corner throwing money at them. It was not a campaign priority because, frankly, I don't think it has the electoral dividend that people think it does.

The Hon. MARK LATHAM: Is that what your post-election review showed?

The Hon. BOB NANVA: I wasn't privy to the post-election review.

DOMINIC OFNER: I can't recall what the post-election review said about this.

The Hon. MARK LATHAM: Really? You conducted a post-election review—

DOMINIC OFNER: I know we conducted a post-election review.

The Hon. MARK LATHAM: —and you must have addressed the capacity, the usefulness in vote winning of allocating \$400,000 of taxpayers' money in each of the 93 constituencies, so what was the conclusion?

DOMINIC OFNER: I'd have to take that on notice.

The Hon. MARK LATHAM: Have you published a post-election review inside the party?

DOMINIC OFNER: It's been provided to the administrative committee.

The Hon. MARK LATHAM: Are you able to provide the extract that refers to this local commitments to the Committee?

DOMINIC OFNER: I'm not sure if it does. That's the first thing. I'm not sure; I can't remember.

The Hon. MARK LATHAM: But if it does, can you provide it to the Committee?

DOMINIC OFNER: I'd have to take that on notice.

The Hon. MARK LATHAM: Thank you. And you're saying, Dom, that as late as January or February, so less than three months before election day, John Graham's told you for the first time that the parliamentary party has initiated this. What was the next step?

DOMINIC OFNER: I recall having a conversation with Bob Nanva to let him know.

The Hon. MARK LATHAM: What was the step after that?

DOMINIC OFNER: I can't remember exactly what the next step after that was, sorry.

The Hon. MARK LATHAM: How did the parliamentary party know the names and contact details of the 93 candidates?

DOMINIC OFNER: As Bob has flagged in answer to that, that information was provided to our campaign bulletin service to communicate to candidates, and it may very well have been the case—

The Hon. MARK LATHAM: Were they all preselected at that point?

DOMINIC OFNER: I don't think so, actually.

The Hon. MARK LATHAM: So which ones were still to be selected?

DOMINIC OFNER: I don't know. I can take that on notice.

The Hon. MARK LATHAM: Can you take that on notice and get back to us? And then, as you select those candidates, say, into February, you'd obviously notify John Graham that he's the new candidate for a non-held seat. A non-held seat, you've got a new candidate, you'd then notify John Graham, wouldn't you?

DOMINIC OFNER: I actually don't know how that was communicated, and, again, I suspect that was probably not something that Bob or I or other senior members of the party office were communicating in terms of the preselection.

The Hon. MARK LATHAM: How did the parliamentary party know you had a new candidate in Clarence if that was a late selection?

DOMINIC OFNER: Was it? I don't know whether it was.

The Hon. MARK LATHAM: No, just hypothetically—an example.

DOMINIC OFNER: In terms of how that information was communicated, I suspect that there was an administrative function to let them know. I don't think it's unreasonable or unremarkable for the parliamentary party to have a list of contact details of candidates.

The Hon. MARK LATHAM: No, I'm not saying it is, but it's obviously part of the process. You guys have had a clear division of labour for how you presented this scheme, but campaigns are messy. Things happen that are unexpected. And obviously there's a step in selecting a candidate as late as February to let the parliamentary party know who they are and the parliamentary party to contact them for the allocation of the \$400,000. What advice did the head office give to the parliamentary party? Inevitably, certain candidates are known as cowboys, or you might say they're mad lefties or they're unreliable or they've got candidates disease. What sort of feedback did you give to John Graham about each of these candidates?

The Hon. BOB NANVA: The separation of the nomination process from the approvals process was a key point of difference and a key control measure, frankly, with respect to that. So, ordinarily, under these previous grant schemes, the course of nominating would effectively be the course of decision-making.

The Hon. MARK LATHAM: Yes, but my question's to Dom. Who was your point of contact? John Graham or was it Josh Wright?

DOMINIC OFNER: My point of contact in what sense?

The Hon. MARK LATHAM: Liaison about who these candidates were and how they might respond to the way in which they'd allocate \$400,000 of taxpayers' money for some of them the first time in their life they'd ever done it.

DOMINIC OFNER: With respect, I don't accept the premise that I was the person who was the contact in the party office.

The Hon. MARK LATHAM: Who was in head office, then?

DOMINIC OFNER: There were campaign staff who were the interface between local campaigns and candidates.

The Hon. MARK LATHAM: It looks like Josh Wright's the point man in the leader's office. Who's the point man handling all of this liaison in head office?

The Hon. Dr SARAH KAINE: Point of order—

DOMINIC OFNER: There was no single point of contact. As Bob has said—

The CHAIR: I'll hear the point of order. I suspect I know what it is.

The Hon. Dr SARAH KAINE: The point of order is the same question's been asked about four or five times, and Mr Ofner has answered, I think, each of those four or five times the same, so if we could move on.

The CHAIR: The member's time has expired anyway.

The Hon. MARK BUTTIGIEG: Thank you both for appearing. I just want to sort of traverse some of this terrain that we've been going over. I think we've pretty clearly established that there was a separation between

the administrative wing of the party, whose job it is to steward candidates and help them get elected via messaging, versus the parliamentary party, whose job it is to hypothecate public money should we get elected. And that was what the LSCA was all about. It would be highly unremarkable, wouldn't it, for that separation to occur—in your experience, the administrative wing wouldn't get involved in allocation of public monies historically or contemporarily, would it?

The Hon. BOB NANVA: No, I think historically and contemporarily, under my tenure as general secretary—and presumably under Dom's—there was and still is a very clear delineation of responsibility with respect to the administration of the party and the conduct of elections. Frankly, the expectation of the parliamentary party is to develop policy, to consult with key stakeholders, to conduct those round tables and to get those policies costed and to put them through the Parliamentary Budget Office process, all things that I've already given evidence about. The role of the party during non-campaign periods is political management: preselecting candidates, ensuring our compliance and regulatory functions and fundraising. There's a real, distinct line of separation. When it came to this program, there was absolutely no crossing over of those core responsibilities between the party office and the parliamentary party.

The Hon. MARK BUTTIGIEG: Did you have something, Sarah?

The Hon. Dr SARAH KAINE: I do, because it is somewhat related. I want to ask that maybe you reiterate, Mr Nanva, your focus during the campaign—from what I'm taking from your evidence—was at a higher level. You were focused on statewide messaging, statewide campaigning, issues of statewide importance. So what was happening from electorate to electorate was not the focus of either yourself or Mr Ofner, or indeed that head office part of the campaign.

The Hon. BOB NANVA: I don't think it's remarkable and I don't think it's unreasonable to expect that the general secretary in the middle of a campaign period, who is also the campaign director, whose KPI is to help secure a Labor government, would not be across hundreds of election commitments being made in 93 seats in which Labor is contesting every single one. I don't think it would be unreasonable to expect that I wouldn't be across every shadow ministerial visit to those seats. I don't think it'd be unreasonable to expect that I wouldn't be across every campaign that is being run by our local party units in those seats. As you say, Dr Kaine, I was directly involved in our research and advertising program, and directly involved in our field campaigns and ensuring our candidates and campaign teams were meeting their benchmark targets, and involved in voter persuasion programs.

But, more significantly, I was directly involved in the campaign strategy and framework, identifying the key themes and issues and putting together the key messages. What was abundantly clear to me at the time when this program was brought to our attention was that we were on course. We were very confident of getting over the line. We weren't complacent about it but we didn't want the distraction of a policy proposal that could be criticised—the same criticisms we had of previous government proposals around grant programs, which were to buy political favourability in key target seats. Our concern with respect to this, when it was brought to our attention, was to ensure that it wouldn't pose that distraction, given we were on course, so that we could continue focusing on the issues that we knew had traction within the electorate, and those significant statewide policy issues around the privatisation of assets, the impact of that on cost of living, the wage cap and the impact of that on the delivery of essential services. That was what our focus was throughout the campaign.

The Hon. MARK BUTTIGIEG: The Committee is obviously well within its right to scrutinise these processes in the context of what you just alluded to, in terms of the reputation that previous grant programs have got and the public airing of the way some of those schemes have been administered and targeted, if you will. I think it's important you give us your perspective on how you think this particular program differs in respect of previous programs that might have been meted out by political parties in various election campaigns.

The Hon. BOB NANVA: I can give you a rolled-gold example of a program that is a textbook definition of pork-barrelling, and that is the Safer Communities program. A textbook definition of a program that is pork-barrelling is one that deliberately targets, disproportionately allocates funding and commitments into geographic areas that are target seats or into specific electorally-sensitive demographics that could sway those target seats. This program does not do that. If it was an exercise in pork-barrelling, it was the world's worst example of pork-barrelling because it does the opposite. It provides an equal distribution of commitments across all 93 seats, regardless of what the margins are, regardless of whether they're target seats and regardless of whether a Labor, Liberal, National or Green candidate wins that election. So it's the complete opposite of a pork-barrelling program.

What I find remarkable is, despite all the criticisms of the Safer Communities program, which I alluded to earlier, the Federal Coalition—the Dutton Opposition—right now is rolling out the Safer Communities program yet again. They have not given any public undertaking that there will not be a disproportionate allocation of funds to target seats. They are not giving any commitments or public announcements as to what the selection criteria

are for these grants. Are they gerrymandering it? Are they targeting Labor seats? Are they targeting Coalition seats? There is no transparency around the program, unlike this program—that is rightly being scrutinised—that had an equal distribution, a levelling of the playing field, probity controls, proprietary measures and conflict of interest declarations. Then post-election it had another layer of scrutiny, not just hiding behind the cloak of saying, "Promises made, promises delivered," but ensuring those commitments actually meet the public interest test through a more sophisticated analysis by the public service. So I think it is a stark contrast to the types of programs that have been rightly criticised in the past.

The Hon. MARK BUTTIGIEG: I think it's an important point—and I want to take you to it—because what seems to have been implied by some of the questioning and the analysis of this program is this tenuous proposition that it was equal at \$400,000 per electorate across the 90—however many electorates there are, but the candidates got to choose. My question is this: If you were trying to bring in a scheme that negated the perception of pork-barrelling that had beleaguered previous programs, like this one does, what on earth else could you do? Is the proposition that candidates might get fingered for being able to allocate funds, therefore we're going to allocate the \$400,000 to the Opposition candidates as well so they can win the seat too? That's a ridiculous proposition, isn't it?

The Hon. BOB NANVA: It is. There is nothing exceptional about making election commitments in the course of an open democratic contest where there is a contest of policy and ideas and priorities. I don't think it's remarkable that candidates seeking public office would seek to get more for their communities, try and support local community groups, and fight hard for them. But what I would find remarkable is this expectation that those candidates or political parties would run an open tender process to find out what commitments should or should not be made, including an open tender process with Opposition candidates to ask them, "What do you think we should commit to during the course of an election campaign?" I'd find that peculiar. But the key point that seems to have been missed with respect to this program is the candidates themselves were not even giving those commitments. The candidates were nominating them and then putting them through the rigour—

The Hon. MARK BUTTIGIEG: For approval.

The Hon. BOB NANVA: —of a separate approval process through the shadow ERC, using criteria that were outlined and distributed. Again, having eligibility criteria is something that other election commitments have not done. In answer to your question, Mr Buttigieg, I actually don't know what more could be done, pre-election, to provide rigour, probity, equality, propriety with respect to an election commitment. I genuinely couldn't answer that.

The Hon. MARK BUTTIGIEG: The other sort of proposition that's been floated—again, quite tenuous in my view—is that maybe we're better off just sticking to the macro philosophical approach. In other words, where's the Labor Party or the Liberal Party going to allocate X amount to health, X amount to education, and not allocate specific local community projects, because that would be then seen to be influencing—heaven forbid!—the electorate to vote for you because you're going to do something for them. What's your view of that? Is this a valid thing whereby candidates for public office can put forward a proposition that their community should get X bridge repaired, or X park upgraded, because the previous local member or the current local member has left it rot for 10, 15, 20 years? Or do you just, at the expense of perhaps seen to be pork-barrelling—a very tenuous proposition depending on how you define it—say, "We're not going to promise anything because people will see it as trying to buy votes." This is the bizarre thing that's been floated in some of this examination.

The Hon. BOB NANVA: Election commitments are an established and legitimate part of our system of representative democracy. I don't know how you could have a genuine open contest and battle of policies, priorities and ideas if you were to then confine the sorts of policies, priorities and ideas that you could debate and have a contest over. ICAC itself has said it is perfectly normal, and sometimes admirable and desirable, for candidates to fight hard for local commitments and local promises for their communities during the course of an election campaign.

The Hon. MARK BUTTIGIEG: In fact, some of the most popular local members in this Parliament are the ones who get those undertakings and get those projects delivered.

The Hon. BOB NANVA: I don't think there's anything remarkable or illegitimate about that. As long as those commitments and promises aren't underpinned, or driven or have at their centre of gravity a desire for partisan gain but public good, which I would argue all these commitments do. But even, Mr Buttigieg, the observation that perhaps political parties and candidates should just stick to the macro issues, just generally talk about health, generally talk about education, even then you can apply a very wide lens of what is pork-barrelling to just general statements of health commitments. Mr Latham in 2004 announced Medicare Gold, a policy which I agreed with at the time, and agree with now, but I do recall at the time there was criticism that it targeted an electorally sensitive demographic group that could sway a handful of marginal seats and was defined as

pork-barrelling. I would argue it was good policy that also made good politics. Even to take your example that maybe you just stick to the macro issues during election campaigns, even then someone would find a flaw and a criticism that a macro commitment is in the nature of pork-barrelling. I just fundamentally think that as long as election commitments are driven and underpinned by public good, that should be the end of it.

The Hon. MARK BUTTIGIEG: Just on that, in your experience as a party secretary, and with a long history of campaigns—happy for you to contribute as well, Mr Ofner—how important is it for constituents for electors to be able to differentiate their candidates for public office based on quite specific commitments in their electorate?

The Hon. BOB NANVA: A very quick response from me: The best candidates and the best MPs, from my experience running campaigns, are those that vigorously and tenaciously engage in issues-based campaigns. Issues-based campaigns at their core are fighting for local commitments and getting outcomes for their communities—whether it's a road, a roundabout, a hospital, a school, solar panels for a rooftop. Those are the best candidates; those make the best MPs. I don't think there's any great secret about that, or anything particularly remarkable about that, which is why I don't think it's egregious that you would have candidates fighting hard under a program that is equal and non-discriminatory on the basis of seats or demographics, to seek to get more for their communities.

The Hon. PETER PRIMROSE: For both of you, just before we continue, have you ever known of a candidate or any political party or independent who has gone to an election saying, "I'm not going to tell you what I'm going to deliver or what I'm going to fight for"—never made a commitment as part of an election campaign?

DOMINIC OFNER: Without being facetious, I think there is a politician that's saying they're not going to tell you what they do if they win an election, and that person is Peter Dutton.

The Hon. SARAH MITCHELL: No one's watching us for the Federal election.

The Hon. MARK LATHAM: I was going to say Peter Walsh, back in the day.

The Hon. PETER PRIMROSE: Well played. We'll refer to the transcript on that one.

The Hon. BOB NANVA: No, Mr Primrose, I don't think it would be remarkable for political candidates or political parties to look at their commitments and look at a side wind of political consideration when you're making those commitments, because I don't think you particularly go to an election making electoral commitments that are deeply unpopular. That's not quite the path to political success in an open democracy.

The Hon. Dr SARAH KAINE: Isn't it also true with these particular grants, regardless of who won each seat, that local members of all parties have celebrated and publicised the results? I know in the seat of Kiama, for example, those local commitments have been well celebrated once they've been delivered. So isn't it true that it has proved quite popular for members who've been successful?

The Hon. BOB NANVA: It has, Dr Kaine, and to be honest, it's no knock on the Liberal or National MPs who are doing that. It's a virtue of the program, the fact that it was non-partisan, non-discriminatory, wasn't designed with a view to buying political favouritism. So, yes, you're absolutely right, and I would argue that that is an example of the virtue of this program.

The CHAIR: Because we have opened up the idea of what you think about this on a philosophical perspective, can I ask you both if, going into this Federal election, the Liberal Party, say, decided that they were giving all of their candidates \$10 million to go around and allocate to whoever they thought would be good—do you think that is a good thing? Do you think that sort of arms race is a good idea?

The Hon. BOB NANVA: Ms Boyd, I think the practice of pork-barrelling is unethical. At its worst it can arguably be not legal. But the direct answer to your question is that is precisely what is happening, Ms Boyd. The article in *The Sydney Morning Herald* said, "Dutton revives controversial safety grants as he campaigns on crime. The Coalition declined to answer questions about whether applications would be considered impartially by a government department. It also declined to answer questions whether the money was being targeted at marginal seats."

The CHAIR: This is a problem, isn't it? It's part of what your party has now been involved in.

The Hon. BOB NANVA: I agree that the broader issue is a problem, but I disagree with your characterisation that that is what this program did. It did the opposite of the safer communities grant program.

The CHAIR: It's opened the door, in my view. Anyway, thank you very much for your time today. It has been incredibly useful to understand a bit more about how the Labor Party works, actually.

The Hon. BOB NANVA: With indulgence, Chair, just for the transcript: Happy anniversary, Sally. I'll be home soon. I just wanted that on the transcript.

The CHAIR: Only because it's you, Bob. Thank you.

(The witnesses withdrew.)

The Hon. JOHN GRAHAM, Special Minister of State, Minister for Transport, Minister for the Arts, and Minister for Music and the Night-time Economy, before the Committee

The CHAIR: Thank you to our next witness for appearing. Mr Graham, you do not need to be sworn in because you've already sworn an oath to office. Do you want to make a short opening statement?

The Hon. JOHN GRAHAM: No, I'm happy to head straight to questions.

The Hon. CHRIS RATH: Thank you, Minister, for appearing today. What was your involvement in the Local Small Commitments Allocation program before the last State election?

The Hon. JOHN GRAHAM: I was a member of the shadow ERC, and I was involved in the program to that extent.

The Hon. CHRIS RATH: Were you signing off on individual projects that were put forward by Labor candidates?

The Hon. JOHN GRAHAM: While I encourage you to ask whatever questions you like, I won't be detailing the shadow ERC processes prior to the election. But you've been given information about the program. I'm very happy to answer any questions, particularly about my role as the decision-maker for this grant process since being elected.

The Hon. CHRIS RATH: So you're not willing to answer any questions today about the pre-election process?

The Hon. JOHN GRAHAM: I'm willing to answer questions about the pre-election process, but I won't be detailing the deliberations of the shadow ERC.

The Hon. SARAH MITCHELL: Were any of your staff involved pre-election—you might have heard the evidence before by Mr Nanva that there were contacts within the parliamentary wing back to the head office. Were any of your then staff involved in those discussions or that work on this particular program?

The Hon. JOHN GRAHAM: Yes, certainly staff from the Opposition were involved in the program—

The Hon. SARAH MITCHELL: But your staff specifically?

The Hon. JOHN GRAHAM: —and my staff would have been aware of the program.

The Hon. SARAH MITCHELL: Were they involved in emailing people to tell them projects had been approved? Were they doing that level of work?

The Hon. JOHN GRAHAM: I don't believe so.

The Hon. CHRIS RATH: Were you the contact person between the parliamentary party and the Labor Party campaign being run out of Labor head office?

The Hon. JOHN GRAHAM: I don't believe I was the contact person, but you'll have to check the information from head office that you've been offered.

The Hon. CHRIS RATH: Did you originally tell head office about the program?

The Hon. JOHN GRAHAM: I don't know if I originally told them about the program. I certainly had discussions—including, as you had described this morning, with Dom Ofner—about the program.

The Hon. CHRIS RATH: How did you become the responsible Minister after the election for the Local Small Commitments Allocation program?

The Hon. JOHN GRAHAM: Any of those decisions are really a matter for the Premier. I was asked by my colleagues to deal with this program.

The Hon. CHRIS RATH: He gave you the hospital pass.

The Hon. SARAH MITCHELL: When you took on this program, we've heard evidence that the application process included a form that candidates could fill out which talked about conflict of interest and that that came through the process pre-election. Did you get any of those forms from those candidates as part of taking on this responsibility?

The Hon. JOHN GRAHAM: No, all the paperwork I've had in relation to this has come through the local small commitments program office.

The Hon. SARAH MITCHELL: So no-one gave you a copy of the pre-election—we know everyone filled out a form and said, "These are our commitments. We might have a conflict." That never made its way to your desk upon becoming Minister and taking responsibility for this?

The Hon. JOHN GRAHAM: No.

The Hon. SARAH MITCHELL: Just in terms of conflict of interest process with the department, I think when we asked in the House about whether you'd look to take that process from all of the candidates, not just the select few that have gone through it, you said that the advice from the agencies was against doing so. But we did have advice from Alison Morgan which said that they did flag for the Minister that we could do that if he wanted us to, but it would hold up the process of the grants administration assessment. That's not telling you not to do so, so which was true? Were you told not to do so, or did they offer it to you and you chose not to?

The Hon. JOHN GRAHAM: I'll give you two answers. One is the other evidence that you've got in front of you, and then my recollection.

The Hon. SARAH MITCHELL: Sure.

The Hon. JOHN GRAHAM: The Secretary of the Premier's Department also gave evidence on this. Just to remind you of the evidence, he said:

We had never intended as part of our work to go and do these very specific conflict of interest inquiries. We were asked to go above and beyond what we had proposed to do by the Minister for reasons of his own. He had an interest in finding out more about some of those electorates, so we went and did something which we hadn't originally intended to do. It wasn't that we were restricted from doing it, it was more that we added something on to what we intended to do.

The Hon. SARAH MITCHELL: But Ms Morgan did offer that they could have done it for all. That's her evidence. Are you saying that's incorrect?

The Hon. JOHN GRAHAM: No. I suspect that evidence is correct. Ms Morgan wasn't the only one providing advice on this matter. We took advice from the Cabinet Office and the Premier's office. My recollection, to answer your original question, is that I was very open to doing conflict of interest checks right across the program. I was given advice by the agencies that that would be very burdensome and I was discouraged from doing so. I insisted on making sure that wherever there were instances—if there had been a conflict of interest declared earlier, if there had been public issues raised, if there were councillors involved—that a conflict of interest process should unfold, so I overrode that agency advice to say this isn't really necessary.

The Hon. SARAH MITCHELL: We had evidence that the Labor Party, before the election, did ask members or candidates to declare if there were any conflicts. But you've just said you never saw that full list, so you've only made your decisions around conflicts of things that have been brought to your attention? You've given us answers to that effect before. So there could have been a gap between what the Labor Party candidates provided and which conflicts you've looked into, if you haven't looked at all of them? And you haven't seen the original conflict declaration lists.

The Hon. JOHN GRAHAM: No, I don't accept that. As part of the conflicts of interest that I've asked to be dealt with, any conflicts that were declared beforehand should have been put into that process. I can't personally guarantee you that has happened. I haven't done that check, but that is what I have asked to be done and that's what I understand has happened.

The Hon. CHRIS RATH: How can we have any confidence, then, that there isn't a conflict of interest with the 76 candidates that weren't assessed as part of that process from the Premier's Department?

The Hon. JOHN GRAHAM: You've been advised there was a conflict of interest process earlier. I have requested that any conflicts that we're aware of, any issues that the Opposition has raised, anything that's public, anything that relates to a councillor, a specific conflict of interest process is run.

The Hon. CHRIS RATH: So it's our job, as the Opposition, to identify conflicts from Labor candidates, and then the Premier's Department will look at those conflicts?

The Hon. JOHN GRAHAM: No, absolutely not. I don't accept your question. The process I've just identified means if a candidate has identified a conflict of interest, it should have then been double-checked. If the Opposition identifies something, it will be double-checked. If there's some issue raised in public, it will be double-checked. If there's a councillor who's serving, it will be double-checked. I don't accept your proposition.

The Hon. SARAH MITCHELL: Can I move to tranche seven of the approvals—did you get a briefing note on tranche seven?

The Hon. JOHN GRAHAM: I've provided an answer on this. You'll need to check with the program office. I don't believe tranche seven came to me.

The Hon. SARAH MITCHELL: In the papers that we got through the SO 52, there were two documents confirming that you had that brief on 1 December last year, still had it in 2024, and that it's still in the Minister's office. The evidence that we have is that "tranche seven (four projects)", which is still sitting with the Minister, came from your department. It says you did have it.

The Hon. JOHN GRAHAM: I would have to take that on notice. I'm very happy to do so. We produce publicly all the documents for this. The Parliament and the public have all the documents in relation to this.

The Hon. SARAH MITCHELL: Well, in relation to that, Minister—

The Hon. JOHN GRAHAM: I'm happy to check the advice on that.

The Hon. SARAH MITCHELL: If you could, that would be great. We also have, from the SO 52 process and the index of documents—one of the items says, "Note: The brief for tranche seven was cancelled, so therefore it wasn't provided." How do you cancel a brief? How was there not a version or a copy of that provided in the call for papers, if it clearly existed at some point?

The Hon. JOHN GRAHAM: It's really a matter for the LSCA program office.

The Hon. SARAH MITCHELL: But you're the Minister. It was sitting in your office, because we've got emails that say that it was, and then next minute it's not provided because it was cancelled. There's no paper trail for it.

The Hon. JOHN GRAHAM: I can't—

The Hon. SARAH MITCHELL: There's no way a paper trail should just disappear. These documents need to be kept.

The Hon. JOHN GRAHAM: I can't tell you what tranche seven relates to; you'll need to ask the program office. I've taken that on notice, and I'm very happy to provide those. From my point of view, I have asked for all these documents to be made public. That's my expectation. I understood that had been the case. These are out in public and they have been, largely, for months.

The Hon. SARAH MITCHELL: But tranche seven isn't, which is the issue. Tranche seven was not included in the Premier's Department response to the order. We know that tranche seven was related to four projects for the electorate of Sydney. You'd be aware, I'm assuming, that there have been changes to the original spreadsheet that was provided in relation to the Sydney electorate and the grants that were eventually signed off on. You're aware of that?

The Hon. JOHN GRAHAM: I'm aware of that suggestion.

The Hon. SARAH MITCHELL: Right. Did you approve changes to the projects for the Sydney electorate?

The Hon. JOHN GRAHAM: No, I did not approve changes to the Sydney electorate.

The Hon. SARAH MITCHELL: From the source of truth document, which was the original spreadsheet that the department has said that they've used to go through this process, I want to give you an example from the Sydney electorate. WILL2LIVE was originally getting \$10,000 to support the homelessness work. The signed-off grant then became \$100,000, and it was to build a commercial kitchen in a building not owned by the charity. So that is a change from what was originally provided in that source of truth spreadsheet, from \$10,000 to then going to \$100,000. If you didn't approve that change, who did? And how did they get an increase of \$90,000 additional money?

The Hon. JOHN GRAHAM: I can't answer who changed it. I can indicate that there's information that has been released publicly about the small number of changes that have been approved. I'm aware of, I think, eight of those. Two of those are in relation to the description of the project in two electorates and the remainder are in the amounts relating to the electorate of Sydney.

The Hon. SARAH MITCHELL: But, Minister, the guidelines of this program very clearly say that these had to be commitments that were made prior to the election. How can you then give evidence saying, "Well, here's an example of one that was changed from \$10,000 to \$100,000"? That doesn't fit within your own guidelines, does it?

The Hon. JOHN GRAHAM: I haven't changed them. I've sought assurance that these were—

The Hon. SARAH MITCHELL: But you've signed off on them. You agreed to that \$100,000. Someone must have given you advice to take that \$10,000 for that particular project and make it \$100,000. There's

references to that happening in tranche seven, yet tranche seven documents have mysteriously disappeared and haven't been provided under the SO 52.

The Hon. JOHN GRAHAM: I don't accept that.

The Hon. SARAH MITCHELL: But that's what's happened. We can't find any of those. You haven't provided them, your agency hasn't provided them and you don't know how it changed, yet you signed off on the \$100,000.

The Hon. JOHN GRAHAM: I'm saying I don't know who changed it. The advice you've been provided—and this is public in the papers that have been released—is that advice to correct the master list was initiated by the Premier's office. That's the information that's public.

The Hon. SARAH MITCHELL: Also there's an example in that tranche that there was a charity—I think they were called Rough Edges—that was also supposed to be, through St John's Community Services, in tranche seven. They were meant to be getting \$30,000. They haven't got any money at all. How did they get dropped off the list? And where's tranche seven to show why they didn't get the money? Why is that document not available?

The Hon. JOHN GRAHAM: Just to be clear, in the electorate of Sydney, \$400,000 was allocated—

The Hon. SARAH MITCHELL: That's not the point, Minister.

The Hon. MARK BUTTIGIEG: Point of order—

The CHAIR: Order!

The Hon. SARAH MITCHELL: You've changed projects and amounts and dropped them off post-election, which is against your guidelines.

The Hon. MARK BUTTIGIEG: Point of order—

The CHAIR: Order! I will hear the point of order.

The Hon. MARK BUTTIGIEG: The question gets asked. The Minister has a right to answer the question as he sees fit, and he's doing so. He gets continuously interrupted before having the time to fully articulate his answer. I ask that you call the member to order.

The CHAIR: Thank you. If we could have a bit more to-and-fro so that Hansard can record it.

The Hon. SARAH MITCHELL: Sure. So with the changes to Sydney, you just said that that came from the Premier's office. Did you have any discussion with Alex Greenwich about changes to the allocation for the Sydney electorate since you've taken on responsibility for this program?

The Hon. JOHN GRAHAM: As you're aware, as part of this process, if I have input other than the paperwork, I'm doing an attestation to be able to declare any of those discussions. These are the attestations in relation to Sydney: On 12 April, I had not received any advice in relation to those matters for Sydney. In relation to 15 April, I rejected one grant because I was not satisfied that it had exceeded the scoring criteria. Part of the information was missing. That was not the electorate of Sydney. I also recorded a request from an MP not in relation to Sydney, which was just in relation to the timing, on the 15th of the 4th.

The Hon. SARAH MITCHELL: Thanks, Minister. My specific question was this, though: Have you had a discussion with Alex Greenwich or his office? Has your office talked to them about changes to the Sydney electorate funding through this program?

The Hon. JOHN GRAHAM: And on the 26th of the 8th, I made a declaration in relation to one of the projects being near where I live.

The Hon. SARAH MITCHELL: That wasn't my question. Have you had a discussion with Alex Greenwich, or has your office, about the projects in his electorate?

The Hon. JOHN GRAHAM: If I had talked to Alex Greenwich, I would have been required to record it. I did not have a discussion with the member for Sydney.

The Hon. SARAH MITCHELL: So any changes to that came from the Premier's office? That's the document that we've got that shows that as well.

The Hon. JOHN GRAHAM: All I can confirm is that I didn't make changes to the list.

The CHAIR: Minister, if you could help just understand, we've had some frankly confusing evidence around what you call the master list and what the Opposition call—

The Hon. CHRIS RATH: Source of truth.

The CHAIR: —the source of truth. I think a witness referred to it as that at some point. We heard from Cherie Burton that she said she got it from "the campaign" but couldn't remember who from, and said that she thought she got it in a hard format, so in a paper copy. Can you explain the genesis of that list?

The Hon. JOHN GRAHAM: These are election commitments. Political parties make a whole series of election commitment promises. There's a process to track those. These are like those, and that process runs over the course of every election.

The CHAIR: With respect, though, this was a slightly more complicated one because they were small commitments within an election commitment. I understand from our previous witnesses that there was a process of nomination forms coming in and then someone in the Premier's office or, sorry, probably in the party wing of the campaign, which we assume to be within what was then the Opposition leader's office, was compiling those. We understand there was a spreadsheet, so someone must have been compiling it. Who was compiling it and who was responsible for producing the list?

The Hon. JOHN GRAHAM: The key part of the election commitments process is that the shadow ERC ticks off on all that. There's a careful costing process; those are shadow ERC processes and they've got to be captured as part of that.

The CHAIR: That shadow ERC would have had that spreadsheet at some point and approved it?

The Hon. JOHN GRAHAM: I'm not going to comment on the specifics, as you wouldn't expect me to comment on a Cabinet process—

The CHAIR: No.

The Hon. JOHN GRAHAM: —but that's not an unreasonable assumption.

The CHAIR: Then somebody had access to that document, to then hand it to Cherie Burton. Is that your understanding?

The Hon. JOHN GRAHAM: I've seen the Premier's office evidence. I can't add to that this morning.

The CHAIR: Did Cherie Burton create the list?

The Hon. JOHN GRAHAM: I suggest that's a matter you put to Cherie Burton.

The CHAIR: But, in your knowledge, did she create the list?

The Hon. JOHN GRAHAM: Those are matters best put to the Premier's office.

The CHAIR: Is it possible that she can't remember who gave her the list because she created the list herself and just had it?

The Hon. JOHN GRAHAM: I don't think it's fair to ask me that question. I think you should put it to the witness.

The CHAIR: I will certainly do so on supplementaries, because we still have the time for that. But, as the person responsible for this grants program, and given 3.2 of the guidelines, which states very clearly that this needed to have been a pre-election commitment, how are you comfortable that that list is an accurate list?

The Hon. JOHN GRAHAM: It's the list that, as you've seen in evidence, has been supplied by the Premier's office to the program office. I've then got a paper flow going back. If I've ever been in doubt, I've queried through my office about whether or not these are election commitments. I'm satisfied that they are, as I've signed off on them. I just want to be really clear: If I was in any doubt, I would not approve these.

The CHAIR: I understand that, but from a public transparency perspective—imagine you were sitting on the other side of this. I've sat on this side with you before; you would ask these questions. Where is the backing data for what you call that master list?

The Hon. JOHN GRAHAM: You're very entitled to ask these questions. I can answer to the extent of my capacity to do so.

The CHAIR: How are you comfortable, then? You've told us that you are comfortable. How did you get comfortable that that was the list?

The Hon. JOHN GRAHAM: Because this was, as has been detailed, supplied by the Premier's office, run through the program office. I saw the paperwork there signing off to say this was on the list. If there's any question or any doubt, of course, I'd be happy to ask, as I have with a range of other aspects of the program.

The CHAIR: How do you expect the Auditor-General, who I understand is looking at this program, to get comfortable with the veracity of that list if there are no documents available to back it up?

The Hon. JOHN GRAHAM: I understood there was a document. That was the evidence you've had—that there is a copy that's gone to the program office. I don't see it as so different to—it's a usual process to document election commitments and hand them to the public service after the election. These are small—I take your point about that—so there's more detail to them. But this is a routine process that happens at a very busy time.

The CHAIR: It's not really routine, though, is it? Unlike a general election commitment—and, in fact, for the one that was then made, the overall program was costed. No-one's talking about that. What we're talking about is your guidelines that say that these grants go to commitments that were made prior to the election in order to then have a paper trail to make sure they actually were made before the election. Are you saying we should all just rely on a document that came out of the Premier's office as the source of truth—and now I'm using that term—instead of going, "Well, actually, let's have a look at the nomination forms that back it up and just check"?

The Hon. JOHN GRAHAM: It's not unusual for an incoming party who has just won government to transmit its election commitments to the public service and then the public service to rely on that. I don't see that as particularly remarkable.

The CHAIR: Fine, so who transmitted it, then, to the public service?

The Hon. JOHN GRAHAM: I don't know the answer. I can't provide additional evidence on that. I thought you had had evidence that it had been transmitted from the Premier's office.

The CHAIR: Cherie Burton gave evidence that she had not received this by email to her government account. It strikes me as a potential breach of the State Records Act for this sort of thing to just come by a piece of paper, with no paper chain or any record of where it came from, and then for that to be used for a \$40 million grants program. Are you not concerned about that?

The Hon. JOHN GRAHAM: I don't agree with that assessment.

The CHAIR: Are you concerned that there is no actual evidence trail for where this document came from?

The Hon. JOHN GRAHAM: No. There was an extensive costings process during the election, in opposition, and that was oversighted by the shadow ERC. This was also a part of that process. To my mind, that has been comprehensive. That's the usual process that's run by political parties.

The CHAIR: Usual process? In what other context have there been hundreds and hundreds of tiny allocations that were nominated by candidates in their electorates and then fed in to a major overall planning body, who then spat out a document? When has that happened before?

The Hon. JOHN GRAHAM: It's very important that election commitments are captured, processed, transmitted to the PBO and costed. Each of the parties has a process to do that. It's not unusual for those election commitments to be dealt with, captured and then passed to the public service if a party is elected.

The CHAIR: I wasn't talking about those. Anyway, we will go to Mr Latham.

The Hon. MARK LATHAM: Minister, for the benefit of the Committee, could you undertake to investigate how, in this list of briefs provided by Alison Morgan and the Premier's Department to your office on 6 November last year, item number 13, the note for the brief for tranche seven, was cancelled? How can that happen? In theory, a brief can't just disappear, can it?

The CHAIR: Exactly.

The Hon. JOHN GRAHAM: No. I've taken that on notice and I'm happy to provide further information.

The Hon. MARK LATHAM: You'll come back to us?

The Hon. JOHN GRAHAM: Absolutely.

The Hon. MARK LATHAM: You've said that your understanding is that the Premier's office in some way is involved in changing these allocations in the seat of Sydney. Have you discussed that with the Premier or his staff as to how it's happened and why?

The Hon. JOHN GRAHAM: I'm merely making—there's a short list of projects that have been changed in some way. This is a document you have. There's a very small number of projects that have been amended. A couple of those are in relation to the description. A couple of those are in relation to the amount, where I

understood these were corrections—that's the brief that's been given to me by the program office—that have occurred at some point. They were not corrections to the amounts or the descriptions from my end.

The Hon. MARK LATHAM: This is the Alison Morgan memo to Damian O'Connor in your office, with handwritten numbers on it. At the top of the original funding allocation, it reads, "Alex G"—I assume Alex Greenwich—"PO", Premier's office. What do you think that means?

The Hon. JOHN GRAHAM: I wouldn't want to speculate.

The Hon. MARK LATHAM: It seems to indicate Alex Greenwich has had some influence with the Premier's office to change these numbers. When you say, "change in purpose," is there a change in purpose for Will2Live to actually renovate their kitchen at 40 Botany Road, Alexandria?

The Hon. JOHN GRAHAM: The change in purpose ones that I'm referring to are a single commitment in another electorate, where it was a change to air conditioning in the library, as the original commitment was incorrect, and a change in a second electorate, also not Sydney, to a new motor for an inflatable rescue boat as the original commitment was incorrect. I'd regard these and the changes in amounts as relatively minor.

The Hon. MARK LATHAM: Can you explain to the Committee why the Will2Live allocation was increased from \$10,000 to \$100,000, such a substantial increase?

The Hon. JOHN GRAHAM: No, I can't, but I did satisfy myself, via my office, that these were original election commitments before I signed off.

The Hon. MARK LATHAM: Developed by Skye Tito? You're sure of that?

The Hon. JOHN GRAHAM: Say that again.

The Hon. MARK LATHAM: The Labor candidate was Skye Tito?

The Hon. JOHN GRAHAM: I believe that's correct, yes.

The Hon. MARK LATHAM: You believe that she developed them? Can you explain why Will2Live is increased from \$10,000 to \$100,000?

The Hon. JOHN GRAHAM: No I can't. Sorry, I can go further than that. I was advised by the program office that they'd been advised that the numbers were incorrect, but that's as much as I can tell you.

The Hon. MARK LATHAM: Are you aware that Will2Live is renovating its kitchen at 40 Botany Road, Alexandria, which is outside the electorate of Sydney?

The Hon. JOHN GRAHAM: No, I was not aware of that.

The Hon. MARK LATHAM: Are you aware that the property is owned by a company?

The Hon. JOHN GRAHAM: Sorry, I was not aware of that. I can't guarantee all the fine detail that's come to the office, but I wasn't personally aware of that.

The Hon. MARK LATHAM: Things that you're not aware of, I'm assuming you'll undertake to investigate on behalf of the Committee to get to the truth. Are you aware that the property at Botany Road, Alexandria, is owned privately by a company called Fernari, the principal of which is Brent Maksimovich?

The Hon. JOHN GRAHAM: No.

The Hon. MARK LATHAM: Why would an allocation be made for a renovation of a kitchen for a property outside the electorate owned by a private company that then gets to own the worth of the renovation?

The Hon. JOHN GRAHAM: I don't know the answer to that. I have signed off on a small number of grants outside the electorate, but only where it's been brought to my attention, and only where there's a public purpose to giving money.

The Hon. MARK LATHAM: Did you sign off on this one?

The Hon. JOHN GRAHAM: I would have to take that on notice. I don't recall, but I'd be happy to get more details.

The Hon. MARK LATHAM: Are you aware that Mr Maksimovich also owns a construction company called Maxim Potential that specialises in the renovation of cafes, restaurants and shops, and one would possibly suspect that he owns the property, and he's doing the work to the value of the \$100,000 taxpayer funds?

The Hon. JOHN GRAHAM: No, I was not aware of that.

The Hon. MARK LATHAM: Can you undertake to investigate?

The Hon. JOHN GRAHAM: Yes, of course.

The Hon. MARK LATHAM: If what I've described is accurate, is that within the guidelines of this program?

The Hon. JOHN GRAHAM: I should take that on notice, but I'd be happy to investigate the issues you've raised, look at the guidelines and see whether I regard that as appropriate.

The Hon. MARK LATHAM: Coming back to the memo received from Alison Morgan to Damian O'Connor in your office with these handwritten notations, the extra \$90,000 for Will2Live and this property in Alexandria is then compensated for, seemingly, by other programs being knocked down in their funding. You're aware of that?

The Hon. JOHN GRAHAM: I'm aware of the note, but I was only aware of it after it became public.

The Hon. MARK LATHAM: To compensate the ones that lost out in this local allocations to the amount of \$135,000, the four programs appear to have received compensating money from the Premier's Discretionary Fund. Are you aware of that?

The Hon. JOHN GRAHAM: No, I wasn't aware.

The Hon. MARK LATHAM: Do you think that's a proper way for this program to be allocated? That Mr Greenwich, after the election and not involved in the original allocation as a Labor candidate, gets to change it to benefit a business, privately-owned construction company doing the work, and then the Premier comes in with discretionary funds to compensate the losers?

The Hon. JOHN GRAHAM: Some of that question relates to programs I am not the decision-maker for. To the extent that I am a decision-maker for some of the things you've referred to, I've satisfied myself, via my office, that these were the original commitments, and therefore I've been able to sign off. If I wasn't convinced of that, I would not have signed off.

The Hon. MARK LATHAM: Have you asked the Premier why he's compensated the losers in the Greenwich alterations? This adds up as \$535,000 for the seat of Sydney, determined by someone who wasn't a Labor candidate, and did it after the election, outside the guidelines.

The Hon. JOHN GRAHAM: It's not a program I oversee, and I wasn't aware that that grant had been made.

The Hon. MARK LATHAM: Will you now talk to the Premier to find out why—they all say, John, of course, that it's only a rort if you're not in it. Now Mr Greenwich is in it, will you ask the Premier how he got in it?

The Hon. JOHN GRAHAM: I've taken on notice the aspects of this that relate to the Local Small Commitments Allocation.

The Hon. MARK LATHAM: Okay. In terms of these alterations with the notation at the top, "Alex G/PO", are you aware of any other non-Labor candidate who, after the election, whether elected or not, got to change the allocations in their seat?

The Hon. JOHN GRAHAM: I've kept a very strict record of anyone I've talked to. I have talked to some MPs. Some of them, as you'd expect, come barrelling through the door before I can stop them and talk to me about the timing of the projects, for example. I've declared those. I've satisfied myself that any of the commitments were the original—

The Hon. MARK LATHAM: Are there others, though, as I've described?

The Hon. JOHN GRAHAM: I'm not aware of—

The Hon. MARK LATHAM: Anyone else. Only The Greens.

The Hon. JOHN GRAHAM: If I had been involved, I would have written it down. I have written it down. There's a record.

The Hon. MARK BUTTIGIEG: I note that you've undertaken to investigate a couple of these things on notice, but there was testimony here today, or questioning here today, about these handwritten numbers on a note. It doesn't necessarily follow, does it, that because there's some numbers scrawled across a note that that was what was finally implemented?

The Hon. MARK LATHAM: Well, his name's on the top.

The Hon. JOHN GRAHAM: That's correct. I've relied very much on the papers that have come to me. All those papers have been published. Since I made that commitment and published the complete lot, there's been some subsequent decisions, as we've just finally allocated the information. Those have also been published. All this paperwork is public. That's the basis on which I've made these decisions.

The Hon. MARK BUTTIGIEG: Indeed, the very reason we're able to ask these questions is because of the nature of the transparency and the willing accession to the SO 52, and it's on the record that all these things were voluntarily released prior. Let's move on. In terms of the stronger probity requirements to the program that were suggested by the public service, can you tell us about cases where you applied that extra lens over and above what was recommended originally?

The Hon. JOHN GRAHAM: The design of this program has come out of concerns about how some of these programs have run previously—in particular, keeping an accurate record of commitments. We have seen instances in some electorates—Queanbeyan, in particular, was one example that came to mind for me—where it was impossible to track commitments, including small commitments, that have been made during elections or by-elections. That was one of the things that was attempted with this. There's a strict commitment to \$400,000 per electorate. That's in strong contrast to what we've seen with other grant programs, where 96 per cent of it was heading in one direction, to one political party or political parties. Any of the residual expenditure here goes into parks and playgrounds, if money's not allocated. That gives a guarantee of a community purpose along the way.

For me, the contrast there was with the \$90 million we saw in one of those stronger communities projects to the Hornsby Quarry. That project—this was the view of advice to the former Government—was bigger than all the funding to all the parklands across Sydney, so this is an attempt to level the playing field: an equal amount to every electorate. Crucially, it is delivered no matter who wins that electorate. That's very important because in the past in elections or by-elections we've seen groups told, "If this candidate does not win, you will not get the funding". I regard that as inappropriate.

So this program is the opposite. It was fully costed. That costing is public. The grant guidelines have been applied. I'll remind members, the grant guidelines have been strengthened since we came to Government. In terms of the decisions I've made, we have done a tough assessment, including value for money. We've assessed three things: benefits, value for money and deliverability. That has meant I've knocked back a number of grants that were election commitments, but I couldn't satisfy myself they met the criteria.

In six instances I have not approved grants. They didn't meet the criteria, as it went through. One of those, whether it was the benefits, the value for money, or the deliverability, I couldn't satisfy myself that they met the goals of the program. Accordingly, they've been turned down. I think you may have had one of those put in front of you, that Gunnedah Urban Landcare project, which would have meant trees next to a koala habitat. I think it's a very good public purpose, but I couldn't satisfy myself that it met the guidelines. The guidelines here have been applied strictly, is really the point I'm making there.

The Hon. MARK BUTTIGIEG: What about this idea that the residual, the spillover from the non-hypothecated amount prior, would go to parks and playgrounds, then the local member would be consulted? Whose idea was that?

The Hon. JOHN GRAHAM: They were decisions either of the shadow ERC or the Government, but both important protections. Any residual, there's a way to make sure that it is of community benefit, and it means every electorate gets the same amount. Wherever that parks and playgrounds action happened, we put in place a process where the councils are required to talk to the local MP, of whatever political persuasion. From my point of view, that's worked well, and it's worked well for MPs of all political persuasions. That's certainly the feedback I've had.

The Hon. MARK BUTTIGIEG: On evidence prior, we traversed this subject about how you would possibly design a program that would maximise equity across the electorates. Obviously the baseline of that is the 400 for every single electorate. Then this sort of bizarre proposition that some have suggested where there'd be this open tender process by everyone contesting the seat, and we had a discussion over that. But this consulting of the local member, of the residual amount to parks and playgrounds, is about as close as you can get to that open tender process without the whole thing being ridiculous, isn't it? Because surely if you're a political party and you want to be elected, you're not going to give your money, when you're elected, to the opposition candidate who will then beat you into office and therefore you don't get Government and therefore you can't allocate the money.

The Hon. JOHN GRAHAM: From my point of view, it's very important that this is equal across the board—\$400,000 to each electorate. I will point out that at the same time as we're inquiring into this program, there was a program investing in local communities by the Coalition. This was eight times as big. This was going

largely to Coalition electorates, presumably. The information we do have about it suggests it was going largely to Coalition electorates. We don't know if there's any conflict of interest process. Probably not. This was never publicly released. We don't know the details of the project. This is eight times as big, this program, investing in local communities, which was the Coalition's policy on 16 March.

The Hon. MARK BUTTIGIEG: So eight times the envelope of money but also quite specifically directed to marginal seats—Coalition seats.

The Hon. JOHN GRAHAM: Correct.

The Hon. Dr SARAH KAINE: Sorry, Minister, was that this election just past?

The Hon. JOHN GRAHAM: This election. This policy proposes to provide a total of \$298.6 million in grants to councils and non-government organisations, to support local upgrades to sporting infrastructure across New South Wales, assist in delivering local projects through improving local amenities and expand local infrastructure and tourism. So the same purposes as the grant that you're looking into. It's eight times as big with none of the protections, going—as far as we know—largely to Coalition electorates. There was no conflict of interest process and they were not made public. I still can't tell you what some of the projects are that are in here. What I can tell you is there was \$160 million in grants for sporting infrastructure, \$95 million in grants for local projects, \$34.25 million in capex grants, and \$9 million in other what was referred to as "smaller projects". What those projects are is a mystery that is still not able to be answered. There are some details, but they're very scant.

The Hon. MARK BUTTIGIEG: Would it be fair to say that this program was specifically designed to avoid those sorts of pitfalls? At the time, the previous Government got a lot of media attention for what was notoriously labelled pork-barrelling. This program was designed by the then Opposition and specifically tailored to avoid those pitfalls—and it has avoided them.

The Hon. CHRIS RATH: Point of order—

The Hon. JOHN GRAHAM: I don't want to go into the discussions with my colleagues, but the key question here was—

The CHAIR: Order! I must hear the point of order.

The Hon. CHRIS RATH: I think this has been going on long enough. I understand it is fair to make some comparisons between Local Small Commitments Allocation and Coalition projects, but this has traversed well and truly outside of the terms of reference. The Minister has been going on for some time now about Coalition commitments. That has nothing to do with the local small commitments program and is not at all relevant to this inquiry.

The Hon. JOHN GRAHAM: I'm happy to come back to the small commitments program.

The Hon. MARK BUTTIGIEG: To the point of order: It is a direct comparison of an analogous program, which was put to the electorate.

The Hon. CHRIS RATH: That wasn't your question.

The Hon. SARAH MITCHELL: That program was never implemented. We're not in government.

The CHAIR: Order! I have heard enough on the point of order. There is no point of order. There is a broad relevance. I don't see the harm in continuing. Carry on.

The Hon. JOHN GRAHAM: In relation to the small commitments program, the reason those protections were in place was to avoid the pitfalls we'd seen previously. The question literally was, "What would John Barilaro do, and can we please do the opposite?" That is the principle that sits behind any of the protections in this scheme, having seen what we had seen.

The Hon. MARK BUTTIGIEG: That's a very descriptive way of distilling what I was asking, Minister. Thank you. The other thing I want to bring you to is this extra layer that I think you were responsible for applying. Could you confirm that? In the event that a councillor was also a candidate, you applied an extra lens of probity in terms of conflict, didn't you?

The Hon. JOHN GRAHAM: Yes.

The Hon. MARK BUTTIGIEG: That was subsequently applied?

The Hon. JOHN GRAHAM: That was one of the issues raised. I thought it was reasonable that we double-check, if someone is on council and they're also making those decisions, that we've cross-checked any conflict. That was an issue, as it turned out. For example, with that Gunnedah Landcare program, the candidate

was serving on the council and was also the council delegate in what I understand was an unpaid capacity for the project. That meant, for instance, that I couldn't sign off on that project because of that dual role. I just couldn't satisfy myself that we should do that, even though it was a very good public purpose. It would have been \$100,000 that would have gone to a very good purpose. Instead, that has been reallocated to parks and playgrounds.

The Hon. MARK BUTTIGIEG: And that extra level of scrutiny or rigour around conflict didn't come from the public service, did it? That was a lens that you applied.

The Hon. JOHN GRAHAM: Yes, although I've sought public service advice, and we've been given very good advice in relation to this process. I've acted on advice along the way in relation to the conflict of interest process, though I've certainly wanted to go as far as possible. You've seen that evidence from the public service on the record.

The Hon. MARK BUTTIGIEG: Can I get your view on something, Minister? I think this is important—I'm not being facetious. A lot of this is about where you draw the line between the public's right to know what is being promised at an election in terms of differentiating the competing candidates, and where it becomes pork-barrelling. We've had suggestions and discussions around lifting it all up to a generalised macro approach, where the Labor Party believes in education and health and the Liberal Party believes in subsidising freeways or whatever they're on about, versus that we reserve the right to promise our electorates certain projects at a very localised level, which is part of the democratic process. Some of the implication has been that we should steer away from all that, because it just gets us down this slippery slope to pork-barrelling. I want to get your views on that.

The Hon. JOHN GRAHAM: I think it is realistic that political parties make election commitments. The alternative to that is that these decisions are all made by agencies, and I don't think that's what the public wants. I think the political process is important. However, these have got to be tracked, and they haven't always been, in the past. In my mind, they should be as equal as possible. There should be strong protections in place. We should look at value for money from a public point of view. These are all important questions to apply to any public spending.

The Hon. MARK BUTTIGIEG: In terms of this experience guiding future programs, whilst no process is perfect, this would probably be the exemplar, in your experience?

The Hon. JOHN GRAHAM: I don't want to go that far. I'm aware the Auditor-General is looking at this program. Any suggestions about changes to any of the Government programs, we should be open to. I can tell you this: It's a lot better than the investing in local communities fund, which is eight times as big and has none of these protections in place. The hypocrisy of pursuing this scheme and not being up-front about it—I can't tell you what's in this program. I can tell you a couple of things. This covered off the Young Police Station, and it covered off a Metro car park at Tallawong and the Wakefield Park raceway. I can't tell you much more about what is in this secret program.

The CHAIR: That is all we have time for. Thank you very much for your attendance today. We appreciate it. To the extent there were questions taken on notice or any supplementary questions, the Committee secretariat will be in touch. That concludes our hearing for today.

(The witness withdrew.)

The Committee adjourned at 13:05.