

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Thursday 12 March 2020

Examination of proposed expenditure for the portfolio area

PREMIER

The Committee met at 09:30.

CORRECTED

MEMBERS

The Hon. Robert Borsak (Acting Chair)

Ms Abigail Boyd
The Hon. Ben Franklin
The Hon. Taylor Martin
The Hon. Peter Primrose
The Hon. Adam Searle
The Hon. Penny Sharpe
Mr David Shoebridge
The Hon. Natalie Ward

PRESENT

The Hon. Gladys Berejiklian, *Premier*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

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

The guidelines for the broadcast of proceedings are available from the secretariat. All witnesses in budget estimates have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. I remind the Premier that she and the officers accompanying her are free to pass notes and refer directly to their advisers seated at the table behind them. Transcripts of this hearing will be available on the website as soon as possible. Finally, could everyone turn their mobile phones to silent for the duration of the hearing.

All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. I remind the Premier that she does not need to be sworn as she has already sworn an oath to her office as a member of Parliament. As all witnesses in this hearing have previously been sworn at an earlier up budget estimates hearing before this Committee, no witnesses will be sworn in for today's hearings. Today's hearing will be conducted from 9.30 a.m. to 12.30 p.m. with the Premier, and from 2.00 p.m. to 5.00 p.m. with the departmental witnesses. The hearing today from 9.30 a.m. to 12.30 p.m. with the Premier will be conducted with no Government questions. I declare the proposed expenditure for the portfolio of Premier open for examination.

SIMON DRAPER, Chief Executive Officer, Infrastructure NSW, on former oath

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

The ACTING CHAIR: As there is no provision for any witnesses to make an opening statement before the Committee commences, I will begin with questions from the Opposition.

Ms GLADYS BEREJIKLIAN: Chair, could I just make a comment that the COAG is meeting today and my secretary will need to attend and leave early this afternoon, if that is permissible. Given that there is a health issue on, I would like him to be there.

The ACTING CHAIR: We are onto that, thank you very much.

The Hon. NATALIE WARD: Do you want to clarify what we have agreed?

The ACTING CHAIR: What was agreed was that Mr Reardon would appear until 3.45 p.m. Is that your understanding?

Mr REARDON: That was my understanding.

The ACTING CHAIR: We have agreed on all those adjustments to timing.

Ms GLADYS BEREJIKLIAN: I appreciate that, thank you.

The Hon. ADAM SEARLE: Premier, when did Minister Ayres declare to you his membership of the Penrith Panthers club?

Ms GLADYS BEREJIKLIAN: I would be very disappointed if the member for Penrith was not a member of the Panthers club. Thousands of people in his electorate are and, as I understand it, you need to be a member to get into the club. So, he would be in the same class of citizen as thousands of people and I would not expect him to have to declare—I would make the assumption, anyway. He would be in the same class of citizen as thousands of other people and, therefore, would not have a unique arrangement with that club.

The Hon. ADAM SEARLE: Just on that point, in Minister Ayres's evidence to estimates earlier this week, he indicated that he was so concerned about the look of him being a member of the Penrith Panthers and providing a \$12 million taxpayer grant to that club that, despite having executed the funding agreement on 24 January last year, he caused the acting chief executive of sport to re-execute it to have his name taken off it. There are a flurry of emails saying that the Minister is very concerned. He obviously thought his membership of that club was a problem, so why don't you?

Ms GLADYS BEREJIKLIAN: No, I commend him for taking that precautionary response. He probably did not have to, but that was a response he chose to make. I commend him for taking that extra precaution and being at arm's length from any future deliberations on the matter.

The Hon. ADAM SEARLE: Okay, but just to be clear, he never disclosed to you his membership of the club?

Ms GLADYS BEREJIKLIAN: But I would not expect him to because he is in the same class of citizen as thousands of his constituents. I am not sure what membership—

The Hon. ADAM SEARLE: Yes, but not every citizen is in a position to be advocating for and delivering a \$12 million grant to a multimillion-dollar local business.

Ms GLADYS BEREJIKLIAN: Yes, but let's put things into perspective, with all due respect. I am assuming membership of the club would mean he would not have to sign a long form every time he goes into the premises. He is the local MP and I would be disappointed if he was not a member of the club, and he has publicly stated his association with that organisation on a number of occasions.

The Hon. ADAM SEARLE: When did Minister Ayres disclose to you that he had personally received donations from Penrith Panthers?

Ms GLADYS BEREJIKLIAN: As you would know, unlike the Labor Party, Liberal members have never been allowed to accept donations. It is always done through the organisation. So, it is actually—your question is factually not correct in that, always, as long as I can remember—and I have been involved in public life for decades—it is our party organisation that deals with donations, not individual members. We are not allowed to have campaign funds. It is all done through the organisation. I note that has not been the case with the

Labor Party and you have changed your rules as a consequence of activity in the past few years. As far as the New South Wales Liberal organisation is concerned, no member of Parliament at any stage is allowed to accept personal donations, and is not allowed to have them under a different name or category, apart from the party vehicle, which, in this case, I am assuming would be a local branch or the Liberal Party headquarters.

The Hon. NATALIE WARD: We've never had an Aldi bag.

The Hon. ADAM SEARLE: Just looking at the disclosures that Penrith Panthers has made to the Liberal Party, a number of them are designated as being for Mr Stuart Ayres, MP, despite the fact that it is directed formally to the Liberal Party organisation, but they are earmarked to be of benefit to him. As a matter of substance, rather than form, it is quite clear that the Penrith Panthers club have provided him with political support. When did he make that disclosure to you?

Ms GLADYS BEREJIKLIAN: I would assume the disclosures would involve functions at which he attended. Let me make it clear that Liberal members of Parliament, irrespective of their position, are not allowed to accept donations. I know and have every confidence that the Liberal Party adheres to that provision very strongly. In any event, Mr Searle, your party has since referred the matter to another body and, I suspect, if you were serious about that referral, you would allow that organisation to undertake any necessary questions regarding the matter.

The Hon. ADAM SEARLE: That particular body has a particular jurisdiction. My questions are now going to the ministerial code, for which you have administrative responsibility. Under the code, a Minister:

must not ... conceal a conflict of interest from the Premier.

That is under clause 7. Also, Ministers are under a duty to disclose—that is clause 10 to the schedule—and there is also a requirement under clause 12 to the schedule that a Minister must abstain from decision-making. But, of course, there is a machinery provision for a Minister with a conflict to seek a ruling from you, as Premier, about the management of any conflict. The upper House has recently caused to be released a series of ministerial rulings that you have made in relation to a number of your frontbenchers. I do not see there any disclosure or ruling sought by Minister Ayres about either the donations that he has, in substance, received from Penrith Panthers, nor his membership of the club, despite the fact he thought that was such an important matter.

Ms GLADYS BEREJIKLIAN: The provisions and the code to which you refer does not include a case where a member, whether they are involved in decision-making provision or otherwise, is part of a class of citizen that involves thousands of people. But I will ask the secretary to elaborate on that.

The Hon. ADAM SEARLE: Well, I do not see that exemption there.

Ms GLADYS BEREJIKLIAN: I will ask the secretary to elaborate. But certainly if you are one of a class of people when there is thousands of people in the same class as you, there is no onus on you to do that. I will ask the secretary to elaborate further.

Mr REARDON: Thank you, Premier. The code is complied with by Ministers bringing forward their declarations and disclosures. We expect them to comply with that code. My general counsel manages that within the Department of Premier and Cabinet and advises through to the Premier on it, and we expect it to be honoured and to be updated on a regular basis.

The Hon. ADAM SEARLE: Just on that, it is quite clear—unless you tell me different—that Minister Ayres did not make a disclosure to the Premier about his membership of the club, nor has he made a disclosure that in substance Penrith Panthers have made donations from which he has benefited. What happens now? You are the custodian of the code. What steps are you going to take about those non-disclosures?

Ms GLADYS BEREJIKLIAN: I just want to stress the first point which is the donations are benefited by the entire Liberal Party organisation. Secondly, you need to declare, as per the provisions you read out, a conflict if it specifically refers to a material benefit that you are receiving or else a personal benefit that you are acquiring. When you are a class of citizen which—again I will look up the membership of the Penrith Panthers—I would suspect would be in the tens of thousands, that is not a unique interest.

The Hon. ADAM SEARLE: It is not required to be a unique interest. It is meant to guard against actual or perceived conflicts of interest. If you look at the preamble to the code it is not only about making sure the right thing is done but is seen to be done.

Ms GLADYS BEREJIKLIAN: On that basis if we are talking about perception, my perception would be that if you are part of a class of citizen where tens of thousands of others in your community are, that is not a

perceived conflict. Going on your definition, which is a loose one I must say, I would say that he is in a class of citizen of tens of thousands of people.

The Hon. ADAM SEARLE: In 2015 Minister Ayres, along with the then Premier, made a commitment of \$12 million to the Penrith Panthers. In substance that was to build, and I quote, "Indoor sporting facilities like we have never seen before," and also space for netball, futsal, wheelchair rugby and other indoor sports at a large gymnasium. The internal assessment by the Office of Sport makes it very clear that the benefit of the project comes from the sport and recreation facilities to be provided to the Penrith area.

Since 2018 Minister Ayres and the then Office of Sport knew that there were going to be no sport and rec facilities. Despite that knowledge, he executed the funding agreement on 24 January. But then there is a flurry of emails—there is a real panic on—and the Minister is desperate to remove his signature. As I said, he indicated that was because of his membership of the Penrith Panthers. When did you become aware that the scope of the project had changed and would no longer have sport and rec facilities?

Ms GLADYS BEREJIKLIAN: As you would perhaps be aware, given the number of projects across the State I do not get into that level of detail on those projects. However, I would make the following observation in that it was an election commitment, I understand, and it was done in coordination with the Federal Government. If there was any issue regarding scope it would be one in which there was involvement with the Federal Government.

The Hon. PENNY SHARPE: Premier, how is it possible that a \$12 million grant that was for indoor sports facilities emerges as a convention centre and you are not concerned that it did not meet the scope and that it was signed off by a Minister who had received donations, was a member of the club and had failed to declare those?

Ms GLADYS BEREJIKLIAN: Firstly I think the membership or otherwise of the club is irrelevant.

The Hon. PENNY SHARPE: So you are not concerned about that?

Ms GLADYS BEREJIKLIAN: No, because—

The Hon. PENNY SHARPE: You are aware of Bridget McKenzie, Premier?

Ms GLADYS BEREJIKLIAN: But I would expect him to be a member of the Panthers club, as would most of his constituents.

The Hon. PENNY SHARPE: Which he did not declare. This Minister has failed the Bridget McKenzie test, Premier. Do you not hold your Ministers to even that level of accountability?

Ms GLADYS BEREJIKLIAN: I think the long bow you are trying to draw is completely not based in fact.

The Hon. PENNY SHARPE: Okay. If you do not believe that, how is it possible that a \$12 million grant to an organisation for indoor sports facilities becomes a convention centre and the money is handed over by a department for sport, where there is no sporting facilities?

Ms GLADYS BEREJIKLIAN: I would assume that that has been done in consultation with the Federal Government. I do not know the details of that but I will say this—

The Hon. PENNY SHARPE: Premier, are you aware that there are—

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

The ACTING CHAIR: Hang on—

The Hon. PENNY SHARPE: Do you have a point of order?

The ACTING CHAIR: You are just as bad if you do that. You have got to take a point of order.

The Hon. BEN FRANKLIN: I am happy to take a point of order, Mr Chair. It was merely that the Premier was in the middle of a sentence and that I think she should be allowed the courtesy to finish.

The ACTING CHAIR: I will uphold the point of order.

Ms GLADYS BEREJIKLIAN: Thank you. Sorry, I did not get the question.

The Hon. PENNY SHARPE: The question is there thousands of small businesses who are currently being knocked back for bushfire assistance because they are not meeting criteria, but you are saying that you are

okay that \$12 million that was supposed to be for indoor sports facilities is now being spent on a convention centre?

Ms GLADYS BEREJIKLIAN: Firstly I am not sure if you caught up with the update yesterday but the Federal Government took on board the feedback of the New South Wales Government and has relaxed the criteria for small businesses applying for grants for bushfire impacted communities.

The Hon. PENNY SHARPE: That is very good news, Premier, but that does not go to the fact—

Ms GLADYS BEREJIKLIAN: That was the question you asked.

The Hon. PENNY SHARPE: There are thousands of community organisations who sweat blood and tears to put in applications for funding. The idea that an organisation that had donated directly to a Minister who is a member of that club and then get a \$12 million grant with no tender, no anything, and then emerges into not being an indoor sports facility at all—don't you think they would be concerned about that? And why aren't you?

Ms GLADYS BEREJIKLIAN: Because your question had a number of misstatements and factually incorrect assertions and I will not respond to those.

The Hon. PENNY SHARPE: Does this facility have any sports facilities attached to it as part of the project?

Ms GLADYS BEREJIKLIAN: I think people know what the core business of the club is and that is a matter for them.

The Hon. PENNY SHARPE: This is a hotel with serviced apartments in it. There is nothing for wheelchair rugby, is there? There is nothing for netball.

Ms GLADYS BEREJIKLIAN: Let us just place on the record that the Labor Party does not support the activities undertaken by the Panthers club.

The Hon. ADAM SEARLE: No, that is—

Ms GLADYS BEREJIKLIAN: That is exactly what you are saying.

The Hon. PENNY SHARPE: Let us put on the record then, Premier, that you are happy for \$12 million that was supposed to be for indoor sports facilities to be spent on a convention centre—

The Hon. NATALIE WARD: Among other things. It was not just sport.

The Hon. PENNY SHARPE: —organised by a Minister who is a member of the club, took donations from that club and did not declare it, and then scrabbled around trying to make his department wear it and actually have to sign off the delegation. If you want to put that on the record, Premier, I am happy to do so.

Ms GLADYS BEREJIKLIAN: Mr Chair, I am more than happy to answer questions but I just ask members to ask me questions that are factually correct. I will make this final point on this matter: that is, the Labor Party determined that this matter was so serious that it referred it to another body. Given that is the case, why not let that body answer these matters that you have raised?

The Hon. ADAM SEARLE: That other body has a particular jurisdiction. We are dealing with the ministerial code here for which you are responsible.

Ms GLADYS BEREJIKLIAN: The jurisdiction of that body includes the ministerial code.

The Hon. ADAM SEARLE: I know, but—

Ms GLADYS BEREJIKLIAN: Well, you have just contradicted yourself.

The Hon. ADAM SEARLE: I understand, but if you have read the code, Premier—

Ms GLADYS BEREJIKLIAN: You just made a misstatement.

The Hon. ADAM SEARLE: —you will know that you are the guardian of the code. You are the only person that can govern it. You are responsible for the maintenance of it and you are the only person that can impose sanctions under it, so this goes to your responsibility under the code. I am looking at Minister Ayres' press release. There is lots of talk about sporting facilities, wheelchair rugby, futsal and the like. There is no mention of serviced apartments or a hotel, which is now where the money is going. Just leaving aside Minister Ayres' particular example, is it okay in your Government for a Minister to advocate for public money to go to bodies

they are a member of and to not disclose that to you and to not disclose that to the public? Is that what you are saying is the standard?

Ms GLADYS BEREJIKLIAN: Mr Searle, for the purposes of clarity I ask you to clarify the statement you made which was incorrect. That body you have referred this matter to does have jurisdiction over the ministerial code. You said it does not. You are a lawyer. You should know better.

The Hon. ADAM SEARLE: No, I am talking about your responsibility under the code.

Ms GLADYS BEREJIKLIAN: You provided a misstatement to this Committee and I would ask you to clarify that because you are misleading the public.

The Hon. ADAM SEARLE: Premier, you are seeking to obfuscate and misdirect rather than answer the question.

The Hon. NATALIE WARD: As are you.

The Hon. ADAM SEARLE: I am talking about your responsibility under the code. Let us go now to the re-execution of the funding agreement. The ministerial code says quite clearly that a Minister must not make any request that would require a public service agency or other person to act contrary to the law. According to internal memos from the Office of Sport, the Chief Executive of Sport has a \$3 million limit on his or her delegation. The funding agreement that has been executed, dated 21 February, is a \$12 million commitment. Premier, can you or your secretary identify where the instrument of delegation is that increases the delegation for the Chief Executive of Sport from \$3 million to \$12 million?

Ms GLADYS BEREJIKLIAN: I am happy to refer that question to the secretary. But I will say the following: I am not sure what date—

The Hon. ADAM SEARLE: It is 21 February 2019.

Ms GLADYS BEREJIKLIAN: Right. My point is I am not sure what date caretaker provisions occurred.

The Hon. ADAM SEARLE: It was 1 March.

Ms GLADYS BEREJIKLIAN: But you would appreciate that would be relevant. I will ask the secretary to comment on that.

The Hon. ADAM SEARLE: I am looking at Mr Reardon's memo from last year, but the caretaker is from 1 March, I believe.

Mr REARDON: Yes, it was 1 March.

The Hon. ADAM SEARLE: On 21 February the Office of Sport was located in the Industry cluster. I do not have a perfect understanding about how you altered delegations, but my understanding is that it is the secretary of the cluster who must increase delegation for any officer within that cluster. As head of the public service, can you confirm that or explain that?

Mr REARDON: As you just pointed out, delegations are from secretaries under the Government Sector Employment Act. Those delegations then flow within a department and through a cluster. Some delegations for independent entities can be direct from ministerial level. Some can be. I was going to answer. The Office of Sport—I do not know how their delegations flowed from the secretary, either prior or now. That is a matter within the cluster. For example, I would know what my delegations are for resourcing, employment, travel, financials in Premier and Cabinet. We would set broad, consistent principles for that under the Government Sector Employment Act. When it comes to a secretary of any cluster, then they can set those delegations within a cluster and they do vary.

The Hon. ADAM SEARLE: I am very interested in this particular matter. The office of the chief executive of Sport has a \$3 million limit on his or her delegation. The Minister has caused the—

Mr REARDON: I cannot confirm that, but I will take it on notice if you want me to confirm that.

The Hon. ADAM SEARLE: Yes, I would like you to do that.

Mr REARDON: I did not know if that was a question or a statement.

The Hon. ADAM SEARLE: I am going to put to you some propositions and you can come back on notice. I have got some documents that identify this, but the chief executive has a \$3 million limit on his or her

delegation. The Minister has caused the funding agreement he entered into to be rescinded and he has caused, by signing a direction, that the chief executive should re-execute the agreement in his name. Where is the instrument of delegation that gives the chief executive of Sport the lawful authority to enter into that funding agreement?

The Hon. NATALIE WARD: Point of order—

The Hon. ADAM SEARLE: If there is no such instrument, is the grant of money to Penrith Panthers, in fact, lawful?

The Hon. NATALIE WARD: It is the procedural resolution that the House passed and, in particular, the relevance resolution. These questions have been put to Minister Ayres, as the Hon. Adam Searle knows. He has answered them happily. I am not sure of the relevance of this to this portfolio budget expenditure for 2019. I ask that he direct his questions to the expenditure of the budget in this financial year.

The Hon. ADAM SEARLE: For the benefit of Mrs Ward, who is recently here, the previous Premier Baird set the benchmark that at Premier's estimates any question relating to any area of expenditure in the whole of the Government can be answered. The issue here in relation to this matter is Minister Ayres' evidence is that some of the grant money has been allocated but not all of it, so it is still live. So I assume that some of the money in this year's budget will be allocated for this purpose.

The Hon. NATALIE WARD: Those questions have been put squarely to Minister Ayres at length, as you well know, and answers will be provided.

The Hon. PENNY SHARPE: Stop taking our time and let the Chair rule.

The Hon. NATALIE WARD: But thank you for your patronising—

The ACTING CHAIR: Order! You have to address all your comments through the Chair.

The Hon. ADAM SEARLE: Mr Reardon is the head of the public service and is in a position to give evidence about the delegations.

The ACTING CHAIR: Precedence has set that any question can be asked of the Premier, so there is no point of order.

Mr REARDON: Could you repeat your question then?

The Hon. ADAM SEARLE: Where is the instrument of delegation from the cluster secretary giving the then chief executive of Sport the lawful authority to enter into the Penrith Panthers funding agreement on 21 February 2019?

Mr REARDON: I could only repeat what I said before, being in another—

The Hon. ADAM SEARLE: I am happy for you to take it on notice.

Mr REARDON: No, being in another portfolio. But I wanted to try and assist in responding. Secretaries have delegations and then delegate further within their clusters, just for the efficiency of business. They do that in a proportionate way. The point I wanted to make was they do change from time to time.

The Hon. ADAM SEARLE: Of course.

Mr REARDON: They do change on personnel changes. They change when structures are altered. They certainly have changed after machinery-of-government changes from the 2019 State general election. In my cluster from time to time they do change in terms of expenditures that I make or one of my deputies makes within the cluster and that is normal, including for the CEO of Infrastructure NSW or another leader within the cluster. So that does occur.

The Hon. ADAM SEARLE: I understand.

Mr REARDON: And they can change to meet circumstances—proportionately, but to meet circumstances.

Mr DAVID SHOEBRIDGE: Good morning, Premier.

Ms GLADYS BEREJIKLIAN: Morning. How are you?

Mr DAVID SHOEBRIDGE: I have said it before and I will say it again: It is nice to see you here without a cluster of officials to take questions. I appreciate that.

Ms GLADYS BEREJIKLIAN: Is this unusual, is it?

Mr DAVID SHOEBRIDGE: That is unusual, yes. Normally there is a swarm of bureaucrats around a Minister to deflect questions to. Premier, being responsible for the ministerial code of conduct is one of the important duties you have as a Premier. Do you agree?

Ms GLADYS BEREJIKLIAN: Well, that is obvious.

Mr DAVID SHOEBRIDGE: Perhaps it is.

Ms GLADYS BEREJIKLIAN: It is obviously a leading question. Get to the heart of the question, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: We will get there, trust me. Of course, one of the most important features of the code of conduct is ensuring that Ministers do not act when they have a conflict of interest. Do you agree?

Ms GLADYS BEREJIKLIAN: Please get to the question.

Mr DAVID SHOEBRIDGE: No, do you agree that is one of the most important elements of the code of conduct: that Ministers cannot act and must not act when they have a conflict of interest?

Ms GLADYS BEREJIKLIAN: That goes without saying, so long as that conflict is clearly evident and relevant to that Minister's responsibilities.

Mr DAVID SHOEBRIDGE: Yes, absolutely. But if a Minister can see very clearly there is a major conflict of interest here, they should not do anything at all in their portfolio.

Ms GLADYS BEREJIKLIAN: I would not go that far. It depends on the issue and the circumstances. To say "anything in their portfolio"—that is a stretch.

Mr DAVID SHOEBRIDGE: I will read to you the relevant provision from clause 7 (2) of the code of conduct.

Ms GLADYS BEREJIKLIAN: I am quite familiar with it.

Mr DAVID SHOEBRIDGE: It is preambled that you cannot do this without the approval of the Premier:

A Minister must not ... participate in the making of any decision or take any other action in relation to a matter in which the Minister is aware they have a conflict of interest.

That is fairly unambiguous, is it not? You cannot "participate in the making of any decision or take any other action in relation to a matter" where they have a conflict of interest. You agree that is unambiguous?

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, as you would well know, I am someone who does not deal in hypotheticals. I like to deal in facts. Please ask the question you want to ask me, and I am happy to provide the answer as best I can.

Mr DAVID SHOEBRIDGE: When the police Minister is on notice that he has used a submachine gun without any lawful basis to use a submachine gun and there is likely to be a police investigation of the police Minister for the use of a submachine gun—the penalty for which can be 14 years in jail—it is pretty clear that the police Minister should not participate in the making of any decision or take any other action in relation to that matter. Is that not right?

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, can I clarify a factual issue you raised in your question? The investigation the police commissioner is undertaking, as I understand it, is into Corrections NSW for their potential lack of compliance to the law. It is not an investigation into the Minister. I need to make that very clear, because my understanding is that the commissioner is addressing the issue of Corrections. I also want to make this point: Corrections NSW, as I understand it, and the secretary of that cluster, which includes the Corrections portfolio, Mr Coutts-Trotter, issued a statement apologising to the Minister. I assume that apology would be extended to anybody else who unintentionally found themselves not complying because of a potential oversight of Corrections.

The fact that Corrections issued an apology and the fact that the highly regarded secretary of that cluster issued a statement gives me confidence that the investigation is focused on Corrections NSW and to what extent they did or did not comply with the law. That is a serious matter, but it is a matter for Corrections. The onus is on them to respond to the commissioner's inquiries. As I understand it, there are potentially a number of people who, through no fault of their own and potentially through the fault of a Corrections oversight or lack of compliance, have found themselves in this situation.

Mr DAVID SHOEBRIDGE: Premier, have you spoken with Minister Elliot? Is that where you get your understanding from that he is not the subject of a police investigation?

Ms GLADYS BEREJIKLIAN: My understanding is from the statement issued by Corrections NSW and also from the statement that the commissioner has been asked to look at Corrections NSW.

Mr DAVID SHOEBRIDGE: Premier, would it surprise you to know that, from the information obtained by the police commissioner and the relevant police tasked with the investigation of Minister Elliott, your assumption that this investigation is into Corrective Services NSW and not into the police Minister is dead wrong? Does that surprise you? Dead wrong.

Ms GLADYS BEREJIKLIAN: I want to put this to you, Mr Shoebridge: The issue here is one of the potential lack of compliance. If Corrections was not being investigated, why would the highly regarded secretary Mr Coutts-Trotter issue a formal public apology to the Minister? Why would Corrections issue a similar apology if they felt that that department or responsible entity had nothing to answer? Let us make this clear: If you are talking about a public interest test, if people have acted in a way in which they thought was completely compliant with the law and had no intention of doing the wrong thing, how would that be perceived or in fact be considered an act which was not in the public interest?

Mr DAVID SHOEBRIDGE: Premier, I am sorry, I am not going to deal with public interest; I am going to deal with the Firearms Act.

Ms GLADYS BEREJIKLIAN: Don't you think that is in the public interest?

Mr DAVID SHOEBRIDGE: It should be. Your police Minister's conduct was in breach of section 7 of the Firearms Act, which carries a maximum penalty of 14 years in jail. Does that trouble you?

Ms GLADYS BEREJIKLIAN: Of course it concerns me that there has been a lack of compliance, because as senior leaders of this State, when you are invited to participate in an activity through an agency or body that has responsibility for that place—in this case a firing range—if you are invited to participate in an activity, you ask whether it is okay and the response you receive is that every measure has been taken care of. If you are in good faith relying on advice provided by the entity responsible and you have acted in good faith, well clearly that is a public interest test because the public wants to ensure that each person who has responsibility for serious matters, and also in relation to the Firearms Act, they have not willingly or intentionally or purposely done anything wrong. I cannot make any further comment than what is on the public record because I have not received any advice beyond what is on the public record. What is on the public record is that Corrections—at least the secretary of the cluster which manages Corrections—has issued a formal statement apologising to the Minister.

Mr DAVID SHOEBRIDGE: Premier, let me get this clear: Your police Minister has not told you that he is the subject of a police investigation about his alleged criminal behaviour in unlawfully using a submachine gun? And as far as you are sitting there, you are not aware that he is under a police investigation? Is that seriously your evidence?

Ms GLADYS BEREJIKLIAN: My understanding is that there is an investigation into the compliance regime of Corrections and how that impacts everybody who may have used that range during that time of potential lack of compliance. I do not know anything beyond what is on the public record, but I say this to you—

Mr DAVID SHOEBRIDGE: Premier your position has changed, you see. Initially you said in your first answer that you thought it was a police investigation just into Corrections. Are you now going to correct the record and accept that you also understand the police investigation is into the individuals who used firearms on that Corrections range? Are you seeking to correct your evidence, Premier?

The Hon. NATALIE WARD: Point of order—

Mr DAVID SHOEBRIDGE: The Premier can deal with it herself.

Ms GLADYS BEREJIKLIAN: I am happy to answer.

The Hon. NATALIE WARD: Point of order—

Mr DAVID SHOEBRIDGE: She doesn't need your protection.

The Hon. NATALIE WARD: The question is out of order if it seeks a legal opinion. This is straying into that area. A Minister is not able to answer a question—in fact the question is out of order on a legal opinion, statutory interpretation or a point of law.

Mr DAVID SHOEBRIDGE: This is not about a legal opinion. This is about what the Premier knew. She does not need your protection.

The ACTING CHAIR: There is no point of order.

The Hon. NATALIE WARD: No, she certainly doesn't.

The ACTING CHAIR: Order! This is not a court of law.

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, what the Commissioner of Police investigates is a matter for him and I would never ever contact him to ask him what matters he is looking at. But I know from the public record that when a senior arm of government, a senior arm of public service publicly states an apology to a Minister—

Mr DAVID SHOEBRIDGE: That is it? That is a get out of jail free card for your police Minister, is it?

Ms GLADYS BEREJIKLIAN: No, not at all. All I am suggesting is that gives you the impression that there is a body of work to be done by the police commissioner in relation to why there was not compliance in relation to a number of people. I cannot speculate on the specific matters the police commissioner will look at that; that is a matter for him. But I do know, as the Premier, when I saw a public statement on behalf of the senior public servant who oversees Corrections that they issued an apology to the Minister, that tells me straight off the bat that the Minister did not intentionally or willingly participate in any activity which would be described as potentially unlawful on his part given he was given every assurance that he was acting in an appropriate and compliant manner. It is not for me, and respectfully, not for you to determine to what extent the police commissioner will look at these matters. That is a matter for the police commissioner, and if you think it is appropriate for me or anybody to ask the police commissioner what he is looking into, that is not appropriate either. I would divert your focus on the activities of Corrections; that is a broader concern.

Mr DAVID SHOEBRIDGE: I know you would like to divert this to Corrections, but I am asking you about your police Minister who has unlawfully fired a prohibited weapon in the form of a submachine gun. I ask you again: Has the police Minister told you that he is the subject of a criminal investigation into his conduct? Has he told you that?

Ms GLADYS BEREJIKLIAN: I would not expect him to, no.

Mr DAVID SHOEBRIDGE: You would not expect your own police Minister to come and tell you frankly, "Look, sorry Premier, it looks like I have fired a submachine gun without any lawful permit. It carries a maximum penalty of 14 years. There is a major conflict of interest with the police investigating this. I just thought I'd let you know." You would not expect that conversation to happen?

Ms GLADYS BEREJIKLIAN: No. They are two different things that you are asking me. What I would expect is for him to be concerned that he has unintentionally—

Mr DAVID SHOEBRIDGE: He should be concerned.

Ms GLADYS BEREJIKLIAN: And he absolutely is, as am I, because—

Mr DAVID SHOEBRIDGE: How do you know? You have not spoken to him about it.

Ms GLADYS BEREJIKLIAN: I have spoken to him. Your question was different. Your question was to a specific point. Of course I have spoken to him and I am absolutely convinced that what he did was with full belief and knowledge that Corrections had complied completely with the requirements. Mr Shoebridge, it is not for me or you to determine to what extent Corrections undertook the appropriate compliance regime. That is a matter for the commissioner to provide advice on.

Mr DAVID SHOEBRIDGE: You keep deflecting to Corrections. I am asking you about the police Minister and his conduct. We can deal with Corrections in due course and I know you want to deflect it to Corrections. In the conversation you had with the police Minister, did he tell you that he had referred the matter to the police for investigation?

Ms GLADYS BEREJIKLIAN: That is on the public record.

Mr DAVID SHOEBRIDGE: I am asking if he told you that.

Ms GLADYS BEREJIKLIAN: That is irrelevant. I do not disclose private conversations but it is on the record. In fact it was made public in the morning when the news broke out, so that was on the public record.

Mr DAVID SHOEBRIDGE: Premier, for your benefit, I will give you a direct quote from the police commissioner that deals with the extent of the investigation, "... NSW Police Force is investigating any illegal behaviour by the range broadly and by anyone who may have used firearms or other activities on that range." You accept now that police are investigating your police Minister?

Ms GLADYS BEREJIKLIAN: The quote you gave me does not cause me to change anything I have said on the matter.

Mr DAVID SHOEBRIDGE: Do you know that Minister Elliott referred the investigation of the range and his conduct to the police commissioner? Are you aware that he had a conversation with the police commissioner where he said, "I want you to investigate this"? Are you aware of that?

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, as I stated in my previous answer, that is on the public record.

Mr DAVID SHOEBRIDGE: Are you aware of that?

Ms GLADYS BEREJIKLIAN: If it is on the public record do you think I would be aware of it?

The Hon. PENNY SHARPE: Why don't you just say that?

The Hon. NATALIE WARD: I think she has answered it a number of times. She has answered the question.

Ms GLADYS BEREJIKLIAN: Can I make—

The Hon. NATALIE WARD: You have asked her five times.

The ACTING CHAIR: Order!

Mr DAVID SHOEBRIDGE: I will tell you why I am putting this to you. Your initial answer said you did not believe he was under investigation. You thought the investigation was limited to Corrections. That was plainly wrong and I do not know why you gave that answer. So I am asking you now if you know that the police Minister took some action and referred himself and Corrections to the police commissioner for criminal investigation. Are you aware about?

Ms GLADYS BEREJIKLIAN: I feel like I am repeating myself, but as I said, that is a matter for the public record. And you quoted yourself on the terms of the police commissioner's investigation. Can I say, that is entirely appropriate—entirely appropriate—and I am looking forward to receiving advice as to why there was a lack of compliance. But, having said that, I also say to you that as Premier it would be inappropriate for me to contact any person conducting an investigation to ask on the specific nature of the investigation in case it was regarded as an attempt to alter that investigation, and I would never do that. In any event, the fact that there was a public apology issued by the secretary of the cluster, the fact that it was noted that there was an admission that there had been a lack of compliance and that a number of people unintentionally had been determined to have not complied with the law, that is a serious issue.

Can I say, that is a serious issue. There are serious firearms on that range. It is a serious issue if Corrections has not complied with the letter of the law because not only has it exposed people who otherwise thought they were acting in a lawful way; it has also potentially exposed others in and around that activity for safety reasons. I take this matter extremely seriously but I do not appreciate the conclusions you have drawn in the absence of the Commissioner of Police giving the public and, frankly, the Government advice on why Corrections—because it has self-admitted. Corrections, by issuing an apology, has self-admitted that there was a—

Mr DAVID SHOEBRIDGE: I know you want to keep deflecting back to Corrections but I am—

Ms GLADYS BEREJIKLIAN: I am just stating the facts.

Mr DAVID SHOEBRIDGE: This is a highly embarrassing and unlawful conduct by your own police Minister. Is that why you keep deflecting to Corrections?

Ms GLADYS BEREJIKLIAN: No, I think my first concern is public safety. If a body of government—in this case, Corrections—

Mr DAVID SHOEBRIDGE: Well, when I see the police Minister with a submachine gun my first concern is public safety as well, Premier.

Ms GLADYS BEREJIKLIAN: Thank you. Exactly. My concern is public safety. As Mr Borsak, the Acting Chair, would know I am not someone who is comfortable with guns. I am not someone who advocates unnecessary use of those items. However, if someone has innocently been asked to participate in an activity and the body administering that activity has not complied and has not gone through the proper processes that is an extremely concerning situation. That is what—

The Hon. PENNY SHARPE: He is not required to know the law, apparently.

Ms GLADYS BEREJIKLIAN: —the police commissioner is investigating.

The ACTING CHAIR: Premier, can I just ask one question while you are on that point? You talk about people innocently using those firearms on the range. The Minister's own evidence talks about firearms use and the understanding of the law being an obligation. His own evidence says that. By inference, of course, and of course by fact he has an obligation to know the law. He has an obligation to know and understand that he should not have been handling those firearms. If the range was not being properly managed then why did he not ask the question, "What is happening here? Why am I not even citing a P650 form for the pistol?" for example? He did not do any of those things. In his own evidence he says he is not licensed and never has been licensed. How do you respond to that?

Ms GLADYS BEREJIKLIAN: Mr Borsak, I think it is appropriate for me just to read out the statement that was part of the Corrections statement. It states:

Corrective Services NSW apologises to the former Minister for Corrections, the Hon. David Elliott, for any embarrassment caused by actions at its weapons range that are the subject of recent media reports and any suggestion he has done something wrong.

That is a pretty strong statement from Corrections suggesting that—

The Hon. PENNY SHARPE: It has got absolutely nothing to do with what you are being asked, Premier.

The ACTING CHAIR: No-one is suggesting that Corrections is suggesting that he has done anything wrong. The reality is—

Ms GLADYS BEREJIKLIAN: Mr Shoebridge was.

The ACTING CHAIR: The reality is he has done something wrong.

Mr DAVID SHOEBRIDGE: For the record, I did not suggest Corrections had said that he had done something wrong. Corrections has obviously had its arm twisted to give an apology and a get out of jail free card. What I am suggesting to you is that his action showed a gross lack of judgement by picking up a submachine gun without a licence and was unlawful. I am asking you why you will not take action, Premier.

Ms GLADYS BEREJIKLIAN: Mr Shoebridge and Mr Borsak, if I could answer both of your questions concurrently: Of course breaches of the Firearms Act 1996 are serious matters. That is why, appropriately, the chief law officer of this State or the chief law and order officer of this State, being the New South Wales Commissioner of Police, is investigating the matter. It concerns me greatly that it appears—and we can only make that assumption because of the information we have to hand—but it appears given the statement Corrections has made that it accepts there was a failure on its part to maintain compliance of the activity undertaken on its range. That is a serious issue. I will await the commissioner's report and no doubt Corrections is also currently reviewing its policy. Dare I say a number of other innocent people may find themselves in this situation—

Mr DAVID SHOEBRIDGE: Innocent, Premier? If you have picked up a submachine gun, a prohibited weapon, without a licence or a permit how do you become "innocent"? How have you suddenly made your police Minister innocent before the investigation has concluded? How do you make him innocent?

Ms GLADYS BEREJIKLIAN: If you do something with good intent, without assuming you have broken the law, that means you could potentially be an innocent victim. I say this—

Mr DAVID SHOEBRIDGE: Have you got any advice at all—

The Hon. BEN FRANKLIN: Let her finish the sentence, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: —or are you just free-forming here?

Ms GLADYS BEREJIKLIAN: Can I just finish my sentence, please?

The Hon. PENNY SHARPE: Yes, please keep talking, Premier.

The ACTING CHAIR: Order!

Ms GLADYS BEREJIKLIAN: On a number of occasions—and I know you cannot compare certain sites to a firearms range—but on a number of occasions many of our citizens would be welcomed onto a site for which they have no expertise to operate machinery but they comply with whatever regimen the safety officer has on the site. That has often happened to me in places where it is not safe for the public to access.

Mr DAVID SHOEBRIDGE: I have never seen you operating a bobcat, Premier.

The Hon. PENNY SHARPE: Driving a train.

Ms GLADYS BEREJIKLIAN: Under those circumstances you are subject to the safety officer or the person in charge of that site. When that person authorises you to access areas the public would not be regarded as safe to access, or whether that person allows you to access equipment that is not safe, you are under the responsibility of the safety officer of any site. We take that very seriously. I have been subject to it a number of times myself. When you are a Minister of the Crown and you attend an event where you are overseeing the commissioning of that site and a responsible safety person or the authority in question asks you to undertake an activity and suggests you do it or gives you permission—and I do not know the circumstances; I am only going by what is on the record—you assume that that body is in full compliance with all safety requirements. I do that on frequent occasions when I—I know you cannot compare the two, but when I am on infrastructure sites or attending secure sites or dangerous sites you are subject to the authority that oversees that site.

There would be cause for concern if the relevant body for whatever reason failed to comply with its legal obligations. That is a very serious issue. Any government body that fails to comply with its legal obligations and public safety obligations, in my view, is a serious, serious matter. It is appropriate that the matter is being investigated. I dare say many people may unintentionally be caught up in this situation. It is not a situation I am pleased has arisen. It is not a situation that I am comfortable with, but it is appropriate for Corrections to properly advise the police commissioner what exactly has happened and what exactly its obligations are and to what extent those obligations were or were not complied with. This is a serious matter, and I say at the outset that Corrections, by issuing a public statement and an apology to the Minister, suggests to me that it accepts responsibility for what has been potentially a huge legal oversight.

The ACTING CHAIR: Premier, there may well be joint responsibility in relation to these activities. Certainly from my point of view the range was not managed properly. It may even extend to the point where the Firearms Registry was not administering the license of that range properly as well. How do we end up in a situation where we have firearms laws in New South Wales over many years increasingly being enforced more harshly on ordinary citizens—very, very harshly? If they turn up at my place or stop me in my car and find one .22 bullet perhaps floating around because I did not know it was there, they automatically suspend my licence, turn up at my house and take all my guns. But if the police Minister—then the corrections Minister—turns up on a range and fires a submachine gun, fires a Glock, somehow or another it is someone else's problem. He has no obligation to know the law. How does that work? What are the visuals on that to the citizens of New South Wales?

Ms GLADYS BEREJIKLIAN: Mr Borsak, I feel your question is entirely appropriate. But if you are given certain advice on the spot and you take that advice, you assume that the person giving you that advice has done all the necessary checks and that the person has made sure they are compliant with the law when they give you that advice. But I think the question you raise is entirely appropriate. That is why it is appropriate for Corrections to explain itself.

The ACTING CHAIR: It is appropriate for the Minister to have the law administered against him. That is the way I see it. You cannot have one set of law administration, one set of firearms laws for ordinary citizens who actually do have licences and have an obligation under the firearms law. The Minister also had an obligation under the firearms law. Why should he be treated any differently just because he may assume that everything was fine? If you want to take that line, why did he not know that the firearms range was not being properly administered because he was the Minister responsible at the time?

Ms GLADYS BEREJIKLIAN: Again, the responsibility for managing that range was the responsibility of Corrections and—

The ACTING CHAIR: But he was Minister for Corrections at that time.

Ms GLADYS BEREJIKLIAN: I am concerned—

Mr DAVID SHOEBRIDGE: Ignorance of the law is no defence. There is a recent rock lobster case in the High Court. You have got a police Minister caught between a rock lobster and a hard place, have you not? Ignorance is no defence.

Ms GLADYS BEREJIKLIAN: In answering Mr Borsak's question first—

Mr DAVID SHOEBRIDGE: Unbelievable.

Ms GLADYS BEREJIKLIAN: In answering Mr Borsak's question—

The Hon. PETER PRIMROSE: He is not responsible for anything.

Ms GLADYS BEREJIKLIAN: —I would be extremely concerned if Corrections NSW had provided that advice to the Minister on a range that had been commissioned that day, I understand. You would assume, as a Minister of the Crown, when the body of Government which manages that range, which provides advice to you, would have made those necessary checks. I do not want to take away from the seriousness of the issue. I do not. All of us know, it is plainly visible, that public safety on this occasion was not upheld because there was a lack of compliance. That is what Corrections has to answer. Why was this the case? To what extent—

The ACTING CHAIR: We are in furious agreement about that. I do not have a problem with that. What I have a problem with is why Minister Elliott is being seen to be obfuscated out of this whole process. He has an obligation under the law to know the law. As Minister at the time he should have understood the obligations of what was required on his range. Yet somehow or other, he did not get advice. Something went wrong and he broke the law. The law should be enforced on him. It is very clear what he did. There are no excuses. He should be stood down or sacked by you. Do you not agree with that?

Ms GLADYS BEREJIKLIAN: You have also admitted in your question that he did not receive the advice he should have. That is where the heart of the issue lies. If you do not receive advice you should have, that is a serious matter.

Mr DAVID SHOEBRIDGE: Surely Premier, you ask a question before you pick up a submachine gun? I am sure you would ask a question before you pick up a submachine gun. Do I have a right to pick up a submachine gun? It was not a knife and fork. He was not operating a bobcat. He decided to pick up and fire off a submachine gun without any understanding about his lawful capacity. Do you not accept that is a serious, serious lack of judgement from your police Minister?

Ms GLADYS BEREJIKLIAN: You have made the assumption that he did not ask the questions before he undertook the activity. He may very well have for all we know.

The Hon. PENNY SHARPE: No, he did not.

The ACTING CHAIR: He did not, Premier.

Mr DAVID SHOEBRIDGE: Why are you ducking and weaving on this?

The Hon. PENNY SHARPE: Premier, just to be absolutely clear here. Minister Elliott sat for hours in this room this week. He actually said that he assumed that he had authority from the range. Saying he was assured he had permission is a completely different issue. Do you believe that it is acceptable for the Minister to be picking up a submachine gun, knowing he does not have a permit, knowing he does not have a licence and—apparently—in complete ignorance of the Firearms Act?

Ms GLADYS BEREJIKLIAN: As I stated—and as you have alluded to—the Minister was asked extensively about this matter and I do refer to his own personal comments.

The Hon. PENNY SHARPE: Where he did say he was also being investigated by police which you have denied this morning?

Ms GLADYS BEREJIKLIAN: Well, no. The heart of the question is—

Mr DAVID SHOEBRIDGE: You did.

The Hon. PENNY SHARPE: You did.

Ms GLADYS BEREJIKLIAN: With all due respect, the way Mr Shoebridge asked the question implied that he was singularly mentioned, that the investigation revolved around him, that is—

Mr DAVID SHOEBRIDGE: You can reinvent history if you want Premier.

The Hon. NATALIE WARD: Point of order: Can we have one question at a time?

The ACTING CHAIR: One question at a time.

Ms GLADYS BEREJIKLIAN: Thank you.

The Hon. PENNY SHARPE: You can argue with Mr Shoebridge about this. It is Opposition question time and if you want to answer questions from Mr Shoebridge you can do that. My question is do you believe it is acceptable for your Ministers to be ignorant of the laws they are actually administering? That they are administratively responsible for?

Ms GLADYS BEREJIKLIAN: I would expect Ministers to be able to rely on advice from bodies that report to them. It is concerning that on this occasion that has not occurred.

The Hon. PENNY SHARPE: Premier, gun law in this State has been quite a hot topic for many decades and you have been here for all of those decades. The ins and outs of the law are very strict for very good reason. The idea that you believe it is okay that one of your Ministers, without a licence and without a permit, can just go onto a range and pick up a submachine gun—regardless of what he thinks is happening there—that that is acceptable when the law is extremely clear and for doing so he has opened himself up to 14 years jail. This is not a minor technical matter.

Ms GLADYS BEREJIKLIAN: Let me put another situation to you. Had the Minister—and I am not suggesting this—proactively requested to do a certain activity on that range, would you not believe that somebody managing range would say, "Minister, this is against the law, I recommend you not do this". That did not occur.

The Hon. PENNY SHARPE: So you are suggesting that Minister Elliott just wanted to fire the gun. Boys with toys on the range.

Ms GLADYS BEREJIKLIAN: No, no, no.

The Hon. PENNY SHARPE: Let me find a gun. Are you seriously throwing your Minister under the bus by putting that—

The Hon. BEN FRANKLIN: That is not what she said.

The Hon. PENNY SHARPE: Well that is the hypothetical that you are putting to us.

The ACTING CHAIR: Order!

The Hon. BEN FRANKLIN: Well you would let her finish the question. Let her finish her statement, you might hear.

The Hon. PENNY SHARPE: That is the hypothetical you are trying to get us to buy, which we will not buy.

Ms GLADYS BEREJIKLIAN: I am certainly making—

The Hon. NATALIE WARD: Just because you do not like the answers.

The ACTING CHAIR: Order!

The Hon. PENNY SHARPE: Because it is a ridiculous hypothetical that just threw her own Minister under the bus.

The Hon. BEN FRANKLIN: Let her finish it then.

The Hon. PENNY SHARPE: Did he ask to play with the toys?

Ms GLADYS BEREJIKLIAN: Can I finish my sentence please? Whether or not, or irrespective of how the Minister came to use that weapon, would you not think that a relevant safety and compliance officer on the site—on the premises—would come forward and say, "Minister, this is against the law, do not do this"? Do you not think if a Minister was faced with the prospect of breaking the law—especially having been the Corrections Minister at the time—that he would not take that advice?

The Hon. PENNY SHARPE: No. I would hope that he would say, "Sorry, I do not have a permit. I am not allowed to pick up this gun as there is a 14-year jail penalty for it". Regardless of what they said. I would expect him to know the law.

Ms GLADYS BEREJIKLIAN: I would expect that the relevant authority would provide him with the advice that he should not undertake that activity because it was in breach of the law. In any event, these are matters for which Corrections and matters for which the Police Commissioner is looking into.

The Hon. PENNY SHARPE: Premier, that is fine. Why will you not stand down the Minister while there is a police investigation into his activities?

Ms GLADYS BEREJIKLIAN: Because as I said previously, he has not been singled out as the subject—

The Hon. PENNY SHARPE: Except there is a giant picture of him on Facebook incorrectly holding a submachine gun—for which there is a 14-year jail penalty. You do not think that is serious?

Ms GLADYS BEREJIKLIAN: I have already said that I do.

The Hon. PENNY SHARPE: Well, why will you not stand him down?

Ms GLADYS BEREJIKLIAN: I refer you to the statement issued by Corrections, which apologises—

The Hon. PENNY SHARPE: Premier, with respect—

The Hon. BEN FRANKLIN: Point or order!

The ACTING CHAIR: I take the point of order. Let the Premier—

The Hon. PENNY SHARPE: Okay. I apologise to you.

Ms GLADYS BEREJIKLIAN: Thank you, Mr Chair. As I was saying, with respect that is why I wanted to read on the record of this Committee the statement issued by Corrections which offers an unequivocal apology to the Minister for embarrassing him and for putting him in this situation. I take from that statement that there has been a lack of compliance and I take from that statement that the Police Commissioner is looking at all those issues in relation to lack of compliance but also in relation to individuals who may have been inadvertently caught up in this.

The Hon. PENNY SHARPE: I would like to put on the record what the Minister said about illegal firearms on 26 February:

To all those looking to use an illegal firearm, rest assured that the Government is committed to ensuring our police have the powers they need to find you, to search you, to arrest you, to prosecute you and bring you to justice.

Do you believe that the police Minister will be brought to justice, Premier?

Ms GLADYS BEREJIKLIAN: Clearly that is a matter that is being undertaken at the moment. I do not presume to make any further statements on what the Police Commissioner is investigating.

The Hon. PENNY SHARPE: Premier, this is the second time your police Minister has found himself in the middle of an investigation in the last five months. Are you satisfied with his behaviour and performance in the role?

Ms GLADYS BEREJIKLIAN: The Minister exercises his role diligently. He is very hard-working and—

The Hon. PENNY SHARPE: Except when he goes to Europe.

Ms GLADYS BEREJIKLIAN: Well he is very hard-working and I personally rely on him extensively—

The Hon. BEN FRANKLIN: Like your leader by the way.

The Hon. PENNY SHARPE: He is not emergency services Minister.

The Hon. BEN FRANKLIN: She is trying to be Premier of New South Wales and she thinks it is appropriate to go to Scotland.

Mr DAVID SHOEBRIDGE: At least he does not shoot from the hip.

The ACTING CHAIR: Order!

The Hon. PENNY SHARPE: That is not the point. It is highly unusual that a police Minister would be subject to two police investigations into their own personal conduct and for there not to be concerns from the Premier about their behaviour or performance. You are saying you are fine with that?

Ms GLADYS BEREJIKLIAN: I judge the actions of my colleagues on the basis of how they contribute to maintaining the affairs of the State. On a personal basis, during the bushfire crisis and during many other instances, he has always been someone who applies his responsibilities in a diligent manner. I will leave my response at that.

The Hon. PENNY SHARPE: Have you had any conversations with the Minister in regard to his conduct or his judgement?

Ms GLADYS BEREJIKLIAN: I have conversations with many of my colleagues on those matters and that is a matter for me and my colleagues.

The Hon. PENNY SHARPE: Premier, are you concerned that there is possibly another breach of the code of conduct in the way in which the Minister has handled his referral to the police in relation to the firearms matter?

Ms GLADYS BEREJIKLIAN: Can you explain that? I do not understand the question.

The Hon. PENNY SHARPE: Section 7 (2) of the code of conduct:

A Minister must not, without the written approval of the Premier, make or participate in the making of any decision or take any other action in relation to a matter in which the Minister is aware they have a conflict of interest.

Premier, do you agree that if there has been a photo of your police Minister holding a submachine gun and that he has referred that to police that that is the making of a decision and that he would have a conflict of interest in that?

Ms GLADYS BEREJIKLIAN: Well, I think first and foremost his concern would be as to why he and others were allowed to use that weapon when clearly they should not have. That is a concern—

The Hon. PENNY SHARPE: Did you not ask your Minister, "Why did you pick up the gun?"

Ms GLADYS BEREJIKLIAN: As I was answering the previous question you put to me, if there are broader issues about why a body which reported to him at the time was not complying with a serious part of the Firearms Act, that does require an investigation and I appreciate why the Minister would have taken that action, but he would be, I assume, one person out of a class of persons who may have unintentionally been caught up in that lack of compliance.

The Hon. PENNY SHARPE: So the police Minister picking up the phone to the police commissioner to say, "I'm referring myself here," you are saying that he is just one of many and that he had no personal conflict of interest in the outcome of that discussion.

Ms GLADYS BEREJIKLIAN: The words you have used are purely hypothetical. You do not know the words he used—

The Hon. PENNY SHARPE: No, they are the words from the code of conduct.

Ms GLADYS BEREJIKLIAN: No, but the words you used to describe the conversation that may have taken place between the Minister and the commissioner are completely of your making. I say the following: If there is a serious breach of the Firearms Act and if it has been a prolonged compliance issue with Corrective Services NSW, that matter needs to be considered and investigated, and that is exactly what is happening.

The Hon. ADAM SEARLE: But, Premier, are you suggesting that ignorance of criminal law is somehow a defence here? The fact that he did not know that he was doing something illegal should be fine?

Ms GLADYS BEREJIKLIAN: What I am suggesting is that Ministers of the Crown and indeed Premiers are sometimes in circumstances where members of the public are not. We are provided advice in those circumstances and we rely on that advice. That is all I am saying.

The Hon. ADAM SEARLE: Sure. Okay. But let's cut to the chase here—

Mr DAVID SHOEBRIDGE: There is a special criminal law for Ministers.

The Hon. PENNY SHARPE: Yes, apparently.

The ACTING CHAIR: Order!

The Hon. ADAM SEARLE: Premier, he is the Minister responsible for administering the Firearms Act. Whether it was in ignorance or not, the evidence is that he broke the law, however that came about. How can he continue as the Minister responsible for enforcing that law—a law which he says your Government will enforce quite ruthlessly? "The full force of the law," he said in Parliament is how people who break this law should be treated. How can he continue in this role, given he has broken it himself?

Ms GLADYS BEREJIKLIAN: There could be a number of other innocent parties that are in the same circumstances.

The Hon. ADAM SEARLE: Yes, but he is the Minister of the Crown responsible. How can he credibly discharge his ministerial duties as the Minister for the Firearms Act, when he has broken it himself? And he appeared to be completely reckless about it because he knew he did not have a permit—never had had one—and yet he picks up a gun and discharges it. Does this not go to his judgement apart from anything else?

Ms GLADYS BEREJIKLIAN: It goes to the advice—

The Hon. ADAM SEARLE: Premier, it does not go to advice; it goes to his judgement. You do not have to be a genius. If a gun is presented to you and you know you are not licensed to use it, why would anyone pick it up? Does this not go to his judgement?

Ms GLADYS BEREJIKLIAN: These are issues relating—

The Hon. PENNY SHARPE: You are not allowed to get behind the wheel of a car if you do not have a driver's licence.

The Hon. NATALIE WARD: How many questions are there and who is asking?

Ms GLADYS BEREJIKLIAN: No, that is okay. These are issues that relate to specific advice he would have received on the day of commissioning this range. You would assume that the opening of a range is an exceptional circumstance or an exceptional day and he would be relying on the advice of the safety people present. I would assume that under those circumstances there would be someone qualified to oversee the safety practices of that site and if one of the people who provided him with that advice allowed him to use that firearm, well, questions need to be asked as to why the law was not complied with. That is a serious issue and that is why it is appropriate for the police commissioner to undertake an investigation as to what compliance provisions were breached and, I dare say, whether the breaches were limited to that or other issues around that range and to other sites involving corrections. This is a serious issue.

The Hon. ADAM SEARLE: It is. To whom would the police commissioner make his report?

Ms GLADYS BEREJIKLIAN: I am sorry?

The Hon. ADAM SEARLE: To whom would the police commissioner deliver his report on this?

Ms GLADYS BEREJIKLIAN: Presumably he would make it to the people of New South Wales or potentially to—I do not know the circumstances under which he would do that—

The Hon. PENNY SHARPE: The police Minister.

The Hon. ADAM SEARLE: Ordinarily it is the police Minister.

Ms GLADYS BEREJIKLIAN: But I dare say, Mr Searle, that the report will be made public, as it should be.

The ACTING CHAIR: I was just going to ask a question further to that. The Minister is also on the record as saying in budget estimates on 29 August 2019:

... nobody has a more personal interest in making sure that firearms are used appropriately in this State than me.

That is what he said. Very clearly he knew there were obligations that had to be kept, had to be stuck with. He knew all of that yet he went ahead and did things, and he said that in full knowledge, I would have thought, that he did things on the range in 2018 that he probably should not have done. If he did not know that then that is even worse, is it not, Premier?

Ms GLADYS BEREJIKLIAN: I do not think it is appropriate for any of us to make assumptions as to what people were thinking. But what I do feel is entirely appropriate is for the commissioner to investigate these breaches. We have to appreciate, as do I, that this was a serious breach and we need to—

The ACTING CHAIR: Again, I am in furious agreement with you. But honestly, Premier, you actually have not addressed the question I asked. The question I asked was: What is your reaction to his statement in budget estimates last year where he made it very clear that the firearms laws in New South Wales would be administered by him properly and appropriately and yet now we see a situation where the firearms laws he was not complying with himself—has he somehow or other got some automatic exemption because of advice he did or did not get? There is nowhere in the firearms law that says that. He is an ordinary citizen like you and me and he should be subjected to the law like everybody else. It does not matter what advice you get or do not get, surely.

Ms GLADYS BEREJIKLIAN: No. I appreciate the points you make, Mr Borsak, and in the general course of events I would agree with the vast majority of them. But when a Minister is welcomed onto a site which

he is commissioning the circumstances are not an everyday occurrence. They are exceptional circumstances. You would rely on the advice of the safety experts and the people managing that range. It is not every day that a range is commissioned. But again I do not take away for a second the seriousness of the matter, the breach that has occurred and the number of times the breach may have occurred—in fact, the number of times similar breaches may have occurred on other sites of corrections. This is a huge issue—no doubt about that.

The ACTING CHAIR: One hundred per cent I agree with you, Premier. The fact that other people have done it too means that they may be subjected to investigation and punishment as well. That is the way of it, don't you think?

Ms GLADYS BEREJIKLIAN: Well, let's wait till the findings of the report. Let's wait to see what was not complied with, to the extent of the lack of compliance. But I think a reasonable person would assume, given the timing of the public apology from Corrections to the Minister, that Corrections has assumed appropriate responsibility from the outset for lack of compliance. On that basis it is entirely appropriate that all of the compliance provisions are being dealt with.

The Hon. ADAM SEARLE: Premier, your own transport Minister said yesterday in relation to the Elliott matter:

This was not a smart thing to do—we all know that. He needs to be accountable.

Do you agree with your transport Minister in this regard?

Ms GLADYS BEREJIKLIAN: I appreciate that a number of people within the community will have an opinion on this matter.

The Hon. ADAM SEARLE: Well, indeed within your Cabinet.

Ms GLADYS BEREJIKLIAN: Indeed. And I am someone who respects people having an opinion. But I am also someone that wants to ensure that any breach in compliance is dealt with as soon as possible so that public safety is maintained not just on that range but on all Corrections sites. I am not aware of how many of these ranges exist; I am not aware of what other sites could be compromised due to lack of compliance—but I need to be and that is why it is appropriate for the police commissioner to have undertaken this investigation.

The Hon. ADAM SEARLE: Premier, this is not the first time your police Minister's judgement has been called into question. In November last year there was the controversy around stripsearching and whether the police were properly conducting their own tasks. He indicated that he had no problem with his own teenage children being stripsearched. That was a matter of controversy, showing complete insensitivity to the public concern around the matter. There was the road rage incident, where he was alleged to have grabbed someone and to have impersonated a police officer. There was the November incident, where his branch issued an invitation to 10 prohibited donors to attend a fundraiser. Now we have this controversy about the illegal discharge of a prohibited weapon. How many failures of judgement are needed before you stand down a Minister in your Government? How low are your standards?

Ms GLADYS BEREJIKLIAN: Mr Searle, some of the issues you have raised are a matter of commentary on your part, and I appreciate and respect your right to do that commentary. But I work with all of my colleagues in a close capacity. I have full confidence in all of them, and if I did not they would know about it.

The Hon. PENNY SHARPE: I want to ask a question about Minister Stuart Ayres, which goes again to this issue.

Ms GLADYS BEREJIKLIAN: Which issue? You said it goes again to this issue and I just want to clarify what issue it is.

The Hon. PENNY SHARPE: The issue of integrity and the way in which you hold your Ministers to account, Premier. Geoff Lee, the skills Minister and the acting sports Minister, has said that he is going to look into the decision-making in relation to Mr Ayres' \$12 million grant to a club that he is a member of. Are you aware of that?

Ms GLADYS BEREJIKLIAN: I am assuming that was on the public record in the estimates hearing.

The Hon. PENNY SHARPE: Yes, and are you aware of it? Do you know what form that would take? It is quite an extraordinary thing, is it not, to have a Minister investigating a previous Minister for their decision-making?

Ms GLADYS BEREJIKLIAN: I am assuming your colleagues would have asked him that in the estimates hearing.

The Hon. PENNY SHARPE: No, I am asking you what form that is going to take. You are responsible for all your Ministers, are you not?

Ms GLADYS BEREJIKLIAN: Yes, but if the Minister has made a statement about their intended action, you should refer that question to them.

The Hon. PENNY SHARPE: So you are not interested in the fact that one of your Ministers is investigating the decisions of a previous Minister?

Ms GLADYS BEREJIKLIAN: No, I am just saying to you that if a Minister has undertaken to a committee that he or she is undertaking a certain course of action, that is a matter for them. It is not for me to intervene in every aspect of every Minister's activities, but for the public interest and but for the execution of their duties.

The Hon. PENNY SHARPE: Is \$12 million not enough of a public interest for you, Premier?

Ms GLADYS BEREJIKLIAN: Having said that, please note this was a joint announcement with the Commonwealth Government. I ask you to put that in context.

The Hon. PENNY SHARPE: How is it possible that a State sports grants program that is supposed to be for indoor sports pays out \$12 million for not one extra netball, not one extra wheelchair rugby space, not one extra facility for people in western Sydney and you do not think that is a problem?

Ms GLADYS BEREJIKLIAN: I do not know the scope of the Federal Government's participation in that grant.

The Hon. PENNY SHARPE: The State has the absolute right to make a decision itself on whether it fits its criteria.

Ms GLADYS BEREJIKLIAN: But I say to you, as you would appreciate—and I do not pass judgement on the grants process—that I have full confidence that all the relevant criteria were adhered to at the relevant time.

The Hon. PENNY SHARPE: That is pretty extraordinary.

Mr DAVID SHOEBRIDGE: Premier, despite your comments about a line on advice and the like—

Ms GLADYS BEREJIKLIAN: I am sorry, I did not hear what you said.

Mr DAVID SHOEBRIDGE: I will make it simpler. Premier, do you accept that ignorance of the law is no defence for your police Minister, when he is facing the prospect of breaches of the Firearms Act by picking up a submachine gun without licence or permit, and that it is irrelevant?

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, I accept the matter raised is a very serious one. I also accept that I would like to receive details of the commissioner's findings. I hope that will happen as soon as possible.

Mr DAVID SHOEBRIDGE: Premier, you said earlier that Ministers go around and they have some kind of special role where they—

Ms GLADYS BEREJIKLIAN: No, I did not say that.

Mr DAVID SHOEBRIDGE: —accept advice and may do things on the receipt of advice and maybe there should be some sort of special criminal law for the Ministers.

The Hon. NATALIE WARD: That is not what the Premier said.

Mr DAVID SHOEBRIDGE: Is that what you are putting to us: that there should be some special law for members of your Cabinet?

Ms GLADYS BEREJIKLIAN: No, that is not what I said—and you know that, Mr Shoebridge. With all due respect, in serious matters such as this, it is not for politicians to make assumptions or draw conclusions ahead of formal advice. I am looking forward to what the police commissioner advises in terms of compliance in terms of the breaches and any recommendations moving forward.

Mr DAVID SHOEBRIDGE: Just to be clear, when the commissioner comes up with advice, what is the pathway of that the advice about the criminal investigation of your own police Minister that gets that advice to Cabinet? Is it through the police Minister? Is that the usual pathway?

Ms GLADYS BEREJIKLIAN: It is not always, no.

Mr DAVID SHOEBRIDGE: No, that is not what I asked you, Premier. Is it the usual pathway that the advice from the police commissioner would come to the police Minister?

Ms GLADYS BEREJIKLIAN: Not necessarily.

Mr DAVID SHOEBRIDGE: What special arrangements have you made to make sure that the police Minister, who is being investigated for criminal misdeeds, will not be the pathway that the advice comes to you and Cabinet? What special arrangements have you made to protect the public interest?

Ms GLADYS BEREJIKLIAN: At the end of the day, it is the police commissioner's report and he will make a judgement based on what he finds as to whom the report should go to. I trust his judgement, because at the end of the day it is not for a politician to determine who should and who should not have the first sight of that report. That will depend very much on what the police commissioner uncovers. The future course will depend on what is in that report. I do not want to make assumptions or presumptions or be perceived to be directing anyone as to whom that report is presented to.

The ACTING CHAIR: So you would agree that the police Minister's office can have no oversight, can have no input and cannot make any contributions in relation to what the police commissioner's investigation report will come up with?

Ms GLADYS BEREJIKLIAN: That is a matter for the commissioner. The commissioner has the authority to contact anybody if he feels—

The ACTING CHAIR: No.

Ms GLADYS BEREJIKLIAN: I want to make this point clear: If the police commissioner feels that he needs to contact people to shed light on what he is investigating, he might very well need to speak to staff or the Minister to ascertain their activities, their actions on the day in order to make his report. I would not be in a position to suggest—

The ACTING CHAIR: I agree with that, but that was not the gist of the question. The gist of the question relates to whether they should have input into the report or make comment on it before it gets to Cabinet.

Ms GLADYS BEREJIKLIAN: That would be highly inappropriate.

The ACTING CHAIR: That is right.

Mr DAVID SHOEBRIDGE: Premier, are you going to seek advice on whether or not your police Minister breached clause 7 (2) of the New South Wales ministerial code of conduct by initiating the criminal investigation against himself?

Ms GLADYS BEREJIKLIAN: I will seek advice on any related matter once I receive or sight the report from the police commissioner.

Mr DAVID SHOEBRIDGE: No, Premier, on the face of it not only has your police Minister breached the criminal law by holding a submachine gun and firing it without licence or permit but your police Minister has breached clause 7 (2) of the code of conduct by himself initiating some kind of investigation by the police into himself and potentially others. That is in breach of clause 7 (2). He clearly had a conflict of interest. Will you investigate that breach?

Ms GLADYS BEREJIKLIAN: As I said in my previous response, I will await the findings of the police commissioner's report prior to determining what any next steps are.

Mr DAVID SHOEBRIDGE: You have responsibility for the code of conduct, not the police commissioner. Why will you not act to enforce it, or is there some sort of special protection that Minister Elliott has in your Cabinet?

Ms GLADYS BEREJIKLIAN: Mr Shoebidge, I make this point: It would be inappropriate for me to take any further action on this matter unless I have an impartial view of the facts. That is what the police commissioner is providing the State.

Mr DAVID SHOEBRIDGE: Premier, you did not even satisfy yourselves of the basic facts that your own police Minister was under criminal investigation before you came here. How can we be satisfied that you are doing your job and enforcing the ministerial code of conduct, when you did not even have the basic facts to hand?

Ms GLADYS BEREJIKLIAN: I do not understand your question.

Mr DAVID SHOEBRIDGE: I will be quite clear: In your first answer, you made it clear that you did not believe the police Minister was being investigated, that you thought the investigation went solely to Corrections. You did not even have the basic facts right, Premier. How can we have any confidence that you are going to enforce the code of conduct, when you do not even get the basic facts right?

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, what I objected to and still object to is the way that you asked me that question implied—

Mr DAVID SHOEBRIDGE: You did not object, Premier.

Ms GLADYS BEREJIKLIAN: —and I am happy for you to look at the tape—

Mr DAVID SHOEBRIDGE: You answered the question in ignorance.

Ms GLADYS BEREJIKLIAN: No, can you please—

The Hon. BEN FRANKLIN: Let her finish a statement.

The ACTING CHAIR: Order!

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, the reason why I answered the question the way I did was because your tone of question implied that he was the central focus of the investigation.

Mr DAVID SHOEBRIDGE: He is.

Ms GLADYS BEREJIKLIAN: The central focus of the investigation is why Corrections—

The Hon. PENNY SHARPE: That is not true.

Ms GLADYS BEREJIKLIAN: —did not comply with the law in relation to, potentially, many individuals who came on those premises and, unbeknownst to them, were breaking the law.

Mr DAVID SHOEBRIDGE: Premier, I accept that it is embarrassing to now acknowledge that you did not have the basic facts to hand—

Ms GLADYS BEREJIKLIAN: No, I am not acknowledging that.

The Hon. TAYLOR MARTIN: That is not what just happened, David.

Mr DAVID SHOEBRIDGE: Given you did not have those basic—

The Hon. TAYLOR MARTIN: You are not entitled to your own facts.

Mr DAVID SHOEBRIDGE: Given you did not understand the basic fact that your own police Minister was under criminal investigation, will you now seek some advice about the code of conduct, Premier?

Ms GLADYS BEREJIKLIAN: On that point, Mr Shoebridge, my secretary has just received some legal advice from his department and I would appreciate him conveying that to you directly.

Mr REARDON: The General Counsel's advice is that there is no breach of the code. The Minister is under a legal duty to report to the police under section 316 of the Crimes Act.

Ms GLADYS BEREJIKLIAN: Thank you.

Mr DAVID SHOEBRIDGE: Will you table that advice?

Ms GLADYS BEREJIKLIAN: Well, he is just on the public record.

Mr REARDON: I do not have any more than I have just provided.

Mr DAVID SHOEBRIDGE: All right.

Ms GLADYS BEREJIKLIAN: And I want to thank—

Mr DAVID SHOEBRIDGE: When was that advice provided?

Mr REARDON: To me just now.

Mr DAVID SHOEBRIDGE: All right.

Ms GLADYS BEREJIKLIAN: It is usually your line of questioning to ensure that you had full disclosure.

The Hon. BEN FRANKLIN: That is appropriate, don't you think, David?

The ACTING CHAIR: Very appropriate.

Mr DAVID SHOEBRIDGE: Premier, why did you not seek advice—

The Hon. PENNY SHARPE: That is the one thing, though, he has gotten right. The rest, not so much.

Mr DAVID SHOEBRIDGE: —about something as important as this before you made your mistaken statements about the police Minister not being the subject of a police investigation?

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, I ask you not to mislead the public in the tone of your questions. They do not represent what I said and I refer you to the legal advice that has just been provided by our legal counsel, and which my secretary has conveyed, which, in fact, corrects a number of the misstatements you have made in relation to your questions to me.

Mr DAVID SHOEBRIDGE: Premier, it is true, is it not, that Minister Elliott, because of his factional power base, is untouchable by you? He is untouchable, despite repeated criminal investigations. He is untouchable, despite the public embarrassment because of his factional power in your Cabinet. That is true, is it not?

Ms GLADYS BEREJIKLIAN: If you think that that is any consideration—

Mr DAVID SHOEBRIDGE: I do.

Ms GLADYS BEREJIKLIAN: —given what is going on in New South Wales at the moment—

Mr DAVID SHOEBRIDGE: I do.

Ms GLADYS BEREJIKLIAN: —I feel sorry for you.

Mr DAVID SHOEBRIDGE: Well, Premier, I feel sorry for you, for the record.

The Hon. BEN FRANKLIN: Oh for God's sake. Make it substantive.

Mr DAVID SHOEBRIDGE: Premier, you are aware that the Independent Commission Against Corruption has sought, in seven of the past 12 annual budget processes, increased funding, but only succeeded on two of those occasions. Are you aware of that historic pattern?

Ms GLADYS BEREJIKLIAN: I am happy to provide to you a history of the funding of the ICAC but also of all of our integrity agencies. Mr Shoebridge, I make this point—that whenever there has been a request for supplementary funding, we have acceded to that request. It is not for us to ask what inquiries or what number of inquiries are undertaken at any point in time. It would be inappropriate. But whenever we have been asked for supplementary funding, we have acceded to that. But I also want to stress that it is not just that body, but all integrity agencies have indicated to government that they would like us to look at their resourcing over the forward estimates.

For that reason the Government asked the Auditor-General—highly qualified—to look at all the financial arrangements with those integrity bodies. I understand the Auditor-General will be making that report publicly available in the near future but we wanted to ensure that we captured all of the integrity bodies because, whether it is the Electoral Commission and whether it is other bodies, they have come to government to suggest that over the forward estimates they would like us to look at what baseline budget allocation they have, and we are, of course, open to that. I also want to update the Committee that I understand over the forwards there is some \$900 million that we dedicate to those integrity bodies. We take the resourcing of those bodies very seriously. It is in the State's interests, it is in the interests of every citizen, to know that people who undertake it on behalf of them to look at all manner of issues over and above the political process should be given sufficient resources, should be given sufficient freedom—for want of a better term—to be able to undertake their activities.

Now, because I received a number of concerns expressed by a number of heads of those agencies, I thought, rather than having Treasury or my department provide me with advice, which they have, I would also appreciate the advice to government from the Auditor-General. That is why the Special Minister of State undertook that action because it should not only be a matter for government but also a matter for an independent body to provide advice to government, outside of the arms of government, on what an appropriate baseline funding

should be but also what financial arrangements exist within those bodies to make sure all of us are confident that those bodies are resourced and managed as best as possible.

Mr DAVID SHOEBRIDGE: Premier, I think many people have appreciated that we are getting some independent review of ICAC's funding and other integrity bodies' funding, but are you aware that ICAC has said that under the projected budget for 2021 ICAC would need to reduce its full-time equivalent staff by up to 31 positions, with savings of approximately \$4.7 million, and that would represent the loss of about one quarter of its staff and have "an immediate and devastating effect on ICAC's frontline services and ability to fight corruption"? Are you aware of the scale of the problem facing ICAC, Premier?

Ms GLADYS BEREJIKLIAN: Of course I am aware of what is being said about that body but also other bodies. I am also aware that the funding dollars that we provide those integrity agencies has increased, that it is approaching \$1 billion over the forward estimates and that I think it is entirely appropriate that a body independent of government is giving the Premier and the Special Minister of State advice on what an appropriate baseline amount is. But I also want to make this point—that no matter what the baseline amount is, there could always be circumstances where, due to investigations that no-one should be aware of or due to circumstances that arise, whether it is unprecedented by-elections or unprecedented elections, any of those bodies might come forward for supplementary funding. But what is essential in this instance is to make sure that an independent body, such as the Auditor-General, gives us advice on those matters, and I am looking forward to that advice.

Mr DAVID SHOEBRIDGE: Do you believe that, going forward, having some kind of independent scrutiny of these oversight bodies' budgets should be a part of the landscape in New South Wales, rather than a one-off referral, but have it as part of the landscape in having independent oversight of their budgets?

Ms GLADYS BEREJIKLIAN: That is exactly why we asked the Auditor-General to undertake the work she is doing because we will look closely at her recommendations. One thing I do not want to do is interfere in the activities of any of those bodies but, at the same time, make sure that we are providing an appropriate level of funding. These are challenging matters, which is the reason why I have asked the Auditor-General to also give government advice in an independent fashion because, specifically, if I recall, the terms of reference refer not only to funding levels but also financial arrangements, and that could involve oversight of bodies independent of government. But that is a matter we will consider once she hands down her report.

Mr DAVID SHOEBRIDGE: But do you accept that if ICAC was forced to implement the savings that your Government has projected for, which would see a loss of a quarter of its staff, that that would be wholly unacceptable?

Ms GLADYS BEREJIKLIAN: I have already answered the question by saying that concerns raised by many integrity bodies is the reason why we have asked the Auditor-General to look at these matters. I would also like to ask my secretary to comment because in many instances he is the first point of contact for these agencies and I would feel it appropriate for him to also answer the question.

Mr DAVID SHOEBRIDGE: Premier, we will have time with the secretary this afternoon. I assure you that we will put questions to him.

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, can I just say I would be concerned if my answer was not rounded out by the advice he has because he deals directly with the heads of those agencies.

Mr DAVID SHOEBRIDGE: Chair, given the limited amount of time, I was hoping that we could direct the answers to the Premier in the limited time that we have.

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, he has indicated to me that he would like to respond and I do not want to thwart that.

Mr DAVID SHOEBRIDGE: Okay, provided it is brief.

Mr REARDON: Thanks, Mr Shoebridge. In terms of the integrity agencies, there are five. They are over \$900 million across the forward estimates—Audit Office, ICAC, Ombudsman, Law Enforcement Conduct Commission and the NSW Electoral Commission. For the Independent Commission Against Corruption, the 2019-20 budget numbers are \$25.8 million, and then going into the out years \$25.9 million, \$25.9 million and then \$26.4 million. Supplementary funding for the 2019-20 financial year was in two amounts. We have provided it, I think, \$2.5 million of supplementary funding on top of the \$25.8 million and we had a payment in the year prior that did not hit its books until this year, which I think was another \$1 million. The \$25.8 million increased by \$3.5 million in this financial year. I think that is well above where it was previously as well.

The point I wanted to clarify was you indicated both budget impact going forward for the next financial year and, therefore, a consequential staff impact. The number that you raised, and you may wish to repeat it—I do not understand the number and I cannot identify that number. The efficiency savings, when you asked us at a parliamentary hearing, were over a long period, a 10-year period. The first year, the year that we are in, we gave it relief. There is no efficiency savings that it needs to make in this financial year. There may have been a cumulative number over the next nine years. I do not know if that is the number you quoted but it would not be correct to say that the number you indicated was going to be placed in 2020-21. That is all I wanted to clarify.

Mr DAVID SHOEBRIDGE: I have raised that with you previously in another inquiry and said that if you wanted to challenge the figure that you could and you chose not to, Mr Reardon. We do not need to rehash that.

Mr REARDON: No, in terms of numbers per year in terms of efficiency savings, we have been through those. What I think you said may have been a cumulative number across all of those years, and you placed it all into one year.

Mr DAVID SHOEBRIDGE: We can have that argument later.

Mr REARDON: This is budget estimates—

Mr DAVID SHOEBRIDGE: We can have that argument later, Mr Reardon. Premier, do you accept that it is totally inappropriate for police to have quotas for the searching, including stripsearching, of citizens in New South Wales.

Ms GLADYS BEREJIKLIAN: Mr Shoebridge, can I say at the outset that I share your concerns in relation to this matter and I have expressed those concerns to the police commissioner. He understands my position and he has undertaken work within the NSW Police Force to address community concerns in this matter. I appreciate the issues that surround this. In fact, I think I have mentioned on public record before that I had some concerned parents come and meet with me personally and I agreed to the meeting because I wanted to hear the circumstances or the experience of their child so that I could convey that to the police commissioner, and I did. The police commissioner was very open to what I had to say. Having said that, whether we like it or not it is an effective way of finding people who are undertaking illegal activity. Having said that, the discretion used should be appropriate and commensurate with what people feel is what is being done properly.

Mr DAVID SHOEBRIDGE: In front of them.

Ms GLADYS BEREJIKLIAN: Yes. I have always been open about sharing the concerns on this issue and reflecting the community's views on this issue. I am convinced in my personal conversations with the police commissioner that he is as well.

Mr DAVID SHOEBRIDGE: Just to be clear, I think the concerns we share are that if police feel they have to meet a certain number of searches to make a target that they will be searching to meet the target, rather than to deal with the circumstances that are confronting them, and that can be circumstances where we get an abuse of discretionary police powers.

Ms GLADYS BEREJIKLIAN: The police commissioner himself has said publicly—certainly in my presence during other public discussions—that he is making sure that every person in the force knows about what "discretion" means and when it should be appropriately administered.

Mr DAVID SHOEBRIDGE: Can we look forward to the abolition of targets for searches?

Ms GLADYS BEREJIKLIAN: At the end of the day I have confidence that the commissioner will take on board the views raised by a number of members of the community but also consider the effectiveness of that practice. All of us, including the commissioner, would be concerned if any of that activity was undertaken unnecessarily. That is a big concern.

The ACTING CHAIR: Premier, in estimates the commissioner did not deny that there were quotas and that this was not taking place. He did not say that he was going to change that.

Ms GLADYS BEREJIKLIAN: I know the commissioner is considering a whole range of issues regarding this matter. I assume that at the appropriate time he will make public comments about policy moving forward in this regard. That is certainly the indication that I have received.

The ACTING CHAIR: Thank you very much, we will take a break and will come back at 11.15 a.m.

(Short adjournment)

The ACTING CHAIR: We will recommence with questions from the Opposition.

The Hon. ADAM SEARLE: Premier, in relation to the \$12 million grant to the Penrith Panthers, can you give this Committee an assurance that Minister Ayres' direction to the chief executive of sport to execute the contract is compliant with clause 5 of the ministerial code of conduct?

Ms GLADYS BEREJIKLIAN: Mr Searle, isn't my answer irrelevant, given you have already referred the matter to another body?

The Hon. ADAM SEARLE: No because ultimately—

Ms GLADYS BEREJIKLIAN: You have referred the matter to another body, which means you are not satisfied with the responses provided to date—

The Hon. ADAM SEARLE: No, part 6—

Ms GLADYS BEREJIKLIAN: —so why are you asking me if you have referred it to another body?

The Hon. ADAM SEARLE: For your edification, Premier, part 6—

Ms GLADYS BEREJIKLIAN: Well, no, not for my edification, for my information.

The Hon. ADAM SEARLE: Part 6 of the code provides that only the Premier can determine sanctions for breach. I am just asking you, are you satisfied that Minister Ayres' direction to his chief executive to execute or re-execute the Penrith Panthers contract on 21 February 2019 complied with clause 5 of the code?

Ms GLADYS BEREJIKLIAN: Are you suggesting the body to which you referred this matter has no jurisdiction over the matter?

The Hon. ADAM SEARLE: I am asking you the direct question.

Ms GLADYS BEREJIKLIAN: That is what you assumed in the question.

The Hon. ADAM SEARLE: No, I am assuming nothing. I am asking you, as head of Government, the direct question. Can you answer that question?

Ms GLADYS BEREJIKLIAN: Which is what? Because it has changed a few times.

The Hon. ADAM SEARLE: Can you assure this Committee that Minister Ayres' direction that his chief executive of sport at the time should re-execute the Penrith Panthers contract complies with clause 5 of the ministerial code?

Ms GLADYS BEREJIKLIAN: I have no advice to the contrary.

The Hon. ADAM SEARLE: No, I am asking you to be a bit more affirmative. I am happy for you to take it on notice.

Ms GLADYS BEREJIKLIAN: I am telling you I have no advice to the contrary and that is final.

The Hon. PENNY SHARPE: Will you seek advice?

Ms GLADYS BEREJIKLIAN: Well, no, because you have referred the matter to another body and that body is better placed than I am to make any investigation of this matter.

The Hon. ADAM SEARLE: Are you saying that it is not your job to make sure that your Ministers comply with the code?

The Hon. BEN FRANKLIN: She is not saying that.

The Hon. NATALIE WARD: That is not what was said.

The Hon. ADAM SEARLE: I am just asking.

Ms GLADYS BEREJIKLIAN: I am saying to you that you have felt it appropriate to refer this matter to a body that has jurisdictions over these matters. Why would I undertake a separate investigation when that body has full jurisdiction, full authority and, in fact, is independent of government?

The Hon. ADAM SEARLE: I just thought as head of the Government and as Premier you might have an interest in ensuring your Ministers comply with the code, but we are happy to move on. Can you give this Committee an assurance that the re-execution of the Penrith Panthers funding agreement by the acting chief executive of sport in February 2019 was lawful, that he had the appropriate delegation to enter?

The Hon. NATALIE WARD: She cannot comment on whether it is lawful or not.

The Hon. ADAM SEARLE: The head of the public service is sitting right beside her. She is ultimately responsible.

The Hon. NATALIE WARD: The question is out of order if it is asking for a legal opinion or an interpretation.

The Hon. ADAM SEARLE: I am not asking for a legal opinion.

The ACTING CHAIR: Order!

Ms GLADYS BEREJIKLIAN: Thank you, Mr Chair. As I have said, you have referred this matter to an independent body that has full jurisdiction over the issues you raise. If you believe in the robustness and independence of that body you will allow them to make any investigations if they deem it appropriate on this matter.

The Hon. ADAM SEARLE: This question is actually directed to a slightly different matter. This is about whether or not the chief executive of sport had the appropriate delegation to enter into that funding agreement. Can you or your secretary give that assurance?

Ms GLADYS BEREJIKLIAN: I will ask the secretary to respond to that.

Mr REARDON: In terms of the delegation I can only repeat the previous answer, which was: I do not have control of the delegation of the chief executive of sport. Within that cluster the appropriate secretary of that cluster would have the authority to delegate as they see fit. There are a range of them. But I will again repeat that delegations change from time to time, depending on the circumstances.

The Hon. ADAM SEARLE: I understand, but will you make inquiries and come back to us and report on whether or not the appropriate delegation was in place?

Mr REARDON: I could, but the matter was examined, as I understand it, in previous estimates. I can do the same as that secretary as well.

Ms GLADYS BEREJIKLIAN: It has been referred to another body.

The Hon. ADAM SEARLE: But for the assistance of the Committee, the relevant cluster secretary or the relevant cluster at the time no longer exists. It was in the industry cluster. That does not exist. I guess it would be the Department of Planning, Industry, and Environment now, as to whoever keeps the records. The issue is that you are the head of the public service. This is a matter that goes to the integrity of public service processes and I am asking you to make an inquiry and to assure us that the chief executive of sport then had the appropriate delegation to enter into that funding agreement.

Mr REARDON: I will just correct you on one thing, which is because a machinery of government changes it does not change the fact that from one secretary to another—

The Hon. ADAM SEARLE: I know. There was either a delegation in place or there was not.

Mr REARDON: There were delegations in place then. There are delegations in place now. When they vest across—you vest across the people, you vest across the officers and you would vest across many other things, including the delegations. If the new secretary wishes to make any changes to those, they will.

The Hon. ADAM SEARLE: I am asking about the delegation that was in place in February 2019. Are you declining to take on notice that question?

Mr REARDON: No, I am not declining, but I think you have examined the matter. The secretary of the cluster, both pre-election and then machinery of government changes, could furnish you with that information. I am assuming that question was asked of that secretary? That is all I am trying to clarify.

The Hon. ADAM SEARLE: It may well be asked of that secretary. Premier, Minister Sidoti has now been under investigation for longer than he was a member of your Cabinet. When will you provide certainty for the sporting sector and have a permanent and ongoing sports Minister?

Ms GLADYS BEREJIKLIAN: That is a matter for the independent body looking at that investigation. I would not presume to interfere in how long that integrity body needs to conclude what was described to me in correspondence as a preliminary investigation. That is a matter for them. I cannot take any action until I have received the conclusion of that preliminary investigation.

The Hon. ADAM SEARLE: Does there not come a point in time at which it is just untenable to not have a permanent Minister?

Ms GLADYS BEREJIKLIAN: I have full confidence that the acting Minister—in fact all of my ministerial and parliamentary colleagues are beyond fulfilling the necessary roles in that regard. I would also put to you that it would be inappropriate for me to take action until I have received the results of the preliminary investigation of that integrity body.

The Hon. PENNY SHARPE: Just to be clear, however long it takes ICAC to investigate John Sidoti, you will be leaving that position in your Cabinet on a temporary position with Minister Lee?

Ms GLADYS BEREJIKLIAN: Well, that is the appropriate action to take.

The Hon. ADAM SEARLE: Thank you, Premier. Shortly after you became Premier you were asked a series of questions in Parliament about Minister Sidoti's interests and whether they were properly declared. That was in March and in April 2017. You did not give any direct answers. But it is a matter of record now that the documents have been released by the upper House that Minister Sidoti did not seek a ruling on managing his various interests that were drawn to your attention in Parliament until May 2019. Why did it take you, as Premier, over two years to require your Minister to seek a ruling to manage his interests? Did you raise it with him?

Ms GLADYS BEREJIKLIAN: Mr Searle, as I said publicly and I believe in Parliament on that occasion, I take all advice regarding these matters not just in relation to Ministers providing me with information but from my department. I would ask my secretary to answer that question because all of my actions in this regard have been based on advice I received from the Department of Premier and Cabinet [DPC].

Mr REARDON: The disclosures and declarations as indicated at the start, we seek that they are complied with. We put the code of conduct and the disclosures requirements to Ministers. My general counsel briefs ministerial officers quite regularly. In terms of the specific matters—

The Hon. PENNY SHARPE: Sorry, Mr Reardon, what is the time frame for that? After an election Ministers become Ministers—

Ms GLADYS BEREJIKLIAN: It can take some time.

The Hon. PENNY SHARPE: Yes, but what is the time frame for your officers? I am just trying to understand it. Obviously you give all the paperwork to the Ministers. The Ministers are pretty clear that this is the one thing that we have got to manage, conflicts of interest, in effective Government. They get the paperwork. At some point they might return that. When do you sit down with them individually to do that?

Mr REARDON: Just to clarify, my general counsel sits down with them individually. To help, I actually do not know the answer to that right now. My general counsel could assist and I am happy to provide whatever I can about when it is, but I can assure you she is a very proactive person and seeks to do that as soon as practical.

The Hon. PENNY SHARPE: That is great, but how is that possible given that Mr Sidoti did not provide any information that he is required to declare until 2019?

Mr REARDON: I do not have any information on that. The thing I was going to raise with Mr Searle was because those matters are being considered right at the moment we have provided information to the independent body and that is where that information is.

Ms GLADYS BEREJIKLIAN: Can I just make one point also? The time taken to provide that advice to me following the 2019 election was far less than the time taken to provide similar advice to the then Premier after the 2015 election, just to put that in context.

The Hon. PENNY SHARPE: So you are better than Mike Baird?

Ms GLADYS BEREJIKLIAN: No, no. All I am saying is there is nothing abnormal about the timing in that it is regular practice.

The Hon. ADAM SEARLE: Can I just make this suggestion, Premier? I think using the 2019 election as the benchmark is a bit misleading. You became Premier in—was it February 2017? When did Mr Reardon become secretary of DPC?

Mr REARDON: In November 2017.

Ms GLADYS BEREJIKLIAN: But please remember the Minister only became a Minister after the 2019—

The Hon. PENNY SHARPE: He was a Parliamentary Secretary prior to that.

Ms GLADYS BEREJIKLIAN: But he was not subject to every part of the code as he was until 2019.

The Hon. ADAM SEARLE: No, he is not subject to every part of the code, but he is subject to making disclosures to the Premier about these sorts of interests.

Ms GLADYS BEREJIKLIAN: Only once he is a Minister.

The Hon. ADAM SEARLE: No, that is not correct.

Ms GLADYS BEREJIKLIAN: In terms of the execution of his ministerial—Ministers are in a different category. If you look at the provisions in the code there are a number of exclusions for Parliamentary Secretaries, so please do not assume that Ministers have—there are two or three subsections.

The Hon. ADAM SEARLE: There are two.

Ms GLADYS BEREJIKLIAN: Right. I thought it was three but I stand corrected if it is only two. In any event please do not assume that—as you would expect, a Minister has far greater need to comply than a Parliamentary Secretary.

The Hon. ADAM SEARLE: That is true but let us be clear: Parliamentary Secretaries are required to make disclosures to you as Premier, or to whoever the Premier is, except for prohibited interests under part 1 and post-office employment under part 5. They are the only two bits that Parliamentary Secretaries are exempt from. So the interests that Minister Sidoti ultimately sought rulings from you on in May 2019, he was always under an obligation to make those disclosures and to seek that ruling from you.

The Hon. NATALIE WARD: Point of order: If the question is asking for an opinion or interpretation of the Act or a legal opinion, it is out of order.

The Hon. ADAM SEARLE: To the point of order: It is not a legal opinion because this code of conduct is not enforceable in a court of law.

The Hon. NATALIE WARD: You are asking if he has complied. There is a matter that is under investigation. She cannot answer it.

Ms GLADYS BEREJIKLIAN: Mr Searle, I am happy to provide a general statement which might address—without compromising any current investigations might help address your question.

The Hon. ADAM SEARLE: No. My very specific question is: You became Premier in 2017 but Minister Sidoti did not seek any rulings from you or make any disclosures until May 2019. That is two years later. When did you ask him to seek those rulings?

Ms GLADYS BEREJIKLIAN: You are changing your question already. You have changed your question midstream. Mr Searle, I say this to you—

The Hon. PENNY SHARPE: You are changing your story every day, so that is okay.

Ms GLADYS BEREJIKLIAN: Parliamentary Secretaries have to make additional disclosures to what is on the public record if they are involved in decisions which they are involved with. It is a rare occasion—

The Hon. ADAM SEARLE: Yes, he was Parliamentary Secretary for Planning and Transport and he seems to have made some money out of owning land around transport hubs.

Ms GLADYS BEREJIKLIAN: But you would understand how the processes of government work.

The Hon. ADAM SEARLE: Yes, he was required to make a disclosure.

Ms GLADYS BEREJIKLIAN: It is ultimately up to the Cabinet to make decisions. But, in any event, these are matters being investigated by an independent, robust body and I do not think it helps anybody for us to comment on these issues while that body is looking at these matters.

The Hon. ADAM SEARLE: Premier, you are seeking to distract from the issue. The issue here is your superintendence of the ministerial code. You do not appear to have been very diligent in requiring your frontbenchers to make disclosures and to seek rulings.

Ms GLADYS BEREJIKLIAN: I dispute that strenuously.

The Hon. ADAM SEARLE: In relation to Minister Sidoti and, in fact, other Ministers, the rulings sought and made are now matters of public record. They have been acquired by the upper House; they are

disclosed. It is quite clear that your administration, through DPC, was chasing Minister Sidoti up hill and down dale over a very prolonged period of time to get him to comply.

The Hon. NATALIE WARD: That is not clear from the documents. That is not clear from what was produced to the House.

The Hon. ADAM SEARLE: Why did you not pick up the phone to him and ask him to get his house in order?

The Hon. NATALIE WARD: Point of order: The question is incorrect.

Ms GLADYS BEREJIKLIAN: No, I am happy to answer that.

The Hon. NATALIE WARD: That is not what was reflected in the documents produced to the House.

The ACTING CHAIR: Order!

Ms GLADYS BEREJIKLIAN: I am happy to answer that question.

The ACTING CHAIR: There is a lot of latitude allowed in budget estimates. It is not a point of order. The normal restrictions that apply in the House do not apply to budget estimates.

Ms GLADYS BEREJIKLIAN: But I say the following: In relation to any of those disclosures, I receive advice and a complete brief from my department. It would not be appropriate for me to know if there were any day-to-day interactions; that is a matter for the legal counsel and for the various people in DPC who conduct those matters.

The Hon. ADAM SEARLE: Premier, one of the pieces of correspondence from within your agencies was drawing Minister Sidoti's attention to the fact that Parliament was resuming and it might be useful for him to complete his paperwork. Surely your department provided you with that advice—that he was not complying with his paperwork.

Ms GLADYS BEREJIKLIAN: I rely on the advice that I receive in official briefs from my department.

The Hon. ADAM SEARLE: Did you receive an official brief on his non-compliance or the fact that he was taking a long period of time to do so?

Ms GLADYS BEREJIKLIAN: All of the advice I have received from—

The Hon. PENNY SHARPE: Don't ask, don't tell.

Ms GLADYS BEREJIKLIAN: All of the advice that I have received from DPC on these matters, I have complied with. I will ask the secretary if he has anything further to add.

Mr REARDON: Apart from repeating what I have said, which is we proactively seek to have ongoing disclosure and compliance, I do not know any more detail on the question you are asking. I can take on notice what I can take on notice, but if there is an independent body looking at it I am not sure what I can bring back. I will do what I can.

The Hon. ADAM SEARLE: Perhaps you can answer this question. The issue of John Sidoti's disclosures and interests was raised in the Parliament with the Premier in March and April 2017. I accept that you were not the secretary of DPC at the time. What advice around those matters did your agency provide the Premier? Was it that he did not have to make those disclosures or seek those rulings?

Mr REARDON: I think because you have just raised the fact that I was not even here at the time, I will take it on notice and provide what I can.

The Hon. ADAM SEARLE: Thank you. Going back to the Ayres matter for a moment, Premier, has Minister Lee raised any issues with you or your office around the handling of the \$12 million grant to Penrith Panthers?

Ms GLADYS BEREJIKLIAN: Not to my knowledge. Not with me. I should say, not to my knowledge. I do not know—

The Hon. ADAM SEARLE: Can you inquire and come back to us on that?

Ms GLADYS BEREJIKLIAN: If it is appropriate.

The Hon. ADAM SEARLE: Mr Reardon, has Minister Lee made any complaints or raised any issues with your agency?

Mr REARDON: Could you be more specific?

The Hon. ADAM SEARLE: Around the \$12 million grant to Penrith Panthers.

Mr REARDON: Not that I am aware. Certainly not with me.

The Hon. ADAM SEARLE: Also happy for you to take that on notice to make inquiries. Premier, has any other member of the parliamentary Liberal Party raised concerns about the handling of the \$12 million grant with you, your office or your agency?

Ms GLADYS BEREJIKLIAN: Not that I am aware. I can only speak for myself, and the answer is no.

The Hon. PENNY SHARPE: Premier, are you confident that all of your Ministers have made the declarations that they are required to and that you have adequate rulings in place for all of them?

Ms GLADYS BEREJIKLIAN: Certainly, I get advice on those disclosures and I rely on that advice.

The Hon. PENNY SHARPE: So you are confident that, as far as you know, it is all in hand?

Ms GLADYS BEREJIKLIAN: I remind the member that your own leader had to correct her disclosures on more than one occasion in the lower House. She did; she had to make supplementary disclosures because she—

The Hon. PENNY SHARPE: That is fine, but that is not what I am asking you, Premier. I am asking you about your direct responsibility, which is how Executive Government and conflicts of interest are managed.

Ms GLADYS BEREJIKLIAN: I make that point because sometimes to the best of your ability or the best of your knowledge might be an innocent omission. I cannot predict whether that might happen from time to time, but I am of the view and of the strong view that every Minister who believes they have something to declare or to make sure their affairs are in order have done so.

The Hon. PENNY SHARPE: Premier, are you aware that Minister Bronnie Taylor's husband is the recipient of two grants—his organisation, the Country Universities Centre, is the recipient of \$16 million worth of funding for those centres that was provided to that organisation without tender and against departmental advice?

Ms GLADYS BEREJIKLIAN: I understand that matter has been canvassed on a number of occasions in the upper House during question time, and I would refer you to responses provided by the Minister.

The Hon. PENNY SHARPE: I am asking you what you know about it, given that you are responsible for the declarations that Ministers make in relation to these matters.

Ms GLADYS BEREJIKLIAN: I have certainly received and taken advice in relation to disclosures of all my colleagues. But in relation to specific issues that you are raising, I understand you have put them directly to the Minister in question time and I would refer you to those responses. It is best for the Minister to explain her position. You have put those questions to her and I would refer you to her responses.

The Hon. PENNY SHARPE: I would like to say I do not think there have been responses that have adequately dealt with that matter. My issue is around the ministerial code of conduct where the Minister who has a conflict of interest in a matter must abstain from making or participating in any decision or participating in any action in relation to the matter. However, the Premier may, if satisfied that no conflict of interest arises or that any potential conflict of interest may be appropriately managed, make a ruling authorising the member to continue to act. Have you made a ruling in relation to Minister Bronnie Taylor and her family's interest in the Country Universities Centre?

Ms GLADYS BEREJIKLIAN: As I said, I take advice from my department on all those matters and I have complied with the advice I have received in relation to all of my colleagues.

The Hon. PENNY SHARPE: So you do not believe there is a need for a ruling?

Ms GLADYS BEREJIKLIAN: I have already received advice from my department. I do not have a crystal ball as to what other rulings might come up in the future. But, certainly to date, I rely on the competent advice of my department and I act on that advice.

The Hon. PENNY SHARPE: There have been a lot of questions in relation to this and there have been documents that have been released as a result of this. It is clear that Minister Taylor knew about the announcement of this funding before it was public. It is clear that she was involved in the discussions around this funding, yet there is no declaration when it comes to the Country Universities Centres. Do you believe that that is a breach of the ministerial code?

Ms GLADYS BEREJIKLIAN: As I have said, you have had the opportunity to ask her, I believe, on a number of occasions.

The Hon. PENNY SHARPE: I am not asking her. I am asking you because you are solely responsible for managing the rulings and the declarations and the way in which the Executive Government manages its conflicts of interest. That is why I am asking you.

Ms GLADYS BEREJIKLIAN: Thank you. I appreciate that and I am responding respectfully to say on all occasions I take the advice of my department in relation to all matters relating to the ministerial code and relating to matters of conduct, as is appropriate.

The Hon. PENNY SHARPE: Mr Reardon, would you take on notice and come back to this Committee whether you believe that—will you seek advice and find out whether the declarations in relation to Minister Taylor and whether there is a requirement for a ruling to be enacted in relation to this matter?

Mr REARDON: I can do.

Ms ABIGAIL BOYD: Good morning, Premier. I am going to tackle something quite different. I wanted to talk to you about domestic violence. I am not alone in being quite concerned about what seems to be a continuation of a really bad situation that does not seem to get better year after year. When we look at the statistics, particularly in New South Wales, it appears that the number of domestic violence-related incidents are increasing, but also that we are seeing hundreds of people being turned away from services. I want to know if you think that your Government is doing enough to address domestic and family violence.

Ms GLADYS BEREJIKLIAN: I thank you for the very important question and want to give you a degree of reassurance that, as the Premier, it is my prerogative to identify a number of priorities that I want the whole of government to deal with. One of the specific Premier's Priorities I have set is in relation to domestic violence. When Pru Goward became the domestic violence Minister, I understand she was the first Minister in Australia to be given that specific portfolio responsibility. What that has done is ensure that we have a whole-of-government approach to this issue, not just from the law and order perspective but a social perspective as well. As part of my priorities since the 2019 election, I want to stress that one of those is to reduce the number of domestic violence offenders by 25 per cent by 2023.

That is a very ambitious target and I appreciate the fact that you are probably relating to the latest Bureau of Crime Statistics and Research numbers, which saw an increase in domestic violence assaults, which was concerning. I am hoping that part of that reason is that women in the main, but it can also be men in others, have the confidence to come forward and report those assaults whereas in the past we know that there was a significant amount of under-reporting. I want to commend the police commissioner. In his previous role, prior to him being police commissioner, he worked very hard within the force to put the onus on alleged perpetrators as opposed to the alleged victims to make sure that victims were protected, had the confidence and courage to be able to come forward to ensure a higher degree of conviction. In addition to that, we are also providing additional support for social services to provide refuge for women who find themselves in that situation so they can have the confidence to take the decision to leave an abusive relationship.

Ms ABIGAIL BOYD: Are you aware of this Safe State document, the set of 49 recommendations that were put forward by the NSW Women's Alliance just before the election?

Ms GLADYS BEREJIKLIAN: I have not read that document but I am certainly aware of the issues that were raised. I am certainly aware of the enhanced activity that the Government is doing around this priority. Just for point of explanation, every matter that is elevated as a Premier's Priority has accountability. They have to report to me personally on how they are achieving those targets and often it involves more than one agency. In the past part of the problem with dealing with these difficult social issues was that the government was working in silos and we are trying to break that.

Ms ABIGAIL BOYD: It was put together by 14 specialist frontline organisations. These are people with decades of dealing every day with victims of domestic and family violence as well as with perpetrators in many cases. They put together 49 recommendations that would have provided basically a whole-of-government plan of how to address the domestic and family violence crisis in a way that would reduce the numbers of women and children being killed. There was what I would regard as quite modest funding requests in that document, about \$107 million a year being requested in extra funding for refuges and other frontline services as well as some non-funding and structural requests. I was incredibly disappointed to see that that specialist advice was completely ignored by your Government. If it is not those experts that you are listening to when it comes to setting targets around domestic and family violence, who is it that you are listening to?

Ms GLADYS BEREJIKLIAN: I would not make that assumption. I get advice from the Ministers whose portfolios are relevant to this matter. So you should please assume that the input they have into the setting of the targets and also the delivering against it is based on stakeholder consultation. In fact, delivering on the target also involves elaborate stakeholder consultation. I would not make that assumption. I would assume though that we appreciate we have a challenge ahead of us and unfortunately it is difficult to achieve targets within a 12-month period or even a two-month period, which is why we set the target after the election for four years, to be able to give ourselves an opportunity to have a go at reducing that. Notwithstanding the resources we are putting into the system, notwithstanding the way in which we are trying to do things innovatively, we appreciate that too many families are falling through the cracks. There is no doubt about that.

Ms ABIGAIL BOYD: Why that particular target? I understand the reoffending target. Why that target and not, for example, a target that no-one fleeing domestic violence is turned away from a refuge?

Ms GLADYS BEREJIKLIAN: Because the advice I have that I agree with is unfortunately reoffenders by proportion are overwhelmingly the majority of the result of women in particular being subjected to assaults is due in large part to reoffending. If we stop reoffending we can reduce the number of assaults. Also the advice I have—and again you are probably better informed than I am on these matters—is that sometimes in reoffending there is an escalation of what occurs every time there is a reoffence. The Government felt very strongly that if we reduce the amount of reoffending, that would have a direct impact on reducing the number of assaults and then protecting lives. That is why we took that approach. It is a very complex area and if we unfortunately had more than one specific target we will not achieve any of them. We wanted to attract a cohort of issues that was impacting largely on the number of assaults and we felt that if we addressed reoffending, that would substantially allow us to reduce the number of assaults, given, unfortunately, the number of reoffending is very high. We could have chosen another category but then we felt the impact may not have been as great as that particular target.

Ms ABIGAIL BOYD: The reoffending I agree with you is an important part of the puzzle but the brilliant thing about the Safe State platform was that it was a whole-of-government approach.

Ms GLADYS BEREJIKLIAN: Absolutely.

Ms ABIGAIL BOYD: And, very importantly, they said if you just take one little bit—and I understand you are not saying that is all that your Government is doing.

Ms GLADYS BEREJIKLIAN: Yes, that was going to be my next answer.

Ms ABIGAIL BOYD: They set out very clearly the funding that they needed and we have not seen any significant increase since the election in funding other than to men's behaviour programs, which is welcome. But when it comes to the numbers of women being turned away from specialist homelessness services, that figure continues to see the same, as does the thousands of people turned away from legal services that are specific to domestic violence. When are we going to fund those things so that women can actually flee their aggressors?

Ms GLADYS BEREJIKLIAN: Just to put things in context, I appreciate your comments that we do have a whole-of-government approach but what the Premier's Priorities do is elevate certain areas which have a specific focus. There are a number of targets in reducing domestic violence across the board but in terms of the Premier's Priority I wanted to ensure there was at least one target which specifically related to reducing assaults. That is not to say Government does not have a number of targets, which we do have. In relation to funding, I appreciate the comments you have made. Just to give you an indication, we fund on average around \$430 million over a four-year period. In fact, the last year's budget was \$4 million on top of the previous year, so we are seeing incremental increases as years go on. But to be absolutely frank, it is not just the dollars that matter here; it is getting the right mix and prevention. That is where we are focusing. We are focusing on where best is it to put government resources, where best is it to protect life and where best is it to ensure, as you suggest, that women have refuge when they are under these difficult circumstances?

Ms ABIGAIL BOYD: Again, the 14 specialist organisations that represent the peak frontline bodies in this area in New South Wales made it clear that \$107.5 million per annum additional funding was required if we are to actually address this crisis. They also made a number of structural non-funding-related recommendations, in particular, I think, the comments that they make around the ministry structure around government. Do you think it is currently working to have one Minister with what is effectively judicial decisions with frontline service funding decisions held in another by another Minister? Cultural change issues appear to be held by a third Minister, the women's Minister, and then we have overlaps with health and education. Do you think enough is being done to coordinate those groups?

Ms GLADYS BEREJIKLIAN: Good question. After the last election we made substantial machinery of government changes. Now we have what is called a Stronger Communities cluster, which is headed by Secretary Coutts-Trotter. Within the cluster exists the vast majority of ministerial responsibilities that impact domestic violence—whether it is child protection, whether it is law and order issues, whether it is social welfare issues. That is a vast improvement on the structure we had prior to the election. Having said that, there is no doubt that there is always interaction with domestic violence-related matters and education and health, but we feel we have come a long way.

The model is not perfect; we will never have a perfect model that fits everything. But one of the main reasons we established the Stronger Communities cluster, as we call it, was in relation to social issues like domestic violence but also child protection to ensure that the vast majority of responsibility for those areas was contained within one group of Ministers who work together to satisfy a number of priorities that we put in place, whether it relates to domestic violence or recidivism or child protection. Unfortunately, many times those issues—not always—can be interrelated. For that reason, we did restructure government to provide that more integrated approach.

Ms ABIGAIL BOYD: Have you given consideration to having a separate Minister purely for domestic violence who will actually be responsible not only for prevention and judicial concerns but also for ensuring that all of that picture comes together to create that whole-of-government response?

Ms GLADYS BEREJIKLIAN: Unless I am mistaken, the Attorney General does have officially "Attorney General and Minister for Domestic Violence" in his title.

Ms ABIGAIL BOYD: But no funding responsibility.

Ms GLADYS BEREJIKLIAN: No, he does. As the cluster lead, he has funding responsibility for the whole of the Stronger Communities cluster, in essence. As all our senior Ministers are, he is the advocate for funding arrangements. He is also the advocate for coordinating on behalf of the Government.

Ms ABIGAIL BOYD: It is not what he says. He says that it is Minister Ward's responsibility for funding those frontline services.

Ms GLADYS BEREJIKLIAN: Certainly, but they sit within the same cluster, which has not existed before. They sit within the same arm of government, the same grouping, which never existed before. I might ask my secretary to add to that.

Mr REARDON: The Stronger Communities cluster, as the Premier pointed out, has multiple Ministers and one secretary. The lead cluster Minister is the Attorney General, who also has responsibility for domestic violence. As those clusters are formed, they are what is—you will see in Budget Paper No. 3 they have certain outcomes areas under rolled-out programs. Those programs can cut across multiple Ministers; sometimes they can actually cut across more than one cluster. The cluster Minister taking advice and discussions with colleagues brings forward the budget bids for the entire cluster, not just individually each area, but the entire cluster comes forward. Budget bids and then appropriations are for the full cluster.

Ms ABIGAIL BOYD: So you do not think there are any concerns from a budgeting perspective where you have different Ministers responsible? For example, Minister Ward is responsible for specialist homelessness services.

Ms GLADYS BEREJIKLIAN: But that is the reason why we have all those Ministers in the same cluster, which never existed before.

The Hon. PENNY SHARPE: They just point their fingers at each other and say it is the other person's responsibility.

Ms GLADYS BEREJIKLIAN: That is a very unfair comment.

The Hon. PENNY SHARPE: I can show you the transcripts, Premier.

Ms GLADYS BEREJIKLIAN: It is a very unfair comment. We made a very concerted effort—in fact, it is quite a radical approach. I do not know any other government in Australia that has this combination of—that has one secretary, one major department and multiple Ministers responsible across law and order and social issues to ensure that coordination improves. It is not perfect; I am not suggesting it is.

Ms ABIGAIL BOYD: No, and because things are not getting better I guess we are all looking and saying: Is what you are doing currently the right thing? Is there something else we can do that is better? What the experts are telling us is that having a central ministry or a central agency that deals with domestic violence and

has total responsibility for that in terms of making sure that the situation gets better would be a good thing to do. At the moment what we have is—and I appreciate that, yes, it is a whole-of-government problem and so having responsibility spread around, however well coordinated you claim they are, can actually lead to a situation where no-one has a particular focus and everyone is, as the Hon. Penny Sharpe said, pointing fingers at each other when it comes to whose responsibility it is.

Ms GLADYS BEREJIKLIAN: Just to be clear, for the first time in our State's history there is one department, Stronger Communities, which has all of the responsibility within it. When Ministers are provided with advice—with the exception, obviously, of independent bodies like the police and others that provide advice to their Ministers—but when you are talking about social issues the Stronger Communities department is the sole source of advice. It has a coordinated approach so that when it is giving different Ministers advice on various parts of their portfolio responsibilities it comes from one source of truth, for want of a better term, in terms of the department—one agency that has that coordinated responsibility across a number of social areas. That has not happened before.

Ms ABIGAIL BOYD: I understand that but, in essence, then you have a Stronger Communities grouping which is, by definition, not a domestic violence focused entity. So they are quite different concepts—

Ms GLADYS BEREJIKLIAN: Yes, but if you confine domestic violence—trust me—to one government agency you will not make inroads into these numbers. We have tried that before and it has not worked. That is what has happened for decades and has not worked. If you say to one presumably smaller agency, "You are the only one responsible for getting these numbers down, for fixing things", it will not happen. You need that coordination at a high level across government, which that cluster provides. Otherwise, you will not make a dent in these numbers.

Ms ABIGAIL BOYD: Okay, let's cut to the chase: Why will you not fund the services that the domestic violence sector is telling you need to be funded?

Ms GLADYS BEREJIKLIAN: There are a number of services we fund in relation to reducing the number. What is more important—

Ms ABIGAIL BOYD: They have asked for increased funding. They have told you in a very considered way.

Ms GLADYS BEREJIKLIAN: And I would expect that from them. But I also want to stress that when we set a Premier's priority over and above the targets that exist within that Stronger Communities cluster we also have a pathway as to how we would reach the target. That often involves coordination amongst a number of Ministers and the Stronger Communities cluster. At the end of the day, we are always open—the system is far from perfect. The system unfortunately does not prevent an increasing number of incidents—we accept that. But I believe we are on the right course.

Ms ABIGAIL BOYD: But there is no evidence to back that up. Nothing is changing.

Ms GLADYS BEREJIKLIAN: I think the evidence that we do have to date to back that up is the number of people who feel confident in coming forward, the number of people who feel more confident using the legal system. At the end of the day, we need to tackle the issue of reoffending and recidivism.

Ms ABIGAIL BOYD: You are absolutely right. Education has worked to a certain extent, where people are actually feeling more confident in trying to access their rights. The problem is that when they go to access the rights they cannot because there is not enough funding for people to assist them. We are still seeing hundreds being turned away every single week from specialist homelessness services. We are still seeing thousands upon thousands unable to access the legal services that they need. People are having to return home to their aggressors because they cannot get the help. On the one hand, we are saying, "Please go; do not accept this situation, go and seek help" but, on the other hand, we are not actually allowing them to get the help they need.

Ms GLADYS BEREJIKLIAN: But certainly we have made a number of changes to the law to support victims. We have expanded our Staying Home Leaving Violence program to—

The Hon. PENNY SHARPE: Premier, we have got an increase in apprehended violence order breaches.

Ms GLADYS BEREJIKLIAN: Do you want to know what we are doing or not?

The Hon. PENNY SHARPE: But you are not talking about the fact that it is not working. We are still losing one woman a week.

Ms GLADYS BEREJIKLIAN: I am not suggesting that there is not more work to do, but you are—

Ms ABIGAIL BOYD: But at what point do you put more funding in?

Ms GLADYS BEREJIKLIAN: As I said to you, we increased funding from last year's budget.

Ms ABIGAIL BOYD: By \$4 million.

Ms GLADYS BEREJIKLIAN: But that does not include—can I again stress this point—work that other agencies might do, which might be working in coordination with Stronger Communities.

Ms ABIGAIL BOYD: Victoria had, what, \$2 billion in assistance for domestic violence? We are asking for \$107½ million per year.

Ms GLADYS BEREJIKLIAN: I would find \$2 billion just from one State per year an astonishing number.

Ms ABIGAIL BOYD: Perhaps it was over a 10-year period, but it is—

Ms GLADYS BEREJIKLIAN: I am just saying I would be astonished to hear if that was how much the Victoria Government was spending.

Ms ABIGAIL BOYD: But \$4 million is peanuts, and when we are looking at—you know, we have transport projects that blow out by \$3 billion and we cannot afford to put actual adequate resources in to stop women and children dying.

Ms GLADYS BEREJIKLIAN: But as I was saying also, in addition to direct funding that goes into specific domestic violence programs, please know that funding that goes into a number of different other agencies—whether it is child protection, whether they are law and order related—contributes to our support of victims of domestic violence. I also want to make the point that there is definitely more work to do. But what is critical for us—which is why I have elevated that particular issue on reoffending—what is important for us is to get the model right into where best to put government resources. That is the most important thing for us.

The Hon. ADAM SEARLE: The One Nation party has legislation before the New South Wales upper House to repeal the ban on uranium mining and nuclear facilities in New South Wales. That legislation is likely to be debated and maybe even voted on as early as 25 March. Will your Government vote in support of that legislation?

Ms GLADYS BEREJIKLIAN: As for all bills that are proposed by non-government members, whether it is your party or another party, they go to Cabinet, they go to the party room and we will make a decision.

The Hon. ADAM SEARLE: Are you saying that your Government has not made a decision yet?

Ms GLADYS BEREJIKLIAN: As I understand it, the committee chairman is here—Mr Martin. The committee report came out in the last sitting week—

The Hon. TAYLOR MARTIN: Last week.

Ms GLADYS BEREJIKLIAN: —and I understand that as a consequence of that report, the member who moved the bill will put it back on the agenda and that is when we will consider it.

The Hon. ADAM SEARLE: Okay. But I am a bit confused. Your Deputy Premier has indicated that he and his party will be voting for that legislation. Is ministerial solidarity and collective responsibility of Cabinet no longer operative in your Government?

The Hon. NATALIE WARD: Point or order: This is entirely beyond the scope of this inquiry.

The Hon. PENNY SHARPE: The Premier is okay.

Ms GLADYS BEREJIKLIAN: It is fine. I am okay with it.

The Hon. PENNY SHARPE: She is good.

Ms GLADYS BEREJIKLIAN: If the Deputy Premier wants to express a position as the leader of his party, he is entitled to do that. But that does not mean we do not go through the normal processes of government which is Cabinet, party room and then we will make a decision.

The Hon. ADAM SEARLE: But the ministerial code of conduct makes it clear that Cabinet solidarity is a key plank of government. Does that still operate in your Government?

Ms GLADYS BEREJIKLIAN: Yes, but you are being very misleading because the point you make assumes that every person around Cabinet has the same opinion when they walk into the room.

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

Ms GLADYS BEREJIKLIAN: When we leave we all have the same view, but we do not have the same view when we walk into the room.

The Hon. ADAM SEARLE: I understand that.

Ms GLADYS BEREJIKLIAN: You do not understand that.

The Hon. PENNY SHARPE: That is not what Minister Kean says.

The Hon. ADAM SEARLE: I do understand that. That is why I am curious that your Deputy Premier has actually declared already that he and his party have got a position. What I am interested in is, is that the position of your Government or does your Government have no position?

Ms GLADYS BEREJIKLIAN: I think I have answered the question more than adequately to say there is a process in place for all non-government bills. They go through Cabinet. They are considered by Cabinet, then they go to the party room, they are considered by all of our colleagues and then we finalise our position.

The Hon. ADAM SEARLE: But you can assure the Committee that Cabinet solidarity will apply to this issue.

Ms GLADYS BEREJIKLIAN: I am not going to be dictated to by you as to what my Cabinet does.

The Hon. ADAM SEARLE: I am just going on the code of conduct for which you are responsible.

Ms GLADYS BEREJIKLIAN: You are misleading because you are trying to imply—

The Hon. ADAM SEARLE: Will your Government vote as a whole on this legislation?

Ms GLADYS BEREJIKLIAN: That is a matter for me and my Government.

The Hon. ADAM SEARLE: The Prime Minister has announced today a stimulus package of nearly \$18 billion to combat the double effect of coronavirus and of course the recent bushfire effect. I think \$11 billion is going to be pumped into the economy between now and July. Your Treasurer, in budget estimates this week, ruled out taking similar action in New South Wales. Will you now reconsider that?

Ms GLADYS BEREJIKLIAN: I think the Treasurer has been on the public record to say of course we are considering all opportunities for stimulus. But I make this point firstly, looking forward to Council of Australian Governments discussions tonight and tomorrow; and, secondly, in relation to bushfires, the State has either committed to or expended in excess of \$2 billion to support victims.

The Hon. ADAM SEARLE: Is that new money or is that rebadging existing budget commitments.

Ms GLADYS BEREJIKLIAN: No, no, no. That is all new money. I would suggest that around \$1 billion is in the process of being expended in relation to clean-up, in relation to direct funding and in relation to additional resources we had to commit to outside of the budget process during the fire season.

The Hon. ADAM SEARLE: Not long ago, I think, your Government confirmed only \$100 million additional had been spent by about January.

Ms GLADYS BEREJIKLIAN: That is wrong. No. That is wrong.

The Hon. ADAM SEARLE: How much has been spent now? One billion you say?

Ms GLADYS BEREJIKLIAN: I am saying we have either committed to or expended on the recurrent side and that is in addition to the \$1 billion we have set aside for capital. So obviously you have recurrent expenses as well as capital. So we have set aside \$1 billion for rebuilding, but when you add up all of the costs we have announced—or have expended—I estimate it will be around that figure. The last time I received an update was just in relation to the additional funding we have provided, emergency services to combat the fires, was in the proximity of between \$150 million and \$200 million. The clean-up costs will be hundreds of millions of dollars, which we have had to set aside. In addition to arrangements we have with the Federal Government, a number of the funding arrangements they have announced, we have to contribute 50 per cent of the cost, which we have also done. I will not be held to the \$1 billion figure exactly but it will be—

The Hon. ADAM SEARLE: I am happy for you to take it on notice.

Ms GLADYS BEREJIKLIAN: No, no, no. What I am suggesting to you is what we envisage we will have to commit and what we have already done will be in that proximity of amount. In addition to that, I found it

interesting that during the election the New South Wales then Government—and fortunately we became the Government again—committed to a \$400 million to relieve payroll tax from business. That is in the process of being delivered. Your party opposed that during the election. You did not support us. But is not this a good time now to make sure that we are giving \$400 million back to small businesses going through a very difficult time?

I just put you on notice, Mr Searle, that I would hope that during—there is no doubt that the last few months have potentially been the most difficult and we are going to go through a number of other months of difficulty. But I asked you to put into context the resilience that we have been able to maintain notwithstanding the very difficult circumstances. The additional stimulus that is there already plus our consideration of further opportunities to reduce the burden on households. In fact, our additional cost of living measures have provided an additional \$1 billion into the pockets of households since we brought in a number of those measures through Service NSW—many of which you opposed. In addition to that, the other day when I heard about some \$30 million your party has announced for small business during these difficult times, I fell off my chair because you did not support our \$400 million cut to payroll tax. So that does not even touch the sides to what we are already doing.

The Hon. ADAM SEARLE: Premier, can you tell us—and I am happy for you to take this on notice—not just the spending commitments you have incurred around this issue but how much has actually been expended? How much has actually been delivered and in what areas?

Ms GLADYS BEREJIKLIAN: Certainly we are happy to do that, but you also have to appreciate that in relation to the \$1 billion infrastructure fund, to date a small amount has been expended on the schools that we wanted to open on day one. I want to thank the Department of Education for working overtime to ensure that every student returned to their school first day back from school holidays. But a lot of the infrastructure that we have identified that we need to fix is dependent on the clean-up so we are getting through the clean-up as quickly as possible. We have given ourselves until the end of this financial year to do the vast majority of that clean-up, which is ambitious but that is our target. Of course, once particular towns and regions have had the clean-up we can then move in and do the rebuilding process and of course we want to start that as soon as possible.

It has started in some areas and we are working very closely with local government to support them when it comes to local roads and infrastructure within their responsibility area. So please rest assured that recovery from the bushfires, recovery from the storms, withstanding the impacts of the coronavirus are top of mind, in fact, with all due respect that is probably what I should be doing now. In any event, I respect this process and understand that this is part of democracy. But please be under no illusion as to how much effort, impact we are having. I will finish my answer with one point. We are often chided for keeping an eye on the budget and keeping an eye on the economy. But had we not done that, we would not have had the dollars to support our communities. Can I be clear on that? Through Service NSW, we have had over 7,500 people and families say they need a case manager. So as we speak, there are 7,500 households that are relying on us to help them through this process.

The magnitude of that task is huge and that is not even starting with the potential impact of the virus and what that might do. So please rest assured these related matters are of primary concern for our Government. I want to thank everyone from all parts of the Parliament because I believe that a number of these matters are beyond politics. This is a time when we have to come together, pool our resources and try to ensure every time that I—today is an exception—but every time I get my head on television I want it to be about giving the public information on what they need to do during the current crisis we have—and it is a crisis, it is a health crisis. I know there is a lot of fear and concern in the community. But if you are a community that has been impacted by drought, impacted by flood, impacted by fire and now the virus, that stress in the community cannot be underestimated and that has to remain the priority of this Government.

The Hon. PENNY SHARPE: Thank you, Premier. Can you rule out freezing public sector wages in the next budget?

Ms GLADYS BEREJIKLIAN: We have already made that statement. In fact the Reserve Bank of Australia Governor last year congratulated New South Wales because a number of Labor States either froze or reduced the wages cap and we chose not to—

The Hon. PENNY SHARPE: Premier there have been public reports—and I note you are very big on public reports today—

Ms GLADYS BEREJIKLIAN: I am answering your question.

The Hon. PENNY SHARPE: Which I am trying to clarify. The budget is under pressure, as you have acknowledged. We are dealing with headwinds beyond general challenges with the budget through coronavirus,

through bushfires and through drought. There is a lot of pressure in relation to the surplus or lack thereof and my understanding is that departments are being asked to find savings wherever they can and one of the suggestions has been freezing public sector wages. Are you ruling out today that public sector workers are going to have their wages frozen?

Ms GLADYS BEREJIKLIAN: That is certainly not our intention so I will rule it out at this point in time. But I also make—

The Hon. PENNY SHARPE: Will you rule out lowering the wage cap to below 2.5 per cent?

Ms GLADYS BEREJIKLIAN: Well, I have just answered the question. You asked me the same question.

The Hon. PENNY SHARPE: No, this is a separate question.

The Hon. ADAM SEARLE: There are two separate questions.

Ms GLADYS BEREJIKLIAN: All right. You are getting rather semantic, but anyway, in any event—

The Hon. PENNY SHARPE: I do not think so. I do understand the difference.

The Hon. BEN FRANKLIN: Let her finish the sentence, Ms Sharpe.

Ms GLADYS BEREJIKLIAN: Can I just finish?

The Hon. PENNY SHARPE: If she wants to argue about what I am asking, I need to clarify so she understands.

The Hon. BEN FRANKLIN: No, she would like to answer the question.

The ACTING CHAIR: Order!

Ms GLADYS BEREJIKLIAN: It is okay. Can I make the following observation? We made a very concerted decision at last year's budget not to reduce wages policy or reduce the wages cap of 2.5 per cent. The reason we did that is because that acts as a form of stimulus. It actually encourages consumption and increases disposable income.

The Hon. PENNY SHARPE: Well, I am asking about it, Premier.

Ms GLADYS BEREJIKLIAN: But I wanted to provide that context so I can answer the question. We have no intention to change our position. Because if you are looking at stimulus, if you are looking at supporting families through these difficult times, you need to make sure their household income is holding up. That is why we intend to keep that policy in place.

The Hon. ADAM SEARLE: Premier, will you rule out privatising the State's water utilities or the balance of its electricity interests?

Ms GLADYS BEREJIKLIAN: I did that before the election.

The Hon. ADAM SEARLE: Yes, you did that before the election but as we discovered last year during budget estimates you were still embarking on privatisation. In that case it was the Forestry Corporation.

Ms GLADYS BEREJIKLIAN: No, I—yes—

The Hon. ADAM SEARLE: During the election commitment you said no to further privatisation and yet subsequently your Government did try to embark on privatisation of the Forestry Corporation.

Ms GLADYS BEREJIKLIAN: Can I be very clear on this point, Mr Searle, because it is a recurring theme of the Labor Party and I understand that, I was asked before the election, "Will you privatise water?" I said no. "Will you privatise the balance of the electricity assets?" I said no. But please know this: When Premier Baird—

The Hon. ADAM SEARLE: Well, no. Just on that, Premier—

The Hon. BEN FRANKLIN: Hang on.

Ms GLADYS BEREJIKLIAN: Can you let me finish, please?

The Hon. PENNY SHARPE: This is the greatest load of spin.

The ACTING CHAIR: Order!

The Hon. ADAM SEARLE: The question to you in the election campaign was about privatisation generally.

Ms GLADYS BEREJIKLIAN: I have not finished my answer.

The Hon. NATALIE WARD: Let her finish.

The Hon. ADAM SEARLE: It was not limited to water and electricity.

Ms GLADYS BEREJIKLIAN: Mr Chair?

The Hon. PENNY SHARPE: Talk about a walk back from a lie.

The Hon. ADAM SEARLE: It was not limited to water and electricity interests.

The ACTING CHAIR: Order!

Ms GLADYS BEREJIKLIAN: Mr Chair, can I please finish my answer.

The ACTING CHAIR: Yes. Please allow the Premier to finish.

Ms GLADYS BEREJIKLIAN: Thank you very much. I appreciate that.

The ACTING CHAIR: Then you can pursue the line of questioning.

Ms GLADYS BEREJIKLIAN: I want to make this point and I want to make this point strongly: When Premier Baird took the electricity long-term lease—you call it privatisation; we call it long-term lease—to the people of New South Wales, that was an obvious issue that should be taken to the people of New South Wales. Subsequent to that, during the course of that term, our Government looked at opportunities which would support our ability to deliver for our citizens and in fact a number of those opportunities were taken up by other Labor governments. They were not opportunities that were specifically spoken about because they were not plans we had had previously but they were opportunities that we took up and that we adopted and other Labor States have since adopted. So if there was cause for us to take anything to the election of course we would. But if there is cause for us to look at opportunities to improve what we can provide out citizens it is also appropriate for us to take a look. And that remains our position.

The Hon. ADAM SEARLE: So you rule out privatisation of those assets. Are you proposing to lift any taxes or charges in New South Wales that might have an impact on households?

Ms GLADYS BEREJIKLIAN: Not that I can foresee. But in any event I refer you to the fact that the Labor Party opposed the tax cuts we actually campaigned on, especially payroll tax. That will, in total, once it is fully implemented, increase the threshold for companies that are subject to that tax but also provide roughly \$400 million back into the pocket of small business. I would have hoped that you would support a policy of that nature but you chose to put your election commitments elsewhere.

The Hon. ADAM SEARLE: Premier, the money to rural and regional New South Wales from the privatisation proceeds, your Government committed that 30 per cent of those funds would go to rural and regional New South Wales. By 2019 less than 19 per cent had actually made its way outside of Sydney and the forecasts are that over the life of this Parliament you are still not going to get to 30 per cent.

Ms GLADYS BEREJIKLIAN: No, that is actually—

The Hon. ADAM SEARLE: Why does your Government keep dudding rural New South Wales?

Ms GLADYS BEREJIKLIAN: No, that is actually not correct. The last time I looked at that figure it was 29 point something per cent, so I am not sure where you got that number from. But having said that, Mr Searle, I want to impress the following: that not only is it the infrastructure spend that we are increasing in the regions but the full proceeds of Snowy Hydro are going to the regions. The regions are obviously, given the major issues they are confronting, also given additional support through our drought packages, through our bushfire recovery packages.

The drought package in itself is in the billions of dollars as well on top of the recovery package from the bushfires. So we appreciate all the challenges that exist. But because of the way in which we have managed the budget we have been able to put those extra resources to rural and regional New South Wales. And if you actually compared what occurred before we came to government and since, the rural and regional communities that need our support are made a priority and I think everybody in New South Wales would appreciate that, even those of us who live in the city.

The Hon. PENNY SHARPE: Premier, your blowouts have reached over \$16 billion in city-based projects. How do you look regional New South Wales in the face and seriously give that answer when there are going to be more blowouts and waste of those \$16 billion as a result of your projects that will actually go to regional New South Wales?

Ms GLADYS BEREJIKLIAN: I do not know where you have got that figure from but I will—

The Hon. PENNY SHARPE: CBD and South East Light Rail, \$1.6 billion blew out to \$2.9 billion—do you want to argue about that, Premier?

Ms GLADYS BEREJIKLIAN: Yes, I do actually. Because the first—

The Hon. PENNY SHARPE: Please do.

The Hon. ADAM SEARLE: So that did not cost \$2.9 billion?

Ms GLADYS BEREJIKLIAN: No, no.

The Hon. BEN FRANKLIN: Let's hear one answer.

The Hon. ADAM SEARLE: Is it more?

Ms GLADYS BEREJIKLIAN: No. This is the issue that I wish you would either choose to understand or be a bit more honest about: Governments should appropriately provide an estimated total cost of a project but the budget is the amount you lock in for a project. In fact in the half-year review and in last year's budget we saw an increase. In fact, I make this point, which is critical—

The Hon. PENNY SHARPE: Premier, you made much of doing your homework and getting the numbers right and your own pet project, \$1.3 billion that is not available for rural and regional New South Wales.

Ms GLADYS BEREJIKLIAN: That is actually inaccurate. But if you want to go down that path, the north-west rail line came in a billion dollars under budget. Parramatta stadium came in \$60 million under budget.

The Hon. PENNY SHARPE: The B-line, \$223 million to \$512 million.

Ms GLADYS BEREJIKLIAN: The south west rail line came in \$300 million under budget.

The Hon. PENNY SHARPE: It is almost double in cost. Do you deny that, Premier?

Ms GLADYS BEREJIKLIAN: Anyway.

The Hon. PENNY SHARPE: Arthur Phillip High School, \$100 million to \$325 million. Do you deny that blowout too?

Ms GLADYS BEREJIKLIAN: Hang on. There is—

The Hon. PENNY SHARPE: What about the Sydney Metro City and Southwest? So far it has gone from \$11.5 billion to \$16.8 billion. Are you saying that these are not blowouts of your Government?

Ms GLADYS BEREJIKLIAN: Absolutely. I am saying—

The Hon. PENNY SHARPE: What are they?

Ms GLADYS BEREJIKLIAN: For the interests of the members of the Opposition, in case you are interested, we have over 1,400 infrastructure projects going on across the State at this time. At least half of those are a significant amount of money. Can I assure this Committee that not only are we delivering the vast majority of our projects on time and under budget but I also make this point, which is very important—

The Hon. PENNY SHARPE: Except for the \$16 billion over budget.

Ms GLADYS BEREJIKLIAN: Well, that is your figure, which I do not support. But I say this—

The Hon. PENNY SHARPE: Walsh Bay Arts Precinct—how is that going?

The Hon. BEN FRANKLIN: Point of order: When the Premier of New South Wales is actually trying to finish an answer and she has stayed an extra half an hour than what she was expecting when she has already said she has to deal with other matters, I would think she can at least be given the courtesy to finish her actual sentence.

The ACTING CHAIR: I think that is a good point of order and uphold it. I appreciate your praise of the Premier.

Ms GLADYS BEREJIKLIAN: Thank you, Mr Acting Chair. I hope it extends to you as well but in any event. As I was saying, our public investment in infrastructure is unparalleled across the nation and I want to make this point: Last week we received the December quarter figures for growth. They reflected the nation's growth but they also reflected gross State product in every State. Notwithstanding the massive challenges we have had, New South Wales grew by 0.5 per cent. Victoria, in comparison, contracted by 0.1 per cent. The only other State that grew positively was Queensland at 0.2 per cent. So New South Wales grew more than twice the next closest State and that is in a large part because of our investment in infrastructure and it is unparalleled across the nation. In fact, the growth in—

The Hon. PENNY SHARPE: You really should have organised for your guys to ask you some questions. We have got questions that actually go to this, rather than you just talking about whatever you want.

The Hon. ADAM SEARLE: Premier, at the last budget estimates I asked you and Mr Draper about the overall budget envelope of the stadium issue in eastern Sydney and I said:

There is no suggestion that the overall envelope for the project of \$729 million is going to increase?

And both Mr Draper and you gave assurances that there was no suggestion whatsoever. Isn't the overall envelope for the project now over \$810 million?

Ms GLADYS BEREJIKLIAN: Which project are you referring to?

The Hon. PENNY SHARPE: The stadium—you might remember it.

The Hon. ADAM SEARLE: This is the stadium.

Ms GLADYS BEREJIKLIAN: Which one?

The Hon. ADAM SEARLE: The one at Moore Park.

Ms GLADYS BEREJIKLIAN: Right. There are three or four stadiums there.

The Hon. ADAM SEARLE: I am talking about the Moore Park stadium.

Ms GLADYS BEREJIKLIAN: Right—the Sydney Football Stadium.

The Hon. ADAM SEARLE: Last year you said it would not go above \$729 million. Now it is \$810 million. What happened there?

Ms GLADYS BEREJIKLIAN: I have answered that question—

The Hon. ADAM SEARLE: No, you have not. Last year you gave an assurance the overall funding envelope would not go above \$729 million.

Ms GLADYS BEREJIKLIAN: You did not even let me finish the sentence.

The Hon. ADAM SEARLE: Well, can you please give a direct answer?

Ms GLADYS BEREJIKLIAN: I have answered that question on numerous occasions both in Parliament, on the public record, during media conferences. Of course we always want to be within the envelope that we have but the broader envelope—

The Hon. PENNY SHARPE: Sixteen million dollars here or there.

Ms GLADYS BEREJIKLIAN: The broader envelope is the one that needs to be considered, which is—

The Hon. ADAM SEARLE: But that is over an 11 per cent increase in one year.

Ms GLADYS BEREJIKLIAN: But the broader envelope that needs to be considered when you are managing a balance sheet the size of New South Wales and an infrastructure pipeline the size of New South Wales—

The Hon. ADAM SEARLE: Yes, and they keep getting more expensive.

Ms GLADYS BEREJIKLIAN: —is the \$98 billion worth we have over four years for our infrastructure projects. Some projects come under budget, some are on budget, some might be over budget—

The Hon. PENNY SHARPE: Many are over budget.

Ms GLADYS BEREJIKLIAN: —but in the main it is our Government's prerogative to manage that nearly \$100 billion—we are not at \$100 billion yet—over the forward estimates. If you extrapolate that over an eight- or 10-year term, you are talking hundreds of billions of dollars at our disposal.

The Hon. ADAM SEARLE: Yes, but consistently we see that the projects are much more expensive than you told us.

Ms GLADYS BEREJIKLIAN: But also what we tend to do—in fact, many members of the business community highlighted this in recent times during recent forums—is that we also let the public know and we will continue to do this, because it is important. But before we go to market we always give our estimated total cost.

The Hon. ADAM SEARLE: Given your assurance last year that the envelope would not get above \$729 million, how is it that it is now \$810 million?

Ms GLADYS BEREJIKLIAN: I have answered that before—

The Hon. ADAM SEARLE: You have not.

Ms GLADYS BEREJIKLIAN: —I might ask Mr Draper, who has not had anything to say yet.

The Hon. ADAM SEARLE: I have yet to hear an answer for that.

Mr DRAPER: The \$729 million budget that you referred to has its origins in 2017. The Sydney Cricket Ground Trust was at that time still responsible. They developed a schematic design for the stadium and they were still responsible for it. They also developed the cost plan at that time that went along with the schematic design. That was the basis of that budget. It was adjusted to remove two elements—firstly, the media halo and, secondly, the curve that was included in that schematic design. That brought the budget back to \$729 million. In early 2018 Infrastructure NSW was asked to take over delivery of that project from the Sydney Cricket Ground Trust. We then entered into a design process, which included a design competition. Cox Architects were the winners of that competition. They then went down the path of developing the design further and at the end of 2018 a planning concept was received.

That was the first thing and the second thing that happened was a contract was awarded to Lendlease. During the first half of 2019 we went through a further design process with Lendlease and those architects. At that time we had a design that we could get priced more effectively. As we have discussed at previous hearings, we got a proposal from Lendlease that we did not accept and we decided to go back to the market. We are now in the middle of 2019—

The Hon. ADAM SEARLE: Yes, it is okay for you to continue but—

Mr DRAPER: I will just finish my answer. When we appeared at the hearings in September 2019 we were still working on the basis of that budget. We had absolutely no reason to adjust our expectations or the budget at that time. We went to tender in August 2019 and received tenders on 28 October 2019, after the last budget estimates hearings. We took a period of a month or so to evaluate. It was not until we had thoroughly evaluated the tenders received from Multiplex and from John Holland that we were satisfied that we had tested the market thoroughly and had a design that we could properly price and a risk that was properly allocated. We were then at the point where we could advise Government that we thought the budget needs to be adjusted in order to deliver the stadium that the public expected. That was the time line over which we adjusted the stadium.

Ms ABIGAIL BOYD: Sorry, I am conscious of the time because we do not want to keep the Premier back any later than we need to. We might pick that up again in the afternoon.

Mr DRAPER: Sure.

The Hon. ADAM SEARLE: I am sure we will.

Ms ABIGAIL BOYD: Premier, would you characterise the transaction for the Vales Point coal-fired power station as a long-term lease or a privatisation?

Ms GLADYS BEREJIKLIAN: I recall that vaguely. I was the Treasurer at the time, I remember. I will take that on notice and provide you updated information on that.

Ms ABIGAIL BOYD: As a refresher, I am sure you know that it was sold for \$1 million.

Ms GLADYS BEREJIKLIAN: It is all coming back to me now. The reason why that transaction was in the State's interest was because it allowed us to get rid of a lot of debt that sat on our balance sheet. In freeing up that asset it meant we were also able to get rid of a lot of debt.

Ms ABIGAIL BOYD: I am glad you refer to that because I know that that was the reason given for the very low sale price, given that it was valued—

Ms GLADYS BEREJIKLIAN: It was a liability on our books.

Ms ABIGAIL BOYD: —a couple of years later at 700 times what you sold it for. The transaction, now that we have seen the documents, was actually a bit unusual in that it does not outright sell Vales Point at all. What it does is have a reciprocal option arrangement with the buyers to allow them basically to hand the asset back to you, hence the question about the long-term lease. We also know that under that contract the liability for cleaning up the decades of contamination before the "sale" actually stays with the State. Given what we now know about the toxic ash sitting on that site and how much it costs to clean up that ash, the sale actually left the Government with hundreds of millions of dollars of liability. Were you aware at the time that those liabilities were being kept?

Ms GLADYS BEREJIKLIAN: The advice received was that the net benefit of going through that transaction far exceeded the cost to the State of retaining the asset.

Ms ABIGAIL BOYD: Do you think that holds up now when you look at it in hindsight?

Ms GLADYS BEREJIKLIAN: Because the matter was two or three years ago, I will take that on notice and provide you with information. But I have no reason to question that that was the right decision at that time.

Ms ABIGAIL BOYD: It was also the case for the Eraring coal-fired power station, when that was sold with the liabilities remaining with the Government. That is subject to an upper House inquiry now, so that will all come out in due course. Looking at privatisation, we had a bit of a shock yesterday when we learned from the transport Minister and the bureaucrats that as part of the proposed privatisation of bus routes 7, 8 and 9 we could end up with a situation where our public buses were being replaced by private buses. Are you aware of that?

Ms GLADYS BEREJIKLIAN: I want to make the point about bus franchising very clear. The reason I do that is because I know that our political opponents do not like making this distinction. But when it comes to franchising, it means in the case of buses that we own the depots, we own the assets, we set the fares. "Privatisation" means government has no control over any of those things. That is not the path we have adopted; it is franchising. I want to make that point clear.

Ms ABIGAIL BOYD: We can have semantic arguments about the difference.

Ms GLADYS BEREJIKLIAN: That is fine but when government owns the depots we own the buses and we set the fares—

Ms ABIGAIL BOYD: But when you do not own the buses?

Ms GLADYS BEREJIKLIAN: —and we determine the routes. A number of our bus contracts do have long-term leases. As you would know, when we came to government this was the case; it was under the Labor Government as well. Every single rural and regional bus contract in the main is run by—school buses in particular are run by private operators.

Ms ABIGAIL BOYD: I guess I am more concerned about Minister Constance's constant comments for a number of months that this is not a privatisation because the buses will remain with the government, whereas yesterday we find out that actually we could have a situation where our public buses are being replaced by private buses. That is not what Minister Constance had assured the public.

Ms GLADYS BEREJIKLIAN: Put it this way, we purchase all of our buses from private companies. We do not manufacture the buses.

Ms ABIGAIL BOYD: Of course not but there is a difference, is there not, between having the buses in public hands and having them in private hands? The assurance was given that our bus assets would be kept in public hands and that was the primary reason that Minister Constance said that this was not a privatisation, this was a franchising.

Ms GLADYS BEREJIKLIAN: But franchising also means that in the main you control the regulatory environment, which is a similar model to what we have for the ferries. You control the regulatory model, you control the fares, you control the routes, you control the way in which the services are conducted. In anybody's definition, that is not privatisation. "Privatisation" means—

Ms ABIGAIL BOYD: When you talk about control—

Ms GLADYS BEREJIKLIAN: Because if we privatised—and I just put this to you—governments only recoup between 25 and 30 per cent of costs in providing services. We expect that because that is what public transport is all about: it is providing a service to the community. The reason why I make that point is that governments will always, as we should, continue to provide public assets. In fact, we have increased them substantially since we have been in government. The point I make on that is because we want to increase the number of services we provide, we want to increase the routes of service we provide. In fact, it made my heart glow when I read headlines recently about demand in public transport going through the roof because that is exactly what we need.

The Hon. PENNY SHARPE: It is not what happened in Newcastle.

Ms GLADYS BEREJIKLIAN: The way that we are able to afford this is by using the expertise in the non-government sector to help us manage the system.

Ms ABIGAIL BOYD: Can I put to you—

Ms GLADYS BEREJIKLIAN: There are some things government does better than the private sector. There are other things the private sector does better. But, in any event, when you pool that expertise and the resources—and, certainly, the public transport sector has a combination of government-owned and privately owned services—we are able to provide more services, more frequent services and greater access—

Ms ABIGAIL BOYD: In the interests of time. I just need to put to you that if all of our buses are in private hands, clearly that creates a situation where the private sector has quite a lot of power when it comes to negotiations with the Government. When we talk about control, the idea that we do not have any buses of our own, we are completely at the mercy of private operators to run our bus services, you can understand why people are very concerned, particularly when you look at the experience in other regions where they have had worse service, they have had fewer services, more expensive services.

Ms GLADYS BEREJIKLIAN: It is interesting that you make that point because when we did the inner west, I know that some members of the community were not confident that would result positively. There are now 270 additional weekly services running in the inner west. There is almost a 20 per cent increase in patronage.

The Hon. PENNY SHARPE: That is not the case in the Hunter.

Ms GLADYS BEREJIKLIAN: There is a 20 per cent increase in patronage.

Ms ABIGAIL BOYD: Can we go back to the point, though?

Ms GLADYS BEREJIKLIAN: There is also a reduction in cancellations and there is a reduction in complaints, so that is pretty good evidence—

Ms ABIGAIL BOYD: Do you accept the situation that the Government should be at the mercy of private corporations when it comes to the provision of essential public services?

Ms GLADYS BEREJIKLIAN: But I say to you the Government has 100 per cent control of the regulatory environment. Anyone who operates within the transport network has to comply with our rules, with our fare structure—

Ms ABIGAIL BOYD: And if they say no, we would have no buses of our own.

Ms GLADYS BEREJIKLIAN: No, if they say—well, that is not the case. We own a huge fleet of buses. Even now we lease some of the buses. If you are a private operator—

Ms ABIGAIL BOYD: There is a very big difference between leasing and having the private operator own the bus.

Ms GLADYS BEREJIKLIAN: But what is critical in providing the franchising model is that government has full control of the regulatory environment. That is what makes the difference to our citizens. I just want to make that clear.

Ms ABIGAIL BOYD: Just to be very clear: You will not rule out private operators owning private buses on regions 7, 8 and 9 once they are franchised?

Ms GLADYS BEREJIKLIAN: I do not know what are in the plans at this stage but the advice that I have received is under—Mr Reardon, I do not know if you have anything else you want to add to that?

Mr REARDON: No, I do not, actually.

Ms GLADYS BEREJIKLIAN: But the best advice I have is that we will still own the depots, the routes, the fares—all the things that matter to the community are within the full control of government.

The ACTING CHAIR: I think we have reached the end of the questioning, unless you want to continue, Premier.

Ms GLADYS BEREJIKLIAN: No, I am okay, thank you. Mr Chair, if you are satisfied, I am more than adequately satisfied.

Mr DAVID SHOEBRIDGE: Just a few more questions. Anyhow, no.

The ACTING CHAIR: Thanks for attending the hearing today. I note that you have taken some questions on notice. The secretariat will be in contact with you in relation to when those need to be returned. We will now break for lunch and reconvene at 2.00 p.m.

(The Premier withdrew.)

(Luncheon adjournment)

AMY BROWN, Deputy Secretary, Strategy and Delivery, Department of Premier and Cabinet, on former oath

The ACTING CHAIR: We will start with questions from the Opposition.

The Hon. ADAM SEARLE: Mr Reardon, in estimates last year on 5 September I asked some questions about the public interest disclosures legislation. I think it was then being reviewed by a steering committee and there were some questions around when the deliberations of that committee may be complete. I understand it is a decision for the government of the day to bring forward any legislation but can you update the Committee on where the internal governmental processes have gotten up to in terms of developing a draft bill?

Mr REARDON: Thanks, Mr Searle. Can I just ask—

The Hon. ADAM SEARLE: Page 58.

Mr REARDON: Yes, 58, first time.

The Hon. ADAM SEARLE: And following.

Mr REARDON: I do not have an update in front of me but if I can have it during the hearing I will seek to provide that to you.

The Hon. ADAM SEARLE: That is fine. Also, in supplementary questions, I think it was indicated that DPC over the next couple of years—and this was going back to late last year—was going to be reviewing the Government Sector Employment Act and also the Greater Sydney Commission Act. Can you update the Committee about where those two reviews are up to in terms of the time frame and who will be conducting the reviews?

Mr REARDON: The Government Sector Employment Act review in the public service is jointly being undertaken by Premier and Cabinet with the assistance of the Public Service Commission itself but, as with these things, the cluster lead should give them a lot of support, so our general counsel has been assisting with that. That review is largely complete and is with—I will take on notice exactly where we are up to but it is largely complete, that review. The Greater Sydney Commission review, I will have to take on notice, because the statutory time frame for that—

The Hon. ADAM SEARLE: May not be out.

Mr REARDON: I do not believe it is but if it is I will give you an update, but that is not one that is in front of me at the moment. The Government Sector Employment Act is, but the Greater Sydney Commission, I am not aware of, unless you have anything further you want to—

The Hon. ADAM SEARLE: I do not have anything further. I am actually just after some information.

Mr REARDON: Probably the only thing to say about the Greater Sydney Commission is that it completed its major Greater Sydney Region Plan in 2018, which was a substantial amount of work. It has been implementing its obligations with local government to ensure that they have got their sub-plans in place, and that has been a really good body of work since that point in time. Their next substantive role, the Greater Sydney Commission, will be the next updated Greater Sydney Region Plan over, I think, the 2022-23 period.

The Hon. ADAM SEARLE: This is a question that was directed to, I think, the Premier, as a supplementary question last time, but it was also directed to the Treasurer and possibly also to the energy and environment Minister. It was around the State Government's own electricity supply contract. This is in terms of the supplementary answers. It is at page 47.

Mr REARDON: Of our supplementary answers?

The Hon. ADAM SEARLE: Of your supplementary answers. It is in the answers to questions 310 to 317 about the energy purchases, not just of the cluster but this is more broadly across government. There are two electricity contracts: 776, which is with Origin Energy; and there is 777, with ERM Power Retail Pty Ltd. This has been a consistent answer. I have asked on a number of occasions how much electricity is purchased and consumed for the State government as a whole and also by agency. I think, if my memory serves me right, only 6 per cent of that energy was from renewable sources under those two contracts. Those two contracts, as I understand it, are up for renewal this year.

Firstly, can you advise—and I am happy for you to take this on notice—where the negotiation of the new contracts is up to and whether we can expect a significant increase in the proportion of renewable energy that the

State purchases through these power purchase agreements [PPAs]? I would also like to know under the existing contracts how much energy was actually purchased and consumed. Because it seems to be information that I cannot get out of anybody. I assume it is not; it should not be a commercial secret. I am not asking how much you spend. These should be matters of public record.

Mr REARDON: On two commercial contracts—or contracts for the purchase—there may be commercial issues within them. Clearly, disclosures for contracts we disclose as we need to on government websites with the appropriate redactions. I am not aware, firstly, whether you have asked the Minister for Energy and Environment those questions.

The Hon. ADAM SEARLE: Not this year. I thought I would come to you as the coordinating body.

Mr REARDON: It is a lot of detail that is outside my cluster.

The Hon. ADAM SEARLE: I understand that and I am not expecting you to have the answers at your fingertips but if there are literally two contracts that service the whole of the budget sector, it seems reasonable to me to ask the central agency coordinator for an answer across government. If that is not right, I guess I could ask every single Minister. I assume the contract is not broken up by cluster, given the recent machinery of government [MOG] changes. These changes would predate those MOG changes.

Mr REARDON: I actually do not know, Mr Searle, but I will find out what I can. Probably a more substantive answer would be around questions across government, absolutely across government, setting up principles, regimes, frameworks and coordinating as per our budget outcome accountabilities. A matter such as that could be fully purchased, like a banking contract or an energy contract, out of various areas of government without it all having to come through the centre. Yes, approvals would come through as required to Cabinet and the Expenditure Review Committee of Cabinet but it may well be held within a portfolio away from the centre.

The Hon. ADAM SEARLE: Okay, I am happy for you take that on notice.

The Hon. PETER PRIMROSE: I just had one question, if I can. As head of the public service in New South Wales, can you talk to us about your role in relation to the role of the Public Service Commissioner?

Mr REARDON: Certainly. So the longstanding convention within governments, not just the Government of New South Wales but around the country, the Secretary of Premier and Cabinet or the Director General of Premier and Cabinet is considered to be the head of the public service. We have certain roles that we have to play for strategic coordination across government. The Government Sector Employment Act sets out our accountabilities; we just happen to be the central agency. Mr Searle also reflected on the fact last week that my role is indeed the head of the public service. If it is not, I will have to find out who is.

The Hon. ADAM SEARLE: We are all assuming it is you.

Mr REARDON: I assume it is me as well. I was announced as that; my predecessors were as well. In relation to the Public Service Commissioner, the Public Service Commissioner is, like many of those other independent agencies within Premier and Cabinet, integrity agencies. Mr Draper is head of Infrastructure NSW, which sits within the cluster. The Greater Sydney Commission and the Public Service Commission sit in that framework. It has direct independent reporting lines to the Premier on advice about the public service, including the employment of a whole range of people and setting up that regime under the Government Sector Employment Act. So they do have a level of autonomy. Their appropriation and funds flow to them as part of the cluster arrangements, as per others.

But the Government Sector Employment Act does give the Public Service Commissioner certain powers to set up appropriate consistent principles and policies across the public service of how we are employed; how we go about our work; our values of accountability, integrity, trust, service; our Leadership Academy, how that works; and our graduate recruitment, which they have taken from probably a fairly low base to being fourth best in the country now of the top 100 employers around the country. They have all of those independent roles across government. It happens to sit in our cluster, like many other independent agencies. I have said before that when it comes to matters of people and the engagement of people with the Premier and Cabinet cluster, where there are nearly 4,000 people, we work together and try to support each other. On matters of budget, we try to do the same. Beyond that, they are pretty autonomous as an entity.

They sit on the Secretaries Board; the Public Service Commissioner sits on the Secretaries Board. I do chair it but the Public Service Commissioner has been there as convention for many, many years now and that works really well because they have direct access to all of the secretaries to give us consistent messages, to drive diversity, inclusion, productivity within the public service and jobs for the future, and that works quite well for

us. But they do have their own accountabilities. The last thing I will say is that there is a public service commission board. My role and the Treasury secretaries' roles are on that board as well, so we do play that role. I find that—it is an advisory board—is a helpful steering arrangement so there is a direct connect, particularly for non-government people who sit on that board so that they are aware of what is happening in government. They are the arrangements and I hope that assists with explaining the differences.

The Hon. PETER PRIMROSE: That is good. I just needed to understand that. Thank you very much.

The Hon. PENNY SHARPE: Mr Reardon, I want to ask about COAG and where domestic violence and family violence is on the COAG agenda. What is currently being considered?

Mr REARDON: Thanks for the question. Yes, it is on the COAG agenda but, to be frank, I am about to leave here to go to the first meeting at four o'clock and there was an agenda that has probably been put out while I have been in here. To be clear, you would imagine that coronavirus will be fairly significant—

The Hon. PENNY SHARPE: Yes, and there is no gotcha here. I am just interested about the level of priority domestic and family violence is being given. I know that there is child safety, the ministerial council—I understand all of those things. I am just wondering whether it is actually on the agenda and what work is happening under that.

Mr REARDON: If I even had the agenda here with me I would tell you where it was on the agenda, but it has been on the agenda for a number of years. There is work ongoing through the COAG processes both at first Ministers and then within portfolios. The Stronger Communities portfolio is taking the lead on some of those, including our Premiers Priority that the Premier talked about earlier on domestic violence. Along with many other priorities across all of us nationally, whether it has been drought over the past few years, the bushfires, domestic violence has been there for some time and there is work ongoing. If I can even get my notes for COAG I will provide you with whatever I could.

The Hon. PENNY SHARPE: I really appreciate that and, as I say, there is no gotcha here, it is a genuine inquiry.

Mr REARDON: I will not provide you with my COAG notes but I will let you know where it is on the agenda.

The Hon. PENNY SHARPE: That is good. There is one particular issue that I am increasingly concerned about and it is one where I think the State's hands are somewhat tied. It is the issue of women who have active apprehended violence orders in place in relation to partners they are separated from but then there is the impact of Family Law orders, which is requiring their children to go and visit and spend time with violent ex-partners. The reason I am asking you at this level is that it seems to be one of those issues that keeps bouncing around. It is a serious enough issue. I am just wondering whether you are aware New South Wales is putting that on the agenda or it has raised the issue.

Mr REARDON: Firstly, I can just reconfirm that it is on the agenda. As I said, it has been on there I think for the last few years. I would only probably repeat where we are going to with the Premier's Priorities around domestic violence.

The Hon. PENNY SHARPE: Yes. That is reoffenders.

Mr REARDON: Maybe if you could repeat exactly where you were going to, to try and help.

The Hon. PENNY SHARPE: Yes. I will give you a hypothetical example but it is not an uncommon example that comes into my office. On a regular basis I have very desperate and quite distraught women who ring my office and say, "I am separated from my partner. I have serious concerns about the safety of my children." The children are at risk of harm so it becomes a Family and Community Services and child protection matter, leaving aside the issue of the woman's general distress. They raise those issues with Family and Community Services. Again, I am not really asking you to address those specifically; I have raised those directly with the Minister. But the issue appears to be that the family law rulings override that and I am very concerned that States are responsible for child protection.

Women are raising it. These are the things that keep you awake at night when you take calls in your office. These things do worry me a great deal. I understand what the issue is, which is that essentially the family law trumps some of those concerns. What I am wanting to know is whether that is something that is on the radar of COAG? This is obviously a very controversial issue. There is currently a Senate inquiry into that whole issue. In New South Wales is it a sufficient issue that we are raising it at COAG?

Mr REARDON: It is a sufficient issue that it is on the agenda of COAG. The specifics—I would have to go and check my notes because I think I have got about 600 pages to turn through tonight. I actually do not know but I am happy to find that out if I can, even before we leave here.

The Hon. PENNY SHARPE: Yes. I would just really appreciate to know what is going on with that. That would be very helpful. If we actually go to the Premier's Priorities, how do you track them? How does that work?

Mr REARDON: Since 2015 the Premier's Priorities were announced by Premier Baird and then they were slightly tweaked and updated in 2017 by Premier Berejiklian and again updated after the 2019 State general election for this term of government. We have a Premier's Implementation Unit that actually sits within Premier and Cabinet. Over a long period of time there have been implementation units established in various premier and cabinets and sometimes treasuries around the world, and certainly around this country.

The Hon. PENNY SHARPE: The previous Labor Government had the State Plan. It was a similar process.

Mr REARDON: Yes. Some have worked as either generalist coordinators, passive watchdogs—lots of reporting with not a lot of output. Our approach now since 2015 has come out of the United Kingdom. It is a long word—and I used to be sceptical of the word myself—but "deliverology" is what they call it, so that is what it is.

The Hon. PENNY SHARPE: It is a terrible word.

Mr REARDON: It is a terrible word.

The Hon. PENNY SHARPE: Just saying.

Mr REARDON: Your comment is noted. When I was in a cluster that was more aligned—a cluster like Transport—I looked at the centre and went, "What will this process be like?" You have a healthy dose of optimism and scepticism at the same time. But, to be frank with you, the leadership we had at that time and the drive from the Premier because it was a Premier's priority—the short list. Keep it 10 or less. Yes, we have crept up to 14, but keep it very short and sharp and have repeat habits across government and visibility. Secretaries and deputy secretaries are held to account with just good habits of being in front of Ministers and being in front of the Premier to actually—

The Hon. PENNY SHARPE: How often do they have to report? You talked about that you get to be a watchdog or a monitor. How would you describe your unit? What does it do to keep the secretaries and the departments on track?

Mr REARDON: Strategic best friend. That is what they are now—they are a strategic partner.

The Hon. PENNY SHARPE: What does that mean?

Mr REARDON: They work with the agency to help them deliver.

The Hon. PENNY SHARPE: So there are regular meetings?

Mr REARDON: Yes. Very, very regular, to set up the target—be very specific with the target. For example, the last term of government had emergency wait times and to achieve 81 per cent of emergency wait times within four hours. That captured all triage categories one, two, three, four and five. This term of Government—because that was just a catch-all, we listened to Health further and said, "Can we disaggregate that further?" It is a tighter time frame for triage category one: You get seen now. Triage category two is a certain percentage and triage category three is a certain percentage because that leads to tracking the appropriate behaviour. So we came up with even tighter measures for some of the clusters. And then we have very frequent reporting—like, it is monthly reporting—out of each of the clusters.

The Hon. PENNY SHARPE: We are coming up to 12 months. Will there be a public—

Mr REARDON: We have a website on this. There is quite ongoing reporting on it.

The Hon. PENNY SHARPE: I am familiar with it. In terms of a statement, would you expect that there is going to be a Premier's statement? You know, "One year into the priorities, this is how we are tracking." Or is everything chucked up on the website and we can work that out for ourselves?

Mr REARDON: If she wishes to talk about it whenever she may wish to—

The Hon. PENNY SHARPE: Sure, but you are not aware that going to be—

Mr REARDON: We certainly put information up there quite constantly. You asked about what feels different. It is those types of public accountability things that help the agencies quite a bit. Knowing that the Premier's priority is connected to their Budget Paper No. 3—their budget outcomes—and getting some alignment that is very, very helpful, but they have to be quite specific, targeted and not forgotten. The Premier's Implementation Unit there would actually be the strategic partner with the agencies and they do a good job with that. The culture is not walking around with an autocratic big stick. It is to actually assist clusters to know that they will be reporting through to a Premier quite frequently on their achievements, whether it is planting a million trees or whether it is the emergency wait times. They are challenging targets; they are supposed to be.

The Hon. PENNY SHARPE: And if they are not meeting them—look, I am going to take you to a couple of ones specifically. But if they are not meeting them, how does it feed into the budget process around allocation of resources?

Mr REARDON: Could you be a little bit more specific on that?

The Hon. PENNY SHARPE: I will be very specific. One of the Premier's Priorities is decreasing the proportion of children and young people reported at risk of harm. I know it is re-reported, but the figures show that is through the roof. There are 13,000 extra reports with fewer kids being seen. That is a clear red flag in relation to being able to meet that priority. I am just wondering what is—that is just an example. How does the process of what you are doing as the central agency working with the agency when it is clearly not going to meet that target, does that then, for example, feed into the budget being processed? Again, I am not asking you to comment specifically on this specific budget, but I am just trying to understand how you steer the ship to meet these priorities when some of them are clearly not going to be able to be met.

Mr REARDON: The short answer is: It does feed into the budget process. Across all of government now we are down to about 39 outcome areas for programs. Within some of those program areas the Premier's priority requires further emphasis. When clusters bring forward their bids they would remind ourselves and Treasury that in this area is the achievement or otherwise of certain of these Premier's Priorities, so they would bring that through to the budget process. Absolutely.

Ms ABIGAIL BOYD: On the flip side of that, do we get a situation where sometimes the priority directs funding away from other things? I am thinking again of domestic violence. If the priority is on reoffending but then it becomes very clear that actually the funding is required in other areas to do with domestic violence, is there a pull within the Government to be considering the priorities rather than what is coming up?

Mr REARDON: It is not always just a cost-plus situation, meaning that everything requires further funding. Sometimes it is how people actually go about their work and how they utilise resources more effectively. Different ways of thinking, new technologies—there is a whole range of things to be thought about, not just that we need a specific new allocation for something and if we do not get that we will turn something else off. It is not always like that. The priorities are written to reflect what is on a Premier's mind, but also important things to the community. You are bringing a few up here. They are written quite precisely so they are measurable and people can be held to account for achieving them, and clearly they are across clusters where they need to be. You asked questions earlier about the Stronger Communities cluster, for example. Ourselves and Victoria have some pretty big clusters, but different.

Down there they have Health and Human Services together; here we did not go that way. We actually put Communities and Justice together to try and make them work more closely together. The Premier indicated it is not always perfect, and that is correct, but it gives them the best opportunity to see where they can work better together. Otherwise you have just got two pillars making it through to Cabinet and debating something. It is forcing that debate back within the agencies to use their resources differently—potentially more efficiently. What I said at the start—it is not always just a cost-plus requirement; it is trying to use resources a little differently.

Ms ABIGAIL BOYD: Thank you for that, because it is really useful to try and understand how that works. Does that then create a situation where, within one cluster, there is a debate going on between "Do we put this money into child protection or do we put it into domestic violence?" in order to have that debate had at that level before it even gets to Cabinet?

Mr REARDON: Yes, whether that is in the Transport cluster or whether that is in Planning, Industry and Environment and Stronger Communities, as three prime examples. To my old portfolio of Transport, the contest of views occurs within the cluster before it comes to government for a decision on Cabinet or Expenditure Review Committee. To take you back just a decade, that could have come up from RailCorp, Roads and Traffic Authority, Ministry of Transport, Public Transport Ticketing Corporation and I could go on—all with their own lines into the centre, inefficiently debating components just for the transport system. They now go up as one, so

they seek submissions as one cluster working together. Yes, they have to contest and debate things within that cluster—same within Stronger Communities. It is to allow the contest of views to occur within the cluster and bring a single position to government—same as Planning, Industry and Environment.

Ms ABIGAIL BOYD: Hypothetically, if domestic violence was in a separate cluster to the rest of the Stronger Communities cluster, it would not have to have that debate—the Minister for the Prevention of Domestic Violence would not have to have that debate—with other people about where funding is best spent. They would come to Cabinet with their own funding request. Is that right?

Mr REARDON: I just wanted you to finish your question.

Ms ABIGAIL BOYD: Yes, sorry, I tailed off. Is that what would happen? Whereas now the Minister for the Prevention of Domestic Violence needs to speak to the Minister for disabilities and the Minister for different responsibilities, and then between them they say, "Well, actually, the need for this is more than the need for that."

Mr REARDON: You said "hypothetically", so I will keep it general. My experience has been the more disaggregated you have things, the more people have to go and try and join the dots for themselves before they make it to Cabinet. All we have attempted to do is try and bring people together before they make it to Cabinet. Your premise is if we brought out a small individual agency, it would go better charging in on its own. What would occur—and this is just the generic response—is that agency would be given some accountabilities to do certain things, and probably not have all the funding with them. They would be asked to work across a whole range of areas where they may not have the resources, the legislative empowerment or the funding to do that.

I have seen lots of small agencies, unfortunately, struggle over the years when they do not have that empowerment. There is no right or wrong answer in that. Lots of jurisdictions have lots of small agencies and lots of directors general; others have more aggregated, which we do at the moment. We try to set it up to lean into the 2020s as best as possible. Where there is a Stronger Communities cluster, it is about trying to make all areas of judicial, law and order and social welfare work better together because they have to.

Ms ABIGAIL BOYD: They are not siloed in society.

Mr REARDON: The customer at the centre of that requires them to, because a member of the community would have a touch point with a bunch of those agencies, potentially. We would prefer them to think about the customer at the centre of a Stronger Communities cluster.

Ms ABIGAIL BOYD: Quite. Again, thank you, because I am genuinely trying to understand. I guess it does not really matter what the structure is if we are getting the outcomes that we want. But as I said to the Premier, what I am seeing and what a lot of people are seeing in the domestic violence sector is not enough funding. I am trying to work out why that is. Is it, then, because the entire cluster is not getting enough funding or is it because domestic violence is not getting the priority it deserves?

Mr REARDON: I will only repeat, because you are floating into policy areas—for me, anyway—

Ms ABIGAIL BOYD: I understand.

Mr REARDON: There have been allocations given to the Stronger Communities cluster. There is a Premier's priority there on domestic violence and reoffending. We drive hard at those things to make sure the public service responds to what has been given to us. But the allocation of funding per annum is probably straying into Treasury and Treasurer territory.

Ms ABIGAIL BOYD: I understand. I will quickly ask you about the Special Commission of Inquiry into the Drug 'Ice'. What was the process for the initial response to the ice report and, specifically, the rejection of five of those recommendations? Who was consulted?

Mr REARDON: I will just do a couple of broad comments, and then I might pass to my colleague Deputy Secretary Amy Brown to go into a bit more detail, because she oversaw from Premier and Cabinet that process over the last couple of years. The special commission of ice was undertaken over those couple of years. It reported at the end of January this year and brought into government. Government considered the report and put out an initial advice on some of the settings and some of the recommendations, with more fulsome response over the next wee while. I will hand over to Ms Brown to provide anything further.

Ms BROWN: Yes. As you are aware, the special commission handed down its report and government delivered an interim response on 27 February, and it will deliver a final response in the second half of this year. The inquiry made 109 recommendations but, as you say, the Government's interim response specifically spoke of

five and that is where it was unchanged on those recommendations from statements that had been made publicly earlier. I assume you do not need me to go through those recommendations, specifically.

Ms ABIGAIL BOYD: No.

Ms BROWN: The process there was that when the report was handed down, from a public service point of view, there was governance that involved Health and Department of Communities and Justice and Department of Premier and Cabinet that provided quite a coordination role in relation to that; Treasury et cetera, who analysed the recommendations and, indeed, identified ones where previous statements by government have been made. Then that was put to the relevant responsible Ministers to then have the discussions at government level whether or not those positions would remain unchanged.

Mr REARDON: Which are then undertaken, obviously, through a Cabinet process.

Ms BROWN: Yes.

Ms ABIGAIL BOYD: Understood. So the process was that there were, basically, already positions on record on those five things, and so they were then asked whether they wanted to change their position. Were they given the copy of the report to make that decision?

Ms BROWN: Yes, they were given the report and copies of all other relevant information.

Ms ABIGAIL BOYD: Was the police commissioner consulted?

Ms BROWN: The police were represented on the public service, yes—at the public service level of consultation.

Mr REARDON: Whether the police commissioner was then advised by the representative from police on that, you would probably have to ask.

Ms BROWN: Police were represented, yes.

Ms ABIGAIL BOYD: They were represented, but not necessarily the police commissioner.

Ms BROWN: I cannot talk to their internal discussions, yes.

Ms ABIGAIL BOYD: Thank you.

The Hon. ADAM SEARLE: What is "deliverology"?

Mr REARDON: A really long word. It is basically what I described of the repeat habits within how we go about delivering on priorities: keeping it simple, keeping it focused, not having it drift all over the place and spend two years on arguing about what the definition of a deliverable would be and a target would be. Then it is just—once those things were locked in, it is holding people to account, trying to strategically partner with each of the clusters from the centre of government with championing from the Premier, very senior people to try and drive outcomes. To be frank, in terms of whether the word is interesting or not, frontline people should actually feel the difference by knowing we are trying to put effort into their areas of domain.

It was actually assisted where our front line people reflect back to the fact that there is focus going into their area of the world, whether that is emergency department or whether it is another social welfare area, whether it is planting one million trees. They do give that feedback. Knowing that the focus of the centre of government is in the area of front line service delivery is welcomed because it does give the priority. As I said, the coining of that phrase is out of the UK, whether it is good or bad. The habits that it brings with it are useful for us.

The Hon. ADAM SEARLE: So it describes a process or a mindset. Is it a proprietary product or service that DPC purchases?

Mr REARDON: No, all we do is basically have a group who have done that out of the UK. We have one person on a retainer to come over and do independent checks on where we are up to on a semi-regular basis.

The Hon. ADAM SEARLE: That would be Leigh Sandals?

Mr REARDON: Yes.

The Hon. ADAM SEARLE: And what does Mr Sandals do for DPC?

Mr REARDON: He basically will, over on a semi-frequent basis for about a week, just go through cluster by cluster on where we are up to on all of the Premier's Priorities.

The Hon. ADAM SEARLE: What is Mr Sandals' background or expertise in this field?

Mr REARDON: I actually do not know. I am happy to find that out, but he has worked on this type of thing for a while.

The Hon. ADAM SEARLE: And how much does DPC pay for that?

Mr REARDON: I am happy to take that on notice. I do not know.

The Hon. ADAM SEARLE: To whom are those payments directed—is it to Mr Sandals personally or is there some company that is engaged?

Mr REARDON: I will take on notice. I do not know. I would point to the annual report but if it is not there I will take it on notice.

The Hon. ADAM SEARLE: I do not think it is specifically there so I am interested to know. For cluster secretary roles is it the norm to have an advertisement and a competitive selection process for appointments to cluster secretary positions?

Mr REARDON: No, it is not always the case.

The Hon. ADAM SEARLE: Not always, but is it more usual than not?

Mr REARDON: It is just a mix. If I could give you just a recent history, I am the Premier and Cabinet Secretary. I applied to become a transport secretary through an advert. I am now in my current role by being appointed by the Premier to my role. The machinery of government changes meant that several secretaries who were in other roles were appointed to those roles. My successor in transport was recruited through an advertisement and recruitment process, but there are a range.

The Hon. ADAM SEARLE: Is there any set of guidelines or rules about when there is a direct appointment versus when there is just a competitive selection process?

Mr REARDON: You have to go to the Government Sector Employment Act specifically about the latitude in there. At the end of the day, we are employed directly by the Premier of this State. As I said, there has been a range of different ways of recruitment.

The Hon. ADAM SEARLE: Fairly recently the former Public Service Commissioner, Ms Hogan, I think was appointed secretary of the customer service department. I do not think that was through a competitive selection process, was it?

Mr REARDON: It was not; she was directly appointed.

The Hon. ADAM SEARLE: Do you know why she was directly appointed versus some selection process?

Mr REARDON: The Premier saw fit that she had the appropriate skills and experience to fulfil that role.

The Hon. ADAM SEARLE: And is it usual for the Premier to make those decisions rather than the relevant Minister?

Mr REARDON: The Premier, in consultation with the relevant Minister, often does. At the end of the day, regardless of what I might bring forward, if there is a recruitment process or a potential for a direct appointment, at the end of it the Premier employs us. She will consult with Ministers as she sees fit, and from my experience has certainly done that, and they make the appointment.

The Hon. ADAM SEARLE: The turnaround was fairly quick. The announcement of the resignation of Mr King and then the announcement of Ms Hogan all occurred in a four-day period last October.

Mr REARDON: I do not know that. I cannot recall it was that fast.

The Hon. ADAM SEARLE: It certainly looked that fast from the outside.

Mr REARDON: I can tell you this: It was moved fast for continuity, but I cannot remember how quick it was.

The Hon. ADAM SEARLE: I am not being critical of the swiftness.

Mr REARDON: No, I just cannot remember what period.

The Hon. ADAM SEARLE: For example, there is a recent advertisement for the Crime Commissioner role, which of course is a very important strategic role combating organised crime. By the time someone is selected

to occupy the position substantively, it will have been vacant for nearly two years. There was, I think, the swift replacement of a cluster secretary within a matter of days versus two years to even advertise for our top organised crime fighter. Could you explain why there has been that differential approach and why there was that delay?

Mr REARDON: No, I cannot and I did not even know that one was being recruited for until I probably read it in a newspaper in the last week or two. It is not in my cluster.

The Hon. ADAM SEARLE: I understand that.

Mr REARDON: I try to move recruitment as fast as possible; the main reason is just for continuity of delivery. That is why, as cluster secretary, my experience has been that having large gaps of acting arrangements leads to destabilisation within clusters. It leaves a vacuum in leadership and it is just a period where there is uncertainty. Certainly the reason to move as fast as possible was secretary appointments and it was the same when I became Premier and Cabinet secretary. My desire was to ensure that someone followed me quickly in transport because of the scale of activity to be delivered on, both infrastructure and service delivery—so try to make consistent the leadership as best you can.

Within our cluster of Premier and Cabinet, the same principle applies. We have had a lot of recruitment recently. One of the last ones, which I am doing at the moment, is the Public Service Commissioner role. I am working with the chair of the Public Service Commission for that recruitment. Even that—because it was straddled over Christmas and bushfires—took a little longer than what I would normally want it to, but to ensure that we looked at who was around and it was not over the Christmas period, I accept that it has taken a little bit longer. But just try to move them as fast as possible to get people into roles as quickly as you can. We do not always achieve that, but that is what we attempt to do.

The Hon. PENNY SHARPE: Mr Reardon, I want to come back to how Ministers are held accountable for the Premier's Priorities. Sometimes it has been the case that Premiers write a letter to the Ministers after their appointment outlining the priorities that they wish to pursue, is that the way it has been done since 2019?

Mr REARDON: Sorry, can you repeat that—the letter?

The Hon. PENNY SHARPE: When the Premier appointed her ministry and she had a list of the 14 things on the Premier's Priorities, did she write a formal letter to each of the Ministers who are responsible for one of those priorities setting that out as a requirement?

Mr REARDON: Without going into what letters the Premier writes to Ministers, my experience over the last four or five years has been that your formal charter and the priorities that you are accountable for are formalised between a Premier and a Minister.

The Hon. PENNY SHARPE: I am not asking you for the details but these priorities would basically be included in the charter letters?

Mr REARDON: They would be formally known between the Premier and Minister. I would also add that within the Government Sector Employment Act, secretaries of clusters then have their own performance agreement and they are reviewed with the Premier. Those performance agreements similarly cascade down priorities to be achieved, including the Premier's Priorities for the cluster, and then that then cascades into cluster business plans and into individual deputy secretaries and other agencies within a cluster just to try to get as much alignment as we can.

The Hon. PENNY SHARPE: One of the Premier's Priorities is that 5.6 per cent of government sector roles be held by people with a disability by 2025. Is that your responsibility or the Public Service Commission's responsibility? Who has formally got that one?

Mr REARDON: I will split it in two without being too cheeky about it. I am accountable for it. I am the secretary. I have deliberately wanted to take that accountability, like women in leadership, like Aboriginal people in leadership—

The Hon. PENNY SHARPE: Senior leadership roles.

Mr REARDON: Cluster secretaries are accountable. The responsible area within our cluster? Public Service Commission. It does a lot of be really hard legwork on those things. It tracks and holds us to account for women in leadership, for people with a disability and Aboriginal leadership. The Premier specifically added in the 5.6 per cent target. We are batting at 2.5 per cent, so we have got a long way to go.

The Hon. PENNY SHARPE: That has gone down. That has decreased recently.

Mr REARDON: Do you mind if I respond? It actually has decreased over the last few years. The last 12 months or so it has flatlined. It is not a good story but it has flatlined at 2.5 per cent. Yes, we know we have got to double that or more than double that. But as much as we talked just before about how people are held to account in a culture of delivery, when we first had the Women in Leadership target only four or five years ago, particularly in areas that were male dominated like Transport and Justice, we could have said that was all too hard. We did not do that. It has taken a lot of hard work, a lot of focus, a lot of trial and error and probably about quite literally hundreds of different programs across the public service. We have done all right. We have still got further to go—we are into the fortieth per cent now, which is good—but we have to get to 50 per cent by the middle of this decade. We will put the same effort into this. Mr Searle asked me last week extensively about what are the key underlying reasons for that dropping. I indicated that across public services all around the country there is the same phenomenon. It is a collective issue we have got around all of us around the country.

The only thing I did not raise last week is that the National Disability Insurance Scheme should be a massive opportunity for us in terms of people having been given empowerment to get out and get employed. We want to employ them with us basically. The more that we can actually have individuals in the community who are maybe on an NDIS program, we would like to employ a bunch of them with us under a whole range of areas. We have also looked at specific programs—I mentioned last week about people with autism—and generally disaggregating much further people with disability. There is a whole range of people with disability with different types of abilities and we want to shine a light on that. There are actually people there who have greater capability and capacity than many other people. We just need to converse about it. We need to market ourselves much better and just make ourselves more welcoming.

I remember the first time for Aboriginal leadership about five years ago about how many people we had in the public service in Aboriginal leadership. It was lower than it is now; it is nearly 100 out of a target of 114. The common response out of Aboriginal stakeholders was, "It is as simple as making yourself friendly to Aboriginal people. Provide coaching and mentoring that is appropriate for us. Be culturally appropriate in your workplace". I think we have gone some way towards that and we are going quite well with that. I just think we need to do all of that again with people with disability.

The Hon. PENNY SHARPE: Is it harder because you are basically shedding jobs at the same time?

Mr REARDON: No.

The Hon. PENNY SHARPE: You do not believe that has an impact? There are thousands fewer jobs in the public service than there were nine years ago.

Mr REARDON: I do not think that means that the proportion of people with disability should be impacted. We just need to work a lot harder on how we recruit and market to a whole range of different areas. There are jobs that will come up over the next 10 years that I have no doubt we do not have the capability and skills for right now. I have no doubt there are some people with disability who are better able to fulfil those jobs than a bunch of us within the public service now. We just need to get those connections better. We need to market ourselves a lot more clearly and be a much friendlier employer in that specific area. I think we are in a whole range of other areas: how we talk about flexibility, job sharing, how we talk about our women in leadership and Aboriginal people in leadership. We just have not put enough effort into people with disability. I think you can tell from my response that we are fairly passionate about trying to do something about that.

The Hon. PENNY SHARPE: Sure. How many more people do you have to recruit to get to 5.6 per cent?

Mr REARDON: A lot. It is a large number. If I can actually get that I will—

The Hon. PENNY SHARPE: Yes, I think it is around 20,000.

Mr REARDON: I do not believe it is that high and I will not do the maths in front of you but if I can actually get the number I will.

The Hon. PENNY SHARPE: Yes, that is fine.

The Hon. PETER PRIMROSE: Mr Reardon, in the time I have got, can I ask you to tell me, what is the Secretaries Board?

Mr REARDON: The Secretaries Board is the secretaries of each of the clusters. There are eight secretaries across the New South Wales public service: Premier and Cabinet; Treasury; Customer Service; Planning, Industry and Environment; Stronger Communities; Health; Transport; and Education. We also have the NSW Police Commissioner and the Public Service Commissioner who sit permanently on the Secretaries Board.

In the last year we have expanded a little further to help with secession planning for when some of us are no longer there. We have a few core deputy secretaries, specifically ones who have accountability for some of the key Premier's Priorities. We have focused our efforts on the Premier's Priorities around social policy areas—Education, Health and Stronger Communities are represented—and we are just about to put another person onto the Secretaries Board. Those deputy secretaries on there deliberately are given a message that they are a full board member. They are not there to support their own secretary; they are there in their own right and they are full, active participants being on the Secretaries Board.

It has been around since about I think 2012. I think it may have been called the secretaries council back then. It is probably the core body for overseeing the activities of the public service. To give you an example, right at the moment it is being used for our response to coronavirus. We are written into the emergency management plans, whether it is for bushfire, floods, coronavirus or many other activities. Within our response to coronavirus we rebadge ourselves as the Senior Officials' Group—it is in the pandemic plan—and we are meeting not quite daily but almost daily at the moment as a group to give guidance on what our responses will be supporting Health. Health leads on coronavirus but that Secretaries Board and the State Emergency Operations Centre, which is more operational people, it is the governance that we use.

The Secretaries Board used to meet once a month and then once a fortnight and just dealt with probably macro policy issues. I took the approach that I wanted it to be a lot tighter, a lot more delivery focused and, as I said, to give us a very clear steer to the public service that I wanted more people to come on from the deputy secretary level to give them a succession path. We will rotate some of those people around. But as I said, people like me will not be there forever, so we want to train people up as quickly as possible.

The Hon. PETER PRIMROSE: Can I ask you then roughly how many people are actually on the Secretaries Board?

Mr REARDON: There are 14. Just for good governance, the Australian Institute of Company Directors would probably say the appropriate amount is probably somewhere between seven and nine or seven and 10. We have a few more at the moment, but as I said we are trying to solve a few different purposes and giving them the visibility, not having it as a secret group of Knights Templar, which we do not want it to be. I would rather it be much more open and that people understand how they can step up quite readily.

The Hon. PETER PRIMROSE: How many of the Knights Templar are women?

Mr REARDON: Out of the 14? Emma Hogan is the Secretary of Customer Service. Susan Pearce is the deputy secretary in Health. Georgina Harrison is the deputy secretary from Education. Elizabeth Koff is the Secretary of Health and Simone Walker is the Deputy Secretary of the Stronger Communities cluster. One person is probably going to be promoted onto the Secretaries Board as well and I believe it will be a female as well.

The Hon. ADAM SEARLE: Does that mean only two of the eight cluster secretaries—

Mr REARDON: At this point in time are female, yes.

The Hon. ADAM SEARLE: In relation to what you were saying about gender equity and about driving pay scales, being mindful when you sign contracts, are you thinking of any more sort of strategic or systematic approach to closing the gender equity gap in the public sector?

Mr REARDON: It occupies a lot of my time and my energies—both the pay gap and certainly the gender balance. You have to be very proactive. As you asked last week, you are aware of the run rate to achieve balance: It is about six recruitments out of 10. We are all aware of that. I actually think the culture in the public service in New South Wales has moved a long, long way over the last decade or so and I believe we will get there. I believe we actually will get there. At the top 100 or the top 200 people across the public service, we probably are gender balanced right now. Across the entire public service there is a 60 per cent female workforce and in the middle we have got work to do. The Department of Premier and Cabinet has a very high proportion of female leadership and it has for some time and I cannot see that changing anytime soon. You just have to be fairly deliberate about your actions and a bit of the marketing and recruitment that you do in non-common areas. I heard an advert the other day or a news article about there were more female train drivers applying than male train drivers. That is music to the ears when you hear more and more stories like that.

Mr DAVID SHOEBRIDGE: Mr Reardon, you challenged earlier the extent of the Independent Commission Against Corruption budget cut for 2020-21. Do you agree that ICAC has said that if they are to meet the projected budget cuts for 2020-21 that they would need to reduce their full-time equivalent staff by 31 positions?

Mr REARDON: No, I do not agree with that. So the resourcing numbers, I do not dig into their resourcing because that is their business to deliver. The dollar numbers I was querying because, as I said, for this financial year 2019-20 the budget allocation was \$25.8 million plus \$2.5 million we gave them in supplementary funding plus I think they had \$1 million cash carryover from the year before and that is not subject to any efficiency savings. When we provided advice to each of the integrity agencies after budget allocation last year about efficiency savings, we had the out years. I think we had 10 years. I was indicating whether you had the cumulative number over 10 years of efficiency savings and had said that. But I thought you said it was all going to apply in 2020-21.

Mr DAVID SHOEBRIDGE: No. I did not intend to say that the entire \$4.7 million kicks in in 2020-21 and if that is what you are taking issue with—

Mr REARDON: That is what I thought you were saying.

Mr DAVID SHOEBRIDGE: I accept there is not a \$4.7 million cliff it falls off in 2020-21. But I will put it to you that—I will read to you from part of ICAC's submission to another inquiry:

Restricting commission funding over the next three financial years to the amounts set out in the forward estimates and not providing further grant funding from DPC to maintain the Commission's overall funding at least at 2019-20 levels in real terms would have a devastating impact on the Commission's ability to conduct its work.

You are aware that ICAC has said that?

Mr REARDON: No, I am not aware. If you are quoting from their submission—

Mr DAVID SHOEBRIDGE: I am.

Mr REARDON: —even since I saw you in December, I am sorry but with the activities we have had on bushfires and coronavirus and floods, I have not gone through them.

Mr DAVID SHOEBRIDGE: Alright.

Mr REARDON: But because they have put those submissions to a parliamentary inquiry that you are looking at, we have got the Auditor-General's process underway.

Mr DAVID SHOEBRIDGE: Given ICAC has said that the projected funding that you have given to them over the next three financial years would have a devastating impact on that commission's ability to conduct its work, have you had further negotiations with ICAC about their funding?

Mr REARDON: So for all the integrity agencies right at the moment, just to give a complete answer to that, they are all bringing forward their budget bids. When we were here last year you asked how does that budget bidding process work, et cetera—

Mr DAVID SHOEBRIDGE: That was in a different inquiry, but yes.

Mr REARDON: I think it was budget estimates last year. Right now because there is an Auditor-General's process underway and there is a parliamentary inquiry underway, we are observing the integrity agencies bring forward their budget bids through to Treasury. That is their want, the integrity agencies. I am not de-prioritising or prioritising any of their budget bids. They are just going forth. They have written many things down in correspondence about their budget bids et cetera. We are helping them bring those things forward, but we are not cutting across them in any way because I thought that would not be appropriate during a process where there are two inquiries underway—both the Auditor-General and parliamentary inquiry here.

All other agencies are going through our budget process. We are tracking what the integrity agencies are doing but not prioritising or de-prioritising, just putting them forward straight. For the Independent Commission Against Corruption, they have not corresponded with me for some time. Others have certainly—the Ombudsman, the Electoral Commission more recently—but ICAC have not and the funding that they do have, as I said the \$25.8 million plus the supplementary grant funding, my working assumption is that they are working away with that budget right now for this financial year otherwise they may have come forward. Our Chief Financial Officer continues to work with all of them to make sure that their bids make it through to Treasury. As we said in evidence in December last year to your hearing, I wait the outcomes of both the Auditor-General's report and certainly the parliamentary inquiry.

I do not have a strong view either way about their funding amounts. It is not something I have a strong view on either way. I do not oversee their work so I do not know how they allocate resources. As the Premier said this morning, we have asked the Auditor-General to look at the financial arrangements within those integrity

agencies. But where that lands, I will wait and see. In terms of what their budgets are going forward, you would imagine we will take quite a strong steer about what the Auditor-General might say about that.

Mr DAVID SHOEBRIDGE: I wanted to explore with you how the Auditor-General's findings are going to interact with the budget process both in timing and interaction. Have you got a plan for how they will feed together and do you have a due date for the Auditor-General's report?

Mr REARDON: So the Auditor-General's report, I do not have a due date because the Auditor-General is undertaking it independently. I communicate with the Auditor-General frequently about a whole range of things, but on this it would not be appropriate to answer on their behalf.

Mr DAVID SHOEBRIDGE: Did you say to the Auditor-General, some preliminary findings by such and such a date would be useful for the budget process or give an indication on what the time frames are for the budget process?

Mr REARDON: No, they indicated what type of time frame they may require to do it. If they find things along the way in their own due diligence that requires them to take longer—

Mr DAVID SHOEBRIDGE: I am not suggesting that they are under your direction, Mr Reardon.

Mr REARDON: What I am trying to get to is that the question you asked is twofold. How long will it take? It will take as long as it takes is I think the only answer I can give you at the moment. Secondly, how we are considering for the budget for 2020-21? As I indicated, the integrity agencies are bringing their budget bids forward. They are making their way into Treasury right now.

Mr DAVID SHOEBRIDGE: In the usual process?

Mr REARDON: Without us having lots of prioritisation discussions with them in the cluster because the integrity agencies have argued, I am assuming, in their submissions that they want full independence and I acknowledge and respect them for having that position.

Mr DAVID SHOEBRIDGE: So they are not having that you are part of a cluster kind of discussion, we have to make cluster savings?

Mr REARDON: Not on this now.

Mr DAVID SHOEBRIDGE: That is a change.

Mr REARDON: No, I will be clear. We will await the outcomes of the Auditor-General's report before any calls are made about how they land, how their funding might look.

Mr DAVID SHOEBRIDGE: I am not trying to cut across you, Mr Reardon. I am just asking that the slight change to date of the current budget process is they are not being considered within the broader cluster, they are being considered as separate entities although they are going through a cluster process, they are not doing cluster-wide savings and the like.

Mr REARDON: I will try and say it back to make sure we are on the same page. They are part of the Premier and Cabinet cluster. They are just independent integrity agencies and we are giving them the latitude to put their submissions straight through to the Treasury prime system. Where that lands, it will land. The intersection with that with an Auditor-General's report, if they do line up they line up. If they do not, their bidding process will go forward and it will land. The efficiency savings, I have no doubt they will make a strong comment about which I am sure they did in all of their submissions to your parliamentary inquiry as well.

Mr DAVID SHOEBRIDGE: Are they still required to address the efficiency savings across the cluster, each of the integrity agencies?

Mr REARDON: I will try and be more direct. I thought I just dealt with that. We will await the outcome of the Auditor-General's report and I would suggest they are just putting their bids forward at the moment. My working assumption, knowing the strength of will of the integrity agencies, is they will put them forward not thinking they have efficiency savings to meet. That is their view I would expect. We will have to await to see where an Auditor-General's report lands and what it recommends about a whole range of matters, including things that you have asked me about before about what buffer or float funding, where that might sit and all those type of things.

Mr DAVID SHOEBRIDGE: I was not going to go and revisit all of that but I am interested in whether or not, as part of the cluster, if there is a prima facie need for them to meet an efficiency dividend which they then need to be exempted from in the budget process. Is that the state of play for those agencies?

Mr REARDON: The state of play right at the moment is we have put a standstill on them for no efficiency savings for 2019-20 and they have a formal letter from us to say efficiency savings in the out years. So that is still the state of play as of today. But you would imagine it will be revisited in the budget round that comes up right now.

Mr DAVID SHOEBRIDGE: You are not in a position to say what your view about that efficiency dividend is in the 2020-21 budget.

Mr REARDON: No, I am not in a position to have a view on it.

Mr DAVID SHOEBRIDGE: It would not take Nostradamus to predict they would say they wish to be excused from it in the 2020-21 budget. I think we are probably on common ground there.

Mr REARDON: We would be on common ground there.

Mr DAVID SHOEBRIDGE: In relation to the Law Enforcement Conduct Commission [LECC] the Government announced an increase in the size of the NSW Police Force by some 1,500 sworn officers, which is about a 10 per cent increase. That was a November 2018 decision. Why was there no increase in the budget for the police oversight body to deal with a 10 per cent increase in the number of police?

Mr REARDON: The Law Enforcement Conduct Commission machinery of government changes came within the Premier and Cabinet cluster after the machinery of government changes, so formally on 1 July last year. Again their resourcing level, how many investigations they undertake, I have no visibility of that. How that works with the resourcing of the Police Force that they oversight, I do not know if that is a one-to-one correlation. I do not know.

Mr DAVID SHOEBRIDGE: But I think we can safely assume that if you increase the size of the Police Force by 10 per cent the job of the oversight body of the Police Force will increase. I think that is a safe assumption. Whether it is a linear increase of 10 per cent or not is maybe open for discussion but I do not think anyone could rationally argue that a 10 per cent increase in the Police Force will not increase the work for the oversight body.

Mr REARDON: I understand the question you are raising but I would only be speculating. I do not know.

Mr DAVID SHOEBRIDGE: Can you take on notice whether or not there was a decision not to increase the funding or if it just was not considered at all?

Mr REARDON: If it is going to be a matter that has gone before Cabinet or a Cabinet committee I will not be able to take that on notice but if I can furnish it I will.

Mr DAVID SHOEBRIDGE: All right. You can take it on notice but whether or not you can answer is a different matter, I think.

Mr REARDON: Yes.

Mr DAVID SHOEBRIDGE: In early 2019 the Government again tasked the LECC with new statutory functions, which was a review of the operation of the consorting laws, which obviously required additional staff for about 2½ years. Why was there no decision taken in early 2019 to increase the funding for LECC, given that new statutory functions were added to it?

Mr REARDON: I would have to take it on notice. As I indicated, they only came as part of machinery of government in the middle of last year so I do not know the answer to that.

Mr DAVID SHOEBRIDGE: I suppose these are just two examples. I could give you a whole shopping list of examples.

Mr REARDON: As a general principle your comment is around increased activity level resourcing. All I am making is the comment that very much in the public service it is always one new thing to do, lots more resources required. There are many different ways of working. It is not a one-to-one linear relationship. Yes, you have made the comment, surely increased activity leads to increased resourcing to an extent. Of course I would concur with that. If more people out there require train services you will need some more people to deliver those services. But I do not know specifically on this one because of the integrity agencies and what we have given evidence before on. Their activities, how they go about them, is completely their business and I completely respect that, so it is a bit hard to comment on their resource levels. That is all.

Mr DAVID SHOEBRIDGE: The difficulty I suppose with that—and I know this is the subject of some review by the Auditor-General and it is a bit of a circular argument—you as the secretary responsible notionally for the agencies not having oversight of their work—for good and proper reasons and I am not challenging that—means that there is really no champion for them for increased funding needs when things like this happen. How do they get factored in when decisions like a significant increase in the police is made? How do the interests of LECC get represented in government?

Mr REARDON: There are a few parts to that so I want to make sure that I get it accurate. Right now for this year, for the 2020-21 budget, we are sighting their bids going forward to Treasury and they will no doubt talk about resourcing and a whole range of other things.

Mr DAVID SHOEBRIDGE: I accept you are not playing interference at the moment. You are putting them forward through to Treasury.

Mr REARDON: I would never play interference, to be quite frank.

Mr DAVID SHOEBRIDGE: I am not trying to be—

Mr REARDON: No, but I am going to the second part of my answer. When I started, and I think I have talked to you about it before, there were always a diverse group of agencies within Premier and Cabinet, from my experience over long years of looking at it and now being here. They are not that many shy of—

Mr DAVID SHOEBRIDGE: It is the liquorice allsorts in some ways.

Mr REARDON: Yes. They are not that many shy of 20 right at the moment once you take various groups, independent agencies or Infrastructure NSW [INSW], Greater Sydney Commission, Public Service Commission. You may call it "liquorice allsorts". I have to give them a common reason of the outcomes budgeting process of effective and coordinated government, accountable and responsible government, empowering Aboriginal communities and excellence in arts, culture and heritage. We have to get ourselves a common purpose around those four outcome areas.

Within one of those the integrity agencies sit. I certainly made it clear to them when I first started in this role that two things that bind us together are our oversight and management and culture of people: "We all manage people and I have no doubt that during the year you will all look for more funding and budget." They are two areas that I was looking to champion for them. To be quite frank, we are looking at two independent reviews of their funding right at the moment a couple of years later because the integrity agencies fulsomely protect their independence. It is a little bit of a tricky situation and we have discussed it before where they are part of a cluster and you champion on their behalf, and I would strongly champion on behalf of any of the agencies within my cluster. But then on the other hand the integrity agencies in particular do not want any interference on what their people do et cetera, so it makes it a little difficult for me. And we outlined those things to you late last year.

I look forward to some guidance from the Auditor-General about how we might take some of that forward. You indicated that you wanted to look at some things in the parliamentary inquiry and the hearings that you had me and the Secretary of Treasury come to. I look forward to the outcomes of those because it is not an easy thing to straddle. But I would normally go to a position of championing for them and backing them, but when a budget is set it is then set and we try to get on with things. It is just a difficult position at the moment.

Mr DAVID SHOEBRIDGE: Yes. And there is more we could do on this on supplementary budgeting but I think we have explored it on other occasions.

Mr REARDON: Supplementary budgeting, just so we are clear, is to try to move away from that ad hoc and the volatility that we talked about.

Mr DAVID SHOEBRIDGE: Have a more rational flow basis.

Mr REARDON: However a mechanism works, I am completely agnostic.

Mr DAVID SHOEBRIDGE: That is the end of my questions.

Ms BROWN: May I just answer the question that the secretary took on notice around people with disability and employment in the public service?

The Hon. PENNY SHARPE: Yes, please.

Ms BROWN: We would need to employ approximately 10,000 people across the sector with a disability in order to reach the target but we would also like to—

The Hon. PENNY SHARPE: That is a net increase, yes?

Ms BROWN: No, that is in total across the sector. But that is not only related to recruitment; it also relates to disclosure. So it may be people already employed by the sector who then, due to the inclusive culture, feel comfortable disclosing a disability.

The Hon. PENNY SHARPE: Thank you.

The Hon. JOHN GRAHAM: Mr Draper, I want to ask a number of questions about the State infrastructure plan. Normally that is published in the budget as an appendix to Budget Paper No. 2. It was not last year. There was a statement in the budget to explain why. Can you just take us through what happened prior to that and where we are up to now in the usual process with the State infrastructure plan?

Mr DRAPER: In our legislation there are two primary planning documents that we are required to produce. One is the 20-year stadium strategy, which is produced every five years. The other, as you correctly pointed out, is the State infrastructure plan, which is produced annually with a five-year horizon. There is nothing in the legislation to say that it is tied to the budget papers—in fact, the process is really that we present something to government and government decides then what they want to adopt. That is what usually goes with the budget papers themselves. We have been considering in 2019-20 whether we publish this in a different format.

The idea that we are proposing is that we will publish it in an online format and allow it to be updated progressively, so as decisions of government are made we update the plan. The reason we are thinking about doing that is because it has primarily, as you have pointed out, been used in the past as a way of connecting the infrastructure plan to the budget. There is no detriment suffered; all the funding is there for those infrastructure projects. But the thing that we have been working on over the last year is how we update industry more effectively. While the public and Parliament are obviously interested in this State infrastructure plan, the construction industry is even more keenly interested at these times.

What we are trying to do is to update it, publish it, put it out there and then update it as decisions of government are made. We have now produced the format and a plan that we have submitted to government. It is going to be considered by Cabinet, so we would expect that to be forthcoming over the next month or two.

The Hon. JOHN GRAHAM: When was that submitted to government?

Mr DRAPER: We put the initial format together late last year and it is in the Cabinet system at the moment. Obviously, I will not go more into the Cabinet process, but we expect it to be considered quite shortly.

The Hon. JOHN GRAHAM: When you say you put that initial format together late last year, are you saying it was submitted late last year?

Mr DRAPER: We started canvassing the format with government last year. We did not formally submit it for consideration then.

The Hon. JOHN GRAHAM: When was it submitted?

Mr DRAPER: I would say, without wanting to get into the Cabinet process, it was probably over the summer. As Mr Reardon pointed out—

The Hon. JOHN GRAHAM: I do not want to ask about Cabinet processes, but I am asking about your processes under the legislation that governs INSW. When was it submitted?

Mr DRAPER: It is hard to differentiate those two things, because it has been submitted into the Cabinet system. I am more than happy to say it is over the last few months that it has gone in, without being too specific.

The Hon. JOHN GRAHAM: That was effectively the review from last year.

Mr DRAPER: Yes, but, as I said, it will reflect—when it is published—the latest available information on all of those projects.

The Hon. JOHN GRAHAM: Even though the timing is quite different, you will still satisfy your obligation to review this each year?

Mr DRAPER: We believe so, yes. In fact, as I said, we will update it progressively.

The Hon. JOHN GRAHAM: You want to make it more frequent and that is your view of how you are going to satisfy that requirement.

Mr DRAPER: We believe so, yes.

The Hon. JOHN GRAHAM: That will still require an annual review of the plans.

Mr DRAPER: Yes, that is right. It will be reviewed at least annually, but what I am saying is we will be doing that even more progressively through the year.

The Hon. JOHN GRAHAM: But there will still be a point at which it is formally reviewed in your—

Mr DRAPER: Yes. Perhaps to the point of your question, one of the times of the year when people are more keenly interested in it is around budget time. I can appreciate your interest in that. That is a point at which government would want to take most account of what is in the plan.

The Hon. JOHN GRAHAM: There are a number of steps that the Premier takes at that point including considering that plan, adopting that plan. Where are we up to in that process?

Mr DRAPER: As I said, we are submitting it to government through the Cabinet process. That is how they consider it.

The Hon. JOHN GRAHAM: I understand that is subject to Cabinet consideration and I am not asking about that. But the Premier then has a formal role, presumably guided by the Cabinet process, to consider it, adopt it.

Mr DRAPER: Yes, usually there are two things that happen. We publish our plan. Government can also publish its own response.

The Hon. JOHN GRAHAM: Have you been notified by the Premier of her decision in this matter in relation to this plan?

Mr DRAPER: No, not yet because of the process I have described to you.

The Hon. JOHN GRAHAM: Has the Premier used her power under section 22 of the Act to direct any other infrastructure plans?

Mr DRAPER: No.

The Hon. PETER PRIMROSE: Can I ask one question in relation to the annual people—

Mr DRAPER: Sorry, I should say not in my time since I have been—I can check prior to that time.

The Hon. JOHN GRAHAM: On notice, that would be helpful.

The Hon. PETER PRIMROSE: I have one question in relation to the annual people matters survey in relation to the Premier's department. One item that appeared there was the percentage of staff who have witnessed bullying at work over the past 12 months. It increased to 28 per cent. I wonder if you could comment on that and why you believe that increase—

Mr REARDON: Sorry, can you say that descriptor before the number?

The Hon. PETER PRIMROSE: The percentage of staff who have witnessed bullying at work over the past 12 months is 28 per cent.

Mr REARDON: I will make some general comments first. The reason I ask is because witnessing bullying or being subject to bullying are two different things.

The Hon. PETER PRIMROSE: No, witnessed bullying.

Mr REARDON: Just a general comment on it?

The Hon. PETER PRIMROSE: Yes, please. I would be interested in your general comment and what initiatives you might be putting in place.

Mr REARDON: My general comment is—and we have said it every time we have been here—it is unacceptably high. Subject to bullying went from 29 per cent to 18 per cent across the public service. Witnessing bullying, a lot of people report that. It has higher numbers than the one that you reflected on as well. To be frank with you, it is an interesting thing. We are the largest workforce; we are 408,000 people. We have people who come to work in the public service of New South Wales for the right reasons; they want to make a difference, they have a sense of purpose. It is an incredibly diverse workforce, everyone from the bushfire fighters who do an amazing job and all the other frontline areas through to more back-office employees.

Why we have it at the level we have it probably requires a couple of observations. One is us witnessing bullying between ourselves, public servant to public servant. I think we have had some increase in some areas

where frontline staff witness it with members of the community as well. I do not know if it has been verified by the Acting Public Service Commissioner that some of the spike relates to more frontline people responding to the latest people matters engagement scores last year. I think we are up to 185,000 participants and that means a lot more frontline people are actually reporting who may have witnessed bullying, so some of it we probably need to go into in more detail.

Within our agency, there are just shy of 4,000 people within our cluster. Some areas that have come in are really strong in their people engagement, while some areas that have come in are not so strong. Some that were there already fall into the same categories, some strong and some not so strong. Trying to get consistent messages across the cluster is a life's work. That is what secretaries and deputy secretaries need to do: They need to be working on areas such as this endlessly. I find it personally frustrating, to be frank with you. You try to put programs in place saying the standard you walk past is the standard you accept and encouraging calling it out, being brave enough to call it out and having permission to call it out.

I have not had a lot of data to compare us to the private sector. I certainly have had it on the people engagement levels and we continue to inch up with those. Every percentage point is very hard fought. It is really hard to move the dial across so many people, but we are getting a little bit better each year. In areas such as this, you would need to keep trialling and positioning and providing new ways to attack it. For leadership, for both this one and mental health, the aim is to talk about it and megaphone our expectations. On mental health, I think in the last year we have seen that be far more normalised, particularly in the public service. There is far more leadership talking about wanting to have a healthy mind and a healthy lifestyle, as much as being fit and healthy generally. There is a lot more about wellbeing and that is far more mainstream across the public service.

The bullying and harassment, one specific area we have got at the Secretaries Board, we decided to use the Male Champions of Change specifically to do a few things for us. One of them was to shine a light on sexual harassment and the clear under-reporting of sexual harassment just so we could shine a light on it. Do we have all the answers right at the moment? No, we do not. As I said, it is probably a source of frustration for myself and a few of my colleagues, but we are fairly determined. The same as the question that Ms Sharpe asked about people with disability, they are the areas where the Secretaries Board and leadership need to make a difference. We get there when we have a really determined focus on it and a real priority on it but you need to keep at it. Our jobs are to lead those people in our clusters and to really give them permission to call out poor behaviour, to give them permission to talk about mental health, to give them permission to work flexibly. Some of those things we do, actually, better than the private sector. Some areas we need to double down our efforts on.

Ms BROWN: Can I add to that as well, the witnessed bullying measure can be a bit tricky to interpret because if someone has witnessed bullying it may not be a Department of Premier and Cabinet employee. It may not be a government employee. It may be a subcontractor on a construction site, for example. Nevertheless, it is still extremely important and we do look to it very closely. For Premier and Cabinet, in particular, we have compulsory training on respectful workplaces and, I think, in particular, helping people identify what is bullying so that we do not condone those more passive behaviours and giving people greater visibility of what are the policy and processes and actions that can be taken. But one of my roles in the cluster is to set up a positive workplaces subcommittee. So that is actually turning it on its head and saying, "What would this workplace look like if it was a positive experience for you? What does inclusivity look like? What does the ability to be your best self at work look like?" So a lot of those messages, as a result of the People Matter Employee Survey, are really being ramped up, and we are also doing it at a grassroots level by getting feedback from the employees themselves as to what they would like to see happen at work.

The Hon. ADAM SEARLE: Mr Reardon, last February the Premier indicated that one of her objectives was to create 250,000 extra jobs. Based on current projections, by the time of the next election the Government will be about 90,000 short. To meet the gap you would have to increase the number of new jobs created in New South Wales by a bit over 5,200 per month. Can you give some indication about the thinking behind the strategy to achieve that objective? Is it an aspirational target? Is it a hard objective?

Mr REARDON: There was an aspirational target in the last term of government that was reached very, very quickly. The aspirational target, I think, was 150,000, and that was outstripped by quite a deal. I think it was more than doubled at that time. In this term of government it was to increase to that number. With what we have got—you asked about strategies—\$97 billion in the infrastructure pipeline across the four years is a good part of continued growth of employment, without a doubt. The last six months—with drought, bushfire, flood and now coronavirus—will no doubt hit economic activity in certain areas.

But our job is to ensure that we go about things robustly and try to get on with as much activity as we can, like we normally do, whilst keeping a very close eye on what we need to for emergency management, which

we are doing right at the moment. But with the level of activity that we have had in the New South Wales economy, without me going anywhere near speculation and leaving it for the Treasurer and the Treasury Secretary, we will continue to track towards that target. Where you have your figures from about where we might fall short, you may wish to furnish it, but it has not been something that has been on my radar. We were only looking at the growth, not about how we are going to fall short.

The Hon. ADAM SEARLE: Can you tell us about the thinking behind the setting of the target? Where did the figure come from?

Mr REARDON: I will have to take it on notice. I actually do not know where the numeric target came from. In the last term of government, the 150,000, as I said, was outstripped. It has been pushed up again but the actual setting of it, I cannot recall.

The Hon. ADAM SEARLE: That is okay but I would be interested to know where it came from and how it was developed. Is there any consideration or thinking behind where the Government wants to prioritise the creation of those jobs? Is it just a generic 250,000 statewide? Is there any particular focus to be given to west and south-western Sydney, for example, or the regions?

Mr REARDON: There sure is. Two documents that have been released over the last year that the Government said it would release are an economic blueprint for the State of New South Wales to talk about where we would focus more of our attention in key, new areas of the economy. So advanced manufacturing—if you look at Western Sydney Aerospace and Defence—agribusiness, a lot more automation in robotics and trying to bring some very, very key investors into, for example, Western Sydney Aerotropolis. The second document was the Global NSW document. For probably the first time I can remember we are actually getting our act together as a State about our trade activity around the world, so far greater levels of effort and seniority in our trade commissioners in places like Tokyo, London, India, Singapore, amongst a couple of others, and a lot more focus here in the State of New South Wales. For too long these things have been dealt with at low levels of public service. They require very senior people with commercial acumen to actually strike deals with very senior people in very large multinational organisations to attract inbound investment into New South Wales.

The Western Sydney Aerotropolis approach into a precinct is working. That is in the economic blueprint. I think Sydney and New South Wales are catching up with precinct thinking, meaning the agglomeration of similarly minded businesses coming together. It is something I think we have a great offering for. The Greater Sydney Commission outlined a city of three cities, being Eastern Harbour City where we are in now; River City around Parramatta; and the Western Parkland City, with the aerotropolis in the middle. That has given us a coherence to try to drive investment into those precincts now. In them we have called the technology and innovation precinct around Central station for this part of the world; the Westmead health, education and research precinct around Westmead and the Greater Parramatta area; and then the Western Sydney Aerotropolis itself.

As I said, land uses have already been plotted out around the airport for agribusiness to the west, science park to the north, the aerotropolis core just to the south around Bringelly, bringing in aerospace, defence, advanced manufacturing—in areas that I think we are actually quite good at but we need to shine more of a light on, coupled with inbound investment attraction, where probably a lot of multinationals look at our part of the world quite favourably in terms of investment attraction. We are putting a lot of effort into that at the moment. We have signed multiple memorandums of understanding with a lot of foundation partners for the aerotropolis.

Regionally, Parkes and Williamtown and Wagga, just to name three, are the same areas of focus. There will probably be some different focuses of attention. But Parkes, for a long, long time, has had the capability of becoming a freight and logistics hub and powerhouse. With inland rail coming through there now, we are going to leverage that opportunity as much as possible. It is a Special Activation Precinct within that area so we can drive investment into what is quite a wonderful little city in the Central West. Similarly Wagga, freight and logistics again, and a real focus on agribusiness, and there is some unbelievable technology throughout the Riverina in terms of the primary production in that part of the world, but using Wagga and Bomen as another Special Activation Precinct. Finally, Williamtown, just taking advantage of the airport there and the surrounding land uses.

So they are six examples of precincts that we could work a lot harder on that will drive the economy in this State for a long time to come. It does require good alignment within the public service. I play a role in coordinating some of that activity. But trade and investment is with—a lot of the public service support is within Treasury and the Deputy Premier drives a lot of that activity, along with the Treasurer and along with the jobs and investment Minister, Minister Ayres.

The Hon. ADAM SEARLE: What is the time frame, particularly around the Inland Rail component?

Mr REARDON: Inland Rail is being delivered by the Federal Government's rail corporation, which is called Australian Rail Track Corporation, across the three States. I would have to take on notice the build phase but it will all be sitting on public record. The actual build phase, they are well advanced in a range of areas, including in the Central West. They have segments such as Narrabri to Narromine. The actual date that it comes online I am happy to take on notice and provide it to you. It will materially change that freight and logistics component for the Central West where for the first time Sydney, Melbourne, Brisbane and Perth are connected right in the middle with that fine town for rail-to-rail interchanges there. It will be quite the opportunity and, as I said, we are not going to miss that opportunity by having a special activation precinct in the city of Parkes.

The Hon. ADAM SEARLE: During the last budget estimates on 5 September you indicated that the capital program over the four years was \$93 billion. I think today you and the Premier have used different figures. It was \$96 billion—

Mr REARDON: It is \$97 billion.

The Hon. NATALIE WARD: Almost \$100 billion.

The Hon. ADAM SEARLE: The question is: What has changed in the past 12 months? Not even the last 12 months, since 5 September.

Mr REARDON: The Treasurer put out a midyear budget update in December and that is what is updated. Some new projects in there, but to go through that line item by line item would take a bit.

The Hon. ADAM SEARLE: I am happy for you to take on notice to measure the gap between what you said in the estimates on 5 September and this higher figure. What are new programs and what are cost overruns on the existing programs?

Mr REARDON: I can take a question on notice but I am simply outlining the figures on public record.

The Hon. ADAM SEARLE: I understand. Again, this is not a gotcha moment, I am just interested to know.

The ACTING CHAIR: Any government questions? Dorothy Dixers?

The Hon. BEN FRANKLIN: No, we are very happy with the answers we have heard today.

The Hon. PENNY SHARPE: Anything you need to clear up, Mr Reardon, now is your chance.

The ACTING CHAIR: I think we have come to the end of our questions, Mr Reardon. Thank you very much.

The Hon. NATALIE WARD: I just had one comment. Sorry, if I may, Chair.

The ACTING CHAIR: No, we are not having any gratuitous comments.

The Hon. NATALIE WARD: No, I just wanted to comment politely, if I may, that of the seven staff that you have with you, it is pleasing to note that six are women and I just wanted to thank you for your—

Mr REARDON: I noted it outside before we came in.

The Hon. NATALIE WARD: Yes, and they are doing a great job.

The Hon. PENNY SHARPE: A welcome change.

The ACTING CHAIR: I note that you have taken a number of questions on notice. The secretariat will be in contact with you soon. Thank you very much for coming.

(The witnesses withdrew.)

The Committee proceeded to deliberate.