

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Wednesday 7 September 2022

Examination of proposed expenditure for the portfolio area

PREMIER

CORRECTED

The Committee met at 09:30.

MEMBERS

The Hon. Tara Moriarty (Chair)
The Hon. Robert Borsak (Deputy Chair)
Ms Abigail Boyd
The Hon. Scott Farlow
The Hon. John Graham
Ms Sue Higginson
The Hon. Courtney Houssos
The Hon. Mark Latham
The Hon. Taylor Martin
The Hon. Daniel Mookhey
The Hon. Chris Rath
The Hon. Penny Sharpe

PRESENT

The Hon. Dominic Perrottet, *Premier*

* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

**Budget Estimates secretariat
Room 823
Parliament House
Macquarie Street
SYDNEY NSW 2000**

The CHAIR: Good morning, everybody. Welcome to this initial public hearing for the inquiry into budget estimates 2022-2023. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the land on which we are meeting today. I pay my respects to Elders past, present and emerging and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today. I welcome Premier Perrottet and Secretary Michael Coumts-Trotter to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Premier.

Before we commence, I'd like to make some brief comments about the procedures for today's hearing. Today's hearing is being broadcast live via the Parliament's website. The proceedings are also being recorded, and a transcript will be placed on the Committee's website once it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings.

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 questions on notice and provide an answer within 21 days. If witnesses wish to hand up documents, they should do so through the Committee staff. Premier, I remind you and the officers accompanying you that you're free to pass notes and refer directly to your advisers seated at the table behind you. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing today.

All witnesses will be sworn prior to giving evidence. Premier, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. Mr Coumts-Trotter, you have already been sworn in at a previous hearing.

Mr MICHAEL COUTTS-TROTTER, Secretary, Department of Premier and Cabinet, on former oath

The CHAIR: Today's hearing will be conducted from 9.30 a.m. to 5.30 p.m. We are joined by the Premier for the morning session from 9.30 a.m. to 12.45 p.m., with a 15-minute break at 11.00 a.m. In the afternoon, we will hear from departmental witnesses from 2.00 p.m. to 4.00 p.m., following which a panel of independent agencies will appear from 4.15 p.m. to 5.15 p.m. During these sessions, there will be questions from the Opposition and crossbench members only. If required, an additional 15 minutes is allocated at the end of the morning and afternoon sessions for Government questions. Thank you, everyone, for your attendance today. We will begin with questions from the Opposition.

The Hon. DANIEL MOOKHEY: Greetings to you, Premier. It's a pleasure to see you.

Mr DOMINIC PERROTTET: Always a pleasure to see you, Mr Mookhey.

The Hon. DANIEL MOOKHEY: I know. Greetings to you too, Mr Secretary. It's a pleasure to see you.

MICHAEL COUTTS-TROTTER: Thank you.

The Hon. DANIEL MOOKHEY: Premier, one of your legacies as Treasurer—

Mr DOMINIC PERROTTET: Sorry, with the indulgence of the Chair, can I begin by just acknowledging the tragedy that occurred overnight. On behalf of the people of New South Wales, my condolences to all the families and friends of the five children who passed away. Our hearts go out to them at this very difficult time. I'm sure I share with all members today our thoughts and prayers with the families.

The CHAIR: Yes. Well said, Premier.

The Hon. DANIEL MOOKHEY: Indeed, Premier. We also want to convey our condolences to the affected families as well of that tragedy. Premier, one of your legacies as Treasurer—

Mr DOMINIC PERROTTET: There were many, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Indeed. One of my favourites was the appointment of Mr Stephen Cartwright to the job of the agent general's position in London. Since that appointment took place, your Government's confidence in him has come under question. So I just want to give you this opportunity now to put this to bed and declare your confidence in Mr Cartwright as agent general. Do you have confidence in Stephen Cartwright as the NSW Agent General to the United Kingdom and Europe?

Mr DOMINIC PERROTTET: Sorry, in relation to the matters of the agent general, I have made it very clear, Mr Mookhey, that issues arose in relation to queries with respect to expenses. The public service looked into those. They found no substantive matters in respect of them. I subsequently asked the trade Minister, Alister Henskens, to take a further review of that. Once I receive that report back, I will make some further comments.

The Hon. DANIEL MOOKHEY: Your view is that your confidence on Mr Cartwright depends on how his expense claims are treated after they're investigated for a second time by the public service?

Mr DOMINIC PERROTTET: No-one has provided me any information otherwise.

The Hon. DANIEL MOOKHEY: But otherwise, apart from the roles to do with his expenses, you have confidence in Mr Cartwright?

Mr DOMINIC PERROTTET: I have not seen any information which would say otherwise, Mr Mookhey. If you have further information, I'm more than happy to look at it.

The Hon. DANIEL MOOKHEY: I do. As it turns out, you are quite right in saying that Mr Cartwright has had some issues to do with his remuneration. He is paid a total package of \$600,000, which was agreed, which would make him on par at the time with the department secretary and more than the police commissioner when he was appointed to the role last year, but since then he embarked upon a campaign to get paid more. He made the extraordinary, extraordinary decision to directly contact Minister Ayres via WhatsApp. He says:

All other AGs and Fed Govt execs have rent, car and school fees covered by their govt

He goes on to say:

I have had two offers for CEO roles back in Sydney but I would rather stay here and deliver for NSW. But I can't live here for 3 years without an apartment that can accommodate my family (at least on school holidays as the school fees here are twice that of Knox

How much sympathy do you have for Mr Cartwright's cost-of-living challenges?

Mr DOMINIC PERROTTET: What comments are you reading from?

The Hon. DANIEL MOOKHEY: I'm reading from *The Sydney Morning Herald* story published earlier this month—last month, which is reporting on a WhatsApp conversation that, to be clear, Ms Brown has confirmed to our upper House inquiry did, in fact, take place. He has said:

I have had two offers for CEO roles back in Sydney but I would rather stay here and deliver for NSW. But I can't live here for 3 years without an apartment that can accommodate my family (at least on school holidays as the school fees here are twice that of Knox

Of course, lots of people across the world are subject to cost-of-living challenges right now, especially in New South Wales. How much sympathy should we have for Mr Cartwright and his cost-of-living challenges that he has experienced?

Mr DOMINIC PERROTTET: Sympathy is subjective. I would say that matters in relation to remuneration are for the determination of the public service in respect of matters. Obviously, members of the public service are paid at different rates, based on the roles that are in place. It is my view that trade commissioner roles are particularly important to the State, as you quite rightly said, Mr Mookhey, in the opening question. This was something that I established when I was Treasurer. I'm very passionate about ensuring that businesses here in New South Wales have opportunity to access export markets and that we continue to drive capital investment into New South Wales, particularly when one in five people in our State rely on our exports to provide for their families.

I note, Mr Mookhey, yesterday you seemed to be on a unity ticket with the Victorian Labor Premier, Dan Andrews. When asked yesterday about NSW Labor's policy to close trade commissioners offices, he said, "Well, that's a great idea because what that will mean is that more and more Victorian products get into markets overseas. That's more jobs for Victoria, more profits for Victorian businesses. I really hope that happens. Every single Victorian exporter thinks that is the best idea they have ever heard." So you're on a unity ticket with the Victorian Labor Premier in providing more opportunity for Victorians and less opportunity for the great people of New South Wales.

The Hon. DANIEL MOOKHEY: Premier, if it was the case that Mr Cartwright had delivered even one export deal, I'd have some sympathy for your position, but he hasn't.

Mr DOMINIC PERROTTET: The roles, as you know, have recently commenced. New South Wales has for way too long had a very poor presence overseas.

The Hon. DANIEL MOOKHEY: Premier, I would just like to ask you a question, which is usually how we work here. You make the point that you don't seem to have much sympathy for his cost-of-living concerns, but Mr Cartwright succeeded in his campaign to obtain a better remuneration package. His campaign, which saw him contact Minister Ayres directly—which is outrageous—did result in a change in his arrangement. We're now paying for his accommodation, and we're also now picking up a fringe benefits tax in the United Kingdom to the tune of \$100,000-plus. A fifth-year nurse's wage is what we've now effectively agreed to cover for Mr Cartwright. Can you explain to me why it was in the public interest for the people of New South Wales to agree to an arrangement that would see Mr Cartwright benefit by effectively cutting his tax but with us picking up a tax bill of \$105,000 per year, the equivalent of a fifth-year nurse? What did we get out of that arrangement?

Mr DOMINIC PERROTTET: A couple of things. In relation to the fringe benefit tax matter, I'll take it on notice and come back to you. In relation—

The Hon. PENNY SHARPE: Trust us, Premier, it's right.

The Hon. DANIEL MOOKHEY: That was the evidence that was given to us by your officials.

Mr DOMINIC PERROTTET: No, sorry, Ms Sharpe, to the question of why that arrangement was put in place, I'm—

The Hon. DANIEL MOOKHEY: Why did we agree?

The Hon. PENNY SHARPE: It's because he asked for it, and it's because he wanted his rent paid directly so that he picked up a benefit of \$100,000-plus. It's also cost taxpayers in New South Wales another \$100,000.

The Hon. SCOTT FARLOW: And that's the standard practice that every other State uses.

Mr DOMINIC PERROTTET: So are you aware—

The Hon. PENNY SHARPE: It's also not the practice for any of the other STICs.

The Hon. SCOTT FARLOW: It's the same practice every other State uses.

The Hon. PENNY SHARPE: We're asking why you think it is reasonable that Mr Cartwright gets this special deal when everyone else is under pressure across the State.

Mr DOMINIC PERROTTET: Everyone's under pressure across the country. Are you aware, for example, that the agent general in Victoria—Victoria has their own residence for the agent general? There are different arrangements—

The Hon. PENNY SHARPE: Are you looking to do that, Premier?

Mr DOMINIC PERROTTET: I didn't say that; I was simply making the point of comparison that these roles are incredibly important in driving investment into our State, and they are not unique to New South Wales. In fact, New South Wales has been a laggard when it comes to the establishment of these offices globally. We are being beaten every step of the way by other State jurisdictions in driving investment into their respective States, and these officers are important. In relation to the remuneration of these roles, they are operational matters for the public service. But I don't—

The Hon. PENNY SHARPE: But they cost taxpayers.

Mr DOMINIC PERROTTET: Yes, Ms Sharpe, but I don't believe you'll find that the arrangements that are in place for the trade commissioner salaries are outliers in respect of other jurisdictions. In fact, when other jurisdictions—

The Hon. PENNY SHARPE: I think you'll find, Premier, that they are outliers in the structure of the remuneration from the rest of the senior trade and investment commissioners.

Mr DOMINIC PERROTTET: For the agent general.

The Hon. PENNY SHARPE: No, for the senior trade and investment commissioners from New South Wales across the globe, the six of them—well, five of them, but there were going to be six. The issue here is that they actually agreed to very clear remuneration when they took those roles. I do not understand, and I'm asking you to explain, why Mr Cartwright is more deserving than any of the others, outside the framework. A decision never seems to have been taken, except for the fact that Mr Cartwright demanded it through previous Minister Ayres.

Mr DOMINIC PERROTTET: A couple of things—there will always be discussions in respect of those roles, like other roles in the public service, into remuneration. It's not unusual for employees to discuss with their employers—

The Hon. PENNY SHARPE: You would be that aware that you've capped frontline workers at 2.5 per cent.

Mr DOMINIC PERROTTET: Three.

The Hon. PENNY SHARPE: Mr Cartwright now has a 16 per cent pay rise. Do you think that's alright?

Mr DOMINIC PERROTTET: No, I think there are areas in the public service where, obviously, there are different salaries that are paid. When you said—I'll correct you in relation to the question in respect of the pay cap in New South Wales: It is 3 per cent and 3½ per cent next year. Outside of Queensland—

The Hon. PENNY SHARPE: Mr Cartwright is getting 16 per cent, so I'm glad you clarified that, Premier.

Mr DOMINIC PERROTTET: Chris Minns, the Leader of the Opposition, got a substantial pay rise when he removed the former Leader of the Opposition as well.

The Hon. DANIEL MOOKHEY: And you got one when you took over from Gladys, so let's just move on from this, Premier. Premier, you make the point that—

Mr DOMINIC PERROTTET: The reality is, Mr Mookhey, that there are public servants who, as you rightly say, are paid more than the Premier or other Ministers. That's always been the case.

The Hon. JOHN GRAHAM: And this is one example.

The Hon. DANIEL MOOKHEY: But you make the point, Premier, that this is a matter for the public service.

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: Did you have conversations with John Barilaro at any point in time about appointing Mr Cartwright to this job?

Mr DOMINIC PERROTTET: I was the cluster lead as Treasurer, and there would have been discussions from time to time in respect of candidates.

The Hon. DANIEL MOOKHEY: Did you discuss with Mr Barilaro the potential appointment of Mr Cartwright to this role in January or February last year?

Mr DOMINIC PERROTTET: In terms of timing, I didn't bring my diary. I'll take it on notice.

The Hon. DANIEL MOOKHEY: Did you have any specific conversations with Mr Barilaro about what remuneration packages Mr Cartwright should be entitled to?

Mr DOMINIC PERROTTET: Not that I can recall.

The Hon. DANIEL MOOKHEY: Do you recall having conversations with him in which Mr Barilaro expressed a view to you that your Government was failing to attract the right calibre of candidate?

Mr DOMINIC PERROTTET: Yes, there were always discussions at the time when we established these roles that we wanted to have high-calibre people in the jurisdictions where we were establishing trade offices. As I said from the outset, these are important roles in terms of driving investment into our State. I recently went on a trade mission, as you might be aware, to—

The Hon. DANIEL MOOKHEY: Yes, I noticed that you were there.

Mr DOMINIC PERROTTET: Anyway, it was a very successful trip, Mr Mookhey.

The Hon. SCOTT FARLOW: You should have joined him.

The Hon. JOHN GRAHAM: It was certainly high profile.

Mr DOMINIC PERROTTET: It may not have got—

The Hon. DANIEL MOOKHEY: It was very successful for both of us, Premier, that's true.

Mr DOMINIC PERROTTET: It was very successful in relation to seeing firsthand the importance of the roles. It might not have got the media attention that it deserved, but the—

The Hon. PENNY SHARPE: I thought it got a lot of media attention, Premier.

The Hon. DANIEL MOOKHEY: We did our bit to make sure people paid attention.

Mr DOMINIC PERROTTET: Maybe not in the right areas, Ms Sharpe. But I'll make the point that the trade commissioners in Korea, who I met in Korea and in Japan and in India—

The Hon. DANIEL MOOKHEY: Premier, I'm asking whether or not you had conversations.

Mr DOMINIC PERROTTET: They play a very important role in driving investment. Mr Mookhey—

The Hon. DANIEL MOOKHEY: That's helpful context, but the actual question that I'm asking you, Premier—

The Hon. SCOTT FARLOW: Let the Premier finish.

The Hon. DANIEL MOOKHEY: Did you have conversations with Mr Barilaro last January or February?

Mr DOMINIC PERROTTET: They wouldn't have been substantive if they occurred.

The Hon. DANIEL MOOKHEY: Perhaps rather than answering with a hypothetical, did you have conversations with him in which he expressed to you a view that you weren't attracting the right calibre of candidates because, in effect, you weren't offering enough money?

Mr DOMINIC PERROTTET: I can't recall that.

The Hon. DANIEL MOOKHEY: Did he also discuss with you and tell you that he had approached Mr Cartwright and told him to apply for this job?

Mr DOMINIC PERROTTET: No. I understood that Mr Cartwright was interested in the role but, ultimately, it was a matter for the public service to run that recruitment process.

The Hon. DANIEL MOOKHEY: When did you come to the understanding that Mr Cartwright was interested in the role?

Mr DOMINIC PERROTTET: I'll have to take that on notice.

The Hon. DANIEL MOOKHEY: Was it around January or February last year?

Mr DOMINIC PERROTTET: It may have been.

The Hon. DANIEL MOOKHEY: Did you have conversations with Mr Cartwright directly at that time?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Did Mr Barilaro mention it to you? Is that how you got knowledge of the fact that Mr Cartwright was interested?

Mr DOMINIC PERROTTET: I think I found out that that Mr Cartwright was either interested or applying through the then Treasury secretary, Mike Pratt.

The Hon. DANIEL MOOKHEY: So you had a conversation with Mr Pratt?

Mr DOMINIC PERROTTET: Yes, he was the Treasurer secretary at the time I was the Treasurer.

The Hon. DANIEL MOOKHEY: I do recall that.

Mr DOMINIC PERROTTET: Great times.

The Hon. DANIEL MOOKHEY: Do you recall when you had that conversation with Mr Pratt?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Did you have conversations with Mr Barilaro in which you agreed—privately, of course—that the cost of suitable family accommodation, including cleaning, in an inner suburb of London could be taken care of via the New South Wales Government outside of the salary package?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: You're categorically ruling that out?

Mr DOMINIC PERROTTET: Yes. I don't recall that at all.

The Hon. DANIEL MOOKHEY: You're absolutely adamant that you never reached a private agreement with John Barilaro—

Mr DOMINIC PERROTTET: Certainly not. They were not matters for me. I was the Treasurer at the time; they were not matters for me. Those were matters for the public service.

The Hon. DANIEL MOOKHEY: Premier, I want to give you the chance to put this completely beyond doubt. I want to give you the opportunity to categorically deny ever having a conversation with John Barilaro in which you and Mr Barilaro agreed—privately, of course—that the cost of suitable family accommodation, including cleaning, in an inner suburb of London could be taken care of by the New South Wales Government outside of the salary package.

Mr DOMINIC PERROTTET: Absolutely not.

The Hon. DANIEL MOOKHEY: Thank you for clarifying that, Premier. Are you aware of Mr Cartwright invoking your name as he tried to put pressure on public servants to pay him more?

Mr DOMINIC PERROTTET: I think I saw an article where I read that.

The Hon. DANIEL MOOKHEY: Were you aware at the time?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Did Mr Cartwright have your permission to invoke your name in conversations he was having with the public service, both the Treasury as you led it and Investment NSW after you became Premier? Did he have your permission to name-drop you?

Mr DOMINIC PERROTTET: That's a matter for Mr Cartwright.

The Hon. DANIEL MOOKHEY: No, it's not; it's a matter for you. Did you give him permission to drop your name—

Mr DOMINIC PERROTTET: Did I give Mr Cartwright permission to use my name? No.

The Hon. DANIEL MOOKHEY: Yes, did you give him permission to drop your name in salary negotiations?

Mr DOMINIC PERROTTET: How would that have occurred?

The Hon. DANIEL MOOKHEY: I don't know. That's why I'm asking you, Premier. Just to be very clear here, you're saying at no point did you give him permission to name-drop you as he tried to put pressure on public servants to pay him more?

Mr DOMINIC PERROTTET: That's absurd.

The Hon. DANIEL MOOKHEY: It does sound absurd. We've had evidence in front of us that Mr Cartwright did, in fact, invoke your name on multiple instances. And to be fair to him—

Mr DOMINIC PERROTTET: Well, I haven't seen that.

The Hon. DANIEL MOOKHEY: Fair enough. That's why I'm asking you the questions, Premier. I'm giving you the opportunity to reply.

Mr DOMINIC PERROTTET: Can you show me the evidence?

The Hon. DANIEL MOOKHEY: I'm happy to table the article if you wish to see it as well. Look, I'd encourage your Government also to be far more forthcoming in terms of the documents you produce to the other House.

Mr DOMINIC PERROTTET: Forthcoming? You have your own wing, Mr Mookhey.

The Hon. DANIEL MOOKHEY: I do.

Mr DOMINIC PERROTTET: Never has a government—

The Hon. PENNY SHARPE: No—most of it held under privilege, which means it's not available to the public.

Mr DOMINIC PERROTTET: What was that?

The Hon. PENNY SHARPE: Most of it is held under privilege and kept secret.

Mr DOMINIC PERROTTET: So why do I keep reading about it in the newspaper?

The Hon. DANIEL MOOKHEY: Because we keep fighting to get them taken out of privilege, Premier, and long may we continue.

The Hon. PENNY SHARPE: Because we spent weeks making them public.

Mr DOMINIC PERROTTET: You have never had a government in the history of this State that has provided more documents.

The Hon. DANIEL MOOKHEY: I'm glad we've continued to ask—

Mr DOMINIC PERROTTET: You've turned the rare moment of a section 52 call for papers into business as usual.

The Hon. DANIEL MOOKHEY: Public accountability—

Mr DOMINIC PERROTTET: Is absolutely important.

The Hon. DANIEL MOOKHEY: —is priceless, Premier.

Mr DOMINIC PERROTTET: That's what I'm saying. We are all about transparency, very clearly.

The Hon. DANIEL MOOKHEY: Can I just be clear here, in respect to Mr Cartwright—

Mr DOMINIC PERROTTET: Yes, back to Mr Cartwright.

The Hon. DANIEL MOOKHEY: The facts that we have established—

Mr DOMINIC PERROTTET: What have we established?

The Hon. DANIEL MOOKHEY: —is that he did launch a campaign immediately upon signing a contract to get paid more. He did seek to contact Minister Ayres—

Mr DOMINIC PERROTTET: So that was after he signed the contract?

The Hon. DANIEL MOOKHEY: Indeed it was. There is multiple evidence which would suggest that perhaps he was name-dropping lots of people but especially you. What I'm interested in, Premier, is why does none of this justify an investigation by your Government? What type of behaviour does Mr Cartwright need to

engage in before it reaches the threshold of requiring an investigation by you into his conduct as agent general here? Because it is outrageous. No other public servant has ever tried to get more money the way Mr Cartwright has. Why aren't you ordering an investigation into his particular conduct?

Mr DOMINIC PERROTTET: Because my understanding is that the matters of remuneration are determined by the public service. If there are issues in respect of public service remuneration, they have the right to raise that with their employer. Now, in relation to this matter, there are obviously discussions that occurred with the public service in respect of his remuneration and that has been determined. I also read somewhere that there were discussions around there being a much higher amount that was requested that ultimately was not proceeded with.

The Hon. DANIEL MOOKHEY: Did your chief of staff tell Amy Brown to pay Stephen Cartwright what he wants?

Mr DOMINIC PERROTTET: My understanding in relation to that matter is that Amy Brown had sought assistance from my chief of staff in relation to matters that you refer to in respect of the remuneration. Ultimately, you want to make sure you've got the best people in those roles, and Amy Brown, from my understanding, reached out to my chief of staff at some point in time.

The Hon. DANIEL MOOKHEY: She did. And she says that she sought your chief of staff's advice and, effectively, your chief of staff told her to pay him what he wants.

Mr DOMINIC PERROTTET: That's not my understanding.

The Hon. DANIEL MOOKHEY: Hence I'm putting it to you, Premier.

Mr DOMINIC PERROTTET: Sorry, say that again?

The Hon. DANIEL MOOKHEY: Did your chief of staff tell Ms Brown to, effectively, pay Mr Cartwright what he wanted?

Mr DOMINIC PERROTTET: That's not my understanding, no. My understanding, from the discussion I've had with my chief of staff following the evidence that was provided by Ms Amy Brown to the upper House committee, was that she sought out his advice in relation to how matters of salary could be determined. But ultimately it's not a matter for my chief of staff; it's a matter for Amy Brown and for the public service. He certainly didn't seek out Ms Brown in relation to it. It wasn't really a matter for him, a matter for me; it was a matter for the public service.

The Hon. MARK LATHAM: Premier, I wanted to ask you about three significant issues for the future of the New South Wales economy, starting with housing affordability. Are you aware of industry estimates that your BASIX and other environmental requirements on the development industry are adding over \$100,000 to the cost of a suburban home? What are you doing to bring that cost down rather than increasing it as you did with your recent seven star announcement?

Mr DOMINIC PERROTTET: We're doing a lot. You would've seen—it's a budget question. You would've seen in the budget a \$3 billion investment from the New South Wales Government to drive housing affordability in our State.

The Hon. MARK LATHAM: No, what are you doing to bring down development costs for building a house?

Mr DOMINIC PERROTTET: Well, the planning Minister is—

The Hon. MARK LATHAM: Because it's over \$100,000 in your environmental requirements.

Mr DOMINIC PERROTTET: Yes, so there's a balance—

The Hon. MARK LATHAM: Do you really think you're saving the planet by making housing in this State less affordable?

Mr DOMINIC PERROTTET: What I would say is that we're doing everything we can to drive supply and to make housing more affordable for people.

The Hon. MARK LATHAM: That's not the question.

Mr DOMINIC PERROTTET: No, but, Mr Latham—

The Hon. MARK LATHAM: Development costs.

Mr DOMINIC PERROTTET: There is a balance in relation to ensuring that the development is done in an appropriate way. There are costs associated with that. I agree with you in respect of the need to reduce regulation and costs associated with development, but at the same time we need development that's in keeping with the local character of the local community in which that development occurs. What I don't want to see is another Zetland open up here in Sydney. We need to make sure development is done in the right way, that the architecture, which is a different issue, is beautiful. That creates great community. Now, there's no doubt that there are costs that you've referred to, and the planning Minister continues to work through that. But I need to ensure that planning in this State and construction in this State balances the need of housing affordability that we have in Australia—where young kids can afford and young people, more particularly, can afford to buy a home. There are obviously costs that are associated with that. But we need to do it in the right way. It's a balance.

The Hon. MARK LATHAM: I must say, according to my plain western Sydney eyes, Zetland looks okay. But then again, I'm not as Keatingesque as you in your judgement of buildings.

Mr DOMINIC PERROTTET: Zetland? It's like something's arrived from another planet and landed.

The Hon. MARK LATHAM: Is that right? You think so?

Mr DOMINIC PERROTTET: Yes. How do you think Zetland is going to look in thirty years' time?

The Hon. MARK LATHAM: Well, it looks okay compared to a lot of the development that's all over the State.

Mr DOMINIC PERROTTET: Like what? Give me an example. What do you think is a bad development?

The Hon. MARK LATHAM: You seem to be thinking, as some Baron Haussmann of Sydney, you can apply architectural standards that will further add to development costs. If you're going to further add to development costs by imposing new architectural standards across New South Wales, you're just adding to the housing affordability crisis, aren't you?

Mr DOMINIC PERROTTET: No, I've said it's a balance. But if you get the architecture right and you create beautiful places, then you create great community and culture off the back of it. If you simply just build monstrosities that over time will deteriorate, that doesn't create great society or culture off the back of it. You need to create beauty. The great cities in the world invest in creating beauty. That's what we need to do in Sydney. But having said that, I'm not saying—

The Hon. MARK LATHAM: I'm not so sure Zetland is a monstrosity. Zetland is just apartment blocks, aren't they? Why is it a monstrosity?

Mr DOMINIC PERROTTET: I think the design of those units—

The Hon. MARK LATHAM: What would you know about architecture?

Mr DOMINIC PERROTTET: I'm the in-house resident architect for the New South Wales Government—

The Hon. MARK LATHAM: Well, I think you're delusional.

Mr DOMINIC PERROTTET:—and I have views in relation to that. I know that if you simply just create—look at what happened in Ryde.

The Hon. MARK LATHAM: This is bad news for housing affordability, but can I move on to say—

Mr DOMINIC PERROTTET: No, Mr Latham, I've said to you you've got to get the balance right. I'm accepting the proposition you're putting in the question in respect of minimising costs. Those issues are not mutually exclusive. We are doing everything we can to drive housing affordability in this State. It's incredibly important. We need to do a lot more in unlocking supply. We've put through the Accelerated Infrastructure Fund greater investment in making sure that infrastructure is available to drive housing development in our State, and I've set the planning Minister a target of the construction of new homes in New South Wales.

The Hon. MARK LATHAM: We've got rising development costs because of your Government's policies. We've got rising building costs because of the labour shortages. We've got rising interest rates. The average stamp duty burden up-front in Sydney is over \$50,000. Why are you failing to act on your stamp duty proposals to give people a choice?

Mr DOMINIC PERROTTET: I'm not.

The Hon. MARK LATHAM: Why is it just a thought bubble unacted upon?

Mr DOMINIC PERROTTET: We're about to introduce legislation, which is opposed by our friends in the Labor Party.

The Hon. MARK LATHAM: When is that coming in?

Mr DOMINIC PERROTTET: Very shortly. As you'd be aware, we announced in the budget that we would be providing first home buyers a choice in either paying up-front stamp duty or paying an annual amount. This reform will be introduced into the Parliament shortly. I understand the legislation is being drafted, or it is certainly coming to the end of its drafting. It will be introduced by the Treasurer this year.

The Hon. MARK LATHAM: By the end of this year? That's good news.

Mr DOMINIC PERROTTET: I would think very shortly. I look forward to sitting down with the shadow Treasurer here in New South Wales and convincing him of the merits of the proposal. Labor is standing in the way of first home buyers getting access to their home and they stand in the way of choice.

The Hon. MARK LATHAM: Good luck with that. We need to talk about the second big economic issue. Have you seen the AEMO forecasts about blackouts in New South Wales in 2025-2026?

Mr DOMINIC PERROTTET: They're not in front of me.

The Hon. MARK LATHAM: Do you realise that those forecasts are confirmed by advice to the energy Minister by his own officials? Held in the Mookhey library, SO 52 documents are showing that AEMO—

Mr DOMINIC PERROTTET: What wing is that in?

The Hon. MARK LATHAM: —and the advice to Minister Kean are blackouts in New South Wales after the closure of Eraring. Doesn't this point to the fact that your electricity road map is a complete disaster? And, on your watch, the lights are going to go out in New South Wales, driving down business confidence and investment?

Mr DOMINIC PERROTTET: No, I reject that proposition.

The Hon. MARK LATHAM: What are you doing to keep the lights on, given the forecast of AEMO and your own officials?

Mr DOMINIC PERROTTET: We will continue, as we always have, working very closely with industry. There is no doubt that we are transitioning our energy here in the State, around the country and around the world. We need to do so in a sustainable way that preserves supply and puts downward pressure on prices. I am focused on achieving that end. That is not dissimilar to other countries around the world. Mr Latham, I also make the point that the transition here needs to be done in a sustainable way that preserves supply but, at the same time, there is a significant economic opportunity as well in moving to a renewable future. I know that we probably disagree on this. But, for example, I go back to—

The Hon. MARK LATHAM: That's all just rhetoric.

Mr DOMINIC PERROTTET: It's not rhetoric.

The Hon. MARK LATHAM: What are you doing to keep the lights on? Are you going to build a new gas peaking plant, urgently needed in New South Wales to fill the supply gap post 2025?

Mr DOMINIC PERROTTET: The energy Minister is working very closely on that. As I said, the outcome that we will obtain is continuing to maintain supply and put downward pressure on electricity prices—not just, as you said, for businesses but also for families around the State. It is a significant concern, particularly in a higher inflationary environment when wage growth is slow, that we provide cost-of-living support and ensure there is as much downward pressure on electricity prices as possible. At the same time, we are transitioning to a renewable future and we need to do so through our road map in a way that maintains supply, puts downward pressure on prices and ensures, at the end of it, there is a great opportunity for our people. That's what our renewable energy zones are all about.

The Hon. ROBERT BORSAK: Premier, why are electricity prices going up now, under your watch?

Ms ABIGAIL BOYD: Privatisation.

Mr DOMINIC PERROTTET: That's not—who said privatisation?

The Hon. ROBERT BORSAK: We get all this propaganda about prices—

Ms ABIGAIL BOYD: I did. That was me.

Mr DOMINIC PERROTTET: That's completely incorrect.

The Hon. ROBERT BORSAK: Electricity prices are going up.

Mr DOMINIC PERROTTET: That only impacts the network price. That's a complete fallacy.

The Hon. ROBERT BORSAK: Electricity prices are going up; that's the reality. So are gas prices.

Mr DOMINIC PERROTTET: How is it to do anything with privatisation?

The Hon. ROBERT BORSAK: It's got nothing to do with privatisation. It's got to do with the mismanagement of the network—

Mr DOMINIC PERROTTET: That's what The Greens have just—

Ms ABIGAIL BOYD: It's not my question time.

The Hon. ROBERT BORSAK: —and too much solar. You're destroying the network.

The Hon. MARK LATHAM: Premier, do you recognise that Minister Kean's forecast of a \$115 electricity price reduction—

Mr DOMINIC PERROTTET: Is this an independent—do they get—

Ms ABIGAIL BOYD: It's a very sensitive point, isn't it? It's a very sensitive word.

The Hon. ROBERT BORSAK: We can ask questions.

The Hon. MARK LATHAM: —for households, \$415 for businesses—

Mr DOMINIC PERROTTET: No, because it's incorrect. It's incorrect and it's a fallacy that the Labor Party continue to prosecute, that you're adopting in The Greens, that is completely wrong.

The Hon. MARK LATHAM: No distractions. Do you recognise that Kean's forecast of a \$115 electricity price reduction for households and \$415 for business is not going to be fulfilled? Prices are going in the opposite direction?

Mr DOMINIC PERROTTET: That's not the advice that I have received.

The Hon. ROBERT BORSAK: Don't you pay your electricity bills? I just got mine.

The Hon. MARK LATHAM: You think you are going to reduce electricity prices by \$415—

Mr DOMINIC PERROTTET: What's that?

The Hon. ROBERT BORSAK: I've just got my electricity bill. It's going up.

The Hon. MARK LATHAM: You think they're going down?

Mr DOMINIC PERROTTET: You're saying that's unique to New South Wales?

The Hon. MARK LATHAM: No, we're asking about your policy—

The Hon. ROBERT BORSAK: No, it's unique to your policies.

The Hon. MARK LATHAM: —and your commitment by your Minister to bring the prices down. You said that two years ago. Why have they gone up?

Mr DOMINIC PERROTTET: I will take advice on that and come back to you.

The Hon. MARK LATHAM: On a third issue, the disastrous economic impact of the train strikes which are punishing workers and commuters across Sydney, is it time to recognise that these strikes are political in nature? They are trying to buy favourable public policy treatment at the expense of workers and people just wanting to get to their job? Why shouldn't we register the union as a lobbyist organisation and have the Electoral Commission to ensure that they declare their financial contributions to political parties and their staffing contributions at election time so they're on an equal footing with other organisations?

Mr DOMINIC PERROTTET: What a great question.

The Hon. MARK LATHAM: For the workers, who just want to get to their job—like me?

Mr DOMINIC PERROTTET: I'll answer that in a couple of ways. Firstly, I will say that I will certainly look into the registration of unions, as you ask in the question. I am deeply concerned about the connection and the conflicts of interest that arise, particularly from donations from the public sector unions to the New South Wales Labor Party, and the outcomes that arise from that. We have a situation in New South Wales where people right across our State are being inconvenienced by these strikes and industrial action supported by the New South

Wales Labor Party. In addition to that, that doesn't just affect parents trying to get to work and kids trying to get to school and the small businesses that have been operating in Sydney through a very difficult time over the last two years.

We have a situation where the RTBU provides around \$850,000 in donations to Labor. The question has to be asked: What is the outcome and the benefit that the Labor Party receive from those donations? In addition to the fact that you raise—the manning of booths and the like from those respective unions. I would say the equivalent would be if a prohibited donor, such as Stockland, provided \$800,000 to the New South Wales Liberal Party and the planning Minister intervened by writing to the Land and Environment Court in respect of the matter—

The Hon. ROBERT BORSAK: It sounds like Mr Barilaro.

The Hon. PENNY SHARPE: And Coronation.

Mr DOMINIC PERROTTET: —that is before the Land and Environment Court.

The CHAIR: We are going to have to come back to this.

Mr DOMINIC PERROTTET: I would say that is a significant corruption risk.

The CHAIR: Premier, I have let you answer the question, but we're now in The Greens' time. We will come back to it.

Mr DOMINIC PERROTTET: I will finish my sentence. I believe there is a serious corruption risk and conflict of interest between public sector donations to the New South Wales Labor Party.

Ms ABIGAIL BOYD: My goodness. Are you honestly, Premier, trying to take the high ground on corruption at this point?

Mr DOMINIC PERROTTET: There has been no Premier who has put more integrity measures in place in the New South Wales Government than I have in less than 12 months.

The Hon. DANIEL MOOKHEY: There's been no government that's been more investigated.

Ms ABIGAIL BOYD: At what point do you accept that your political party is fundamentally broken in terms of conflicts of interest, scandals—I mean, we could list them: Sidoti, Ward, Johnsen. We could talk about Ayres, obviously, Barilaro, Daryl Maguire, Gladys Berejiklian. We could go on and on and on. Your only response so far has been to point at a few people as being bad apples rather than to actually implement systemic reform. Are you honestly taking the high ground here and claiming that there is some form of corruption going on with the unions?

Mr DOMINIC PERROTTET: I guess you can't see what is blatantly obvious, Ms Boyd. Substantial donations from the union movement to the Labor Party, and the outcomes that are obtained by that, is deeply concerning.

Ms ABIGAIL BOYD: So donations—

Mr DOMINIC PERROTTET: And conflicts of interest. We have prohibited—I'm actually very uncomfortable generally with donations to political parties at all.

Ms ABIGAIL BOYD: Yes, me too.

Mr DOMINIC PERROTTET: Because the questions naturally arise—the outcomes that are obtained by donations.

Ms ABIGAIL BOYD: So—

Mr DOMINIC PERROTTET: Hold on; I'll answer the question. Through the history of this State, over time, we have, through this Government and previous governments, prohibited certain donations being made—

Ms ABIGAIL BOYD: Yes. That's great—thanks to the efforts of The Greens, in many cases, over the last 20 years.

Mr DOMINIC PERROTTET: Congratulations on the involvement that you've had in cleaning up politics.

Ms ABIGAIL BOYD: Yes, exactly.

Mr DOMINIC PERROTTET: But I don't understand how you can't see that there is a substantial conflict of interest between significant amounts of money being paid by the unions to the New South Wales Labor Party and the outcome that could be obtained by that. How are you not—

Ms ABIGAIL BOYD: I'm not in favour of any of these large donations.

Mr DOMINIC PERROTTET: You can't see the issue with that.

Ms ABIGAIL BOYD: What I am asking you, Premier, is in the context, for example, of Transurban still giving the Liberal Party \$30,000 to attend a dinner—the amount of donations that are flowing to the New South Wales Liberal Party on the disclosures—

The Hon. SCOTT FARLOW: Not the New South Wales Liberal Party. Not the State Liberal Party.

Ms ABIGAIL BOYD: Yes, the State Liberal Party in the form of indirect donations—

Mr DOMINIC PERROTTET: Ms Boyd, I agree.

Ms ABIGAIL BOYD: Why is this stuff still continuing? Why do we have Ministers—

Mr DOMINIC PERROTTET: We've moved, obviously, to a greater approach in relation to public funding. It's something that I will continue to look at because I am deeply uncomfortable with the connection between donations to political parties, whether you're in government or whether you're in opposition. But the largest donors to political parties in this State and in this country are to the Labor Party. You just had the RTBU, who is providing significant financial support to Labor, have a Minister in the Federal Government write to the Fair Work Commission in the midst of an industrial action that affects the RTBU. The Greens and Labor think there is absolutely nothing wrong with that.

Ms ABIGAIL BOYD: This is a fascinating line of attack from you, Premier.

Mr DOMINIC PERROTTET: Why is it only me who sees the conflict of interest that arises from those donations and the outcome? As I said, what Tony Burke did—

Ms ABIGAIL BOYD: Sorry, Premier, if I could direct the questions.

Mr DOMINIC PERROTTET: Sorry, can I go back to the integrity—

Ms ABIGAIL BOYD: This is quite a remarkable new line of attack from you. You are now using—

Mr DOMINIC PERROTTET: Do The Greens receive donations from the unions?

The Hon. MARK LATHAM: Of course they do.

Ms ABIGAIL BOYD: No, we don't.

Mr DOMINIC PERROTTET: Who do you receive donations from?

The Hon. MARK LATHAM: You have in the past—CFMEU.

Ms ABIGAIL BOYD: No, the New South Wales Greens take only donations from individuals.

The Hon. MARK LATHAM: CFMEU!

The Hon. SCOTT FARLOW: You receive union donations.

The Hon. DANIEL MOOKHEY: Point of order—

The CHAIR: Sorry, everybody. I've got a point of order from Mr Mookhey.

Mr DOMINIC PERROTTET: So you don't receive—

Ms ABIGAIL BOYD: Yes, mums and dads, and kids who care about the planet. That's correct.

The CHAIR: Sorry to interrupt this conversation that's happening across the table.

Ms ABIGAIL BOYD: We only take individual donations.

The CHAIR: I need to hear this point of order. Excuse me, Premier. Excuse me, Ms Boyd.

Mr DOMINIC PERROTTET: I'll look at that.

The Hon. MARK LATHAM: The CFMEU and the MUA, and the far left unions.

The Hon. DANIEL MOOKHEY: Perhaps the Premier should allow members to ask questions.

The Hon. MARK LATHAM: Teachers Federation.

The CHAIR: I'll give a general warning for the first time; I'm sure it won't be the last time. One at a time—question followed by answer. Thank you.

Ms ABIGAIL BOYD: Thank you.

Mr DOMINIC PERROTTET: So you haven't received any donations from the unions?

The Hon. MARK LATHAM: Of course they have.

Ms ABIGAIL BOYD: No, we don't receive any donations from the unions.

Mr DOMINIC PERROTTET: Okay. That's good.

The Hon. SCOTT FARLOW: Go and check that.

Ms ABIGAIL BOYD: However, we do fully support the current strike because we do believe in collective action. We also believe in workers—

Mr DOMINIC PERROTTET: And you're entitled to.

Ms ABIGAIL BOYD: We believe in workers getting a fair wage.

Mr DOMINIC PERROTTET: What about the workers—

Ms ABIGAIL BOYD: At what point do you acknowledge—

Mr DOMINIC PERROTTET: —who are being affected by the strikes?

Ms ABIGAIL BOYD: At what point do you acknowledge that it is your systemic underpaying of these workers through the salary cap—

Mr DOMINIC PERROTTET: That is untrue.

Ms ABIGAIL BOYD: —through the last 11 years of Coalition Government that has led to workers having no choice but to stand up for their rights in order to get a better deal?

Mr DOMINIC PERROTTET: Ms Boyd, I completely reject the proposition in your question. If you look at wages in New South Wales over the last decade, when we brought the wages cap in in either 2011 or 2012—

MICHAEL COUTTS-TROTTER: It was 2012.

Mr DOMINIC PERROTTET: In 2012. That was at a point in time where public sector wages were increasing at a much higher rate than private sector wages. That was back in 2011-12.

Ms ABIGAIL BOYD: Why did you put the cap on if it wasn't to artificially suppress wage growth?

Mr DOMINIC PERROTTET: Chair, I'm trying to finish my answer to the question. Post-2012, so over the last decade, in the main, public sector wages have increased at a greater rate than private sector wages. That has also been over that period of time, in the main, at a—

Ms ABIGAIL BOYD: We're talking about flatlining wage growth across the board.

Mr DOMINIC PERROTTET: No, that is not true. That has been at a greater rate—the pay increases in the public service have been at a greater rate than inflation.

Ms ABIGAIL BOYD: Why did you put the cap on if it wasn't to suppress wage growth?

Mr DOMINIC PERROTTET: The wage growth in New South Wales during that period of time has been greater than other States and Territories. In fact—

Ms ABIGAIL BOYD: I'm not interested in other States and Territories.

Mr DOMINIC PERROTTET: —the Labor Government in Western Australia, whilst they were delivering surpluses off the back of the poor GST deal, had actually frozen wages. What we're seeing in New South Wales—

Ms ABIGAIL BOYD: Okay.

Mr DOMINIC PERROTTET: No, let me finish. What we're seeing—

Ms ABIGAIL BOYD: It's a very long answer, Premier.

The Hon. SCOTT FARLOW: It's a very good answer.

Mr DOMINIC PERROTTET: It's incredibly important—

The Hon. PENNY SHARPE: Glad you're liking it.

Mr DOMINIC PERROTTET: —because the assertions that you make in the question are incorrect. The wage growth in New South Wales, in terms of the public service, has exceeded other States. What we're seeing at the moment, no doubt, to the point of your question, is a higher inflationary environment and a tougher wage environment—

Ms ABIGAIL BOYD: Yes. Cost of living is skyrocketing for these people.

Mr DOMINIC PERROTTET: —for everybody. Under The Greens' policy, you would rip money out of the hardworking mums and dads across—

Ms ABIGAIL BOYD: We would rip money away from fossil fuel subsidies—

Mr DOMINIC PERROTTET: Where do you think the money comes from?

Ms ABIGAIL BOYD: —and we would take it away from all of the developer subsidies.

Mr DOMINIC PERROTTET: It's not my money, Ms Boyd. The money comes from the taxpayers of New South Wales, who are in an environment of a higher inflationary—

The Hon. PENNY SHARPE: Yes, an extra \$100,000 going to Stephen Cartwright.

Mr DOMINIC PERROTTET: —environment, with lower wage growth.

Ms ABIGAIL BOYD: That's right. And instead of providing—

Mr DOMINIC PERROTTET: I am not going to—

Ms ABIGAIL BOYD: —for those people, Premier—

Mr DOMINIC PERROTTET: No, I am not going to divide—

Ms ABIGAIL BOYD: —what you've done instead is give lots of money to lots of other types of organisations and businesses. Do not make out that, somehow—

Mr DOMINIC PERROTTET: Which one do you have an issue with?

The Hon. DANIEL MOOKHEY: Stephen Cartwright.

Ms ABIGAIL BOYD: —giving people a fair wage means that you're—

The Hon. JOHN GRAHAM: John Barilaro.

Ms ABIGAIL BOYD: —somehow taking money from schools and hospitals. That is not the case.

The Hon. PENNY SHARPE: Giving money to Stephen Cartwright.

Ms ABIGAIL BOYD: What we're talking about is a budget that you have presided over—

Mr DOMINIC PERROTTET: A very strong budget.

Ms ABIGAIL BOYD: —that has favoured the big end of town and corporations, and has left people, like the 431,000 public sector workers, without a fair wage. And then you get upset when they take to the streets or when they strike to complain about that. What else are they supposed to do in this environment, Premier?

Mr DOMINIC PERROTTET: Is this a question or a statement? I'm entitled to respond and I will. I have made it very clear that when it comes to wages in New South Wales we have the leading policy in the country, outside of Queensland, who just matched us. When it comes to wage growth in the public service, as the State's leading employer I want to see wages higher right across the board, right across the State.

Ms ABIGAIL BOYD: If you remove the cap, you might get an actual fair wage.

Mr DOMINIC PERROTTET: No. If you remove the cap, Ms Boyd, what you will have is a situation where you strip money out of the households—

Ms ABIGAIL BOYD: Out of the fossil fuel companies. Out of all of the other people—

Mr DOMINIC PERROTTET: No, that's not who pays our taxes.

Ms ABIGAIL BOYD: —who you're giving millions and millions of dollars to.

Mr DOMINIC PERROTTET: No, out of mums and dads—

Ms ABIGAIL BOYD: You take their taxes and you use it to subsidise the fossil fuel industry.

Mr DOMINIC PERROTTET: What you would like to do in The Greens is give greater pay rises to the public servants at the expense of everybody else across New South Wales.

Ms ABIGAIL BOYD: That is just not correct.

Mr DOMINIC PERROTTET: Yes, it is.

Ms ABIGAIL BOYD: If you were a better financial manager, you would be able to pay a fair wage to the public sector workers—

Mr DOMINIC PERROTTET: We just had our triple-A credit rating—

Ms ABIGAIL BOYD: —while also continuing to provide all of the essential services across this State.

Mr DOMINIC PERROTTET: We just had our triple-A credit rating reaffirmed by Moody's yesterday.

The Hon. DANIEL MOOKHEY: That's not true.

Mr DOMINIC PERROTTET: Yes, we did.

The Hon. DANIEL MOOKHEY: You're on credit watch.

Mr DOMINIC PERROTTET: We had our triple-A credit rating—

Ms ABIGAIL BOYD: On credit watch.

Mr DOMINIC PERROTTET: We had our triple-A credit rating reaffirmed.

The Hon. DANIEL MOOKHEY: You are a double-A minus.

Ms ABIGAIL BOYD: Anyway, it's irrelevant.

Mr DOMINIC PERROTTET: You've seen a similar State, Victoria, which has been downgraded.

Ms ABIGAIL BOYD: The credit rating is not an indication of quality of life in this State; it is an indication of the ability to repay debt, regardless of what it does to people in this State.

Mr DOMINIC PERROTTET: Yes, and if you look at the strong budgets that we've handed down, we've turned around the New South Wales economy. We've gone through drought, bushfires—

The Hon. JOHN GRAHAM: You're the first Treasurer to lose the triple-A.

Mr DOMINIC PERROTTET: —floods and a—

Ms ABIGAIL BOYD: We still have one in six children in poverty, Premier.

Mr DOMINIC PERROTTET: —pandemic.

Ms ABIGAIL BOYD: And we still have over 13 per cent of people in New South Wales in poverty.

Mr DOMINIC PERROTTET: Still, New South Wales is in a very strong position. When it comes to wages, I've made it very clear. Our approach is fair, reasonable, provides support—

Ms ABIGAIL BOYD: At what point do you admit that you've got this wrong, Premier?

Mr DOMINIC PERROTTET: We have the leading wage position in the country, outside of Queensland, who only recently increased their wages above New South Wales. I'm very proud of our track record. I need, as Premier—and formerly as Treasurer—to balance the competing interests of the State. As I said, this is not my money; it's taxpayer money.

Ms ABIGAIL BOYD: Yes, 13 per cent of people in poverty is a failure.

Mr DOMINIC PERROTTET: People right across New South Wales—

The CHAIR: We're in the Opposition's time now. We'll have to come back to this. Thanks to both of you.

Mr DOMINIC PERROTTET: —are struggling with the cost of living. The New South Wales Government's public sector wages policy is nation-leading.

Ms ABIGAIL BOYD: You have failed.

The Hon. DANIEL MOOKHEY: Premier, let's restore some civility here, why don't we?

Mr DOMINIC PERROTTET: What's your view on the wages cap?

The Hon. DANIEL MOOKHEY: My view on the matter is that if Stephen Cartwright deserves \$100,000—perhaps we can get back to that matter. Premier, when Mr Cartwright was chosen for the job, there was already another person who was successfully chosen, had that role and, in fact, was already in salary negotiations. That person was a guy called Paul Webster, who is our Trade and Investment Commissioner. There are certainly no reflections on him or his character—far from it. Were you told that Paul Webster had been offered the job and that salary negotiations had commenced in February last year when you were having conversations with Mr Pratt about the role?

Mr DOMINIC PERROTTET: Not that I'm aware of.

The Hon. DANIEL MOOKHEY: Did Treasury provide you or your office with a brief around 10 February last year that informed your office that Paul Webster was the preferred candidate for the role and negotiations were being commenced with him?

Mr DOMINIC PERROTTET: Not that I'm aware. I'll take that on notice.

The Hon. DANIEL MOOKHEY: Did you make any inquiries at the time that Mr Cartwright was appointed, which was a process led by your department, about why it was that Mr Webster was essentially shunted aside and Mr Cartwright was given a late entry into the process?

Mr DOMINIC PERROTTET: Why would I make inquiries of something that I was not aware of?

The Hon. DANIEL MOOKHEY: You're telling me that you made no inquiries into the choice to allow Mr Cartwright a late entry, despite having conversations with Mr Pratt?

Mr DOMINIC PERROTTET: I was not aware of that.

The Hon. DANIEL MOOKHEY: You're telling me that Mr Pratt told you that he was interested in the role but he never told you that they were going to reopen the selection process to allow Mr Cartwright to apply. That's your evidence?

Mr DOMINIC PERROTTET: Yes. Let's get some clarity here. I was the Treasurer, the cluster lead, at that point in time. I would have weekly meetings with Mr Pratt, the then Treasury secretary, on a range of matters. I was aware that Mr Cartwright had applied or was applying for a job. I'm not aware of issues in relation to Mr Paul Webster. If you're saying that there was an advice, in relation to 10 February, that he was a preferred candidate, I will take that on notice. But that's not something that I was aware of.

The Hon. DANIEL MOOKHEY: I just want to give you another opportunity to put me in my place on this matter.

Mr DOMINIC PERROTTET: I would never do that.

The Hon. DANIEL MOOKHEY: Of course not; it would never occur to you. But you're telling me that Mike Pratt and you were discussing Stephen Cartwright's potential interest in the role?

Mr DOMINIC PERROTTET: Not substantively.

The Hon. DANIEL MOOKHEY: But he never told you that they were going to reopen the process, allow Mr Cartwright to apply late, then choose him for the job and then push aside Mr Webster. That's seriously your evidence?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: Okay. At any point after 31 March last year, did Mr Pratt solicit your views as to the appropriateness of Mr Cartwright as our Agent-General to the United Kingdom and Europe?

Mr DOMINIC PERROTTET: He may have. He was the Treasury secretary. We would have weekly discussions in relation to matters that were relevant. I was certainly aware that Mr Cartwright applied for the job. I had known Mr Cartwright in his capacity as the former head of Business NSW. He was also, from my recollection, a member of the customer service advisory committee for Service NSW. As somebody who, when these roles have two elements to them—firstly, having an understanding of the jurisdiction in which the trade commissioner would be placed but also an understanding of businesses in New South Wales who may be wanting to access export markets—he seems certainly like a very good candidate to apply for that job.

The Hon. DANIEL MOOKHEY: Why was your office on 8 February 2021 asking Treasury for an update on the recruitment of the AG's position in London?

Mr DOMINIC PERROTTET: I'll take that on notice.

The Hon. DANIEL MOOKHEY: We have emails from your advisers, seeking that update. The events that have been put before us show quite clearly that on 8 February 2021 your office was making inquiries about what was going on with the STIC roles. Are you saying that you had no idea that was taking place?

Mr DOMINIC PERROTTET: No. I made it clear in relation to my engagement—you might recall, in that period of time, we were in the midst of a significant pandemic. My role and my complete focus as Treasurer of the State was to ensure that we recovered the over 100,000 jobs that we lost and we kept every business going through that difficult time. As Treasury were engaged in the recruitment process for those roles, it would be not uncommon for the Treasury secretary to engage with me or my office and provide updates from time to time.

The Hon. DANIEL MOOKHEY: To be clear here, no-one is suggesting that it's inappropriate for the secretary of the Treasury to be providing you updates. I'm interested in why your office was asking for them on 8 February. Did your chief of staff get specific advice on 9 February 2021 that Mr Webster was the preferred candidate for the role on 9 February?

Mr DOMINIC PERROTTET: I'll take that on notice.

The Hon. DANIEL MOOKHEY: Let me put to you the next day as well. On 10 February did you find out about Mr Webster being chosen for the role?

Mr DOMINIC PERROTTET: No. It was not until this became public recently that I had any knowledge of a Mr Paul Webster. The name does not have any recollection to me.

The Hon. DANIEL MOOKHEY: But, Premier, the reason I'm putting this to you is because the pattern of conduct that your office engaged in is almost identical to the conduct Mr Ayres' engaged in, which led to his dismissal—that is, Ministers involving themselves in matters which they may not be able to or shouldn't have.

Mr DOMINIC PERROTTET: I think you misunderstand here. The appointment of the trade commissioner for the agent general and the trade commissioner role to the position in Japan and Korea were Cabinet appointments, so—

The Hon. DANIEL MOOKHEY: There's a question mark as to whether that is right.

Mr DOMINIC PERROTTET: I accept that. But the public service ran a process in Treasury, under the view that these were Cabinet appointments. For example, as the Treasurer and the cluster lead, I signed the brief for that appointment to go to the Cabinet, based on the advice from Treasury.

The Hon. DANIEL MOOKHEY: It's fair to say, Premier, you make a valid point. Your Cabinet was, at that point—Ms Berejiklian's—operating on the misapprehension they were Cabinet appointments.

Mr DOMINIC PERROTTET: For those two positions.

The Hon. DANIEL MOOKHEY: That's a valid point, that your Cabinet—

Mr DOMINIC PERROTTET: That's the advice we received from the public service.

The Hon. DANIEL MOOKHEY: I'm not disputing that. But, actually, that's probably the right way to bring in the next aspect. What is clear, though, is that Mr Barilaro brings a Cabinet submission to formalise that position, that all STIC positions should be Cabinet appointments. But—

Mr DOMINIC PERROTTET: Clearly, there'd been an issue because—

The Hon. DANIEL MOOKHEY: Just let me get to the question, Premier. He lodges this submission on 16 September last year. Cabinet agrees to it on the twenty-seventh. Eleven days—it's a remarkable turnaround. Did you speak to Mr Barilaro about his efforts to up-end the STIC processes by bringing that Cabinet submission? Did you give your agreement to his proposal?

Mr DOMINIC PERROTTET: To the proposal for—

The Hon. DANIEL MOOKHEY: To turn these into ministerial appointments.

Mr DOMINIC PERROTTET: I think there was already a view that these matters were ministerial appointments because that was the process that was occurring. Mr Barilaro was the trade Minister at the time. In leadership, we would've had discussions in relation to upcoming Cabinet agendas. There was an overwhelming view that these matters should be matters to be determined by the Cabinet.

The Hon. DANIEL MOOKHEY: So you agreed with Mr Barilaro, effectively.

Mr DOMINIC PERROTTET: Yes, I believed that the matters—I agreed with his advice. I think we all shared the view, including—I'm not going to discuss Cabinet matters.

The Hon. DANIEL MOOKHEY: Don't worry. Everybody else has. You should too.

Mr DOMINIC PERROTTET: I know they have, but they shouldn't be discussing Cabinet matters in committees.

The Hon. JOHN GRAHAM: It's too late for that, Premier.

The Hon. PENNY SHARPE: The horse has bolted.

Mr DOMINIC PERROTTET: It is wrong. People should not discuss Cabinet matters. What I can say is, outside of Cabinet, there was a leadership discussion in relation to the way that these roles should be appointed. Outside of Cabinet, I shared that view. I'm not going to talk about what happens in relation to Cabinet deliberations. No-one else should, either.

The Hon. DANIEL MOOKHEY: But what's remarkable about that, Premier, is that your Cabinet does agree to turn these into ministerial appointments. It does that on 27 September last year. Then, on 5 September, your deputy leader at the time, Mr Ayres, basically ignores it and goes, "You know what? The entire Cabinet is of that view, but I don't need to implement it. I'm not going to implement it." He doesn't implement it. Then, he says, he took it to a leadership group meeting around 8 November. That's just in the Head review.

Mr DOMINIC PERROTTET: Who was that?

The Hon. DANIEL MOOKHEY: Stuart Ayres says this. Do you recollect, at a leadership meeting or a meeting of the strategy committee of your Cabinet, agreeing with Minister Ayres that he could set aside that decision of Cabinet and effectively allow the public service to continue the recruitment of the Americas and the China position? Did you give your agreement to Minister Ayres on that point?

Mr DOMINIC PERROTTET: My understanding is you're not referring to a leadership meeting, you're referring to a strategy subcommittee meeting of Cabinet.

The Hon. DANIEL MOOKHEY: I think you might be right in that respect, Premier. I'm referring to a strategy committee—

Mr DOMINIC PERROTTET: That's Cabinet in confidence.

The Hon. DANIEL MOOKHEY: It is, except for the fact it's also part of the Head review. The Head report says quite clearly that Minister Ayres says he shouldn't have lost his job because he told you and the other members of the strategy committee he was setting aside that decision and you all but agreed to it. Given that Minister Ayres has lost his job over this and given that we know that this discussion took place as a result of your Government releasing the Head review, I'm asking you quite clearly why did your Government fail to carry out its own decision to turn these into ministerial appointments?

Mr DOMINIC PERROTTET: I think it's clear in the Head review, from former Minister Ayres' perspective, he believed that there had been a decision in respect to those matters becoming decisions under the GSE Act. I think that's pretty clear in the Head review. The recruitment process continued for the subsequent appointments, following that approach. On receipt of the Head review, I also sought out a review in relation to Minister Ayres—

The Hon. DANIEL MOOKHEY: Yes, we'll get to that, Premier. I want to read to you specifically from the Head review. It says this:

The former Minister for Trade (Hon. Stuart Ayres MP) indicated to me that he believed that the 8 November meeting had the effect of overturning the policy.

That is, the policy of conversion?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: There is no ambiguity about this. The Government agreed to this. That Cabinet submission led to the process that Mr Barilaro benefited from when he was appointed and you're telling me that you have no recollection of that discussion whatsoever?

Mr DOMINIC PERROTTET: No. I accept the finding in the Head review that says, at 1.2.5:

While it is the case that Strategy Committee of Cabinet received an update on the issue of STIC appointments on 8 November 2021, there is no decision recorded that explicitly overturns the previous policy, neither was there a formal submission seeking to do so.

The Hon. DANIEL MOOKHEY: So when Mr Barilaro was appointed—

Mr DOMINIC PERROTTET: I'm not going to discuss with you deliberations of the Cabinet.

The Hon. DANIEL MOOKHEY: Well the rest of your colleagues will. But I take it you won't, so I'll move on.

Mr DOMINIC PERROTTET: Well, I can't.

The Hon. DANIEL MOOKHEY: Fair enough. What I'm trying to understand, Premier, is that when your Government announces Mr Barilaro's appointment at 4.30 p.m. on a Friday afternoon a week before the budget, why weren't you up in arms about the fact that it didn't come to Cabinet? Because if we are to believe your version of events, it should have. And so, rather than you immediately launching an investigation into why your Deputy Leader had ignored a Cabinet decision, you get up on Monday and defend Mr Barilaro. You go out there and tell the entire people of New South Wales how good he was for the role and why it's right for the public service. So, far from you indicating any opposition to this, you embraced Mr Barilaro's candidacy?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: What I'm trying to understand is, if it is the case that Minister Ayres ignored your Cabinet's decision why wasn't he sacked on that day and why instead were you endorsing and championing Mr Barilaro from that Monday?

Mr DOMINIC PERROTTET: Because that's not the advice that I received. Former Minister Ayres advised me in relation to the fact that Mr Barilaro had been successful in the application process for that role. I think we may even have had a conversation or the secretary was provided advice in relation to that. Minister Ayres raised with me that the appointment had been—that he'd gone through the recruitment process and had been successful. We then subsequently—the Government announced the appointment and I was asked—

The Hon. DANIEL MOOKHEY: You endorsed it?

Mr DOMINIC PERROTTET: Of course, I endorsed it.

The Hon. DANIEL MOOKHEY: But we also have Ms Brown telling us that she only made the decision to proceed with Mr Barilaro's appointment because Stuart Ayres had told the leadership group around May that he was the successful candidate and no-one raised any objections. Were you told in May that Mr Barilaro was the man for the Americas job?

Mr DOMINIC PERROTTET: I will have to check in terms of timing. What I know is—

The Hon. DANIEL MOOKHEY: When did you find out?

Mr DOMINIC PERROTTET: Well, I'll check the date for you.

The Hon. DANIEL MOOKHEY: But was the first time you found out when Mr Ayres announced it on the press release or did you know before?

Mr DOMINIC PERROTTET: What date was the announcement?

The Hon. DANIEL MOOKHEY: He announced it on 18 June.

The Hon. JOHN GRAHAM: Days before the budget.

The Hon. DANIEL MOOKHEY: Friday, at 4.30 p.m., it was. Was that the first time you learned about Mr Barilaro was the person for the role?

Mr DOMINIC PERROTTET: No, it was sometime before that that former Minister Ayres had advised myself and the Deputy Premier that Mr Barilaro was successful. But I'll check—

The Hon. DANIEL MOOKHEY: You and the Deputy Premier?

Mr DOMINIC PERROTTET: I am pretty sure that was the case, but I'll have to check.

The Hon. DANIEL MOOKHEY: So at that point when you're told by Mr Ayres, as is Mr Toole, didn't it occur to you that there is a problem with this? This is going to create a perception problem and it may well derail my Government? That thought never occurred to you, at that point?

Mr DOMINIC PERROTTET: No, but the advice—

The Hon. DANIEL MOOKHEY: Isn't that terrible judgement on your part?

Mr DOMINIC PERROTTET: Well, I reject the proposition in the question.

The Hon. DANIEL MOOKHEY: You don't think it's derailed your Government?

Mr DOMINIC PERROTTET: I reject—hold on, hold on. If there is a recruitment process that's in place, people are entitled to apply for those positions.

The Hon. DANIEL MOOKHEY: Do you think that John Barilaro has been the victim in all this?

Mr DOMINIC PERROTTET: No, no. My view in relation to this is it's been incredibly disappointing that the recruitment process that was established had flaws. I think that's incredibly clear as set out in the Head review—

The Hon. DANIEL MOOKHEY: Well, it's certainly—

Mr DOMINIC PERROTTET: Hold on. And that shouldn't have occurred. Now, people have an opportunity, as private citizens, to apply for positions. That should be welcomed. I have said before that the former Deputy Premier, as you are aware, was a former trade Minister in this State. You talk about—you raise Mr Stephen Cartwright; he is somebody who was the head of Business NSW for many years. When people have a requisite skill set they should be able to apply for jobs. I thought—

The Hon. PENNY SHARPE: Premier, if had your time over again would you appoint John Barilaro to the New York position?

Mr DOMINIC PERROTTET: It wasn't a decision for me to make the appointment, Ms Sharpe; it was a matter for the public service, as we are aware through the Graeme Head review.

The Hon. DANIEL MOOKHEY: Mr Barilaro has said that the flawed process you've described has meant that he feels he's the victim in all of this. He says, "I'm the victim." Do you agree that John Barilaro is the victim in all of this?

Mr DOMINIC PERROTTET: I think, as Mr Barilaro has pointed out, if he had his time again he wouldn't apply for the job. He was not to know—we were not to know—that the process was flawed in relation to the recruitment. And that's why—

The Hon. DANIEL MOOKHEY: Well, that's contentious. You are honestly telling me—

Mr DOMINIC PERROTTET: That's why, Mr Mookhey, when the Head review eventually was produced, after many weeks—

MICHAEL COUTTS-TROTTER: Six.

Mr DOMINIC PERROTTET: What was it?

MICHAEL COUTTS-TROTTER: Six.

Mr DOMINIC PERROTTET: Six weeks, which was—

The Hon. MARK LATHAM: No heads up.

The Hon. DANIEL MOOKHEY: We tried to do our best to get to the bottom of it for you, Premier.

Mr DOMINIC PERROTTET: Well, that was interesting—

The Hon. DANIEL MOOKHEY: Always happy to help.

Mr DOMINIC PERROTTET: —because more information was coming out in the upper House inquiry—

The Hon. DANIEL MOOKHEY: We're not done yet. We take our—

Mr DOMINIC PERROTTET: —whilst my independent review was taking place. In fact, I think that may have actually impacted on the—

The Hon. JOHN GRAHAM: Well, the inquiry is not done yet, Premier, I should inform you.

Mr DOMINIC PERROTTET: But, anyway, you've asked—

The Hon. DANIEL MOOKHEY: Premier, you're welcome to come to the inquiry as well, anytime you want.

Mr DOMINIC PERROTTET: You know my position in relation to attendances.

The Hon. SCOTT FARLOW: This is sort of like a spinoff, isn't it?

The Hon. DANIEL MOOKHEY: What I want to ask you, Premier—

Mr DOMINIC PERROTTET: No, let me finish. Can I finish the bit that you asked—

The Hon. DANIEL MOOKHEY: No, because I need to move on. I need to move on.

Mr DOMINIC PERROTTET: Okay.

The Hon. DANIEL MOOKHEY: You've outlined Mr McClintock has now undertaken an investigation into Stuart Ayres's conduct under the ministerial code?

Mr DOMINIC PERROTTET: Yes.

The Hon. DANIEL MOOKHEY: Are you going to let Stuart Ayres back into your Cabinet if that investigation clears him?

Mr DOMINIC PERROTTET: Well, that's a hypothetical. I haven't seen the review that Mr McClintock is—

The Hon. DANIEL MOOKHEY: Was the review sent to your office this morning?

MICHAEL COUTTS-TROTTER: No.

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Was the review sent to the DPC this morning?

MICHAEL COUTTS-TROTTER: No, the review is due by the close of today and we expect to receive it from Mr McClintock late today.

Mr DOMINIC PERROTTET: They might even walk it in here.

The Hon. DANIEL MOOKHEY: Can you check whether your office has received it this morning?

The Hon. SCOTT FARLOW: Have you got spy cams or something? What have you got?

MICHAEL COUTTS-TROTTER: No, it—

The Hon. DANIEL MOOKHEY: It hasn't been received?

MICHAEL COUTTS-TROTTER: It hasn't been provided yet.

The Hon. DANIEL MOOKHEY: So you're telling me that should that report clear him this afternoon—are you going to release the report this afternoon?

Mr DOMINIC PERROTTET: I'm going to read it, I'm going to reflect on it and I will respond to it.

The Hon. DANIEL MOOKHEY: I'm probably going to read it and reflect on it too.

The Hon. MARK LATHAM: You're going to SO 52 it.

The Hon. DANIEL MOOKHEY: I will read it—

Mr DOMINIC PERROTTET: You probably get these reports quicker—in a more timely way than I do.

The Hon. DANIEL MOOKHEY: I will read it and I will reflect on it. But what I'm asking you is, should that investigation clear him, don't you think that it would be a terrible look for you to restore him to Cabinet, all but saying that you can engage in this "jobs for the boys" style behaviour, involve yourself in a process in which you have no business, take a two-week period in the sin bin and then get yourself back into the Cabinet under your Government?

Mr DOMINIC PERROTTET: No, I think a couple of things. Firstly, the question involves a hypothetical. I haven't seen or received the review from Mr McClintock.

The Hon. DANIEL MOOKHEY: Have you seen a draft?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: Has Mr Coutts-Trotter?

Mr DOMINIC PERROTTET: No. Have you received a draft?

MICHAEL COUTTS-TROTTER: We've been providing secretariat support to Mr McClintock through that process, so I have seen a document in that process but it wasn't and isn't the final report.

The Hon. DANIEL MOOKHEY: So, yes, you've seen a draft?

MICHAEL COUTTS-TROTTER: Yes.

Mr DOMINIC PERROTTET: I have not seen a draft. I have not seen the document.

MICHAEL COUTTS-TROTTER: And I have not spoken to the Premier about the draft.

The CHAIR: We'll have to come back to this. Mr Borsak.

The Hon. ROBERT BORSAK: Premier, welcome.

Mr DOMINIC PERROTTET: Thank you.

The Hon. ROBERT BORSAK: I'm going to raise the issue of the Powerhouse Museum and the whole boondoggle project that that thing has developed into.

Mr DOMINIC PERROTTET: How good is it going to be for Parramatta?

The Hon. ROBERT BORSAK: It's a complete disaster, as you know.

The Hon. JOHN GRAHAM: Not great.

The Hon. SCOTT FARLOW: Have you been to Parramatta? It's fantastic. It's pumping at the moment.

The Hon. ROBERT BORSAK: It's a capital expenditure deep hole that you can't seem to fill.

Mr DOMINIC PERROTTET: You've been asking this question for years.

The Hon. ROBERT BORSAK: You, at one stage, said, and I quote, "The Powerhouse Museum at Ultimo is saved." Well, that's not the situation now, as you know, and if you don't know that then you're out of touch.

Mr DOMINIC PERROTTET: Why do you say that?

The Hon. ROBERT BORSAK: I'll get to it. Why is the Government spending \$500 million, or half a billion dollars, on a knock down and build it higher development of the Powerhouse in Ultimo to turn it into an ill-defined Ultimo Creative Industries Precinct—yet another commercially driven, flaccid, State-subsidised infrastructure project? It is no longer going to be the Powerhouse Museum. All the big exhibits are in the process of being moved out of there now.

Mr DOMINIC PERROTTET: Yes, and my view, Mr Borsak—and I'll get some information for you specifically and take details on notice, but from an overarching perspective my view at the time, as you'd recall, was that in my former capacity as Treasurer I didn't see that there was merit in simply moving everything to Parramatta. Parramatta deserved a world-class museum, as did the city.

The Hon. ROBERT BORSAK: Premier, Parramatta is not a museum; it's not even called that anymore. Havilah's evidence yesterday demonstrated all of that. A lot of the stuff was—

Mr DOMINIC PERROTTET: In what way?

The Hon. ROBERT BORSAK: It's simply not even called a museum anymore.

Mr DOMINIC PERROTTET: In Parramatta?

The Hon. ROBERT BORSAK: The established museum at Ultimo—

Mr DOMINIC PERROTTET: Oh, Ultimo.

The Hon. ROBERT BORSAK: —also will no longer be a museum. The word "museum" will be removed from its title; that's what's happening. Who made the decision that contradicts the announcement of the now Premier—that's you—on 4 July that the Powerhouse Museum in Ultimo was going to be retained and renewed? Why is the word "museum" being removed from the project's title?

Mr DOMINIC PERROTTET: A couple of things—

The Hon. ROBERT BORSAK: This is happening, isn't it?

Mr DOMINIC PERROTTET: From my understanding—and I'll take the details of this on notice and come back to you, because my view was that we should have a world-class museum in Parramatta and a world-class museum in Ultimo. I made that commitment as Treasurer not just simply because I didn't like the concept of moving the collection from Ultimo to Parramatta, but there was so much in storage in those museums, particularly in the Castle Hill facility, that I believed that we should maintain a strong presence in Ultimo.

The Hon. PENNY SHARPE: You guys were going to sell it off.

Mr DOMINIC PERROTTET: What was that?

The Hon. ROBERT BORSAK: It's not going to happen.

Mr DOMINIC PERROTTET: What are you saying?

The Hon. PENNY SHARPE: Your original plan was that you were going to sell off the Powerhouse.

Mr DOMINIC PERROTTET: No. As Treasurer, Ms Sharpe, my view—

The Hon. ROBERT BORSAK: Yes, but now you're the Premier.

Mr DOMINIC PERROTTET: Yes.

The Hon. ROBERT BORSAK: As Premier, what's your view?

Mr DOMINIC PERROTTET: My view was that we should have two great museums. I know you disagreed with the idea of setting up a Powerhouse Museum in Parramatta, and as you know quite well I had concerns in relation to that project in my previous capacity. But, ultimately now, I believe that we should have two museums. In relation to the presence in Ultimo, Mr Borsak, I will look into that for you, but I'm unaware of what was said yesterday by Ms Havilah in relation to—

The Hon. ROBERT BORSAK: Ms Havilah, under questioning from Mr Graham, spent a lot of time talking about the numbers and capital expenditure.

Mr DOMINIC PERROTTET: What did she say?

The Hon. PENNY SHARPE: How many staff do you have? Do your people not read the transcript?

The Hon. SCOTT FARLOW: They have a lot on.

Mr DOMINIC PERROTTET: I'm sorry that the Ultimo Powerhouse Museum is not the top thing on my list right now in the matters that are affecting the people of New South Wales.

The Hon. MARK LATHAM: No, it's Zetland design.

Mr DOMINIC PERROTTET: That's important.

The Hon. DANIEL MOOKHEY: Amended your tune on that one, didn't you?

Mr DOMINIC PERROTTET: That's good. Explain to me what the substantive issue that you have in relation to the Ultimo presence is.

The Hon. ROBERT BORSAK: The substantive issue is that the Powerhouse at Ultimo is not being saved. The major exhibits are in the process of being moved out. The building will be fundamentally demolished and what will be left will not be a museum anymore, and those major exhibits which are being moved out, in theory to Castle Hill and other places—and no-one really knows exactly how much it's going to cost to even move them and restore them—probably will never come back there because there is no facility for them to come back in the current design concepts. This is a creative arts precinct that is being created along with Create NSW.

Mr DOMINIC PERROTTET: Mr Borsak, that is not my expectation at all.

The Hon. ROBERT BORSAK: That may be what you believe but that's not actually what's happening

Mr DOMINIC PERROTTET: Well, I'm the Premier.

The Hon. ROBERT BORSAK: Well, fix it.

Mr DOMINIC PERROTTET: Yes. I will, because my decision at the time—and I remember it very clearly, and I had a press conference, actually—

The Hon. ROBERT BORSAK: That's right.

Mr DOMINIC PERROTTET: —in the Powerhouse Museum.

The Hon. ROBERT BORSAK: When you brought Harwin back, and when we questioned Mr Harwin—

Mr DOMINIC PERROTTET: Yes, it was Minister Harwin's first press conference. I remember it very, very well.

The Hon. ROBERT BORSAK: That's right.

The Hon. MARK LATHAM: Yes, he was standing too close.

The Hon. ROBERT BORSAK: When we questioned Mr Harwin about it, he said he was surprised. "I don't know anything about it," he said.

Mr DOMINIC PERROTTET: We needed to keep the social distancing because we were in—

The Hon. DANIEL MOOKHEY: Napoleon was back from Elba.

Mr DOMINIC PERROTTET: What was that?

The Hon. DANIEL MOOKHEY: Napoleon had returned from Elba.

Mr DOMINIC PERROTTET: I think, Mr Borsak, I was very clear at the time—

The Hon. ROBERT BORSAK: Well, obviously, they're not listening to you, are they?

Mr DOMINIC PERROTTET: —in relation to my expectation that the Powerhouse Museum—we would have a presence in Parramatta and we would have a presence in Ultimo, and that the decision that we made saved that presence in Ultimo because my view was we should be opening more museums, not closing them down.

The Hon. ROBERT BORSAK: The *Catalina* is being taken down in the next month or so and it will go to Castle Hill and, in my view, will never return.

Mr DOMINIC PERROTTET: Is that a conspiracy theory or is that based on any evidence?

The Hon. ROBERT BORSAK: No, it's a fact.

The Hon. SCOTT FARLOW: Castle Hill is storage.

The Hon. ROBERT BORSAK: It's not a conspiracy theory. The place is being dismantled prior to destruction.

Mr DOMINIC PERROTTET: I will take this on notice. I appreciate you raising it. My strong view has been and continues to be that there'll be a strong museum presence at Ultimo, and if that has changed, that's a deviation from Government policy.

The Hon. ROBERT BORSAK: It's a creative arts precinct now, Premier. That's the vision for it. It's a creative arts precinct. It's no longer an industry museum. It has been changed. While you've been looking after the big picture in this State, doing all your very important things, this particular project has basically blown the best part of \$2 billion worth of this Government's money on a vanity project, a boondoggle project that was a brain fart from a previous Premier. While you were looking after the finances, he was busy wandering around the Parramatta River thinking, "What can I possibly do here?" And we've ended up with that building, despite the destruction of a heritage house, no longer a museum. It cannot cater for the major exhibits that are being moved out of Ultimo.

Mr DOMINIC PERROTTET: Which one are you talking about? Parramatta?

The Hon. ROBERT BORSAK: You've actually got three sites now, and the only one in the end that will actually have any of these exhibits in storage will be Castle Hill. The other two are just commercial creative arts precincts; they're no longer museums.

Mr DOMINIC PERROTTET: I'll address it this way: I accept the points you're raising. I am not going to confirm whether that's correct because I'm not aware of that. You've got a view that somehow we're not going to move exhibits back into Ultimo. The Government decision at the time—and I know it very well and I remember that morning very well—was that the Ultimo site would be saved. In fact, I remember speaking to the Lord Mayor of Sydney.

The Hon. ROBERT BORSAK: I don't think she'd be very happy with what's going on.

Mr DOMINIC PERROTTET: No, she wouldn't because she'd raised this with me numerous times. I agreed with her position and I made the change. I remember speaking to the then Premier in relation to my view in respect of saving the Powerhouse Museum at Ultimo, and that was the decision the Government made. So if someone somewhere in the depths of the public service has decided to take a different approach, I will be redirecting them back to the approach that we announced.

The Hon. ROBERT BORSAK: That will be interesting because someone in the depths of the public service, as directed perhaps by the Minister at the time—there have been at least four or five business cases prepared on these projects, whether it's Parramatta or whether it's Ultimo and how it all works in relation to Castle Hill as well, that we have not been able to see. I think out of the five business cases—and I don't think any of them come up to a figure of one in the justification of it—

Mr DOMINIC PERROTTET: Yes, but you're too much into the economics, Mr Borsak. Have you spoken with The Greens? There's a greater societal impact. We can't just measure things in BCRs and say that the economic benefit should be the only thing we focus on.

The Hon. ROBERT BORSAK: But that's not what you would argue when you were Treasurer. Now you've completely flipped the other way.

The Hon. SCOTT FARLOW: Now he's a Renaissance man.

Ms ABIGAIL BOYD: It's whatever suits his argument.

Mr DOMINIC PERROTTET: I was the Treasurer who made the agreement to keep the museum at Ultimo.

The Hon. ROBERT BORSAK: Premier, let's not switch to vaudeville.

The Hon. PENNY SHARPE: Have you joined the National Party, Premier?

The Hon. JOHN GRAHAM: Is that how you lost the triple-A, Treasurer?

The Hon. SCOTT FARLOW: We got the triple-A.

Mr DOMINIC PERROTTET: It just got reaffirmed.

The Hon. ROBERT BORSAK: Premier, let's not switch to vaudeville.

Mr DOMINIC PERROTTET: We're talking about museums here. We're talking about museums and culture and cities.

The Hon. ROBERT BORSAK: Let's stick with the hard dollar approach that you've always taken when you were Treasurer. Let's stick with the hard dollar approach.

The Hon. SCOTT FARLOW: Have a look at the Sydney Modern; it's everywhere.

The Hon. ROBERT BORSAK: This is a vanity project that isn't working.

Mr DOMINIC PERROTTET: Which one?

The Hon. ROBERT BORSAK: Which one?

The Hon. DANIEL MOOKHEY: Exactly.

The Hon. JOHN GRAHAM: That's a fair question.

The Hon. PENNY SHARPE: There's a list.

Mr DOMINIC PERROTTET: No, which museum?

The Hon. JOHN GRAHAM: You're going to have to narrow it down.

Mr DOMINIC PERROTTET: You're interchanging both museums. Which one—

The Hon. ROBERT BORSAK: Premier, my time is up. I will come back to this because obviously you're enjoying this and so am I.

Mr DOMINIC PERROTTET: Can you just answer which one you have a problem with?

The Hon. DANIEL MOOKHEY: Which vanity project do you have a problem with?

The CHAIR: We'll come back to that question. Ms Boyd.

Mr DOMINIC PERROTTET: Are you going to Allianz? The one that you wanted to oppose?

Ms ABIGAIL BOYD: I'm asking questions now. Premier, let's talk about something that perhaps you do see as being a little bit more important. Why is New South Wales one of only two States in Australia not to adopt the National Construction Code minimum accessibility standards?

Mr DOMINIC PERROTTET: I don't know; I'll look into it.

Ms ABIGAIL BOYD: When I asked you this in November last year we had a big chat about it.

Mr DOMINIC PERROTTET: Did we?

Ms ABIGAIL BOYD: And you said, "I will look at it. I was unaware of that." I said, "Could you look at that?" And you said, "I will take that on notice and I will look at it." And then I got an answer back saying, "Questions in relation to this should be directed to the Minister for Innovation and Better Regulation."

Mr DOMINIC PERROTTET: So I did it.

Ms ABIGAIL BOYD: You didn't do it.

Mr DOMINIC PERROTTET: I did.

Ms ABIGAIL BOYD: Do you think it's appropriate?

Mr DOMINIC PERROTTET: I am not Scott Morrison here. I don't run every single ministry; I have Ministers to do their jobs.

Ms ABIGAIL BOYD: As funny as that is, Premier, do you acknowledge that you have a duty to provide for the 1.2 million people in this State with a disability?

Mr DOMINIC PERROTTET: Yes.

Ms ABIGAIL BOYD: Right.

Mr DOMINIC PERROTTET: We have led the way when it comes to the NDIS—

Ms ABIGAIL BOYD: So why on earth would your Government not adopt the minimum accessibility standards under the National Construction Code like the ACT, like Victoria and like Queensland? Why would we be the only State other than Western Australia to not provide the most basic minimum standards for new builds?

Mr DOMINIC PERROTTET: I will take that on notice. This time, in relation to the question—

Ms ABIGAIL BOYD: This time you'll actually look into it?

Mr DOMINIC PERROTTET: No, this time I will actually provide you with an answer from me.

Ms ABIGAIL BOYD: I would appreciate that, but I would also have appreciated if you could have done it a lot earlier because now it was only a week and a half ago—

Mr DOMINIC PERROTTET: What did the Minister say? Did you ask the Minister?

Ms ABIGAIL BOYD: I have asked both the—again, I have been asking this exact question at every budget estimates of all of these Ministers and yourself, and everyone tells me they will take it on notice. I asked Minister Maclaren-Jones. I asked Minister Coure. I have been asking the previous Ministers for building—basically the building Ministers, whatever you called them at the time; Fair Trading or whatever—and I've been asking yourself. I think I've even asked the Treasurer a few times about this, because it is completely nonsensical—

Mr DOMINIC PERROTTET: Is this specifically just in relation to housing?

Ms ABIGAIL BOYD: This is for new builds. This is really basic stuff. This is providing minimum standards to allow people—not just people with disability and other mobility needs—to age in place. This is new buildings with corridors wide enough to fit a wheelchair through; with bathrooms not that have railings but that are strong enough on the walls to have railings put in later. This is really basic stuff. Everyone else is doing it, and yet we are not doing it. The perfect time to do it was when we were bringing in the energy efficiency standards. Why did Minister Dominello turn up at that meeting a week and a half ago and say that his Government was not prepared to accept that?

Mr DOMINIC PERROTTET: I will get you a holistic response. We just received questions from Mr Latham in relation to costs associated with construction. I made the point to him that we need to keep costs to a minimum but, at the same time, there are broader issues that we need to focus on. The issues that you are raising clearly fall within the broader aspects of considerations that must be given, ensuring that construction occurs in a way that is accessible for everyone. I see that.

Ms ABIGAIL BOYD: The key here is that if we did this retrospectively—so if instead we modified these homes to comply at a later date when people needed them—we would be looking at 14 to 20 times as much money than if we did it when we built these new homes. Long term, it makes absolutely no sense for us not to do this, which is why every other jurisdiction except WA has adopted this.

Mr DOMINIC PERROTTET: Is that mandatory for all—

Ms ABIGAIL BOYD: These are minimum accessibility standards mandatory for new buildings. This is not the gold standard; this is just Silver standard, which is really those very basic things. We are not talking

about having to have railings in showers and things. These are really things that you would probably want in any house that you are going to grow old in.

Mr DOMINIC PERROTTET: Okay. I will look at it. I commit to looking at it and more than just taking it on notice. I will speak to the relevant Ministers. I will get the advice. I will provide that to you in writing. I will even meet with you and we can have a further discussion once I have that information, and then we can take it from there.

Ms ABIGAIL BOYD: Thank you. I appreciate that. Why have you failed to adequately fund the Ageing and Disability Commission?

Mr DOMINIC PERROTTET: Why do you say that we have done that?

Ms ABIGAIL BOYD: I appreciate you're not reading the transcripts of all of the budget estimates.

Mr DOMINIC PERROTTET: No, I have other things on my plate. I'm sure they've all—

Ms ABIGAIL BOYD: That's fine.

Mr DOMINIC PERROTTET: How have they gone? Have they gone well?

Ms ABIGAIL BOYD: The Ageing and Disability Commissioner said that the commission was in a "perilous position" because they've never received a budget that's sufficient for them to actually comply with their statutory duties.

Mr DOMINIC PERROTTET: Everyone thinks that.

Ms ABIGAIL BOYD: We are talking about \$9 million over three years. This is in the context of escalating reporting of elder abuse. Both Minister Maclaren-Jones and Minister Coure indicated that they had suggested that this be fully funded, but then when it went to the ERC, suddenly we couldn't afford \$3 million a year so that the Ageing and Disability Commissioner could actually do his job.

Mr DOMINIC PERROTTET: I can't speak to you about what happens in the ERC; that's a Cabinet meeting. So the Ageing and Disability Commissioner said that they did not believe—

Ms ABIGAIL BOYD: That they have never actually been funded properly. At the time that that legislation was passed, there was an amount put out there. They ended up with 25 per cent less than that to begin. They now do not have sufficient money to continue to even do the bare minimum past the end of the financial year and, in order to actually fulfil their statutory functions, they need \$9 million over three years.

Mr DOMINIC PERROTTET: So the view was to fulfil their actual statutory role, they don't have the funding?

Ms ABIGAIL BOYD: Correct, just to do the bare minimum to actually comply with their statutory duties, let alone—as you know, once you set up a service that allows people to report incidents like elder abuse, the demand increases because it's part of the point; you are educating people to report. That's even before we take into account the increased demand on the service. Does that concern you that that was not funded?

Mr DOMINIC PERROTTET: I am happy to speak to the relevant Ministers in relation to it. If there are statutory roles and requirements that need to be fulfilled by that position, then the funding needs to be provided to achieve that. Now, there might be a different view between the Government and the commissioner in respect of how much funding is required and how it could be—

Ms ABIGAIL BOYD: He says that Treasury worked with him to work up how much would be required at a minimum level and that that's the amount that was sought but that amount was not given.

Mr DOMINIC PERROTTET: I will speak to the Treasurer and make some inquiries in relation to it. Ultimately, we need to be in a position where statutory roles have the capacity to be fulfilled and that the allocation of resources are available to do it. Having said that, as someone who is the former Treasurer, I also know that there are always different views in relation to how much funding is required to provide for the proper carrying-out of functions. There are people who believe that they need, obviously, further funding.

Ms ABIGAIL BOYD: Of course, and people always ask for more.

Mr DOMINIC PERROTTET: They will always ask for more.

Ms ABIGAIL BOYD: But this was an amount that was worked up with Treasury. Can you understand that when people see reports of you not knowing what the \$25 million for a flagpole is actually going towards and then they see that we are not even giving a measly \$3 million to the Ageing and Disability Commissioner—

Mr DOMINIC PERROTTET: You're choosing random examples.

The Hon. DANIEL MOOKHEY: I'm not sure it's random.

The Hon. PENNY SHARPE: Not that random.

Ms ABIGAIL BOYD: Sure, but can you understand that people in New South Wales, particularly those people with a disability and older people, are looking at decisions like that and decisions like not actually adopting the minimum accessibility standards, and they're concluding that your Government doesn't care about them?

Mr DOMINIC PERROTTET: No, they are not. I disagree with that completely. There are always funding challenges across government, and you need to make decisions in respect of a whole range of areas. There are competing—

Ms ABIGAIL BOYD: But it's a matter of priorities, and you're not prioritising the most vulnerable people in our State, are you, Premier?

Mr DOMINIC PERROTTET: That's completely untrue. We have invested record amounts in areas to protect vulnerable people in our society, and I'm very proud of our track record in that space. To sit there and talk about the issue on the flagpole—I mean, I was simply expressing my frustration with the cost that came through.

Ms ABIGAIL BOYD: I don't want to talk about the flagpole either, Premier. Why has the number of people with disability employed in the New South Wales public sector not increased in the last eight years? It was a Premier's Priority. It stayed still for eight years. The target was 5.6 per cent; it's still at 2.5 per cent.

Mr DOMINIC PERROTTET: Mr Coutts-Trotter?

MICHAEL COUTTS-TROTTER: We have discussed this before, Ms Boyd. It actually fell over a number of years and, glass half full, it stabilised. I'm happy to take more questions of detail this afternoon, if you like, on the initiatives that are in place in concert with my colleagues to try and increase the number of people with disability who come, stay and find a good career in the public sector.

Mr DOMINIC PERROTTET: I think that's why it's important that we have targets, and I think also for committees like this to appreciate that if there are situations where targets aren't met, we should be completely transparent about it. Without a target, you don't achieve progress. But it also shouldn't be seen to be a complete failure that those targets aren't met, as long as we are open about it. If we aren't achieving the outcome that we're seeking to do then there should be increased initiatives and programs in place to achieve that.

Ms ABIGAIL BOYD: Otherwise, people would conclude it's not a priority.

Mr DOMINIC PERROTTET: Yes, and you can discuss that this afternoon with the public service.

The CHAIR: We now have to have our break. We'll be back at 11.15 a.m.

(Short adjournment)

The CHAIR: Let's begin.

Mr DOMINIC PERROTTET: Can I clarify an answer from the first session?

The CHAIR: Yes, Premier.

Mr DOMINIC PERROTTET: News must travel fast, Mr Mookhey. I understand that the McClintock report is in my in-tray.

The Hon. DANIEL MOOKHEY: Great.

Mr DOMINIC PERROTTET: I didn't bring it down here.

The Hon. DANIEL MOOKHEY: Can you send me a copy?

Mr DOMINIC PERROTTET: I'm surprised you knew it was already there.

The Hon. SCOTT FARLOW: Spy cams.

The CHAIR: Questions from the Opposition. Ms Houssos.

The Hon. COURTNEY HOUSSOS: Good morning, Premier.

Mr DOMINIC PERROTTET: Good morning, Ms Houssos.

The Hon. COURTNEY HOUSSOS: Premier, the Building Commissioner's resignation was announced internally to the Department of Customer Service on 25 July 2022. When did you first become aware that the Building Commissioner had resigned?

Mr DOMINIC PERROTTET: I'll take it on notice.

The Hon. COURTNEY HOUSSOS: You don't have a general recollection of when you were first told?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: Do you have a recollection of who told you about it?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: You have no recollection of when it was first raised with you?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: Do you recall if the concerns that the Building Commissioner raised in his resignation letter were part of that discussion?

Mr DOMINIC PERROTTET: I don't recall the discussion. I was aware that the Building Commissioner had resigned at some point in time, or was seeking to, but was never properly formally advised of that, just—

The Hon. COURTNEY HOUSSOS: A general discussion. Was that prior to you leaving on your trade trip?

Mr DOMINIC PERROTTET: Yes, certainly.

The Hon. COURTNEY HOUSSOS: We can say that it was in July, then?

Mr DOMINIC PERROTTET: Okay.

The Hon. COURTNEY HOUSSOS: During that period before you left on your trade trip, were you aware of the issues that were subsequently aired in his resignation letter?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: So you weren't aware about the concerns that he had and the specific allegations that he raised in the resignation letter?

Mr DOMINIC PERROTTET: Not to the best of my recollection, no. I had understood that he had resigned, that there were issues. He made that decision.

The Hon. COURTNEY HOUSSOS: You said that you understood that he had resigned and there were issues. What were the issues you were aware of?

Mr DOMINIC PERROTTET: I understood that, in general terms, there were clearly views that he had issues with the Minister. But I didn't understand or was not provided any information in relation to those, and it would have been a passing discussion. There was never received a formal briefing in relation to the Building Commissioner resigning. In fact, I can't even recall a conversation. I would say that it was just understood that the Building Commissioner had resigned. Nothing substantive in terms of reasons, no.

The Hon. COURTNEY HOUSSOS: I'm just trying to get an understand of what happened. You would now be aware that the Building Commissioner actually submitted his resignation letter on 7 July?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: He sent his resignation letter on—

Mr DOMINIC PERROTTET: I'm now aware of that, yes. I wasn't aware of that at the time.

The Hon. COURTNEY HOUSSOS: He sent his resignation letter on 7 July. That was sent at 3.39 p.m. At 3.50 p.m. Ms Hogan, the Secretary of the Department of Customer Service, forwarded it to Mr Coutts-Trotter and said she would be "grateful for your guidance on this".

MICHAEL COUTTS-TROTTER: That's my guidance, not yours.

Mr DOMINIC PERROTTET: Right.

The Hon. COURTNEY HOUSSOS: At 3.50 p.m. Ms Hogan escalates it to Mr Coutts-Trotter. At 4.43 p.m., so less than an hour later, Mr Coutts-Trotter forwards that to someone who I understand to be the Acting

General Counsel of the Department of Premier and Cabinet and says, "We'll discuss this tomorrow." It was so urgent that the following morning, the general counsel emailed back and said, "I'm sorry, I've been delayed on the way in." It was clearly escalated very quickly within the public service. I'm interested to know that prior to you departing on your trade trip, none of the concerns that were raised in the letter were raised with you.

MICHAEL COUTTS-TROTTER: So—

The Hon. COURTNEY HOUSSOS: Sorry, Mr Coutts-Trotter. I have some questions for you, but I'd like to ask the Premier just one last time.

MICHAEL COUTTS-TROTTER: Okay, terrific.

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: None of the concerns that were raised—the Minister's relationship with Coronation Property group?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: The concerns he had with Toplace?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: The issues that he had with the Minister's office in terms of being a legislative bottleneck, impeding reforms?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: You weren't aware of those prior to your departure on the trade trip?

Mr DOMINIC PERROTTET: No. Not to the best of my recollection, no. In fact, the issues in relation to the Building Commissioner that I was probably aware of, but vaguely, would have been that people had spoken about how there were issues between the then Minister and the Building Commissioner. But in terms of details around that, no, because it was never raised with me at such a level of substance that I was aware or had been made aware of those matters.

The Hon. COURTNEY HOUSSOS: Premier, I appreciate that you are very busy but, as I've just shown you, this was escalated very quickly on 7 July within your department. From the resignation to the point of getting advice from the legal counsel, that was escalated very quickly. One would assume that at some point you would be told that this was actually occurring.

Mr DOMINIC PERROTTET: No. I think Mr Coutts-Trotter was engaged with that, so he can provide some information. But from my perspective, it's not uncommon for legal counsel at DPC to be advised or seek information from other departments, Ministers and department secretaries. That's her role. She would do that occasionally, and it wouldn't be uncommon, no.

The Hon. COURTNEY HOUSSOS: Premier, when did you become aware of the concerns that the Building Commissioner raised in his letter?

Mr DOMINIC PERROTTET: As I've said numerous times, the day after I returned from the trade mission I arranged to have a discussion with the department secretary of Customer Service in relation to other matters. In the course of that discussion—Mr Coutts-Trotter was on that call with Ms Hogan—there was a discussion in respect of those matters at the periphery of the discussion we were actually having.

The Hon. COURTNEY HOUSSOS: On 31 July, in your discussion with Ms Hogan, she raised the issues that the Building Commissioner had raised with you in the resignation letter?

Mr DOMINIC PERROTTET: Mr Coutts-Trotter will correct me if I'm wrong—it was a long conversation.

The Hon. COURTNEY HOUSSOS: How long was it?

Mr DOMINIC PERROTTET: I'd say 45 minutes.

MICHAEL COUTTS-TROTTER: Yes.

Mr DOMINIC PERROTTET: About 45 minutes. Towards the end of the conversation, matters in relation to the Building Commissioner's resignation were raised. The secretary of the department, Ms Hogan, said to me that she had looked into those issues and that no further action needed to be taken. Mr Coutts-Trotter, does that accord with your—

MICHAEL COUTTS-TROTTER: Yes, absolutely.

The Hon. COURTNEY HOUSSOS: Premier, you said that Ms Hogan told you specifically. She told you specifically that the Building Commissioner had raised concerns about Coronation Property group—

Mr DOMINIC PERROTTET: Yes.

The Hon. COURTNEY HOUSSOS: —and their relationship with the Minister?

Mr DOMINIC PERROTTET: The conversation was in relation to the resignation—that part of the resignation of the Building Commissioner—and that issues had arisen in respect of the Building Commissioner saying that there were issues with respect to the Minister and Coronation. But she had looked into those matters and was satisfied that they weren't substantive—

MICHAEL COUTTS-TROTTER: Yes.

Mr DOMINIC PERROTTET: —and that no further action had been taken. That's why, when you've asked questions—you or members in your party or the media have asked questions—of me in relation to this matter, I have been abundantly clear that they were not the matters that led to my decision. I'm failing to understand why you are unable to appreciate that or to take my word in relation to the reasons for my decision.

The Hon. COURTNEY HOUSSOS: Premier, let me ask you then why your language changed over the course of the week. Because we did ask. We asked you a series of questions—13, I believe, in the lower House—about the issue and your language actually changed.

Mr DOMINIC PERROTTET: What did it change to?

The Hon. COURTNEY HOUSSOS: Initially you said—in fact, on 9 August you said—that was not a factor. But by 10 August you were conceding that it was on the periphery of the discussion.

Mr DOMINIC PERROTTET: Hold on. I maintained the position. It was not a factor. I was then asked, "Was it raised in the conversation?", to which I said it was peripheral to the conversation. It was at the end of the conversation. It wasn't a substantive element. If Ms Hogan had said to me in the conversation that I had, "Premier, there are serious allegations that have been raised in a letter that I have concerns about", then that would be a very different story. That's not what occurred in the conversation. In the conversation, towards the end of it, when I had already made my mind up in respect of the action that I would subsequently take, she raised this issue in respect of the Building Commissioner's resignation.

It was peripheral to the conversation. She said that she'd made inquiries in relation to the resignation, had satisfied herself in respect of those inquiries and that no further action needed to be taken. So in circumstances where—that evening I obviously had to speak to the then Minister in respect of my decision. I left that day with a view, based on advice from the department secretary for Customer Service, that no further action had to be taken in relation to that matter. Secondly, obviously, as a result of the decision I made that evening, the Minister was no longer a Minister.

The Hon. COURTNEY HOUSSOS: What matters specifically were there that caused you to come to this reason to sack Ms Petinos?

Mr DOMINIC PERROTTET: Workplace matters.

The Hon. COURTNEY HOUSSOS: Workplace matters specifically?

Mr DOMINIC PERROTTET: Yes.

The Hon. COURTNEY HOUSSOS: Can you outline any further?

Mr DOMINIC PERROTTET: I'd rather not, because the matters that were raised in that discussion—and I respect the approach that we have, which in the public service and in the Executive offices, that people can raise issues and feel comfortable coming forward in relation to complaints. It is also the case that people can come forward in an anonymous capacity. Therefore, if I went through those matters that would potentially identify people, which I don't believe is appropriate.

The Hon. COURTNEY HOUSSOS: I certainly don't want you to identify anyone.

Mr DOMINIC PERROTTET: But, Ms Houssos—yes, so you may be saying that we shouldn't identify people. But by the very nature of raising the complaints or the issues that were raised with me over the course of the call, it could go to that. Ultimately, as Premier, I am responsible for ministerial conduct and I am responsible for workplaces in ministerial offices. I am responsible for the Executive when it comes to Ministers and their staff.

I make decisions based on information before me in respect of who should serve in the Cabinet. They're not easy decisions—

The Hon. COURTNEY HOUSSOS: Premier, I've got limited time. Ms Hogan told us in the Fair Trading estimates earlier this morning that concerns about the then Minister's conduct, specifically in meetings, was raised with her in April—sorry, that the concerns were raised with the Minister's behaviour with her in April. Were you aware of the complaints in April?

Mr DOMINIC PERROTTET: Not that I'm aware of. I never spoke to Ms Hogan in respect of these matters prior to the date of the Sunday.

The Hon. COURTNEY HOUSSOS: So the first time you spoke to her was on Sunday 31 July?

Mr DOMINIC PERROTTET: I'm pretty sure that is correct and if it's not I will correct it—but I'm pretty sure it is. Having said that, matters in relation to the office had been brought to my attention prior to that, not in a substantive way but in a typical, you know, "There are concerns in relation to the office and the relationship between the ministerial office and the department." I raised that with the customer service Minister and asked him at that point to speak to the Minister in relation to it. There was—just so you're aware—nothing of substance. It was more just, as you would hear in any course, that there might be challenges in a relationship, so I'd asked Minister Dominello, as the cluster lead, to kind of, you know, have a discussion with the Minister, which I understand he did. It wasn't until I had—you might recall when I was overseas that there were issues that arose in the newspaper in respect of an anonymous—no, it wasn't anonymous. Was it?

MICHAEL COUTTS-TROTTER: Yes.

Mr DOMINIC PERROTTET: An anonymous allegation.

The Hon. COURTNEY HOUSSOS: And I read the newspapers and I'm across those. We have very limited time. I just wanted to ask you, though—I understand how you are talking through the course of events as you see it's happening. But for some reason, after your discussion with Ms Hogan, despite the fact the Building Commissioner's resignation letter had been sitting with her for over three weeks, she then sends it to ICAC that next day. It just doesn't pass the believability test that it's on the periphery of your discussions yet something changes that makes Ms Hogan send the letter to ICAC the very next day.

Mr DOMINIC PERROTTET: I'll ask Mr Coutts-Trotter to answer that.

The Hon. COURTNEY HOUSSOS: I might ask Mr Coutts-Trotter about that this afternoon. If you don't have anything to add to that I've got a different question for you.

Mr DOMINIC PERROTTET: That's fine, but I can assure you nothing arose in the course of that aspect of the discussion that had any bearing or impact on my decision-making in relation to Ms Petinos. I've said that numerous times. If you ask Ms Hogan and if you ask Mr Coutts-Trotter, who were both on that phone call, I believe that my version of events they would support.

The Hon. COURTNEY HOUSSOS: But, Premier, I just have to say to you—I just want to ask you one final time: You did not direct Ms Hogan to send the letter to ICAC?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: She did not raise with you that she would be considering sending it to ICAC?

Mr DOMINIC PERROTTET: No, she did not. If she had that would've been a very different discussion. Let me be very clear—because this is important—in the course of the discussion that we had, this came out at the end of the discussion and she raised with me that she had made inquiries, was satisfied and that no further action had to be taken. That is why the course of events took the path that they did. I accept, though, you would be looking at a time line. You would say, "You had a discussion on the Sunday; the secretary, on the Monday, provides the letter to the ICAC for information." I can understand how you would say, "Well, clearly something must have occurred in the discussion with the Premier the day before." I'm assuring you that is not the case.

The Hon. JOHN GRAHAM: Premier, given your comments on donations, would you be open to further restrictions on the interactions of lobbyists and your Government?

Mr DOMINIC PERROTTET: Yes, I have accepted the recommendations from the ICAC in relation to—

The Hon. JOHN GRAHAM: Are you open to going further—on the interactions of lobbyists and your Government?

Mr DOMINIC PERROTTET: They went pretty far.

The Hon. JOHN GRAHAM: Far enough, in your view?

The Hon. SCOTT FARLOW: Include unions.

Mr DOMINIC PERROTTET: Yes. I think, Mr Graham—I'll just get it. They are pretty strong. In terms of the ICAC's recommendations, I would take—

The Hon. JOHN GRAHAM: I'm familiar with the recommendations. I think you've indicated your view. Given your comments on donations, how many fundraisers have you attended this year?

Mr DOMINIC PERROTTET: The Liberal Party ask me to go to fundraisers all the time.

The Hon. JOHN GRAHAM: How many have you attended?

Mr DOMINIC PERROTTET: I will take that on notice. Too many.

The Hon. JOHN GRAHAM: I think we could probably both agree on that.

Mr DOMINIC PERROTTET: My point stands that I always, to be frank with you, feel incredibly uncomfortable about donations in this State. I feel like—and that's not just having a view in relation to union donations to the Labor Party; that's across the board. I feel uncomfortable that, yes, we have some element of public funding, but we have a position right now where political parties receive substantial funding from donors and I think that's a problem for the political process.

The Hon. JOHN GRAHAM: Premier, given your comments about corruption, and given the concerns raised by my colleague, do you have concerns about links between John Barilaro and Coronation Property, and Coronation Property and the Alameddine crime gang?

Mr DOMINIC PERROTTET: I've not been made aware of anything in relation to a connection to a crime gang.

The Hon. JOHN GRAHAM: Are you aware that a photo of a Coronation Property individual was placed at estimates before police and the New South Wales Crime Commission? It included figures known to authorities and they have both indicated they will be examining these matters further.

Mr DOMINIC PERROTTET: The police?

The Hon. JOHN GRAHAM: And the New South Wales Crime Commission.

Mr DOMINIC PERROTTET: That's very important, then, if that's the view that they take.

The Hon. JOHN GRAHAM: If it's very important, are you aware of it? My question is what is your awareness of this issue, Premier?

Mr DOMINIC PERROTTET: My awareness of this issue is limited. Ultimately, it's not a matter for me to conduct investigations. It's a matter for the Crime Commission and the NSW Police Force.

The Hon. JOHN GRAHAM: Are you unaware of this issue, Premier?

Mr DOMINIC PERROTTET: As Premier of the State, I have complete confidence in the NSW Police Force and the Crime Commission to do their job. To your point, in relation to lobbying, I would say—

The Hon. JOHN GRAHAM: I take it you are unaware of this issue, Premier. I don't want to unfairly represent you. Are you unaware of this issue?

Mr DOMINIC PERROTTET: I don't have a detailed advice in relation to that matter. What I can say, though, is I have confidence in the Police Force that, if any issues are involved, they will investigate them thoroughly. In relation to the lobbying point, I would say that the recommendations that we have accepted—I expect high standards of Ministers and members of Parliament. When the ICAC recommendations came forward, in respect of lobbying, we accepted every single one of them.

MICHAEL COUTTS-TROTTER: Either accepted, or accepted in principle.

Mr DOMINIC PERROTTET: I think that's very important. Now, Mr Graham, to your question, if there are things that we can do further, I'm happy to look at them if they are brought forward on merit. Ultimately, the fact that the ICAC has provided those recommendations—I have accepted them all.

The Hon. JOHN GRAHAM: Thank you.

Ms SUE HIGGINSON: Good morning, Premier. Happy Threatened Species Day. It's generally not a happy moment, though; we shouldn't have any threatened species. On the donations question, are you happy to consider making coal and gas companies prohibited donors? Perhaps just take it on notice.

Mr DOMINIC PERROTTET: No, I'm happy to make the unions prohibited donors.

Ms SUE HIGGINSON: No, that wasn't my question, Premier. Are you happy to consider making coal and gas donors—

Mr DOMINIC PERROTTET: I have made it very clear today, Ms Higginson—

Ms SUE HIGGINSON: —prohibited donors, given the extensive influence they have?

Mr DOMINIC PERROTTET: I have made it very clear today—this is the whole problem. How do you draw that line? We have prohibited donors who are developers and publicans—

Ms SUE HIGGINSON: And coal and gas proponents in New South Wales are developers. Are you willing to make them, specifically, prohibited donors?

Mr DOMINIC PERROTTET: I'll tell you what I am willing to look at, and that is reducing the influence that people have when they donate to political parties, including The Greens.

Ms SUE HIGGINSON: We don't take donations from any corporations.

Mr DOMINIC PERROTTET: Who do you receive donations from?

Ms SUE HIGGINSON: We have told you that already.

Mr DOMINIC PERROTTET: Mums and dads?

Ms SUE HIGGINSON: We have told you—mums and dads and kids that care about the future of the planet. Premier, do you take the role of the Auditor-General and the Audit Office as something serious to your work as the Premier?

Mr DOMINIC PERROTTET: Very much so.

Ms SUE HIGGINSON: Very, very much so?

Mr DOMINIC PERROTTET: Very, very much so. The Auditor-General plays a very important role in reporting on a number of aspects across the government. In fact, numerous times—

Ms SUE HIGGINSON: Are you aware, Premier—

Mr DOMINIC PERROTTET: —they have affected areas of which I have responsibility, and I welcome those audits.

Ms SUE HIGGINSON: Are you aware of the report that was tabled eight days ago in this Parliament on the effectiveness of the Biodiversity Offsets Scheme?

Mr DOMINIC PERROTTET: I missed that one.

Ms SUE HIGGINSON: You missed it?

Mr DOMINIC PERROTTET: Yes.

Ms SUE HIGGINSON: Perhaps that's because the environment isn't one of your Priorities, Premier?

Mr DOMINIC PERROTTET: That's completely untrue.

Ms SUE HIGGINSON: I'm not trying to be smart there. It's not in your list of Premier's Priorities.

Mr DOMINIC PERROTTET: This is the problem with Premier's Priorities. You put Premier's Priorities together, and it's outside; you say it's not a priority but it is a priority, just not a Premier's Priority.

Ms SUE HIGGINSON: That's okay. You are not aware of the NSW Auditor-General's report that was tabled on the effectiveness of the Biodiversity Offsets Scheme—even though that report, I would have to say, out of all of the Auditor-General's reports I have read over the past three years, is one of the most scathing and damning reports I have read?

Mr DOMINIC PERROTTET: Mr Mookhey might disagree with that.

The Hon. DANIEL MOOKHEY: Have you read the TAHE one?

Ms SUE HIGGINSON: I said "one of". It reports on an absolute failing on the integrity, transparency and sustainability of the offsets scheme. Really, when you read that report, Premier, your Government is trading on extinction in this State. It is, categorically. The Auditor-General has said that the integrity, transparency and—let's get frank here, the most important component—the sustainability of that scheme is absolutely under serious question. It is reported that your \$112.7 billion four-year infrastructure pipeline is seriously under question given the relationship and the findings of the effectiveness of the Biodiversity Offsets Scheme.

Mr DOMINIC PERROTTET: Why? On what grounds?

Ms SUE HIGGINSON: Because we are relying on the offsets scheme for a number of projects and, right now, Premier, there is a finding that the scheme is not functional—that it is highly likely that 50 per cent of New South Wales native animals and 41 per cent of the ecological communities of this State will become extinct.

Mr DOMINIC PERROTTET: When?

Ms SUE HIGGINSON: Will become extinct within the next 100 years, if we don't approach and fix the problem. Premier, do you know what your Minister's response to the Auditor-General's report was?

Mr DOMINIC PERROTTET: I assume you do?

Ms SUE HIGGINSON: Your Minister said, "Everything's okay." That's actually your Minister's response—that it's okay. In fact, your Department of Planning and Environment basically said this is a world-class scheme. Did you know, Premier, there is \$90 million in a fund right now that we don't know what to do with because the purpose of the money can't be allocated to the purpose it was put in there for? The offsets don't exist. They are not there. You are currently trading on the extinction of the State. Do you think that's serious?

Mr DOMINIC PERROTTET: I'm not trading on the extinction of the State.

Ms SUE HIGGINSON: You are trading on the extinction of biodiversity. The Auditor-General's report is telling you that, and your Minister is saying there is no problem. Premier, I'm asking you if you would please consider putting a moratorium on one component of that scheme, which is where developers can pay cash into the fund before the fund operator knows whether the very thing that they're destroying can be offset according to the rules of the scheme. Would you please consider stopping that very perverse thing that's happening in New South Wales under your watch right now?

Mr DOMINIC PERROTTET: I'm happy to look at it. I will get a copy of the Auditor-General's report. I always enjoy reading them.

The Hon. PENNY SHARPE: Don't mislead the Committee.

Mr DOMINIC PERROTTET: No, it depends; but there have been better ones. But I will review it, and I'll come back to you on it. It's obviously a very difficult area. You've got to balance the competing interests in terms of driving the construction of infrastructure across our State. But we want to do so in a way that preserves and protects the environment.

Ms SUE HIGGINSON: Premier, your Government has taken \$90 million from 340 proponents of major development across the State and put it in a fund on the basis of a promise to the whole of New South Wales that that money will offset the development harm that's taken place. The Auditor-General has now put on the table that that probably can't happen because the biodiversity that you're trading on right now does not exist elsewhere. It's a perverse happening. It's really serious. It involves millions of dollars.

Mr DOMINIC PERROTTET: What is she saying? She's saying that the funding that's provided for the offset, to put towards the offsets—what is she saying about that? That the money is—what?

Ms SUE HIGGINSON: That the offsets are not available; the credits are not available. If you are taking money through a scheme on a promise to do something that you are not doing and it's strongly suggested that you can't do it—

Mr DOMINIC PERROTTET: Why is that?

Ms SUE HIGGINSON: She found that 96 per cent of developers' demands for credits cannot be met.

Mr DOMINIC PERROTTET: Why?

Ms SUE HIGGINSON: Why? Because we're talking about biodiversity that is disappearing. Do you understand what extinction is and what it means when an animal, a plant or an ecosystem hits a threatened species list, where they are endangered?

Mr DOMINIC PERROTTET: Yes, obviously we don't want animals to become extinct; we don't want people to become extinct.

Ms SUE HIGGINSON: Then, Premier, you need to do something because your State under your watch is driving extinction.

Mr DOMINIC PERROTTET: You're making out that the world's about to end.

Ms SUE HIGGINSON: Premier, we are looking at the question of extinction. Only this year we know the koala, the greater glider, the glossy black cockatoo—I could name many, and there are many more coming—are getting what we call "uplisted". Today is Threatened Species Day, Premier, and right now we are experiencing a threatened species crisis. New South Wales has the worst record of extinction.

Mr DOMINIC PERROTTET: Really? Compared to—

Ms SUE HIGGINSON: Absolutely, Premier. I'm shocked you don't know.

Mr DOMINIC PERROTTET: So how many more extinct species have we had in New South Wales over the last 16?

The Hon. PENNY SHARPE: We've had 18 in the last three years.

Mr DOMINIC PERROTTET: So 18 more than—

The Hon. PENNY SHARPE: In the last three years.

Mr DOMINIC PERROTTET: Yes, but compared to other States?

Ms SUE HIGGINSON: Yes.

Mr DOMINIC PERROTTET: Is it 18 more?

Ms SUE HIGGINSON: Our record is the highest, Premier. Let's not get bogged down, because one is too many, two is too many, and right now we are leading the race. Premier, extinction is a serious, irreversible matter, and it's a costly matter when you look at what it symbolises and what it means.

Mr DOMINIC PERROTTET: I'm not in favour of extinction.

Ms SUE HIGGINSON: Premier, the Auditor-General's report is damning. What is really concerning is your Minister's response is that there's "nothing wrong here" and there's "nothing to see here". It's really problematic, Premier.

Mr DOMINIC PERROTTET: He's a very good Minister.

Ms SUE HIGGINSON: And right now—

Mr DOMINIC PERROTTET: I'll have a look at it. Obviously, I don't want species to become extinct. Particularly, I want to make that point today on—what day was it?

Ms SUE HIGGINSON: Threatened Species Day.

Mr DOMINIC PERROTTET: Threatened Species Day. I will be happy to look into it. I don't know the reasons as to why that fund is not being expended.

Ms SUE HIGGINSON: Will you please consider putting a moratorium on taking money when the biodiversity offset credits are not available? It's an immediate thing you can do until the problem is fixed.

Mr DOMINIC PERROTTET: What I don't do is commit to things when I'm not completely across the—

Ms SUE HIGGINSON: Would you commit to looking at the question of a moratorium?

Mr DOMINIC PERROTTET: I will read the Auditor-General's report—another Auditor-General's report—in relation to that and I will come back to you. I won't come back to you at the next estimates; I'll come back to you in the intervening period of time.

The Hon. ROBERT BORSAK: Premier, talking about extinction—what? You've got a heavy head, have you?

Mr DOMINIC PERROTTET: It's okay; I'll deal with it.

The Hon. ROBERT BORSAK: I want to talk to you about the extinction of taxi drivers in New South Wales and how they've been driven to the wall since 2015-16, and what you're currently doing with Minister

Elliott to give them fair and just compensation at a level that will put them right, rather than trying to get it away from the Ben Fordham show by saying that you're talking to them and that Mr Elliott is talking to them. Under the current Treasurer, I think, we've had offers of \$20,000 per taxi plate if they piss off.

Many of these people have lost their life savings. We've seen suicides. We've seen everything that you can think of that's possibly imaginable, including extinction events for these people. What are you doing to make sure that that \$1 levy that goes into rideshare—and also taxi trips now—that's being accumulated in the fund is going to go towards long-term, proper and decent compensation for taxi drivers and their families in this State? When that whole process was put in place, this Government allowed rideshare—Uber—to operate illegally for over two years, when it clearly had the laws available to it to stop it. It didn't do a thing, especially under the previous transport Minister, Mr Constance. What is happening now to try to put at least some of that right?

Mr DOMINIC PERROTTET: That's a good question. Firstly, we believe in fair compensation. I would answer your question in saying that I've met with the industry, as Premier. I've met with the Treasurer and the transport Minister and had discussions in relation to further compensation. I believe that we will have an outcome very shortly, which I believe the industry will be satisfied with and support. I can't guarantee that, but I think that will be the case. You raise the emergence of ridesharing. The taxi industry is obviously regulated and has been highly regulated by governments for a substantial period of time, probably since—

The Hon. ROBERT BORSAK: Ever since horses and buggies.

Mr DOMINIC PERROTTET: I accept that, but I also believe that, yes, it's highly regulated but it wasn't like at any point in time the industry was substantially approaching the Government since horse-and-cart times and asking to be deregulated. They had a monopoly.

The Hon. ROBERT BORSAK: That's not exactly true. The reality is the industry did approach the previous transport Minister and ask for the ability to be able to put their own rideshare-competing app into the system—

Mr DOMINIC PERROTTET: You're right.

The Hon. ROBERT BORSAK: —to allow them to have a go. They were told, "No, you're not allowed to do it."

Mr DOMINIC PERROTTET: You're right, but that was at the point in time when rideshare got the right—

The Hon. ROBERT BORSAK: When rideshare was getting an unfair advantage, wasn't it?

Mr DOMINIC PERROTTET: My personal preference would have been that we didn't have a highly regulated environment, we had a very deregulated environment. I agree with the concern that when ridesharing did come in it was an uneven playing field because of the costs associated with the taxi industry based on government regulation. That just builds over time. So I think it's pretty clear now in a less regulated environment we have more competition and therefore a better service, whether that's from rideshare or whether it's in a taxi.

The Hon. ROBERT BORSAK: I'd quibble with you on "better service".

Mr DOMINIC PERROTTET: Why?

The Hon. ROBERT BORSAK: Because, for example—

Mr DOMINIC PERROTTET: Could you imagine? I couldn't—

The Hon. ROBERT BORSAK: I'll ask you a question. For example, what happens when rideshare has the ability, because there's high demand, to put their price up? The taxi industry has been regulated to a point where they cannot do that.

Mr DOMINIC PERROTTET: That's obviously a downside of the system, but it's still a much better system than what we had before.

The Hon. ROBERT BORSAK: I don't believe it's a better system.

Mr DOMINIC PERROTTET: Really?

The Hon. ROBERT BORSAK: Anyway, the nub of the question was—

Mr DOMINIC PERROTTET: So you would prefer to live in an environment where we didn't have ridesharing, where we go back to the archaic days of simply taxis?

The Hon. ROBERT BORSAK: Forget about the archaic days. What are you going to do to properly compensate the people who lost their livelihoods, lost their assets, lost their superannuation and, in some cases, lost their lives? You've got a levy in place. A plan has been put to the previous transport Minister—and I'm sure it has been put to the current transport Minister—by TOSBA and the Taxi Council about how that can be financed at no cost to the Government in the long term, regardless of which government is in place.

Mr DOMINIC PERROTTET: In the long term.

The Hon. ROBERT BORSAK: Exactly right—in the long term.

Mr DOMINIC PERROTTET: Not in the short term.

The Hon. ROBERT BORSAK: They're trying to get compensation; they're not trying to Ned Kelly the Government.

Mr DOMINIC PERROTTET: Mr Borsak, can I be clear? I don't believe I can be any clearer. There is a compensation package that was put together previously. Issues have been raised in respect of that compensation package in terms of the extent of—

The Hon. ROBERT BORSAK: But \$20,000 a plate, with a limit of two plates—that's disingenuous. You were the Treasurer when that was done. That's disingenuous and not fair, and you know it.

Mr DOMINIC PERROTTET: This issue has been raised over a period of time. I accept that. I have met with the industry myself in relation to—

The Hon. ROBERT BORSAK: Why is the Government penny pinching on this stuff?

Mr DOMINIC PERROTTET: We are not.

The Hon. ROBERT BORSAK: Why don't you just do it and be done with it? Put a decent policy in place and have people standing up on the street corners of New South Wales saying, "What a great government this is. They gave me the \$250,000 I lost on that plate."

Mr DOMINIC PERROTTET: I want to make sure that there is fair compensation.

The Hon. ROBERT BORSAK: Well, \$20,000 plays 250—is that fair, Premier?

Mr DOMINIC PERROTTET: What I've committed to is—we'll have an announcement shortly—that I want there to be fair compensation. I have met with the industry, I have met with the Minister and the Treasurer, and we have worked through those issues. There aren't many jurisdictions in this country or around the world that have provided taxpayer compensation in relation to the emergence of new technologies and new industries.

The Hon. ROBERT BORSAK: We're not talking about taxpayer compensation; we're talking about travel adjustment.

Mr DOMINIC PERROTTET: We're talking about commuter compensation. We're talking about the cost to the people of New South Wales.

The Hon. ROBERT BORSAK: It's not a cost to the taxpayers of New South Wales.

Mr DOMINIC PERROTTET: Yes, it is. It's a surcharge on ride-sharing. It's an increase in the cost to people across our State. Someone pays for it, Mr Borsak.

The Hon. ROBERT BORSAK: It's a political decision for you, that you have to make, whether you want to or don't want to properly compensate people. Your Government allowed ride-sharing to get started for 2½ years illegally.

Mr DOMINIC PERROTTET: It was happening around the world.

The Hon. ROBERT BORSAK: I don't care what happens around the world. What happens in New South Wales is what concerns me, and that's what should concern you.

Mr DOMINIC PERROTTET: It does.

The Hon. ROBERT BORSAK: The fact that Uber has got a reputation for breaking the law—that's their business model around the world—does not give you licence to do it here in New South Wales. I can't believe you're saying that. I really can't.

Mr DOMINIC PERROTTET: You're saying that.

The Hon. ROBERT BORSAK: That's exactly what you just said.

Mr DOMINIC PERROTTET: What I've said very clearly is that the Government supports providing compensation for plate owners. We appreciate those investments were made in circumstances where there was a high regulatory environment from government in respect of the taxi industry—

The Hon. ROBERT BORSAK: The rug was pulled out from underneath the industry.

Mr DOMINIC PERROTTET: —and then emerging—

The Hon. ROBERT BORSAK: The Government's a regulator; you know that.

Mr DOMINIC PERROTTET: And that's the only reason—

The Hon. ROBERT BORSAK: Pulled out the rug—"See you later. Goodbye." I don't believe you've actually had a meeting with TOSBA yet.

Mr DOMINIC PERROTTET: I met with the industry.

The Hon. ROBERT BORSAK: Who in the industry?

Mr DOMINIC PERROTTET: I'll check my diary and provide the diaries. I had a meeting with the Treasurer.

The Hon. ROBERT BORSAK: Hang on, the Treasurer is—

Mr DOMINIC PERROTTET: In fact, not only that—

The Hon. ROBERT BORSAK: —not the industry.

Mr DOMINIC PERROTTET: —I had a meeting back at the point in time when I was—

The Hon. ROBERT BORSAK: No, I'm talking about now—recently.

Mr DOMINIC PERROTTET: Yes, recently.

The Hon. ROBERT BORSAK: Because Ben Fordham is raising it on the radio, all of a sudden everybody is knocking on the door—

Mr DOMINIC PERROTTET: Not recently. I'll give you the date of the meeting.

The Hon. ROBERT BORSAK: —and saying, "Gee whiz, we'll talk to these people." You haven't spoken to them, have you, Premier, since it was on the Ben Fordham show last week? That's a clearer question.

Mr DOMINIC PERROTTET: No. I met with them some time back.

The Hon. ROBERT BORSAK: My question is have you met with them since Ben Fordham raised it?

Mr DOMINIC PERROTTET: No.

The Hon. ROBERT BORSAK: Thank you.

Mr DOMINIC PERROTTET: I have met with the Treasurer and the transport Minister.

The Hon. ROBERT BORSAK: Has the transport Minister met with them since Ben Fordham raised it?

The Hon. SCOTT FARLOW: You'll have to ask him.

Mr DOMINIC PERROTTET: I'd have to ask him. This has been an ongoing issue.

The Hon. ROBERT BORSAK: Why not put it to bed?

Mr DOMINIC PERROTTET: I have committed that we will be providing further compensation. The Treasurer and the transport Minister are finalising that outcome. The reason that support will be provided is because the taxi industry is highly regulated by the New South Wales Government. With the emergence of ride-sharing, obviously it was an uneven playing field, which reduced the significant cost of the plates. I accept all of that. But we also need to appreciate that it's not my money. It's commuters' money and taxpayers' money where that compensation is provided. You can certainly leave estimates today, Mr Borsak, understanding that we will be providing that compensation. The Treasurer and the transport Minister are working very closely in respect of that and bringing something to the Expenditure Review Committee.

The Hon. ROBERT BORSAK: Thank you for that, Premier. At what stage, and when, will you, the Treasurer and the transport Minister actually sit down with TOSBA and the Taxi Council to nut this out?

Mr DOMINIC PERROTTET: I don't think we need to.

The Hon. ROBERT BORSAK: I think you do, because you don't know what their claim is. You don't know what they're looking for.

Mr DOMINIC PERROTTET: Yes, we do.

The CHAIR: We'll have to come back to this because we're in the Opposition's time.

Mr DOMINIC PERROTTET: Let me finish the sentence. We do, Mr Borsak, because I have met with the council, the transport Minister has and the Treasurer has.

The Hon. ROBERT BORSAK: Not since Ben Fordham raised it.

Mr DOMINIC PERROTTET: Yes, but the issues that they're referring to, they have raised with us. We appreciate and understand them and are addressing them. I can't be clearer. The transport Minister and the Treasurer are finalising something to go to the Expenditure Review Committee. When that is finalised, we'll have something to say for you.

The Hon. ROBERT BORSAK: Thank you, Premier, but you can all walk and chew gum at the same time.

The CHAIR: Sorry, we'll have to come back to this.

The Hon. COURTNEY HOUSSOS: Premier, the Building Commissioner specifically mentioned two developers in his resignation letter—Toplace and Coronation group. Have you investigated those concerns? Have you satisfied yourself about those concerns that were raised?

Mr DOMINIC PERROTTET: I understand that the letter was sent to the ICAC for their information, so they would have that information. They would have the letter that refers to it.

The Hon. COURTNEY HOUSSOS: I'm sorry?

Mr DOMINIC PERROTTET: They have the letter that those issues raised by the Building Commissioner are in.

The Hon. COURTNEY HOUSSOS: Have you had any discussions with your brother about Toplace?

Mr DOMINIC PERROTTET: No. In relation to what?

The Hon. COURTNEY HOUSSOS: Your brother has been linked with Toplace.

Mr DOMINIC PERROTTET: Which brother? I have a few.

The Hon. COURTNEY HOUSSOS: My understanding is that two of your brothers are actually linked with Toplace—Charles and Jean-Claude.

Mr DOMINIC PERROTTET: How are they linked?

The Hon. COURTNEY HOUSSOS: It was on a *Four Corners* story. There has been other media that has covered this—that they have been linked with Toplace. Have your brothers raised issues about Toplace developments with you?

Mr DOMINIC PERROTTET: No.

The Hon. COURTNEY HOUSSOS: You have had no discussions with them about Toplace or about Jean Nassif?

Mr DOMINIC PERROTTET: No. In relation to developments? No. I don't get involved in developments.

The Hon. COURTNEY HOUSSOS: Okay.

The Hon. DANIEL MOOKHEY: Just to clarify, Premier, you've declared no conflicts of interest whatsoever in relation to Mr Chandler and Toplace or any concerns arising?

Mr DOMINIC PERROTTET: No.

The Hon. DANIEL MOOKHEY: I'm looking forward to the debate we're set to have about your land tax proposal. When you announced it in the budget, you said it was only going to apply to first home buyers. You've since told Channel 9, I think it was, that you'd like the tax to apply to pensioners as well. Will you guarantee that, if you're re-elected in March, you won't seek to expand the land tax beyond first home buyers to pensioners and others as well?

Mr DOMINIC PERROTTET: We have announced that in respect of the budget for first home buyers. I believe it has merit. I believe the Labor Party should support it. I have also said that I think there is merit in relation to providing choice—

The Hon. DANIEL MOOKHEY: To pensioners?

Mr DOMINIC PERROTTET: Choice for pensioners. There is merit in that. It's not a Government policy, but I believe there is merit in it. I have also made the point very clearly, Mr Mookhey, that there is choice at the heart of this proposal.

The Hon. DANIEL MOOKHEY: Indeed. Premier, I'm looking forward to the debate we're going to have between now and March about this particular matter.

Mr DOMINIC PERROTTET: We're going to bring it into the Parliament.

The Hon. DANIEL MOOKHEY: I'm looking forward to that debate too. I'll get to that in a minute. I'm going to give you an opportunity, again, to guarantee that you won't seek to apply this land tax to pensioners if you are re-elected in March.

Mr DOMINIC PERROTTET: In what way?

The Hon. DANIEL MOOKHEY: Are you going to apply this land tax—

Mr DOMINIC PERROTTET: I'd make it very clear—

The Hon. DANIEL MOOKHEY: —to pensioners—

Mr DOMINIC PERROTTET: I'd make it very clear, prior to the election—

The Hon. DANIEL MOOKHEY: Can you guarantee—

Mr DOMINIC PERROTTET: Absolutely.

The Hon. DANIEL MOOKHEY: —that you will not extend this—

Mr DOMINIC PERROTTET: Hold on a sec—

The Hon. DANIEL MOOKHEY: No, let me ask.

Mr DOMINIC PERROTTET: We might even do it before.

The Hon. DANIEL MOOKHEY: Can you guarantee that you won't be seeking to extend this land tax proposal in lieu of stamp duty in the—

Mr DOMINIC PERROTTET: The choice one?

The Hon. DANIEL MOOKHEY: —choice mechanism that you've described—

Mr DOMINIC PERROTTET: Are you talking about as set out in the—

The Hon. DANIEL MOOKHEY: Can you guarantee that you're not going to seek to expand the land tax beyond first home buyers to pensioners? It's not that difficult a question.

Mr DOMINIC PERROTTET: Under the current model?

The Hon. DANIEL MOOKHEY: Any model.

Mr DOMINIC PERROTTET: No, you're being tricky here, Mr Mookhey.

The Hon. DANIEL MOOKHEY: I'm not being tricky at all.

Mr DOMINIC PERROTTET: Yes. You're always tricky.

The Hon. DANIEL MOOKHEY: Just to be clear, you're refusing to provide that guarantee?

Mr DOMINIC PERROTTET: Yes. I would take any proposal in relation to not providing choice. I believe in choice. We're not forcing anyone to—

The Hon. DANIEL MOOKHEY: You believe pensioners should have the choice?

Mr DOMINIC PERROTTET: I think that's something we should look at, yes. I've made that clear, Mr Mookhey. I think you can give—as long as choice is at the heart of it.

The Hon. DANIEL MOOKHEY: I will ask one more question before I pass to my colleague. Premier, this is a policy for which you don't have a mandate. You didn't mention it at the last election, nor did you

predecessor. I appreciate that you've come to the view that this is a good proposal for New South Wales. I disagree with you.

The Hon. SCOTT FARLOW: You've always got another view.

The Hon. DANIEL MOOKHEY: Rather than trying to rush this proposal through Parliament in October, why won't you take it to an election in March?

Mr DOMINIC PERROTTET: Really? Are you suggesting that a government that wins an election should only implement the policies that it's taken to an election and do nothing else for four years?

The Hon. DANIEL MOOKHEY: Premier, your hero—

Mr DOMINIC PERROTTET: I know you did nothing for 16, but—

The Hon. DANIEL MOOKHEY: Just to be clear, John Howard, when he introduced the GST, took it to an election.

The Hon. SCOTT FARLOW: You just did some road signs.

Mr DOMINIC PERROTTET: It's very different. That was a—

The Hon. DANIEL MOOKHEY: If it was good enough for John Howard to take the GST to an election, why isn't it good enough for Perrottet—

Mr DOMINIC PERROTTET: Come on.

The Hon. DANIEL MOOKHEY: —to take the land tax to the election?

Mr DOMINIC PERROTTET: You cannot compare a mandated—

The Hon. DANIEL MOOKHEY: I don't compare you to John Howard. That's true.

Mr DOMINIC PERROTTET: Hold on. You cannot compare a mandated—

The Hon. DANIEL MOOKHEY: You are not Howardesque. Agreed.

Mr DOMINIC PERROTTET: Let me answer the question.

The Hon. DANIEL MOOKHEY: But if John Howard could take the GST—

Mr DOMINIC PERROTTET: You've asked—

The Hon. DANIEL MOOKHEY: —why can't Perrottet take the land tax to the election in March?

Mr DOMINIC PERROTTET: I think everyone would appreciate there is a complete difference between a mandated tax on every citizen in the country or the State to a change in the tax system that allows people choice to either pay under the current arrangements or to pay an annual amount. At the heart of this reform, Mr Mookhey, is providing choice to first home buyers. As long as choice is at its heart, then I think governments should pursue good policy, particularly in circumstances where we have issues in respect of home ownership in this State.

The Hon. JOHN GRAHAM: Premier, I'd like to ask you about some of your Government's promises, some of which have been broken. One of those is the commitment that Minister Constance made to electrify the State's 8,000 buses by the year 2030.

Mr DOMINIC PERROTTET: I think we're running a bit behind.

The Hon. JOHN GRAHAM: We are running a bit behind. Ministers are reported in this Government as acknowledging we're running five years behind, that this will be done by 2035. Why are agency officials telling the Parliament that, in fact, this promise is not five years late but, in fact, 17 years late, that it won't be delivered until 2047?

Mr DOMINIC PERROTTET: Mr Graham, say that last part.

The Hon. JOHN GRAHAM: Why have Transport officials told the Parliament that Minister Constance's promise, that this will be done by 2030, won't be delivered till 2047?

Mr DOMINIC PERROTTET: You set targets on a range of matters. Obviously this one has fallen slightly behind. There may be a range—

The Hon. JOHN GRAHAM: Seventeen years.

Mr DOMINIC PERROTTET: There may be a range of factors behind that. That's a major operation, to electrify the entire bus fleet in New South Wales.

The Hon. JOHN GRAHAM: That's a commonsense view. Why was it promised in the first place?

Mr DOMINIC PERROTTET: You'll have to ask Mr Constance, former Minister Constance. He's in Europe at the moment.

The Hon. JOHN GRAHAM: Have you asked him? Why was this promise ever made?

The Hon. SCOTT FARLOW: Riding through the alps.

Mr DOMINIC PERROTTET: Mr Graham, I accept that—I would want Ministers to seek stretch targets in achieving outcomes. Clearly this matter has fallen short. I'll speak to the—

The Hon. JOHN GRAHAM: Why haven't your Ministers been up-front about that? You've missed it by 17 years. Why is the first we're hearing about that from agency officials? Why not just be up-front with the public?

Mr DOMINIC PERROTTET: I agree.

The Hon. JOHN GRAHAM: Will you speak to your Ministers, Stokes and Elliott, about that if you agree?

Mr DOMINIC PERROTTET: Yes.

The Hon. JOHN GRAHAM: Will you put it to them?

Mr DOMINIC PERROTTET: I think it's always important that the Ministers are in front of issues. There's no doubt commitments get made and there are delays. We've seen that with our infrastructure agenda—

The Hon. JOHN GRAHAM: These Ministers are 17 years behind. Will you speak to them about the fact they should have been up-front with the public about this delay?

Mr DOMINIC PERROTTET: I'll speak to them in relation to getting an appreciation and understanding of why that delay has occurred, Mr Graham. When Ministers are made aware of infrastructure delays or deadlines not being met, it's my expectation, as Premier, that that is publicly announced.

The Hon. JOHN GRAHAM: Thank you. One of the centrepieces of your Government's—

Mr DOMINIC PERROTTET: I'd rather it be announced by the Ministers than be announced by you.

The Hon. JOHN GRAHAM: One of the centrepieces of the Cultural Infrastructure Strategy in 2016 was the idea of having an Indigenous cultural centre at Barangaroo or on Sydney Harbour. It was the centrepiece of the way the Government talked about it.

Mr DOMINIC PERROTTET: No.

The Hon. JOHN GRAHAM: Why has this promise been abandoned?

Mr DOMINIC PERROTTET: No, that is not true.

The Hon. JOHN GRAHAM: That was the recommendation from INSW in the 2016 Cultural Infrastructure Strategy.

Mr DOMINIC PERROTTET: No. Hold on. That is untrue.

The Hon. PENNY SHARPE: This is the promise, non-promise.

Mr DOMINIC PERROTTET: No, no. That is untrue.

The Hon. DANIEL MOOKHEY: Core and non-core.

The Hon. JOHN GRAHAM: So you say that was never recommended?

Mr DOMINIC PERROTTET: No—

The Hon. DANIEL MOOKHEY: This is Howardesque.

Mr DOMINIC PERROTTET: Hold on a second. This is good. That may have been what was recommended. That was not government policy.

The Hon. JOHN GRAHAM: It was what was recommended.

Mr DOMINIC PERROTTET: Yes. That may be what—

The Hon. JOHN GRAHAM: Why has it been abandoned?

Mr DOMINIC PERROTTET: Because we're in government, not the public service. We make the decisions, not the public service. They can make recommendations, but ultimately the decision lies with us.

The Hon. DANIEL MOOKHEY: They make the appointments.

The Hon. JOHN GRAHAM: Do you accept that the hopes of Indigenous Australians—

Mr DOMINIC PERROTTET: No.

The Hon. JOHN GRAHAM: —have been—

Mr DOMINIC PERROTTET: No.

The Hon. JOHN GRAHAM: —shattered by this?

Mr DOMINIC PERROTTET: No. I accept two things.

The Hon. JOHN GRAHAM: You don't accept that?

Mr DOMINIC PERROTTET: No.

The Hon. JOHN GRAHAM: You don't accept it?

Mr DOMINIC PERROTTET: Hold on. I believe, and I have been very public in relation to this, that there should be a cultural centre for our First Nations people in the heart of Sydney and I want it to be great. I've made a very strong public commitment to that.

The Hon. JOHN GRAHAM: But not at Barangaroo?

Mr DOMINIC PERROTTET: But not at Barangaroo. It was never my view, in relation to Barangaroo, that the Cutaway would be a cultural area for First Nations people. But, in addition to that, I've also put significant—

The Hon. JOHN GRAHAM: Premier, we're short of time—

The Hon. SCOTT FARLOW: Point of order—

The CHAIR: I will hear the point of order. Also, we do need to hear the answer. I can anticipate what's coming.

The Hon. SCOTT FARLOW: Yes. Thank you, Madam Chair.

The CHAIR: Premier, you can finish your answer.

Mr DOMINIC PERROTTET: I've also put significant funding to the remediation of Goat Island. I want that to be a success as well.

The Hon. JOHN GRAHAM: We support that.

Mr DOMINIC PERROTTET: As a former Treasurer I had a very strong view of what the Cutaway should be. I understand that there were many people who also believed that the Cutaway should be a cultural area for First Nations. I disagreed with that position. Having said that, I publicly came out and have given financial support, working very closely with the arts Minister and Minister for Aboriginal Affairs, to put one of the best cultural facilities for our First Nations people in the heart of Sydney.

The Hon. JOHN GRAHAM: Premier, I think you've answered that question. I want to put this question to you—

Mr DOMINIC PERROTTET: But I just want to make it very clear, Mr Graham. There was never a commitment.

The Hon. JOHN GRAHAM: Do you have concerns about the fact that, in the budget, Treasury has put a footnote on the Treasurer's capital promises—the \$30.6 billion of capital promises—

Mr DOMINIC PERROTTET: Is this to do with the eight?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. JOHN GRAHAM: —in infrastructure, schools, hospitals, roads and said that more than a quarter of them won't be delivered this financial year as promised?

Mr DOMINIC PERROTTET: I think it's—

The Hon. JOHN GRAHAM: The Treasury said \$8 billion of this will never appear this year.

Mr DOMINIC PERROTTET: I would classify that as sensible sequencing, that in circumstances—

The Hon. DANIEL MOOKHEY: You announce it and then—

The Hon. JOHN GRAHAM: That you promised \$30 billion and then don't deliver more than a quarter of it?

The Hon. PENNY SHARPE: Shred your infrastructure plan and it's sensible sequencing. Love it.

Mr DOMINIC PERROTTET: I made it very clear prior to the budget that in relation to the infrastructure pipeline, if we worked through the pressures—let's be frank—

The Hon. JOHN GRAHAM: Why promise it if you're not going to deliver more than a quarter of it?

Mr DOMINIC PERROTTET: What has occurred over the last year, particularly, not just in New South Wales but nationally and globally, has been a significant escalation in the price of labour, an escalation in materials, which has—

The Hon. JOHN GRAHAM: This has never happened before. This is a record.

Mr DOMINIC PERROTTET: We have a record infrastructure pipeline.

The Hon. DANIEL MOOKHEY: No, you don't, not anymore.

Mr DOMINIC PERROTTET: It's \$112 billion.

The Hon. JOHN GRAHAM: Not anymore.

The Hon. DANIEL MOOKHEY: They discounted it. No, that's not true anymore.

The Hon. PENNY SHARPE: I think you've just shredded it, Premier. Premier, I'd like to move on.

Mr DOMINIC PERROTTET: It is 112—what was that?

The Hon. DANIEL MOOKHEY: Not anymore—discounted.

The Hon. JOHN GRAHAM: It just got more than a quarter smaller, on budget day.

Mr DOMINIC PERROTTET: No. It's \$112 billion.

The Hon. JOHN GRAHAM: No, it's not.

Mr DOMINIC PERROTTET: Yes, over the next four years. That is in the budget papers.

The Hon. JOHN GRAHAM: Read the budget.

The Hon. PENNY SHARPE: Premier, I think you'll have to agree to disagree. I'd like to move on to something else, Premier.

Mr DOMINIC PERROTTET: I thought the headline in *The Sydney Morning Herald* was completely unfair.

The Hon. PENNY SHARPE: Premier, I'd like to ask you about health. I'd like to ask you about whether you believe it's acceptable that 55,000 people over a three-month period were so concerned about what was going on with their health that they went to the emergency department for treatment and walked out without getting any.

Mr DOMINIC PERROTTET: I think that there are significant issues in relation to the connection between the primary care network and the public health network. That's why, with Premier Dan Andrews in Victoria last week, we announced the rollout of urgent care clinics because, right across this country, we are seeing a substantive increase in emergency department presentations—

The Hon. PENNY SHARPE: Premier, you're saying people that are turning up to emergency departments should just be going to their GPs. Is that what you're saying?

Mr DOMINIC PERROTTET: I'm saying what we are seeing is a greater prevalence of people who cannot get access to a GP who are then going into emergency. Now, obviously, through the triage system the most urgent patients are treated as a priority. That is—the trends that we are seeing—

The Hon. PENNY SHARPE: Premier, exactly on that, people are waiting longer for an ambulance than they ever have in both regional and metropolitan areas, and one in five patients across this State is arriving by

ambulance and having to wait for over half an hour for a bed before they get admitted to the ED. Do you think that is acceptable?

Mr DOMINIC PERROTTET: As I said, this is very much connected—

The Hon. PENNY SHARPE: No, this is people in ambulances, who I presume—

Mr DOMINIC PERROTTET: They're very keen for the public health system—

The Hon. PENNY SHARPE: Or are you suggesting that the people getting into ambulances should be just going to the GP as well?

Mr DOMINIC PERROTTET: No, but they are connected. They are connected, Ms Sharpe, because what we are seeing is an escalation in the increase of emergency presentations. That is not a New South Wales issue. That is a national issue. In fact, I was down—

The Hon. PENNY SHARPE: Yes, but I'm not actually just asking—

Mr DOMINIC PERROTTET: You asked about ambulance, but—

The Hon. PENNY SHARPE: I'm asking you about whether you believe it's acceptable, given that this is the worst record that your Government has delivered in relation to ambulance waiting times—the number of people not getting treatment when they seek it and the amount of time that they have to wait when they come in by ambulance?

Mr DOMINIC PERROTTET: We put a record investment in relation to paramedics when we stood up with the HSU during the budget. I would make it very clear that we need to have better coordination between the Federal and State health systems, which is putting immense pressure on every single State public health system. That extends to ambulance wait times because the ambulance is directly connected to the public hospital and the public health system. I want to make this point as well, that we have another problem—a national problem—and that is that we have a significant proportion of people who are in aged care or have a disability, who are generally part of the NDIS, who are in the public health system. Now, that is because of a lack of—a shortage. There would be the equivalent of—I think it's the equivalent of Liverpool Hospital. That demonstrates why we need to change. I have committed to working with State counterparts, as Premiers and first Ministers, to drive reform where there is better integration between our public health system, the GP network and the Federal Government funding arrangements.

The Hon. PENNY SHARPE: I mean, I would make the point that you've had 12 years to try to work this out. My final question to you is that Minister Hazzard, in the room next door, has just—

Mr DOMINIC PERROTTET: Yes, what'd he say?

The Hon. PENNY SHARPE: —suggested that I ask you this question, which is—

Mr DOMINIC PERROTTET: He suggested you ask me the question?

The Hon. PENNY SHARPE: He has suggested that we ask you this question. So, on behalf of Minister Hazzard, I want to ask whether you are going to legislate the recommendations from the ice inquiry?

Mr DOMINIC PERROTTET: My understanding—okay, that's a good question. Yes, that's passable from Brad. My understanding is that, on those recommendations, there is no requirement for legislative measures, that all those areas that we will adopt can be addressed through regulation or financial commitments—which we have set aside funding.

The Hon. DANIEL MOOKHEY: Premier, we were talking about your desire to provide choice to pensioners, sometime into the future, when it comes to paying land tax or stamp duty. Are you intending to provide choice to other people beyond first home buyers and pensioners?

Mr DOMINIC PERROTTET: Hold on. The Government has a plan and a commitment to provide a bill into this Parliament to legislate to provide first home buyers with a choice of paying current stamp duty or an annual amount. I have said, Mr Mookhey, that I believe that there is merit in extending that choice for other people. The Government does not have any plans in relation to that approach. I personally believe that there should be no problem with providing people choice. Choice is always at the heart of it. We're not forcing people to make a decision. What we're doing is providing them with an option to make a decision, to make a choice, that best suits their needs. You're the party of stamp duty saying that there should be no ability to have choice. We're saying it might be a first home buyer who gets into the property market, buys a unit, they only want to live there for three years, they have a baby, they want to move to a bigger home—

The Hon. DANIEL MOOKHEY: Look, Premier, we have a difference of opinion, and I'm not denying that we do.

Mr DOMINIC PERROTTET: It's not the first time.

The Hon. DANIEL MOOKHEY: And not the last, either. Premier, you spent three years as Treasurer campaigning to apply this model to everybody.

Mr DOMINIC PERROTTET: I worked through it.

The Hon. DANIEL MOOKHEY: And upon becoming Premier, you have now introduced it for first home buyers. You've made it clear that you would like pensioners to—

Mr DOMINIC PERROTTET: Have choice.

The Hon. DANIEL MOOKHEY: —have choice.

Mr DOMINIC PERROTTET: That's good.

The Hon. DANIEL MOOKHEY: But it is the case that you still want to see this land tax applied to all residential properties in New South Wales. That's correct, isn't it?

Mr DOMINIC PERROTTET: That's not correct.

The Hon. DANIEL MOOKHEY: Over time you do?

Mr DOMINIC PERROTTET: That's not correct.

The Hon. DANIEL MOOKHEY: You've made it clear that you would like—

Mr DOMINIC PERROTTET: If that were the case, I would have locked in the properties. What I've said is choice—permanent choice.

The Hon. DANIEL MOOKHEY: But, Premier, how can we believe you now when you say that when for three years, from 2019 onwards, you have been barracking to apply this to every residential property? The Dominic Perrottet that sits here today doesn't seem to agree with the Dominic Perrottet who was sitting here two years ago. My issue is—

Mr DOMINIC PERROTTET: They're both great people.

The Hon. DANIEL MOOKHEY: —if you're re-elected, how can we put any store in your word when you've changed positions on this so many times?

Mr DOMINIC PERROTTET: Well, it's not true. Let's go back. As Treasurer, I put a lot of work into consultation and the development of a proposal that I believed had substantial merit. I believe stamp duty is a bad tax. I have said that. I have said that historically under both versions of Dom Perrottet, and I maintain that.

The Hon. PENNY SHARPE: Like the five versions of Scott Morrison.

Mr DOMINIC PERROTTET: I maintain that position. What I've said, Mr Mookhey, is that through that period of time I developed policies and a proposal. Obviously, the cost to the State is substantive if you take away the fact that the State relies substantially on stamp duty as a revenue stream. And that's why the proposal that I believe the State can afford is one which assists first homeowners getting into the market and it has choice at its heart.

The Hon. DANIEL MOOKHEY: So if we can afford to do more you'd like to do more?

Mr DOMINIC PERROTTET: No, I believe that there should be choice at the heart—

The Hon. DANIEL MOOKHEY: But if we can afford to do more you'd like to do more?

Mr DOMINIC PERROTTET: No, as I've said, I believe that you should provide people with choice so that they can make their own decisions. I know you don't like providing people with choice, but I think if you give that opportunity to them they can tailor their decision-making to their own personal needs. We should always be looking at new ways of driving housing affordability, and I'd like you to come on the journey, Daniel.

Ms ABIGAIL BOYD: It's more like a rollercoaster. Did Eleni Petinos attempt to resign before you sacked her, Premier?

Mr DOMINIC PERROTTET: No. I called Ms Petinos and I informed her that my decision was that she be removed from Cabinet.

Ms ABIGAIL BOYD: She didn't approach you and offer to resign ahead of that?

Mr DOMINIC PERROTTET: Sorry, you're right. When I was on the trade mission and there was a story that was in the newspaper in relation to those allegations, I had a call with her and she said, during the phone call, "If it would help you, I would resign." There was no basis for her to do that; there was simply a report in the newspaper. I returned, I made my own inquiries and I made my own decision.

Ms ABIGAIL BOYD: Why didn't you accept her resignation? Why would you not have—

Mr DOMINIC PERROTTET: I don't believe—I think you're mischaracterising. I can see where you're coming from, but I think you're mischaracterising the context of that discussion. It was a comment that she made. It wasn't in a—you know when people say things that in the context of that, it was not something that needed to be actioned. She was, obviously, emotional about what was in the newspaper and she was trying to be helpful. It wasn't something that needed to be followed through. I came back, I made my own inquiries. I mean, you would naturally—you would have had conversations like that in your life.

Ms ABIGAIL BOYD: I understand. But given that she had said, "If it would help you, I will resign" and you'd had that previous conversation—

Mr DOMINIC PERROTTET: Well, it's not about helping me; it's about doing what's right.

Ms ABIGAIL BOYD: Okay. Fine. But given that you'd had that conversation, when you then thought, "Actually, she probably can't hold that ministerial role anymore," why didn't you speak with her and say, "Can you now resign? Do you want to do the resigning thing now?" Wouldn't that be the normal thing to do?

Mr DOMINIC PERROTTET: No.

Ms ABIGAIL BOYD: Why did it take you so, so long to sack former Minister Ayres but you were so quick to sack Eleni Petinos?

Mr DOMINIC PERROTTET: They were different issues.

Ms ABIGAIL BOYD: Were you just trying to look tough for the media? Was that why Eleni Petinos was thrown under the bus?

Mr DOMINIC PERROTTET: I find that completely offensive. That's not true at all. They are completely separate issues. On returning from the trade mission, I made inquiries in relation to the workplace in that ministerial office, information came to me and I made the decision that I believe was the right decision. You can disagree with that; that's fine.

Ms ABIGAIL BOYD: I'm not saying whether it was the right or wrong decision.

Mr DOMINIC PERROTTET: In my role, I have to make—

Ms ABIGAIL BOYD: We're talking about how you went about it, Premier.

Mr DOMINIC PERROTTET: In what way?

Ms ABIGAIL BOYD: Why did you make such a such strong statement of "I'm going to sack this particular Minister for this conduct," and yet, when it came to Stuart Ayres, you let him resign despite a report into his conduct?

Mr DOMINIC PERROTTET: Hold on, they are completely separate issues—completely separate issues.

Ms ABIGAIL BOYD: Why didn't you give Eleni Petinos the respect and opportunity to resign?

Mr DOMINIC PERROTTET: I had information that came to light when I returned and I made a decision in relation to that workplace. You should respect—

Ms ABIGAIL BOYD: And when the information came to light with ex-Minister Ayres, how come he was allowed to resign and was not sacked?

Mr DOMINIC PERROTTET: One goes into—

Ms ABIGAIL BOYD: Why the double standard?

Mr DOMINIC PERROTTET: Hold on, there is not one. They're completely separate. One is in—

Ms ABIGAIL BOYD: Do you not see the perception—

Mr DOMINIC PERROTTET: No.

Ms ABIGAIL BOYD: —that you were so quick to sack one and so slow and let Minister Ayres go on and on for a long, long time despite all of the media reports?

Mr DOMINIC PERROTTET: What are you getting at? No, whilst it took a long time, I set up an independent process in relation to the appointment of the trade commissioners. I didn't expect it to take that long, but it did. When it came back, I made it very clear that I would make decisions following the receipt of that report. I made that clear from the outset. The day that I received elements of a draft report that related to former Minister Ayres, I spoke to Minister Ayres and asked him to come into 52 Martin Place to see me, and we worked through it and we made that decision together. That was in respect of elements of the draft report by Mr Head in connection to that process being undertaken at arm's length and the questions that arose from it. Ms Boyd, that is completely different. That is completely different to matters that were raised to me by the department secretary of Customer Service in relation to workplace. I made the decision. I find it offensive, because I think I know where you're going here, to somehow suggest that the decisions that I made were for other purposes except to do what was I believed the right thing, and that's what I did on both those instances and I stand by the decisions I made on both cases.

Ms ABIGAIL BOYD: Given that you now are another woman down in Cabinet—

Mr DOMINIC PERROTTET: Down a man too.

Ms ABIGAIL BOYD: —you've not done particularly well, have you, in promoting Liberal women within your ranks?

Mr DOMINIC PERROTTET: We've spoken about this in the past. Can I just say, I find it really offensive that you are linking—because I know what you're doing—

Ms ABIGAIL BOYD: I find it very offensive that you're assuming that you know what I'm linking, but I'm asking questions, Premier.

Mr DOMINIC PERROTTET: I think everybody here knows exactly what you're doing—

Ms ABIGAIL BOYD: I'm trying to hold you to account for your decisions, Premier.

Mr DOMINIC PERROTTET: —and to sit there and say that I made decisions based on gender, not based on doing what's—

Ms ABIGAIL BOYD: That is not what I'm saying at all, and I didn't say that. I'm curious as to why that might be the case.

Mr DOMINIC PERROTTET: I think everyone knows what you are doing, and the fact that we're now going into this second line of questioning I think supports my view in relation to the first.

Ms ABIGAIL BOYD: What was the second line?

Mr DOMINIC PERROTTET: About the representation of women in the Cabinet.

Ms ABIGAIL BOYD: Yes, which you don't seem very happy to answer questions about either.

Mr DOMINIC PERROTTET: Yes, I am. I've said numerous times that I believe that the Liberal Party can do a lot better in relation to the preselection of women for seats in the Parliament.

Ms ABIGAIL BOYD: Do you personally think you could do a lot better at encouraging more women into Cabinet?

Mr DOMINIC PERROTTET: Into Cabinet?

Ms ABIGAIL BOYD: Yes.

Mr DOMINIC PERROTTET: Yes, and in addition to that I have made it very clear to the division of the Liberal Party that I would like to see more women put their hands up and run for preselection. Since the last budget estimates, I've actually been very encouraged by the number of women who are interested. I've never said that we can't do better; we clearly need to do better and I believe that we will.

Ms ABIGAIL BOYD: When will ex-Minister Ayres become Minister Ayres again?

Mr DOMINIC PERROTTET: That's a hypothetical question.

The Hon. DANIEL MOOKHEY: You're not ruling it out.

Mr DOMINIC PERROTTET: I've apparently received a document in my—

Ms ABIGAIL BOYD: Surely you already know, Premier; you're the Premier of the State. This is a pretty important report.

Mr DOMINIC PERROTTET: Which I haven't read. I received it apparently—

The Hon. SCOTT FARLOW: Daniel Mookhey knows more about it than he does.

Ms ABIGAIL BOYD: I've seen you texting; you've done all sorts of things. I've looked at the news; I've done all sorts of things as well during this.

Mr DOMINIC PERROTTET: Daniel Mookhey may as well be on my staff.

The Hon. DANIEL MOOKHEY: I have standards.

Mr DOMINIC PERROTTET: The document has been provided in my in-tray and I will—

The Hon. DANIEL MOOKHEY: Cool, but when am I getting it?

The Hon. SCOTT FARLOW: You've probably got it.

Mr DOMINIC PERROTTET: He's probably got it in his folder. I will read it, I will reflect on it and I will respond to it.

Ms ABIGAIL BOYD: To be clear, because I think you were trying to imply that I was accusing you of some sort of—

Mr DOMINIC PERROTTET: Well, I think you were.

Ms ABIGAIL BOYD: —direct or intentional gender discrimination, I was actually trying to get to whether or not if someone stays a Minister in your Cabinet is really as a result of the different sort of power struggles I guess between different factions. Why is it? You tell me. If it's not to do with gender, why is it that ex-Minister Ayres—soon to become Minister Ayres—has been treated so well by you?

Mr DOMINIC PERROTTET: He lost his ministry.

Ms ABIGAIL BOYD: But he's going to get it back soon.

Mr DOMINIC PERROTTET: Is that what you call treating someone well?

Ms ABIGAIL BOYD: He's getting it back soon though and he was allowed to resign.

Mr DOMINIC PERROTTET: Once again, that's a hypothetical situation. I want to make this point very clear—

The Hon. DANIEL MOOKHEY: Rule it out then.

Ms ABIGAIL BOYD: Yes, just rule it out. Say he's not going to become Minister again.

Mr DOMINIC PERROTTET: No, because I haven't read the review. What I'm saying is I make it very clear that the issues in relation to the Ministers were very different. I make decisions within my capacity as Premier in relation to who serves in the Cabinet. You can have certain opinions in relation to who should be in and who should be out.

Ms ABIGAIL BOYD: Just questions.

Mr DOMINIC PERROTTET: Ultimately that's my decision, and I made those decisions on what I believed was the right thing to do and I stand by it.

The CHAIR: Mr Borsak.

The Hon. ROBERT BORSAK: Thank you, Premier. Is it your Government's policy to toughen up gun laws in New South Wales?

Mr DOMINIC PERROTTET: In relation to what?

The Hon. ROBERT BORSAK: In relation to toughening up gun laws. The New South Wales Government, ever since Barry O'Farrell destroyed the Game Council, has made its business in life to attack law-abiding citizens who own firearms, whether it's the ammunition bill, whether it's bad customer service at the Firearms Registry. I could just go on and on.

Mr DOMINIC PERROTTET: You've raised those issues.

The Hon. ROBERT BORSAK: I asked you a straight up and down question. Is it your Government's intention to toughen up gun laws?

Mr DOMINIC PERROTTET: Of course. We want to have less guns, not more.

The Hon. ROBERT BORSAK: You want to have less guns, so it doesn't matter whether they're legal or illegal, you're quite happy to see gun laws toughened to the point where people—

Mr DOMINIC PERROTTET: I didn't say that.

The Hon. ROBERT BORSAK: That's exactly what you said.

Mr DOMINIC PERROTTET: I said I want less guns, not more. That's not a controversial statement.

The Hon. ROBERT BORSAK: I'm only talking in the context of law-abiding citizens owning firearms. Don't convolute it in relation to criminals, because law-abiding firearms owners are not criminals.

Mr DOMINIC PERROTTET: I agree.

The Hon. ROBERT BORSAK: So what's the answer to the question, or are you not going to answer it? Is that what you're telling me?

Mr DOMINIC PERROTTET: What's your second question? What's your follow-up?

The Hon. ROBERT BORSAK: Answer the first one.

Mr DOMINIC PERROTTET: I can't get to the second without the first.

The Hon. ROBERT BORSAK: Yes or no.

Mr DOMINIC PERROTTET: I believe in tougher gun laws.

The Hon. ROBERT BORSAK: Is it your Government's policy to toughen up gun laws in New South Wales?

Mr DOMINIC PERROTTET: I do not believe in relaxing gun laws in New South Wales.

The Hon. ROBERT BORSAK: I'm not talking about relaxing it. I didn't use the word "relax", did I? I said, "Is it your Government's intention to toughen up gun laws in New South Wales?"

Mr DOMINIC PERROTTET: We're very happy with the current situation, but if you have some policy proposals you'd like to raise with us, I'm more than happy to look at it.

The Hon. ROBERT BORSAK: There are always proposals, but I'm not here to talk about those right now.

Mr DOMINIC PERROTTET: Okay.

The Hon. ROBERT BORSAK: In budget estimates when we were talking to the police, it came out very clearly in the questioning of the police and also the Minister that no-one is actually going to be held responsible for John Edwards getting firearms and murdering his children and then committing suicide. Have you got a response to that?

This issue I questioned in budget estimates—in the last two budget estimates—and every time it gets put on the table, nobody seems to want to give a straight answer. Somebody other than law-abiding firearms owners in New South Wales must be held responsible for the Edwards murders. Is that actually ever going to happen?

Mr DOMINIC PERROTTET: I will seek advice and come back to you.

The Hon. ROBERT BORSAK: Thank you.

Mr DOMINIC PERROTTET: I will come back to you as soon as possible.

The Hon. ROBERT BORSAK: Premier, why is the NSW Firearms Registry now a hidden service to the customers of New South Wales? We were told in budget estimates by the police that it's now the place that is not named—it's no longer a public place that can be actually identified—and that the people who are interacting with it are not allowed to know where it is. I saw the comical demonstration of all the braided people sitting at the table where you are during budget estimates actually looking sideways and saying, "Can we mention the name?" "No, we're not allowed to."

Mr DOMINIC PERROTTET: Mention the names of?

The Hon. ROBERT BORSAK: The Firearms Registry, the address of it. It's now hidden, and it's hidden within the New South Wales police command system. It has disappeared. Why is that the case?

Mr DOMINIC PERROTTET: What is the merit for having it public?

The Hon. ROBERT BORSAK: Sorry?

Mr DOMINIC PERROTTET: What is the merit for having it public?

The Hon. ROBERT BORSAK: What's the merit for not having it public? It's called customer service.

Mr DOMINIC PERROTTET: Yes.

The Hon. ROBERT BORSAK: How can you have customer service if the customers don't know where the service is being rendered from? We've seen a progressive degradation of the customer service processes by the police since they've taken control of it some five or six years ago to the point now where they are not even prepared to say that it exists or where it exists.

Mr DOMINIC PERROTTET: What's the customer interface in relation to the location?

The Hon. ROBERT BORSAK: They actually used to, once upon a time, have a counter there where people could walk up and actually consult with them and ask them questions to get answers. You can't get that anymore.

Mr DOMINIC PERROTTET: So they don't have that?

The Hon. ROBERT BORSAK: They don't have it at all and haven't had it for years.

Mr DOMINIC PERROTTET: So there is no customer interface?

The Hon. ROBERT BORSAK: There is no customer interface—

Mr DOMINIC PERROTTET: So why does it matter where it's located?

The Hon. ROBERT BORSAK: —on a face-to-face basis at the registry. But now, since the registry has moved to somewhere else within the electorate, as I was told by the Minister, we're not allowed to know where it is.

Mr DOMINIC PERROTTET: Why does the location matter if there is no customer interface?

The Hon. ROBERT BORSAK: That's a silly question. What I'm saying is there should be customer interface.

Mr DOMINIC PERROTTET: Okay. That's the better point. I'm happy to look at customer interface. If there's a customer interface and there are customers attending, they clearly need to know where the location is. But if there's no customer interface—does it really matter where the planning department is?

The Hon. ROBERT BORSAK: The point I'm making—and you know it is—the registry now is effectively disappeared, merged into the police command structure completely. It has disappeared. Nobody has been held responsible for what has been going on. The customer service has not improved when it comes to delays in processing licences, applications for new firearms, old firearms—you name it. It's a fiasco.

Mr DOMINIC PERROTTET: Alright. So are you suggesting—

The Hon. ROBERT BORSAK: There was a time when the Firearms Registry was run by the bureaucracy, and it functioned properly and fairly. Since the police have taken total control of it, it's a mess.

Mr DOMINIC PERROTTET: In what way?

The Hon. ROBERT BORSAK: No service, hopeless computer systems—I could just keep going on and on and on.

Mr DOMINIC PERROTTET: Are there delays in things getting processed?

The Hon. ROBERT BORSAK: Absolutely. Read the *Hansard*. Every budget estimates when they're questioned about it, it comes up on the same thing. I go through the same thing with them. They keep saying it's getting better, but it's not. Even today I signed off on two letters going to the superintendent, asking for the processing of an application for a new hunting club that had been lodged in October 2021. The data relating to that has been lost and it hasn't been processed. Why allow this to happen? The bureaucracy can do a better job.

Mr DOMINIC PERROTTET: You've seen through the success of Service NSW that—

The Hon. ROBERT BORSAK: Service NSW only deals with about 10 per cent of the application requirements that the registry has to deal with.

Mr DOMINIC PERROTTET: The Firearms Registry?

The Hon. ROBERT BORSAK: Sorry?

Mr DOMINIC PERROTTET: Sorry, Service NSW has to deal with 10 per cent of what?

The Hon. ROBERT BORSAK: Firearms Registry interface requirements. Probably no more than 10 per cent.

Mr DOMINIC PERROTTET: I believe that we should have the best customer service across the board. I think Service NSW has been a success. I'll look at it.

The Hon. ROBERT BORSAK: Again, Premier, we're saying, "Oh, I agree with you, but"—

Mr DOMINIC PERROTTET: The location doesn't matter; it's actually the processing. If an area of government has moved from one place to another and the timeliness in which it takes to process or provide service to customers has diminished, then we should look at that and address it. The location, I'm not so sure about.

The Hon. ROBERT BORSAK: Premier, it came out recently that the New South Wales police have dumped their computer systems provider, the people that were contracted to provide the replacement to the COPS system. It was reported that there was a cost in that dumping of that contract of, I think, about \$177 million. I asked questions in relation to this at the budget estimates with the police Minister and the police and, of course, got nowhere. Can you please advise me what the current status of that contract is? What are the likely plans to replace the COPS system with something more up to date? How much do you think that will actually cost?

Mr DOMINIC PERROTTET: I don't know, but I'll—

The Hon. ROBERT BORSAK: That's a fair question. That's a fair answer to a fair question: You don't know. Good.

Mr DOMINIC PERROTTET: I wouldn't know what an IT system costs in relation to that, but I don't think anyone would expect me to. I am more than happy, though, to look into it. What are you saying the issue is?

The Hon. ROBERT BORSAK: The gist of what I'm getting at is that I don't believe the police are competent at all when it comes to dealing with customer service. I don't believe they're competent at all when it comes to selecting computer systems, specifying computer systems and dealing with the proper administrative functions in and around all of that. They may be good at policing—not making the law, but policing—but they're absolutely bloody hopeless. Even I, personally, as an experienced shooter in this State, have suffered the same nonsense delays and problems with the NSW Firearms Registry.

Mr DOMINIC PERROTTET: Is this connected to the Firearms Registry?

The Hon. ROBERT BORSAK: I've just used those words. You're not listening.

Mr DOMINIC PERROTTET: Yes, I am. I have maintained my focus for three hours.

The Hon. ROBERT BORSAK: As it has been absorbed and taken away from the bureaucracy—good administrators like Mr Coutts-Trotter here—and handed over to Inspector Plod, it has been a complete disaster.

Mr DOMINIC PERROTTET: Okay.

The Hon. ROBERT BORSAK: It's in that situation where John Edwards got a legal licence to buy two pistols and then killed his kids and himself. That's the situation. That has been used as an excuse to go after and change the whole system. Ex-Minister Elliot, when he was police Minister, signed off on the complete merging of the Firearms Registry as a police command; end of discussion. It has gone downhill ever since. Administration has gone downhill. It is a complete fiasco. Customer service doesn't exist. How can you have customer service when no-one knows where the service is being rendered from at all? I know you've got this belief that somehow computers are going to fix it, but guess what? They don't know anything about computer systems either. They can't even sign off and get a new COPS system, upgrade replacement system, put in place. This is the second time that the major systems have been dumped by the New South Wales police. It's a fiasco. Put someone in charge who actually knows what they're doing, Premier, please.

Mr DOMINIC PERROTTET: I accept the points you're making. I will look into those issues. I expect the highest standards when it comes to customer service and making sure that the proper IT systems are in place. There have obviously been challenges there. There are proceedings. It wouldn't be appropriate for me to comment, but I will look into it.

The Hon. ROBERT BORSAK: Premier, do you think that law-abiding citizens who own firearms in New South Wales should be treated as criminals-in-waiting?

Mr DOMINIC PERROTTET: No.

The Hon. ROBERT BORSAK: Thank you.

The CHAIR: There are two minutes left.

Mr DOMINIC PERROTTET: Two minutes. Let's make this fun.

The Hon. DANIEL MOOKHEY: Indeed. Firstly, as I understand it, your birthday is nearing, so happy birthday. That's coming up.

Mr DOMINIC PERROTTET: Will you send me a text message?

The Hon. DANIEL MOOKHEY: After Mr Cartwright does, I promise—in fact, I will write a note to send you a text message, I promise. But, Premier, the actual one-year anniversary of your premiership is nearing too.

Mr DOMINIC PERROTTET: When is that?

The Hon. DANIEL MOOKHEY: Actually, my birthday—4 October. I look forward to the message. As the one-year anniversary of your premiership looms, in the year since you've become Premier, Minister Ward has had to resign his commission and face suspension from the Parliament following some serious criminal charges; John Sidoti has been found to be corrupt; Stuart Ayres was found to have breached the ministerial code, your deputy leader having to resign; Ms Petinos has had to be sacked after bullying allegations emerged; Mr Barilaro has engulfed your Government in scandal; and close to 10 MPs have now announced their retirement. If this is what the people of New South Wales have been treated to in the last 12 months, what can we look forward to in the next 12 months if you are, in fact, re-elected?

Mr DOMINIC PERROTTET: The New South Wales State is doing incredibly well, and I'm very proud of my leadership as Premier of New South Wales and in my former capacity as Treasurer. New South Wales is in a much better place today than it was under Labor in 2011. Everywhere you look, given the challenges that we have faced as a people and our Government's response to them—whether that's been through droughts, bushfires, floods or a one-in-100-year pandemic—and yet our people are still standing strong. That's a testament to the people of New South Wales, and I'm proud to be part of a government and now leading a government that has turned around the fate of our State, and there's a lot more to do.

The Hon. DANIEL MOOKHEY: You are quite right to say that the COVID response is due to the people of New South Wales, and I agree with you in that respect. But, Premier, you presided over scandal after scandal after scandal.

Mr DOMINIC PERROTTET: I've implemented the most—

The Hon. DANIEL MOOKHEY: Isn't it simply the case that after 12 years in government—

Mr DOMINIC PERROTTET: I have implemented more integrity reforms—

The Hon. DANIEL MOOKHEY: —the best days of your Government are well and truly behind you?

The Hon. SCOTT FARLOW: Save it for the paid political broadcast.

Mr DOMINIC PERROTTET: That's not a question. I have implemented more integrity reforms to keep the highest standards in this Parliament.

The Hon. DANIEL MOOKHEY: You've had more need to. You have 100 per cent had more need to. Your Ministers have certainly given you more than just cause.

Mr DOMINIC PERROTTET: No, we have—

The Hon. SCOTT FARLOW: You're in Government time now, Daniel.

Mr DOMINIC PERROTTET: I'm very proud of our track record as a government, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Tell me more.

Mr DOMINIC PERROTTET: There are challenges that come up every day in this job. Some days are more difficult than others. What is most important to me is that the good people of New South Wales continue to have opportunity and prosperity in the future. That's what I focus on every day—

The Hon. JOHN GRAHAM: We should let you get back to that report, Premier.

Mr DOMINIC PERROTTET: —despite issues that seem to come up from time to time.

The Hon. DANIEL MOOKHEY: You have a report to read.

The Hon. JOHN GRAHAM: Yes, back to the report.

The CHAIR: We are at time. Thank you, Premier, for your attendance this morning. We appreciate it, and we're now finished with your questions. For Mr Coutts-Trotter and the other public servants who will be joining us later, we'll be back at 2.00 p.m.

(The Premier withdrew.)

(Luncheon adjournment)

Ms SAMARA DOBBINS, Deputy Secretary, People and Operations, Department of Premier and Cabinet, on former oath

Ms KATHRYN BOYD, PSM, Deputy Secretary, General Counsel, Department of Premier and Cabinet, affirmed and examined

Ms KATE MEAGHER, Deputy Secretary, Community Engagement Group, Department of Premier and Cabinet, affirmed and examined

Ms SARAH CRUICKSHANK, Deputy Secretary, Policy, Department of Premier and Cabinet, affirmed and examined

The CHAIR: Welcome back, everybody. We will begin our questions this afternoon with the Opposition.

The Hon. DANIEL MOOKHEY: Thank you for your attendance this afternoon, secretary. As always, it's a pleasure to see you and all your officials.

MICHAEL COUTTS-TROTTER: Great to be back.

The Hon. DANIEL MOOKHEY: This is our last day.

The Hon. PENNY SHARPE: It is like you never left.

The Hon. DANIEL MOOKHEY: We're looking forward to this being over. Secretary, will you take me through your response to the Head review?

MICHAEL COUTTS-TROTTER: Yes. I received Mr Head's report on 12 August. I considered it for, I think, six days. On 18 August I spoke with Ms Brown and expressed a preliminary view to her that I had formed from reading Mr Head's report.

The Hon. DANIEL MOOKHEY: Sorry, what date did you have that conversation?

MICHAEL COUTTS-TROTTER: On 18 August.

The Hon. DANIEL MOOKHEY: Was it in person, or was it on the phone?

MICHAEL COUTTS-TROTTER: It was on the phone.

The Hon. DANIEL MOOKHEY: And you expressed to her a preliminary view?

MICHAEL COUTTS-TROTTER: I expressed a preliminary view, and my preliminary view was and is that she had not satisfactorily performed the function of secretary. I should state that it's a preliminary view; I've not made a final view. The procedural fairness afforded to Ms Brown gives her an opportunity to make a submission to me in relation to my preliminary view about her performance, and I must and will consider whatever submission she makes with an open mind.

The Hon. DANIEL MOOKHEY: You do, and no-one disputes that, Mr Secretary. Can I just establish a basis of facts? The Premier is the employer of all secretaries, correct—formally?

MICHAEL COUTTS-TROTTER: That's right.

The Hon. DANIEL MOOKHEY: And he's issued an instrument of delegation to you?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: And that delegation took place when you became the secretary of DPC last year?

MICHAEL COUTTS-TROTTER: I don't know at what point it took place, but certainly since the creation of the Government Sector Employment Act it's usual for Premiers to delegate, under section 81, employer functions to people who hold my role, and Premier Perrottet has done that.

The Hon. DANIEL MOOKHEY: And you employed Ms Brown as secretary in—was it February or March this year?

MICHAEL COUTTS-TROTTER: It was January, from memory—27 January, I think.

The Hon. DANIEL MOOKHEY: You, on 18 August, expressed a preliminary view, that is subject to further submission and that you have to consider with an open mind—

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: —that Ms Brown hasn't performed the functions of secretary appropriately. In what respect has she not performed the functions of secretary appropriately—at a preliminary level?

MICHAEL COUTTS-TROTTER: In forming the preliminary view, I had regard to the following conclusions from the Head report. I can read them out, but—

The Hon. DANIEL MOOKHEY: Please.

MICHAEL COUTTS-TROTTER: Okay. "In respect to the first recruitment process, you gave Ministers an incomplete and hence misleading picture as to whether suitable candidates had been identified, noting that Mr Head was of the opinion that you had no intention to mislead. In respect to the first recruitment process your failure to consider relevant factors in accepting a late application from a candidate who had, through the normal course of their duties, access to information about other candidates in the process and your failure to disclose this matter to other panel members during the panel's discussions of conflict of interest"—then, in relation to the second recruitment process, my preliminary view was that Ms Brown failed to fully disclose to all panel members, having involved the then trade Minister in discussions about the composition of the shortlist, having arranged for one of the candidates to meet the then trade Minister while the selection process was still underway, having discussions with the former trade Minister as to the suitability of Mr Barilaro for the role while the selection process was underway, and having concluded contract negotiations with Mr Barilaro without the selection panel having determined its final assessment of candidates.

The Hon. DANIEL MOOKHEY: That's in respect to the first—is that five grounds?

MICHAEL COUTTS-TROTTER: Two in respect of the first process and four in respect of the second.

The Hon. DANIEL MOOKHEY: Okay, so that's six matters. Just to be clear here, is it the preliminary view that you have formed that in respect to these six matters, for which, again, I caveat that you have to consider any reply with an open mind—

MICHAEL COUTTS-TROTTER: Yes, I do. I must keep an open mind and be seen to keep an open mind.

The Hon. DANIEL MOOKHEY: You do. But it gives rise to a breach of Ms Brown's contract specifically?

MICHAEL COUTTS-TROTTER: Well, it relates to her performance in the role, which is—the mechanism is the contract she signed, which relates to a role description. Then, of course, there are responsibilities as public servants under the code of ethics and conduct.

The Hon. DANIEL MOOKHEY: Which she also has to, according to her contract, comply with at all times, correct?

MICHAEL COUTTS-TROTTER: Abide by. That's right, yes.

The Hon. DANIEL MOOKHEY: Have you given Ms Brown indication or provided her with notice that you are considering terminating her contract?

MICHAEL COUTTS-TROTTER: So the first step is to form a preliminary view of her performance, which I've done. I've indicated I'm considering the matter under section 68 of the Government Sector Employment Act. Part (2) sets out the actions that I am contemplating or may contemplate, and one of those is termination.

The Hon. DANIEL MOOKHEY: What other actions can you contemplate?

MICHAEL COUTTS-TROTTER: Well, the other actions under that section include demotion, a reduction in salary. They are somewhat of an ill fit with the office of secretary because they would require the consent of the person for them to be delivered—so termination obviously not, but demotion and the other actions under section 68 would require a person's consent from the office of secretary. That would not be true of someone in a less senior position.

The Hon. DANIEL MOOKHEY: You've pointed out that that is—

MICHAEL COUTTS-TROTTER: I've referenced that section and said these are the actions that I'm considering.

The Hon. DANIEL MOOKHEY: And how long does Ms Brown have to reply?

MICHAEL COUTTS-TROTTER: On 22 August Ms Brown communicated with me. She presented evidence in support of a request to take a month's leave, which I have granted her, which I think expires—that four weeks of leave expires on 19 September. I will be back in touch with her at that point asking if she is now able to provide a submission in response to the material that I've sent her outlining my preliminary view of her performance.

The Hon. DANIEL MOOKHEY: Do forgive my ignorance on this matter. You actually had to approve her leave?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: In effect, the matter remains in abeyance pending—

MICHAEL COUTTS-TROTTER: It's paused while she is on leave.

The Hon. DANIEL MOOKHEY: Then there's a resumption thereafter?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Just to be clear, you're contemplating action under section 68 of the GSE Act?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Are you contemplating any action under section 41?

MICHAEL COUTTS-TROTTER: The preliminary view I've put to Ms Brown is that I've formed the view that her performance was unsatisfactory, so I'm considering it under section 68. That's my preliminary view. Now, my view may change in response to any submissions she chooses to make to me. But at a preliminary point I'm dealing with it under section 68.

The Hon. DANIEL MOOKHEY: Under that Act are you able to make that decision upon receipt of any final submissions or do you have any other hurdles that you have to satisfy?

MICHAEL COUTTS-TROTTER: The usual course was you would receive a submission in response to a preliminary view about performance, contemplate that, make a decision on performance, then make a decision on what action I would take in response and provide Ms Brown, in this case, with an opportunity to make comment on that before finalising it.

The Hon. DANIEL MOOKHEY: Is the intention to resolve this matter one way or the other in September? October? November? How long do you foresee—

MICHAEL COUTTS-TROTTER: Well, the unknown is Ms Brown's ability to provide a submission to me.

The Hon. DANIEL MOOKHEY: Indeed. The nature of the leave—I don't want to get too far down that pathway in terms of the nature of the leave. But is it annual leave?

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: Is it a capped form of leave? Okay. I won't push beyond that, Mr Secretary.

MICHAEL COUTTS-TROTTER: Thank you.

The Hon. DANIEL MOOKHEY: But should we find ourselves in a situation where Ms Brown is in a position to resume duties, and pending the outcome, are you going to stand her aside? Or is she returning—what day is she returning?—on 19 September?

MICHAEL COUTTS-TROTTER: When I received the report from Mr Head on 12 August, Ms Brown agreed to go on special leave.

The Hon. DANIEL MOOKHEY: And she remains on special leave?

MICHAEL COUTTS-TROTTER: She was on special leave for a period. She's no longer on special leave.

The Hon. DANIEL MOOKHEY: She was on special leave presumably from 18 to 22 August, so there were four days.

MICHAEL COUTTS-TROTTER: From 12 to 22 August.

The Hon. DANIEL MOOKHEY: Sorry, 10 days. And then another form of leave—

MICHAEL COUTTS-TROTTER: Another form of leave.

The Hon. DANIEL MOOKHEY: —from then onwards?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: And then on 19 September she will return to duties pending any further decision you make, assuming she's in a position to do so?

MICHAEL COUTTS-TROTTER: Until I'm able to conclude the process of responding to Mr Head's findings and concluding the process I'm in, she will be on leave.

The Hon. DANIEL MOOKHEY: Just in respect to the six matters that you've put to her, you put to her that she gave Ministers an incomplete and misleading answer—was it? Or was it incomplete information?

MICHAEL COUTTS-TROTTER: It was incomplete and hence misleading.

The Hon. DANIEL MOOKHEY: In what respect did Ms Brown give incomplete and misleading advice?

MICHAEL COUTTS-TROTTER: Because Ms Brown was asked whether the first recruitment process identified any suitable candidates. She was of the view—she said it did not. She, according to Mr Head's report, took the view that ultimately Ms West was not a suitable candidate but, of course, the first process had identified another candidate as suitable and appointable and there was nothing in the operation of the Cabinet decision that rendered that candidate unsuitable.

The Hon. DANIEL MOOKHEY: That's an interesting point, Mr Secretary, because certainly Mr Head and others—look, maybe I'm misinterpreting what Mr Head said, but certainly the evidence that's been put before us says quite explicitly the Cabinet submission required Ms Brown to undo the previous process and reverse it and, in fact, that's what led to the termination of Ms West's candidacy. Ms Brown has maintained the point—again, you may have to reach a decision on this, so I don't want to necessarily put you in a position where you have to reach a view now. But certainly her view is, and Mr Head's view seems to support her suggestion, that the Cabinet submission did explicitly require the recruitment process of Ms West to effectively be reversed. When it comes to Mr Barilaro, and I guess the areas of interest in respect to his conduct, the question is whether or not he disclosed all relevant matters to the Cabinet in that sense. When you say that the Cabinet submission didn't require its reversal, how do you—

MICHAEL COUTTS-TROTTER: No, I'm saying the Cabinet decision brought a recruitment process to an end. It didn't undo the assessment, through a recruitment process, of the suitability of—

The Hon. DANIEL MOOKHEY: She could have been appointed through the next process, basically?

MICHAEL COUTTS-TROTTER: There were two candidates who were determined to be suitable in that process. Ms Brown's evidence, here and elsewhere, is that she ultimately formed the view, as the hiring manager, that Ms West was not suitable for appointment. That still left Mr Fitzpatrick having been assessed as suitable for appointment.

The Hon. DANIEL MOOKHEY: In any case, I guess your point would be that all of that should have been disclosed to the Ministers for them to then factor in how they would then explain it to the Parliament?

MICHAEL COUTTS-TROTTER: Yes. I should stress, Mr Head finds that Ms Brown genuinely believed the advice she provided that there were no suitable candidates. But there were.

The Hon. DANIEL MOOKHEY: Either way, your point is that all the facts should have been placed before the Ministers, given that it was the Ministers who made the claims in the Parliament?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Just to be clear here, did Ms Brown brief the Premier directly?

MICHAEL COUTTS-TROTTER: Yes, she did.

The Hon. DANIEL MOOKHEY: When did she do that?

MICHAEL COUTTS-TROTTER: I don't know exactly. I can take that on notice and respond to you.

The Hon. DANIEL MOOKHEY: When you're saying that the incomplete and—what was the phrase you used?

MICHAEL COUTTS-TROTTER: "Incomplete and hence misleading picture". That is actually Mr Head's finding.

The Hon. DANIEL MOOKHEY: Yes, thank you. That incomplete and hence misleading information was provided to then Minister Ayres?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: And Premier Perrottet, directly by Ms Brown, is your understanding?

MICHAEL COUTTS-TROTTER: Directly to Premier Perrottet. I don't know by what means Ms Brown briefed former Minister Ayres.

The Hon. DANIEL MOOKHEY: Just to be clear here, Mr Secretary, Ms Brown didn't provide you the advice and you provided it to the Premier; she provided it directly to the Premier?

MICHAEL COUTTS-TROTTER: She provided it directly to the Premier.

The Hon. DANIEL MOOKHEY: Did she do that by phone call, meeting, briefing note?

MICHAEL COUTTS-TROTTER: Face-to-face meeting.

The Hon. DANIEL MOOKHEY: In the meeting, was that on the day that he was required to provide a response to Parliament?

MICHAEL COUTTS-TROTTER: Yes, I think so. It was in the context of the Premier asking for the purpose of providing information to the Parliament.

The Hon. DANIEL MOOKHEY: So the Premier explicitly sought this briefing?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Then presumably got the briefing?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: And then relied upon it in providing evidence to the Parliament in question time that day?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: What I'm finding curious about this, Mr Secretary, is that the Premier has certainly made the point that he got briefed by Minister Ayres, and that, in fact, the information he provided to the House came from Minister Ayres, not Secretary Brown. Therefore, to the extent to which he misled, it was because he was misled by the Minister, not the secretary. What I'm trying to reconcile is how that is possible if there was an actual face-to-face meeting with the Premier in which the Premier got a direct briefing from the secretary.

MICHAEL COUTTS-TROTTER: I don't know what the Premier said, but it is entirely possible he was briefed by both Minister Ayres and Ms Brown. But I know that he was briefed by Ms Brown directly.

The Hon. DANIEL MOOKHEY: Was that documented, by any chance, or not?

MICHAEL COUTTS-TROTTER: My colleague Kate Boyd was present in that discussion. That's how I know it happened.

The Hon. DANIEL MOOKHEY: Ms Boyd, come on down. You were there?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: Did Ms Brown inform the Premier that there were no suitable candidates?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: That was despite there being two suitable candidates who were capable of appointment?

KATHRYN BOYD: That is the conclusion reached by Mr Head, yes.

The Hon. DANIEL MOOKHEY: But you witnessed Ms Brown tell this to the Premier directly?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: Okay. Was Minister Ayres present?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: So Minister Ayres was present at the meeting?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: It's possible that, in fact, what happened was that he has only publicly identified Minister Ayres, where, in fact, he was also told by the secretary? It's possible? You don't have to comment. Okay, fair enough. What are the implications of termination under section 68 in respect to the entitlements and such? Is there a separation payment?

MICHAEL COUTTS-TROTTER: A termination under section 68 attracts a compensation payment, from memory, of 13 weeks' salary as opposed to 38 weeks' salary under a section 41 termination.

The Hon. DANIEL MOOKHEY: Is that in addition to other entitlements?

MICHAEL COUTTS-TROTTER: Yes. If you had accumulated leave, for example, you would take that with you as well.

The Hon. DANIEL MOOKHEY: If we're terminating Ms Brown for cause, or we're not—or, to be fair, any secretary—

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: In such a scenario, the minimum under that provision is that we still have to pay 13 weeks?

MICHAEL COUTTS-TROTTER: That's correct.

The Hon. DANIEL MOOKHEY: Is there any other provision of the Act that you can terminate Ms Brown under which results in no payment?

MICHAEL COUTTS-TROTTER: Yes. I forget the section, but you can terminate for misconduct and that attracts no compensation.

The Hon. DANIEL MOOKHEY: This conduct amounts to a failure to perform the duties, but not misconduct?

MICHAEL COUTTS-TROTTER: That is my preliminary view, Mr Mookhey, after reading Mr Head's report closely and taking advice.

The Hon. DANIEL MOOKHEY: Presumably from Ms Boyd?

MICHAEL COUTTS-TROTTER: No, actually, from the Crown Solicitor.

The Hon. DANIEL MOOKHEY: Right. Sorry to point to you, Ms Boyd. You're often a suspect in terms of who provides this advice.

KATHRYN BOYD: A suspect? I object to that!

The Hon. DANIEL MOOKHEY: Can I just be clear here, if it is the case that there has been a breach of the code, how does that not amount to misconduct?

MICHAEL COUTTS-TROTTER: I'm uncomfortable about further elaborating on my views inside a process that is yet to complete.

The Hon. DANIEL MOOKHEY: Okay, but you have—

MICHAEL COUTTS-TROTTER: Can you just be satisfied knowing that I have thought very carefully about it and, based on advice, Mr Head's forensic report and the application of judgement, the view I have formed is that I'm dealing with it, on a preliminary basis, as a question of poor performance and not misconduct?

The Hon. DANIEL MOOKHEY: Mr Secretary, can I be satisfied? I'm hard to satisfy; hence the questions. But I take your point. I understand you're in the middle of a process and procedural fairness is owed to lots of people. I take your point of not pushing too much beyond that part of it. Can I just ask you in respect to Mr McClintock's report—you've received it?

MICHAEL COUTTS-TROTTER: Yes, and I'm sorry to have misadvised the Committee. The advice I had, prior to coming into the meeting this morning, was that it was due this evening. It was received while we were in discussion earlier this morning.

The Hon. DANIEL MOOKHEY: Fair enough. What power has Mr McClintock had access to as he has completed that investigation?

MICHAEL COUTTS-TROTTER: I might refer to my colleague Kate Boyd.

KATHRYN BOYD: The inquiry was established using the Governor's prerogative inquiry power. Mr McClintock has no statutory powers. He is giving a legal opinion, and the inquiry power of the Governor is to establish—

The Hon. DANIEL MOOKHEY: The prerogative power of the Governor has been used?

KATHRYN BOYD: Yes, that's right. Consistent with the approach taken in relation to a number of other expert panel inquiries in the past.

The Hon. DANIEL MOOKHEY: The Governor has issued some form of letters patent?

MICHAEL COUTTS-TROTTER: Yes.

KATHRYN BOYD: Yes. They are available on the DPC website if you'd like to peruse them.

The Hon. DANIEL MOOKHEY: I am a fan of the prerogative powers of the Crown.

MICHAEL COUTTS-TROTTER: Picture vellum and a wax seal.

The Hon. DANIEL MOOKHEY: We can sack Prime Ministers using the same power, so it does attract some interest. But there's actually no powers of compulsion?

KATHRYN BOYD: No.

The Hon. DANIEL MOOKHEY: No powers to take evidence under oath?

KATHRYN BOYD: No.

The Hon. DANIEL MOOKHEY: No powers to order the production of documents?

KATHRYN BOYD: No.

The Hon. DANIEL MOOKHEY: Is there a power to inspect Cabinet documents?

KATHRYN BOYD: Mr McClintock was provided with access to Cabinet documents as part of the inquiry, voluntarily.

The Hon. DANIEL MOOKHEY: He can interview people, but they are not under any obligation to tell him the truth? Is that fair?

KATHRYN BOYD: No, I don't think that's a fair thing to say. But I think it's important to consider the context of Mr McClintock's task here, and it was to give a legal opinion on whether the facts, as found by Mr Head, constituted a breach of the code. It wasn't really a fact-finding exercise in the way that you've described. He has been asked to look at the findings in the Head review and form a legal view.

The Hon. DANIEL MOOKHEY: What legal question has he been asked to answer or provide an opinion on?

KATHRYN BOYD: The question that I just stated. He's been asked: Having regard to the findings of the Head review, did former Minister Ayres breach the Ministerial Code of Conduct?

The Hon. DANIEL MOOKHEY: Which particular part of the code?

KATHRYN BOYD: There was no particular part of the code specified in the terms of reference for the inquiry, so any part of the code—any and all.

The Hon. DANIEL MOOKHEY: Is it the intention to make that report public?

KATHRYN BOYD: It's a question for the Premier.

The Hon. DANIEL MOOKHEY: Who does the report actually belong to?

KATHRYN BOYD: It's a report that's provided to the Governor and the Premier under the letters patent. So the requirements of—

The Hon. DANIEL MOOKHEY: To return it to the Governor?

KATHRYN BOYD: Yes, that's correct—and to the Premier. So the letters patent say a copy is to be delivered to the Governor and to the Premier.

The Hon. DANIEL MOOKHEY: Has it? I presume the Governor is currently reading it.

KATHRYN BOYD: The administrator.

MICHAEL COUTTS-TROTTER: The administrator, I think. The Lieutenant Governor.

The Hon. DANIEL MOOKHEY: Fair enough.

KATHRYN BOYD: The administrator.

MICHAEL COUTTS-TROTTER: The administrator, I'm sorry.

The Hon. DANIEL MOOKHEY: Secretary, do you know whether or not the Government intends to make it public?

KATHRYN BOYD: That's not really the role of the Governor. The Governor would normally—

The Hon. DANIEL MOOKHEY: Sorry, I was asking whether you know if the Government intended to make it public?

KATHRYN BOYD: Government, sorry. No. I think—

MICHAEL COUTTS-TROTTER: No, the Premier, I think, said in evidence this morning that he would consider that.

The Hon. DANIEL MOOKHEY: But you've seen it?

MICHAEL COUTTS-TROTTER: As I said earlier, I've seen a draft of the report.

The Hon. DANIEL MOOKHEY: Did he breach the code?

MICHAEL COUTTS-TROTTER: The advice is privileged legal advice to the Governor and the Premier. It's really a matter for the Premier to determine what he wants to make public.

The Hon. DANIEL MOOKHEY: Fair enough. Have there been any references made to any integrity agencies with respect to any particular breach of the code, not arising from this report but in general, with respect to the Barilaro matter?

MICHAEL COUTTS-TROTTER: Sorry, have there been references—

The Hon. DANIEL MOOKHEY: Let me rephrase. Has DPC or any person in DPC made any reference to the integrity agencies arising from a breach of the ministerial code?

MICHAEL COUTTS-TROTTER: A "reference" being a section 11 reference?

The Hon. DANIEL MOOKHEY: Yes, we can go with section 11, as a section of the ICAC Act.

MICHAEL COUTTS-TROTTER: No, not to my knowledge.

The Hon. DANIEL MOOKHEY: With respect to Minister Ayres' departure, while I've got you here on this particular point—I was going to ask you this later; I may as well ask it now. What are the costs of us replacing Minister Ayres here?

MICHAEL COUTTS-TROTTER: I appreciate what you're asking. I'll have to take that on notice. I don't know.

The Hon. DANIEL MOOKHEY: Can I just take you through certain further matters in the Head review, if you don't mind?

MICHAEL COUTTS-TROTTER: Yes, sure.

The Hon. DANIEL MOOKHEY: You've taken me through the first part of your response. I'm interested in the other parts of the recommendations that Mr Head has made.

MICHAEL COUTTS-TROTTER: The systemic recommendations?

The Hon. DANIEL MOOKHEY: Yes. Let's just go through them very quickly. Where are we up to with respect to the other recommendations? I'm on pages 8, 9 and 10.

MICHAEL COUTTS-TROTTER: Let me just have a look. So 1.3.2, which is the amendment to the Government Sector Employment Act—we're looking at a GSE amendment bill in the current session of the Parliament. There is a range of other recommendations that propose an amendment to the Act. They're all proposed to be brought in a bill to the Parliament in the spring session.

The Hon. DANIEL MOOKHEY: Can I invite on notice—I understand that recommendations 1.3.2 to 1.3.9 are substantially regulatory or legislative, although there are some that are regulation.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: We'll be in a position to ask the Public Service Commissioner as well about their response, but can we on notice just get the timetables—

MICHAEL COUTTS-TROTTER: Yes, of course, that's fine.

The Hon. DANIEL MOOKHEY: —with respect to the non-legislative aspects of it?

MICHAEL COUTTS-TROTTER: The legislative aspects are all in the spring session. The rules, as you know, are made by the Public Service Commissioner. She's available this afternoon to answer to that. But I know she has set up a little project team to get all that done.

The Hon. DANIEL MOOKHEY: Can I just take you to page 35 of the Head review, if you happen to have it?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: I'm trying to understand what exactly is this Government strategy committee. Is that a committee of Cabinet?

MICHAEL COUTTS-TROTTER: It's a subcommittee of Cabinet, yes.

The Hon. DANIEL MOOKHEY: Is it provided for in the Cabinet manual or not? There's been some conjecture about this.

KATHRYN BOYD: None of the committees are named in the Cabinet Practice Manual. It's not our practice to divulge that information publicly.

The Hon. DANIEL MOOKHEY: Not your practice?

KATHRYN BOYD: No.

The Hon. DANIEL MOOKHEY: Fair enough. It's an official Cabinet committee, correct?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Therefore, its proceedings are required to be documented, correct?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: And the records have to be kept?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Do matters need to be brought in writing or is there discretion?

MICHAEL COUTTS-TROTTER: Not all matters are brought with a paper, but—

The Hon. DANIEL MOOKHEY: But the discussion has to be documented?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Who does that?

MICHAEL COUTTS-TROTTER: I do, with my colleague, Kate Boyd.

The Hon. DANIEL MOOKHEY: Do you do that for the strategy committee of Cabinet?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: That's similar to what you would do for all subcommittees of Cabinet? There's nothing deviating from that, correct?

KATHRYN BOYD: It's exactly the same process for all committees and for Cabinet.

The Hon. DANIEL MOOKHEY: Do public servants who have matters before this committee have to appear? Can they appear or are they barred from appearance or is it a matter of discretion?

MICHAEL COUTTS-TROTTER: It's a matter of discretion.

The Hon. DANIEL MOOKHEY: With respect to this particular strategy Cabinet meeting that is discussed on page 35, it says here that there is no written record that would reflect the Minister's version of events.

MICHAEL COUTTS-TROTTER: No, it doesn't say that. It says:

... the record of the meeting provides no definitive position on this.

The Hon. DANIEL MOOKHEY: You're quite correct, Mr Secretary; that's what it says. To be fair, what Ms Brown told us, which is why I'm getting confused, was that she wasn't under the impression that any written position or advice had gone with respect to this. She certainly made clear that she was never asked to provide one and neither was her department, and to the best of her knowledge, no department did. Hence the conjecture about what exactly was decided here.

MICHAEL COUTTS-TROTTER: I don't know about documents provided to the committee, but the decision record of the committee is circulated and available to relevant secretaries.

The Hon. DANIEL MOOKHEY: But to be clear here, Ms Brown says she wasn't at this meeting. Is there any indication that she was?

MICHAEL COUTTS-TROTTER: No, she wasn't.

KATHRYN BOYD: She was not.

The Hon. DANIEL MOOKHEY: Insofar as the former trade Minister indicated to Mr Head that he believed the 8 November meeting had the effect of overturning the policy and, as you rightly point out, "However, the record of the meeting provides no definitive position on this," is there any further light you're prepared to share with me on this matter?

MICHAEL COUTTS-TROTTER: I'm old school, so I'm a little uncomfortable about discussing this. But it has been canvassed in Mr Head's report, so perhaps we can just do a carve-out for the usual constraints that would apply.

The Hon. DANIEL MOOKHEY: Okay. It's been canvassed by lots of people, to be fair.

MICHAEL COUTTS-TROTTER: Yes, indeed. What is meant, I think, is there was no explicit proposal referencing a previous Cabinet decision that was sought to be overturned. What was discussed was a status update on the appointment of two of the STIC roles, and it was clear that they were being appointed under the Government Sector Employment Act. So implicit in that was that these are not statutory appointments; these are public service appointments that would not go to Cabinet.

The Hon. DANIEL MOOKHEY: Implicit in that was that conclusion. So basically the information was provided to the members of that strategy committee and it was for them to interpret the advice that was given, having had reference to the previous decision, correct?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Incidentally, who's on this strategy committee? You can't tell me?

KATHRYN BOYD: We'll consult with the chair of Cabinet and provide that on notice if it's approved.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: But it's not the full Cabinet, correct?

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: Are its decisions reported to the full Cabinet?

KATHRYN BOYD: Yes.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Does that happen at the next meeting or is it tabled at—

MICHAEL COUTTS-TROTTER: As soon as the decisions are formalised, they are then reported to the next Cabinet meeting, which is typically the next Cabinet meeting.

The Hon. DANIEL MOOKHEY: A variety of Cabinet Ministers have anonymously said that they were never told. That's not my—I'm not one of them.

MICHAEL COUTTS-TROTTER: Never told what, Mr Mookhey?

The Hon. DANIEL MOOKHEY: That the decision was overturned—to appoint them through Cabinet. They all expected the appointments to come to Cabinet and they were never told.

MICHAEL COUTTS-TROTTER: There are seeds of confusion planted throughout this process from the 2019 Government decision, which explicitly said these appointments would come to Cabinet. But there was no subsequent action to create a statute that made them statutory roles.

The Hon. DANIEL MOOKHEY: Apparently because Minister Ayres had decided that wasn't a priority. That's the evidence we've been given. Immediately upon his appointment as the trade Minister, he decided not to proceed.

MICHAEL COUTTS-TROTTER: There's a long period between 2019 and late 2021.

The Hon. DANIEL MOOKHEY: There is. Secretary, you're quite correct. I haven't really had the opportunity to go through the exact matters that took place between 2019 and 2021, but I have concentrated on what happened in 2021 onwards. It is the case that the Minister had made that decision. Just to be clear, when the 8 November position was advised to the Cabinet strategy committee, did Minister Ayres advance a reason for why those two positions would continue on as STIC appointments?

MICHAEL COUTTS-TROTTER: You're asking me to comment on what happened at a Cabinet meeting.

The Hon. DANIEL MOOKHEY: No, I'm asking you not what the reason was but whether a reason was given.

MICHAEL COUTTS-TROTTER: You're asking me to comment on what happened inside a Cabinet discussion.

The Hon. DANIEL MOOKHEY: I'm trying my luck, Secretary. I am not lucky in this respect?

MICHAEL COUTTS-TROTTER: No, sorry. You're all lucked out.

The Hon. DANIEL MOOKHEY: Fair enough. Part of the reason I'm putting this to you, Mr Secretary, is because the effect of that was to effectively, as Ms Brown says, put her in a very awkward position. Ms Brown's consistent defence in respect to her conduct—at least as it has been made to us—is that it left her in a state of purgatory, where she interpreted it as a vote of no confidence in the public service—

MICHAEL COUTTS-TROTTER: I'm not sure she's a Catholic. It might have left her somewhere, but possibly not in purgatory.

The Hon. DANIEL MOOKHEY: To be fair, Ms Brown's faith is arguably beyond our terms of reference.

The Hon. SCOTT FARLOW: You keep on expanding those terms of reference.

The Hon. DANIEL MOOKHEY: It has turned out to be quite the inquisition. You are correct in that respect.

MICHAEL COUTTS-TROTTER: Without going to the specifics of this matter, it is not unusual for my colleagues to ring me, after reading a decision minute, to ask for clarification about what was meant and what they are authorised to do.

The Hon. DANIEL MOOKHEY: Did Ms Brown do that?

MICHAEL COUTTS-TROTTER: As a secretary, you would be expected to exercise initiative on this to—if you are unclear about what authorisation you do or don't have, you should go and force a decision on it or force clarification.

The Hon. DANIEL MOOKHEY: Did Ms Brown try to?

MICHAEL COUTTS-TROTTER: I never spoke to Ms Brown about that matter.

The Hon. DANIEL MOOKHEY: At any point?

MICHAEL COUTTS-TROTTER: About that specific matter, no.

The Hon. DANIEL MOOKHEY: I'm going to put to you what Ms Brown has put to us. She has made the point that, as a result of this decision on 8 November—or the decision, to be fair to her, that was made on 27 September to turn these into ministerial appointments and then the decision circa 8 November to reverse it—it left her in a state of what I described as purgatory, in which she had to make a decision as a public servant, knowing that the Ministers had declared no confidence in her judgment. That's her view. Therefore, she was seeking the close involvement of Minister Ayres, in effect, to hedge from any criticism that could arise about how and whom she was appointing. That's an awkward position for any secretary to be in. So I'm clear to you, and to be procedurally fair to her, I'm asking you whether or not you think that's a fair characterisation of events?

MICHAEL COUTTS-TROTTER: I'm a little bit—

The Hon. SCOTT FARLOW: Point of order: Effectively, what the Hon. Daniel Mookhey is doing is asking for an opinion from public servants, which is a longstanding—

The Hon. DANIEL MOOKHEY: To the point of order: I'm asking for Ms Brown's employer to respond.

The Hon. SCOTT FARLOW: What you're asking for is, in the secretary's opinion, whether that actually constitutes a fair characterisation.

The Hon. DANIEL MOOKHEY: Who else can I ask, other than the person who is the secretary to the Cabinet?

The Hon. SCOTT FARLOW: But it asks for the secretary to provide an opinion to this Committee.

The Hon. DANIEL MOOKHEY: It's not seeking an opinion; it's whether or not the secretary agrees with the facts that have been presented.

The CHAIR: I think this is probably on the line of this, but I will accept Mr Mookhey's argument in terms of where the line is. You know the standing orders here. You're not obliged to give an opinion. But for that direct question, you can answer that.

MICHAEL COUTTS-TROTTER: I'm reluctant to give an opinion because I'm in a formal process with Ms Brown where I've offered a preliminary view in response to Mr Head's report, and only Mr Head's report. His report, from my recollection, does not canvass that dimension.

The Hon. DANIEL MOOKHEY: I'll move on. Secretary, I accept your point that you say Ms Brown never sought to contact you to clarify the decision, and your expectation was that any secretary who finds themselves in a position of ambiguity has the onus to charge down the doors and get it clarified. Ms Brown has given us three other things that I want to put to you directly, to be fair to you and to give you the chance to respond. The first is that she sought your involvement on the actual selection panel for the selection of the Americas job and, in doing so, she was maintaining consistency with previous practice that saw your predecessor involve himself in some of these selection panels. Did Ms Brown, anyone from Investment NSW or, I think at that time, the Department of Enterprise, Investment and Trade—it's hard to keep up—seek your involvement on the Americas position? And if you declined, why did you decline?

MICHAEL COUTTS-TROTTER: Ms Brown did ask me to join that panel. I think that was in January 2021.

The Hon. DANIEL MOOKHEY: This year—2022.

MICHAEL COUTTS-TROTTER: In 2022, I'm sorry. That was, from memory, in the middle of Omicron. That was what was consuming me at that time. I looked around my senior colleagues and, while not deprecating the role and the busyness of the Public Service Commission, I concluded that, of my senior colleagues, the Public Service Commissioner was probably the person who had the most time to devote to a recruitment process. I suggested to Ms Brown that she approach Ms Lo in my stead. It was a judgement made, basically, on the balance of what I had on my plate at the time.

The Hon. DANIEL MOOKHEY: The second incidence in which Ms Brown tells us that she sought your direct involvement and assistance was circa late March or early April. At this point, the interview panel had decided—actually, to be fair, the interview panel had interviewed some candidates. Apparently, Ms Brown indicated to you that the likely outcome was going to be Mr Barilaro's appointment, with a view that she was seeking your guidance. I think the term she used was a "sense check". Do you recall Ms Brown calling you about this?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: What was discussed?

MICHAEL COUTTS-TROTTER: I shut the discussion down pretty quickly. It was almost an instinctive reaction. I didn't understand quite this specifically at the time, but it felt like she was inviting me to intervene in a process. In fact, I think that's what Mr Head found in his report—that it would've been, in most circumstances, improper for me to intervene in a recruitment process that I was not party to.

The Hon. DANIEL MOOKHEY: Is it your view that, effectively, in soliciting your opinion as to the appropriateness of Mr Barilaro's appointment, that would cross the threshold of you involving yourself directly in the decision to offer him the role?

MICHAEL COUTTS-TROTTER: No. My understanding at the time was that Ms Brown thought that Mr Barilaro would be a very controversial appointment. That was an opinion that I shared, but she had described to me a legitimate merit selection process. If she was concerned about the controversy of Mr Barilaro's appointment, he would either be the successful candidate through the process or he would withdraw from the process. There was no other proper option.

The Hon. DANIEL MOOKHEY: In that respect, you shared the concern that he would be controversial? But you didn't actually give her that view.

MICHAEL COUTTS-TROTTER: Sorry. What do you mean, "give her that view"?

The Hon. DANIEL MOOKHEY: You didn't tell her that at that point.

MICHAEL COUTTS-TROTTER: I didn't tell her what?

The Hon. DANIEL MOOKHEY: That Mr Barilaro's appointment might attract some controversy. You shut down the conversation.

MICHAEL COUTTS-TROTTER: No. I think I remarked that to her at that point, yes.

The Hon. DANIEL MOOKHEY: You did actually say that to her?

MICHAEL COUTTS-TROTTER: To the best of my recollection—or I raised an eyebrow or, in some way, I indicated, "Yes, I share your concern about the controversy." But that's a consideration within a selection process. The task of a selection panel is to find someone who's suitably qualified and appropriate and able to be an effective appointment. That's a matter that Ms Brown could discuss with her other assessors inside the process. But it's not something that someone outside the process can do anything about.

The Hon. DANIEL MOOKHEY: Was this in a face-to-face meeting that you had or was this on the phone?

MICHAEL COUTTS-TROTTER: I don't recall.

The Hon. DANIEL MOOKHEY: Ms Brown tells us as well that she asked you to, effectively, check the opinion of the Premier on this. Do you recall any request akin to that?

MICHAEL COUTTS-TROTTER: No. I don't recall her framing it in that way. But my recollection of that level of detail is—I wouldn't be too definitive about it. She could've framed it in those terms. I'm not sure.

The Hon. DANIEL MOOKHEY: She gave us a view that, at one of your weekly meetings with her as your direct report, she also mentioned this and, in fact, did so around May, I think, and disclosed to you and, effectively, was asking you to check that—or "raise any objections on behalf of the Premier" is the other way you can put it. But you have no recollection of any such request or anything like that.

MICHAEL COUTTS-TROTTER: She was worried about an appointment she thought could be controversial. I had an immediate reaction that it was in some way an invitation to intervene in a process improperly. I shut the discussion down to have a bit of a think about it. There were two occasions where I simply provided advice—once to the Premier's chief of staff, once to the Premier and his chief of staff—at two points in the second recruitment process that, one, John Barilaro was a candidate; and, two, based on advice I'd received from Ms Lo and Ms Brown, that he was a relatively strong candidate within the field that was being considered and therefore might be appointed.

The Hon. DANIEL MOOKHEY: Sorry. Two conversations?

MICHAEL COUTTS-TROTTER: To the best of my recollection, two, yes.

The Hon. DANIEL MOOKHEY: One was with the Premier's chief of staff and one was just the Premier? Did I hear that right?

MICHAEL COUTTS-TROTTER: The Premier and his chief of staff.

The Hon. DANIEL MOOKHEY: Concurrently. So both conversations were had concurrently with the Premier and the Premier's chief of staff.

MICHAEL COUTTS-TROTTER: It was essentially to provide them with information that, one, Mr Barilaro was a candidate in the process; two, that, on the advice I'd received, it was a legitimate merit selection process; and, on the second occasion, that Mr Barilaro was emerging as the strong candidate within that process.

The Hon. DANIEL MOOKHEY: When did the first conversation take place?

MICHAEL COUTTS-TROTTER: January, February.

The Hon. DANIEL MOOKHEY: January, February?

MICHAEL COUTTS-TROTTER: At whatever point, Mr Mookhey, that Mr Barilaro—the process was begun and he was an applicant in the process.

The Hon. DANIEL MOOKHEY: How did you know? He applied in January '20. When were you told that he was an applicant?

MICHAEL COUTTS-TROTTER: As I say, at some point in early 2022.

The Hon. DANIEL MOOKHEY: Who told you?

MICHAEL COUTTS-TROTTER: Ms Brown told me. Ms Lo, in one of our regular catch-ups, said that at that point, whatever point it was in the process—I think, in March, following the interviews—Mr Barilaro was, in relative terms, a strong candidate inside the process.

The Hon. DANIEL MOOKHEY: Then, upon you finding out from Ms Brown and Ms Lo, you disclosed this to the Premier and the Premier's chief of staff concurrently.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Was that just in a regular catch-up or did you go out of your way or send him a note?

MICHAEL COUTTS-TROTTER: No. It was part of a regular catch-up.

The Hon. DANIEL MOOKHEY: So the Premier knew from then, from you, that he had applied.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Did he give you any indication that he anticipated an application?

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: To be fair to the Premier as well, Mr Barilaro has told us that he told him, in a Martin Place encounter, that he had disclosed a likely interest as well. But, to the best of your recollection, the first time Mr Perrottet finds out about Mr Barilaro's candidacy is after you tell him.

MICHAEL COUTTS-TROTTER: I simply recall telling him. I don't know whether that was the first time he was aware of Mr Barilaro's candidacy. I didn't ask, and the Premier didn't tell me.

The Hon. DANIEL MOOKHEY: Did he express a view to you that that could attract some controversy?

MICHAEL COUTTS-TROTTER: No. He just registered the information.

The Hon. DANIEL MOOKHEY: When did you have the second conversation?

MICHAEL COUTTS-TROTTER: I think the interviews took place in mid March.

The Hon. DANIEL MOOKHEY: Yes. I think that is true.

MICHAEL COUTTS-TROTTER: Fifteen March or thereabouts. It was soon after that, I think. Ms Lo told me that he had emerged as a strong candidate inside the process. I relayed that information.

The Hon. DANIEL MOOKHEY: Sorry. She was on the panel. Right? That's correct?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: In some form of a catch-up that takes place after 15 March, she told you?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: You then told the Premier and the chief of staff.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Do you have any specific recollection as to when the second meeting, conversation took place?

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: But your recollection was it was around that time.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: At this point in time, Mr Barilaro isn't anywhere near the preferred candidate. The view doesn't form in Investment NSW that he's the preferred candidate until—

MICHAEL COUTTS-TROTTER: I didn't say he was the preferred candidate. I said that he was emerging as a relatively strong candidate in the process. It had taken place after interviews, and Ms Lo's comment to me was that he had performed extremely well at interview.

The Hon. DANIEL MOOKHEY: It's a fair clarification, Mr Secretary. I appreciate that. You told the Premier then.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: What did he say?

MICHAEL COUTTS-TROTTER: He registered the information.

The Hon. DANIEL MOOKHEY: And didn't respond.

MICHAEL COUTTS-TROTTER: No, not really.

The Hon. DANIEL MOOKHEY: The Premier, clearly, had more warning about Mr Barilaro than other members of the selection panel. No further conversations were had with you. Is that your evidence?

MICHAEL COUTTS-TROTTER: Remember I told him, on the advice I had, "This is a legitimate merit selection process—i.e., there's nothing you can do to intervene in the process. I'm just letting you that know that he's emerging as a relatively strong candidate inside that process."

The Hon. DANIEL MOOKHEY: At this point, the Premier doesn't go to you, "Why isn't this coming to Cabinet? This is meant to be coming to Cabinet. These are meant to be ministerial appointments."

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: At any point did the Premier go to you prior to the announcement, or anyone else in DPC, "Where's the Cabinet appointment form that allows the Cabinet to debate Mr Barilaro's appointment"?

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: Yet at this point the Government is still notionally committed to converting them into ministerial positions. Correct? Or that's been overturned.

MICHAEL COUTTS-TROTTER: There's an extant Cabinet decision, but the practical reality is that the appointments are being made as Government Sector Employment Act appointments.

The Hon. DANIEL MOOKHEY: The best way I could describe that—I know, Mr Secretary, you don't want to vouchsafe any opinion here, but it sounds like a total shambles. A Cabinet decides to turn them into ministerial positions. The Minister decides to ignore the Cabinet. He may or may not have told the strategy committee of the Cabinet. Then everyone goes ahead and proceeds in the fiction that these are meant to be public service appointments. Public service comes up with John Barilaro. You tell the Premier, and the Premier sits back and goes, "Okay." That's honestly what happened?

MICHAEL COUTTS-TROTTER: Remember context. I tell the Premier there's a legitimate merit selection process going on. March is—the north of the State has been devastated. There's an awful lot of other things happening throughout this period. We're now focused with great intensity on the minutiae of these processes, but they're a fraction of everything that's happening. And most of it, I think, in the moment, seems a lot more urgent and a lot more important.

The Hon. DANIEL MOOKHEY: No doubt, Mr Secretary, governments are always busy, and you are dead right to say that the flood response did require an all-of-government response. No-one begrudges that.

MICHAEL COUTTS-TROTTER: Sure.

The Hon. DANIEL MOOKHEY: But why wasn't DPC champing at the bit and going, "Hey, there's a problem here"? To be fair to Ms Boyd, Ms Boyd detected a year earlier that there was a deviation in the process in respect to the Japan position and the London position, and alerted people to the fact. That allowed steps to be taken to correct it.

MICHAEL COUTTS-TROTTER: Sure.

The Hon. DANIEL MOOKHEY: So we have a case study here of DPC doing a great job to point out the fact that the Government was embarking on a process that may have been illegal, yet a year later—

MICHAEL COUTTS-TROTTER: Illegal, I think, is the wrong way to frame it.

The Hon. DANIEL MOOKHEY: Well, ministerial appointments are a breach of the Act—I mean, certainly, until it was changed?

MICHAEL COUTTS-TROTTER: No, you can take a GSE appointment to Cabinet, but it's not a sensible thing to do because it muddles who is accountable.

The Hon. DANIEL MOOKHEY: To be clear, there was lots of advice sought about whether it was, in fact, capable of being presented to Cabinet without Cabinet breaching the Act.

MICHAEL COUTTS-TROTTER: Sure.

The Hon. DANIEL MOOKHEY: So, sure, I'm prepared to see the point that—

MICHAEL COUTTS-TROTTER: No, I think the—

The Hon. DANIEL MOOKHEY: I'm prepared to see the point it's not found to be illegal, but we can at least agree it may be outside power. But, either way, why was it—

MICHAEL COUTTS-TROTTER: I think Ms Boyd's observation was just about good governance.

KATHRYN BOYD: That's correct. I would not say that it was illegal. It was poor governance in that it blurred the lines of who was accountable for making the appointment and, in this case, it was clearly Ms Brown that was—

The Hon. DANIEL MOOKHEY: Okay. I accept poor governance. If your point was it was poor governance and not illegal—

KATHRYN BOYD: No. It would be if it had gone to Cabinet, but it did not.

The Hon. DANIEL MOOKHEY: I'm guilty of making an incorrect statement there and I withdraw it. It wasn't illegal; it was poor governance. We'll go with it.

MICHAEL COUTTS-TROTTER: No, it would have been poor governance.

The Hon. DANIEL MOOKHEY: Well, it was poor governance because the two positions did go to Cabinet?

MICHAEL COUTTS-TROTTER: The first two did, yes.

The Hon. DANIEL MOOKHEY: Indeed.

MICHAEL COUTTS-TROTTER: That's right.

The Hon. DANIEL MOOKHEY: But my point is that we have a clear warning of poor governance looming but no-one was sitting around going to the Cabinet, "Gee, these needed to come to you"?

KATHRYN BOYD: But they didn't.

The Hon. PENNY SHARPE: No, but I think—can I just follow up? I mean, part of the issue here was—and the Premier gave evidence this morning about this—there was a broad view across government, amongst the Ministers, that these positions should be ministerial appointments. And while there was a lot of confusion about backwards and forwards and what the strategy committee did, did no-one—either Minister Ayres or the Premier—at any point, once being informed that Mr Barilaro was about to be the successful candidate, say, "Aren't these supposed to go to Cabinet?"

MICHAEL COUTTS-TROTTER: That's a question for the Premier.

The Hon. DANIEL MOOKHEY: Either way, your evidence is quite clear: The Premier never sought any advice as to why this hasn't come to Cabinet at any point?

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: Okay. I'm going to pause there and allow my colleague to ask some questions.

The Hon. COURTNEY HOUSSOS: Thank you very much. Good afternoon, everyone.

MICHAEL COUTTS-TROTTER: Hello.

The Hon. COURTNEY HOUSSOS: I just wanted to ask you, off the back of my colleague's questions, Mr Coutts-Trotter, did you ever ask any questions to verify whether it was an independent process? You were told it was an independent process. Did you ever go, "Is it really?"

MICHAEL COUTTS-TROTTER: I was talking to the Public Service Commissioner, who was the participant in a selection panel. Obviously, now that we've got Graeme Head's report, we realise that there were some things happening that Ms Lo was not aware of. But, no, I had no reason to question the process.

The Hon. COURTNEY HOUSSOS: To be clear, I wouldn't expect that you would ask Ms Lo those questions—I thought maybe Ms Brown?

MICHAEL COUTTS-TROTTER: No. But, I mean, Ms Brown initiated the recruitment process. At my recommendation, it involved Ms Lo. I had no reason to doubt its legitimacy or the quality of the process.

The Hon. COURTNEY HOUSSOS: Okay. Mr Coutts-Trotter, I want to turn to the question of the Building Commissioner's resignation and his resignation letter.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. COURTNEY HOUSSOS: In the other budget estimates that is going on at the moment, Fair Trading, Ms Hogan has just told us that the resignation was first flagged with her on the morning of 7 July.

MICHAEL COUTTS-TROTTER: Right. Okay.

The Hon. COURTNEY HOUSSOS: And that she then raised it with you on that date?

MICHAEL COUTTS-TROTTER: Yes, she did.

The Hon. COURTNEY HOUSSOS: She specifically raised the issues that have now been publicly canvassed, which is around the Minister's relationship with the Coronation Property group?

MICHAEL COUTTS-TROTTER: Well, her first concern—her primary concern—was the departure of someone who had been an excellent Building Commissioner and a strong reformer. So her first concern was the fact of Mr Chandler's resignation. She didn't want him to go. The second point was a rather unclear letter with some sort of intimations that are not clear at first blush. So she shared the letter with me and we had a talk about what she was proposing to do in response.

The Hon. COURTNEY HOUSSOS: Okay. This got escalated pretty quickly. It was emailed by Mr Chandler's assistant at 3:39, she forwards it to you at 3:50 and then at 4:43 you send it off to the Acting General Counsel of the Department of Premier and Cabinet?

MICHAEL COUTTS-TROTTER: I did.

The Hon. COURTNEY HOUSSOS: And it was urgent enough that the next morning, when they were running a little bit late or were delayed on the trains, they had responded to you and said—

MICHAEL COUTTS-TROTTER: It's a high-service environment, the general counsel function. They are unbelievably responsive. Look—

The Hon. COURTNEY HOUSSOS: So that's the normal course of events, is basically what you're saying?

MICHAEL COUTTS-TROTTER: Well, no—

The Hon. COURTNEY HOUSSOS: It wasn't that this was an issue that was being escalated very quickly and seeking urgent advice?

MICHAEL COUTTS-TROTTER: I mean, it's not every day a building commissioner resigns, so it's not an ordinary day. I'd had a discussion with my colleague Ms Hogan on the day I received the letter. We agreed that she needed to talk to Mr Chandler to get a clear explanation of those parts of his letter that Ms Hogan found a bit puzzling and that, from there, she would then speak with her then Minister, Ms Petinos. I sent a copy of the letter to our acting general counsel. We spoke the next day. The reason I did that was just to make sure that the

action that Ms Hogan and I had agreed to take was appropriate and that there nothing further at that point we should be doing. The view of the acting general counsel was, no, that seems an appropriate response to a letter.

The Hon. COURTNEY HOUSSOS: And the course of action was then outlined at your one-on-one, which occurred at one o'clock on the Friday?

MICHAEL COUTTS-TROTTER: Ms Hogan may have a better recollection than me. But we'd agreed on what she was going to do on the Thursday night, I think, the day she received the letter. I think we then—I think 11 July she'd had the discussion with Mr Chandler and Ms Petinos, and we both concluded that, based on what she'd learned from Mr Chandler and what she'd discussed with Minister Petinos, there was no further action required.

The Hon. COURTNEY HOUSSOS: So, in your mind, on 11 July the matter had basically concluded—the Building Commissioner was going to depart, there were some administrative issues that needed to be resolved around that, but there was no further action required from you or from the Department of Premier and Cabinet?

MICHAEL COUTTS-TROTTER: No, because, I mean, the discussion—my recollection of the discussion I had with Ms Hogan after she'd spoken to Mr Chandler was that he made clear to her that at no point had he been pressured in his decision-making by the Minister or her office. He was not able to identify a specific relationship between Ms Petinos and Coronation Group beyond that which she had already disclosed, which was a previous working relationship with John Barilaro. He was not alleging anything other than there was a knowledge, a relationship there, between the two of them. He wasn't making a formal complaint about the Minister, and we both determined that against the clear test of section 11 of the ICAC Act there was no requirement to refer anything to the commission or take any further action.

The Hon. COURTNEY HOUSSOS: Okay, so what changed? What changed and led her to send it on 31 July—or seek advice and then send it on 1 August?

MICHAEL COUTTS-TROTTER: That's a question for her. But I think, fundamentally, what changed is Kate Boyd came back from leave. Ms Boyd, our general counsel, was away in this period. She has regular contact with my colleagues, who often seek her advice on matters of governance, and I think Ms Hogan subsequently spoke to Ms Boyd in late July after she returned from leave and decided, following that discussion, to provide a copy of Mr Chandler's resignation letter to the ICAC for information for abundant caution.

The Hon. COURTNEY HOUSSOS: Before I go to Ms Boyd, can I just ask you, Mr Coutts-Trotter, did you tell the Premier about the Building Commissioner's resignation? Did you discuss it with him at any point?

MICHAEL COUTTS-TROTTER: That came up in this morning's session. I certainly told his deputy chief of staff.

The Hon. COURTNEY HOUSSOS: Do you know roughly when you told the deputy chief of staff?

MICHAEL COUTTS-TROTTER: Sometime in July before the trade mission would be my best recollection.

The Hon. COURTNEY HOUSSOS: Did you brief him on the issues in the letter?

MICHAEL COUTTS-TROTTER: No. Not him; it's a her.

The Hon. COURTNEY HOUSSOS: Sorry, her.

MICHAEL COUTTS-TROTTER: That's okay. No, both Ms Hogan and I, because we met with the deputy chief of staff together, we both said, "Mr Chandler's signalled his resignation. It was a slightly puzzling letter in parts. We've run it to ground. There's, in our view, no further action required."

The Hon. COURTNEY HOUSSOS: It's a slightly puzzling letter in parts.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. COURTNEY HOUSSOS: But it has been chased down.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. COURTNEY HOUSSOS: Did you raise the specific issue of Coronation Property group and the Minister? Did you use those words?

MICHAEL COUTTS-TROTTER: Not to my recollection.

The Hon. COURTNEY HOUSSOS: What was the explanation that you gave to the deputy chief of staff as to why he was leaving?

MICHAEL COUTTS-TROTTER: Very poor working relationship with the previous Minister and her office.

The Hon. COURTNEY HOUSSOS: Did you give the deputy chief of staff a copy of the letter?

MICHAEL COUTTS-TROTTER: No.

The Hon. COURTNEY HOUSSOS: When you say a "very poor working relationship with the previous Minister", did you go into any details about any specific instances that had occurred?

MICHAEL COUTTS-TROTTER: Ms Hogan did describe some examples of a lack of respect in dealings between the former Minister and her office and some departmental officials.

The Hon. COURTNEY HOUSSOS: So you briefed the deputy chief of staff about issues more broadly about how the Minister was interacting.

MICHAEL COUTTS-TROTTER: The purpose of the discussion was—at Ms Hogan's initiative—to talk directly with the Premier's deputy chief of staff to explain Ms Hogan's concerns about some interactions between the Minister and her office and less senior members of Ms Hogan's department.

The Hon. COURTNEY HOUSSOS: Do you know roughly when that meeting occurred?

MICHAEL COUTTS-TROTTER: I think the second week in July.

The Hon. COURTNEY HOUSSOS: Can you tell me whether at that point DPC had received any complaints—formal, informal, anonymous—about the Minister's behaviour?

MICHAEL COUTTS-TROTTER: I'll just get the timing on this. Just for clarity, the term "anonymous complaint" is very specific. It refers to a complaint-making channel under the policy—formal complaints, informal complaints, anonymous complaints.

The Hon. COURTNEY HOUSSOS: That's why I asked you, Mr Coutts-Trotter, because you'll remember in our last estimates I asked you if you had received any complaints about any Ministers.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. COURTNEY HOUSSOS: And I understand now that there are specific types of ways that we should discuss that, so I'm interested in knowing whether you received any anonymous complaints, formal complaints or informal complaints.

MICHAEL COUTTS-TROTTER: We've only received one complaint under that policy. We provide support for the implementation of that policy, and apparently we received a complaint on 4 July.

The Hon. COURTNEY HOUSSOS: On 4 July.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. COURTNEY HOUSSOS: Are you able to tell us if that was in relation to former Minister Petinos?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. COURTNEY HOUSSOS: Can you tell us what type of complaint that was of those three strands?

MICHAEL COUTTS-TROTTER: It was an anonymous disclosure, so obviously anonymous in the sense that that was the complaint-making channel that the person chose, and we received the complaint, we offered the complainant a range of supports and they explicitly asked us not to share information about the complaint with anybody and the matter was closed then. They just simply wanted to register it with us.

The Hon. COURTNEY HOUSSOS: But no further action is taken?

MICHAEL COUTTS-TROTTER: No, at their request.

The Hon. COURTNEY HOUSSOS: On 4 July, that was?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. COURTNEY HOUSSOS: Ms Hogan told us this morning that complaints were first raised with her in April. Were you aware of them as early as that?

MICHAEL COUTTS-TROTTER: No.

The Hon. COURTNEY HOUSSOS: Issues, discussions about the Minister's behaviour?

MICHAEL COUTTS-TROTTER: Sorry, I think—

The Hon. COURTNEY HOUSSOS: I'm using the "complaints" word; I should have said whether there were issues or whether there was a discussion.

MICHAEL COUTTS-TROTTER: Prior to July, I had had one or more discussions with Ms Hogan about the quality of the working relationship with the Minister and her office and the efforts that Ms Hogan was making to try and establish as constructive and effective a working relationship as possible. She had concerns about the nature of the working relationship, and she was using me as something of a sounding board on the sorts of things she was doing to try and change the nature of that working relationship and make it more constructive.

The Hon. COURTNEY HOUSSOS: And this had been going on for months?

MICHAEL COUTTS-TROTTER: I don't know how long, but Ms Hogan had raised it with me before July.

The Hon. COURTNEY HOUSSOS: So at no point you raised this with the Premier?

MICHAEL COUTTS-TROTTER: With the Premier, no. Directly with the Premier, no. I would have let his office know that it wasn't a great working relationship between then Minister Petinos and her office and her agency, and I would have said that the head of the agency was working constructively to try and improve that.

The Hon. COURTNEY HOUSSOS: Is this something that you've encountered before?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. COURTNEY HOUSSOS: But you would expect that, in telling his office about it, they would escalate it to him if required?

MICHAEL COUTTS-TROTTER: It's a matter for them. Without over-burdening a very busy Premier and their office, you try and operate on a basis of no surprises.

The Hon. COURTNEY HOUSSOS: When did you first discuss the Building Commissioner's resignation with the Premier directly?

MICHAEL COUTTS-TROTTER: Directly with the Premier, to the best of my recollection, not until—to be honest, I'm not clear whether I spoke to the Premier at all about it between the second week in July when I spoke to his deputy chief of staff and 31 July where it came up at the end of a discussion between the Premier, myself and Emma Hogan.

The Hon. COURTNEY HOUSSOS: I might pause there and pass back.

The CHAIR: I'll go to the crossbench. Ms Boyd.

Ms ABIGAIL BOYD: I don't think this will take very long though, Courtney, so I'll be coming back to you. I just wanted to ask you, secretary, what you know about the Treasurer's Direction that was issued earlier this month in relation to gifts of government property. Are you aware of—

MICHAEL COUTTS-TROTTER: Not as much as I should. Kate Boyd?

KATHRYN BOYD: Yes?

MICHAEL COUTTS-TROTTER: How can we help?

Ms ABIGAIL BOYD: My understanding is that this new Treasurer's Direction is exempting government agencies—well, GSF agencies in particular—from having to disclose gifts of government property that they make below \$10,000, whereas previously it used to be that there was no limit at all.

MICHAEL COUTTS-TROTTER: Okay.

Ms ABIGAIL BOYD: The reason for this that was given is that it's apparently administratively burdensome for every gift to be disclosed, but \$10,000 seems a bit high though. How many gifts of this nature are being made by government agencies?

MICHAEL COUTTS-TROTTER: I recently looked at one of our own disclosure lists, and in the ordinary course of protocol we receive a lot of very attractive items from all sorts of people that we then register.

KATHRYN BOYD: Sorry, Ms Boyd. Are you talking about gifts of government property or gifts and hospitality received?

Ms ABIGAIL BOYD: Both, I think—actually, sorry, this is gifts of government property.

KATHRYN BOYD: So not gifts we receive?

Ms ABIGAIL BOYD: No.

MICHAEL COUTTS-TROTTER: I'm sorry. I'm misunderstanding. Gifts we give?

KATHRYN BOYD: Yes.

Ms ABIGAIL BOYD: That's right, of up to \$10,000 of government property without needing to disclose it.

MICHAEL COUTTS-TROTTER: Right.

KATHRYN BOYD: Do you mind if we take that on notice? I'm not sure that that's the intent. I can only speak to DPC's practice, and we disclose all gifts of government property to our audit and risk committee under that Treasurer's Direction.

MICHAEL COUTTS-TROTTER: Yes, we do.

KATHRYN BOYD: So I'm wondering whether the threshold might apply in a slightly different way in terms of the process that you have to comply with.

Ms ABIGAIL BOYD: I understand it doesn't take effect until—let me have a look—I think maybe 23 December, curiously.

MICHAEL COUTTS-TROTTER: Just prior to Christmas.

Ms ABIGAIL BOYD: No, the direction commences on 5 September 2022. Yes, just before Christmas. I don't know where the twenty-third—sorry, I saw something before and now I don't know where it is. In any event, it does say that the direction commences on 5 September 2022. Yes, if you could come back to me.

MICHAEL COUTTS-TROTTER: We would be happy to.

Ms ABIGAIL BOYD: It says here, for example, in section 3 (1):

The accountable authority for a GSF agency is required to maintain a *written register* of gifts of government property that a person handling government resources has made for or on behalf of the agency if the gift has a fair value of or over \$10,000 when it is gifted—

whereas previously it was zero.

KATHRYN BOYD: We'll take that on notice and get you an answer as to why that policy change has occurred.

Ms ABIGAIL BOYD: Can you tell me, though, how common is it for gifts of, say, \$9,000 to be made by a government agency?

KATHRYN BOYD: Not common at all by DPC. I mean, we have the protocol team in Kate Meagher's group that would often provide diplomatic gifts, but—

MICHAEL COUTTS-TROTTER: And not common at all in DCJ, yes. Unusual.

KATHRYN BOYD: I think a lot of this space is about excess government assets, so things like old IT and perhaps old furniture that should be re-used and recycled, and it's about promoting the efficient disposal of that excess property.

Ms ABIGAIL BOYD: I can understand that, but you would expect that that still is something that we're able to hold the Government to account for, otherwise you could be going in—there are plenty of laptops that are less than \$10,000 that you could be handing out to people. I also note that in the ICAC's report on investigation into pork-barrelling it does mention at one point that perhaps we need to extend our legislation in case funding was provided in a way that it avoids a proposed grants framework. You can imagine how something like this, if it is as I read it, could be used to give out money in a way that might otherwise be considered pork-barrelling.

MICHAEL COUTTS-TROTTER: Well, I—yes.

KATHRYN BOYD: I think there are other requirements in the Treasurer's Direction that make sure that the gifting is appropriate.

Ms ABIGAIL BOYD: But, again, if it's not in a register for us to look at, how do we know that it has complied with the rest of that direction? It's sort of the whole point of having the disclosure, isn't it?

KATHRYN BOYD: That's a fair point, so we'll take that on notice and seek advice from our colleagues in Treasury about the reasons for that and whether there are any other record-keeping requirements in relation to gifts under the threshold.

Ms ABIGAIL BOYD: Yes, please do—or perhaps I've just read it wrong. It would be good to know.

MICHAEL COUTTS-TROTTER: Okay.

The Hon. COURTNEY HOUSSOS: Mr Coutts-Trotter, I asked about formal/informal complaints and anonymous disclosures about Ministers. Have you received any others under the policy?

MICHAEL COUTTS-TROTTER: No—no? Sorry, my colleague Samara Dobbins—

SAMARA DOBBINS: I might have to take it on notice, but my recollection is one informal complaint.

MICHAEL COUTTS-TROTTER: Oh, okay. My apologies.

The Hon. COURTNEY HOUSSOS: That's against a Minister?

SAMARA DOBBINS: No.

The Hon. COURTNEY HOUSSOS: Okay.

The Hon. DANIEL MOOKHEY: Against whom?

The Hon. COURTNEY HOUSSOS: Against?

The Hon. DANIEL MOOKHEY: Not the name but the position.

The Hon. COURTNEY HOUSSOS: The position? Can you provide us the position?

SAMARA DOBBINS: By a ministerial staff member against another ministerial staff member.

The Hon. COURTNEY HOUSSOS: Okay. All right. I think that's it. Thank you.

The Hon. DANIEL MOOKHEY: Mr Secretary, can you explain to me how does a Cabinet submission get on the agenda?

MICHAEL COUTTS-TROTTER: I'm sorry, how does—

The Hon. DANIEL MOOKHEY: A Cabinet submission get on the agenda. What's the process?

MICHAEL COUTTS-TROTTER: You seek the approval of the Premier through his office, and it gets put on the agenda or not.

The Hon. DANIEL MOOKHEY: So if a Minister has a submission, they have to at first instance register it with DPC in the Cabinet office or not?

MICHAEL COUTTS-TROTTER: Yes.

KATHRYN BOYD: So a Cabinet proposal is lodged and then—

The Hon. DANIEL MOOKHEY: That's logged into a computer system, is it?

KATHRYN BOYD: That's correct.

The Hon. DANIEL MOOKHEY: What's that computer system called?

KATHRYN BOYD: eCabinet.

The Hon. DANIEL MOOKHEY: eCabinet. Then what happens?

KATHRYN BOYD: The Premier's office determines the formal agenda for Cabinet, based on the proposals.

The Hon. DANIEL MOOKHEY: But before that do other affected departments and Ministers have the opportunity to see what's on the eCabinet submission?

KATHRYN BOYD: Not at the proposal stage is my understanding, but I can take that on notice.

The Hon. DANIEL MOOKHEY: Let's go to the submission stage. Is there a difference between a proposal and a submission?

KATHRYN BOYD: Yes.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Let's stick to the submission process. A Minister has to lodge a submission—correct?

KATHRYN BOYD: Yes.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: They lodge that with whom?

MICHAEL COUTTS-TROTTER: Into the eCabinet process, which is managed by us.

The Hon. DANIEL MOOKHEY: So into the—is it eCabinet?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Then what happens?

KATHRYN BOYD: There's a process of consultation.

The Hon. DANIEL MOOKHEY: What's that? What happens?

KATHRYN BOYD: The submission is circulated across the sector and comments are sought—

The Hon. DANIEL MOOKHEY: From whom?

KATHRYN BOYD: —from agencies on the proposal.

The Hon. DANIEL MOOKHEY: From agencies?

MICHAEL COUTTS-TROTTER: Yes.

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: Then what happens?

KATHRYN BOYD: Those comments are considered by the submitting agency and amendments may or may not be made to the submission, based on that consultation, and a final Cabinet submission is lodged for consideration by the Cabinet or the committee. This is set out in the Cabinet practice manual, I should say. It's all a matter of public record.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Hence, I'm asking. Ms Boyd, I'm prepared to confess my knowledge of the Cabinet manual is probably inferior to yours.

KATHRYN BOYD: It's exciting that you know it exists. That's good.

The Hon. DANIEL MOOKHEY: I'm an aficionado of different Westminster government Cabinet manuals. They are quite interesting. That final submission, how long does that process usually take?

KATHRYN BOYD: It varies.

The Hon. DANIEL MOOKHEY: For an ordinary proposal, what is the ordinary median time you'd expect?

KATHRYN BOYD: It can take—it really does vary. The average is 14 to seven days.

The Hon. DANIEL MOOKHEY: Sorry, seven to 14 days?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: From the procedure of draft lodgement to final?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: That's the average?

KATHRYN BOYD: I would say so, yes.

The Hon. DANIEL MOOKHEY: The Premier's office, as the chair of Cabinet, decides what goes on the agenda for which particular meeting?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: Okay. In what circumstances can a matter be expedited?

MICHAEL COUTTS-TROTTER: At the request of the Premier or with the authorisation of the Premier.

The Hon. DANIEL MOOKHEY: So, what, a Minister has the opportunity to speak to the Premier about having a matter fast-tracked—for want of a better term?

MICHAEL COUTTS-TROTTER: Yes, that happens.

The Hon. DANIEL MOOKHEY: If the Premier gives concurrence to such a request, the matter is then listed. Is that fair?

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: What are the ordinary circumstances that give rise to urgency?

KATHRYN BOYD: They vary also. I think if the submission isn't likely to have whole-of-government impacts, it's more likely to be able to be expedited. If it is non-contentious from the perspective of other agencies and doesn't throw up a lot of issues in consultation, then it may be appropriate to be considered more quickly.

The Hon. DANIEL MOOKHEY: What happens upon the resignation of a Premier to submissions that have been lodged but not considered?

KATHRYN BOYD: It's up to the incoming Premier.

The Hon. DANIEL MOOKHEY: What status do Cabinet decisions made by a previous Premier have on their successor?

KATHRYN BOYD: If it's a member of the same government, they generally stand until overturned, but I should say they're not legally binding. They are policy decisions and Cabinet operates by conventions, so there is some flexibility there, I suppose, to change positions and take different approaches if there is a change in ministry.

The Hon. DANIEL MOOKHEY: Secretary, do forgive me. I don't wish to be rude to you, but the next set of questions perhaps relate to matters which took place prior to your appointment as DPC secretary. They may or may not involve Ms Boyd, Ms Cruickshank and others as well.

MICHAEL COUTTS-TROTTER: Sure.

The Hon. DANIEL MOOKHEY: I don't know who it would involve, so I'm just going to rely on someone who can give me an explanation as to why and how, unless you tell me otherwise.

MICHAEL COUTTS-TROTTER: We'll do our best.

The Hon. DANIEL MOOKHEY: Thank you, Mr Secretary. In respect to the actual Cabinet submission that was lodged by Mr Barilaro on 16 September, for which he has confirmed that he lodged that submission to convert the senior trade and investment commissioners into ministerial appointments, was DPC given any reasons for urgency by Minister Barilaro?

MICHAEL COUTTS-TROTTER: I will defer to my colleagues; I have no knowledge of that.

KATHRYN BOYD: No, not that I recall.

The Hon. DANIEL MOOKHEY: Ms Cruickshank, were you in the same role back then that you are now?

SARAH CRUICKSHANK: No, I wasn't.

The Hon. DANIEL MOOKHEY: But you were a dep sec?

SARAH CRUICKSHANK: This is September or so, isn't it, last year?

The Hon. DANIEL MOOKHEY: It was 16 September.

SARAH CRUICKSHANK: No, I was responsible for a group called the transformation group, which was in large part actually the group that my colleague Kate Meagher now looks after, and then there was a small policy group attached to that, as well, called strategic coordination.

The Hon. DANIEL MOOKHEY: So in that capacity, you may have been given indications as to whether there was a reason for urgency?

SARAH CRUICKSHANK: No, I wasn't.

The Hon. DANIEL MOOKHEY: You weren't given any—

SARAH CRUICKSHANK: I don't believe it actually came anywhere near my group.

The Hon. DANIEL MOOKHEY: Thank you, that's helpful. Ms Meagher and/or Ms Dobbins, do you have any light to shed on those matters?

KATE MEAGHER: No.

SAMARA DOBBINS: No, nor me.

The Hon. DANIEL MOOKHEY: Did the then Premier's office seek any advice from DPC as to whether or not urgency needed to be attached to this particular submission?

KATHRYN BOYD: Not on the question of urgency, no.

The Hon. DANIEL MOOKHEY: In any respect?

KATHRYN BOYD: It's routine for the Premier to be advised by DPC on all Cabinet submissions before the meeting.

The Hon. DANIEL MOOKHEY: Okay, and I presume it's also routine for you not to tell me what that advice was, Ms Boyd?

KATHRYN BOYD: Correct.

The Hon. DANIEL MOOKHEY: You see no reason to break that convention right now, do you?

KATHRYN BOYD: I do not.

The Hon. DANIEL MOOKHEY: Okay, fair enough. You can't blame a person for trying.

The Hon. SCOTT FARLOW: There's a lot of trying today.

The Hon. DANIEL MOOKHEY: In effect, did Ms Berejiklian ever seek DPC's views on urgency?

KATHRYN BOYD: Not to my knowledge, no.

The Hon. DANIEL MOOKHEY: So the extent to which urgency was granted or not granted is really a matter for the now departed Premier and Deputy Premier?

KATHRYN BOYD: And, I would say, their offices.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Neither of which exist now.

KATHRYN BOYD: The general practice is not for the Premier, individually, to make that decision.

MICHAEL COUTTS-TROTTER: No.

KATHRYN BOYD: It's a question of scheduling.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Fair enough. In that particular process, did DPC alert the then Premier or the Cabinet to the fact that that would lead to the termination of Ms West's candidacy?

KATHRYN BOYD: I think that was self-evident from the submission.

The Hon. DANIEL MOOKHEY: Okay, so it was so explicit that a reasonable reader would have reached that conclusion by themselves?

KATHRYN BOYD: I think that is the finding in Mr Head's report.

The Hon. DANIEL MOOKHEY: Was any advice sought from you, Ms Boyd, about whether that was legal?

KATHRYN BOYD: I would have to take that on notice. The practice is not usually for the Premier's office to seek specific advice; it's really just to seek DPC's views on a submission in general.

The Hon. DANIEL MOOKHEY: Investment NSW was a part of the DPC cluster, correct?

MICHAEL COUTTS-TROTTER: Yes, it was an executive agency within the cluster.

The Hon. DANIEL MOOKHEY: Is the agency that's within your cluster capable of providing a submission to Cabinet without the concurrence of the secretary at the time?

MICHAEL COUTTS-TROTTER: No.

KATHRYN BOYD: No, the practice is that the secretary approves.

MICHAEL COUTTS-TROTTER: Yes, the secretary would approve all Cabinet submissions from the cluster.

The Hon. DANIEL MOOKHEY: But what happens if a secretary withholds approval, despite a Minister's view?

MICHAEL COUTTS-TROTTER: I don't know if we've ever encountered that situation.

The Hon. DANIEL MOOKHEY: We can infer, therefore, that your predecessor gave concurrence?

KATHRYN BOYD: Yes.

MICHAEL COUTTS-TROTTER: It's likely, yes.

KATHRYN BOYD: I should say it's for Ministers to bring proposals to Cabinet, not public servants.

MICHAEL COUTTS-TROTTER: No, exactly.

KATHRYN BOYD: But we do make sure that all secretaries are aware of submissions being brought by their cluster, so the purpose of it is to notify the cluster secretary of what is being proposed.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Did Mr Reardon ever raise any questions with you, Ms Boyd, or anyone else that you're aware of, in respect to that particular submission brought by Mr Barilaro?

KATHRYN BOYD: No, not that I recall.

The Hon. DANIEL MOOKHEY: At the time, Mr Reardon was the outgoing secretary, correct—at this point in September last year? He'd announced his retirement earlier—

MICHAEL COUTTS-TROTTER: Yes, I think so.

The Hon. DANIEL MOOKHEY: —because Mr Betts was, I think, named—

MICHAEL COUTTS-TROTTER: Outgoing in both senses of the word, I think. Yes, at that point he was.

The Hon. DANIEL MOOKHEY: Mr Betts was raising concerns about ministerial intervention and involvement in the process as early as June last year. Had any such concerns ever surfaced with DPC from any person who is on this panel, given this was a DPC appointment?

SARAH CRUICKSHANK: No.

KATE MEAGHER: No.

MICHAEL COUTTS-TROTTER: No, although it wouldn't have been a DPC appointment. The staff of Investment NSW were not the staff of DPC; they were the staff of Investment NSW.

The Hon. DANIEL MOOKHEY: That's an interesting question, Mr Secretary. Mr Reardon wasn't the person signing the appointment contracts for Mr Cartwright or the STIC America position at the time, but he was getting briefed on it pretty regularly.

MICHAEL COUTTS-TROTTER: I'm sure the former is true; I take your word on the latter.

The Hon. DANIEL MOOKHEY: But I'm fairly positive, actually, that in respect of the first two positions, his explicit approval was sought prior to the—

KATHRYN BOYD: I think he was on the panel.

MICHAEL COUTTS-TROTTER: Yes, he was on the panel.

The Hon. DANIEL MOOKHEY: He was on one of them; that's for sure. But there was a separate process of DPC concurrence with him as secretary. Not much turns on this as a distinction but, to be clear, Mr Reardon never raised any concerns with the effect of the Cabinet submission on the termination of Ms West's candidacy?

KATHRYN BOYD: Not that I recall.

The Hon. DANIEL MOOKHEY: Secretary, Ms West did seek to contact you.

MICHAEL COUTTS-TROTTER: She did.

The Hon. DANIEL MOOKHEY: Do you wish to provide any information or response to that particular request? Firstly, did you register that you had received the request?

MICHAEL COUTTS-TROTTER: No, sure. I think I started work on a Sunday. I think Ms West emailed me on the Monday; I think it was 11 October. I don't know when I paid attention to that email; I received a lot. I, in response to it, spoke to Ms Brown and asked for her advice about whether I should meet with Ms West.

The Hon. DANIEL MOOKHEY: Sorry, Secretary, I got distracted. Do you mind repeating that last bit? You sought—

MICHAEL COUTTS-TROTTER: I sought Ms Brown's advice on whether I should meet with Ms West. Ms West was an employee of Investment NSW, not of DPC. There was obviously history to it. Ms Brown's advice to me was on legal advice not to meet with Ms West, and I asked Ms Brown if she would communicate that to Ms West. I deeply regret the fact I didn't respond directly to Ms West. I now know the situation she was in, and it would have been kinder and more thoughtful of me to respond directly to her. I wish I had, but I wouldn't have met with her based on where things were up to at that point. She, I think, had engaged legal representation, and she was in a formal and legal process with Investment NSW.

The Hon. DANIEL MOOKHEY: Secretary, I don't intend to push you any further on this except that there are reports today that you have issued a note to Ms West. Is that—

MICHAEL COUTTS-TROTTER: I sent a personal letter of apology following the publication of Mr Head's report. I didn't think it was appropriate for me to make contact with Ms West before that, and it was simply to personally apologise for not showing her the kindness of personally responding to her email.

The Hon. DANIEL MOOKHEY: Thank you, Mr Secretary, I appreciate that. In terms of the termination, in respect of some of the correspondence that was received by Investment NSW, which was a DPC agency at the time, Ms West has made a public interest disclosure, or PID. I'm wondering you have any information about how that was treated, because—

MICHAEL COUTTS-TROTTER: It would be handled within Investment NSW so, no, I don't have information about how that was treated.

The Hon. DANIEL MOOKHEY: The best information we can establish is, despite the PID being made, it was never actually investigated.

MICHAEL COUTTS-TROTTER: Right.

The Hon. DANIEL MOOKHEY: Did Investment NSW ever notify DPC at the time that a PID had been made in respect of this matter?

MICHAEL COUTTS-TROTTER: Not to my—

KATHRYN BOYD: No, that wouldn't be consistent with the proper handling of a PID.

MICHAEL COUTTS-TROTTER: No, that's right.

The Hon. DANIEL MOOKHEY: But it raises a question as to why didn't anything happen. I'm sure you will tell me I need to ask Investment NSW, which no longer legally exists and therefore doesn't have the same obligation. Given the matters that have since surfaced, especially in terms of the claim that Ms West has made about the job being described as a present to someone—is that being investigated by anybody, to your knowledge, other than the upper House?

MICHAEL COUTTS-TROTTER: Sorry, the claim that the job was a—

The Hon. DANIEL MOOKHEY: Present to someone.

MICHAEL COUTTS-TROTTER: That's Ms West's evidence. Ms Brown—

The Hon. DANIEL MOOKHEY: Denied it to us.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: To be fair, Ms Brown said she wouldn't use words like that. We have referred it to the integrity agency but I'm just wondering whether or not anyone else has, short of a corruption investigation, felt that such a disclosure warrants any form of investigation. I really don't know who to ask because a lot of these departments are now in some form of disarray. To be fair, that's my opinion, not yours. I'm asking, given that they were told it was part of your cluster, DPC—I accept your point it can't have been told under the

PID requirements—has there been any investigation into that? Because that seems to have fallen through the cracks of the Head review. It's outside the terms of reference. Clearly, the McClintock inquiry can't look into it.

MICHAEL COUTTS-TROTTER: So this is the question of the response to Ms West's PID?

The Hon. DANIEL MOOKHEY: No.

MICHAEL COUTTS-TROTTER: No? This is in request—

The Hon. DANIEL MOOKHEY: Ms West has alleged—

MICHAEL COUTTS-TROTTER: The language about the job being a present for someone?

The Hon. DANIEL MOOKHEY: For which she made a contemporaneous note within 20 minutes, notified her lawyers, made a PID disclosure, which apparently has never been investigated. It seems to have fallen through the cracks—is what I'm asking. I'm wondering whether or not—

MICHAEL COUTTS-TROTTER: I'm not sure that aspect of it has fallen through the cracks. It's the subject of your own inquiry.

The Hon. DANIEL MOOKHEY: I'm happy to help.

MICHAEL COUTTS-TROTTER: The information is available to the Independent Commission Against Corruption.

The Hon. PENNY SHARPE: We'll move on to slightly different things—the Goward review. Have all the 13 recommendations been fully implemented?

MICHAEL COUTTS-TROTTER: I will invite either my colleague Samara Dobbins or Kate Boyd to respond to that one just so I don't completely dominate the talking.

SAMARA DOBBINS: Not quite, Ms Sharpe. There is a requirement to do an annual survey, which we haven't conducted yet. We didn't want to do it at the same time that the Broderick review was undertaking their survey but we will be undertaking that very soon.

The Hon. PENNY SHARPE: What's the time frame for that occurring?

SAMARA DOBBINS: I don't have it with me, I'm sorry, but I would say before the end of the year.

The Hon. PENNY SHARPE: Just to be clear, the survey is an anonymous survey and it goes to all Ministers and their staff. Is that correct?

SAMARA DOBBINS: That's correct.

The Hon. PENNY SHARPE: I just wanted to clarify, in relation to your answer that you gave to Ms Houssos before, where there had been one—I think you called it an informal complaint. Anyway, I'm not asking for the details of it, clearly. But is it under these new arrangements? Is that the way that it's being dealt with or are there now two separate processes? Is there a Goward process and then a more general process? How does that work?

SAMARA DOBBINS: For Ministers and their staff there's one policy, the Respectful Workplace Policy, and three channels under that policy. There's been one complaint—

The Hon. PENNY SHARPE: Sorry, take me through the three channels again.

SAMARA DOBBINS: The three channels are you can make an informal complaint, where it's very much modelled on public service processes—informal complaints you try and deal with at the source between the two parties; a formal complaints pathway; and an anonymous complaints pathway. That's all based on Ms Goward's report recommendations.

The Hon. PENNY SHARPE: I'm across that. My understanding is that there was a requirement for training sessions for Ministers. Have all the Ministers completed their training sessions?

SAMARA DOBBINS: I believe so, yes.

The Hon. PENNY SHARPE: How long did the training sessions go for?

SAMARA DOBBINS: I think I've got this information here. Can I just find it and get back to you before the end?

The Hon. PENNY SHARPE: That's fine.

KATHRYN BOYD: Ministers and chiefs have 2.5 hours and chiefs participate in a further 1½ hours on managing grievances.

The Hon. PENNY SHARPE: They've all completed those?

KATHRYN BOYD: I think it's ongoing. As new staff come on, they'll be required to undertake the training, so it's never really completed.

SAMARA DOBBINS: I believe all Ministers have completed but we're mopping up some staff who've not yet completed because they were on leave or other things or they're new.

The Hon. PENNY SHARPE: How many ministerial staff are there altogether, not counting DLOs?

SAMARA DOBBINS: Again, I've got that in front of me—the number of staff.

MICHAEL COUTTS-TROTTER: I think that's not current. I think we'll have to take it on notice.

The Hon. DANIEL MOOKHEY: The last available information is useful.

The Hon. PENNY SHARPE: Yes, I know that it's a bit ever changing. I accept that. I'm not going to hold you to the exact number as of—

The Hon. DANIEL MOOKHEY: Just as of the information you have to the date that you have it.

SAMARA DOBBINS: Sorry, no, I was incorrect. I thought I had it here but I don't. But, again, I can take it on notice.

The Hon. PENNY SHARPE: What I want to know, obviously, is how many of them have completed the training.

SAMARA DOBBINS: I'm happy to take that on notice.

The Hon. PENNY SHARPE: In relation to the other recommendations, are there any others outstanding?

SAMARA DOBBINS: Just looking through them, no, I don't believe so.

The Hon. DANIEL MOOKHEY: Mr Secretary, let's talk about something exciting like caretaker conventions.

MICHAEL COUTTS-TROTTER: Kate, it's your special subject.

The Hon. DANIEL MOOKHEY: Formally, they will apply from the point of the writs, correct?

MICHAEL COUTTS-TROTTER: That's right.

The Hon. DANIEL MOOKHEY: Informally, what happens?

KATHRYN BOYD: There's a pre-election period which begins on the day after the House last sits.

The Hon. DANIEL MOOKHEY: What can't take place in the pre-election procedures?

KATHRYN BOYD: There are no legal requirements but there are conventions that really go to protecting the neutrality of the public service.

The Hon. DANIEL MOOKHEY: What are they?

KATHRYN BOYD: It would be things like publishing new things on agency websites that could be perceived to be political in nature—or the perception that agency resources are being used for electioneering purposes. So you would just look at your normal activities and apply a keener eye, I would say, to whether or not there could be a perception that any public resources are being used to influence the outcome of an election.

The Hon. DANIEL MOOKHEY: What guidance are you intending to give departments about the application of those pre-election conventions—and, equally, the guidance around behaviour and conduct that is permissible during the caretaker?

KATHRYN BOYD: That's a matter for the Premier, but I would imagine that a memorandum in the same form as the one issued prior to the 2019 election will be issued shortly.

The Hon. DANIEL MOOKHEY: Shortly?

KATHRYN BOYD: Yes.

The Hon. DANIEL MOOKHEY: That's useful. Just in respect to the caretaker conventions as they apply to the entering into of major contracts—

MICHAEL COUTTS-TROTTER: Major contracts, commitments to major new policies or significant appointments.

The Hon. DANIEL MOOKHEY: Will apply from the point of the writs being issued?

MICHAEL COUTTS-TROTTER: Yes, although, again, there's a matter of judgement about those decisions.

The Hon. DANIEL MOOKHEY: Who gets to exercise judgement?

MICHAEL COUTTS-TROTTER: Well, ultimately, if they are administrative decisions available to the public sector, it's the public sector. But most of them would be decisions available to Ministers.

The Hon. DANIEL MOOKHEY: Secretary, can you give us an update as to where we're up to in terms of applying the findings of Mr Achterstraat's review in respect to Government grants?

MICHAEL COUTTS-TROTTER: The Achterstraat-Boyd-Carland review—

The Hon. DANIEL MOOKHEY: Sorry, Ms Boyd. Again, you're being singled out here.

MICHAEL COUTTS-TROTTER: So the legislation has passed. There's been amendment to the Government Sector Finance Act. The guide is available on our website.

The Hon. DANIEL MOOKHEY: When's the website going to be—

MICHAEL COUTTS-TROTTER: It's going to go live on 19 September and it will be binding from that point. As you will recall, Mr Mookhey, we sought a period of a couple of months so that the changes could be explained and understood across the public sector and we could ready our systems and processes to ensure people are compliant with the new requirements.

The Hon. DANIEL MOOKHEY: How will they apply to the WestInvest fund?

MICHAEL COUTTS-TROTTER: They will apply very strictly in the WestInvest fund. The design of the WestInvest competitive community component has been designed to ensure that it is compliant with the grants administration guide.

The Hon. DANIEL MOOKHEY: Let's just break that into two components. So about WestInvest, the \$2 billion that's a part of the community and the LGAs—you're on the committee, aren't you?

MICHAEL COUTTS-TROTTER: I am.

The Hon. DANIEL MOOKHEY: You're the co-chair?

MICHAEL COUTTS-TROTTER: No, the chair is my colleague, Dr Paul Grimes, the Secretary of the Treasury, and I'm a member, as is Simon Draper, the head of Infrastructure NSW.

The Hon. DANIEL MOOKHEY: Where are we up to in terms of the decision-making processes and the applications in that respect?

MICHAEL COUTTS-TROTTER: The applications have been received.

The Hon. DANIEL MOOKHEY: They were extended, weren't they—the period?

MICHAEL COUTTS-TROTTER: Yes, they were extended at the request—good quality process, good consultation with potential applicants and we heard loud and clear that people wanted a bit more time. That was particularly true of councils that were flood affected. The application process was extended but is now closed.

SARAH CRUICKSHANK: I might give the secretary a break.

MICHAEL COUTTS-TROTTER: Thank you.

SARAH CRUICKSHANK: Was the question where are things up to and when do they close?

The Hon. DANIEL MOOKHEY: In respect to the \$2 billion component.

SARAH CRUICKSHANK: Yes, certainly. As you are probably aware, Mr Mookhey, the \$2 billion has two components to it. One is a \$400 million allocation which has been allocated directly to the councils in the LGAs that are eligible for the fund. The other \$1.6 billion is subject to a community competitive rounds process. In terms of the community projects, the competitive rounds, around 680 projects have been submitted for assessment for the competitive round and they are worth around \$7.8 billion.

The Hon. DANIEL MOOKHEY: Is it you who is doing the assessment?

SARAH CRUICKSHANK: No, it is not me doing the assessment. The team that is overseeing the assessment process sits within my group.

The Hon. DANIEL MOOKHEY: But it is DPC?

SARAH CRUICKSHANK: Yes. The WestInvest program office sits within DPC. There are multiple levels of assessment panels, and the representatives on those panels come from across the sector, depending upon the subject matter. For public spaces, there's clearly representatives from the Department of Planning and Environment, Transport, Infrastructure, and Active Transport. I use that as an example. And then, clearly, on the schools one we've got representatives from the Department of Education as well. Then there's a series of other representatives on each panel that are drawn based on their experience with grants and community engagement et cetera.

The Hon. DANIEL MOOKHEY: From the public service?

SARAH CRUICKSHANK: From the public service, yes. We also have probity advisers on every assessment panel, and we have—maybe I'll let you ask more questions, rather than me keep going?

The Hon. DANIEL MOOKHEY: No, you're doing fine. Keep going.

SARAH CRUICKSHANK: Okay. I'm happy to take you through the assessment process, if you like?

The Hon. DANIEL MOOKHEY: No, it's okay.

The CHAIR: Mr Coutts-Trotter, we got notice you were expected to leave.

MICHAEL COUTTS-TROTTER: No. That's very kind of you. I am right to stay until 4.00 p.m., but thank you so much.

The Hon. DANIEL MOOKHEY: Ms Cruickshank, in respect to the actual decisions, is it your decision or is it these panels' decisions? Or is it the panels that provide advice for the Ministers who make the final decision?

SARAH CRUICKSHANK: The panels will provide advice to the steering committee, which the secretary has just alluded to, and the steering committee will provide their recommendations to the Treasurer.

The Hon. DANIEL MOOKHEY: To the Treasurer?

MICHAEL COUTTS-TROTTER: The Treasurer is the decision-maker.

The Hon. DANIEL MOOKHEY: I'm glad that we got that clarified.

MICHAEL COUTTS-TROTTER: Yes, very important.

The Hon. DANIEL MOOKHEY: On what basis does the Treasurer have the power to disagree with the steering committees?

MICHAEL COUTTS-TROTTER: Well, he does.

The Hon. DANIEL MOOKHEY: He has a general power?

MICHAEL COUTTS-TROTTER: Yes. He is the decision-maker.

The Hon. DANIEL MOOKHEY: How many have been presented to the Treasurer, so far, for decision?

MICHAEL COUTTS-TROTTER: None.

The Hon. DANIEL MOOKHEY: When will they be presented?

MICHAEL COUTTS-TROTTER: Progressively from October onwards, I think.

SARAH CRUICKSHANK: Yes, I think so.

The Hon. DANIEL MOOKHEY: Is it the Treasurer who decides when to announce them?

MICHAEL COUTTS-TROTTER: Probably in consultation with the Premier and other Ministers but, yes.

The Hon. DANIEL MOOKHEY: A lot of the applicants would like to know when they're getting a decision. Is there a fixed time, or is it a case that they all have to wake up every morning and see what has been announced?

MICHAEL COUTTS-TROTTER: No, there's—

SARAH CRUICKSHANK: I think it's a matter of public record that there won't be decisions until the very end of the year. Most of the applicants, if not all of them, are well aware that there are literally hundreds of other applications that are being assessed. Obviously, a big part of the assessment process is to make sure that everything is assessed on—what would you say—an equal footing. So it's not possible to assess some before—

The Hon. DANIEL MOOKHEY: Are they all going to come out at once, or are they all going to come out in a series, or we don't know?

SARAH CRUICKSHANK: I couldn't answer how they're going to be announced.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: It's just we are being flooded with people making inquiries to know when they're going to get a decision and when they're going to be told whether they're successful or not successful. They all have to wait for the Treasurer to make a decision?

MICHAEL COUTTS-TROTTER: As you'll see from the published guidelines, there's the work of the assessment panels, which produce a set of recommendations to the steering committee. Then there is one sort of stand back and look at the whole lot just to see whether the net result of all of the individual decisions have somehow skewed things in a way that requires some moderation. So if a particular local government area was under-represented in the final representations—I go down this rabbit hole only to explain that the whole lot has to come together as a whole lot before going to the Treasurer.

The Hon. DANIEL MOOKHEY: Has that happened?

MICHAEL COUTTS-TROTTER: No, it won't happen until October or thereabouts.

SARAH CRUICKSHANK: There's probably one extra thing I can add, Mr Mookhey, in case it is relevant to some of the inquiries that you say that you're getting. I didn't have an opportunity to talk about the local government allocation, other than the—

The Hon. DANIEL MOOKHEY: We have covered that in Treasury.

SARAH CRUICKSHANK: You have? Okay. I was going to say, because those proponents are expected to hear by the end of September.

The Hon. DANIEL MOOKHEY: Indeed.

SARAH CRUICKSHANK: Those ones will be earlier. My apologies.

The Hon. DANIEL MOOKHEY: Do you have any better information about when precisely the Treasurer will be in a position to make announcements?

MICHAEL COUTTS-TROTTER: The key dates are set out in the published guidelines, and successful applicants will be advised from December 2022.

The Hon. DANIEL MOOKHEY: Over Christmas? Does the Treasurer's powers to make these decisions cease when the caretaker conventions kick in? Or does he have the power to continue to make announcements at the point of the caretaker conventions?

MICHAEL COUTTS-TROTTER: Usually, if something is underway before caretaker—it has been initiated before caretaker—ordinary activities of government continue in caretaker.

The Hon. DANIEL MOOKHEY: Literally, the Treasurer will be dispensing the money—

MICHAEL COUTTS-TROTTER: No, there is an assumption in that. But I don't—

The Hon. DANIEL MOOKHEY: There is some assumption, that's true.

MICHAEL COUTTS-TROTTER: But I've got nothing to hand to suggest that that's correct.

The Hon. DANIEL MOOKHEY: But the issue is that the caretaker conventions will apply from early February, correct?

KATHRYN BOYD: No, that's not correct.

The Hon. DANIEL MOOKHEY: When do they apply?

KATHRYN BOYD: From 3 March, when the Assembly is dissolved.

The Hon. DANIEL MOOKHEY: Fair enough.

MICHAEL COUTTS-TROTTER: There is a massive amount of work in this process of assessment. Like, it is huge.

The Hon. DANIEL MOOKHEY: I take your word for it, Mr Secretary.

MICHAEL COUTTS-TROTTER: We have been press-ganging people from around government to participate in these assessment panels.

The Hon. DANIEL MOOKHEY: I just caution you, you're apparently not allowed to express opinions.

MICHAEL COUTTS-TROTTER: Fair point.

The Hon. DANIEL MOOKHEY: Secretary, let's talk about the \$3 billion component of this, which is open to government agencies. Who do they put the bids in to?

MICHAEL COUTTS-TROTTER: That's led by the Treasury.

The Hon. DANIEL MOOKHEY: Do they go to you, Ms Cruickshank, or not?

SARAH CRUICKSHANK: No, as the secretary says, it's led by the Treasury, but the WestInvest program office will provide advice if Treasury asks for it. But it's being run by Treasury.

The Hon. DANIEL MOOKHEY: When is the deadline for agencies to put bids in?

SARAH CRUICKSHANK: I think that might be September or October. I might have to take that on notice.

MICHAEL COUTTS-TROTTER: We will take that one on notice.

SARAH CRUICKSHANK: Let me just see if I can find it.

The Hon. DANIEL MOOKHEY: Okay. Because I don't think there is any public information available as to the larger component of this fund.

MICHAEL COUTTS-TROTTER: No, that's true.

SARAH CRUICKSHANK: I do know that agencies need to put forward the equivalent of a business case, so I think that's the process that's ongoing at the moment for Treasury.

MICHAEL COUTTS-TROTTER: I'm happy to take that one on notice and give you information.

The Hon. DANIEL MOOKHEY: Do you have any line of sight of that as part of the steering committee, or is this beyond your scope, if you agree?

MICHAEL COUTTS-TROTTER: I think the net result of that process will come through the steering committee on its way to the Treasurer.

The Hon. DANIEL MOOKHEY: What criteria has to be applied in respect to the distribution of the \$3 billion?

MICHAEL COUTTS-TROTTER: I'll take that one on notice.

The Hon. DANIEL MOOKHEY: Is there a criteria that's fixed?

MICHAEL COUTTS-TROTTER: Yes, there are internal criteria. In terms of the distribution—led by Treasury, let me take that on notice so I can give you an accurate response.

The Hon. DANIEL MOOKHEY: There is a \$3 billion component. I presume that the administration of grants manual that you just referred to has no application over it, because it's not a grant?

MICHAEL COUTTS-TROTTER: I think that would be right. Not I think that would be right—that would be right.

The Hon. DANIEL MOOKHEY: In respect to the \$3 billion, other than falling within the subject area of the WestInvest Fund, agencies can request anything so long as it's within the purposes and in the geography that has been set by the fund?

MICHAEL COUTTS-TROTTER: And the focus areas of the fund. The examples of the types of information that you would need to include in the business case to demonstrate it's transformational, it adds to liveability, et cetera.

The Hon. DANIEL MOOKHEY: They lodge it with the Treasury, and the Treasury undertake an assessment. Is it a matter of discretion as to whether they seek your advice, Ms Cruickshank?

SARAH CRUICKSHANK: That's an interesting question. Yes, I think it is.

The Hon. DANIEL MOOKHEY: So far, have they sought any advice from you?

SARAH CRUICKSHANK: I would have to take that on notice and check that with my executive director.

The Hon. DANIEL MOOKHEY: Does the Treasurer have a final decision? Does the Treasurer decide, or does it go to ERC, or does it go to Cabinet? What happens for that?

MICHAEL COUTTS-TROTTER: I understand that the Treasurer will provide final project approvals following endorsement by the Expenditure Review Committee.

The Hon. DANIEL MOOKHEY: It's no different to any government spending, really, in that respect?

MICHAEL COUTTS-TROTTER: In that respect. It's different in the sense that it is focused only on those 15 local government areas against the six focus areas.

The Hon. DANIEL MOOKHEY: But there's nothing to stop the Treasurer or, for that matter, the ERC. But ultimately if it's the Treasurer who is the final decision maker, is he bound by the ERC decision or can he set it aside?

MICHAEL COUTTS-TROTTER: Let me take that one on notice.

The Hon. DANIEL MOOKHEY: There's not an Act, right?

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: There's not an appropriation.

MICHAEL COUTTS-TROTTER: No.

The Hon. DANIEL MOOKHEY: So what legal authority is giving the Treasurer the final decision-making authority here?

MICHAEL COUTTS-TROTTER: He's responsible for the account that holds the fund.

The Hon. DANIEL MOOKHEY: Is there an account that holds the fund? That's the other issue, because I'm told it's in the Consolidated Fund.

MICHAEL COUTTS-TROTTER: I thought there was an account that holds the fund.

The Hon. DANIEL MOOKHEY: I don't think there is anything that resembles a special—

MICHAEL COUTTS-TROTTER: Can I take that one on notice and respond?

The Hon. DANIEL MOOKHEY: Please do, Mr Secretary. But if it's a special deposit account that's been established under that finance Act, that would require some aspect of disclosure. There certainly doesn't seem to be a special deposit account that's been formed. Is there any information that you can give us that would perhaps rebut the presumption—I won't say "presumption"; that's unfair. Is there any information you can give us that would rebut a perception that, when it comes to this \$3 billion, it's just another slush fund?

MICHAEL COUTTS-TROTTER: I don't think that's an appropriate question to a public servant.

The Hon. DANIEL MOOKHEY: Is there any probity guidance whatsoever you can give us in terms of the \$3 billion?

MICHAEL COUTTS-TROTTER: I'm happy to respond on notice about the process and the governance of the process led by the Treasury.

The Hon. DANIEL MOOKHEY: Is there any requirement, apart from the agencies' applications, for funding to be published?

MICHAEL COUTTS-TROTTER: No, I don't think so.

The Hon. DANIEL MOOKHEY: So it really is just the same as any other form of government spending, other than it's got 15 LGAs and these particular focus areas?

MICHAEL COUTTS-TROTTER: That's your description. I'll respond to you on notice.

The Hon. DANIEL MOOKHEY: Fair enough. I will move beyond. Secretary, is DPC intending to coordinate departments as they participate in the Parliamentary Budget Office processes under that Act?

MICHAEL COUTTS-TROTTER: Yes, we are.

The Hon. DANIEL MOOKHEY: Can you take us through this? Apparently, this is a novel invention that's taken place after the report, which is a good thing, to be clear, and I'm supportive of it. But I'm just wondering can you describe it?

KATHRYN BOYD: We can take it on notice and provide you with an update on where we are at in terms of managing election-related activities, including the Parliamentary Budget Officer engagement.

The Hon. DANIEL MOOKHEY: The PBO was required to submit his operational plan.

MICHAEL COUTTS-TROTTER: Yes.

The Hon. DANIEL MOOKHEY: Again, it was one of the things that came through from his report—turns out it was the same PBO as before. There was a need for this coordination function. So, again, it is very welcome that it is being undertaken by DPC. What I'm interested in is have you had input into that operational plan or are you likely to have input into that operational plan in this respect?

KATHRYN BOYD: I believe that we have, but I'll need to take that on notice and check with the director in charge of that process.

The Hon. DANIEL MOOKHEY: Chair, I'm prepared to graciously grant three minutes to the officials and let them out.

The CHAIR: Thank you, everybody, unless there are any Government questions.

KATHRYN BOYD: Can I clarify a question that I took on notice?

The Hon. DANIEL MOOKHEY: Unless you have anything further?

KATHRYN BOYD: I do. I just want to acquit a question on notice. so I don't have to respond to it in writing.

The Hon. DANIEL MOOKHEY: Did Ms Dobbins find that information that she was looking for?

The Hon. PENNY SHARPE: I think she didn't have it.

SAMARA DOBBINS: Sorry, I didn't have it with me.

KATHRYN BOYD: The \$10,000 threshold in the Treasurer's direction is a temporary threshold. Treasury are having discussions with the sector about the extent of gifting of government property across government in order to pick a more appropriate and potentially lower threshold for disclosure. DPC is about to speak to Treasury about that from DPC's perspective.

The Hon. DANIEL MOOKHEY: Actually, Secretary and Chair, I lied; it turns out I did have one other question. Ms Dobbins, I think it's to you. Just with respect to the ministerial drivers matter, I understand that the DPC is no longer pursuing the reforms that were being embarked upon earlier? That's correct?

SAMARA DOBBINS: That's correct.

The Hon. DANIEL MOOKHEY: How much money did we spend on that process of reforming the ministerial driver arrangements?

SAMARA DOBBINS: I'll need to take it on notice, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Pray tell, why did we decide not to pursue those reforms?

SAMARA DOBBINS: It's the Premier's decision—who runs that function—and a decision was made and the department—

The Hon. DANIEL MOOKHEY: Does the department accept that that process led to quite a significant impact and disruption to those people's working lives?

SAMARA DOBBINS: Yes.

MICHAEL COUTTS-TROTTER: I've personally acknowledged that to the drivers and their industrial representative. Just for the record, I'm told by one of my colleagues that Ms Brown was appointed as the secretary on 31 January, not 27 January.

The CHAIR: Any other final answers? Thank you all for your attendance today. There were a number of questions taken on notice.

MICHAEL COUTTS-TROTTER: There were.

The CHAIR: The secretariat will be in touch, and answers are due within 21 days. We have now finished this portion of the hearing. We will be back at 4.15 p.m.

(The witnesses withdrew.)

(Short adjournment)

Ms KATHRINA LO, Public Service Commissioner, NSW Public Service Commission, affirmed and examined

Mr MATTHEW PHILLIPS, Executive Director Corporate, NSW Electoral Commission, sworn and examined

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

Mr IAN GOODWIN, Deputy Auditor-General of NSW, Office of the Auditor-General, sworn and examined

Ms MARGARET CRAWFORD, Auditor-General of NSW, Office of the Auditor-General, affirmed and examined

Mr JOHN HATZISTERGOS, Chief Commissioner, NSW Independent Commission Against Corruption, sworn and examined

Mr ROY WALDON, Executive Director Legal, NSW Independent Commission Against Corruption, sworn and examined

Mr PHILIP REED, Chief Executive Officer, NSW Independent Commission Against Corruption, before the Committee via videoconference, affirmed and examined

The CHAIR: Welcome back, everybody, to our final panel of the day with our independent agencies. We will begin our questions with the Opposition.

The Hon. PENNY SHARPE: My first questions are to you, Mr Schmidt. Are you confident that the budget allocation that you've got to administer the 2023 State general election is adequate?

JOHN SCHMIDT: Thank you for the question. Yes. During the budget round for the current financial year, I had put in an additional bid, which I was successful with, so at this stage I believe I have adequate funding. There are two issues I will put on the table just for the sake of completeness. I have written to the Government about this, and we'll continue discussions. COVID is an unknown at the moment. We very clearly called out in the bid for the election that we couldn't quantify if and what we might need for COVID, so we will come back to the Government in due course. We just put them on notice that that is an issue—if COVID does emerge and we have to make appropriate measures, that we will require funding for that.

For the benefit of the members—I did touch upon this at a recent Joint Standing Committee on Electoral Matters hearing—the bill that's currently before the Parliament—it's gone through the LA and it's now with the Legislative Council—which has a provision in it to shorten the pre-poll period, will have financial impacts. I currently estimate—again I have written to the Government about this—that that would give rise to an additional expenditure of approximately \$3.6 million. For the benefit of members as to why that is, the shortened period means that we have to hire more venues, larger venues, employ more staff. We also have to engage staff—the temporary election staff. We have a temporary election workforce of approximately 20,000 people.

The Australian Electoral Commission had trouble recruiting people for the Federal election—partly COVID, and who knows what other issues—but we will have to recruit more people for a shorter period of time. It might not be as attractive. We have to hire additional equipment because we will have more venues dealing with more people in a shorter period of time. There are real costs that arise from that. We will have to engage in a communications program, obviously, too—perhaps not so much for metropolitan areas, where people may not turn their mind to the voting period as strongly as people in the remote and regional areas. But a significant number of people vote early in those areas, and we will have to let them know that, instead of the two weeks they had at the local government elections in December and the two weeks they had in the recent Federal election, it will now be shortened to one week. There are issues when changes like this are made in the lead-up to the election.

The Hon. PENNY SHARPE: We'll see if this bill goes through but, assuming that it does, the \$3.6 million extra as a result of shortened pre-poll, you haven't got that funding yet. Is that correct?

JOHN SCHMIDT: No. I have only been able to quantify it since the bill was introduced. I have written to the Government about that, and we will try to look for—we have contingencies within the budget for the election, as it is. We will endeavour to meet it within those resources but, of course, if we can't, I would expect that money will be provided.

The Hon. PENNY SHARPE: Are there any other risks? There's COVID, and you've talked a little bit about workforce. Are there any other risks that you think you've got with the current allocation?

JOHN SCHMIDT: No. I believe, based on our planning and projections at the moment, that funding should enable us to deliver the election as planned.

The Hon. PENNY SHARPE: Can I just clarify how much additional funding you've received from the Government?

JOHN SCHMIDT: On top of what was in the budget for the previous year, looking forward to the—

The Hon. PENNY SHARPE: That's 2021?

JOHN SCHMIDT: Yes. We had asked for an additional \$50 million, which brings us to a total for the election at the moment of \$140.8 million.

The Hon. PENNY SHARPE: The budget papers suggest that we're expecting our participation rate to be up by 1.5 per cent, which is good news. Again, you think that your budget allocation will cater for the additional 80,000 votes that are going to go into the system?

JOHN SCHMIDT: I do so. I suppose there was a risk. You did ask me what risks I see; it's more operational, in addition to the challenges of the shortened period. The people at this Committee, and other committees in the Parliament, will not be strangers to me talking about my aging electoral systems. We do have electronic mark-off for early voting, but not for election day itself. The systems are so old now that we have to start testing them a year out from the event. We've already tested them based on the two-week early voting period. All of those load testings for the system have to be put aside, and we will have to do fresh testing.

It is possible—we'll see what happens when the testing is done later this year—that the compressed load of early voting in a shorter period of time might mean that my early mark-off system doesn't work. There were complaints raised about the failure of early voting mark-off in the last State general election because of technical problems. That will become clearer with time. If, of course, there is an issue with electronic mark-off, we will have adequate numbers of paper rolls to fall back on. The issue that throws up—not that we have an issue with multiple voting in New South Wales—is we don't have that real-time mark-off information coming in in the lead-up to election day which people do take some comfort in. I'm just stating the facts as they fall.

The Hon. PENNY SHARPE: So you haven't got a separate budget? You still haven't been successful in getting the budget bid to fix the IT?

JOHN SCHMIDT: You can't fix it in the time available. I have got approximately \$3 million to kick off a process to develop a business case and begin modernisation. I have set up a separate unit within the commission, with the intention of preparing a comprehensive way forward for a business case to go to government as part of the next budget cycle. Looking at the experience of agencies in this space in other parts of Australia, you're looking at a five-year-plus program, but we really must kick it off now. It's too late for 2027. That's how long it takes to implement these things. The sooner we get going, the better. I have got some money for that preliminary work, and we will be putting in every effort to bring forward a comprehensive business case in due course.

The Hon. PENNY SHARPE: I have got one last question for you. Can you confirm that you don't have an intention for a statewide postal vote like you did for the by-elections?

JOHN SCHMIDT: I simply don't have the power to do that. The power which was given to me for the by-elections earlier in the year expired, I think, on 30 June. I'm not aware of any measures being brought forward in the Parliament to reinstitute that. No, it will be under the normal rules and, of course, iVote won't be offered as part of this election either.

The Hon. PENNY SHARPE: Yes. I think Ms Boyd is going to ask some questions about that. I've now got some questions for the Independent Commission Against Corruption. I want to congratulate Mr Hatzistergos on his new position. It's good to see you. I'm not quite sure who to ask this to, or whether it's to Mr Reed, but I'll go, and we'll go from there. I was wondering whether you'd be able to comment on the work that the ICAC has been doing regarding government grants administration.

JOHN HATZISTERGOS: What aspect of it?

The Hon. PENNY SHARPE: What have you done? Where is it up to?

JOHN HATZISTERGOS: Are we talking about pork-barrelling?

The Hon. PENNY SHARPE: Yes.

JOHN HATZISTERGOS: We have published a report on that.

The Hon. PENNY SHARPE: Is that it? Is that all you're doing?

JOHN HATZISTERGOS: We're waiting for a response on it, but the report has been published. There is, as you know, another investigation on that subject matter, which the commission is yet to report on. That's Operation Keppel.

The Hon. PENNY SHARPE: To be clear, that's not what I'm asking about.

JOHN HATZISTERGOS: That's still in progress, and the assistant commissioner has an extended commission until the middle of October in relation to that matter.

The Hon. PENNY SHARPE: In relation to the pork-barrelling report, you've done that work. Are you waiting for—

JOHN HATZISTERGOS: It has been published. We're waiting for a response. There has been—

The Hon. PENNY SHARPE: Where's that up to?

JOHN HATZISTERGOS: As you know, the previous commissioners did a workshop, which involved a number of participants. That has been reported on in the pork-barrelling report, which is public. There will be a Government response to the recommendations, in accordance with the legislation. The Government has done other work in the area apart from responding to us. The Productivity Commission has done a report, and the Department of Premier and Cabinet has done a report. I think the Grattan Institute, only last week, published a report in relation to the matter. There has been a fair bit of work done in that area.

The Hon. PENNY SHARPE: Just to be clear, there will be a formal response from the Government to your report? When do you anticipate that will be received, or when is it required to be received?

JOHN HATZISTERGOS: I can't recall the details. It's in the Act. It's in the legislation—the ICAC Act. A response has to be forwarded.

The Hon. PENNY SHARPE: We just don't know what the time frame for that is?

JOHN HATZISTERGOS: I don't have the legislation in front of me. We might be able to get you that information.

The Hon. PENNY SHARPE: Have there been discussions between the ICAC and the Premier or the Premier's office about new funding for ICAC? We've had an ongoing discussion over the last few estimates committees about the funding for the ICAC and the funding model for it. Where is that up to?

JOHN HATZISTERGOS: That matter was debated in the Legislative Council, and the Government responded to it by making an announcement, which you should be familiar with. If you're not—

The Hon. PENNY SHARPE: That's great, but I'd ask you to tell me about it again, please.

JOHN HATZISTERGOS: —I can provide it to you.

The Hon. PENNY SHARPE: Thank you. I would appreciate that.

JOHN HATZISTERGOS: Firstly, in relation to the quantum of the funding, the commission has no issue with the amount that has been allocated for the current financial year. In relation to the response to the funding model, you would be aware that the commission published two reports to the Parliament, which were the section 75 reports. There was a response, ultimately, by the Premier, which was communicated to the parliamentary committee, as I understand it, in March of this year.

The Hon. PENNY SHARPE: That's right. This is what I'm trying to get to the bottom of.

JOHN HATZISTERGOS: And then there was a response by my predecessor.

The Hon. PENNY SHARPE: Yes.

JOHN HATZISTERGOS: Then following that there was a response by the Attorney General. The model is that document—

PHILIP REED: Would you like me to jump in with this one?

JOHN HATZISTERGOS: It is two documents, actually, which comprise the new and the existing ones. I can go through all of them, if you haven't read them.

The Hon. PENNY SHARPE: No. Where I'm trying to go with this is that your predecessor has given evidence to this Committee previously, that the funding arrangements are not only not satisfactory or appropriate—I'm quoting him—but also not in accordance with the law. I'm wanting to understand whether this is still the view of the ICAC.

JOHN HATZISTERGOS: That's a very broad response to a fairly complicated issue. The issue that my predecessor had raised was that the commission needed to be funded independently of government. That was contained in the section 75 reports. The Government's response does not adopt the funding model which the commission proposed, which was to have an assessor carry out that work and advise the Parliament as to what that amount should be and enable the Parliament to make its own decision in relation to that matter. The model, however, does have a separate unit in the Treasury, who will be responsible for assessing the funding requirements of the independent agencies, of which the ICAC is one. There will be a charter of independence under a Treasurer's direction. The efficiency dividends will no longer apply, moving forward. As I understand it, each of the agencies will be able to communicate to the Expenditure Review Committee in relation to whatever advice Treasury gives the Expenditure Review Committee, based on the proposal we put forward.

The Hon. PENNY SHARPE: There's significant progress on where you were. Do you believe that it's sufficiently—do you believe it's in accordance with the law?

JOHN HATZISTERGOS: You're asking me for a legal opinion?

The Hon. PENNY SHARPE: Yes. Your predecessor was very clear with this Committee that he did not believe it was.

JOHN HATZISTERGOS: There was an advice given by Mr Walker, which was appended to the section 75 report.

The Hon. PENNY SHARPE: But given that the changes that have been made now—

JOHN HATZISTERGOS: The changes which have been made go some way to meeting the demands of the ICAC, but they don't embrace all of the aspects that the ICAC asked for. But in terms of our funding going forward, the commission has no issue. The Government has also agreed to do a baseline review. At this stage, we don't have the Treasurer's memorandum in relation to the charter of independence, so we can't comment on that.

The Hon. PENNY SHARPE: When's that due? Do you know?

JOHN HATZISTERGOS: I'm not sure. We have received a letter that it's going to be coming. But we haven't got it.

The Hon. DANIEL MOOKHEY: Can I just ask the Auditor-General, of the other independent agencies who had maintained the same view that they required an independent funding model—to be fair to you, Ms Lo, I don't think you were present for these discussions previously in other committees—has there been substantial progress in providing your office with the level of resources you feel are necessary to undertake your job? Equally, have you had any progress in terms of what you've previously told us about dialogue with the Government about establishing an independent funding model for the Auditor-General?

MARGARET CRAWFORD: Yes, we were successful with a budget bid in the last budget. We're appreciative of that. However, I think it's fair to say that it's never really been about the money. It's more about the principle and the process. We have continued to put on record the fact that we don't believe that the new arrangements address the key issues that were raised in my audit. In essence, the key tenet of that was that there needed to be an enhanced role for the Parliament, to make the matter more independent of the executive Government. That hasn't been taken up, with the exception of reporting to our various committees. So we continue to express the view that the new arrangements don't go far enough to protect the threats to independence.

The Hon. DANIEL MOOKHEY: Have you had any further dialogue with the Premier or the Treasurer about that matter?

MARGARET CRAWFORD: We've had correspondence from the Treasurer. I think probably all of us have had the same correspondence that sets out the process and talks about the arrangements and the steps. I have written to the Premier again, on 27 May, and I haven't received a direct response to that letter.

The Hon. DANIEL MOOKHEY: You may wish to take this on notice, could you provide a copy of that correspondence? If you would like to table it now, that would be helpful, Ms Crawford.

MARGARET CRAWFORD: Happy to.

The Hon. DANIEL MOOKHEY: Mr Schmidt, I feel like I should ask you the same question, understanding our time limitations.

JOHN SCHMIDT: Thank you, Mr Mookhey. I'll be very quick. We were successful in our budget bids for the current financial year. Each of us are different with our funding requirements. My focus going forward with Treasury, with this new unit which is being set up, I'm approaching this in a good faith method. The re-baselining is absolutely essential for the commission. We are funded to be inefficient at the moment because

of the ad hoc way that the funding is done over the years. The IT problems are an indicator of that. So we're not looking at a quick fix. This is something which won't be fixed for the budget coming. It is something which will take longer than that. Again, I'm looking forward to working with Treasury for a comprehensive re-baselining of my organisation. I know, when Ms Boyd asked me some questions about internet voting and particular groups from the community, I'll be able to say more about the implications of funding for some of those discussions. So at this stage I'm optimistic, but the proof will be in the pudding.

The Hon. PENNY SHARPE: Mr Hatzistergos, I accept that you believe the funding is adequate. There have been previous comments in relation to the number of referrals and the increased workload of the ICAC. Does that continue to increase? Are you able to provide the Committee with an update on the number of referrals?

JOHN HATZISTERGOS: Yes.

The Hon. DANIEL MOOKHEY: Just while you're finding the information—

JOHN HATZISTERGOS: I haven't got the latest ones with me.

PHILIP REED: Would you like me to—

JOHN HATZISTERGOS: Do you have them?

PHILIP REED: Yes.

JOHN HATZISTERGOS: I've got 2020, 2021, 2022.

The Hon. DANIEL MOOKHEY: Just before you do, can we perhaps get the number of referrals. Previously, I think the ICAC has provided us with information about the number of preliminary investigations that are currently underway.

The Hon. PENNY SHARPE: Yes, investigations initiated and the number of investigations that proceed to public inquiry.

JOHN HATZISTERGOS: I've got that information. I can give you—

PHILIP REED: If I just fill in on the complaints, as we call them, that have been received. Last financial year, we had a record number since 1996 of 3,570. So far this financial year we've received 557. Again, we're receiving a greater number of complaints, generally, compared to the previous trends. Of those in the last financial year, there were 10 matters that were referred to preliminary investigation. So far to date, this financial year, 2022-23, there's been five matters referred to preliminary investigation.

The Hon. DANIEL MOOKHEY: How many preliminary investigations are currently underway?

PHILIP REED: At the moment, if I just turn to the next page, we've currently got four full investigations and four preliminary investigations that are within the mainstream. Then our SIRU unit has three preliminary investigations underway.

The Hon. DANIEL MOOKHEY: Sorry, what unit?

JOHN HATZISTERGOS: Strategic Intelligence and Research Unit.

The Hon. DANIEL MOOKHEY: Was that eight?

PHILIP REED: Four full investigations and seven preliminary, but they're split between the mainstream preliminary and the strategic intelligence for assessment.

The Hon. DANIEL MOOKHEY: Got it.

JOHN HATZISTERGOS: We also have a number of outstanding investigation reports.

The Hon. DANIEL MOOKHEY: Can I just ask, with the new budget—I know I said it was one question, but just to finish, if I might, Ms Boyd?

JOHN HATZISTERGOS: Sorry, you're turning your head and I didn't—

The Hon. DANIEL MOOKHEY: Sorry, Chief Commissioner. If you're okay, just before we finish, one more question?

Ms ABIGAIL BOYD: Make it quick, yes.

The Hon. DANIEL MOOKHEY: What is your capacity under your new budget? Previously, your predecessor had told us that you could only sustain a certain amount of full investigations and a matter of preliminary investigations. I'm trying to appreciate, if you're at 11 does mean you're at maximum capacity?

JOHN HATZISTERGOS: At the moment, and I've made this point to the Premier as well, the commission does not have spare capacity. If the Parliament was to pass a resolution asking the ICAC to take on an investigation, the only way we could do that is by taking people away from current projects. Now in the financial year moving forward we have been funded for some additional positions—17 full-time equivalent. But as you would appreciate with an organisation such as us, the recruitment and the vetting of the people who come in takes time. So when the commission staff was cut in 2006, I think it was—

ROY WALDON: Sixteen.

JOHN HATZISTERGOS: Sorry?

ROY WALDON: Sixteen.

JOHN HATZISTERGOS: —2016, rather, by I think about 10 per cent of our workforce at that point, that meant that a number of things could not be done in the speed that we would have liked them to have been done. Now we need to build up. Letting people go is relatively easy. Putting people on takes time, and that's why we're not in a position to immediately just take on 17 people, although we are in a recruitment phase.

The CHAIR: Ms Boyd?

Ms ABIGAIL BOYD: Thank you. I don't know if you were watching earlier this afternoon but I asked the secretary about this Treasurer's Direction. Are you aware of this? Basically, this is a Treasurer's Direction, effective as of 5 September, in relation to the gifts of government property. My understanding is that previously you had to disclose gifts of government property regardless of the value. Under this new direction, effective on 5 September, the limit is now \$10,000 before you have to disclose and it's also referring to fair value. Were any of you aware of this?

MARGARET CRAWFORD: I can say that I wasn't. I've just recently done the annual attestation that we all have to do as agency heads, and as part of that attestation we do have to disclose whether there has been any gifts. In our case there were none, but I was definitely not aware of this change until I heard it earlier.

Ms ABIGAIL BOYD: Yes. I watched it back. I understand that the secretary—sorry, it wasn't the secretary, it was perhaps Ms Meagher or Ms Boyd who was saying that they're informed that this is temporary while the Treasurer has some sort of discussions with agencies about a different amount, possibly lower, which is concerning to me because that means that right now a person could give \$9,000 of government property to someone without having to disclose it. I guess I'll go to you first, Ms Lo, if I could. I know that you've issued directions in relation to gifts being received. Have you got any guidance in relation to gifts of government property, and is this something that would cause you concern?

KATHRINA LO: No. What I reissued recently in a commissioner's direction, the main change there was to apply that guidance as mandatory minimum standards to the government sector more broadly. So previously the direction that was issued listed out government agencies, which meant that every time there were machinery-of-government changes it became out of date.

Ms ABIGAIL BOYD: Perhaps I could ask the ICAC officials, because in the *Report on investigation into pork barrelling in NSW*—which some of us have read very carefully—on page 44 there is a reference to potential ways that we could perhaps boost the Government Sector Finance Act. There is a reference there, in the paragraph just above where it says "Recommendation 2", where it's talking about a Commonwealth provision but saying that that kind of provision in New South Wales:

... would be useful if attempts were made to provide funding in a way that avoided the proposed grants framework.

It strikes me that being able to give a gift of \$9,000 to somebody in the six months prior to an election could have the potential to fall foul of something along those lines. Can I have your view?

JOHN HATZISTERGOS: I'd have to take that on notice. I don't have the detailed information. I don't have the memorandum. I don't know if you've seen it, Philip?

PHILIP REED: Yes, well, I was only made aware of it by listening to the hearing earlier today. I think, like the Auditor-General has said, we would have signed off saying that there had been no gifts on that basis. That's all that I'm aware of at this time.

Ms ABIGAIL BOYD: Ms Crawford, how common is it for a government agency to be gifting property of something like a \$9,000 item?

MARGARET CRAWFORD: I would have to take that on notice. I certainly wouldn't really know without looking back through our audit work.

Ms ABIGAIL BOYD: I've been trying to imagine a circumstance where this might apply. I guess one of the situations might be, for example, TAHE—who we know and love—are moving premises, and you might imagine that in the course of moving premises they have a bunch of furniture or computers or whatever and that they might not want to have to account for every single one of them. What has normally happened in those sorts of circumstances where you've had office moves and things? Do you normally see disclosure of those items on the register?

MARGARET CRAWFORD: I would have to take that on notice. I really don't know the answer.

Ms ABIGAIL BOYD: Sorry, did you want to add, Mr Goodwin?

IAN GOODWIN: No, I don't think I've got anything to add. This determination is only five days old, so we're all—

Ms ABIGAIL BOYD: Two—well, two days from effectiveness.

IAN GOODWIN: So we've all just learnt about it from earlier on today. It wasn't discussed with us. I'm in regular conversations with people from Treasury. I wasn't aware of it and it wasn't communicated by the normal agency information emails that go out to the secretary, as far as I'm aware.

Ms ABIGAIL BOYD: When I asked the secretary and Ms Boyd and Ms Meagher about this, the counterargument coming back is, "Well, yes, but there are other guidelines for how we use government property." But, presumably, disclosure is how we work out whether or not they've complied with that in the first place. Does it concern you that we have this new direction without anyone knowing about it previously?

MARGARET CRAWFORD: I'm not sure that "concern" is the right word. We don't know what the genesis of that is, so I don't think it's fair to comment. As I said though, all agency heads provide an annual attestation that does cover this particular issue. So there is an existing process. Again, I can't comment on this particularly because we were just not aware of it.

Ms ABIGAIL BOYD: Fair enough. At least you find it as curious as I do. If I could move on then to the Electoral Commissioner—that is probably the next place to go. Just in relation to iVote then, I understand that we found out—let's just recap. We found out that a new version was going to come out and replace that existing version of iVote in early 2020. Why was no voting option made available to ensure that blind and low-vision voters would be able to vote in the upcoming elections, given that we've had that 2½ years? Is it resourcing?

JOHN SCHMIDT: Sorry, Ms Boyd, I think this came up last time we had this discussion. It was 2022. It was this year—earlier this year, after the local government election—that I became aware of the new version coming out. So it hasn't been 2½ years. I don't know how that slipped into the transcript or whatever, but I can confirm it was earlier this year.

Ms ABIGAIL BOYD: Okay. That's useful. Have you had any consultation then with blind and vision-impaired people, such as peak organisations like Blind Citizens Australia and Vision Australia, on what we could do to help this situation now?

JOHN SCHMIDT: Yes, indeed. In fact, I think there has been some media—it's in the public domain, to a degree, I'm currently before the Australian Human Rights Commission in a conciliation where Blind Citizens Australia have raised that issue. Obviously with the rules of conciliation, they're in confidence so I can't talk about the outcome of that, but I'm hopeful of coming to at least a mutually agreeable statement as to a way forward. Shortly after I made the determination, I did meet with representatives of a number of groups to further explain the rationale and background to this, and in fact I'll be meeting with others shortly. The mechanism we're putting in place for blind and low-vision voters is telephone voting, which is something which we used in the by-elections earlier this year and the Federal Government used it also in the recent Federal election. I think the Victorians are doing the same, and of course there's a question about the extension of that potentially to COVID-affected people.

But back to blind and low-vision, I've just kicked off, in fact, a review which will take place in the next 12 months of technology-assisted voting in New South Wales. It will look at the whole range of issues that you would expect to have examined: options for who should use it, what technology is available out there, the legislative framework, the policy considerations. I do have to remind people that there are two elements to this. There was an absolute inability of me to offer it this time because of the change of the version of iVote and the physical impossibility of testing and modifying and customising for New South Wales specific legislative requirements—you just don't pick something off the shelf and plug it in—and then getting that to work with my existing systems. There just isn't the runway to do any of that—physically impossible.

But also we've got to remember the Supreme Court decision. The Supreme Court decision after the local government election, with the problems encountered with internet voting there, has changed the landscape

significantly—significantly lowered the bar to what constitutes material irregularity in an election. We're talking about some of those councils whose elections I've just re-run. You're talking 40, 50 votes, so if you have a close State election or particularly when you get to some of the last people elected in the Legislative Council with the distribution of preferences, it is quite possible you can have those numbers involved. In our assessment we did 1,000 modellings of the votes which have been cast in our iVote and different permutations and combinations. Then we did modelling with all the other channels and the different permutations and combinations, and that's how I identified those three councils to take to the Supreme Court.

But the Supreme Court took a much stricter test, which was basically you have to assume that all of the votes would've gone a particular way, and so the risk to the entire election is just so huge that we may have to—there are things you can do legislatively when you think about that, about putting in safeguards about what constitutes material irregularity. The Federal Government did that for telephone voting in the recent Federal election, where they had a provision which essentially said, "If telephone voting fails, that of itself is not a grounds for calling into question the regularity of the election." But there is a whole range of policy issues which will have to be considered, and so there is going to be extensive consultation with the interest groups and other commissions. It'll be public and I'm determined to produce a paper. I don't set the policy. I will raise the questions. I will put this out there, identify the issues and it will be a matter for the Government of the day and the Parliament to determine what it should look like.

Ms ABIGAIL BOYD: So we're not at the point right now where we can guarantee that blind and vision-impaired voters will be able to cast a vote in 2023?

JOHN SCHMIDT: Telephone voting has worked.

Ms ABIGAIL BOYD: But we're definitely going to use telephone voting?

JOHN SCHMIDT: Absolutely. Telephone voting for blind and low-vision people was used earlier in the year at the local and State by-elections. It will be made available again for blind and low-vision for the State general election in March.

Ms ABIGAIL BOYD: Is there additional funding given to you, or any kind of additional funding given to you, to meet those accessibility requirements? I'm trying to get at whether more funding would help make this a more accessible system. Do you need more funding?

JOHN SCHMIDT: To address March, no, we have to work with what we've got and the solution. I'd like to take this opportunity to make a point. Again, this goes to the re-baselining of the commission's budget. We do not adequately engage with interest groups and special needs groups within the community because we're not funded to do so. We are funded around election time. I have one person who is funded on an ongoing basis for all of this work with Aboriginal, cultural and linguistically diverse, people with a disability et cetera. My Victorian colleague, the commissioner there, has 11 full-time staff, in addition 75 part-time democracy ambassadors in the community. There is no parity. I feel this sense of frustration in that it's complete stop and start and that does not pay proper respect to people in the community. That will be one of the things that I'm looking forward to addressing.

I will just slip in a comment about the new funding model, which was touched upon before, which was the efficiency dividends, and it's in keeping with what the Government said in the correspondence. It's a subtle distinction but important to all of us. When we talk about efficiency dividends, the Government has said that these agencies will not be subject to future efficiency dividends, but it didn't address the built-in efficiency dividends which are already in our forward estimates for the next six or so years. In theory, I would have to give up nine additional staff during the course of this year, and next year I'll have to do it again and again, so re-baselining will have to address that. There's a fundamental policy issue about why do those efficiency dividends stay when it's recognised we haven't had adequate funding to start with, but that's a matter I'm sure we'll come to some resolution on.

Ms ABIGAIL BOYD: Ms Crawford, is the audit of the State finances going to be delayed again this year, do we think, or are we having an easier time of it this year?

MARGARET CRAWFORD: Perhaps I'll start there. Certainly we're having a really positive, cooperative and collaborative approach with Treasury this year, and I really appreciate the open communication that we have with Secretary Grimes. On that front, it's much better. Just in terms of the timing, there are always issues with the total State accounts, issues of major accounting decisions, time delays, and so there is the potential for some delay. We set a target date as to when we would like to complete total State accounts, and this year that was towards the end of October. That is at risk, but we would hope that we can complete the accounts within the statutory reporting time, which is the end of November.

Ms ABIGAIL BOYD: Are we on track with the TAHE part of that process? Are there any lingering concerns about TAHE's accounting?

MARGARET CRAWFORD: I might ask my deputy to speak to this as well. We haven't completed the audit of TAHE at this point. TAHE was an agency that was provided with an extension of time for presenting their financial statements to audit, but we are working on that right now. Ian, is there anything further?

IAN GOODWIN: Yes, I think the delay in starting the TAHE audit has a knock-on effect or a concertina effect, if you like, where the start point of the work is delayed, but we were consulted on that and so it goes to the constructive engagement that's been happening between our office and Treasury under Secretary Grimes, which I'd also recognise has been very good. On TAHE, the Auditor-General has sort of said that the target date is at risk. TAHE is probably not the biggest issue right now in terms of other matters that we're working through, but every year we have matters that we need to work through, and I think probably the takeaway is that there's a good dialogue on how we're working through those matters.

In terms of TAHE, there are still some complexities. One of the reasons for TAHE getting the extension was to allow it to work through the valuation work that underpins it, and there were some conversations earlier on this year around the valuation on TAHE. We do have some matters that we are just working through which are probably less so about TAHE but more about how the arrangements between TAHE and the whole-of-government accounts work. I think that they've been touched on in terms of the payment of dividends and the like. They're matters that we'll just continue to work through, but the audit is very much alive and ongoing. There are some limits on where we are in terms of what can be concluded.

Ms ABIGAIL BOYD: Very interesting. Thank you. Ms Lo, we have a Premier's priority for 5.6 per cent of all government sector roles to be held by people with disability. As you are no doubt aware, that number has not improved in the last eight years and we're still at 2.5 per cent. Do you know why that is, what the Government is doing or is failing to do and what could they do better?

KATHRINA LO: I completely agree with you that it's disappointing not to see an upward trend against that priority. That's particularly given the level of commitment which I know exists among secretaries and agency heads and the fact that all clusters have action plans to achieve the Premier's priority diversity targets. It was interesting to note that at the jobs summit last week the Disability Discrimination Commissioner noted that workforce participation for people with disability is 53 per cent compared to 83 per cent for people who don't have disability. So this is a broader societal issue that we are tackling.

I have to say that we are redoubling our efforts. Recently, the Premier's implementation unit in the Department of Premier and Cabinet, in consultation with the Public Service Commission, engaged an external firm to look at what more we could do as a sector. That deep dive or that review did recognise that we do have some good practices in place but that there is more we could focus on, including expediting some work that we're already doing. There are eight recommendations, which will be sponsored by different secretaries. It was discussed by the Secretaries Board at our most recent meeting, so I'm hoping that we will see some traction from that.

There will be a report back to the Secretaries Board in a few months' time and another report back next year. So those recommendations we are working on range from making sure we've got a consistent definition of disability and consider moving to a social model of disability, to introducing workplace adjustment passports across agencies. Some agencies already have that, but the PSC is going to work with the Department of Customer Service to develop a passport that can be applied across the sector. There are others, which I'm happy to go through, if need be.

Ms ABIGAIL BOYD: Thank you. Do we have data on the type of disability that people within the public sector have and how we're going with different types of disability—physical, intellectual, sensory disability? Do we get that sort of data?

KATHRINA LO: I don't know if it goes to that level of detail. I'm happy to take that on notice. You might be aware that our People Matter Employee Survey is currently open, so we're hoping to get some more data from that. You might also be aware that we've had an upward trajectory in people disclosing disability as part of the employee survey, which is anonymous compared to our workforce profile data, which is taken from HR systems. People are more comfortable disclosing in an anonymous forum than they are in an identified forum. We've done some work around that at the PSC, which we've shared with the sector. People have reasons why they are not disclosing in an identified way, but we have done work around how we encourage people to disclose, and that's largely about inclusive and safe cultures.

The Hon. DANIEL MOOKHEY: Auditor-General, you made the point that TAHE isn't the main issue which is giving rise to a risk that the audit will be delayed beyond the statutory timetables. What is?

MARGARET CRAWFORD: As I said, there are some very complex accounting matters that are currently being worked through, and there are some just time delays due to extensions and the like.

The Hon. DANIEL MOOKHEY: But the complex accounting matters that you made reference to, are they TAHE related or not TAHE related?

MARGARET CRAWFORD: Not specifically. But if you wouldn't mind, I will defer to Ian.

The Hon. DANIEL MOOKHEY: Deputy Auditor-General, if they are not TAHE related, what are they related to?

IAN GOODWIN: If you could just indulge me for one moment, there is a degree of specificity I can't go to while we're working it through with Treasury.

The Hon. DANIEL MOOKHEY: Sure.

IAN GOODWIN: Some are matters that we've previously reported on as things that we've asked Treasury to confirm on, and others are new matters that have come up in the course of the audit.

The Hon. DANIEL MOOKHEY: Okay.

IAN GOODWIN: I'm not trying to be evasive. It's just that there's an audit in progress. It's normal for us to have issues and then work those issues through, and the reason for just trying to sort of keep it that way is because the issues may end up being a non-issue.

The Hon. DANIEL MOOKHEY: Okay. You have previously flagged that you were going to be applying extra attention to Sydney Trains and NWS Trains to see whether or not they satisfied the control test. How is that going?

IAN GOODWIN: At the moment, it is very much an area of audit focus.

The Hon. DANIEL MOOKHEY: Is that one of the highly complicated accounting matters?

IAN GOODWIN: No.

The Hon. DANIEL MOOKHEY: That's helpful. Can I just ask in respect to the TAHE matter, were you aware or have you become aware that there has been a substantial revision in the forward access fees and licence fees from the years 2025-26 onwards compared to what you published in last year's audit?

IAN GOODWIN: Yes, we were made aware. The additional amount that was foreshadowed in the heads of agreement in December last year, I believe, was around \$5.2 billion. The amount that was signed in the final agreements on 23 June was \$4.7 billion.

The Hon. DANIEL MOOKHEY: It's materially less than the first years covered by the 2024-25 from what was signed. But I'm talking about what's taking place between 2025-26 onwards in which, using the numbers that you reported in last year's FA, from the decade in the year commencing 2021-22 to 2030-31 the projected asset and licence fees work out to be about \$17.2 billion-ish. According to the figures that we were given yesterday, that has now dropped to 16.6—about 600 million less in that period. Were you aware of that, by any chance?

IAN GOODWIN: We weren't aware until the agreement was signed, but we are now aware of those numbers and aware of how that cash flow projections out. You are accurate, Mr Mookhey, in terms of the out years incur now more than previous—not in totality, but there is a shift in terms of the years' amounts.

The Hon. DANIEL MOOKHEY: But, equally, the annual equity contributions are also ceasing. Given that you made clear that there's a requirement to recover the valuation loss by 2052—which in itself is a pretty generous time period to cover a \$28 billion writedown—I'm struggling to understand how receiving less income supports higher asset valuations.

IAN GOODWIN: One of the matters that we are just working through is the actual asset valuation at the moment, and the asset valuation will be impacted by a range of factors—

The Hon. DANIEL MOOKHEY: Income.

IAN GOODWIN: —including the fact that interest rates have moved, which would drive the asset value down. But the issue in terms of the forward cash flows relates to whether the rate of return is going to meet that test that shareholders set at 2.5 per cent.

The Hon. DANIEL MOOKHEY: Indeed.

IAN GOODWIN: That's very much what we're looking at.

The Hon. DANIEL MOOKHEY: Clearly, the decision not to contribute equity is designed to lower the denominator in that calculation—well, it would have that effect, wouldn't it?

IAN GOODWIN: I think the best way I can answer is these are just matters that we would be considering when we're finalising the audit.

The Hon. DANIEL MOOKHEY: Okay. I look forward to seeing the audit being finalised. But, equally, there is a huge upwards revision in the dividends compared to what was flagged in the report—between your report and the budget. In 2025-26 the dividend goes from 284 to roughly 465 thereabouts. Is that a matter that you are looking into?

IAN GOODWIN: Sorry, can you just—

The Hon. DANIEL MOOKHEY: The dividends in the forward estimate period in each of the years is substantially higher than what was flagged in last year's audit, and especially in the last year of the forward estimates, which is 2025-26.

IAN GOODWIN: Yes.

The Hon. DANIEL MOOKHEY: They have almost doubled.

IAN GOODWIN: The question of dividends is an important question because it goes to—

The Hon. DANIEL MOOKHEY: Return.

IAN GOODWIN: When we're talking with Treasury about the rate of return, the rate of return is going to be measured through dividends or what they call holding gains, which are increments upwards. Now the question on dividends, though, in terms of the GFS manual is whether it's a dividend or a super dividend.

The Hon. DANIEL MOOKHEY: That's the interesting issue.

IAN GOODWIN: That's the distinction between—

The Hon. DANIEL MOOKHEY: It's a capital return.

IAN GOODWIN: —a return on equity versus a return of equity.

The Hon. DANIEL MOOKHEY: And it's a return of capital.

IAN GOODWIN: Yes. So they are the matters that we will continue to work through.

The Hon. DANIEL MOOKHEY: I look forward to reading the outcomes of the report. Can I just ask you for a very specific accounting advice while you're here, because I shouldn't let the opportunity pass. Should TAHE's assets return to the general government sector, the depreciation would be set using the DORC method, correct—the discounted cost of replacement?

IAN GOODWIN: Yes, the DORC method—or the depreciated optimised replacement cost method.

The Hon. DANIEL MOOKHEY: And the basis of that calculation would be the value upon which the assets are disposed of at the time of transfer, correct?

IAN GOODWIN: Perhaps if you—it's a bit hard to give accounting advice on—

The Hon. DANIEL MOOKHEY: So the valuation at the time they're returned to the general government sector would be the basis upon which you apply the DORC calculation, correct? So if they enter the general government sector valued at \$21 billion, that's the starting basis of the calculation to apply in the DORC, correct? Because it's the last known value.

IAN GOODWIN: Yes, so there would be a valuation done at the time, so the valuation at the time of transfer. I would probably stress, and I'm sure you appreciate, we're talking a hypothetical at the moment because I'm not aware of anything—

The Hon. DANIEL MOOKHEY: I'm seeking your advice to the Parliament, really. It's not a hypothetical; I'm asking you a specific question. But, yes, in this scenario.

IAN GOODWIN: Yes, so you would do a fair value at the point of transfer.

The Hon. DANIEL MOOKHEY: Yes, and that would be the starting point for the DORC calculations that would then apply, correct?

IAN GOODWIN: Yes, and then there would be evaluations done every other year that would reset them.

The Hon. DANIEL MOOKHEY: Thank you, that's actually quite helpful. Auditor-General, when is your performance audit of TAHE due to be published?

MARGARET CRAWFORD: Thank you, Mr Mookhey. We're hoping that that will be complete by the end of this year. That would be our intention.

The Hon. DANIEL MOOKHEY: I did see your work program for the year that's coming. What other performance audits are we expecting this year from last year's program?

MARGARET CRAWFORD: There's a quite a long list, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Can we get them updated on notice?

MARGARET CRAWFORD: Yes. I've probably got it somewhere, but I can't just do it off the top of my head.

The Hon. DANIEL MOOKHEY: In respect of your point that you think that the total State accounts—you're aiming for late October, did I hear you correctly?

MARGARET CRAWFORD: The target that we set at the outset was towards the end of October. That's still the target. But we expect, or would hope, to complete before the statutory reporting date, which is the end of November.

The Hon. DANIEL MOOKHEY: We just changed your statutory reporting date, didn't we?

MARGARET CRAWFORD: It doesn't apply to us; it's the statutory reporting date for the agency.

The Hon. DANIEL MOOKHEY: Don't you now have discretion about when you—

MARGARET CRAWFORD: We believe we always did, but—

The Hon. DANIEL MOOKHEY: But we've clarified it in your favour.

MARGARET CRAWFORD: Yes, but it has been clarified, and now we still do it as soon as practicable, I think is the words.

The Hon. DANIEL MOOKHEY: That means November is when you consider it to be—

MARGARET CRAWFORD: That's the deadline for annual reporting by the agency, and they have to, of course, include audited accounts.

The Hon. DANIEL MOOKHEY: Got it, yes. Okay, that makes sense. Therefore, thereafter, from that point onwards you have a reasonable, clear, practicable discretion?

MARGARET CRAWFORD: No, we would—the agency has to report, and their report would have to include audited financial statements.

The Hon. DANIEL MOOKHEY: Has the Treasury provided you with draft accounts?

MARGARET CRAWFORD: We work through—I don't know. Ian, I should ask you. Is it a draft report? Is that what we call it?

The Hon. DANIEL MOOKHEY: We've previously called it that, Auditor-General.

IAN GOODWIN: Yes, exactly, so that would be the process that we would be working through.

The Hon. DANIEL MOOKHEY: Just before we conclude—

The CHAIR: A minute and a half.

The Hon. DANIEL MOOKHEY: I have a minute and a half, which is exciting. In respect of the specific issues to do with the classification, did you have any weigh-in with the ABS in respect of the classification that they apply for the Government statistics finance model?

IAN GOODWIN: Thank you, Mr Mookhey. It's worth clarifying that the reason for going back to the ABS to confirm the classification is because that hadn't been done for a period of time, and the initial classification and the model had evolved. Treasury did work with our office in terms of agreeing on the questions that were going to the ABS and the correspondence going to the ABS. We had that good, constructive dialogue between ourselves and Treasury to make sure that the right questions were being asked, and we were satisfied of that. The classification, though, is really the domain of the Australian Bureau of Statistics; it's not the domain of the auditor. We respect that, and I think it's good practice that the classification is reconfirmed, which has now occurred.

The Hon. DANIEL MOOKHEY: I've got a specific question that is not related to any of the things we've spoken about so far. It relates to the accounting treatment of the NSW Rural Fire Service assets. Are you aware that the New South Wales Government has determined that those assets belong to councils?

MARGARET CRAWFORD: We are, Mr Mookhey. Is there another question? Because I know my deputy is so desperate to talk to you about this.

The Hon. DANIEL MOOKHEY: No, then I'm not going to stop your deputy. Deputy Secretary, what would you like to tell us?

IAN GOODWIN: I think it's probably a good opportunity just to clarify some of the language that's been out there on what the issue is. There are a couple of things. I'd probably first say that the Auditor-General hasn't insisted or determined that the councils have to book it.

The Hon. DANIEL MOOKHEY: It's ultimately your call, isn't it?

IAN GOODWIN: These are what they call red fleet assets. But, obviously, Treasury has made an accounting determination. I can explain the background to that, that these particular assets—and we're talking about a particular set of assets that are vested under the Rural Fires Act to councils—are not part of the State Government, which leaves only one other party to have the accounting control of those assets. The issue here is sort of being conflated with a bit of noise around cost-shifting and what is clearly an accounting question. From the auditor's office perspective, we're simply dealing with the accounting question of who controls, under Australian accounting standards, and then we're just making clear to councils what would be the outcome to their accounts if they book it one way or the other.

There are 68 councils at the moment that are of the view that they don't control the red fleet assets, but there are 41 councils that do book on their accounts—and always have booked on their accounts—these red fleet assets. This is not a new issue, so this issue goes way beyond the current Auditor-General's term. They have never been booked, for a long time, on the State's books because of the way the law vests these to councils. It just became obvious that there was an issue when the Auditor-General took over the mandate to audit the local councils and identified that there was a large portion—in excess of \$100 million—of pretty critical equipment that was not being accounted or booked in any government records. The question was asked: Who does control it?

The other thing is there's noise about cost-shifting. To be clear, there's no cash impact to councils. These are assets that are given free of charge to councils. The assets are purchased under the Rural Fire Fighting Fund, which councils and insurance companies and the State Government contribute to, and then they are vested under law—so legal title passes by vesting to councils, but there's no cash transaction. But that generates an interesting accounting question, because often councils who don't want to book this say that they incur a depreciation charge, and that's an expense. But because it's an asset given free of charge, the accounting consequence is that you book at fair value as revenue upfront in year one.

If one of these trucks hypothetically has cost \$200,000, the council putting it onto its balance sheet would book \$200,000 as revenue and then the depreciation over—say it's 10 years—is \$20,000 per year. In an accounting sense, it's a zero-sum game. Where it does make a point of tension is that, if you're in year seven, you forget about the revenue that you booked in year one. But all it is, the depreciation is booked against the revenue that's already been booked into the accounts, so the accounting consequence is zero; it just has a timing drag. I understand that there have been some conversations with Treasury and the Office of Local Government around how they might look at those performance measures because it's simply just an accounting presentation issue, but there is no cash impact.

The Hon. DANIEL MOOKHEY: Deputy, I respect the thoroughness of your answer—

The CHAIR: Sorry, we're out of time.

The Hon. TAYLOR MARTIN: We've been very generous—

The Hon. DANIEL MOOKHEY: —and your passion for that particular accounting matter. That was the best accounting answer I've ever heard.

The CHAIR: We're at time. Just before I go to the Government, Ms Boyd wanted to clarify something from earlier.

Ms ABIGAIL BOYD: Earlier today I made a comment in the heat of the moment along the lines that Transurban was giving the Liberal Party \$30,000 to attend a dinner. Transurban has written to me this afternoon a little bit concerned about the accuracy of that statement, which I accept. To clarify, they have said that this is not a direct donation. This is a "membership fee" of a business network associated with Federal Liberal Party. Some \$33,000 was paid to the Federal Liberal Party in the last financial year. They go on to say that this

membership includes attendance at speaking engagements, round tables and similar events but presumably not dinners, so to the extent that I said it was in relation to a dinner, that certainly was not correct.

The CHAIR: Thank you, Ms Boyd. Does the Government want to ask any questions?

The Hon. TAYLOR MARTIN: Yes, we have a few questions. Mr Schmidt, what is the process of forfeiting a political donation? Is there a formal process for forfeiting a political donation and what happens to such money?

JOHN SCHMIDT: The money goes to the Crown. We don't retain any of that. We would approach the party or donor and there would be correspondence basically saying that judgement has been formed about the donation and the money should be forfeited. But if you want me to give you a more step-by-step process, I can always take that on notice.

The Hon. TAYLOR MARTIN: On 30 September 2019, Labor leader Chris Minns was reported as committing to forfeit donations attached to the corrupt schemes of Ernest Wong to gain illegal donations totalling \$10,600. Did Mr Minns or the New South Wales Labor Party ever seek your advice on how to forfeit that money?

JOHN SCHMIDT: As I've said many times before this Committee—

The Hon. PENNY SHARPE: You have raised this before.

JOHN SCHMIDT: —I cannot comment on the circumstances of any particular matter which may or may not be before the commission. In fact, it's the commissioner, as in the chair of the commission, who would be addressing those matters. Even he couldn't address them. That is why there is a bill before the Parliament at the moment, which will give more capacity for both myself as commissioner of the Electoral Commission and also the commission to make statements in the public interest.

The Hon. TAYLOR MARTIN: As was just noted, it has been raised before. In response to an earlier supplementary question from the last round of estimates, I'll turn to ICAC because the ICAC said in its response to that supplementary question:

The Commission is aware of evidence, which came to light in the Operation Aero public inquiry, to the effect that in 2015 Ernest Wong may have been involved in procuring from various persons cheques purporting to be political donations from them to Chris Minns but on the basis that those persons would be fully reimbursed by Mr Wong for the amount of their cheque.

In recent history ICAC has uncovered additional matters of concern in the course of an existing inquiry and then later expanded their investigation. They've even held further hearings in such regard. Why did ICAC not investigate this matter further during the conduct of Operation Aero?

The Hon. DANIEL MOOKHEY: Point of order: We have previously sought to ask questions about specific ICAC decisions around investigations in these budget estimates hearings. We've been told repeatedly that the place to do so, even if it's possible, would be in the joint standing committee, not in a budget estimates hearing. I would just seek to clarify, given that that has been the past reasoning of chairs, we've refrained from asking specific, individual matters to do with specific, individual investigations to do with figures associated with the Liberal Party because we've respected that principle. I don't think it's within order and within convention to force the ICAC to have to answer specific questions about specific investigations. It's been my understanding that that has been the position that's been adopted by the ICAC in these proceedings.

The CHAIR: It has. Even if I was to say that the question was in order, I don't believe the ICAC commissioner can answer it in the detail that's required.

JOHN HATZISTERGOS: I'm not in a position to answer it. I think section 111 of the Independent Commission Against Corruption Act precludes us from doing so.

The CHAIR: So it's out of order.

The Hon. DANIEL MOOKHEY: You would be breaking the law if you tried to answer that question.

JOHN HATZISTERGOS: I'm not familiar with the details of it, in any event.

The Hon. PENNY SHARPE: But feel free to use parliamentary privilege to try and smear people again.

The Hon. DANIEL MOOKHEY: We can't force the chief commissioner to have to break the ICAC Act.

The Hon. TAYLOR MARTIN: How can the people of New South Wales have confidence in the integrity—

The Hon. PENNY SHARPE: It's your legislation.

The Hon. TAYLOR MARTIN: —of the campaign that's about to come up after the evidence was given? This has been well ventilated and nothing has—

The Hon. PENNY SHARPE: Point of order: This is completely out of order. You've just ruled.

The CHAIR: It is.

The Hon. PENNY SHARPE: The member is ignoring your ruling. This is actually not legal, this line of questioning, let alone being outside the standing orders.

The CHAIR: Correct. Unless there's a different line of questions—

The Hon. SCOTT FARLOW: We haven't finished with our question.

The CHAIR: No, it's out of order. I've heard enough. I'm happy to rule on it, which I just have. If there is a different line of questioning, you're welcome to pursue it but that line is out of order.

The Hon. TAYLOR MARTIN: I have plenty more to say on that.

The Hon. PENNY SHARPE: Not on that line of questioning because you're not allowed to ask.

The Hon. SCOTT FARLOW: He didn't actually ask the question.

The Hon. DANIEL MOOKHEY: Well, if he wants to ask the question, he can ask the question, and then we'll take the point of order then.

The Hon. TAYLOR MARTIN: I just have.

The Hon. DANIEL MOOKHEY: Do you wish to complete asking the question?

The Hon. TAYLOR MARTIN: I just did.

The Hon. DANIEL MOOKHEY: Well, then, what's Scott going on about?

JOHN HATZISTERGOS: Can I just short-circuit this and this might resolve your issue. If someone is dissatisfied with actions that have been taken by the Independent Commission Against Corruption, there's an avenue of redress that's available to you and that's to go to the inspector.

The CHAIR: Are there any other questions?

The Hon. TAYLOR MARTIN: That will do.

The CHAIR: In which case, thank you all for your attendance.

JOHN HATZISTERGOS: There's one matter that I just wanted to follow up on. Ms Sharpe asked me a question in relation to the response to the pork-barrelling report. Section 111E of the Independent Commission Against Corruption Act requires a response within three months or such further time as the commission allows for a plan of action. The report was released in August, so it's three months from August.

The Hon. PENNY SHARPE: Terrific. Thank you.

KATHRINA LO: Can I also respond to something Ms Boyd asked earlier about disability data.

Ms ABIGAIL BOYD: Yes, please.

KATHRINA LO: The answer is data is not collected through the PMES or the workforce profile data on the type of disability.

The CHAIR: Any other answers?

MARGARET CRAWFORD: I was just saying we'd love to talk more about RFS, if you'd like.

The Hon. DANIEL MOOKHEY: Look, it was the best accounting answer I've ever heard.

IAN GOODWIN: Very happy to give you the accounting clarification.

The Hon. DANIEL MOOKHEY: I'm starting to appreciate your craft.

The CHAIR: Thank you very much for your attendance today and for all of the work that you do. There were some questions taken on notice. The secretariat will be in touch and the answers will be due back to us within 21 days. Thank you again for your time today.

(The witnesses withdrew.)

The Committee proceeded to deliberate.